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**From:** Mike Hiller [REDACTED]  
**Sent:** Tuesday, June 22, 2010 11:33 AM  
**To:** GPEB 86 Reporting LMD GPEB:EX  
**Cc:** Doug Morrison; Gordon Friesen  
**Subject:** Form 86 BCLC 2010-0024262  
**Attachments:** 2010-0024262.doc; Email from Edgewater Casino Employee about VIP Hosts and Loan Sharking.htm

Form 86 attached concerning an email from an unknown Edgewater employee about allegations of irregular conduct by Edgewater VIP Hosts in accepting gratuities from VIP Players, and allegations of "wilful blindness" by Edgewater Mgt., BCLC and GPED by allowing Loan Sharking activities to continue within the casino.

BCLC incident 2010-0024262 refers.

Mike HILLER

BCLC Casino Security Investigator

10760 Shellbridge Way, Richmond, B.C. V6X 3H1

[REDACTED]

[REDACTED]

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**Gaming Policy and Enforcement Branch  
Investigation Division**

**SECTION 86 G C ACT REPORT**

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**TO BE SUBMITTED WITHOUT DELAY.**

**Date:** June 22, 2010

**Service Provider:** Edgewater Casino

**Location:** Edgewater

**Occurrence:** Allegations of Improper Activities by VIP Hosts & Allowing Loan Sharks to Operate.

**Date & Time of Occurrence:** May 18, 2010 to Present

**Details:** As per the email and letter (attached).

see BCLC INC 2010-0024262 for more details.

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**Police Called:** Yes  No

**Attended:** Yes  No

**Police Force:** n/a

**File Number:** n/a

**Investigating Officer(s) & Badge Number(s):** n/a

**Submitted by:** M. HILLER, BCLC Investigator

**GPEB Registration #:** 169135

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**E-Mail** [REDACTED]

**From:** Stone Lee  
**Sent:** June 21, 2010 11:13 AM  
**To:** Stone Lee  
**Subject:** FW: Edgewater Casino : VIP hosts and Loan Sharking

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**From:** john williams [REDACTED]  
**To:** Doug Morrison; [REDACTED]  
[REDACTED]  
**Sent:** Sun Jun 20 14:37:22 2010  
**Subject:** Edgewater Casino : VIP hosts and Loan Sharking

{{ We would appreciate a reply from all. We will also be sending this to BCLC and GPEB }}

We write to you concerned about what we are seeing in the casino we work at, namely Edgewater Casino. There are two items that we have witnessed -and continue to witness- and it seems the Edgewater management and in fact the whole gaming industry, which includes the authorities that govern them -namely GPEB and BCLC, are sweeping under the rug. It is a 'see no evil, hear no evil' mentality. The two items we refer to are VIP 'hosts' and 'loan sharking'. These two are interlinked and we will do our best to tie them, however each can be looked at and examined separately.

A year ago or so there was a job posting at Edgewater for a VIP host. Basically the host was to attract high limit players to play in the VIP room. This was a salaried, non-gratuity earning, non-union, position. The position was filled by Vinny (last name unknown). Since then, the position has grown to three people.

We -dealers and dealer supervisors- have observed these people over these many months and are shocked at what we have seen! We see these 'hosts' cater to the high limit players -which is their job- but we have also seen these hosts receive tips in the form of cash and chips. When it was first observed, some of the staff went to management and informed them at what was taking place. These hosts were given a talk and life went on, with a little bitter taste left on the staffs' mouths. However they were observed again and again breaking rules by accepting tips and nothing seems to be done; except that it is more covert now. A letter was prepared by some of us who were concerned -please see attached. No reply was received. Again, the Edgewater management swept it under the rug, and they are very good at it since they have done it so many times.

To add credence to what we are saying, please see the attached letter and the following event. Some time last spring, Edgewater threw a party for Vinny's birthday. All the VIP's were invited and they all came bearing gifts! The gifts included not just normal gifts that you and I might give to someone on their birthday, but also 'red envelops'! It is a Chinese custom to give 'red envelops' as gifts. These 'red envelops' contain cash! And being VIP players, the cash in these envelops was substantial (information received from an anonymous source).

Now this party did not take place in some restaurant or hall, but it took place right inside the casino in the 'Stadium Club' room! Money was being handed to Vinny, in front of everyone (management included), on the casino floor, at a party thrown and catered by the casino, which included free alcohol especially 'grey goose' vodka.

As we have mentioned the position of 'host' is a non-gratuity earning position and for these people to accept tips is a major infraction of gaming policy. A question begs to be asked, when these hosts receive tips how do they cash the chips in? Gaming floor personnel are not allowed to take chips to the cashier! The chips (tips) are dropped in the tip box and go into the pool for dealers and dealer supervisors.

The second item we wish to inform you about is 'loan sharking'. And 'loan sharking' is wide spread at the Edgewater Casino and, it stands to reason, at other casinos too. 'Loan sharks' are easily identified by the staff, we all know them -most of them by name. They make no secret of who they are. Management also knows who they are and what they are doing but do nothing about it! And they do nothing about it because they hide under the umbrella that says 'if you don't see it, then we can't do anything about it.' The truth is that the casinos want these loan sharks in their facilities because they provide easy, accessible cash to patrons. Furthermore, even if management doesn't see cash being exchanged between players, they hear about it. Chinese -Mandarin and Cantonese- are the prevalent languages and I have heard loan sharks come into the room and approach players asking for their payments. Just a few days ago, one of the loan sharks told one of his clients that if he couldn't pay the principal, then at least pay the interest! Now if I hear this, doesn't management also hear this; most of the upper management is Chinese speaking. Also, there is a group under management called 'Dealer Supervisor II'. They do virtually the same job as regular, unionized Dealer Supervisors, and they are also assigned to the VIP room and they see and hear the same things as we do.

The loan sharks come into the VIP room and just linger around. They are very friendly with the hosts, in fact, they sit down and have coffee with them and converse at length. The managers also come over and shake their hands and exchange pleasantries. Some of the loan sharks do play but their play is small compared to the regular players. The loan sharks definitely get the same attention as the high limit players even though they hardly play and their play is small! Now why is that? They sit at the table so that they are accessible, they hear the conversations, and are ready to do their business. On a regular basis, we see them go into the players' jacket pockets and deposit high value chips. The player may have gone broke and magically now has a \$1000 chip in his jacket pocket. Don't the cameras see this? We see this day in and day out. The loan sharks have taken over the joint. You have to be blind not to see the goings-on! The hosts know very well what is going on -they are being paid off by the loan sharks. This is a fact! The hosts are completely involved in all this. They are paid by the casino to increase their business, ie. increase the drop, and they are given a piece of the pie by the loan sharks for increasing their business.

As an aside we would like to add that the hosts -who all speak Mandarin and Cantonese- converse in these languages with the dealer supervisors in the VIP room who also speak these languages. This also includes management! The rest of us, who don't speak these languages, are kept out of the loop. On several occasions instructions were given in a foreign language to staff, while the rest of us were left scratching our heads as to what was said. Anytime they do

not want us to understand, they will change the language, adding further suspicion to what is going on in the room.

From the above and the letter attached, you will see that we are alleging that VIP hosts are in cahoots with the loan sharks. Also, on many occasions they have gone for dinner and drinks with them. We have also documented the time and place of a certain party that took place outside the casino for the VIP's where many of the loan sharks were present and other players saw money being given to these 'hosts'!

On more than one occasion, we have seen a big limit player losing a large amount of money. They step aside to talk to one of the hosts, the host then gets on the phone, and a few minutes later a loan shark steps into the room and sits besides the player. They converse and get up together, step into the washroom or go outside the casino, and are observed coming back together a little later. The player once they return now has 'large value' chips with him!

The hosts are jeopardizing the casinos by breaking rules left, right, and center. They are closely tied to the loan sharks, getting pieced off by the action they generate for them. The casinos -Edgewater here- is turning a blind eye and it seems they have given these hosts a carte-blanche.

Our questions to you are : the casino monitors the dealers and the supervisors quite closely, but who monitors these 'hosts'? And when they are observed to be doing something untoward, as they have been, what is being done? What is being done about loan sharking in the casinos? About the cozy relationship between the VIP 'hosts' and the loan sharks?

For your information there are two GPEB officials that are assigned in the casino but it seems their main function has been to track 'money laundering'. From conversations with them, they have admitted that there are loan sharks in the casinos and they even know who they are but their hands are tied. They assert that as long as the loan sharks are not observed doing their business, they cannot do anything about it. We find this to be complete bull. Most illegal activities occur out of sight, they don't happen in front of your eyes. The police have tactics and strategies to catch bad guys. Why is there nothing being done about the illegal activities happening in the casinos? Probably because it would be bad for business!!

Many of us that observe incidents such as above (and others not mentioned here) cannot go to management as we are afraid that we will be targeted in some way or another. As mentioned above, in the past, we have had some concerns and did go to management but nothing came of it, in fact, on many occasions no reply of any kind to our observations and concerns. It would be helpful, if GPEB or some outside policing authority would have an anonymous 24-hour tip line. We have seen many things that would warrant serious investigations.

CONCERNED STAFF

**INITIAL LETTER SENT TO EDGEWATER UPPER MANAGEMENT**

To: [REDACTED]

Sent: Thursday, May 20, 2010 10:19 AM

Subject: VIP hosts

To Paul Ahluwalia,

It is with great urgency and at the request of my colleagues at the casino that I am writing to you.

The last several months many of the staff have been observing the VIP hosts – Vinnie and Cecilia – and the interactions between them and the VIP players. It is a very cozy relationship to say the least. The hosts have taken them to dinner, partied with them, catered to their whims, and several other things which may come out later.

A certain incident occurred on Tuesday May 18th, 2010 around 4:15pm that has prompted us to write to you. The incident occurred in Pit 16, MB 9. A VIP player –the DS's call him 'eyebrows' due to his prominent brows- tried to give Cecilia a \$100 chip as a tip. When Cecilia noticed that the dealer and DS were watching, she spoke in Mandarin to the player and the lady sitting beside him. The lady then took the \$100 chip and Cecilia and her walked out of the room. They walked out arm in arm and a certain exchange took place in a covert manner. Thereafter both of them came back into the room. Mmmm..

Now check this out; this is how the universe works its magic:

--At the time that Cecilia and the lady with the \$100 chip walked out, one of the staff that was in Pit 19,20 observed the two walk out and saw something secretively being passed between them.

--At about 3-3:30pm, 'eyebrows' was observed leaving the casino with a known loan shark by a staff on Pit 5,6. Several minutes later, both were seen entering the casino.

As you know word travels fast in the casino when incidents happen. The Pit 16 incident went around. The staff on Pit 19,20 hears about it and starts thinking about what they observed. The staff on Pit 5,6 hears about it and starts thinking about what they observed. And from all this, a certain story begins to emerge. Would you like to hear it?

'Eyebrows' was losing big in the VIP room, he tells Cecilia he needs money, Cecilia calls the loan shark, 'eyebrows' meets loan shark, 'eyebrows' comes back and starts playing, he wins back his money, as a token of his appreciation he gives Cecilia a \$100 tip!!

Coincidentally, as stated above 'eyebrows' was seen leaving with the loan shark. What is interesting is that 'eyebrows' and the loan shark met at the entrance of the casino as 'eyebrows' was leaving and the loan shark was entering. So 'eyebrows' knew the loan shark was coming. So did he get a phone call or did Cecilia? This should be easy to check. I am assuming that Cecilia's cell phone is company property.

From what I can gather, these hosts are not allowed to receive tips, it is a non-gratuity earning position. But you and I know that is not true. If I was doing their job, I would do my utmost to get money under the table. And management knows this to be the case, deny it all you want. We have observed that tips in the VIP room have decreased since these hosts have come on

board. Rumor is that they have told the players to give less to the dealers and give it to them instead. They have also arranged a deal between them and the guest services.

Both Jeanine in HR and Nuno, manager, have been informed about the hosts receiving tips; and both were not interested in hearing this and brushed it aside.

These hosts are endangering our casino. They are breaking rules left, right, and center and frankly they have to go. We the staff have also documented other incidents along with dates and times. We leave this with you. We would like a response as we do not want to take further action.

Concerned staff