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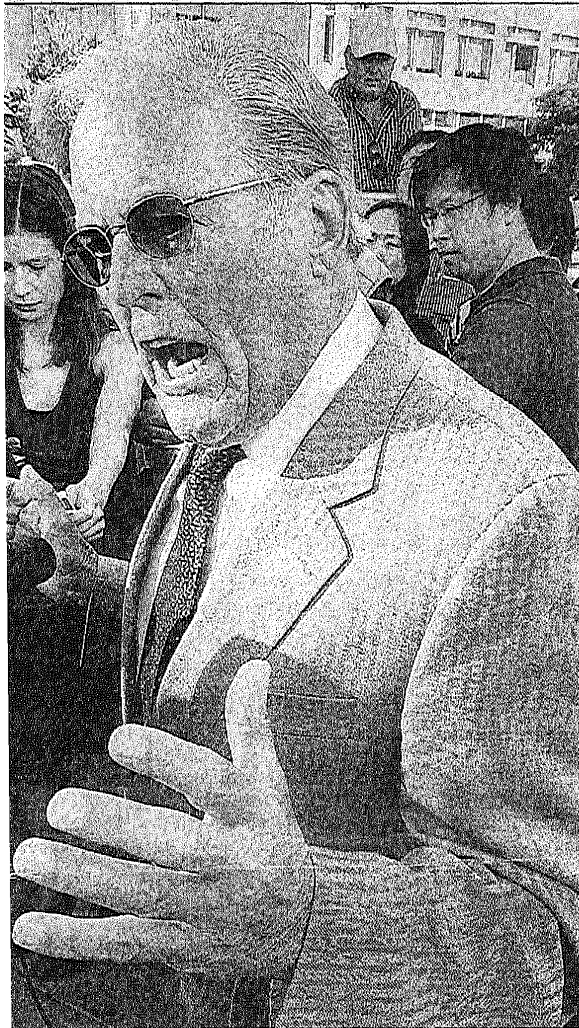
# VANCOUVER SUN

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THURSDAY, AUGUST 12, 2010 | FINAL EDITION

PLANS HIS NEXT BATTLE



STEVE BOSCH/PNG

reacts angrily Wednesday after Elections BC ruled his petition... was successful but would not be acted on until courts had dealt with... a process that could take years. » Story A2, Vaughn Palmer A3

## We can't fight casino money laundering: RCMP report

Staff shortages mean suspicious transactions aren't investigated

BY CHAD SKELTON  
VANCOUVER SUN

Money laundering by organized crime groups is rampant at Canadian casinos but police are essentially doing nothing to combat it, according to an internal RCMP report obtained by *The Vancouver Sun*.

"Since 2003, FINTRAC [the Financial Transactions and Reports Analysis Centre of Canada] has sent several disclosure reports to the RCMP on suspicious transactions involving casinos throughout Canada, with amounts totalling over \$40 million," the 2009 report states.

"Anecdotally, police managers have suggested that, because of other priorities and a lack of resources, at this time, nothing is being done to investigate these situations."

Sgt. Dave Gray, of the B.C.

RCMP's Integrated Proceeds of Crime unit, said in an interview Wednesday that not a single person has been charged with money laundering at B.C.'s casinos in recent memory.

"If we had more resources, then we could perhaps set broader priorities or conduct more investigations," he said. "That goes without saying. We could definitely use more resources."

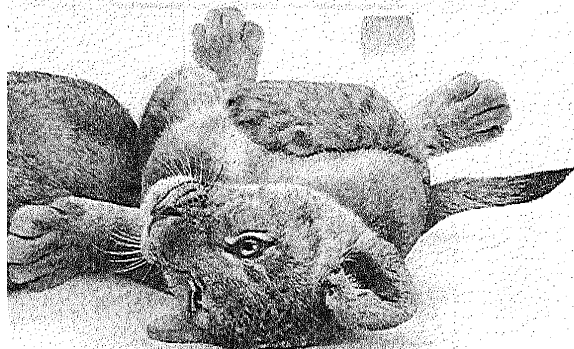
However, Gray said the lack of casino-related charges is also due to police focusing on more "target-rich" areas — such as currency seizures at the border — where it is easier to prove criminal intent.

The internal RCMP report, obtained by *The Sun* through the Access to Information Act, states "organized crime is prevalent in casinos at several levels."

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FROM PAGE A1

## Police can't fight casino money laundering

Those include money laundering and loan sharking, and that casinos provide several opportunities for criminals to make cash earned illegally appear legitimate.

For example, criminals have been known to approach people after a big win and offer to buy their casino cheque for 105 per cent of its face value.

The internal RCMP report notes many casinos now have self-serve kiosks where patrons can exchange winning tickets for cash, allowing launderers to operate without having to deal with a human cashier.

The report states that with little police enforcement, casino security is left to deal with the problem, something it is not equipped to do.

"Casinos do not have the necessary resources to determine whether ticket amounts represent legitimate winnings," the report states.

By law, casinos are required to report to FINTRAC all transactions over \$10,000.

Last month, the B.C. Lottery Corp. was fined \$670,000 by FINTRAC for problems with more than 1,000 of those reports, from delays in filing them to not recording enough information about who made the transactions.

FINTRAC has confirmed BCLC is the only provincial gambling corporation in the country to receive such a fine.

BCLC president Michael Graydon said at the time the corporation had fixed its reporting problems and was now in compliance with FINTRAC rules.

The report obtained by *The Sun* was prepared on Jan. 29, 2009, by B.C.'s Integrated Illegal Gaming Enforcement Team, which was responsible for policing illegal gambling such as bookmaking.

The 12-member team was disbanded by Housing Minister Rich Coleman on April 1, 2009.

At the time, Coleman said the team, which cost \$1 million a year, wasn't cost-effective.

When news of BCLC's FINTRAC violations broke last month, Coleman said he didn't think organized crime was a big problem in B.C.'s casinos.

"[I've] not had at any time contacts from our people in the enforcement side saying there is a specifically high ratio of issues around organized crime in B.C.'s gaming sector," he said.

Coleman was not available for comment Wednesday.

[cskelton@vancouver.sun.com](mailto:cskelton@vancouver.sun.com)



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