This is Affidavit No. 2 of Patrick Ennis made in this matter on April <u>21</u>, 2021

COMMISSION OF INQUIRY INTO MONEY LAUNDERING IN BRITISH COLUMBIA, The Honourable Mr. Austin F. Cullen, Commissioner

AFFIDAVIT NO. 2 of PATRICK ENNIS

I, Patrick Ennis, of New Westminster, British Columbia, SWEAR THAT:

1. I am a former employee of Great Canadian Gaming Corporation ("**GCGC**") and, as such, I have personal knowledge of the facts and matters deposed to in this affidavit, save and except where based on information and belief, and where so stated, I believe them to be true.

I swore my first affidavit in this inquiry on January 22, 2021.

3. Attached to my first affidavit at Exhibits "W" and "Y" were documents related to the results of an audit by the Gaming Policy and Enforcement Branch ("**GPEB**") of compliance with source of funds requirements at GCGC's River Rock Casino Resort and Hard Rock Casino.

4. Exhibit "W" (GPEB4291) to my first affidavit was a final GPEB report dated November 27, 2018.

5. Exhibit "Y" (GCGC_PROD_0057208) to my first affidavit was a draft of the November 27, 2018 GPEB report, which included comments made by GCGC.

6. The final page of both Exhibit "W" and Exhibit "Y" reference two appendices submitted by GCGC to GPEB. These two report appendices were not included in the exhibits attached to my first affidavit.

7. Attached and marked as **Exhibit "A**" (GCGC_PROD_0057209) to this affidavit is the document provided by GCGC to GPEB titled "2018 05 17 RM_SOF Powerpoint.pdf". This document is the Appendix B referenced in the reports found at Exhibits "W" and "Y" to my first affidavit.

8. Attached and marked as **Exhibit "B**" (GCGC_PROD_0057210) to this affidavit is the document provided by GCGC to GPEB titled "bank draft clarification". This document is the Appendix C referenced in the reports found at Exhibits "W" and "Y" to my first affidavit.

SWORN (OR AFFIRMED) BEFORE ME at the) City of Vancouver, in the Province of British) Columbia, this <u>21</u> day of April, 2021.)

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PATRICK ENNIS

DONALD J. SOROCHAN, Q.C. BARRISTER & SOLICITOR 500 - 815 HORNBY STREET VANCOUVER, B.C. V6Z 2E6 This is **Exhibit "A"** referred to in the Affidavit of Patrick Ennis, sworn (or affirmed) before me at Vancouver, British Columbia, this <u>2.1</u> day of April, 2021.

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REASONABLE MEASURES 10K SOF REPORTING BANK DRAFT / PGF CHANGES

May 15, 2018

Agenda

- Update on Reasonable Measures iTrak Reporting
- Source of Funds \$10, 000 Reporting
- Patron Gaming Fund Bank Draft Receipts
- BCLC Due Diligence on Bank Draft Usage
- Questions Open Forum

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Reasonable Measures

Re: Reasonable Measures Directive Update effective December 4, 2017

This update applies to our ongoing due diligence with the reasonable measures process which outlines the requirements for all BC Casinos and Community Gaming Centres to complete enhanced due diligence efforts to determine and document ownership of funds for all cash buy-ins, disbursements and Forex transactions of \$10,000 or more within a static 24 hour period.

This process has been put in place to determine ownership of cash for buy-ins and disbursements and ensure it is not on behalf of a third party. The question MUST be asked and documented at the \$10,000 threshold and every subsequent increment of \$10,000 per gaming day.

Individual sites may capture this information at each 10K progression or for every 10K reached for larger transactions. (i.e.: 10k, 20k, 30k or 18K, 29K, 13K)

All applicable boxes MUST be filled in and must contain the full name and GPEB number for the person asking the questions.

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Reasonable Measures Form

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Date Completed:	ID confirmed?	Yes No
Guest Name / SID #:		

Ask the guest if he/she was acting on behalf of a third party. "Are you buying in or cashing out on behalf of someone else?" Answer:

- Yes (third party transaction confirmed)
- No (funds belong to individual)
- Undetermined (see reason why below)

Time	Buy-in / Cash-out Amount B C \$ Ves No UND	Employee name/GPEB
		Employee name/GPEB
	B C \$ Yes No UND	Employee name/GPEB

Why Reasonable measures were unsuccessful:		
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Missed RM Forms - Exceptions

- In instances where LCT's were found by matching over a 48 hr period, an iTrak file to document the missed RM is NOT required.
- An email to BCLC AML unit is **no longer** required for these missed RM forms.
- A note should be made on the LCT form in those instances advising why the RM form was missed.
- When an RM/SOF is missed in any other instance, an iTrak file MUST be created to explain why this occurred and if it was avoidable.



Source of Funds Directive

Effective January 10th, 2018 all cash and bearer monetary instruments (bank drafts / certified cheques) of \$10,000 or more will require a source of funds (SOF) receipt by the patron prior to acceptance for buy-in at all BCLC Gaming Service Provider locations. This receipt will be documented on a revised Reasonable Measures (RM) form and shall be scanned into iTrak for all LCT entries.

Source of Funds Reporting

	SOURCE OF FUNDS	DECLARATION	
	(Buy-ins of \$10,00	0 or more)	
ed:		Cash	Draft

Amount of buy-In requested: Cash Craft Certified Cheque Notes:
Ask the guest where they acquired the funds from for this buy-in? (This information is mandatory and must be specific)
Financial Institution: Branch Account #
Do they have a receipt for the funds? Yes No Is this a new customer? Yes No Is this a new customer? Yes No Is this a new customer?
Signature of registered gaming worker certifying source of funds information
Print name of Individual certifying Information GPEB # Date
Name of patron certifying this information: (please print name)
Date: Patron signature:

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Version 1.0 December 2017



Source of Funds Highlights

- Single or incremental cash or bearer monetary instrument buy-ins of \$10,000 or more.
- Form must be signed by patron at \$10,000 mark before buy-in is accepted for play.
- Original receipt must be obtained and scanned for LCT.
- Receipts must contain patron name, account number and bank name / location.
- If patron cannot provide receipt, the threshold buy-in shall be refused.
- If patron refuses to complete SOF or provide receipts as required, an iTrak file must be created for documentation.



Source of Funds Definition

- A bank draft, EFT or Casino Cheque;
- · Cash drawn from an accredited Financial Institution with same day receipt;
- Cash drawn at the facility using Global Cash, Debit/Credit at Cage or ATM;
- Cash verified as from a recent source Casino Disbursement;
- Confirmed casino winnings from any BCLC site within the previous 48 hours;
- Casino winnings beyond 48 hours must be confirmed by a BCLC Investigator before the funds can be accepted.
- Un-sourced cash cannot exceed \$10,000 or more per day per site under any circumstances.



Player has the following transactions:

- Buy-in with un-sourced cash for \$3,000
- Disbursement of \$6,000
- Re-buy for \$5,000
- Disbursement of \$8,000
- Re-buy for \$4,000

Does the player require a receipt for the \$4,000?

Player buys in for \$9,000 with un-sourced cash.

 Player returns to the cage and takes out \$5,000 from his debit card for buy-in

Does this player require a receipt?





Player wants to buy-in for \$14,000 in cash with \$100 bills.

They do not have a receipt but advise the cash is from winnings at another casino 3 days ago.

Can they be allowed to buy-in with this cash?

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Player has bought in with \$2,000 with un-sourced cash 4 times in 3 hours.

They return for a 5th buy-in.

Can this buy-in be accepted if he is unable to provide the other receipts?



BCLC Directive PGF Accounts

- Effective December 4th, 2017 BCLC implemented a directive requiring designated patrons using bank drafts to accompany those drafts with a same day receipt from the financial institution. The receipt **must** include the **patrons name** and **account number** from their financial institution or the unique identifier number on the bank draft.
- This directive was updated in February 2018 to require ALL patrons using bank drafts to supply the payor name, bank name, and account number (or draft number)
- A copy of the draft receipt must be scanned into the LCT media tab. If the draft does not have a separate receipt, the draft must be scanned and **MUST** include the payor name, bank name, and account or draft number.

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Service Provider Due Diligence

- BCLC policy requires all service providers who offer PGF accounts to document the designated financial institution of the patron when opening the PGF account. It is imperative that enhanced due diligence is taken in all instances when patrons produce bank drafts for deposit to their PGF accounts.
- If there is any doubt that the bank drafts do not come from the patrons own account, the bank drafts should be refused and an iTrak file should be created with a UFT dropdown for further investigation by the BCLC AML unit.



PGF Checklist Changes

- Information of type of document used to identify patron, its reference number and place of issue.
- Completed Declaration of Source of Funds (if opening deposit has been made at the time of this review)
- Patron has signed off on bank draft receipt requirement. (All bank drafts must include a same day receipt which includes the patron's name for the draft)
- Patron Profile Card, completed in full

PGF Opening – New Form

	GUEST PORTION TO COMPLETE:		
	Are these funds drawn from your own I	bank account? Circle: YES / NO	Guest Initial:
		*If NO is selected, we	cannot accept the draft. *
	Bank drafts WILL require a same-day receip	pt which includes patron name from account.	Guest Initial:
	(Bank drafts without a recipt will not be acc	epted)	
CASIN	O RISK PROFILE (Time Known to Casin	no Personnel)	
	3 Months (High Risk)	3 to 6 Months (Moderate Risk)	6 Months (Low Risk)

Bank Draft Highlights

- Bank drafts MUST be closely examined when presented for deposit.
- No third party bank drafts are allowed. If in doubt, ask the customer to confirm they are from their own account.
- Look for consistency in the patrons previous draft activity. Are the bank drafts coming from the same bank, consistent draft values, all fields filled in.
- If you have any concerns, you should refuse the draft unless the draft authenticity can be confirmed directly by the bank .



Completed Screen

ccount Deposit Entry	and all and the	
Transaction Details		
Transaction Date		
Amount (CAD)	Currency	
\$15,000.00	CAD	
Account Details	Contraction in second	
Account #	Branch / Transit #	
123	RBC/12345	
Account type	Currente	Deposit Type or PGF Buy-In
Front money	CAD	Bank Draft / Certified Cheque
Select Individual 1	Select Individual 2	Select Individual 3
Fred TEST Flintstone	Add Personnel	
	Add Contact	OK Cancel
namenan (1941 - Fridanse angele - Fridanse generalistik (1971 p. 1971 - entite - entite - entite - entite - en	Add Subject	
	Remove	Total: \$0.00



List of Financial Institution Codes

Financial Institution	Financial Institution
Bank of Montreal	BMO
Canadian Imperial Bank of Commerce	CIBC
Coast Capital Savings	CCS
First Nations Bank of Canada	FNB
First West Credit Union	FWC
HSBC Bank Canada	HSBC
National Bank of Canada	NBC
Royal Bank of Canada	RBC
Scotiabank or Bank of Nova Scotia	SCB
Tangerine Bank	TAN
TD Canada Trust	TD
Vancity Credit Union	VAN
For FI not listed use the code GEN, followed by name of FI eg: GEN/Bank of America/12345	GEN



Questions???

- BCLC AML Unit
- Daryl Tottenham
- Bal Bamra

aml@bclc.com

dtottenham@bclc.com

bbamra@bclc.com



This is **Exhibit "B"** referred to in the Affidavit of Patrick Ennis, sworn (or affirmed) before me at Vancouver, British Columbia, this <u>21</u> day of April, 2021.

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Bank draft clarification

Daryl Tottenham

Sent. 2/13/2018 7:02:15 PM

- Tar Michael Kim; Rishi Khaira; Ji Soo Lee; David Zhou; Peter Demonte; Heene Ramino
- CC Krissy Wong; Shauna Gillespie, Patrick Ennis; Bal Barwa

Hello all.

Download

I am just following up to clarify information previously put out in the PGF Q&A documents as there appears to be some confusion at your site. When patrons arrive with bank drafts they are required to provide a receipt which includes the sender name, bank and branch location and account number. Not all banks offer separate receipts for this but in most instances this information is found on the actual bank draft itself. Some banks hand-write the information, others have it typed in but regardless of how it is done, if the bank draft has this information on it, the draft itself serves as a receipt. A photocopy of the draft is added to the media file as the receipt and you are good to go. If the bank did not write the sender information on it, (usually the bottom left corner) the patron can fill it in.