
From: Mulcahy, William FIN:EX
Sent: Friday, August 7, 2015 11:54 AM
To: Giesbrecht, Al FIN:EX; Dickson, Derek FIN:EX
Subject: RE: Sanctions on high limit players
Attachments: 92291 CGH richmond.pdf

Please see attached.
Share with Len when he gets back.


Bill Mulcahy



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From: Giesbrecht, Al FIN:EX
Sent: Friday, August 7, 2015 11:13 AM
To: Mulcahy, William FIN:EX
Subject: RE: Sanctions on high limit players

Was he able to provide any useful info for your file
Al

J.A. (Al) Giesbrecht CPA- CGA
Special Provincial Constable
Director, Operations Support
Compliance Division
Gaming Policy and Enforcement Branch
Ph: 

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From: Mulcahy, William FIN:EX
Sent: Friday, August 7, 2015 11:10 AM
To: Meilleur, Len FIN:EX; Giesbrecht, Al FIN:EX
Cc: Chamberlain, Robert D FIN:EX; Halpenny, Barry FIN:EX; Werner, Peter H FIN:EX
Subject: FW: Sanctions on high limit players

FYI
I received this from Ross Alderson today

Bill Mulcahy

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From: Ross Alderson [mailto: [REDACTED]]
Sent: Friday, August 7, 2015 9:52 AM
To: Mulcahy, William FIN:EX
Subject: FW: Sanctions on high limit players

Bill, as mentioned this was what I sent out on Wed this week to all service providers

Ross Alderson CAMS

Director, AML & Operational Analysis
Corporate Security and Compliance Division, BCLC
2940 Virtual Way, Vancouver, BC, V5M 0A6

From: Ross Alderson
Sent: Wednesday, August 05, 2015 9:57 AM
To: Glen Atchison; [REDACTED] Craig Longley;
[REDACTED] 'Rob Kroeker'; [REDACTED] 'Patrick Ennis';
[REDACTED] Great Canadian Casino-Security
Director [REDACTED] Devin McCormack
[REDACTED]
Cc: Bruno Gatto; Kevin Sweeney; Brad Desmarais; Daryl Tottenham
Subject: Sanctions on high limit players

Good morning,

This morning certain conditions were imposed on a list of 10 Casino Patrons which I have attached to this email. Their iTrak profiles will be shortly updated.

All players on the list are no longer permitted to buy-in at any BC Casino with any "un-sourced" cash or gaming chips until further notice.

BCLC has attempted to contact all 10 players to arrange an interview with each patron to inform them of the conditions and discuss certain recent activity which has resulted in these conditions. Unfortunately at this time due to sensitivity I am not at liberty to discuss that activity further.

Below are the following conditions to be imposed effective IMMEDIATELY:

1/ Un-sourced Cash and Chips

- If any of the players on the list decides to buy-in using cash (any amount), this buy-in must be accompanied by a withdrawal slip from an accredited financial institution showing the same date as the attempted buy-in.
- If any of the players on the list decides to buy-in with gaming chips, the site must be able to show that the chips were the result of a previous verified win, otherwise they will not be accepted at this time until BCLC has conducted a player interview.
- No player on this list can accept any cash or chips (either sourced or un-sourced) from any other persons at any time. Eg no "chip passing" of any kind

Please note the above applies to all transactions, regardless of amount

2/ Bank Drafts

- If any of the players on the list make a deposit into their PGF Account using a bank draft, the following restrictions apply:
 - Bank Draft must be from an accredited financial institution
 - The player must be able to show that the Bank Draft is derived from their own bank account, and must be made payable to the Casino accepting the deposit

Any deviation from the above conditions, may result in immediate additional measures, including sanctions such as possible suspension or outright prohibition of the players gaming privileges.

As we value our business partnership with all our players, it is critical that all Service Partners assist in ensuring these conditions are followed without exception. BCLC will continue to reach out to all players today in the hope of alleviating the need for any future sanctions.

As always we appreciate the assistance of our business partners.

If there are any comments or questions please feel free to contact me at your earliest convenience and I will attempt to answer as much as I am able.

Thank you for your cooperation

Regards

Ross Alderson CAMS

Director, AML & Operational Analysis
Corporate Security and Compliance Division, BCLC
2940 Virtual Way, Vancouver, BC, V5M 0A6

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Interview of PLAYER XXXX,

August 6, 2015

This date, at approximately 1300 hrs, PLAYER XXXX, attended BCLC Vancouver Office to be interviewed by an investigator. The interview was in response to an email sent by ALDERSON regarding certain VIP players and the buy in restrictions that have been placed on them

At 1315 hrs, the interview commenced.

Basic pleasantries were exchanged, and PLAYER XXXX was thanked for his agreeing to meet with us. PLAYER XXXX wanted to make it know to us that he had to take a flight from the USA in order to meet with us. Basic demographic information was also confirmed such as occupation [REDACTED] and address.

PLAYER XXXX stated that due to the nature of the information he would be sharing with us, he was worried for his safety and wanted to confirm that this conversation would be kept confidential and not be shared with anyone outside of BCLC. PLAYER XXXX was assured that it would not be disseminated to anyone outside of BCLC.

PLAYER XXXX was informed that the reason for the interview was to discuss recent activity at the River Rock Casino including multiple cash deliveries. PLAYER XXXX was informed that we are worried for his safety when he receives deliveries of large amounts of cash. Stressed was that PLAYER XXXX places himself at risk of harm/robbery by dealing with these individuals or dealing in business this way.

PLAYER XXXX stated that he is aware of the risk and has was almost the victim of a previous robbery (later reported to be at No. 3, which appears to make reference to the River Rock Casino). PLAYER XXXX stated that people have watched him leave the casino with large amounts of money, and may have followed him with the intent to rob him. PLAYER XXXX stated that he had returned to his car, only to find that the tire was flat. PLAYER XXXX entered the vehicle and saw shadows coming his way, which in turn, prompted PLAYER XXXX to drive away on the flat tire to flee.

PLAYER XXXX was informed of the Large Cash Transaction (LCT) regulations as well as the fact that they are reported to the Canadian Federal Government. PLAYER XXXX is aware of this and has no concerns.

PLAYER XXXX was informed that Canada Revenue Agency (CRA) and Law Enforcement have access to this type of information. PLAYER XXXX stated that all of his income is legitimate, he has filed his taxes on time every year, and that he has no concerns about this.

PLAYER XXXX was informed that if the cash he uses to conduct buy ins is believed to be the proceed of crime, that restrictions may be imposed on his ability to buy in. PLAYER XXXX stated once again, that all of his income is legitimate and that there are no concerns.

PLAYER XXXX was questioned as to why he elects to have cash delivered to him. PLAYER XXXX stated that he feels safer when the cash is delivered to him as opposed to arriving on site with the cash. PLAYER XXXX went on to state that he never brings in cash.

PLAYER XXXX was questioned as to who is bringing the cash to him. PLAYER XXXX stated that they were loan sharks that he is receiving the cash from. PLAYER XXXX stated that he did not know who they were, he just has two phone numbers that he uses on a regular basis. PLAYER XXXX took out his phone and showed us the phone numbers as follows:

1. [REDACTED]
2. [REDACTED]

PLAYER XXXX stated that both of these phone numbers are for loan sharks that he uses on a frequent basis.

PLAYER XXXX was questioned as to how the arrangements are made to have cash delivered. PLAYER XXXX stated that he calls the phone number and he will be given instructions on where to stand to pick up the delivery. PLAYER XXXX mentioned that the loan sharks arrange for a driver to drop it off, and the drivers vary from delivery to delivery. The vehicles used for the deliveries also vary and PLAYER XXXX could not remember any license plates.

PLAYER XXXX was questioned as to how he pays the money back to the loan sharks. PLAYER XXXX stated that in Canada, he usually writes checks, made out to an individual. PLAYER XXXX could not remember any of the individuals that he has written checks out to in the past. This is due to the large amount of checks that he writes for his many different companies. PLAYER XXXX stated that he has not written any checks out to loan sharks this year.

PLAYER XXXX stated that in China, he sometimes repays loan sharks in cash. PLAYER XXXX also mentioned that loan sharks have set up bank accounts for him to use in China, and when PLAYER XXXX needs to repay, a wire transfer is made out to the bank account. PLAYER XXXX could not remember any of the account numbers as there are multiple accounts that they use. The reason for the multiple accounts, according to PLAYER XXXX, is that the Chinese government traces these loan sharks' accounts, and thus, must be changed on a regular basis. PLAYER XXXX also mentioned that he does not use this method often.

PLAYER XXXX stated that the usual delivery amount would be between \$200,000-300,000, often involving cash, however, some deliveries may be in chips. PLAYER XXXX stated that if cash was involved, they would be \$20 bills.

PLAYER XXXX then stated that he currently owed approximately \$1 million to the loan sharks from this year.

PLAYER XXXX was then questioned on the interest rate, and explained the rates as follows:

- if the debt is repaid within 15 days --> 5%
- if the debt is repaid after 15 days --> 10% (this is the maximum rate that loan sharks use)

PLAYER XXXX was asked if he feels that these cash deliveries are suspicious or if he feels that the money being delivered may be from proceeds of crime. PLAYER XXXX stated that he does not ask questions, as he feels that it could cause more trouble from the people that he is receiving the funds from. PLAYER XXXX stated that the delivery people usually mention that the cash comes from banks.

PLAYER XXXX was questioned on the use of PGF accounts. PLAYER XXXX stated that he does know about them, and has used them in the past, however, he does not like them due to the slow service from casinos, and the cumbersome process to receive his chips.

PLAYER XXXX stated that he currently has chips at his house, however, he is unsure of how many. This is due to the fact that PLAYER XXXX may be forced to attend to a business matter while at the casino, and will simply pick up his chips and leave, not paying any attention to the amount that he has.

PLAYER XXXX was informed of the current buy in restrictions placed on him yesterday (August 5, 2015). PLAYER XXXX stated that if the casino does not want him to gamble, then that is OK, he has no problem. It is noted that we had to clarify that BCLC was the one placing the restrictions on him, and not River Rock.

PLAYER XXXX was then questioned about his attendance or knowledge of any illegal casinos operating in Richmond or the lower mainland. PLAYER XXXX admitted to attending one of the casinos, however, it was done so unwillingly. PLAYER XXXX stated that he was picked up by the loan sharks and driven to the location where the illegal casino was taking place.

PLAYER XXXX stated that the location is [REDACTED]
[REDACTED] PLAYER XXXX mentioned that they do not use cash, rather, they prefer chips and only play

Baccarat. The chips being used are not value chips from a casino, rather, they are their own house chips. Books are kept about the debts that are owed, and money is paid outside of the casino.

PLAYER XXXX was then asked if there is anything that BCLC/Casinos can do to assist him in not using cash. PLAYER XXXX stated that there is nothing really, as BCLC and the casinos are looking at different things. PLAYER XXXX did not elaborate on this. PLAYER XXXX reiterated that he did not like the casino's slow service.

PLAYER XXXX did state that we should look at the currency exchange businesses (particularly in Richmond) as they may not be operating with legal permits, especially the newer ones. PLAYER XXXX believes that these may be tied to the loan sharks/underground cash markets.

PLAYER XXXX was once again informed that he is putting himself at risk by using cash that may be proceeds of crime. PLAYER XXXX was informed that his residency status, citizenship status (if not a Canadian citizen), and ability to travel to/from Canada may be affected if he is found to be using proceeds of crime. PLAYER XXXX was also informed of the same if he is found inside of an illegal gaming house, as it is a criminal offence.

PLAYER XXXX was informed that we would contact him with the decision on whether or not the sanctions imposed on him would be lifted. PLAYER XXXX stated that he did not want another phone call as it could create more trouble for him if the loan sharks found out he was speaking with BCLC.

Before leaving, PLAYER XXXX provided a company phone number to call with the decision. PLAYER XXXX stated that we could speak English to the person on the other end and they would relay the information to PLAYER XXXX.

PLAYER XXXX was thanked for his time and escorted back out of the room and off-site.

At 1420 hrs, the interview was completed.

Briefing notes of the interview were given to ALDERSON.