

INTERNAL MEMO



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Date: August 16, 2016

Subject: COMM- 8604- River Rock "High Roller" Occupational Analysis

EXECUTIVE SUMMARY

A review was conducted to understand the occupational breakdown of the top "High Roller" patrons at River Rock Casino and the correlation of their stated occupation with the amounts of their buy-ins over the one year period of January 1, 2015 to December 31, 2015. The analysis consisted of three parts: a breakdown of high roller buy-ins and their stated occupations, analysis of Unusual Financial Transaction (UFT) reporting linked to occupation as a factor, and a check on the legitimacy of companies provided by high rollers to gaming facilities.

KEY OBSERVATIONS

The top occupations ranked by buy-in were:

- #1 was Real Estate with 135 patrons and \$53.1 M in buy-ins
- #2 was Business Owners with 86 patrons and \$38.5M total buy-ins for the year
- #3 Construction with 56 patrons and \$33.8M in buy-ins
- #4 Finance with 30 patrons and \$19.6M in buy-ins
- #5 Management with 54 patrons and \$18M in buy-ins
- #6 Housewife with 75 patrons, with \$14.3 M in buy-ins
- #7 Importer with 18 patrons and \$12.2M in buy-ins
- #8 Petroleum with 6 patrons and \$6.1M in buy-ins
- #9 Restaurant (Owners and Management) with 21 patrons and \$5.8M in buy-ins
- #10 Mining with 8 patrons and \$4.8 M in buy-ins

Also of note, Student was #17 with 36 patrons and \$2.3M in buy-ins.



Incident reports were reviewed to determine if occupation was a factor in the UFT reporting:

- 42 Housewives with buy-ins of \$50K or more had 495 transactions, and were directly involved in 87 Unusual Financial Transactions (UFTs), and indirectly associated in 39 UFTs (ie. they weren't the primary individual conducting the buy-in). Who the Housewives associated with was a prominent reason for being indirectly named in a UFT, in some cases it was the only reason.
- 9 Students with buy-ins of \$50K or more had 62 transactions, and were directly involved in 11 UFTs.
- There were 62 patrons with buy-ins of \$1M or more that had 1915 transactions, and were directly involved in 611 UFTs and indirectly in an additional 156 UFTs.

These patrons do not always work alone. It is not unusual for multiple patrons from different occupational categories to be involved in a single suspicious transaction. When a transaction is reported as an UFT in iTrak, one incident report is created and is associated with all the patrons involved in the suspicious transaction.

The legitimacy of the 52 companies listed by the top 62 patrons in their iTrak profiles were reviewed and testing was found to be inconclusive. There were 43 companies with Chinese names. The names of the companies given were the English approximations of the Chinese characters (names) and are inexact. We were unable to conclusively determine whether the companies exist or are large enough to support the patrons' buy-ins amounts.

CONCLUSION

Real Estate was the largest occupational group both in terms of number of patrons and Total Buy-ins. The most active of the high rollers did not try to avoid stating their occupation. Housewives and Students were more significant than anticipated with 75 patrons with total buy-ins of \$14.3 million identified as Housewives, and 36 patrons and \$2.3 million in buy-in identified as Students.

The most common reason for UFTs were for large cash buy-ins and buy-ins with a large number of small denomination bills. Patrons had UFTs attached to their SID# not only from direct suspicious activity on their part but also to being associated with other patrons engaged in suspicious activity. Occupation played a secondary role in that the occupations listed could either not support the level of play or could not explain the amount of small bills used.

Determining the legitimacy of companies listed by the top 62 patrons proved inconclusive due to not having the exact Chinese characters. Obtaining the characters of the companies given by the high rollers would help enable the determination of a company's legitimacy and determine whether the positions given could support the level of play.

INTRODUCTION

BACKGROUND

GPEB has the regulatory mandate and authority to ensure the overall integrity of gaming. Through its audit and investigative functions, GPEB monitors anti-money laundering (AML) strategies and other efforts to protect gaming from organized crime.

In 2015 a review was conducted to examine the volume of cash flowing through the high limit rooms at River Rock Casino. This information was used to determine to what extent patrons are buying in with smaller denomination bills and the associated risk of refining (colouring up). A second review was conducted in 2015 that analyzed BCLC's process for identifying and reporting unusual or suspicious currency transactions. Its objective was to further GPEB's understanding of what BCLC is deeming a reportable transaction and to quantify the number of reportable vs non-reportable transactions in the review period.

Through these two reviews data was obtained on patrons buying in at the River Rock high limit rooms. The data consists of information related to these individuals' occupations, related companies, gaming frequency, buy-in amounts, and unusual or suspicious transactions. From this we are able to perform an occupational based analysis of the patrons conducting large buy-ins at the River Rock Casino.

OBJECTIVE

The objective of this review is to understand the occupational breakdown of the "High Rollers" at River Rock Casino and the correlation of their stated occupation with the amounts of their buy-ins and the denominations used in cash buy-ins. This information will assist GPEB in identifying to what extent patrons are buying-in with amounts more than what their stated occupations could reasonably support and could indicate possible money laundering activities. The report will comment on the following:

- Occupations of the high rollers and the plausibility of their stated occupation generating sufficient income to cover buy-ins.
- How many UFTs were reported involving the subject group and whether occupation was considered in the reporting criteria of UFTs.
- Extracts from unusual financial transactions connected to high rollers, which may provide insight into their behaviors or provide additional information for GPEB to consider going forward.
- The legitimacy of the companies listed in the high roller subject id profiles. Many of the subjects in this group are Chinese nationals listing employment by Chinese companies, so it was unknown whether or not it will be possible to confirm the legitimacy of the organizations.

SCOPE and APPROACH

The scope of the report is limited to a review of the occupations stated by the “High Roller” patrons at River Rock Casino. The period of the review was January 1, 2015 – December 31, 2015.

The review will be conducted by:

- Reviewing cash buy-in information and stratify according to occupation to identify significant occupational groups and any correlation with buy-in amounts.
- Analyzing iTrak incident reports related to unusual or suspicious financial transactions, and determining if any relationships between UFT reports and occupation exist.
- Researching companies online using various search methods to determine their legitimacy and the probable income levels.
- Engaging in discussions (preliminary and throughout) with GPEB Manager of Intelligence Program for additional insight and feedback.
- Evaluating patterns or trends that emerge and discussing those internally where appropriate.

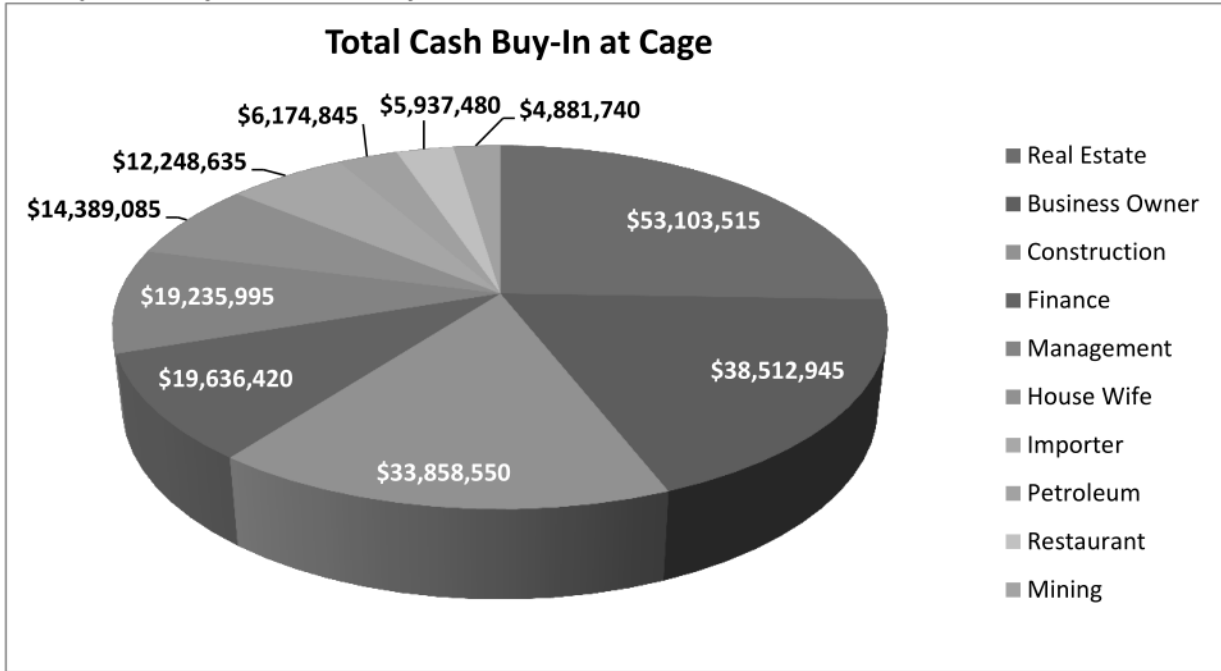
ANALYSIS (3 PARTS)

PART ONE – BASIC OCCUPATIONAL ANALYSIS

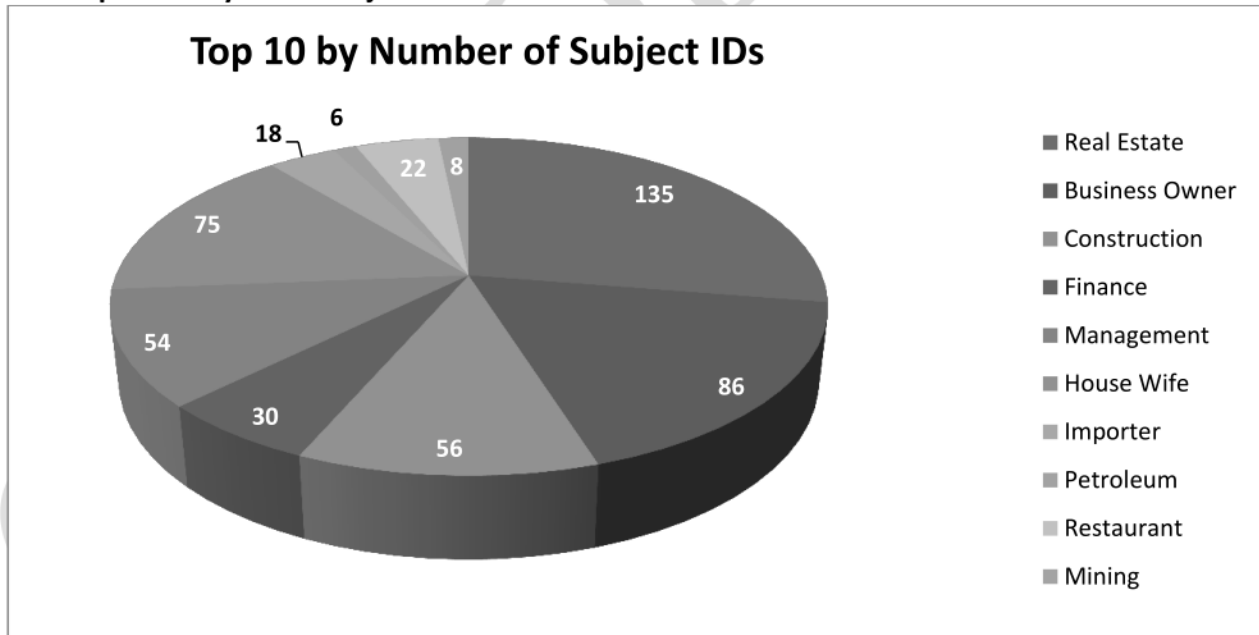
Information on the “High Rollers” buy-ins from the Player tracking sheets was compiled. The information included patron name, date of birth, position, company and buy-in information. The information was sorted and ranked by total annual buy-in amount. The occupations were standardized into groups. For example anyone in the real estate industry was grouped into “Real Estate”; anyone affiliated with the construction industry was put into “Construction”. Managers of various random companies that did not fall into a main industry was put into “Management”, general business owners were grouped together as “Business Owner” and other lower level employees and one off occupations were classified as “Other”. A significant number of patrons did not indicate their company or position so they were put into the “Not Stated” group. “Housewife” and “Student” were classified into their own groups as their buy-in habits were of particular interest. There were a few single occupations that were significant enough that grouping them with other groups would have skewed the result and were thus left on their own. From all the classifications we were able to get an overall picture of the occupational composition of the subject group. Unique Subject ID numbers (SID#) assigned to each patron were used to identify patrons and to count the number of patrons in each occupational group. The Not Stated group included patrons did not have a subject ID # assigned to them or couldn’t be positively identified as a patron with a SID# due to illegible handwriting on the Player Tracking Sheets, therefore not all transaction information about these patrons were available.

A total of 800 patrons were included in this analysis with Total Cash Buy-ins of \$243 Million.

Top 10 Occupations by Total Cash Buy-in



Top 10 Occupations by iTrak Subject ID#



Notable findings include:

- 36 Students had total Buy-ins of \$2.3Million.
- 75 House Wives had total buy-ins of \$14.3 million.
- The highest annual buy-in by one patron in the “Not Stated” group was \$70K.

- The “Not Stated” group of 77 patrons included patrons who did not have a SID# assigned to them

For the complete listing see **Appendix 1- All High Rollers**

Top 10 Occupational Groups- \$100K+

Standardized Occupation	Number of Subject IDs	Sum of Total Cash Buy-In at Cage	Sum of Total # Transactions
Real Estate	s.22	\$50,781,005.00	698
Business Owner		\$37,165,385.00	530
Construction		\$32,817,690.00	432
Finance		\$19,346,220.00	279
Management		\$18,136,805.00	267
House Wife		\$12,895,035.00	439
Importer		\$11,981,275.00	137
Petroleum		\$6,089,455.00	77
Restaurant		\$5,674,000.00	134
Mining		\$4,868,740.00	68

Patrons with individual Cash Buy-Ins of a minimum of \$100K were reviewed. This group includes 288 patrons with Total Cash Buy-ins of \$231 M. Notable findings are:

- A total of 26 House Wives with total buy-ins of \$12.89 M.
- A total of 5 Students with total buy-ins of \$1.66 M.
- 2 Servers with total buy-ins of \$367K.
- 2 Office Clerks in the Other category has total buy-ins of \$410K.
- 1 Food Service Worker in the Other Category has total buy-ins of \$164K.

For the complete breakdown of this group see **Appendix 2- \$100K Breakdown**

\$500K Buy-ins

Standardized Occupation	Number of Subject IDs	Sum of Total Cash Buy-In at Cage	Total # Transactions
Real Estate	s.22	\$44,319,015.00	530
Business Owner		\$32,568,345.00	402
Construction		\$30,025,005.00	351
Finance		\$17,733,055.00	224
Management		\$14,931,065.00	177
Importer		\$10,729,265.00	115
House Wife		\$8,759,165.00	255
Petroleum		\$5,181,615.00	58
Restaurant		\$4,679,680.00	93
Mining		\$4,538,300.00	59
Mine Owner		\$2,526,990.00	40
Factory Owner		\$2,214,175.00	33
Ship Builder		\$1,843,510.00	13
Doctor/Dentist		\$1,825,520.00	24
Pharmaceuticals		\$1,759,840.00	7
Sales		\$1,108,130.00	18
Farmer		\$942,450.00	19
Student		\$819,530.00	19
Chef/Cook		\$785,940.00	24
Engineer		\$767,020.00	8
CEO		\$750,000.00	21
Truck Driver		\$710,430.00	14
Accountant		\$563,025.00	22
Teacher		\$506,000.00	18
Other		\$72,886.00	9
Grand Total	108	\$190,659,956.00	2553

The next level looked at was patrons who had minimum buy-ins of \$500K. This level included 108 patrons with total buy-ins of \$191M. Notable Findings are:

- 9 House Wives with total buy-ins of \$8.75M.
- 1 Student with a total buy-in of \$819K.
- 1 Chef with total buy-ins of \$785K.

\$1 Million Plus Buy-ins

Standardized Occupation	Number of Subject IDs	Sum of Total Cash Buy-In at Cage	Total # Transactions
Real Estate	s.22	\$35,631,270.00	413
Business Owner		\$30,621,305.00	373
Construction		\$26,626,905.00	279
Finance		\$15,940,010.00	197
Management		\$14,271,075.00	166
Importer		\$10,069,265.00	107
Petroleum		\$5,181,615.00	58
House Wife		\$4,794,460.00	102
Mining		\$3,483,280.00	26
Restaurant		\$3,352,560.00	77
Mine Owner		\$2,526,990.00	40
Factory Owner		\$2,214,175.00	33
Ship Builder		\$1,843,510.00	13
Doctor/Dentist		\$1,825,520.00	24
Pharmaceuticals		\$1,759,840.00	7
Grand Total	62	\$160,141,780.00	1915

Finally, the \$1Million level of play was analyzed. 62 Patrons were in this group. Each patron had a minimum of \$1 M annual buy-in. The \$1M group had total buy-ins of \$160 Million which is 65% of the total buy-ins of the entire subject group reviewed. At this level the total numbers of substantiated Unusual Financial Transactions were also analyzed.

Notable Findings include:

- 3 House Wives with Total Buy-ins of \$4.79M.

In general, across all buy-in levels, several significant occupation groups such as Real Estate, Construction, and Mining reflect the general economy and could possibly support the levels of buy-ins made by the patrons. There are occupations, such as House Wife, Student and Server that are not typically able to support the level of cash buy-ins made by those patrons.

PART TWO – UFT/STR OCCUPATION ANALYSIS

Patrons who have cumulative buy-ins of \$1 million or more were the base of information for analyzing the substantiated direct and indirect Unusual Financial Transactions (UFT’s) reported in iTrak. Our analysis breaks out two categories of UFTs: “Direct UFT” is the occupation of the primary individual conducting the buy-in, and “Indirect UFTs” are the occupation of the individuals listed in the UFT as associated with the transaction, but not the primary buy-in individual.

The total number of UFTs are as follows:

Standardized Occupation	Total Cash Buy-Ins at Cage	Subject ID#	Total # Transactions	Total Direct Substantiated UFT	Total Indirect UFT	Direct UFT/Total transactions
Real Estate	\$35,631,270.00	s.22	413	118	55	29%
Business Owner	\$30,621,305.00		373	110	50	29%
Construction	\$26,626,905.00		279	83	18	30%
Finance	\$15,940,010.00		197	43	7	22%
Management	\$14,271,075.00		166	70	3	42%
Importer	\$10,069,265.00		107	41	1	38%
Petroleum	\$5,181,615.00		58	40	7	69%
House Wife	\$4,794,460.00		102	28	7	27%
Mining	\$3,483,280.00		26	11	0	42%
Restaurant	\$3,352,560.00		77	19	4	25%
Mine Owner	\$2,526,990.00		40	17	0	43%
Factory Owner	\$2,214,175.00		33	12	0	36%
Ship Builder	\$1,843,510.00		13	5	0	38%
Doctor/Dentist	\$1,825,520.00		24	13	4	54%
Pharmaceuticals	\$1,759,840.00		7	1	0	14%
Grand Total	\$160,141,780.00	62	1915	611	156	32%

Notable findings include:

- 32% of all transactions in this group were deemed substantiated unusual transactions.
- The highest reported occupation was Petroleum at 69%. This is probably more a result of the individual in the group than the actual occupation.
- The lowest reported occupation was Pharmaceuticals.

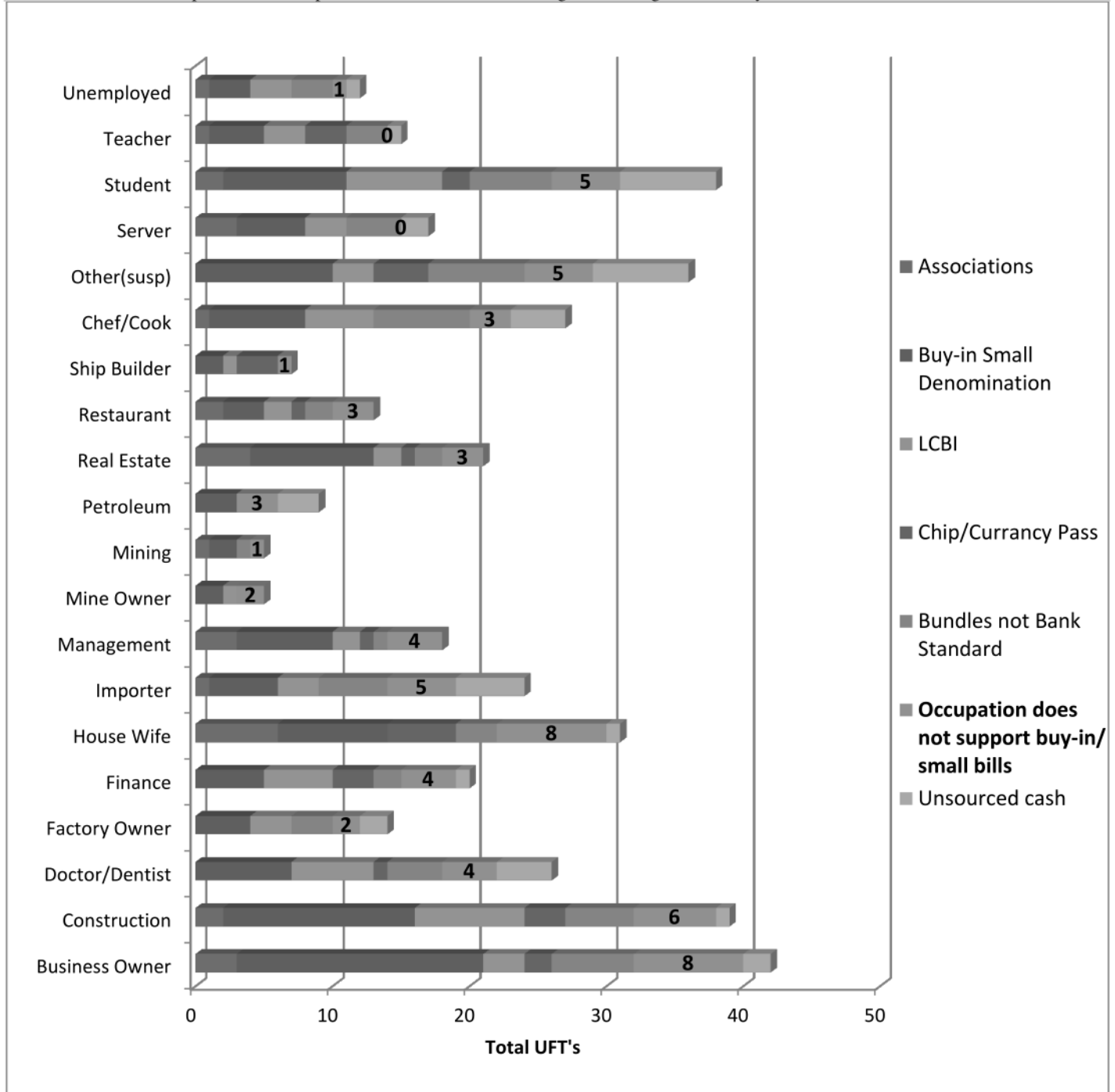
Testing the reasons for UFTs based on occupation proved to be inconclusive. Many of the UFTs reported in iTrak involved more than one patron in diverse occupational groups. After randomly testing the main occupation groups, it appears that specific occupations do not have an effect on whether a UFT/STR is

reported. The only occupational factor is whether the occupation can support the level of play and/or explain the denominational composition of the cash buy-ins.

Reasons for UFTs

The chart below breaks down the reason for the UFT's in relation to each occupation. Specifically, the orange section identifies the number of UFT's for each occupation where the cause is "Occupation does not support buy-in / small bills".

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The UFTs for particularly suspicious occupations were also reviewed. Information on patrons with buy-ins of \$50K or more were included in this analysis.

Standardized Occupations	Number of Subject IDs	Total Cash Buy-Ins at Cage	Total Transactions	Total Direct UFT Reports	Total Indirect UFT reports
Chef/Cook	s.22	\$1,108,630.00	39	11	6
House Wife		\$13,849,275.00	495	87	39
Other (susp)		\$2,351,645.00	90	13	10
Server		\$395,020.00	15	1	4
Student		\$1,934,870.00	62	11	9
Teacher		\$506,000.00	18	5	1
Unemployed		\$58,000.00	3	2	1
Grand Total	71	\$20,203,440.00	722	130	70

A notable finding is that UFTs arising from associations with other known patrons were more prevalent with Housewives than any other occupation reviewed. There were multiple incidences where a housewife patron had an UFT associated with their subject ID# due solely to whom they were associated with. This may be due to spousal relationships though that cannot be confirmed.

There were some incidents that highlight some of the overall concerns with particular occupations. The following are examples of such incident reports (names have been substituted with their SID#):

s.15,s.22

s.15,s.22

PART THREE – COMPANY ANALYSIS

A search of the 52 companies provided by the \$1 million patrons was conducted to determine the legitimacy of the business and its ability to generate income (if an owner) or pay enough in salary to support these levels of buy-ins. The overall results were inconclusive. Most of the companies are Chinese based and the names provided to the gaming facility were the English approximations, not the actual Chinese name in proper characters. This made finding the exact company extremely difficult.

An Auditor familiar with Chinese language and characters assisted in the search.

The patron's full name, occupation and company name were used in the online search of "Baidu.com", a Chinese search engine similar to Google. Unfortunately, because the conversion of Pinyin (the pronunciation of Chinese characters) to English at the gaming facilities, the searches were ineffective. The gaming facilities do not capture the Chinese characters necessary to conduct accurate searches as the "Baidu" search engine is more useful when searching information in Chinese characters. The challenge in

converting Pinyin back to actual Chinese characters is that a same pronunciation can have many Chinese Characters.

Illustration of one Pinyin and the list of Chinese Characters that we can select from:

For example: Beijing Chang Pharmaceutical

s.15,s.22

When the company name has two or more Chinese characters, the combination of Pinyin can be more than tripled.

As the name of the patron and the name of the company cannot be accurately converted to Chinese characters, the search on “Baidu” was not effective. Some possible matches were found, however we cannot determine if those companies are the ones that we are looking for without additional information such as address, city or location, which is not provided to the gaming facilities.

CONCLUSIONS

Real Estate was the largest occupational group both in terms of number of patrons and Total Buy-ins. The most active of the high rollers did not try to avoid stating their occupation. Housewives and Students were more significant than anticipated with 75 patrons with total buy-ins of \$14.3 million identified as Housewives, and 36 patrons and \$2.3 million in buy-in identified as Students.

Reasons for UFTs did not differ significantly across occupation lines. The most common reasons for UFTs were large cash buy-ins, buy-in with large number of small denomination bills, not bundled in a manner that would come from a recognized bank and chip passing- similar to what has been previously report in past reviews. Patrons had UFTs attached to their SID# not only from direct suspicious activity on their part but also to being associated with other patrons engaged in suspicious activity. Occupation played a secondary role in that the occupations listed could either not support the level of play or could not explain the amount of small bills used. This reasoning was consistent across occupational lines.

Associations with other patrons resulted in UFTs being linked to other patrons and seemed most prevalent with the House Wives group, possibly due to spousal connections.

Determining the legitimacy of companies listed by the top 62 patrons proved inconclusive due to not have the exact Chinese characters. Obtaining the characters of the companies given by the high rollers would help enable the determination of a company’s legitimacy and determine whether the positions given could support the level of play.

APPENDICIES:



Appendix 1 - All Patrons

Standardized Occupation	Number of Subject ID	Total Cash Buy-In at Cage	Average \$	Total # Transactions
Real Estate	s.22	\$53,103,515.00	\$393,359.37	834
Business Owner		\$38,512,945.00	\$447,824.94	631
Construction		\$33,858,550.00	\$604,616.96	493
Finance		\$19,636,420.00	\$654,547.33	297
Management		\$19,235,995.00	\$356,222.13	329
House Wife		\$14,389,085.00	\$191,854.47	557
Importer		\$12,248,635.00	\$680,479.72	152
Petroleum		\$6,174,845.00	\$1,029,140.83	80
Restaurant		\$5,875,680.00	\$279,794.29	151
Mining		\$4,881,740.00	\$610,217.50	70
Sales		\$3,200,985.00	\$118,555.00	85
Factory Owner		\$3,000,155.00	\$600,031.00	48
Mine Owner		\$2,582,990.00	\$860,996.67	56
Manufacturing		\$2,511,085.00	\$109,836.88	86
Doctor/Dentist		\$2,454,240.00	\$409,040.00	51
Other		\$2,400,046.00	\$72,728.67	157
Other (susp)		\$2,351,645.00	\$235,164.50	90
Student		\$2,300,085.00	\$63,891.25	104
Ship Builder		\$1,843,510.00	\$1,843,510.00	13
Pharmaceuticals		\$1,769,840.00	\$884,920.00	8
CEO		\$1,420,400.00	\$177,550.00	48
Engineer		\$1,283,860.00	\$183,408.57	28
Farmer		\$1,120,750.00	\$186,791.67	33
Chef/Cook		\$1,108,630.00	\$184,771.67	41
Teacher		\$731,000.00	\$182,750.00	22
Truck Driver		\$718,930.00	\$239,643.33	16
Accountant		\$659,025.00	\$164,756.25	31
Not Stated		\$635,055.00	\$8,247.47	6
Shipping		\$494,330.00	\$494,330.00	12
Server		\$395,020.00	\$98,755.00	15
Banking		\$380,060.00	\$190,030.00	11
Contractor		\$341,700.00	\$56,950.00	18
Advertising		\$333,075.00	\$166,537.50	7
Marketing		\$314,350.00	\$104,783.33	15

Architect	s.22	\$245,540.00	\$61,385.00	6
Pro Player		\$186,485.00	\$62,161.67	15
Retired		\$151,000.00	\$50,333.33	5
Beauty		\$124,000.00	\$15,500.00	15
Casino Dealer		\$117,800.00	\$58,900.00	4
Fisherman		\$66,600.00	\$33,300.00	10
Server		\$61,800.00	\$61,800.00	4
Unemployed		\$61,000.00	\$30,500.00	4
IT		\$53,000.00	\$26,500.00	4
Consultant		\$46,000.00	\$46,000.00	6
Travel Agent		\$41,000.00	\$20,500.00	4
Steel		\$5,000.00	\$5,000.00	1
Grand Total	800	\$243,427,401.00	\$304,440.50	4673

Appendix 2- \$100K Breakdown

Standardized Occupation	Number of Subject ID	Total Cash Buy-In at Cage	Average \$	Total # Transactions
Real Estate	s.22	\$50,781,005.00	\$923,291.00	714
Business Owner		\$37,165,385.00	\$1,032,371.81	476
Construction		\$32,817,690.00	\$1,367,403.75	85
Finance		\$19,346,220.00	\$1,074,790.00	29
Management		\$18,136,805.00	\$755,700.21	121
House Wife		\$12,895,035.00	\$495,962.88	260
Importer		\$11,981,275.00	\$1,198,127.50	183
Petroleum		\$6,089,455.00	\$1,217,891.00	41
Restaurant		\$5,674,000.00	\$709,250.00	50
Mining		\$4,868,740.00	\$811,456.67	9
Other		\$4,084,371.00	\$226,909.50	100
Factory Owner		\$2,960,155.00	\$986,718.33	7
Sales		\$2,899,270.00	\$322,141.11	42
Mine Owner		\$2,526,990.00	\$2,526,990.00	1
Doctor/Dentist		\$2,423,240.00	\$807,746.67	7
Manufacturing		\$2,003,110.00	\$236,456.67	15
Ship Builder		\$1,843,510.00	\$1,843,510.00	3
Pharmaceuticals		\$1,759,840.00	\$1,759,840.00	9
Student		\$1,661,170.00	\$332,234.00	11
Engineer		\$1,178,720.00	\$392,906.67	3
CEO		\$1,156,300.00	\$289,075.00	23
Chef/Cook		\$1,041,530.00	\$347,176.67	28

Farmer	s.22	\$942,450.00	\$942,450.00	2
Truck Driver		\$710,430.00	\$710,430.00	2
Teacher		\$706,000.00	\$353,000.00	4
Accountant		\$563,025.00	\$563,025.00	4
Shipping		\$494,330.00	\$494,330.00	3
Server		\$367,780.00	\$183,890.00	10
Advertising		\$333,075.00	\$166,537.50	26
Banking		\$315,060.00	\$315,060.00	3
Contractor		\$249,000.00	\$249,000.00	2
Marketing		\$245,160.00	\$245,160.00	1
Retired		\$136,020.00	\$136,020.00	9
Casino Dealer		\$107,000.00	\$107,000.00	5
Grand Total	287	\$230,463,146.00	\$803,443.02	2288

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