

21 April 2017

**Attention: Pat Ennis**  
**Executive Director, Corporate Security and Compliance**  
**Great Canadian Gaming**

**RE: Large Cash Transaction Reporting at River Rock Casino Resort (RRCR)**

Dear Pat,

I write in follow up todays meeting and in response to your letter dated April 4, 2017.

In that letter you confirmed that at the RRCR between March 12, 2017 and March 27, 2017 there were twenty-nine (29) Large Cash Transactions (LCT's) not identified based on the FINTRAC 24 hour static period requirement. There were also two (2) single transactions in excess of \$10,000 where a LCT was not generated or submitted, and six (6) of the thirty-one (31) transactions in total, were filed late to FINTRAC

GCGC have stated the non-compliance with BCLC Policy is a result of RRCR staff's inconsistent interpretation of the BCLC Casino and Community Gaming Centre Standards, Policies and Procedures Section 3-8.1 - Cage – Large Cash Transaction, Foreign Exchange and Disbursement Reporting.

While you have articulated in your letter that there was some confusion among staff regarding the application of the 24 hour rule this would not account for the two >\$10,000 transactions that were missed completely, which if not identified as part of this review would constitute non-compliance with the Proceeds of Crime, Money Laundering and Terrorist Financing Act.(PCMLTFA).

The mandatory gaming worker AML training provided by BCLC includes 24 hour reporting requirements. RRCR staff including surveillance, table and cage staff also received additional face-to-face classroom AML training in December 2015, because of a previous issue of non-compliance with the PCMLTFA.

In this most recent example RRCR management, when initially notified by BCLC of a potential issue, stated that live table tracking sheets were not removed from the gaming floor at 7:00 am. It was only upon further prompting by BCLC and the interviewing of table managers by RRCR Management that this issue was in fact confirmed. As you stated in your letter no other GCGC site was non-compliant with this issue. This would indicate this is an issue specific to non-compliance at the RRCR. GCGC and more specifically the RRCR have had multiple significant compliance concerns identified since October 2015.

- Oct-Nov, 2015 - 2 x Privacy Breaches related to unauthorised disclosure of personal information. These resulted in notifications to the BC Privacy Commissioner.
- October 31, 2015 - Non-Compliance with PCMLTFA whereas 266 STR's at RRCR were retroactively filed to FINTRAC.
- February 10, 2016 - Sexual Assault of gaming workers in the RRCR High limit room involving an intoxicated player who continued gaming after the incidents. This incident resulted in a criminal investigation undertaken by Law Enforcement.



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- June 1, 2016 - RRCR management overriding direction from surveillance and permitting a \$97K cash transaction from an individual on sourced cash conditions in direct contravention of BCLC direction. The funds were confirmed as coming from the trunk of an individual's vehicle.
- July 14, 2016 - FINTRAC Findings letter. *"80% of staff interviewed at River Rock Casino Resort demonstrated limited knowledge of money laundering or terrorist financing, nor were they aware of Suspicious Transaction indicators relevant to the Casinos sector."*
- January 28, 2017 – Non-Compliance with BC Control & Liquor Licensing Act and BCLC Policy. An individual brought his own liquor into the high limit room, was allowed to overtly direct play after conducting a third party buy in through another unnamed individual. No iTRAK incident was created by RRCR until prompting by BCLC.



The above listed incidents are some examples of recent non-compliance at RRCR. These are not only violations of BCLC Policy and Direction, but in some instances, violations to both Federal and Provincial Legislation. The apparent lack of attention to compliance at RRCR exposes the industry to reputational damage and BCLC to administrative penalties.

I thank you and Raj for your attendance at the meeting today and to hear you both state that GCGC are taking these matters seriously and are committed to overcoming what BCLC believe has become a trend of serious non-compliance at RRCR, not experienced at other facilities.

You have indicated today that the GCGC Compliance Department will be hiring an additional FTE to assist the Compliance Manager to prevent this and other issues from re-occurring. BCLC are supportive of this, however would like detailed the specific tasks the individual will be performing on a daily basis, and what their accountabilities will be. BCLC feel this role should also include a reporting mechanism to BCLC Compliance to occur on a weekly basis until such time as BCLC have a level of comfort that compliance matters at the RRCR are given the level of due diligence they require.

Ross Alderson  
 Director, Anti-Money Laundering (AML) & Investigations, BCLC

Cc: Brad Desmarais, Vice President, Casino & Community Gaming, BCLC  
 Rob Kroeker, Vice President, Corporate Security & Compliance, BCLC  
 Raj Mutti, Vice President, Operations West, Great Canadian Gaming Corporation  
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