

**ADVICE TO MINISTER  
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ISSUES NOTE**

**Ministry: Energy and Mines**

**Date: Feb. 23, 2012**

**Minister Responsible: Hon. Rich Coleman**

## **Anti-money-laundering Strategy Update**

### **SUGGESTED RESPONSE:**

- **Money laundering is an issue worldwide for organizations that deal with large amounts of cash.**
- **In B.C., the Gaming Policy and Enforcement Branch and the B.C. Lottery Corporation remain vigilant about money laundering activity in gaming facilities and, in cooperation with the RCMP and local police, continue to deter and report such activity.**
- **To ensure we're doing everything we can to prevent these activities, the Province commissioned an independent review of anti-money-laundering measures in B.C. casinos in spring 2011.**
- **The findings were publicly released last August, revealing that the Province already has a robust anti-money-laundering regime in place.**
- **The review contained recommendations to further strengthen our anti-money-laundering efforts; GPEB and BCLC are working together to address these recommendations.**
- **The primary strategy focuses on moving the gaming industry away from cash transactions, by exploring alternatives such as electronic funds transfers. Work on this strategy will be ongoing through 2012/13, as it involves a significant culture shift in the industry.**

### **BACKGROUND:**

In spring 2011, the Province commissioned a review to examine current anti-money-laundering practices in B.C. gaming facilities. The review found that there already is a robust anti-money-laundering regime in place, and made recommendations on how to further improve this regime.

Based on these recommendations, GPEB is working closely with BCLC, the RCMP and FINTRAC to develop an enhanced anti-money-laundering strategy. Work to date includes:

- **Conducting interviews with other jurisdictions to identify innovative anti-money-laundering strategies and best practices.**
- **Developing initiatives to move the gaming industry away from being a cash-based business. Examples of such initiatives include:**
  - **Emphasizing the convenience of, and providing incentives for, establishing Patron Gaming Fund Accounts;**
  - **Expanding buy-in options (e.g., using debit cards) to provide alternatives to cash buy-ins;**
  - **Revising policies and procedures for issuing casino cheques.**

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***Current anti-money-laundering measures in B.C. casinos***

- BCLC reviews all large cash transactions daily. Gaming staff receive mandatory anti-money-laundering training and must take a refresher course every two years.
- B.C. gambling facilities only issue cheques for verified wins, which means that players are unable to convert cash – other than winnings – into cheques.
- Players are not allowed to exchange small denomination bills for larger bills and cannot pass chips on the casino floor.
- When players cash out, they receive cash in the same denominations originally used to purchase casino chips.
- Casino chips cannot be redeemed at any facility other than where they were initially purchased.
- BCLC's Patron Gaming Fund Account program enables players to transfer funds from a Canadian banking institution. The patron can draw from these funds to play, which means less cash coming in, and leaving, casinos.