

**BCLC  
BRIEFING NOTE**

**PREPARED FOR:** Minister David Eby

**PURPOSE:** For information

**ISSUE:**

Status update on the Joint Illegal Gaming Investigations Team

**SUMMARY:**

The Joint Illegal Gaming Investigation Team (JIGIT) was established in July 2016. The annual budget for JIGIT is \$4.3M with 70% provided by BCLC and 30% provided by the RCMP.

In addition to providing funding to JIGIT, BCLC supports the team by providing subject matter expertise on all aspects of gambling operations as well as cooperating with JIGIT the development of intelligence on money laundering threats to casinos.

**BACKGROUND:**

The Joint Illegal Gaming Investigation Team (JIGIT) was established in July 2016. It is a team within the Combined Forces Special Enforcement Unit (CFSEU). CFSEU is an integrated police unit made up of police officers from different police departments from across BC and is managed by the Royal Canadian Mounted Police (RCMP). CFSEU has a mandate to focus on gangs and other organized crime.

JIGIT was established in response to information developed by police and other sources, including formal complaints and information from BCLC, that high limit illegal gambling facilities had been set up in the lower mainland and that legal casinos may be targeted for money laundering purposes. The mandate of JIGIT is to address illegal gambling operations in the province and to protect BC's legal casinos from criminal activity.

In addition to providing funding to JIGIT, BCLC supports the team by providing subject matter expertise on all aspects of gambling operations as well as cooperating with JIGIT the development of intelligence on money laundering threats to casinos.

The Gaming Policy and Enforcement Branch (GPEB), the provincial gaming regulator, has provided five regulatory investigators to assist the team. GPEB provides funding for these positions.

At the oversight level, BCLC has no input into nor is it consulted on JIGIT outcomes and receives no reports on how the funding it provides is spent.

**DISCUSSION:**

In October 2016, BCLC referred to JIGIT an incident of cheat at play at the Kelowna casino. The incident was investigated by JIGIT and resulted in criminal charges against a dealer from the casino and a customer acting in collusion. This matter is currently before the courts.

On June 13, 2017, JIGIT held a press conference where it announced that in the course of an investigation that had been ongoing for a year 9 arrests had been made, cash and proceeds and instruments of crime had been seized, and a number of illegal gambling operations had been searched. JIGIT advised that one or more organized crime groups were responsible for these offences and that these groups had been responsible for drug trafficking, loan sharking, kidnappings, extortion, money laundering at legal and illegal casinos and had connections to China.

JIGIT advised that the investigation is ongoing and no charges have been laid to date but that it is working the Prosecution Service.

BCLC has an information sharing agreement with the RCMP which was modified when JIGIT was formed to ensure that team was included under the agreement. Under the provincial *Gaming Control Act*, BCLC is granted the authority to ban any individual from entering a casino.

Through its information sharing agreement with the RCMP, BCLC receives the names of and proactively bans individuals identified by the police as being involved in or associated to gangs and other organized crime groups. To date more than 270 such individuals have been banned through these cooperative efforts.

BCLC first learned from JIGIT and GPEB through the June 2017 JIGIT press conference that its anti-money laundering (AML) program may have been undermined by international organized crime figures and that 9 or more individuals engaging in criminal activity related to gambling were frequenting BC casinos.

In response to the information from the press conference, BCLC: immediately requested of JIGIT and GPEB the names of the individuals involved so that BCLC could ban them from its properties; commenced a review of its AML program in an effort to identify any gaps; asked JIGIT for information on how BCLC's AML Program had been undermined by the organized crime groups; and, notified the federal agency responsible for Canada's AML regime (FinTRAC) of the reported money laundering.

Upon receiving a response from JIGIT or GPEB, BCLC will take the steps necessary to close any gaps in its AML Program and ban from its casinos any individual identified by JIGIT.

**Prepared by:**  
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PERSONAL INFORMATION