

River Rock UFT/STR Review

Project Overview

As a result of inconsistencies found in November 2015 of River Rock UFT reporting, a review was undertaken by BCLC to examine the period from Sept 1, 2014 to October 31, 2015 to determine the extent of the problem. A request was made to River Rock staff and they subsequently supplied hard copies of the RR daily drop sheets for this period which consisted of sheets from the Salon Prive, Phoenix Room and main cash cages.

These sheets were reviewed month by month examining every cash buy-in and documenting the disposition of the funds. This included buy-ins which had been reported by UFT file creation, PGF use, buy-ins from previous wins and debit card withdraws. All daily drop sheets have been catalogued by month and contain notes that reference the results of each entry review.

All cash buy-ins found that were not reported as unusual by RR surveillance (with the creation of a UFT) have since been documented and a BCLC file has been created for each entry. All known data for each incident has been summarized and an STR has been created and filed to Fintrac within the 30-day reporting requirement from the time this information became known which is compliant with the PCMLTFA. Where a patron was found to have more than one incident within a single month, those reports have been filed under one STR for that patron.

A random sampling 2-month review was also completed for other Lower Mainland Casinos using the same method of review that was used for River Rock drop sheets. There were 2 months sampled (October/November) for these sites and there were no similar issues found and the AML unit is confident this issue is restricted to the River Rock casino

Results of Review

The following monthly reviews cover the number of single incidents found per month and the number of STR reports filed to Fintrac for that period:

Month	Incidents	STR's Filed
September 2014	11	9
October 2014	14	13
November 2014	16	12
December 2014	11	11
January 2015	10	10
February 2015	7	7
March 2015	14	14
April 2015	28	19
May 2015	25	18

June 2015	31	28
July 2015	54	37
August 2015	44	33
September 2015	44	36
October 2015	27	19

Summary of Results

Total number of incidents found for this review period: 336

Total number of STR's filed to Fintrac for this review period: 266

Total number of incidents of 50K or under: **227 (68%)**

Total number of incidents over 50K: **109 (32%)**

Summary of over \$50K buy ins

Total number of missed single buy-ins \$50K to \$99K: **45**

Total number of missed single buy-ins \$100K to \$200K: **51**

Total number of missed single buy-ins 200K and over: **13**

FINDINGS

Overall results indicate that approx. 32 % of these missed files are over \$50K and 68% were under \$50K. The analysis confirms that in the over \$50K category these are almost exclusively in higher denominations, such as \$50 bills and \$100 bills. There was also a smaller number of buy in's which included extremely large amounts of cash in mixed or smaller bills. (\$5, \$10, \$20, \$50) The number of these files found is relatively small in comparison to the number of similar fact files that were actually reported by site staff.

There are numerous instances of multiple buy-ins conducted by one person in a 24 hour period all under \$50K which totalled to significant amounts in one day none of which were reported as unusual .

The analysis also confirmed a number of instances of individual buy in's under 50K in small bills that WERE reported at the time by RR staff. Further analysis of these incidents has not been conducted to date to determine what caused them to be reported in the first instance.

SUMMARY

The majority of the transactions reviewed certainly appear to confirm that RRCR was acting under a threshold reporting criteria and based on the analysis the following assumptions are made

- a. Under \$50K buy in's were generally not reportable as suspicious
- b. In general RRCR deemed that only \$20 bills are suspicious
- c. There appears to be a number of high-value patrons that the site became comfortable with and simply overlooked some of their suspicious large cash buy-ins irrelevant of denomination.

Since the remedial training sessions and prioritization of reviewing all files the AML unit have yet to find a single incident in the daily drop sheets that has not been properly reported. The daily reviews will continue in the short term future to ensure this issue is resolved completely moving forward and remedial training sessions for the other large sites will be scheduled to ensure consistency in Fintrac reporting.

Cost Analysis

Review start date- December 19th, 2015

Review finish date- February 11th, 2016

Total hours for review (inclusive of RR staff training) - (As of February 11, 2016)

Total Hours: 784.75 Hours **(\$33,354)**

Additional expenses (eg: additional Travel, Mileage, O/T, Hotel for RRCR Training) **(\$788.58)**

TOTAL EXPENSES incurred (as of Feb 11th 2016) \$34,142

Completed by AML Unit
Feb 12, 2016