

Ministry of Finance

BRIEFING DOCUMENT

To: Honourable Michael de Jong, Q.C.
Minister of Finance

Date Requested: Nov 30, 2016

Initiated by: Cheryl Wenezenki-Yolland
Associate Deputy Minister

Date Prepared: Feb XX, 2017

Ministry

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356212

TITLE: Minister's Direction to Manage Source of Funds in British Columbia
Gambling Facilities

PURPOSE:

(X) FOR DECISION

Executive Director approval: _____

ADM approval: _____

Associate DM approval: _____

DATE PREPARED: Jan XX, 2016

TITLE: Minister Direction to BCLC to Manage Source of Funds in British Columbia Gambling Facilities

ISSUE: Despite efforts to address money laundering and proceeds of crime in BC casinos and direction from the Minister of Finance and the Gaming Policy and Enforcement Branch (GPEB) to the BC Lottery Corporation (BCLC) regarding this issue, large amounts of unsourced and suspicious funds continue to be accepted by casinos in BC.

EXECUTIVE SUMMARY:

The Minister of Finance and GPEB have provided high-level direction to+ BCLC to address potential money laundering and proceeds of crime in B.C. casinos. Despite this direction and some positive steps to reduce unsourced cash, evidence indicates that unsourced funds continue to enter B.C. casinos through cash buy-ins and patron casino accounts. This evidence demonstrates an inappropriately high tolerance for risk of money laundering and proceeds of crime in B.C. casinos.

The General Manager recommends that the Minister of Finance issue a directive, requiring BCLC to take specific steps that will reduce the risk tolerance of money laundering and proceeds of crime in B.C. casinos.

BACKGROUND:

In summer 2015, as a part of the Province's Anti-Money Laundering strategy, GPEB reviewed suspicious transaction reports (STRs)¹ provided by BCLC and gambling facility service providers and concluded that approximately \$13 million in \$20 bills were accepted by River Rock Casino Resort (RRCR) in July 2015.

Based on the risks identified in this review as well as information obtained from the Exploring Common Ground workshop² and recommendations from a September 2014 report on AML best-practices³, GPEB engaged MNP in September 2015 to analyze current practices at RRCR with respect to source of funds, source of wealth, handling of cash, use of cash alternatives and overall Customer Due Diligence and identify immediate actions to address any gaps.

MNP's report, finalized in July 2016, was based on field work completed through January 2016 and included a review of data from September 2013 to August 2015. Overall, the report found BCLC and staff at the RRCR were generally meeting reporting requirements under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA). The report also found that BCLC's Customer Due Diligence processes meet Federal regulatory requirements for standard risk patrons. However, MNP found that source of funds and/or source of wealth information is not gathered for high risk, high volume cash players.

¹ Service providers report unusual financial transactions to BCLC who review the information, investigate and determine whether to file an STR with FINTRAC if BCLC has reasonable grounds to suspect that a financial transaction is related to money laundering.

² The Exploring Common Ground workshop was held in June 2015 and brought together representatives from GPEB, BCLC, gambling service providers, RCMP, financial institutions, FINTRAC, CBSA and CRA to discuss AML in BC gambling facilities.

³ GPEB contracted Malysch Associates Consulting to produce a report summarizing best practices of businesses that are required to maintain AML compliance regimes under the PC(ML)TFA (e.g. financial institutions) and provide information to assist GPEB to conduct a gap analysis of their AML policies.

MNP made 30 distinct recommendations that can be categorized into four general themes: risk, training, enhanced due diligence (EDD) and technology and monitoring (see Appendix A for more information). A key recommendation of the report was that GPEB consider implementing a policy requirement that service providers (i.e. gambling facility operators) refuse unsourced cash deposits exceeding an established dollar limit or refuse frequent unsourced cash deposits exceeding an established threshold and time period.

Minister of Finance and GPEB Direction to BCLC

In an October 1, 2015 letter, the Minister of Finance provided the following direction to Bud Smith, BCLC board chair:

Despite the introduction and promotion of non-cash alternatives in gaming facilities through earlier phases of the AML strategy; I am advised that large and suspicious cash transactions remain prevalent. This situation must be addressed. As such, BCLC is directed to take the following actions with respect to AML...Enhance customer due diligence to mitigate the risk of money laundering in British Columbia gaming facilities through the implementation of AML compliance best practices including processes for evaluating the source of wealth and source of funds prior to cash acceptance.

Similarly, the General Manager (GM) of GPEB sent letters dated August 7, 2016, January 15, 2016 and July 14, 2016 to BCLC's CEO emphasizing the need for BCLC to establish the source of funds coming into B.C. gambling facilities prior to accepting those funds.

In BCLC's mandate letter for fiscal 2017/18, the Minister of Finance reiterated the need for BCLC to address unsourced cash in B.C. gambling facilities, requiring the "...implementation of anti-money laundering compliance best practices with appropriate consideration of evaluating the source of wealth and source of funds prior to cash acceptance within a risk based framework".

Additionally, the Ministers of Finance and Public Safety and Solicitor General and the Combined Forces Special Enforcement Unit, BC created the Joint Illegal Gaming Investigations Team (JIGIT) in April 2016. JIGIT has a mandate to address organized crime involvement in illegal gaming and prevent criminals from using B.C. facilities to legalize the proceeds of crime.

DISCUSSION:

BCLC has advised that it made a number of enhancements to its AML program in 2016, including increasing staff resources dedicated to AML, enhanced ongoing monitoring of customers, enhanced information sharing with the RCMP, and implementing additional cash alternatives such as international electronic transfers.

In addition, BCLC advised that it reassessed the risk posed by a number of high stakes table players, conducting source of funds interviews⁴ and issuing a source of funds directive for a number of players. These tools are used with patrons that are considered high risk by BCLC [how do they determine who gets these directives?????]

⁴ Similar to the source of funds directive, BCLC makes a note in the iTrak system requiring service providers to interview a specific patron about the source of the cash the patron has brought into the facility and record the patron's responses in iTrak.

Based on data from section 86 reports⁵, GPEB's Compliance Division has noted a downward trend in the dollar value of suspicious transactions in B.C. gaming facilities. Suspicious cash transactions reached a peak of over \$20 million in July 2015. This amount has since declined to \$3.8 million in December 2016. There has also been a yearly downward trend in suspicious cash transactions from over \$176 million in 2014/15, \$119 million in 2015/16, and \$52 million in 2016/17 year to date (includes quarter three).

Despite the decline of suspicious cash and the increase in cash alternatives, GPEB remains concerned about the source of funds entering B.C. casinos for three reasons:

1. Service providers continue to accept cash in suspicious circumstances;
2. The issue of unsourced funds appears to be migrating from cash to PGF accounts; and
3. Law enforcement continues to have active files related to B.C. gambling facilities.

Suspicious Cash

Despite the reduction in suspicious cash described earlier, the suspicious cash volumes still remain unacceptably high. For example, GPEB received 124 section 86 reports related to suspicious cash transactions totaling \$3.8 million (\$2.3 million in 20 dollar bills) in December 2016. Included in these reports:

- 13 incidents where patrons were delivered large amounts of unsourced cash by a third party (e.g. \$50,000 in 20 dollar bills obtained from trunk of vehicle);
- 5 incidents where patrons bought in with large amounts of unsourced cash (e.g. \$50,000 in \$20 bills) and leaves facility with chips after minimal or no play;
- Patron occupation inconsistent with access to large volumes of cash. For example, teacher and student with \$20,000 in unsourced \$20 bills in plastic bags, bundled with elastic bands; housewife with \$20,000 in unsourced \$20 bills – has 87 previous large cash transactions (LCTs)⁶;
- The service provider refused the transaction on only four occasions: once for failure to produce identification, twice where cash was passed between patrons in a washroom, and once when there was a source or funds directive for the patron. In all other cases, patrons were permitted to buy-in using cash despite the suspicious circumstances.

BCLC uses a risk matrix to risk assess patrons, categorizing some as high-risk patrons (HRP). The most common reason to be classified as an HRP is if a patron has two STRs filed with FINTRAC over a five year period. GPEB's commercial auditors reviewed patrons that were designated as HRPs after April 1, 2016 because of a history of STRs and found that 28 HRPs made cash buy-ins totaling \$8.7 million⁷ through the remainder of 2016, resulting in the filing of 50 STRs. This clearly demonstrates that service providers continue to accept large volumes of

⁵ Service providers are required to send GPEB "section 86" reports in accordance with section 86 of the *Gaming Control Act (GCA)* if they think that any activity or incident involves the commission of an offence under the *Criminal Code of Canada* or the GCA. GPEB investigators review the reports, investigate, refer to law enforcement when appropriate, and keep track of all suspicious cash transactions (SCTs). Service providers send the same information to BCLC as an unusual financial transaction (UFT). BCLC investigates and determines whether to file an STR with FINTRAC. Because BCLC investigators find that some UFTs do not merit the filing of an STR (e.g. the cash used for a buy-in came from a previous casino win or multiple UFTs form a single STR), there are generally 20-25% more SCTs than STRs.

⁶ LCTs – patrons buys in with \$10,000 or more in cash over 24 hour period. LCTs are reported to FINTRAC.

⁷ Note that this may not be all new money. For example, patron may cash out and buy-in the next day with same cash – this is still counted as cash buy-in as it cannot be verified that the same cash is used for the buy-in.

unsourced cash despite a patron's designation as "high-risk" and despite the fact they had reasonable ground to suspect the transactions were related to money laundering.

In April 2016, GPEB's audit team completed a review (period Jan 1, 2015 – Dec 31, 2015) to quantify the dollar amount of cash buy-ins that gambling facilities acknowledge was obtained from or connected to individuals provincially banned for cash facilitation. The review found that eight provincially banned individuals used 25 patrons to facilitate \$6.7 million (46 incidents) that led to buy-ins at the cash cage (79% of this cash was accepted at RRRCR). The report demonstrated that cash was accepted at the facility, even though the surveillance staff knew the funds came from a provincially banned cash facilitator. BCLC subsequently issue source of funds directives⁸ for a number of these patrons; however, cash was only refused once BCLC issued the directive.

BCLC requires service providers to complete source of funds interviews for selected HRPs. Included in these interviews is the question, "*What is the source of funds for this CASH buy in?*" Although responses filled in by the service provider include "his own money", "his money from his account", and "from home savings", patrons are still permitted to buy-in using the cash. Despite the inadequate responses, the service provider still allowed the patron to use the cash. This indicates that the service provider did not consider whether or not the response was valid. In addition, it is unclear whether these responses lead to an escalation of action by BCLC.

PGF Accounts

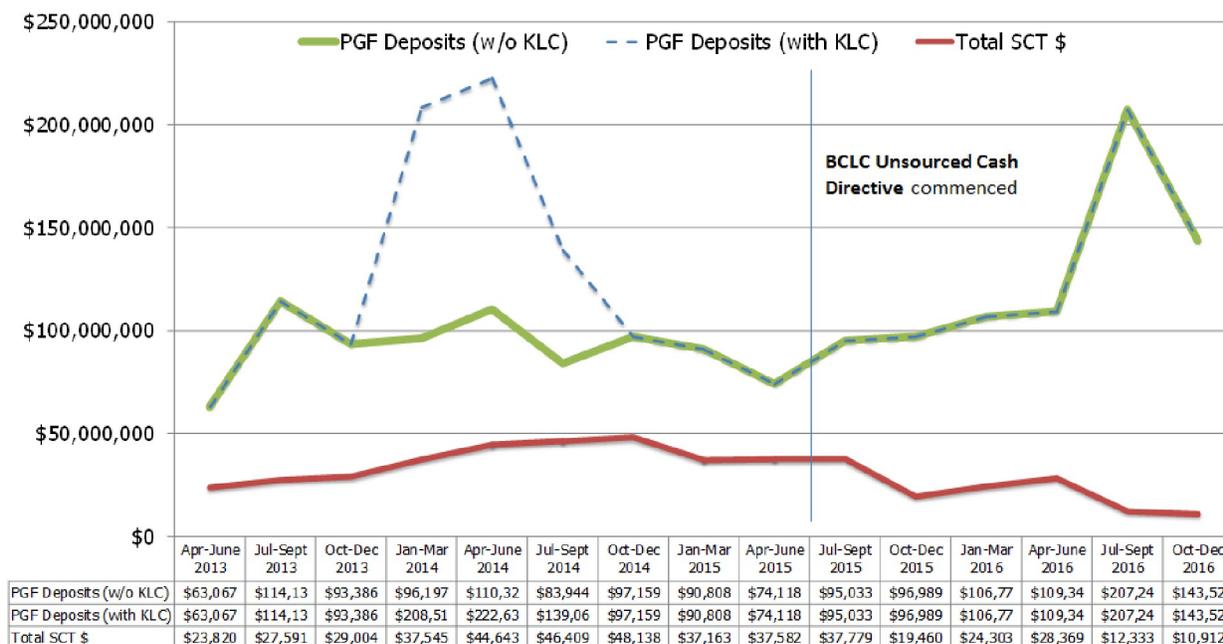
As the amount of suspicious cash entering B.C. casinos has declined, the amount of money entering through Patron Gaming Fund (PGF) accounts⁹ has increased. The following chart shows the trends in both suspicious cash transactions and PGF account deposits.¹⁰

⁸ A source of funds directive is a note in BCLC's iTrak system advising service providers that a specific patron is not permitted to use cash unless they present proof of a source of the cash (i.e. receipt from ATM or bank).

⁹ PGF accounts allow patrons to deposit funds into an account with a specific casino. Cash deposits only permitted if from verified win at the same casino. Minimum account opening is \$10,000. Patrons must complete source of funds declaration for account opening and casino staff must conduct source of funds interview for subsequent deposits. Customer due diligence (e.g. occupation or employment info) required for all accounts.

¹⁰ Note that KLC was a single patron responsible for significant PGF account activity from Oct 2013 to Oct 2014.

Quarterly SCT vs. PGF Deposits 2012/2013 to 2016/2017 (YTD)



GPEB's investigators have expressed concern that as SCTs are declining, proceeds of crime are increasingly moving through PGF accounts.

A number of players that have been issued a source of funds directive by BCLC, banning them from using unsourced cash, have used PGF accounts extensively. A GPEB audit review of PGF account deposits for the period of January 1 to July 31, 2016 found that of the 14 patrons that deposited the most money into their PGF account, eight had previously been issued a source of funds directive by BCLC, banning them from using unsourced cash. It should be noted that of the 387 active PGF accounts during this period, the top 10 account holders were responsible for 47% of the \$301 million in deposits. This indicates that patrons banned from bringing unsourced cash into casinos are responsible for a significant amount of PGF account activity.

Despite these patrons extensive history of bringing unsourced cash into casinos and their designation as HRP, STRs are rarely filed with respect to their PGF activity.

Two aspects of PGF accounts are particularly concerning:

1. The prevalence of bank drafts where the source of funds is unknown being deposited into PGF accounts, generally without STRs being filed;
2. The lack of customer due diligence (CDD) with respect to PGF account holders. For example, service providers are opening up PGF accounts, which require an initial deposit of \$10,000, for patrons whose occupation would not support this level of gambling activity (e.g. student, housewife).

The following examples illustrate both of these concerns:

Example 1 - A student from China was given a PGF account and permitted to make 16 deposits using bank drafts totaling more than \$7 million over a two month period. One bank draft was for

\$1.1 million. This patron was associated with banned patrons and a well-known loan shark and is accused of defrauding a lawyer's trust account and putting the funds into her PGF account. No STRs were filed with respect to this account, indicating that the CDD process for this patron was clearly inadequate.

Example 2 – a patron who provided his occupation as mortgage broker (licence suspended due to a fraud investigation) opened a PGF account in June 2016 with a \$300,000 bank draft that led to a STR being filed. The patron deposited over \$22 million in his PGF account in 2016, including a \$950,000 bank draft, with no further STRs being filed.

One PGF account policy also lacks clarity. BCLC's policy for re-depositing chips into a PGF account is very clear (i.e. must not exceed the amount withdrawn adjusted for wins / losses and only after continuous play); however, the policy around re-depositing cash is not. This led to a patron re-depositing \$700,000 in cash that BCLC indicated was sourced to cash payouts related to wins. These wins took place over a period of seven months, making it impossible to prove that the cash was actually from those wins. It makes little sense to have rules for chip re-deposit that are more stringent than rules for cash re-deposit.

Law Enforcement

Law enforcement has been very clear that large quantities of cash (e.g. \$10,000) in small denominations (e.g. \$20 bills) wrapped in elastic bands is most likely the proceeds of crime. Using large volumes of cash for legitimate business purposes is unlikely because it is slow, expensive and highly risky when compared with electronic methods. If the cash is from a legitimate business or transaction, it should be easily sourced by a receipt or withdrawal slip.

Law enforcement has also been clear that the large quantities of cash as described above entering B.C. casinos is evidence that proceeds of crime are being used for gambling and, as a result, contributing to government revenue.

GPEB has been advised by various law enforcement agencies that they have active investigations related to BC casinos:

- JIGIT is working with GPEB and BCLC investigators on an in-casino operation that has already lead to the seizure of funds as possible proceeds of crime;
- RCMP are currently investigating patrons with active PGF accounts;
- Federal Serious and Organized Crime (FSOC) has an active investigation in B.C. casinos ("E-Pirate") with potential charges expected in Spring 2017.

BCLC Response

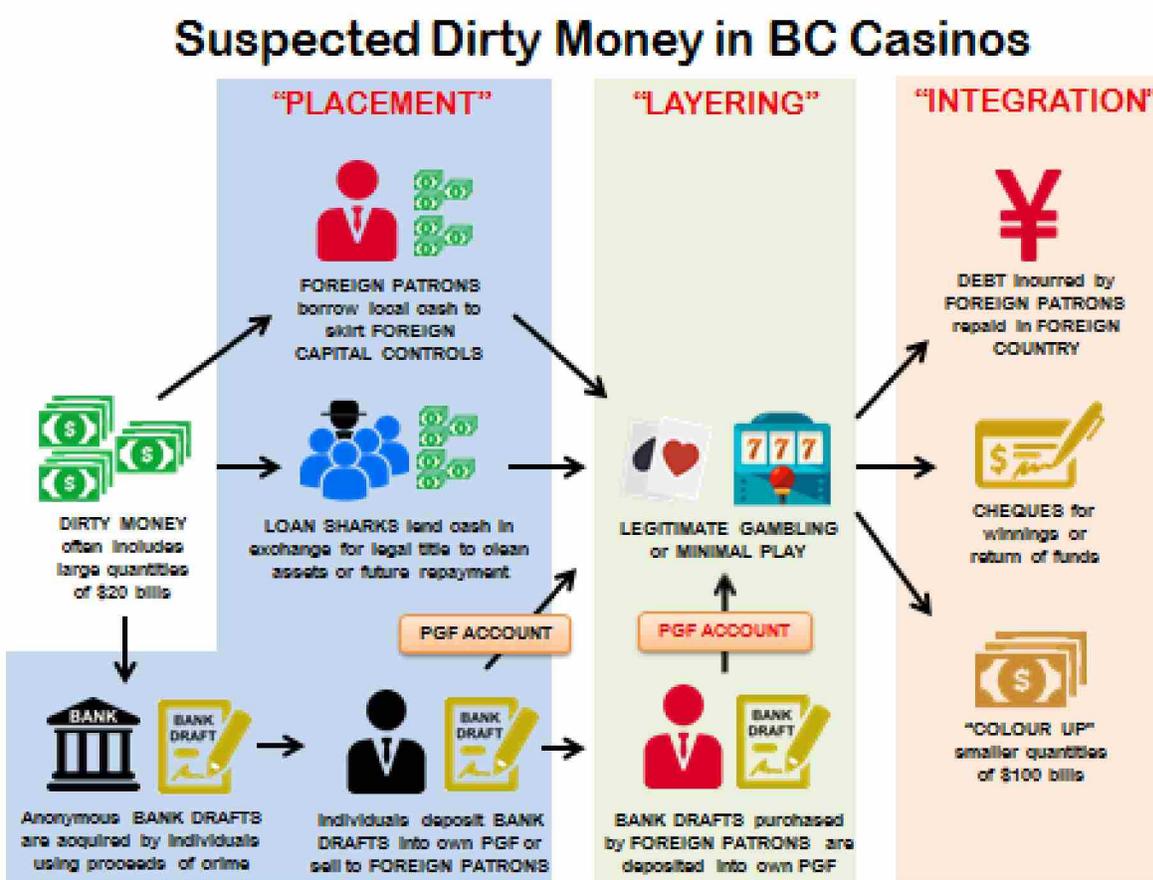
GPEB has had numerous conversations with BCLC over concerns that the proceeds of crime continue to be accepted in B.C. casinos.

GPEB has also made efforts to work with BCLC to implement MNP's recommendations, including the recommendation for government to direct BCLC to require source of funds and refuse unsourced cash over specific thresholds. BCLC's general response to MNP's recommendations is that they are meeting their reporting obligations under the PCMLTFA and their training for BCLC staff and service providers is sufficient. BCLC has expressed particular concern with a potential directive requiring the refusal of unsourced cash exceeding certain thresholds, citing a potential conflict with the PCMLTFA and FINTRAC Guidelines which may result in service providers seeking compensation from government for financial impacts.

Solicitor-Client Privilege

General Manager's Recommendation

Under the Gaming Control Act (GCA), the GM "must advise the minister on broad policy, standards and regulatory issues". Although significant steps have been made to combat money laundering, the GM continues to be concerned with the large amounts of unsourced funds that continue to enter B.C. casinos. This presents a significant risk that money laundering activity and the proceeds of crime are contributing to government revenue. The following image illustrates how proceeds of crime continue to move through B.C. casinos.



Although BCLC has been directed to implement AML compliance best practices by GPEB and the Minister of Finance, including identifying the source of funds prior to accepting cash, BCLC has not stopped the flow of unsourced cash into BC casinos and has not taken adequate steps to ensure that proceeds of crime are not entering B.C. casinos through PGF account deposits. It is evident that BCLC's tolerance for risk with respect to the proceeds of crime and money laundering is inappropriate for a Crown corporation.

General Manager Recommendation

The GM is recommending that the Minister of Finance instruct BCLC to take immediate action regarding unsourced cash and PGF accounts. The Minister of Finance has authority under section 6(1) the GCA to issue written directives to BCLC on matters of general policy and BCLC must comply with these directives. Although the GM is also able to issue directives to BCLC under section 28 of the GCA with respect to the integrity of gaming, there are potential legal arguments that could be raised by BCLC if they did not want to comply.

Solicitor-Client Privilege

Solicitor-Client Privilege

OPTIONS:

Option 1: The Minister issue a directive that includes all of the following direction to BCLC. However, any of the options below (1A through 1F) may be chosen as a stand-alone directive. Note that all options build upon BCLC's existing AML risk framework.

- 1A: Require BCLC to complete source of funds interview for *all transactions* when LCTR must be filed with FINTRAC (i.e. \$10,000 or higher).** BCLC investigators to review of interview responses. If source of funds cannot be verified by investigators, BCLC must issue source of funds directive for patron (i.e. patron may not buy-in with unsourced cash).

Implications:

- Will negatively impact revenue for service providers and the province. However, scope of impact is unknown.
- Will ensure that the province is taking decisive action with respect to potential money laundering and proceeds of crime.
- Threshold is consistent with FINTRAC reporting requirements.

- 1B: Require BCLC to verify source of funds for all deposits of new money (does not include re-deposits) into PGF accounts exceeding \$10,000,** ensuring that funds are coming from account with regulated financial institution held by patron. For example, no unsourced bank drafts to be accepted.

Implications:

- Will negatively impact revenue for service providers and the province. However, scope of impact is unknown.
- Will ensure that the province is taking decisive action with respect to potential money laundering and proceeds of crime.
- Threshold is consistent with FINTRAC reporting requirements.

- 1C: Require BCLC to clarify that rule related to re-depositing into PGF accounts is the same for chips and cash** (i.e. only verified wins and only after continuous play).

Implications:

- Will close potential loophole for bringing unsourced cash into a casino by ensuring that the only cash deposits that are accepted into PGF accounts are verified wins after period of continuous play.

- 1D: Require BCLC investigators to work with GPEB investigators, sharing all information on patron investigations with respect to suspicious cash transactions, source of funds.....**

Implications:

- Will ensure that GPEB investigators have a thorough understanding of BCLC's AML program and actions taken to make sure BCLC's tolerance for risk is acceptable.

- 1E: Ban all patrons that have links to organized crime.....**

Implications:

- Will negatively impact revenue for service providers and the province. However, scope of impact is unknown.
- Will ensure that the province is taking decisive action to protect the safety of B.C. gambling facility patrons and staff.

- 1F: Require auditing of all active PGF accounts by tier 1 audit firm to:**

- Review all PGF deposits to ensure appropriate source of funds information has been obtained; and
- Review patron information to ensure that appropriate CDD has been conducted for all account holders and that level of play is consistent with occupation / employment and source of wealth is consistent with level of play.

Implications:

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Option 2: Status Quo – Do not direct BCLC to take any additional action, allow law enforcement to continue its work in B.C gambling facilities and provide direction in response to law enforcement investigations.

Implications:

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RECOMMENDEATION: ??

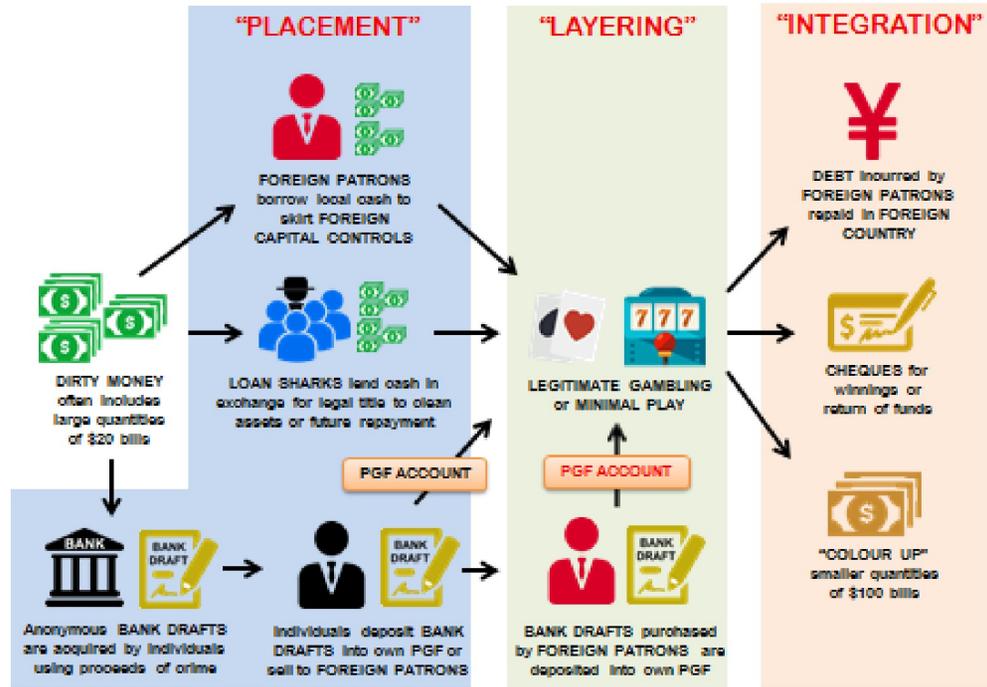
APPROVED / NOT APPROVED

Michael de Jong, Q.C.
Minister of Finance

Date

Attachment: Draft Minister's Directive

Suspected Dirty Money in BC Casinos



Executive Director approval: _____

ADM approval: _____

Associate DM approval: _____

APPENDIX A: DETAILED TABLE OF RECOMMENDATIONS

MNP's report included 30 distinct recommendations that can be categorized into four general themes:

1. **Risk** - GPEB should consider implementing a policy requirement that Service Providers refuse unsourced cash exceeding an established dollar limit or refuse frequent unsourced cash exceeding an established threshold and time period. GPEB should also work with BCLC to support cash-alternatives for Service Providers and should work with BCLC to jointly evaluate the resourcing and functioning of existing investigative units.
2. **Training** - BCLC training for service providers would benefit from enhancements to remind staff of the indicators of suspicious transactions and reporting requirements.
3. **Enhanced Due Diligence (EDD)** - BCLC should review EDD processes to ensure the data and information collected provide a clear picture of the risks and profile of the patron for risk assessment and mitigation.
4. **Technology and Monitoring** - BCLC should appropriately resource the SAS implementation project to improve the quality of the data used for ongoing risk assessment and compliance monitoring and reporting.

The following table includes all of MNP's recommendations, broken down by the areas identified above and the organization that would be responsible for implementation.

Responsible organization	Section	Recommendation
Risk		
GPEB	4.2 5.69	Should consider implementing a policy requirement that Service Providers refuse unsourced cash deposits exceeding an established dollar threshold or to refuse frequent unsourced cash deposits exceeding an established threshold and time period until the source of the cash can be determined and validated.
	5.6	Define its accepted level of risk for unsourced cash and then develop clear roles and responsibilities for: GPEB – Regulator, Enforcement BCLC – Manage gaming and reporting entity Service Provider – Risk identification
	5.35 5.52	At the direction of the Minister responsible for gaming, consider issuing a directive pertaining to the rejection of funds where the source of cash

Executive Director approval: _____

ADM approval: _____

Associate DM approval: _____

	5.74	cannot be determined or verified at specific thresholds. Source of funds can only be verified by obtaining documentation for the withdrawal of cash from a financial institution or entity covered under the PCMLTFA. A directive from GPEB may also support BCLC in creating a policy which would mandate the Service Provider to decline a transaction when mandatory occupation data is no provided by the patron.
	4.3 5.67 5.68	The review of proposed cash alternative solutions, including credit, and the impact of these solutions should remain a priority for both GPEB and BCLC. Cash alternatives allow Service Providers to receive funds, strengthening the overall compliance regime with minimal impact on revenue generation.
BCLC	5.56	Depending on GPEB / Minister's risk tolerance for large unsourced cash transactions, revise policies regarding tolerance of high risk play and consequences of unacceptable high risk activity
	4.8	Consider whether its risk assessment process adequately reflects current thinking around money laundering and terrorist financing risk. The risks associated to specific facilities should be evaluated, rather than simply drawing geographic boundaries for risk.
	5.48 5.49	Rather than base a facilities risk assessment by region, risk assessments should include factors specific to the facility. Consider if the risk register reflects the current environment as it is not as granular as other jurisdictions reviewed by MNP.
	5.70	Consider developing new cash alternative programs and products that include: the ability of non-Canadian players to fund PGF accounts and repay credit if subject to cash restrictions in their home country (i.e. China), and allocating how defaults on repayment will be determined (i.e. between BCLC and service provider.
Training		
BCLC	4.5	If GPEB implements a policy regarding the refusal of large or frequent unsourced cash deposits,

		BCLC's procedures to address the policy should include refresher training to Service Providers pertaining to BCLC's reporting requirements of attempted transactions to ensure reports are appropriately identified.
	4.11 5.47	Facility staff should be regularly trained on the completion of the forms used for reporting, including UFT reporting.
	4.12	Anti-money laundering training programs should be evaluated for up-to-date content and effectiveness.
	4.12 5.55	Training should be provided in the primary language of the candidate, particularly for its high risk exposed employees (those working in high-limit rooms).
	4.14	The KYP framework at RRCR is a task-driven compliance activity rather than a risk management activity. Provide further guidance as the manager and responsible entity for AML regulatory obligations to enhance and enforce appropriate KYP measures.
	5.54	Additional training for employees in the VIP area focused specifically on suspicious indicators and required actions to improve independent thinking.
Enhanced Due Diligence (EDD)		
BCLC	4.7	Enhance the CDD processes from both a risk management and revenue generation perspective with modifications and additional resources to meet EDD expectations for high risk patrons.
	4.9 5.83	Review its EDD process to ensure the data collected and information gleaned provides a clear picture of the risks and profile of the patron for risk assessment and mitigation.
	5.15	EDD measures could be more qualitative, and a formal response to specified risk ratings could be created.
	5.16	Outsourcing the EDD process for higher risk patrons should be considered to clear the current backlog.
Technology and Monitoring		
BCLC	4.10 5.24 5.28	Prioritize and appropriately resource the ongoing SAS implementation project (schedule for roll out in fall of 2016) to improve the quality of the data used for ongoing risk assessment and compliance

	5.29	monitoring and reporting.
	4.11	Ensure that reporting forms used by the facilities are up to date and include valuable information fields for mandatory completion for unsourced or high volume cash transactions such as source of funds, source of wealth and purpose and intended nature of relationship information.
	4.13	MNP identified instances where non-cash transactions processed to RRRCR's PGFs were over-reported to FINTRAC, and instances where mandatory fields in LCTRs were left blank. Both issues are contrary to the PCMLTFA and require remediation and disclosure to FINTRAC.
	5.27	Due diligence on large volumes of slot Cash Disbursement Reports (CDR) should be monitored for suspicious activity.
	5.36 5.32	Review all of the FINTRAC reporting (LCTR/CDR) for non-cash for all facilities which offer PGF accounts should be done immediately to stop unnecessary and incorrect reports.
	5.44	Create a template for Unusual Financial Transaction (UFT) reports for service providers to use to ensure that all required information is included and to create consistency in the quality of submissions between facilities.
Service Providers	5.4	VIP Hosts have the most significant interaction and knowledge of the VIPs and ability to flag instances of receipt and use of unsourced cash for suspicious transaction reporting. Consideration should be given to cross functional reporting lines to the Director, Table Games for a consistent approach to compliance across all table game points of access susceptible to the acceptance of unsourced cash.
	5.46	Floor staff should have more active involvement in the UFT reporting process. UFT reporting is currently carried out by surveillance staff who only have limited info based on video surveillance.
Other recommendations		
GPEB	5.19	Establish a dedicated, cooperative inter-agency AML investigations unit comprised of GPEB and BCLC investigators to delineate the roles between operational and AML investigations and regulatory compliance investigations.

BCLC	5.1	Operating levels for BCLC Investigators may need to be reviewed as the current staffing levels assigned to RRCR do not appear to be sufficient
All	4.4	Jointly evaluate the resourcing and functioning of existing investigative units. Effective multi-agency units would promote the sharing of information and resources.