

Meilleur, Len EMNG:EX

From: Meilleur, Len EMNG:EX
Sent: Tuesday, June 4, 2013 1:54 PM
To: McCrea, Bill J EMNG:EX
Cc: Lefler, Stephen C EMNG:EX; Merchant, Ron J EMNG:EX
Subject: PERSONAL NOTES OF LEN MEILLEUR - NOT FOR RELEASE
Attachments: Doc1 (5).docx

Bill:

I will be presenting/speaking from these notes next week. As meeting coordinator could you add me to the Agenda.

Thanks

Len

Registration and Certification Division
 AML Strategy Discussion – June 11, 2013

As Registrar for Gaming Policy and Enforcement Branch I believe it is imperative that I provide comment on any proposed Phase 3 strategy, if that consideration results in using this office to combat AML via Report of Findings specific to service providers.

1. Current terms and condition of registration for service providers do not provide any authority to address LCT/SCT activities unless:
 - There is a standard operating procedure put in place by the GM or BCLC as per Section 34(f) or
 - A public interest standard under 27(2) of the Act.
2. There is no provision in the legislation meaning terms and conditions that are specific to service providers who allow the entry and use of cash ending up in voluminous LCT's or SCT's reporting.
3. In the registration process, integrity is measured upon application and post application. To suggest there is a contravention of the Act or Regulation when a legitimate business allows the entry and use of currency obtained from loan sharks or otherwise (in the context of this discussion) is inappropriate. Any belief that they should or could be sanctioned under Section 68(a) of the Act is incorrect, however, this could be considered if the content under Section 1 is implemented. Currently those measures are not. A discussion to determine if we should is relevant and timely.

There is a clear understanding that the volume of LCT/SCT is increasing. This is frustrating for those in an enforcement compliance role. What exactly is the root cause? A course of action may be to invoke SOP's or Public Interest Standards which direct a service provider to do certain things to combat the use of risky money; however that *must* occur before this office will act.

Solicitor-client privilege

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RCD understands there is potential risk, media and otherwise, if there is no immediate reduction in the volume and/or an understanding of the source of the funds. We support a measured approach which would include: the identification of the source of funds, who the users of these funds are, and what laws are being violated.

There appears to be two specific service providers' locations where most of these transactions occur. Our focus might target those locations in the short-term.

Our division is interested in understanding who holds responsibility for:

- Enforcing any new intervention/intelligence measure which involves interaction with the customer;
- Who collects the data and how is it shared in the Branch;
- What are the time lines and expectations of each division, particularly RCD;
- % of LCT's and % of SCT's.

- Is there data that exists to support that the cash in questions is the source of money laundering, sourced from loan sharks that violate the elements of the Criminal Code?

Len Meilleur

June 4, 2013