

# Provincial Anti-Money Laundering (AML) Strategy (Part II)

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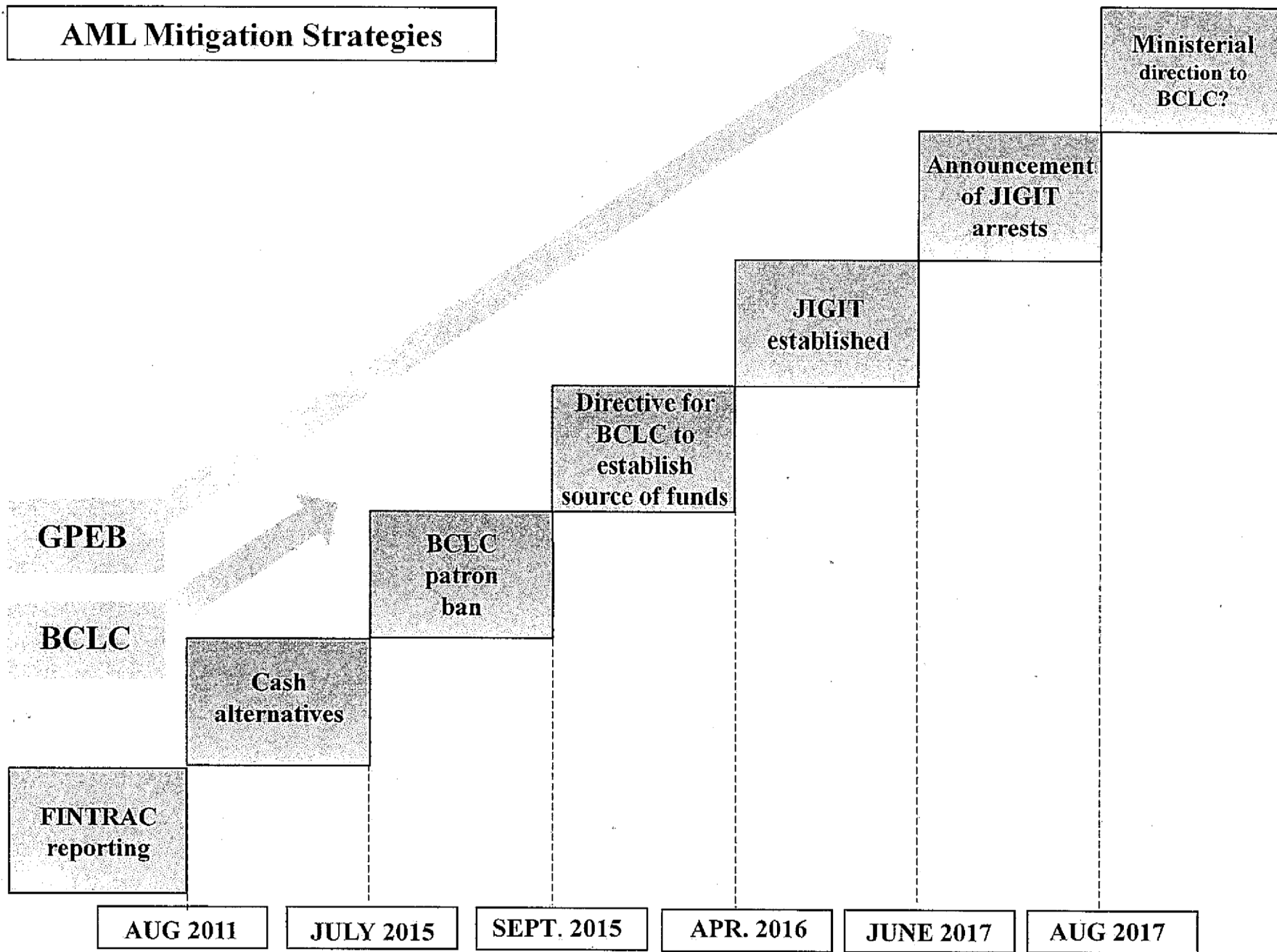
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August 2017

# GPEB's AML Challenges

1. Relationship with BCLC – need for a collaborative and responsive partner to address risk presented by money laundering
2. Lack of clarity regarding roles and responsibilities:
  1. BCLC (conduct and manage)
  2. GPEB (regulator)
  3. Police (criminal investigations)
3. BCLC and GPEB not aligned on scope of what needs to be done to mitigate risk of money laundering in casinos (e.g. reporting to FINTRAC not enough)

# AML Mitigation Strategies



GPEB

BCLC

FINTRAC reporting

AUG 2011

JULY 2015

SEPT. 2015

APR. 2016

JUNE 2017

AUG 2017

Cash alternatives

BCLC patron ban

Directive for BCLC to establish source of funds

JIGIT established

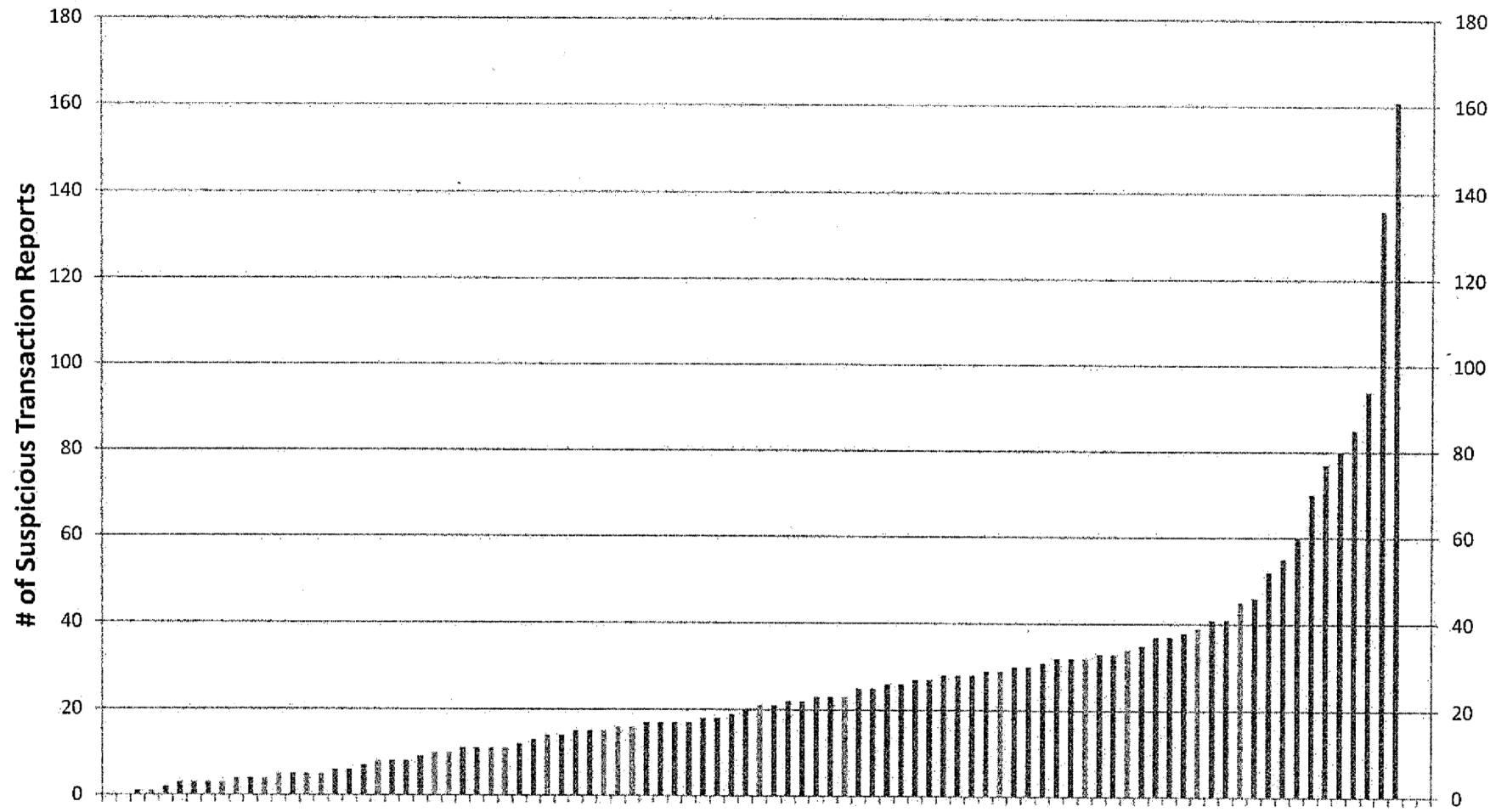
Announcement of JIGIT arrests

Ministerial direction to BCLC?

## GPEB's AML Challenges cont'd

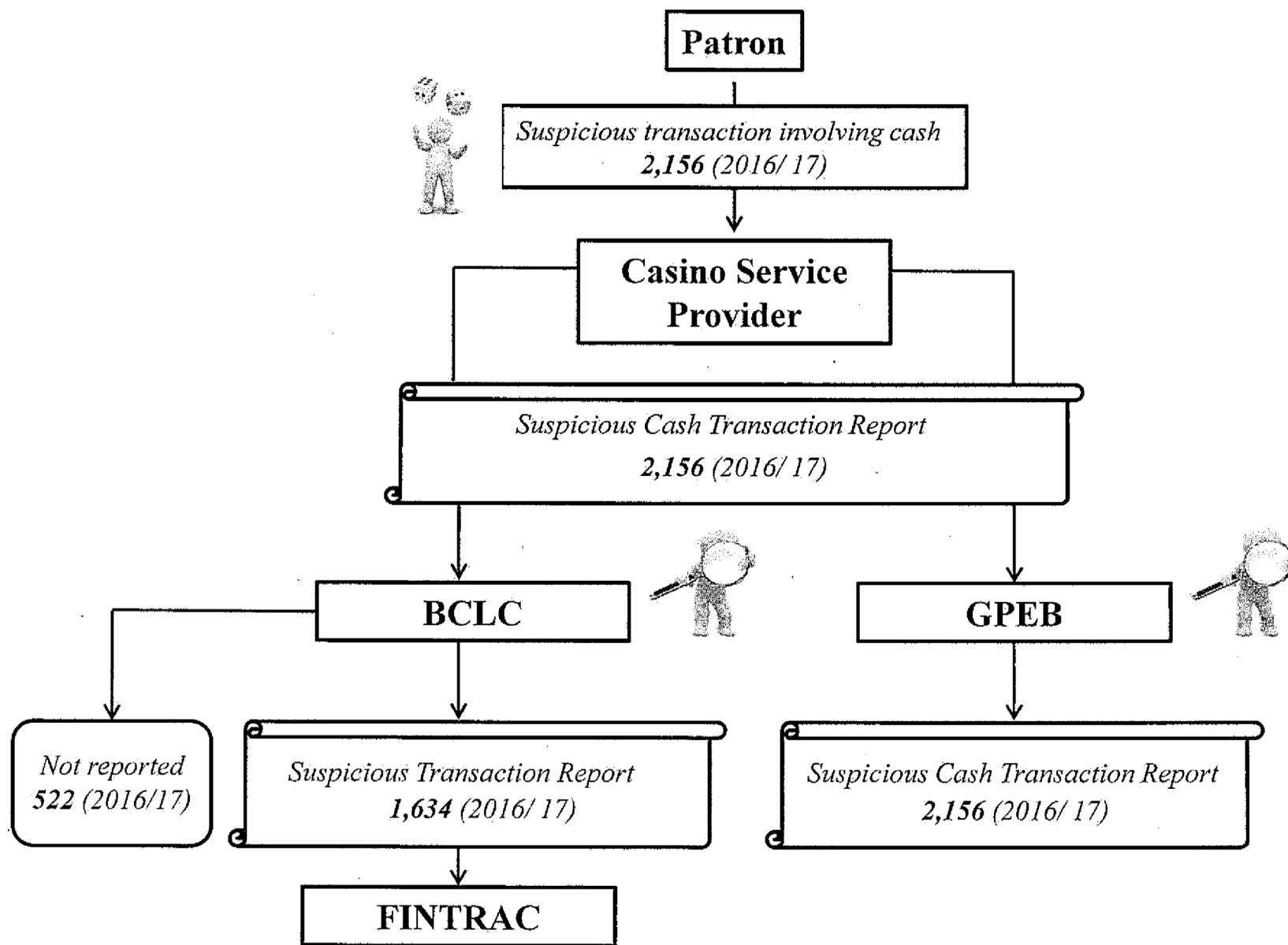
4. Denial of money laundering problem in BC casinos by BCLC
5. BCLC reluctance to move forward with the speed necessary to mitigate risks (e.g. source of funds, Transaction Assessment Team (TAT))
6. BCLC not providing information early and often which is key to money laundering risk mitigation (e.g. high-risk patrons moving from cash to Patron Gaming Fund (PGF))

### Top 90 Active High Risk Patrons With Highest # of Suspicious Transaction Reports sent to FINTRAC through August 4, 2017

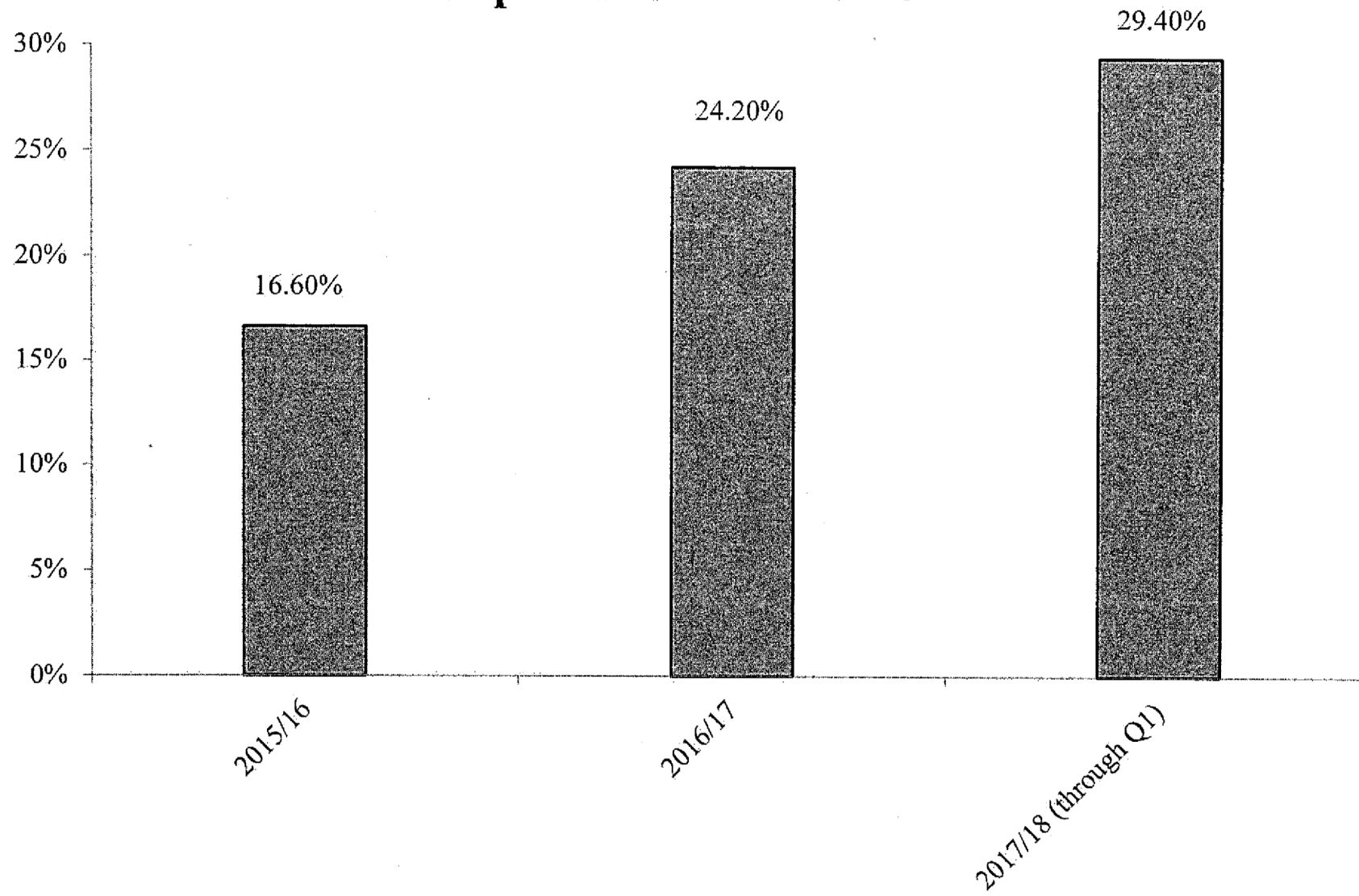


Each bar represents an individual patron

RED = BCLC issued to directive to patron barring used of unsourced cash.  
BLUE = Directive not issued.



## Percentage of suspicious cash transactions not reported to FINTRAC



## Action for Consideration

# Solicitor Client Privilege



## Other Possible Actions

1. Direction to clarify roles and responsibilities of GPEB and BCLC
2. Amend GCA s. 97 offence provisions so that they apply to BCLC
3. Implement more rigorous Know Your Customer (KYC) / Source of Funds (SOF) standards
4. GPEB audit of casino service provider training
5. Implementation of Transaction Assessment Team (TAT)

