

AML Information Request (Phase 1)

SUGGESTED RESPONSE:

- Government wants to be transparent with the public about the challenges we're facing related to money laundering in B.C. casinos.
- These documents show the significant efforts made by the Gaming Policy and Enforcement Branch (GPEB) to prevent the proceeds of crime from entering gambling facilities in B.C. over the past two years.
- The documents include briefing notes, financial analyses, and other detailed information produced for senior officials and decision makers in government.

IF ASKED WHY GPEB FOCUSED ON RIVER ROCK CASINO RESORT:

- Interviews were held with River Rock Casino staff based on the significant volume of suspicious transactions reported by the casino directly to GPEB and an analysis of that data.
- This assessment was supported by data BCLC provided to MNP that also indicated the majority of reporting to FINTRAC came from the River Rock Casino.
- The MNP report's recommendations were to be considered and applied in general to all gambling venues in B.C.

BACKGROUND:

Information request #FIN-2017-71581-1356 asks for, "All final reports and summary documents from the Gaming Policy and Enforcement Branch related to concerns of money laundering in B.C. and criminal activity related to money laundering, from February 2016 to June 5, 2017."

Phase 1 of 3 will be released to the media applicant during the week of October 2, 2017.

The responsive records in Phase 1 include more than 300 pages of documents produced by the Gaming Policy and Enforcement Branch (GPEB). The documents include briefing notes produced for the former associate deputy minister of Finance, former Minister of Finance, internal audit reports, financial analysis, and informative memos produced by GPEB subject matter experts for senior branch executive.

Portions of the records are severed under sections 13 (policy advice and recommendations), 14 (legal advice), 15 (disclosure harmful to law enforcement), and 22 (harm to personal privacy) of the Freedom of Information and Protection of Privacy Act (FOIPPA).

The work in the responsive documents shows the breadth of GPEB's past and ongoing work to preventing money laundering in gambling facilities, in the interest of protecting the integrity of the gambling industry in B.C.

Program Area	Deputy / ADM	GCPE
N. Pandachuck – Sept. 29/17 J. Hazel – Sept. 29/17 M. Jaggi-Smith – Oct. 3/17 L. Meilleur – Oct. 3/17	J. Mazure – Oct 4/17	C. Togneri – 4 Oct/17 T. Nelson – XX/17 M. Harris – XX/17

INFORMATION NOTE**British Columbia Lottery Corporation****Date: September 18, 2017****Financial Information Act
Statement 2016/17****KEY FACTS:**

The 2017 Financial Information Act (FIA) report statements, schedules and related documents will be posted on bclc.com on September 30, 2017.

For each employee whose total remuneration exceeds \$75,000 annually, BCLC lists the employee's name, total remuneration and total expenses.

Total remuneration includes: salary; holdback incentive payment; overtime and payouts for unused or sold vacation; and other taxable benefits. Remuneration does not include amounts paid under severance agreements.

Expenses include, but are not limited to: costs for travel and accommodation, professional development, employee relocation and membership dues.

Of note: The 2016/17 fiscal year included 27 pay periods, as opposed to the usual 26 pay periods. As a result of this and other factors, approximately 100 employees crossed the \$75K threshold and were listed in the FIA report; this is also reflected in the overall remuneration increasing by \$4.8M compared to the previous FY.

2016/17 FIA REPORT SUMMARY:

- 506 BCLC employees earned more than \$75,000;
- 173 BCLC employees earned more than \$100,000 (123 in 15/16; 124 in 14/15; 153 in 13/14);
- Total remuneration for FIA listed employees is \$50,423,994;
- Total expenses for FIA listed employees are \$3,289,032.

Three-year comparison:

Category	FY 2016/17	FY 2015/16	FY 2014/15
Earned over \$75K	*506	405	449
Total remuneration for over \$75K staff	\$50,423,994	\$40,201,613	\$43,671,420
Total expenses for over \$75K staff	\$3,289,032	\$2,824,575	\$2,073,735
Total remuneration for all staff	\$76,265,030	\$72,184,642	\$73,786,965
Total expenses for all staff	\$4,114,929	\$3,904,656	\$3,091,851

*The additional pay period in FY 17 has caused many employee's remuneration to exceed the \$75K threshold.

BOARD COMPENSATION:

2016/17 - Total remuneration \$118,750; expenses \$27,652

2015/16 - Total remuneration \$121,831; expenses \$20,427

2014/15 - Total remuneration \$118,734; expenses \$26,610

EXECUTIVE COMPENSATION:

In accordance with the July 2012 Executive Compensation Policy changes mandated by Government, BCLC received approval from the Minister responsible for the Public Sector Employers Act for a new compensation plan, which took effect in 2013/14.

Since April 1, 2014, the variable compensation model was replaced by a holdback incentive program for all Executive and management.

VENDOR CONTRACTS:

The report also lists the amounts paid to vendors and suppliers of goods and services.

- Subtotal of suppliers exceeding \$25,000: \$971,212,438
- Consolidated total of suppliers receiving \$25,000 or less: \$24,664,216
- Total payments to suppliers of goods and services: \$995,876,654

OF NOTE

VANCOUVER CANUCKS LTD PARTNERSHIP:

The FIA report shows BCLC paid the Partnership \$489,772, however there were no cash payments for this transaction. It is considered “in kind compensation” and is reportable for FIA purposes under the Act*. This amount reflects the value of the advertising/marketing that BCLC received in return for development of the Canucks 50/50 charity program.

*The Financial Information Regulations 7 (part of the Financial Information Act) notes that “in kind compensation” is to be reported.

JOINT ILLEGAL GAMING INVESTIGATION TEAM (JIGIT) PAYMENTS:

The report shows BCLC has not yet paid anything under this agreement. The 2016/17 Financial Statements included in the FIA simply show our expense on an accrual basis of \$1.8M in 2016/17. The financial statements also disclose BCLC’s commitment to pay an additional \$3M per year going forward over the five year mandate.

On April 11, 2016, the B.C. Government announced the formation of JIGIT Funding for the unit is being shared between BCLC (70%) and the federal government through the Provincial Police Service Agreement (30%). BCLC has committed to fund \$1.8M in 2016/17 and \$3.0M in each of FY 2017/18 and 2018/19. In the final two years of the agreement (2019/20 and 2020/21) it is estimated that annual payments will continue to be \$3M/year.

GENERAL STAFF TURNOVER:

BCLC’s staff turnover rate dropped to 5.5% in 2017 from 9.6% in the prior year. This resulted in more full-year’s earnings being reported and more earnings meeting the threshold for reporting.

There were nine severance agreements made in 2016/17, representing less than one month to ten months’ compensation.

BCLC RESPONSE POINTS:

- **All Crown Corporations are required to have compensation plans approved by the minister responsible for the Public Sector Employers Act.**
- **BCLC has aligned its compensation policy with others across the public sector.**
- **Remuneration includes base salary, holdback incentive payment, overtime, payouts for unused or sold vacation and other taxable benefits, so there can be fluctuations in the number of employees reported as earning in excess of \$75K year over year based on these factors.**
- **The 2016/17 fiscal year included an extra pay period (27 versus usual 26) which reflects the overall increase in the number of employees reported and the total remuneration for employees paid \$75K or more.**
- **Another factor is due to partial year’s earnings. In 2016/17 the staff turnover ratio dropped to 5.5% compared to 9.6% the previous year. As a result, the report captures more employees’ full year’s earnings.**

- In addition, FY2016 had more employees who were on Maternity/Paternity leave resulting in partial year earnings compared to FY2017.
- Nearly 90 percent of BCLC's employee base is made up of highly skilled professionals with degrees, diplomas, and professional designations. BCLC's compensation philosophy is to pay at the 50% percentile of a benchmark weighted to government and crowns, with a small private sector weighting. The salary grades are approved by PSEC.

GENERAL EXPENSES

- As a commercial organization with offices in Kamloops and Vancouver, BCLC reimburses acceptable employee expenses related to travel, accommodation, and other business-related activities that are required for corporate operations.

JIGIT

- Funding for the unit is shared between BCLC (70%) and the federal government through the Provincial Police Service Agreement (30%).
- Funding has been planned for F2015/16, 2016/17 and 2017/18 and estimated for the final two years of the five year agreement; the unit's effectiveness will be reviewed before the agreement is renewed.
- BCLC has factored this cost into its current budget and financial forecasts – details are included in our most recent Service Plan.

	Name	Number
Program Area Contact:	Laura Piva-Babcock, BCLC	250-828-5576

<p align="center">Information Note</p> <p>British Columbia Lottery Corporation</p> <p>Date: September 19, 2017</p>	<p align="center">FOI 17-042: Graydon Repayment Details</p>
---	--

KEY FACTS:

On August 14, 2017, a media applicant made the following FOI request: "All records about the processing and handling of file BCLC 14-067."

This pertains to an ongoing matter regarding records of former BCLC CEO Michael Graydon repaying \$55k to the corporation in 2014, following his resignation.

BCLC FOI file 14-067 is currently in an OIPC review process (OIPC File F14-59208). The original media request, from August 21, 2014, was for: "Proof of repayment (specifically, a copy of the front and back of the cheque) of the \$55,171.20, including total net salary and holdback, as announced in an Aug. 21, 2014 BCLC news release regarding former CEO Michael Graydon; correspondence, including, but not limited to, the agreement, between Mr. Graydon, his representatives and agents and BCLC regarding the resolution of the amount owing."

BCLC's initial response was to withhold 60 pages of responsive records in their entirety under section 14 (legal advice, also referred to as solicitor client privilege). BCLC also withheld a one page record (copy of the cheque paid to BCLC) under section 22 (personal privacy).

s.14

Some information has been withheld from disclosure under section 14 of FIPPA. An additional 121 pages have been withheld in their entirety under sections 13(1), 14 and 22 of FIPPA.

BCLC notes that most of the withheld pages are in relation to the request for review process and were created after BCLC's original response to the request. Disclosure of the withheld information could reasonably be expected to reveal policy advice or recommendations, legal advice and would be harmful to personal privacy.

s.13

BCLC RESPONSE POINTS:

- **On August 19, 2014, BCLC received full repayment in the amount of \$55,171.20 requested from Mr. Graydon (net amount of salary and salary holdback).**
- **In order to assist the applicant, BCLC has already released a redacted record that shows proof of this repayment without disclosing personal information.**

Secondary:

- **When Mr. Graydon submitted his resignation to the Board (January 2014), it was to be effective as of March 31, 2014. However, after much consideration, it was decided that BCLC was better served if an interim CEO was appointed to act during Mr. Graydon's notice period.**
- **Based on what the Board was told at the time, it determined that the monies paid to Mr. Graydon were in keeping with the amount he was entitled to receive had he completed his entire notice period.**
- **Based on the outcome and findings of the subsequent Ministry of Finance Report, BCLC requested that Mr. Graydon repay the net amount of salary and salary holdback between January and March 2014.**

	Name	Number
Program Area Contact:	Laura Piva-Babcock, BCLC	250-828-5576

<p align="center">Information Note</p> <p>British Columbia Lottery Corporation</p> <p>Date: September 25, 2017</p>	<p align="center">FOI 17-044: Ship 1</p> <p align="center">BCLC materials related to JIGIT announcement</p>
---	---

KEY FACTS:

On August 11, 2017, BCLC received the following FOI request from a media applicant: "Briefing notes, issues notes, incident reports and correspondence regarding the June 13, 2017 announcement by CFSEU-BC and JIGIT of a nearly year-long investigation into illegal gambling houses and money laundering through casinos. I believe records would be held or generated by the offices of CEO Jim Lightbody and Rob Kroeker, VP, corporate security and compliance."

BCLC is releasing its first shipment, consisting of 11 records (16 pages), on September 25, 2017.

Additional shipments of records will be processed and sent after BCLC continues to review the records and consults with other public bodies such as GPEB in accordance with section 10 of FIPPA.

The first shipment of records contains internal email correspondence, a draft communications plan and three letters. All records are being released in their entirety.

The draft communications plan outlines potential opportunities for BCLC to communicate the B.C. gambling industry's commitment and actions to deter money laundering.

The letters are:

A May 12, 2017 response letter to an inquiry from GPEB's John Mazure, in which BCLC's CEO outlines:

- BCLC's analysis of transactions and other operational gaming data have aided the police in identifying suspects associated with illegal gaming operations in the Lower Mainland.
- Information sharing with the police has allowed BCLC to identify individuals who are involved in or linked to organized crime. Through this partnership with the police, 270 individuals have been banned from provincial gaming sites.
- BCLC's AML program incorporates both source of funds and source of wealth determinations. Tens of millions of dollars in cash transactions have been refused under BCLC's program and 131 customers have been placed on buy-in restrictions.
- BCLC's entire AML regime was recently audited by FINTRAC. FINTRAC found that not only was BCLC's program effective and fully compliant with all customer due diligence, transaction and ongoing monitoring requires but also provided feedback that BCLC's program was the leader in the sector.
- Re: Bundled cash: BCLC learned/explained it is a fairly standard practice for a registered money services business to bundle large numbers of bank notes, of any denomination, with elastic bands as that is simply the most practical way for them to handle the money.
- Re: Bank Drafts: BCLC explained it does accept bank drafts from Canadian banks and credit unions where customer due diligence has been completed and the customer holds a casino account.
- BCLC has no means nor authority to require banks to disclose how a bank's customer conducts its business with the bank. BCLC relies entirely on GPEB and the police to advise it where there are suspicions around a bank's conduct in the issuance of bank drafts.

A June 15, 2017 letter to Combined Forces Special Enforcement Unit Assistant Commissioner Kevin Hackett, wherein BCLC CEO requests the names of the nine individuals arrested by JIGIT in June 2017 in relation to money laundering and illegal gaming so that BCLC could ban these individuals from our facilities.

A June 16, 2017 letter to GPEB's Len Meilleur, wherein BCLC's VP of Security, Rob Kroeker, requests of GPEB the names of the nine individuals so that BCLC can ban these individuals.

BACKGROUND:

On June 13, 2017, JIGIT announced their investigation found a criminal organization was involved in operating illegal gaming houses, facilitating money laundering through casinos, loan sharking, and violent acts. The investigation led to arrests of nine individuals. CFSEU-BC asserted that the amount of money laundered was in the "millions of dollars."

BCLC RESPONSE POINTS:

- **BCLC has made it a top priority to collaborate with, and support, JIGIT since it was formed in 2016. This is in addition to BCLC's \$3 million commitment to JIGIT.**
- **BCLC's analysis of transactions and operational gaming data have aided the police in identifying suspects associated with illegal gaming operations and other criminal activity.**
- **Whenever we police advise us that someone may be involved in money laundering activities or other activities that may pose a threat to public safety, we will immediately ban them from gambling facilities.**
- **Through an information sharing agreement with police, as well as other intelligence, BCLC has banned 276 high-risk individuals from all provincial gaming sites.**
- **BCLC's AML program incorporates both source of funds and source of wealth determinations. Tens of millions of dollars in cash transactions have been refused under BCLC's program, including refusing unsourced cash from 150 customers who have been placed on specific cash buy-in restrictions.**
- **Over 15,400 players are monitored daily under BCLC's AML monitoring program.**

SECONDARY MESSAGES:

- **BCLC maintains a rigorous anti-money laundering program in all casinos, and is committed to fulfilling its role in Canada's anti-money laundering regime, which is to monitor, record and report specific transactions to FINTRAC.**
- **In keeping with federal anti-money laundering laws, BCLC has implemented comprehensive customer due diligence measures, which include the review of valid government photo identification and the recording of the name, address, occupation and date of birth of customers involved in cash transactions of \$10,000 or more.**
- **BCLC provides copies of suspicious transaction reports directly to the RCMP and cooperates with police in the development of intelligence on money laundering threats by police. We are the only gambling jurisdiction in Canada to do this.**

Program Area Contact: Name
 Laura Piva-Babcock

Number
T: 250-828-5576

INFORMATION NOTE

British Columbia Lottery Corporation

Date: September 18, 2017

FOI C17-004: Proactive Disclosure of Q1 Board Agenda & Minutes

KEY FACTS:

In the interest of increasing BCLC's transparency with the public, BCLC is engaging in a number of activities including the proactive disclosure of certain information on bclc.com as part of its Openness and Accountability strategy.

In line with the strategy, Media Relations and FOI have initiated the process of proactively releasing Board Meeting Agendas and Minutes on a quarterly basis.

FY 2017/18 Q1 (April 1, 2017 to June 30, 2017) Board Agenda & Minutes will be posted on BCLC's new [Reports and Disclosures](#) webpage located on bclc.com. Two records, consisting of 10 pages, are being published in their entirety with the exception of one reference to an ongoing contract negotiation that is withheld under section 17(1)(c)(d) of FIPPA.

Of potential interest:

- **Beat the Receipt pilot:** the record states BCLC's Richard Fenster presented the proposed plan for piloting a product called "Beat the Receipt" and discussion followed. A resolution was then adopted wherein the Directors of the Corporation approved the game and game conditions.

Update (not noted in the record): Following consultations with GPEB this project and pilot is currently on hold.

- **Operating Service Agreement (OSA):** the record states the Board went into an in camera meeting on this subject and then finalized a template agreement for BCLC to enter into with Service Providers.
- **Facial recognition pilot:** records states VP Security Rob Kroeker updated the Board on the next stage of the pilot project.

Background (not noted in the record): No exact timeline for this project has been confirmed to date.

BCLC RESPONSE POINTS:

- **BCLC is committed to openness and accountability, and evaluates opportunities for proactive disclosure of items of public interest.**
- **We are now proactively disclosing our corporation's Board Meeting Agendas and Minutes, on a quarterly basis, on our website going forward.**
- **Several other records related to our business, such as internal audits, policies and annual FOI requests, can be found on the Reports and Disclosures page on bclc.com.**

INFORMATION NOTE

British Columbia Lottery Corporation

Date: Sept 26, 2017

Parq Casino and Resort

KEY FACTS:

On September 29, 2017, the redeveloped Edgewater Casino, called Parq Vancouver, will open to the public adjacent to BC Place. Designed as the cornerstone of Vancouver's entertainment district, it will feature a number of new, one-of-a-kind amenities:

- Two luxury Marriott hotels with 517 rooms
- Over 60,000 square feet of flexible meeting and event space. This includes 13 ballrooms, boardrooms and meeting rooms including the largest hotel ballroom in the city.
- Eight restaurants and lounges
- Canada's first Spa by JW
- 72,000 square foot gaming floor with 600 slot machines and 75 table games
 - o Table complement includes: 2 Classic Roulette and 6 Classic EZ Baccarat, 6 poker tables and 2 high limit areas with 11 private rooms offering 24 high limit tables.
 - o Slot complement includes: 580 slot machines and 20 e-table games.
- 30,000 square foot park located on the sixth floor
- Underground parkade with 1096 parking stalls

s.13

Vancouver City council approved the casino relocation in 2011 including the transfer of 600 slot machines and 75 tables to the new site. It did not support any expansion of the gambling offering.

A restrictive covenant on the lands re-affirmed that no gambling expansion would be permitted on that land. However, a section added to the restrictive covenant allows for applications to amend the zoning bylaw, including an increase in gaming. The restrictive covenant does not fetter the discretion of City Council to consider any zoning bylaw application and limit or fetter the authority of the Province to regulate gaming on the restrictive covenant lands.

The City of Vancouver set out a number of covenants and conditions related to everything from responsible gambling to hiring and procurement from within the Downtown East Side. The Parq development has set a new standard for collaboration with communities.

Inner-City Local Employment and Procurement Agreement – Facts:

- As of May 31, 2017, 22.8% of all employees at Edgewater Casino reside in the Downtown East Side, Mount Pleasant or Strathcona neighbourhood catchment. This exceeds the City's requirement by more than 12.8%.
- Parq is committed to ensuring 10% of these full and part time jobs will be opportunities for Vancouver residents living in the catchment areas or who are unemployed, underemployed or marginalized in the current job market.
- 20% of all construction employees (by headcount) were hired from the Downtown East Side, Mount Pleasant and Strathcona catchment, which represents 10% of total construction labour payroll during the course of the development. This exceeds the City's minimum requirement of 10% construction labour requirement.
- As of April 30, 2017, 28% of construction procurement was sourced locally. This exceeds the City's requirement by more than 18%.
- Upon opening of the new casino, Parq will employ 1,692 FTE associates which equates to more than 2000 ongoing, sustainable jobs and careers through its hotels, restaurants, casino, conference facilities and other amenities.

Responsible Gambling Agreement

In May 2015, Paragon entered into an agreement with the City of Vancouver to address responsible gambling concerns raised by the community and City Council.

As part of this commitment, Paragon has worked in collaboration with the City of Vancouver, BCLC, GPEB, the Centre for Addictions and Mental Health, Providence Health Care Society, St. Paul's Hospital Foundation, Vancouver Police Department and Vancouver health care professionals on a comprehensive approach to research-based harm reduction.

To date, Paragon is:

- Set to contribute \$300,000 annually to St. Paul's Hospital Foundation towards creating best practices for people with problem gambling behaviours.
- Integrating best practices from the National Responsible Gambling Council's RG Check Audit into daily operations.
- Integrating problem gambler identification and the link to appropriate resources in a timely manner as part of new employee orientation, enhanced management training and employee performance evaluation.
- Supporting responsible gambling research and displaying responsible gambling messaging on slot machines.

FACILITY DEVELOPMENT COMMISSION PAYMENTS:

The City had specific parking requirements related to underground parking. Due to the unique parking requirements at this site, BCLC committed to providing:

- Accelerated Facility Development Commission (AFDC) of two per cent of net win for the cost of developing parking facilities and began accruing this commission on April 1, 2012.
- Additional Accelerated Facility Development Commission (referred to as AAFDC) of two per cent of existing net win for the cost of developing parking facilities, which accrued for a period of five years (beginning April 1, 2012 and ending March 31, 2017). This is the first and only facility to receive AAFDC.

The arrangement allowed Paragon Gaming to earn a total of 7% of the net win from gambling at the existing Edgewater Casino between April 1, 2012 and March 31, 2017, and 5% thereafter to help pay for costs associated with the relocated casino.

Up to March 31 2017, BCLC had approved \$41.9M in parkade expenditures as eligible for commissions. Up to March 31, 2017, \$32.5M has been earned in facility development commissions by Paragon for parkade expenditures.

BCLC did not pay Paragon Gaming any commissions for the underground parkade until it was satisfied certain conditions were met. Therefore, AFDC/AAFDC payments only began in December 2015.

CITY OF VANCOUVER HOST LOCAL GOVERNMENT (HLG) PAYMENTS:

Staff at the City of Vancouver have been informed the City's host local government payments will be impacted in the short term (i.e. when the new facility opens), and will be offset by increased revenues from the new facility over time.

The balance of the accrued impact to Vancouver's HLG payments is expected to reach approximately \$3.07 million at facility opening. Once the facility opens, the balance of the accrued impact will be applied against the City of Vancouver's host local government payments over five years (\$614,000 per year). This is a short-term impact that is expected to be offset by the higher revenues projected from the new facility in the long term.

Financial Projections:

	Edgewater FY 16/17 Actuals	Parq FY 17/18 Projections	Parq FY18/19 Projections
--	----------------------------------	---------------------------------	--------------------------------

s.21

Note: Projections for FY17/18 include Edgewater revenue and projected Parq revenue starting January 1, 2018. All projections have been based on the new Operational Services Agreement.

BCLC RESPONSE POINTS:

- **The new Parq Casino reflects BCLC's long-held vision to provide Vancouver residents and visitors alike with a world-class casino and entertainment amenities.**
- **The Parq development set a new standard for collaboration with communities. From local employment to procurement and community investment, Parq has raised the bar and set out a new blueprint for how casino entertainment facilities development.**
- **Twenty percent of construction jobs were fulfilled by residents of the Downtown East Side, providing them employment opportunities, new trade skills and work experience.**
- **Paragon Gaming has built an extensive responsible gambling program and investment, including committing \$300,000 annually to St. Paul's hospital Foundation towards creating best practices for people with problem gambling behaviours.**
- **Paragon Gaming has met all and exceeded many of the requirements as set out by the City of Vancouver.**
- **Due to the City of Vancouver's requirement for an underground parkade, Paragon Gaming earned commissions faster than it would under the typical program; however, it did not receive more commissions than it would have under the typical program.**

Program Area Contact:	Name Laura Piva-Babcock	Number 250-828-5576
-----------------------	----------------------------	------------------------

<p style="text-align: center;">INFORMATION NOTE</p> <p>British Columbia Lottery Corporation</p> <p>Date: September 28, 2017</p>	<p style="text-align: center;">VSE Longitudinal Study part 2</p>
--	---

KEY FACTS:

Researchers at the University of the Fraser Valley have completed a second, comprehensive four year longitudinal evaluation of BCLC's Voluntary Self Exclusion (VSE) program from the perspective of the participant.

The full study and response to 10 recommendations (completed in fall 2016) will be posted on bclc.com on October 2, 2017. This timing coincides with one of the study's authors presenting their findings during the NCRG conference in Las Vegas.

Results of this longitudinal study revealed continued high levels of satisfaction with the program's enrollment process and a general effectiveness in reducing opportunities to participate in formal gambling.

Findings include:

- 93% of participants were satisfied or very satisfied with VSE program.
- 97% would recommend the program to others.
- 74% of VSE enrollees met criteria for problem gamblers on the PGSI.
- 25% of clients attempted to violate their VSE agreement, a decrease of 10% from the 2011 VSE Longitudinal Study. The study points to the VSE Jackpot disqualification rule as possible contributing factor.
- Across the entire observation period, PGSI scores dropped substantially for program participants. One year after enrolling in the VSE program, the average PGSI score for study participants was in the low-risk category for problem gambling.

Study sample size:

Overall, 326 participants completed the Time 1 interview. The vast majority also completed the Time 2 interview six months later (n = 269; 83%), as well as the Time 3 interview one year after their first contact with the research team (n= 235; 72%).

A large proportion of the sample (74 per cent) was repeat users of the program.

Violations of VSE Agreement

A major finding from this report is the relatively low rate of violation attempts across the three time periods of the study. Overall, only one-quarter of gamblers ever attempted to violate their agreement by re-entering a casino in British Columbia, and, typically, attempts at violating the agreement only occurred once or twice while enrolled, with only a handful of participants (n = 20) attempting to violate their agreements four or more times. Previous research has observed much higher rates of violations.

Of the entire sample of 270 respondents, 15% (n= 40) indicated that they had attempted to re-enter a casino after 6 months while excluded. This percentage represents a substantial decrease from the first study, where nearly one quarter (23 per cent) of participants had attempted to violate their agreement within the first six months. On average, agreement violators attempted to re-enter casinos in British Columbia 11 times.

The most common reason to violate was an urge to gamble (80%), out of boredom (74%), or because there was no penalty for violating the terms of the program (69%).

Along with 10 recommendations, the study concludes:

"It seems clear that BCLC's Voluntary Self-Exclusion program is working for most participants and most participants are extremely satisfied with the program. Although more can always be done to better detect that small proportion of participants who attempt to violate the conditions of their agreement, and more can be done to deter participants from attempting to violate their agreement in the first place, the program appears to be enrolling those with more serious gambling problems, the program has an immediate effect on decreasing PGSI scores, over time the program reduces participants' levels of depression, anxiety, and stress, and the program is achieving its general purpose."

BACKGROUND:

The Voluntary Self Exclusion (VSE) program has been offered in B.C. since 1997. VSE is a voluntary program, a personal commitment and one tool that may assist people with getting their gambling under control: family members or friends cannot exclude someone.

Individuals decide how long they wish to be excluded from gambling facilities or PlayNow.com (6 months, 1/2/3 years). Their commitment cannot be revoked and they will be removed from BCLC mailing lists during this period.

At enrolment, individuals sign up with the understanding that they are not eligible for jackpot wins. They are also provided the opportunity for a facilitated referral to a problem gambling counselor, which the Province provides free of charge anywhere in B.C.

VSE DETECTION:

To help support people with their VSE commitment, BCLC has a number of layers of detection and deterrents including license plate recognition technology. In FY 2016/17, people were turned away from facilities 10,375 times for violating their agreement.

BCLC statistics indicate that about 80 per cent of all recorded VSE violations are made by seven per cent of the VSE patrons enrolled in the program.

On April 1, 2009, pursuant to its rule-making authority under the Gaming Control Act (GCA), BCLC changed its rules and made those who are VSE or barred ineligible for jackpot prizes.

The VSE Form implemented after April 1, 2009 contains language where VSE enrollees acknowledge their non-entitlement to Jackpot Prizes purportedly "won" while gambling during the term of their self-exclusion.

In June 2010, the *Gaming Control Act* was amended to include this rule as part of the Act. The Jackpot ineligibility rule is intended to discourage VSE enrollees from violating their self-exclusion commitment. This is intended to help discourage people from violating their VSE commitment.

BCLC RESPONSE POINTS:

- **We are pleased this study found our VSE program is working for most participants and most participants are extremely satisfied with the program. That said, we know there is always room for improvement.**
- **This study has brought to light new ways we can better engage with distressed players, encourage counselling services, identify and deter VSE participants from re-entering our facilities or accessing PlayNow.com and market the VSE program outside of our gambling facilities.**

- We are currently reviewing the recommendations made in this report, and are committed to using the authors' guidance and observations to help continuously improve the VSE program and success rate for participants.

VSE PARTICIPANTS & DETECTION:

- At present, approximately 9,000 people are enrolled in the VSE program.
- Last year, BCLC identified and removed VSE individuals over 10,300 times through various means including staff detection, ineligible wins and recognition technology.
- It's important to point out that around 7 per cent of all VSE participants account for a majority of these violations or attempts to gamble (80%).
- BCLC provides staff training and also audits service provider compliance with voluntary self-exclusion standards, policies and procedures.

VSE PROGRAM:

- BCLC takes its obligation to offer gambling in a safe and socially responsible manner very seriously.
- Self-exclusion has an important role to play in reducing harm and offering problem gamblers a step towards change and healthier decisions.
- Our Voluntary Self-Exclusion (VSE) program is a personal commitment and one tool that may assist people with getting their gambling under control.
- BCLC continues to develop appropriate tools and supports to help VSE participants stay true to their commitment, and encourages them to access free gambling counseling and services.
- VSE programs are industry standard in Canada and BCLC is recognized internationally for its responsible gambling programs.

Program Area Contact:

Name
Laura Piva-Babcock, BCLC

Number
250-828-5576

Parq Vancouver Fact Sheet

Total project costs: - \$792M (approximately \$72M for the cost of the parkade)

Amenities:

- Two luxury Marriott hotels with 517 rooms
- Over 60,000 square feet of flexible meeting and event space. This includes 13 ballrooms, boardrooms and meeting rooms including the largest hotel ballroom in the city.
- Eight restaurants and lounges
- Canada's first Spa by JW
- 775,000 total square footage of entire facility
- 72,000 square foot gaming floor with 600 slot machines and 75 table games
- 30,000 square foot park located on the sixth floor
- Underground parkade with 1096 parking stalls

Hotels:

- JW Marriott Hotel: 288 hotel rooms. 41 Suites
- The Douglas: An Autograph Collection Hotel: 178 Hotel Rooms.10 Suites

Restaurants:

- Honey Salt
- The Victor
- BC Kitchen
- 1886
- MRKT East

Gaming Mix:

- 580 slots
- 20 e-table games (part of slot count)
- 75 table games
 - 2 Classic Roulette and 6 Classic EZ Baccarat (larger table configurations and currently exclusive to Parq)
 - 6 poker tables
 - 2 high limit areas with 11 private rooms offering 24 high limit tables

Financial Projections:

	Edgewater FY 16/17 Actuals	Parq FY 17/18 Projections*	Parq FY18/19 Projections
--	----------------------------------	----------------------------------	--------------------------------

s.21

Note: Projections for FY17/18 include past Edgewater revenue and projected Parq revenue is based starting January 1, 2018. All projections are based on the new Operational Services Agreement.

Edgewater Past Revenue:

	FY16/17	FY15/16	FY14/15	FY13/14
s.21				

Job creation:**Inner-City Local Employment and Procurement Agreement:**

- 20% of all construction employees (by headcount) were hired from the Downtown East Side, Mount Pleasant and Strathcona catchment, which represents 10% of total construction labour payroll during the course of the development. This exceeds the City's minimum requirement of 10% construction labour requirement.
- 28% of construction procurement was sourced locally. This exceeds the City's requirement by more than 18%.
- Upon opening of the new casino, Parq will employ 1,692 FTE associates which equates to more than 2000 ongoing, sustainable jobs and careers through its hotels, restaurants, casino, conference facilities and other amenities.
- Prior to relocation, 22.8% of all employees at Edgewater Casino resided in the Downtown East Side, Mount Pleasant or Strathcona neighbourhood catchment. This exceeds the City's requirement by more than 12.8%.
- Parq is committed to ensuring 10% of these full and part time jobs will be opportunities for Vancouver residents living in the catchment areas or who are unemployed, underemployed or marginalized in the current job market.

Responsible Gambling:

Paragon has worked in collaboration with the following organizations to develop a comprehensive approach to research-based harm reduction.

- | | |
|---|---------------------------------------|
| - City of Vancouver | - Providence Health Care Society |
| - BCLC | - St. Paul's Hospital Foundation |
| - GPEB | - Vancouver Police Department |
| - Centre for Addictions and Mental Health | - Vancouver health care professionals |

To date, Paragon is:

- Set to contribute \$300,000 annually to St. Paul's Hospital Foundation towards creating best practices for people with problem gambling behaviours.
- Integrating best practices from the National Responsible Gambling Council's RG Check Audit into daily operations.
- Integrating problem gambler identification and the link to appropriate resources in a timely manner as part of new employee orientation, enhanced management training and employee performance evaluation.
- Supporting responsible gambling research and displaying responsible gambling messaging on slot machines.

Voluntary Self-Exclusion Program Study (part 2): Follow-up on Study Recommendations

October 2, 2017

Recommendation	Responsibility	Response/Action
THEME 1: Increasing VSE Program Enrollment		
1. Use a Problem Gambling Screen Tool to Recruit VSE Program Participants	BCLC and GPEB	<p>Voluntary Self-Exclusion (VSE) is a voluntary program.</p> <p>To support our players in making informed decisions about their gambling behaviour, BCLC has Responsible Gambling and VSE information, brochures and posters in every gambling facility in B.C. BCLC is also expanding the GameSense Advisor Program to Community Gaming Centres (in addition to casinos) so there will be a GameSense Advisor presence in every facility.</p> <p>BCLC is exploring the inclusion of screening tools such as the Problem Gambling Severity Index and other assessment tools at venues and on GameSense.ca for customers wanting to learn more about their gambling risk. Information on available supporting resources, including VSE, will also be available alongside the self-assessment tool.</p>
2. Market the VSE Program Outside of the Casino	BCLC	<p>VSE sign-up is available on PlayNow.com</p> <p>BCLC has increased transparency about the VSE program by regularly posting statistics (e.g. participation rates, violations) on bclc.com, and through its Social Responsibility Report, making it easier for members of the public to access information about the program. BCLC is exploring opportunities to promote the VSE program outside the casino such as counsellor's offices and other health care facilities.</p>
3. Increase the Privacy Offered to Enrolling Participants	BCLC and Service Providers	<p>BCLC is exploring opportunities to develop and/or revitalize GameSense Information Centres (GSICs) in Community Gaming Centres and casinos to support customers. BCLC is considering the creation of private spaces as part of these renovations.</p> <p>BCLC is also introducing an updated VSE enrollment training program for security staff to improve consistency of process and provide security staff with enhanced tools to support the emotional distress of VSE participants. The new training program has passed the pilot stage and will be deployed across B.C. by the end of the 2017 calendar year.</p> <p>Working with the Gaming Policy and Enforcement Branch, BCLC launched a program in 2014 that involved collaborating with the Province's network of Problem Gambling counsellors to support VSE re-enrollment. This program provides an added sign-up option for individuals undergoing counselling. This new re-enrolment option enables counsellors to connect via video conference with one of BCLC's security administrators to complete VSE sign-up procedures. The counsellors offer support and guidance to the individual enrolling and oversee signatures for the VSE agreement, while a security administrator enters information to complete enrolment.</p>
THEME 2: Preventing Violations		

4. Pilot a Mandatory Identification Check Program	BCLC and Service Providers	BCLC is currently focusing on facial recognition technology and is planning to pilot the technology at one casino. Once the pilot takes place and is complete, BCLC will assess the feasibility of the system.
5. Be Alert for Violators at High-Risk Periods	BCLC and Service Providers	<p>BCLC is piloting facial recognition technology, and currently employs license plate recognition technology in gaming facility parking lots.</p> <p>Be on the lookout (BOLO) bulletins are utilized at casino properties, where VSE headshots are circulated for staff and security.</p> <p>In 2016/17, staff refused entry or escorted VSE individuals from casinos 10,375 times. About 80 per cent of all recorded VSE violations are made by 7 per cent of VSE patrons enrolled in the program.</p>
6. Evaluate the Use of Facial Recognition Technology	BCLC	To better detect individuals who have entered the Voluntary Self Exclusion Program, BCLC will be testing facial recognition technology at one casino to assess camera performance. BCLC will then assess the feasibility of the system.
7. Sliding Scale for Violators	BCLC and GPEB	<p>BCLC continues to encourage VSE patrons to access problem gambling counseling and services.</p> <p>BCLC provides information to VSE participants reminding them of their self-exclusion following a violation. The VSE Participant's Kit, which is provided in these instances, includes information about VSE and counselling. The kit is available in six languages.</p> <p>Consistent with best practices, BCLC will explore the potential for a reinstatement program to prepare better customers to return to gambling in a safer manner and minimize potential for future violations.</p>
THEME 3: Connecting With Counselling		
8. Incentivize Counselling Uptake	GPEB	<p>Problem gambling counselling and treatment is the responsibility of the Gaming Policy and Enforcement Branch (GPEB).</p> <p>GPEB is currently piloting the Gam Info Rep program - a mobile, early-intervention pilot supporting at-risk gamblers. The Gam Info Rep is a resource that will provide information, support, referrals, and accompaniment to resources, including PG counselling services and treatment groups, as well as community support organizations (both community and online resources).</p>

		The Rep will work closely with GameSense Advisors, counsellors, Helpline call takers, and prevention specialists to facilitate referrals and provide support where needed.
9. Online Counselling	GPEB	Problem gambling counselling and treatment is the responsibility of the Gaming Policy and Enforcement Branch (GPEB).
10. Enhance the Marketing on Counselling Services	GPEB	Under BCLC's new Player Health Strategy, one of the four pillars is the effective referral of players to support and treatment options, for those who are experiencing troubles with gambling. BCLC has authority for the VSE program and GameSense Info Centres, while problem gambling counselling and treatment is the responsibility of the Province's Gaming Policy and Enforcement Branch.