

From: [Fitzgerald, Anna GPEB:EX](#)
To: [Dickson, Brandy GPEB:EX](#)
Subject: FW: Request for information as discussed
Date: Thursday, June 21, 2018 4:13:03 PM

Anna Fitzgerald CPA, CA, CIA
Executive Director,
Compliance Division,
Gaming Policy and Enforcement Branch
604-603-6463

From: Fitzgerald, Anna FIN:EX
Sent: Thursday, August 10, 2017 8:36 AM
To: Ross Alderson
Cc: Mayer, Douglas FIN:EX
Subject: Re: Request for information as discussed
Thank you Ross. I really appreciate it.

s.22

Anna

Sent from my iPhone

On Aug 10, 2017, at 8:31 AM, Ross Alderson <RAlderson@BCLC.com> wrote:

Hi Anna,
I will get back to you once BCLC has had a chance to further discuss the request.
s.22

Regards
Ross Alderson CAMS.
Director, AML & Investigations
Corporate Security and Compliance Division, BCLC
2940 Virtual Way, Vancouver, BC, V5M 0A6
T 604 225 6382 C s.17 F 604 225 6488
•Yes, and...•
ralderson@bclc.com

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Last year, more than \$1 billion generated by BCLC gambling activities went back into health care, education and community groups across B.C.

From: Fitzgerald, Anna FIN:EX [<mailto:Anna.Fitzgerald@gov.bc.ca>]
Sent: Wednesday, August 09, 2017 7:55 PM
To: Ross Alderson <RAlderson@BCLC.com>
Cc: Douglas Mayer <douglas.mayer@gov.bc.ca>
Subject: Request for information as discussed

Hello Ross,

It was good to catch up yesterday. It really does seem like a while.
As I mentioned we would like to move forward with the analysis of UFTS.
In order to complete our Unusual Financial Transaction review, with the goal of understanding changes in percentages of unsubstantiated UFT's we would like an

extract from iTrak of Incident Reports created between January 1 and July 31, 2017. The extract would be in the same format as what was previously made available to us up to December 2016 (*by the Gaming Solutions – Software Services team*) and would include the supplementals attached to an incident report. This data will also be used for our gaming facility audits scheduled for the year.

In order to facilitate the intended analysis we are asking for the data in MS Excel format. We have attached a file containing the fields in the extract we previously received to illustrate what would be most helpful for us.

If you have any questions/feedback prior to my return please feel free to contact Doug whom I have copied.

Regards,

Anna

Anna Fitzgerald CPA, CA, CIA

Senior Regional Director, Lower Mainland

Compliance Division

Gaming Policy and Enforcement Branch

604-660-0274

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From: [Fitzgerald, Anna GPEB:EX](#)
To: [Dickson, Brandy GPEB:EX](#)
Subject: FW: RRCR issue re 3rd party buy in
Date: Thursday, June 21, 2018 4:12:31 PM
Importance: High

Anna Fitzgerald CPA, CA, CIA
Executive Director,
Compliance Division,
Gaming Policy and Enforcement Branch
604-603-6463

From: Ross Alderson [mailto:RAlderson@BCLC.com]
Sent: Thursday, September 14, 2017 5:19 PM
To: Fitzgerald, Anna FIN:EX
Cc: Meilleur, Len FIN:EX ; Daryl Tottenham ; Kevin Sweeney ; Rob Kroeker
Subject: RRCR issue re 3rd party buy in
Importance: High

Hi Anna,

Firstly official congrats on your new position. s.22

s.22

I further look forward to the continued excellent working relationship.

I did leave you a quick VM on your cell. A matter has come up at RRCR this week that I believe should be of concern to GPEB as it has been to BCLC.

Essentially a third party cash buy in for \$200K on behalf of a banned individual was allowed by the site. The individual who purchased the chips then left the site immediately with the chips without play. In a statement by a VIP host to BCLC investigators on why this was allowed to occur, it was indicated that the chips were to be further disbursed to 4 unknown individuals visiting from China so they could play at a later stage. What is further concerning is that the VIP host was aware of all these facts however stated to the BCLC Investigators that she was instructed by RRCR Management to proceed with the transaction.

There are a number of concerns here:

- In June 2017 new FINTRAC requirements came out regarding third party buy ins and reasonable measures. BCLC provided new policy that every \$10K buy in and disbursement required a declaration of ownership. In this case BCLC have obtained a copy of the declaration and it appears the individual buying in claimed the funds were is although it is alleged that some RRCR clearly knew this to be false. This would be a violation of the record keeping requirements as set out by FINTRAC.
- The alleged knowledge by at least 2 members of RRCR Management (unverified)
- BCLC do not allow third party buy in transactions and this transaction therefore should have been refused.
- Avoidance of FINTRAC reporting by a banned individual
- Disregard of previous BCLC Direction around Chip Security

I have received a phone call from Pat ENNIS and Greg PATTISON from GCGC and they are concerned and have asked that I contact GPEB for assistance. We all feel with the potential implications it would be far better that GPEB interview RRCR staff than this be done internally.

I am away from the office this week however Manager AML Programs Daryl TOTTENHAM is coordinating the BCLC Investigation. I feel GPEB should also be involved. I have also cc'ed Len as I

am aware the position is in transition.

Appreciate your assistance in this matter and if GPEB can confirm either way whether they will investigate I can then inform GCGC of such.

Many thanks

Ross Alderson CAMS.

Director, AML & Investigations

Corporate Security and Compliance Division, BCLC

2940 Virtual Way, Vancouver, BC, V5M 0A6

T 604 225 6382 (S.17) F 604 225 6488

●*Yes, and...*●

ralderson@bclc.com

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From: [Fitzgerald, Anna GPEB:EX](#)
To: [Dickson, Brandy GPEB:EX](#)
Subject: FW: Got your voice mail
Date: Thursday, June 21, 2018 4:11:43 PM

Anna Fitzgerald CPA, CA, CIA
Executive Director,
Compliance Division,
Gaming Policy and Enforcement Branch
604-603-6463

From: Fitzgerald, Anna FIN:EX
Sent: Friday, August 4, 2017 6:57 AM
To: Ross Alderson
Subject: Re: Got your voice mail
Hello Ross
Perfect see you then:)
Anna

Sent from my iPhone

On Aug 3, 2017, at 1:27 PM, Ross Alderson <RAlderson@BCLC.com> wrote:

Hi Anna, just got your VM.
Sorry was out of the office this morning, doing a tour of the Parq facility. Coming along nicely
s.22

Ross Alderson CAMS.
Director, AML & Investigations
Corporate Security and Compliance Division, BCLC
2940 Virtual Way, Vancouver, BC, V5M 0A6
T 604 225 6382 C s.17 F 604 225 6488
•Yes, and...•
ralderson@bclc.com

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From: [Akin, Richard GPEB:EX](#)
To: [Stewart, Robert A GPEB:EX](#)
Subject: RE: GCGC HEI COV letters
Date: Monday, November 27, 2017 2:20:00 PM

Done. Individual documents have been added to GOS. Email's cannot be attached to GOS but the link to Chris's file, which includes the emails, is noted in the Details section.

From: Stewart, Robert A FIN:EX
Sent: Monday, November 27, 2017 2:05 PM
To: Akin, Richard FIN:EX
Subject: FW: GCGC HEI COV letters

We should attach all these letters and this e-mail to the GOS file

Bob Stewart

Senior Regional Director
Compliance Division, Lower Mainland
Gaming Policy and Enforcement Branch
Ministry of the Attorney General
#408-4603 Kingsway Avenue
Burnaby, BC, V5H 4M4
Office: 604-660-0271

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From: Akin, Richard FIN:EX
Sent: Wednesday, October 4, 2017 1:36 PM
To: Sandhu, Ruby FIN:EX
Cc: Stewart, Robert A FIN:EX; Graham, Christopher FIN:EX; Brownrigg, Shaune K FIN:EX
Subject: FW: GCGC HEI COV letters

Ruby,

Please generate a file number for this Post-Registration investigation. The complainant is BCLC and the person of interest is s.22

s.22 – Great Canadian Gaming Corporation. This file is assigned to Chris Graham and Shaune Brownrigg will be assisting.

Chris/Shayne,

I have tried contacting Jennifer Kiem – General Counsel – BCLC to advise her that the file has been assigned however I was only able to leave a v/mail asking for a call back. Once she responds I will be looking for any additional information that she may or may not have to assist in the investigation.

Thanks,
Richard

From: Fitzgerald, Anna FIN:EX
Sent: Thursday, September 28, 2017 9:22 PM
To: Stewart, Robert A FIN:EX; Akin, Richard FIN:EX
Cc: Jomha, Robin FIN:EX
Subject: Fwd: GCGC HEI COV letters

Hello Bob

Could we please look into this as requested.

Regards

Ann

Sent from my iPhone

Begin forwarded message:

From: "Jomha, Robin FIN:EX" <Robin.Jomha@gov.bc.ca>
To: "Fitzgerald, Anna FIN:EX" <Anna.Fitzgerald@gov.bc.ca>
Cc: "Bruce, Kim M FIN:EX" <Kim.M.Bruce@gov.bc.ca>
Subject: FW: GCGC HEI COV letters

Good afternoon Anna,

I would like to request the assistance of Compliance Division in conducting an investigation on this issue raised by BCLC.

We would like to see s.22 interviewed and any other subjects that seem warranted (if any) after you have spoken to s.22. The key questions are whether or not GCGC (or any registered employee of GCGC) violated the GCA and whether or not GCGC (or any registered employee) breached their Conditions of Registration. If your team does see this as a breach of the GCA we would be interested in their perspective on whether there was any intent to do anything wrong, whether there is any acknowledgement that an error was made and whether appropriate mitigation strategies have been employed to ensure that this doesn't occur again. Finally a recommendation on any disciplinary steps that should be considered would be helpful.

I have no specific timeline on this although I would appreciate an update once you have one with an ETA of when you expect the investigation may conclude.

Thanks Anna.

Robin Jomha

Director, Corporate Registration

From: Ross Alderson [<mailto:RAlderson@BCLC.com>]
Sent: Wednesday, September 27, 2017 4:25 PM
To: Bruce, Kim M FIN:EX; Jomha, Robin FIN:EX
Cc: Jennifer Keim; Fitzgerald, Anna FIN:EX; Meilleur, Len FIN:EX
Subject: FW: GCGC HEI COV letters

Good afternoon Kim and Robin,

Please be advised that BCLC are reporting per Section 86 (GCA) , suspected violations of sections 88(b) and 88.1(a) of the GCA. These relate to conduct by the Great Canadian Gaming Corporation.

Please find attached one (1) Section 86 report and three (3) supporting documents relating to the alleged violations.

I have also left voice messages with your office lines.

Please do not hesitate to contact me directly should you have any questions.

Regards

Ross Alderson CAMS.

Director, AML & Investigations

Corporate Security and Compliance Division, BCLC

2940 Virtual Way, Vancouver, BC, V5M 0A6

T 604 225 6382 C s.17 F 604 225 6488

●Yes, and...●

ralderson@bclc.com

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Last year, more than \$1 billion generated by BCLC gambling activities went back into health care, education and community groups across B.C.

From: Carmen Minger

Sent: Wednesday, September 27, 2017 3:47 PM

To: Jennifer Keim <JKeim@BCLC.com>; Ross Alderson <RAlderson@BCLC.com>

Subject: GCGC HEI COV letters

As requested

Carmen Minger

Legal Services and Casino Compliance Specialist

Corporate Security and Compliance

74 West Seymour Street

Kamloops, BC V2C 1E2

T 250 828 5504 C **s.17**

F 250 828 5637

cminger@bclc.com

bclc.com

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From: Jennifer Keim
To: [Graham, Christopher GPEB:EX](#)
Cc: [Akin, Richard GPEB:EX](#)
Subject: RE: GPEB File 15... BCLC Complaint re: Great Canadian Gaming Corporation - s.22
Date: Wednesday, October 25, 2017 8:33:47 AM

Chris –

The only remaining communication is attached below – otherwise, we have provided all our records of communication between GCGC and BCLC regarding this matter.

Let me know if you require any further information.

s.15,s.21,s.22

Regards,

Jennifer M. Keim
General Counsel
BCLC, 74 W. Seymour St., Kamloops, BC V2C 1E2
T 250 828-5557 F 250 828-5637
Email: jkeim@bclc.com

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Last year, more than \$1 billion generated by BCLC gambling activities went back into health care, education and community groups across B.C.

From: Graham, Christopher FIN:EX [mailto:Christopher.Graham@gov.bc.ca]
Sent: October-18-17 2:33 PM

To: Jennifer Keim

Cc: Richard Akin

Subject: RE: GPEB File #s.15 BCLC Complaint re: Great Canadian Gaming Corporation - s.22

Thanks for the quick reply Jennifer. I will wait for the follow up information.

Regards,

Chris Graham

Investigator,

Compliance Division

Gaming Policy and Enforcement Branch

408-4603 Kingsway Ave,

Burnaby, BC V5H 4M4

604 314 7178

If you believe that you have received this email in error, please notify the sender and delete the email from your mailbox.

From: Jennifer Keim [<mailto:JKeim@BCLC.com>]

Sent: Wednesday, October 18, 2017 9:50 AM

To: Graham, Christopher FIN:EX

Cc: Akin, Richard FIN:EX

Subject: RE: GPEB File #s.15 BCLC Complaint re: Great Canadian Gaming Corporation - s.22

Chris,

I have requested that our staff provide me with any other records pertaining to this matter. To my knowledge, I don't believe there will be anything substantive but will forward the material as soon as I receive it.

To my knowledge, Mr. Baker did not have any communication with Mr. Desmarais – after our initial response to GCGC, Terence Doyle contacted Mr. Desmarais by phone to express an apology. So the word “your” in the paragraph referred to GCGC as a organization, not Mr. Baker specifically.

I hope this information is helpful and I will forward the other materials as soon as I have received them.

Regards,

Jennifer M. Keim

General Counsel

BCLC, 74 W. Seymour St., Kamloops, BC V2C 1E2

T 250 828-5557 F 250 828-5637

Email: jkeim@bclc.com

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Last year, more than \$1 billion generated by BCLC gambling activities went back into health care, education and community groups across B.C.

From: Graham, Christopher FIN:EX [<mailto:Christopher.Graham@gov.bc.ca>]

Sent: October-18-17 8:31 AM

To: Jennifer Keim <JKeim@BCLC.com>

Cc: Richard Akin <Richard.akin@gov.bc.ca>

Subject: FW: GPEB File s.15 BCLC Complaint re: Great Canadian Gaming Corporation - s.22

Hello again Ms. KEIM,

I have just s.22

. I am wondering if you had a chance to follow up on my query from last Tuesday. Once I have your reply I will be able to forward the report to Victoria.

Thank you in Advance,

Kind Regards,

Chris Graham

Investigator,

Compliance Division

Gaming Policy and Enforcement Branch

408-4603 Kingsway Ave,

Burnaby, BC V5H 4M4

604 314 7178

If you believe that you have received this email in error, please notify the sender and delete the email from your mailbox.

From: Graham, Christopher FIN:EX

Sent: Tuesday, October 10, 2017 2:30 PM

To: 'Jennifer Keim'

Cc: Akin, Richard FIN:EX

Subject: RE: GPEB File s.15 BCLC Complaint re: Great Canadian Gaming Corporation - s.22

Hello Ms. Keim,

I am the investigator that has been assigned to follow-up on the Section 86(2) Report that was submitted to the GPEB by Ross ALDERSON on September 27, 2017. I have had a chance to review the disclosed records and have spoken to s.22 regarding his involvement. Based on that, I have a few questions that will help me as I try sort out the details.

In your letter to Mr. Rod BAKER, dated September 27, 2017, you wrote:

"We appreciate your recent communications with Mr. Desmarais acknowledging the inappropriateness of the GCGC letter to the COV. We have been provided with a copy of your letter second letter to COV dated September 26, 2017, in which you endeavor to correct any impression that GCGC may determine the conduct, management, or operation of lottery schemes. Your immediate response to our concern is noted."

To be clear, do the communications and letter you refer to involves the actions of s.22 Or is there some other communication between BAKER and DESMARAIS?

s.22 told me that he forwarded a copy of the first letter to BCLC employee Greg WALKER on or about September 20, 2017. Can you confirm that?

Is there any communication between s.22 WALKER and/or other BCLC employees with respect to these matters? If so, can I get a copy of those records including, reports or emails.

Thanks in advance,

Kind regards,

Chris Graham

Investigator,

Compliance Division

Gaming Policy and Enforcement Branch

408-4603 Kingsway Ave,
Burnaby, BC V5H 4M4
604 314 7178

If you believe that you have received this email in error, please notify the sender and delete the email from your mailbox.

From: Jennifer Keim [<mailto:JKeim@BCLC.com>]

Sent: Thursday, October 5, 2017 12:45 PM

To: Akin, Richard FIN:EX

Cc: Graham, Christopher FIN:EX

Subject: RE: GPEB File s.15 BCLC Complaint re: Great Canadian Gaming Corporation - s.22

Mr. Akin,

Pursuant to your request, please find attached a copy of the relevant section from the OSA along with a brief email I and Brad Desmarais received following GCC's receipt of our letter. Mr. Desmarais is going to double check his records but to the best of his knowledge, there are no further written records. I can confirm that I do not have any further written material that was received/sent to GCC regarding this matter.

If you require any further information, please let me know.

Regards,

Jennifer M. Keim

General Counsel

BCLC, 74 W. Seymour St., Kamloops, BC V2C 1E2

T 250 828-5557 F 250 828-5637

Email: jkeim@bclc.com

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From: Akin, Richard FIN:EX [<mailto:richard.akin@gov.bc.ca>]

Sent: October-05-17 12:38 PM

To: Jennifer Keim <JKeim@BCLC.com>

Cc: Christopher Graham <Christopher.Graham@gov.bc.ca>

Subject: GPEB File s.15 BCLC Complaint re: Great Canadian Gaming Corporation - s.22

Ms. Keim,

Thank you for your assistance in this matter. We (GPEB) have opened an investigation into the matters raised with regard to the information we received on September 27, 2017. Our file # is s.15 With reference to your correspondence dated September 27, 2017 that was addressed to Rod Baker (GCGC), there was mention an alleged breach of "...Article 2.03 of the Operational Services Agreement...". Special Provincial Constable Chris Graham, who is assigned to this file, has requested a copy of the relevant Operational Services Agreement to assist in our investigation. PSC Graham also requested any communication (written) that may exist between s.22, Brad Desmarais, and Ross Alderson regarding this specific issue. As per our conversation, my

understanding is that any communication between the afore-mentioned parties was verbal not written or in an email format. My understanding is that you will be seeking confirmation that no additional written communication exists and I look forward to hearing from you.

Regards,

Richard Akin

Investigator, Special Provincial Constable #917

Gaming Policy and Enforcement Branch

Ministry of Attorney General

408 – 4603 Kingsway Avenue

Burnaby, BC V5H 4M4

Direct Line: (604) 660-2034

Mobile: s.17

Fax: (604) 660-2333

Email: richard.akin@gov.bc.ca

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From: [McGregor, Scott GPEB:EX](#)
To: [Akin, Richard GPEB:EX](#)
Subject: Re: ITRAK - 15
Date: Tuesday, October 10, 2017 1:42:11 PM

Rgr ack. Ty

Kind regards,
Scott

Sent from my iPhone

On Oct 10, 2017, at 1:08 PM, Akin, Richard FIN:EX <richard.akin@gov.bc.ca> wrote:

Sent from my s.22

From: Samson, Heather FIN:EX <Heather.Samson@gov.bc.ca>
Sent: Tuesday, October 10, 2017 12:58
To: Akin, Richard FIN:EX
Subject: FW: ITRAK - 15

FYI

From: Ross Alderson [<mailto:RAlderson@BCLC.com>]
Sent: Tuesday, October 10, 2017 12:40 PM
To: Samson, Heather FIN:EX
Subject: Automatic reply: ITRAK - 15
OUT OF OFFICE ALERT

s.22 please reach out to Kevin Sweeney (Director, Security, Privacy and Compliance) at ksweeney@bclc.com or Rob Kroeker (Vice President, Corporate Security and Compliance) at rkroeker@bclc.com.

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From: [Samson, Heather GPEB:EX](#)
To: ["RAlderson@BCLC.com"](mailto:RAlderson@BCLC.com)
Cc: [Akin, Richard GPEB:EX](#)
Subject: ITRAK s 15
Date: Tuesday, October 10, 2017 12:40:00 PM

Good Afternoon Ross,

I'm currently working on GPEB file # 97791 and in the course of the investigation I have sent in an 86 request to BCLC seeking further information pertaining to ITRAK s 15. While I wait for that information, I had a quick question for you. I have a copy of a document prepared and signed by yourself which indicates that statements were taken in relation to the incident described in the ITRAK report. By any chance do you recall who took the statements (River Rock staff, BCLC, etc)?

Thank you.

Heather Samson

Investigator, Special Provincial Constable

Gaming Policy and Enforcement Branch

Ministry of the Attorney General

#408-4603 Kingsway Avenue

Burnaby, BC, V5H 4M4

Office: 604-660-5166

Cell: s.17

Heather.Samson@gov.bc.ca

From: [Akin, Richard GPEB:EX](#)
To: [Stewart, Robert A GPEB:EX](#)
Cc: [Fitzgerald, Anna GPEB:EX](#)
Subject: FW: s.15
Date: Thursday, October 5, 2017 2:51:00 PM
Attachments: s.15

Fyi,

Attached report authored by R. Alderson and sent to G. Baillie re: s.15

s.15 G. Baillie sent attached report to B. Mulcahy on March 4, 2016 and subsequently sent to R. Barber, K. Ackles and D. Dickson.

Richard

From: Mulcahy, William FIN:EX
Sent: Friday, March 4, 2016 9:14 AM
To: Ackles, Ken FIN:EX; Barber, Rob FIN:EX; Dickson, Derek FIN:EX
Subject: FW: s.15

Garth has forwarded the report that registration received
Bill Mulcahy

s.17 (cell)

604-660-0271 (desk)

William.Mulcahy@gov.bc.ca

If you believe that you have received this email in error, please notify the sender and delete the email from your mailbox.

From: Baillie, Garth E FIN:EX
Sent: Friday, March 4, 2016 9:09 AM
To: Mulcahy, William FIN:EX
Subject: FW: s.15

FYI

Garth Baillie

Director, Deputy Registrar

Personnel Registration

Gaming Policy and Enforcement Branch

Direct phone (250) 356-0983

If you believe that you have received this email in error, please notify the sender and delete the email from your mailbox.

From: Swan, Angela FIN:EX
Sent: Tuesday, March 1, 2016 4:29 PM
To: Baillie, Garth E FIN:EX
Subject: FW: s.15

Hi Garth,

I just received a call from Ross Alderson at BCLC regarding an incident that we should look into. You may already be aware of this incident. BCLC's report is attached. Can you please review the actions of the s.15 ' If you need any further

information, please contact Ross Alderson. We should also be able to obtain a copy of the section 86 report from Len's team.

Call or text me on my cell if you want to chat further.

Thanks,

Ang

From: Ross Alderson [<mailto:RAlderson@BCLC.com>]

Sent: Tuesday, March 1, 2016 4:20 PM

To: Swan, Angela FIN:EX

Subject: s.15

As discussed,

Section 86 was submitted however I believe there are some possible registration concerns here as well.

Regards

Ross Alderson CAMS

Director, AML & Operational Analysis

Corporate Security and Compliance Division, BCLC

2940 Virtual Way, Vancouver, BC, V5M 0A6

T 604 225 6382 C s.17 F 604 225 6488

ralderson@bclc.com

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From: [Akin, Richard GPEB:EX](#)
To: [Sandhu, Ruby GPEB:EX](#)
Cc: [Stewart, Robert A GPEB:EX](#); [Graham, Christopher GPEB:EX](#); [Brownrigg, Shaune K FIN:EX](#)
Subject: FW: GCGC HEI COV letters
Date: Wednesday, October 4, 2017 1:36:00 PM
Attachments: [Hastings Letter to COV Sept 26 2017.pdf](#)
[ATT00001.htm](#)
[Hastings Letter to COV Sept 20 2017.pdf](#)
[ATT00002.htm](#)
[Ltr to HEI re City of Vancouver HLG approval v2 Sept 27 17.pdf](#)
[ATT00003.htm](#)
[Section 86 Report LMD.pdf](#)
[ATT00004.htm](#)

Ruby,

Please generate a file number for this Post-Registration investigation. s.15
s.15,s.22

s.15 . This file is assigned to Chris Graham and Shaune Brownrigg will be assisting.

Chris/Shayne,

I have tried contacting Jennifer Kiem – General Counsel – BCLC to advise her that the file has been assigned however I was only able to leave a v/mail asking for a call back. Once she responds I will be looking for any additional information that she may or may not have to assist in the investigation.

Thanks,
Richard

From: Fitzgerald, Anna FIN:EX
Sent: Thursday, September 28, 2017 9:22 PM
To: Stewart, Robert A FIN:EX; Akin, Richard FIN:EX
Cc: Jomha, Robin FIN:EX
Subject: Fwd: GCGC HEI COV letters
Hello Bob

Could we please look into this as requested.

Regards
Ann

Sent from my iPhone

Begin forwarded message:

From: "Jomha, Robin FIN:EX" <Robin.Jomha@gov.bc.ca>
To: "Fitzgerald, Anna FIN:EX" <Anna.Fitzgerald@gov.bc.ca>
Cc: "Bruce, Kim M FIN:EX" <Kim.M.Bruce@gov.bc.ca>
Subject: FW: GCGC HEI COV letters

Good afternoon Anna,

I would like to request the assistance of Compliance Division in conducting an investigation on this issue raised by BCLC.

We would like to see s.22 interviewed and any other subjects that seem warranted (if any) after you have spoken to s.22 . The key questions are whether or not GCGC (or any registered employee of GCGC) violated the GCA and whether or not

GCGC (or any registered employee) breached their Conditions of Registration. If your team does see this as a breach of the GCA we would be interested in their perspective on whether there was any intent to do anything wrong, whether there is any acknowledgement that an error was made and whether appropriate mitigation strategies have been employed to ensure that this doesn't occur again. Finally a recommendation on any disciplinary steps that should be considered would be helpful.

I have no specific timeline on this although I would appreciate an update once you have one with an ETA of when you expect the investigation may conclude.

Thanks Anna.

Robin Jomha

Director, Corporate Registration

From: Ross Alderson [<mailto:RAlderson@BCLC.com>]

Sent: Wednesday, September 27, 2017 4:25 PM

To: Bruce, Kim M FIN:EX; Jomha, Robin FIN:EX

Cc: Jennifer Keim; Fitzgerald, Anna FIN:EX; Meilleur, Len FIN:EX

Subject: FW: GCGC HEI COV letters

Good afternoon Kim and Robin,

Please be advised that BCLC are reporting per Section 86 (GCA) , suspected violations of sections 88(b) and 88.1(a) of the GCA. These relate to conduct by the Great Canadian Gaming Corporation.

Please find attached one (1) Section 86 report and three (3) supporting documents relating to the alleged violations.

I have also left voice messages with your office lines.

Please do not hesitate to contact me directly should you have any questions.

Regards

Ross Alderson CAMS.

Director, AML & Investigations

Corporate Security and Compliance Division, BCLC

2940 Virtual Way, Vancouver, BC, V5M 0A6

T 604 225 6382 C s.17

F 604 225 6488

•**Yes, and...**•

ralderson@bclc.com

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Last year, more than \$1 billion generated by BCLC gambling activities went back into health care, education and community groups across B.C.

From: Carmen Minger

Sent: Wednesday, September 27, 2017 3:47 PM

To: Jennifer Keim <JKeim@BCLC.com>; Ross Alderson <RAlderson@BCLC.com>

Subject: GCGC HEI COV letters

As requested

Carmen Minger

Legal Services and Casino Compliance Specialist

Corporate Security and Compliance

74 West Seymour Street

Kamloops, BC V2C 1E2

T 250 828 5504 C s.17

F 250 828 5637

cminger@bclc.com

bclc.com

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From: [Stewart, Robert A GPEB:EX](#)
To: ["Daryl Tottenham"](#)
Cc: [Akin, Richard GPEB:EX](#)
Subject: RE: RRCR issue re 3rd party buy in
Date: Thursday, September 21, 2017 9:26:25 AM

Sounds good Daryl, thank you.

4th floor 4603 Kingsway

Bob Stewart

Manager, Intelligence Unit &

Lower Mainland Investigations

Gaming Policy and Enforcement Branch

Ministry of the Attorney General

#408-4603 Kingsway Avenue

Burnaby, BC, V5H 4M4

Office: 604-660-0269

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From: Daryl Tottenham [mailto:DTottenham@BCLC.com]

Sent: Thursday, September 21, 2017 9:02 AM

To: Stewart, Robert A FIN:EX

Subject: RE: RRCR issue re 3rd party buy in

Hi Bob,

I did not get the voice mail but I can come down today and meet with them. I have to be out at Edgewater by around 3 pm as I am training about 40 staff on Fintrac compliance prior to the Parc opening on Friday. Timing should be ok for both meetings so I shall see you after lunch.

Thanks Daryl

Daryl Tottenham Ba, CAMS

Manager, AML Programs

Corporate Security & Compliance Division, BCLC

2940 Virtual Way, Vancouver, BC V5M 0A6

C s.17

dtottenham@bclc.com

●**Yes, and...**●

Last year, more than \$1 billion generated by BCLC gambling activities went back into health care, education and community groups in B.C.

From: Stewart, Robert A FIN:EX [mailto:Bob.Stewart@gov.bc.ca]

Sent: Thursday, September 21, 2017 8:47 AM

To: Daryl Tottenham <DTottenham@BCLC.com>

Subject: RE: RRCR issue re 3rd party buy in

Hi Daryl,

Did you get my voice mail yesterday? We were hoping you could come by and talk to the Investigators today at 1300hrs, and review what we have. If not please call and we can set something up.

Thanks

Bob Stewart
Manager, Intelligence Unit &
Lower Mainland Investigations
Gaming Policy and Enforcement Branch
Ministry of the Attorney General
#408-4603 Kingsway Avenue
Burnaby, BC, V5H 4M4
Office: 604-660-0269

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From: Daryl Tottenham [<mailto:DTottenham@BCLC.com>]

Sent: Friday, September 15, 2017 11:59 AM

To: Stewart, Robert A FIN:EX

Cc: Fitzgerald, Anna FIN:EX; Ross Alderson; Akin, Richard FIN:EX; Stenerson, Laurin P FIN:EX; Samson, Heather FIN:EX

Subject: RE: RRCR issue re 3rd party buy in

Hi Bob,

No problem, I am on days off but have been working all morning s.22 and am available for a call whenever you have time. My cell is s.17

I will put together an outline and my concerns for this incident and send it your way. I have also had s.15

s.15,s.22

I am in the process of contacting Pat at RR as I suggested to him yesterday their first order of business should be contacting s. and requiring him to immediately return the chips to RR and document that process fully. s.15,s.22

s.15,s.22

s.15,s.22 . If they are unavailable we will have a hard copy of the interview and make it available for your team.

Shout me at any time on cell if you have questions, synopsis to follow shortly.

Daryl

Daryl Tottenham Ba, CAMS

Manager, AML Programs

Corporate Security & Compliance Division, BCLC

2940 Virtual Way, Vancouver, BC V5M 0A6

Cs.17

dtottenham@bclc.com

•Yes, and...•

Last year, more than \$1 billion generated by BCLC gambling activities went back into health care, education and community groups in B.C.

From: Stewart, Robert A FIN:EX [<mailto:Bob.Stewart@gov.bc.ca>]

Sent: Friday, September 15, 2017 10:40 AM

To: Daryl Tottenham <DTottenham@BCLC.com>

Cc: Anna Fitzgerald <anna.fitzgerald@gov.bc.ca>; Ross Alderson <RAlderson@BCLC.com>; Richard Akin <Richard.akin@gov.bc.ca>; Laurin Stenerson <Laurin.Stenerson@gov.bc.ca>; Samson, Heather FIN:EX <Heather.Samson@gov.bc.ca>

Subject: FW: RRCR issue re 3rd party buy in

Importance: High

Hello Daryl,

As per the e-mail chain be advised that we will conduct an investigation in relation to this and I have assigned Laurin Stenerson and Heather Samson with oversight from our Lead Investigator Rich Akin. BCLC and RRCR will soon be receiving Section 86 Demands for information related to this event.

If you have time this afternoon I would like to give you a phone call to further discuss. In the meantime, and as a start to the investigation, it would be appreciated if you could send me an e-mail outlining the specific compliance and policy breaches that you feel occurred here. I think it is important that both GPEB and BCLC share the same expectation as to what is going to be investigated. We can discuss more on the phone but if you could provide reference documentation that would be helpful.

Would you be available this afternoon between 1300 and 1500?

Thank you,

Bob Stewart

Manager, Intelligence Unit &
Lower Mainland Investigations
Gaming Policy and Enforcement Branch
Ministry of the Attorney General
#408-4603 Kingsway Avenue
Burnaby, BC, V5H 4M4
Office: 604-660-0269

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From: Fitzgerald, Anna FIN:EX

Sent: Thursday, September 14, 2017 6:05 PM

To: Stewart, Robert A FIN:EX; Meilleur, Len FIN:EX

Subject: FW: RRCR issue re 3rd party buy in

Importance: High

Hello Len and Bob,

I think we should let them know we will look into this (if we aren't already) and touch base with Dary TOTTENHAM first thing tomorrow. Any other thoughts?

Anna

From: Ross Alderson [<mailto:RAlderson@BCLC.com>]

Sent: Thursday, September 14, 2017 5:19 PM

To: Fitzgerald, Anna FIN:EX

Cc: Meilleur, Len FIN:EX; Daryl Tottenham; Kevin Sweeney; Rob Kroeker

Subject: RRCR issue re 3rd party buy in

Importance: High

Hi Anna,

Firstly official congrats on your new position. S.22

s.22

I further look forward to the continued excellent working relationship.

I did leave you a quick VM on your cell. A matter has come up at RRCR this week that I believe should be of concern to GPEB as it has been to BCLC.

s.15

There are a number of concerns here:

s.15

Appreciate your assistance in this matter and if GPEB can confirm either way whether they will investigate I can then inform GCGC of such.

Many thanks

Ross Alderson CAMS.

Director, AML & Investigations

Corporate Security and Compliance Division, BCLC

2940 Virtual Way, Vancouver, BC, V5M 0A6

T 604 225 6382 C 604 225 6382 F 604 225 6488

● **Yes, and...** ●

ralderson@bclc.com

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From: Ross Alderson
To: Stewart, Robert A GPEB:EX
Subject: Automatic reply: RRCR issue re 3rd party buy in
Date: Friday, September 15, 2017 10:57:39 AM

s.22

Thank you for your email.

s.22 For urgent matters please contact Kevin Sweeney at ksweeney@bcllc.com. I apologize for any inconvenience caused.

Regards
Ross Alderson
Director, AML & Investigations.

Regards
Ross Alderson
Director, AML & Investigations

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From: Meilleur, Len FIN:EX
To: ["Ross Alderson"](#)
Subject: Meeting
Date: Monday, September 11, 2017 7:25:00 AM

Hi Ross,

s.22 , so unless you
have a few minutes this morning or at lunch we'll have to catch up on another date. I will be
heading s.22 or so.

Regards,

Len

J.E.L. (Len) Meilleur
Executive Director
Compliance Division
Gaming Policy Enforcement Branch
Ministry of Attorney General
Location: 3rd Floor, 910 Government Street, Victoria BC V8W 1X3
Mailing Address: P.O. Box 9309 Stn Prov Govt, Victoria BC V8W 9N1
Tel:250-356-6320 Fax:250-356-0782
E-mail: len.meilleur@gov.bc.ca
Website: www.gaming.gov.bc.ca

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From: Ross Alderson
To: [Meilleur, Len FIN:EX](#)
Cc: [Rob Kroeker](#); [Brad Desmarais](#)
Subject: RE: ACAMS Membership
Date: Tuesday, September 5, 2017 12:31:20 PM

Hi Len,

Thank you for the kind note.

s.22

I also echo the comments in Rob's email.

s.22

Regards

Ross Alderson CAMS.

Director, AML & Investigations
Corporate Security and Compliance Division, BCLC
2940 Virtual Way, Vancouver, BC, V5M 0A6
T 604 225 6382 C **s.17** F 604 225 6488

●***Yes, and...***●

ralderson@bclc.com

-

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Last year, more than \$1 billion generated by BCLC gambling activities went back into health care, education and community groups across B.C.

From: Meilleur, Len FIN:EX [mailto:Len.Meilleur@gov.bc.ca]
Sent: Tuesday, September 05, 2017 11:45 AM
To: Ross Alderson <RAlderson@BCLC.com>
Cc: Rob Kroeker <RKroeker@bclc.com>; Brad Desmarais <BDesmarais@bclc.com>
Subject: ACAMS Membership

Hi Ross,

s.22

s.22

s.22

Regards,

Len

J.E.L. (Len) Meilleur

Executive Director

Compliance Division

Gaming Policy Enforcement Branch

Ministry of Attorney General

Location: 3rd Floor, 910 Government Street, Victoria BC V8W 1X3

Mailing Address: P.O. Box 9309 Stn Prov Govt, Victoria BC V8W 9N1

Tel:250-356-6320 Fax:250-356-0782

E-mail: len.meilleur@gov.bc.ca

Website: www.gaming.gov.bc.ca

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From: Rob Kroeker
To: [Meilleur, Len FIN:EX](#)
Cc: [Ross Alderson](#); [Brad Desmarais](#)
Subject: RE: ACAMS Membership
Date: Tuesday, September 5, 2017 12:07:40 PM

s.22

All the best

Rob

From: Meilleur, Len FIN:EX [mailto:Len.Meilleur@gov.bc.ca]
Sent: September-05-17 11:45 AM
To: Ross Alderson <RAlderson@BCLC.com>
Cc: Rob Kroeker <RKroeker@bclc.com>; Brad Desmarais <BDesmarais@bclc.com>
Subject: ACAMS Membership

Hi Ross,

s.22

Regards,

Len

J.E.L. (Len) Meilleur
Executive Director
Compliance Division
Gaming Policy Enforcement Branch
Ministry of Attorney General
Location: 3rd Floor, 910 Government Street, Victoria BC V8W 1X3
Mailing Address: P.O. Box 9309 Stn Prov Govt, Victoria BC V8W 9N1
[Tel:250-356-6320](tel:250-356-6320) Fax:250-356-0782

E-mail: len.meilleur@gov.bc.ca
Website: www.gaming.gov.bc.ca

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Withheld pursuant to/removed as

s.22;s.15;s.17

From: Ross Alderson
To: [Mayer, Douglas FIN:EX](#)
Subject: RE: BCLC/GPEB Quarterly Leadership Meeting
Date: Monday, August 14, 2017 2:11:11 PM

Sounds good. Thx Doug

Ross Alderson CAMS.

Director, AML & Investigations

Corporate Security and Compliance Division, BCLC

2940 Virtual Way, Vancouver, BC, V5M 0A6

T 604 225 6382 C s.17 F 604 225 6488

● Yes, and... ●

ralderson@bclc.com

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Last year, more than \$1 billion generated by BCLC gambling activities went back into health care, education and community groups across B.C.

From: Mayer, Douglas FIN:EX [<mailto:Douglas.Mayer@gov.bc.ca>]

Sent: Monday, August 14, 2017 1:50 PM

To: Ross Alderson

Subject: RE: BCLC/GPEB Quarterly Leadership Meeting

Hi Ross, consensus is to cancel it at this point with not having everyone around. I'll have someone from the Kingsway office cancel the calendar invite.

Once Anna is back she can look at re-scheduling a meeting if need be.

Thanks,

Doug

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From: Ross Alderson [<mailto:RAlderson@BCLC.com>]

Sent: Monday, August 14, 2017 12:52 PM

To: Mayer, Douglas FIN:EX

Subject: RE: BCLC/GPEB Quarterly Leadership Meeting

No problem.

Just let me know. From our side looks like Laird and Kevin are out and so without Anna (and I imagine Len) it may be best to reschedule

Ross Alderson CAMS.

Director, AML & Investigations

Corporate Security and Compliance Division, BCLC

2940 Virtual Way, Vancouver, BC, V5M 0A6

T 604 225 6382 C s.17 F 604 225 6488

● Yes, and... ●

ralderson@bclc.com

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Last year, more than \$1 billion generated by BCLC gambling activities went back into health care, education and community groups across B.C.

From: Mayer, Douglas FIN:EX [<mailto:Douglas.Mayer@gov.bc.ca>]

Sent: Monday, August 14, 2017 12:15 PM

To: Ross Alderson <RAlderson@BCLC.com>

Subject: RE: BCLC/GPEB Quarterly Leadership Meeting

Hi Ross, I've followed up with the Regional Directors/Victoria and I'm just waiting for confirmation. I'll let you know as soon as I find out.

Thanks for providing the detailed response earlier as well.

Doug

If you believe that you have received this email in error, please notify the sender and delete the email from your mailbox.

From: Ross Alderson [<mailto:RAlderson@BCLC.com>]

Sent: Monday, August 14, 2017 8:58 AM

To: Mayer, Douglas FIN:EX

Subject: RE: BCLC/GPEB Quarterly Leadership Meeting

Hi Doug, is this meeting still going ahead for Thursday?

Ross Alderson CAMS.

Director, AML & Investigations

Corporate Security and Compliance Division, BCLC

2940 Virtual Way, Vancouver, BC, V5M 0A6
T 604 225 6382 C s.17 F 604 225 6488

● *Yes, and...* ●

ralderson@bclc.com

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Last year, more than \$1 billion generated by BCLC gambling activities went back into health care, education and community groups across B.C.

-----Original Appointment-----

From: GPEB R Burnaby Boardroom GPEB:EX [<mailto:SGGPEBRB@Victoria1.gov.bc.ca>]

Sent: Wednesday, April 19, 2017 8:31 AM

To: GPEB R Burnaby Boardroom GPEB:EX; Brandi Chan; Anna Fitzgerald; Cary Skrine; Knight, Chris W FIN:EX; Peter Werner; Bob Stewart; Douglas Mayer; Meilleur, Len FIN:EX; Kevin Sweeney; Ross Alderson; Laird Robinson; Kris Gade

Subject: BCLC/GPEB Quarterly Leadership Meeting

When: Thursday, August 17, 2017 1:00 PM–2:30 PM (UTC–08:00) Pacific Time (US & Canada).

Where: 408, 4603 Kingsway Avenue

BCLC/GPEB Quarterly Leadership Meeting

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Withheld pursuant to/removed as

s.15;s.17

From: Hackett, Kevin
To: [Meilleur, Len FIN:EX](#)
Subject: Re: Executive Director Compliance Division (GPEB)
Date: Friday, July 7, 2017 11:50:57 AM

Thanks Len

s.22

Kevin

Sent from my s.17

From: Meilleur, Len FIN:EX
Sent: Friday, July 7, 2017 7:48 AM
To: 'RKroeker@bclrc.com'; Hackett, Kevin
Cc: 'Ross Alderson'; 'Kevin Sweeney'
Subject: Executive Director Compliance Division (GPEB)

Rob and Kevin:

s.22

Regards,

Len

J.E.L. (Len) Meilleur

Executive Director

Compliance Division

Gaming Policy Enforcement Branch

Ministry of Finance

Location: 3rd Floor, 910 Government Street, Victoria BC V8W 1X3

Mailing Address: P.O. Box 9309 Stn Prov Govt, Victoria BC V8W 9N1

Tel:250-356-6320 Fax:250-356-0782

E-mail: len.meilleur@gov.bc.ca

Website: www.gaming.gov.bc.ca

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From: [Minister, AG AG:EX](#)
Subject: s 15
Attachments: [Letter to AG Feb18 Final.pdf](#)

From: s.22
Sent: Monday, February 19, 2018 1:07 PM
To: Minister, AG AG:EX
Subject: Fwd: CONFIDENTIAL - PER BC CASINO REVIEW
Forwarded per request

----- Forwarded message -----

From s.22
Date: Mon, Feb 19, 2018 at 1:02 PM
Subject: CONFIDENTIAL - PER BC CASINO REVIEW
To: david.eby.MLA@leg.bc.ca

To the Attorney General of British Columbia, the Honourable Mr. David Eby QC

Dear Sir,

Please find attached an electronic copy of a letter I have written for you.

I would respectfully and gratefully appreciate you taking the time to read it.

It would mean a lot to me.

Regards

s.22

BCLC - GPEB

Investigations Protocol Document

Section 86 G.C.A. and 34 G.C.R. Reporting

June 2017

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BCLC – GPEB Investigations Protocol Document

Context

The British Columbia Lottery Corporation (BCLC) and Gaming Policy and Enforcement Branch (GPEB), will distinguish their roles and responsibilities as per the Key Principles summarized in the June 29th, 2015, letter co-signed by both parties to the Minister of Finance and the reporting requirements outlined in the applicable provincial legislations: primarily, the Gaming Control Act (GCA) and the Freedom of Information and Protection of Privacy Act (FOIPPA).

The following protocol document is not legally binding; rather, its aim is to provide the basis of agreement between BCLC and GPEB to facilitate and administer the efficient, effective, and secure provision of information. Furthermore, it is intended to elucidate the distinctive roles and illustrate the specific responsibilities of each body within the limits of and compliance with the aforementioned legislation. The shared objective is to heighten the accountability of each body to its internal and external stakeholders, most notably the Province of British Columbia, and to guide the process for the sharing of information related to Investigations and Investigative Audits as defined by the GCA.

In an effort to fulfill the agreed upon key principles and common objectives, BCLC and GPEB have engaged various third parties and internal legal resources to provide feedback and recommendations in relation to the current processes. One such example, the 2016 GPEB Section 86 Privacy Impact Assessment (PIA) Review conducted by the Office of the Information and Privacy Commissioner (OIPC) in OIPC File F16-68186, outlines recommendations made in relation to the collection of personal information through GCA Section 86 demands. These recommendations will be clarified here.

Roles & Responsibilities

BCLC

BCLC is “responsible for the conduct and management of gaming on behalf of the government.”¹ This includes “agreements with registered gaming services providers for services required in the conduct, management or operation of provincial gaming.”² As an agent of the government, BCLC and, in turn, its service providers will adhere to the reporting and disclosure requirements outlined by the GCA and FOIPPA, and notify GPEB of all instances falling within the specifications of Section 86(2) of the GCA. Similarly, as a business with customers, BCLC will protect and reasonably manage the information

¹ Gaming Control Act (GCA) s. 7(1)

² GCA s. 7(1)(f)

obtained from its customers to ensure any disclosure is done in accordance with both the GCA requirements and the FOIPPA disclosure standards.

GPEB

GPEB is “an office of the government under the direction of the general manager”³ tasked “to carry out the responsibilities given to it under this Act”⁴ by providing regulatory oversight to BCLC and its gaming service providers. GPEB bears the responsibility of “the overall integrity of gaming and horse racing”⁵ in BC, which includes offences under the GCA and, when under authority of police of jurisdiction, by extension the Criminal Code of Canada (CCC). GPEB will manage and outline exactly what is required in relation to an investigation to satisfy the expectations of the OIPC to avoid “overly broad” requests and the subsequent “over-collecting [of] personal information.”⁶ In the event GPEB identifies some of the information collected as “irrelevant or inappropriate” and determines that this information “will not be used to make a decision that directly affects an individual,”⁷ said information will be either returned to BCLC, or destroyed in accordance with government’s information management legislation.⁸

Gaming Services Providers

Gaming Services providers are contracted to operate gaming facilities on behalf of and under the instructions, policies, and directions of BCLC. To facilitate this undertaking, gaming services providers utilize BCLC’s databases. As registered gaming services providers, they are subject to the regulatory oversight of GPEB and will adhere to the regulations of the GCA and the supplementary Gaming Control Regulation (GCR). As per the GCR, gaming service providers are required to “immediately report to the general manager any conduct or activity at or near a gaming facility that is or may be contrary to the Criminal Code, the Act or any regulation under the Act.”⁹ Therefore, gaming service providers will provide information to GPEB as required under the GCA and GCR.

Police

Police have full jurisdictional enforcement of the CCC and can investigate and issue violation tickets in relation to the GCA. BCLC has an Information Sharing Agreement (ISA) with the Royal Canadian Mounted Police (RCMP). This agreement allows sharing of information related to suspected criminal activity that is appropriate under FOIPPA disclosure standards. BCLC and the Combined Forces Special Enforcement Unit (CFSEU-BC) have an existing agreement in place to “proactively ban Provincial Tactical Enforcement Priority (PTEP) individuals who frequent gaming facilities, such as casinos, and who are considered ‘undesirable’ under the Gaming Control Act.”¹⁰ Furthermore, in 2016 CFSEU-BC established the Joint Illegal Gaming Investigation Team (JIGIT) comprised of police and other organizations, including GPEB. As per their mandate, “JIGIT will gather intelligence concerning the gaming industry and manage this information effectively to ensure that all facets of the gaming industry operate with honesty and integrity. The aim is to prevent criminal attempts to legalize the proceeds of crime through gaming facilities, while at the same time be a central repository of information and intelligence on illegal gaming activity in the province.”¹⁰

³ GCA s. 22(1)

⁴ GCA s. 22(2)

⁵ GCA s. 23

⁶ OIPC File F16-68186

⁷ FOIPPA s. 31

⁸ OIPC File F16-68186

⁹ Gaming Control Regulation (GCR) s. 34(1)(t)

¹⁰ Website link [CFSEU-BC JIGIT](#)

FINTRAC

At a federal level, BCLC and its service providers are regulated by the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) and are subject to the reporting requirements outlined in the FINTRAC Guidelines.¹¹ FINTRAC is responsible for both regulating and auditing as well as receiving and analyzing information from reporting entities. FINTRAC also discloses money laundering offences to police.

Anti Money Laundering (AML) intelligence, including Suspicious Transaction Reports (STRs) containing personal information, submitted by BCLC and its service providers to FINTRAC will also be shared with JIGIT as an extension of the ISA between BCLC and the RCMP. GPEB is a key stakeholder in the province's AML compliance strategy and an integrated partner with JIGIT and BCLC. All parties are in agreement that information provided to JIGIT by BCLC and its service providers related to AML will be shared with GPEB as GPEB deems relevant. At GPEB's request, BCLC will also provide high-level AML analysis and reporting, for example STR statistics.

Guidelines

Gaming Control Act - Section 86 Reporting

Information to be provided to the general manager

86 (1) On request of the general manager and within the time period specified by the general manager in the request, the lottery corporation, a registrant, a licensee and an eligible organization must provide to the general manager any information, records or things that the general manager considers relevant to an investigation or an investigative audit under this Act.

When GPEB makes a Section 86(1) demand of BCLC and/or its service providers it is a mandatory regulatory requirement. The demand must be relevant to an existing investigation, as determined by the general manager, and will specify requirements in a consistency of wording.¹² Safeguards related to the integrity of the manner by which information from BCLC databases is shared with GPEB have been identified and will be implemented through a consistent process flow, as summarized below and in the Sect 86(1) Demand Flowchart.

GPEB will send all 86(1) demand forms of BCLC by email attachment to a BCLC-monitored Special Purpose Mailbox (SPM). BCLC will seek clarification by return email, if necessary, and process said demand forms in accordance with the legislation. Due diligence will be employed to transmit personal and confidential information in a manner as to adhere to the disclosure standards contained within FOIPPA.¹³

To ensure all GPEB demands for records of BCLC under the Act are processed in a timely manner and to create an auditable record, all 86(1) demands will be compiled by BCLC and saved to a shared Secure File Transfer Protocol (SFTP) server. Once uploaded, BCLC will respond to the original email, notifying GPEB of the uploaded documents available in the SFTP server.

Any subsequent demands by GPEB for new information from BCLC will be processed in the same manner through the SPM and SFTP server, so they can be tracked appropriately. If the investigation is

¹¹ [FINTRAC Guidelines](#)

¹² OIPC File F16-68186

¹³ FOIPPA s. 33.1(1)(c)

undertaken at the request of BCLC, or if the general manager otherwise considers it appropriate to do so, GPEB will provide a report of the results of the investigations to BCLC as outlined in Section 81(4).¹⁴

Information to be provided to the general manager

86 (2) The lottery corporation, a registrant and a licensee must notify the general manager immediately about any conduct, activity or incident occurring in connection with a lottery scheme or horse racing, if the conduct, activity or incident involves or involved

(a) the commission of an offence under a provision of the Criminal Code that is relevant to a lottery scheme or horse racing, or

(b) the commission of an offence under this Act.

In summary, Section 86(2) requires BCLC and its service providers to notify the general manager, GPEB, without delay when the commission of a Criminal Code offence that is relevant to a lottery scheme or a Gaming Control Act offence occurs. The occurrence may take place at a BCLC property, a Lottery Retail location, a registered gaming establishment such as a casino or Community Gaming Centre (CGC), or on the internet platform PlayNow.com.

BCLC and gaming services providers will notify GPEB of such occurrences via email and provide the related file number. Notifications from BCLC will contain a synopsis of the report, no personal information will be transferred via email. The BCLC file will include a comprehensive explanation of the investigation and offence(s) identified, including information of the site and/or patrons involved, and will be made available to GPEB via the SFTP at the time the email notification is sent.

GPEB will download and review the full file and advise BCLC as soon as practicable whether or not they are conducting a regulatory or criminal investigation. Ongoing communication between GPEB and BCLC and adherence to the protocol appendices flowcharts will ensure that no GPEB investigation is compromised, while also allowing any corporate or contractual investigation to be completed in a timely manner by BCLC. In instances wherein BCLC is the victim of a crime, BCLC will report the matter to the police of jurisdiction and notify GPEB of the police file number and jurisdiction for GPEB to assist police, if required. This will prevent duplication of effort by both BCLC and GPEB.

Gaming Control Regulation - Section 34 Reporting

Conditions of registration for gaming services providers

34 (1) Subject to subsection (2), it is a condition of registration of a gaming services provider that it must

(t) unless the gaming services provider is a lottery retailer to which subsection (2) (a) applies or is a hospitality retailer to which subsection (2) (b) applies, immediately report to the general manager any conduct or activity at or near a gaming facility that is or may be contrary to the Criminal Code, the Act or any regulation under the Act.

The criteria for a GCR Section 34 notification is broader than Section 86 of the GCA and only relates to gaming service providers. GPEB will provide guidance to gaming service providers on the criteria for a Section 34 notification as per their mandate.

Wherein a scenario has been deemed to have reasonably met reporting criteria under 34(1)(t), a service provider will immediately send an email to GPEB to notify of the report and provide the file number. GPEB

¹⁴ GCA s. 81(4)

will review the notification to determine if further action is required with the gaming service provider or with BCLC. In the case where it relates to BCLC directly then GPEB will submit a Section 86(1) demand to BCLC through the SPM. The report itself will be uploaded to the SFTP for GPEB to access upon receipt of a Section 86(1) demand, as per the previously outlined process.

For gaming services providers, GPEB will submit a section 86(1) demand direct to the gaming services providers.

In the event of a GPEB demand for information from BCLC that cannot be uploaded to the SFTP, BCLC will coordinate to have the information made available for collection, as soon as practicable.

Dispute Mechanism

The determination and interpretation of reporting criteria under Section 86(2) of the GCA will be subject to the Reasonable Person's Test when it is reasonable to expect an offence has taken place. GPEB will advise gaming services providers on the criteria for reporting under the GCA Regulation 34(1) and provide BCLC with a copy of that criteria so BCLC can effectively manage the gaming service providers for compliance. As recommended by Peter GERMAN in his advice to BCLC and GPEB,¹⁵ a dispute mechanism with two levels of escalation will assist both parties resolve any areas of disagreement and/or difference of interpretation.

The proposed "dispute resolution process should begin at the investigative level, and be raised expeditiously to senior leaders in both organizations with a mediated resolution occurring by the use of a third party."¹⁶

To facilitate this process, BCLC and its service providers will immediately recognize any issues related to the identification of reporting criteria and notify GPEB of such. Both parties will isolate the issue in question and attempt to resolve any misinterpretations or areas of confusion at the lowest level possible, typically at the Investigator level followed by the direct supervisor level, Manager, and Director level, as required.

Should the matter remain unresolved, escalation to the General Manager of GPEB and the CEO and President of BCLC (or their respective delegates) may be required for further consideration of the issue at hand.

In the instances wherein resolution cannot be met at this level, a previously agreed upon third party will work with both organizations to mediate an agreed upon solution.

Supporting Documentation

- BCLC's 2014/15 Mandate Letter Requirement Update (June 29, 2015)
- FASKEN MARTINEAU Memo RE: Roles & Responsibilities File # 240161.00006
- Freedom of Information and Protection of Privacy Act
- Gaming Control Act
- Gaming Control Regulation
- GERMAN Opinion Letter
- KEIM Legal Memo
- OIPC File F16-68186

¹⁵ GERMAN Opinion Letter p. 30

- PIA-Personal information collected under Section 86 of the Gaming Control Act; OIPC File F16-68186

Signed on Behalf of GPEB



John Mazure, General Manager

Date: June 29, 2017

Signed on Behalf of BCLC

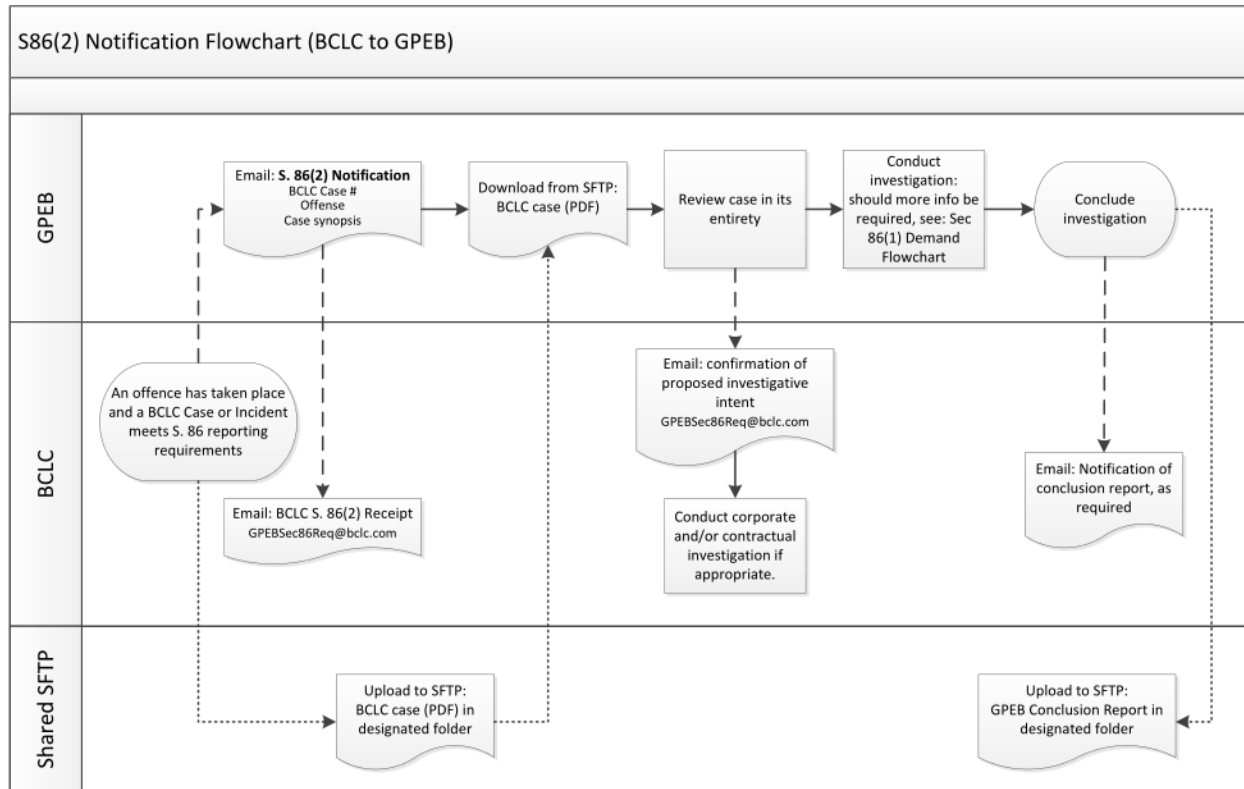


Rob Kroeker, Vice President

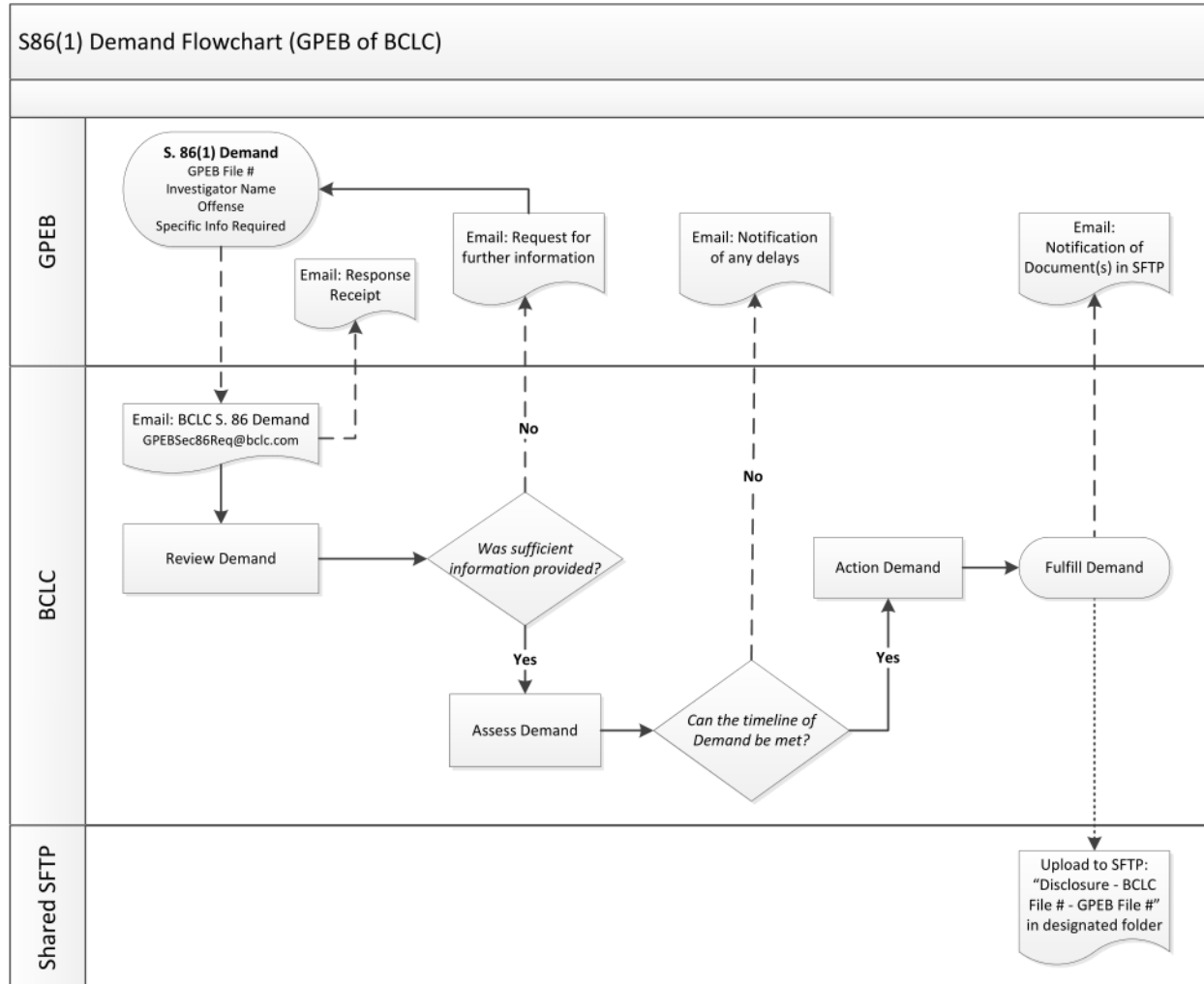
Date: June 30, 2017

Appendices

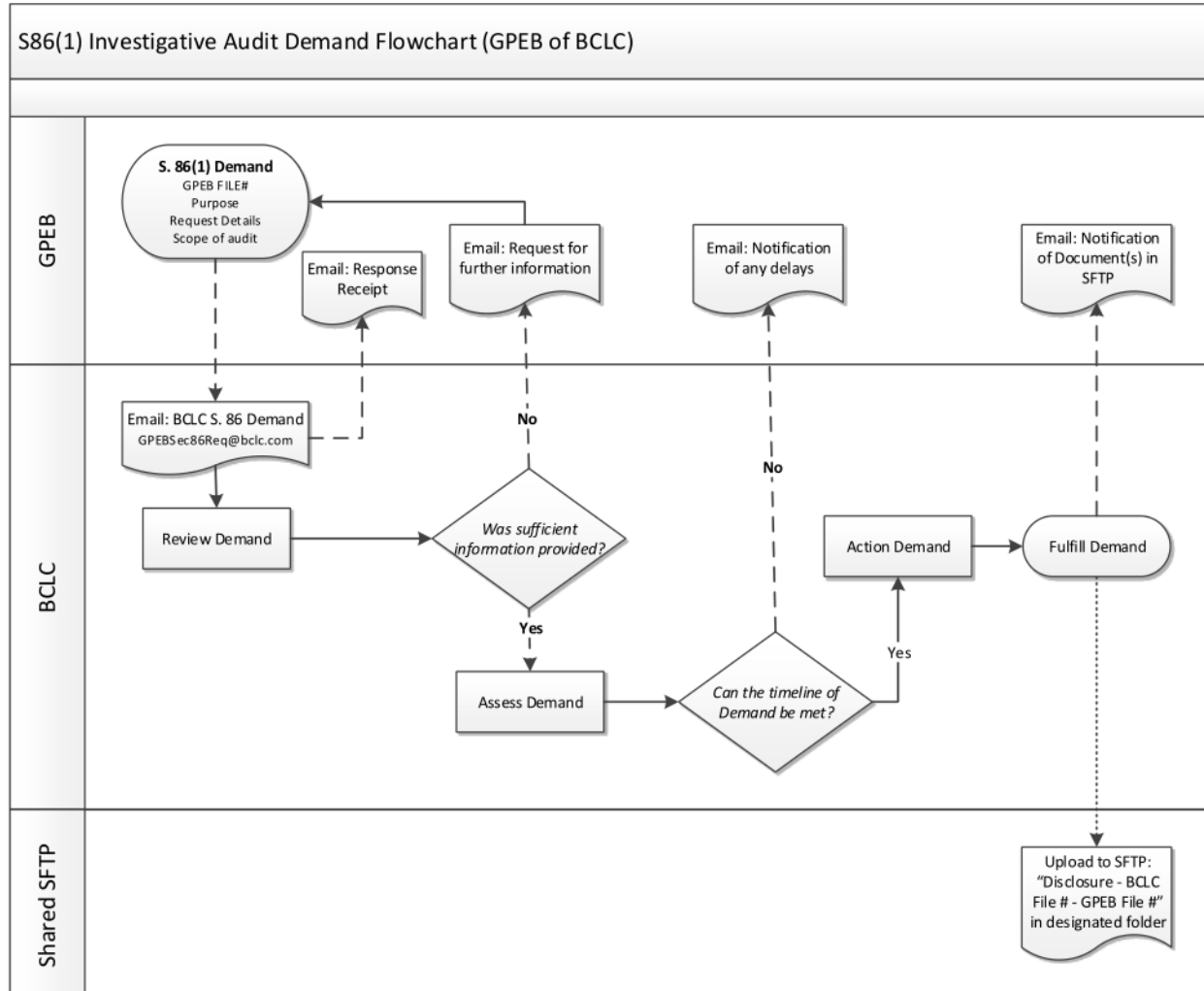
Section 86(2) Notification Flowchart



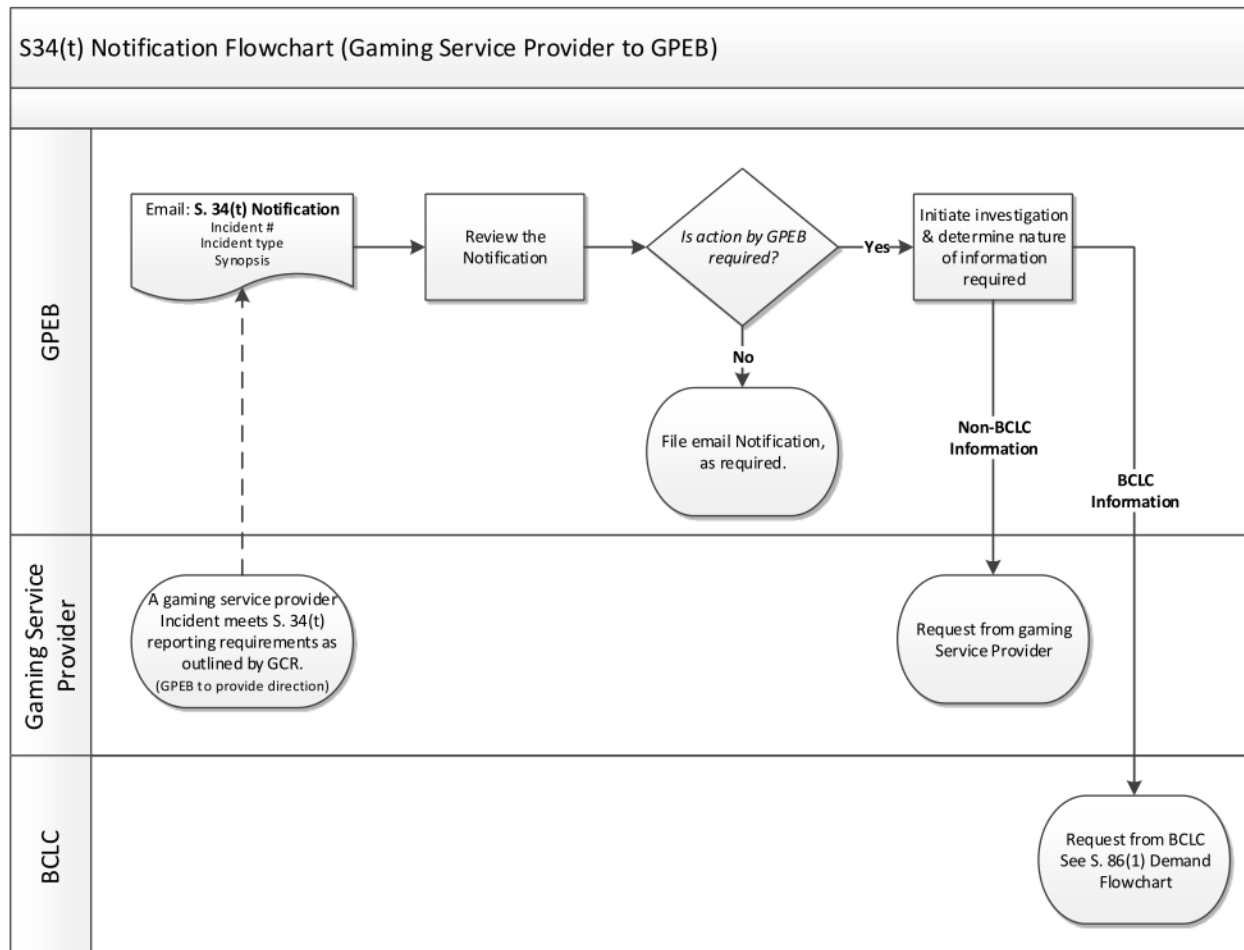
Section 86(1) Demand Flowchart

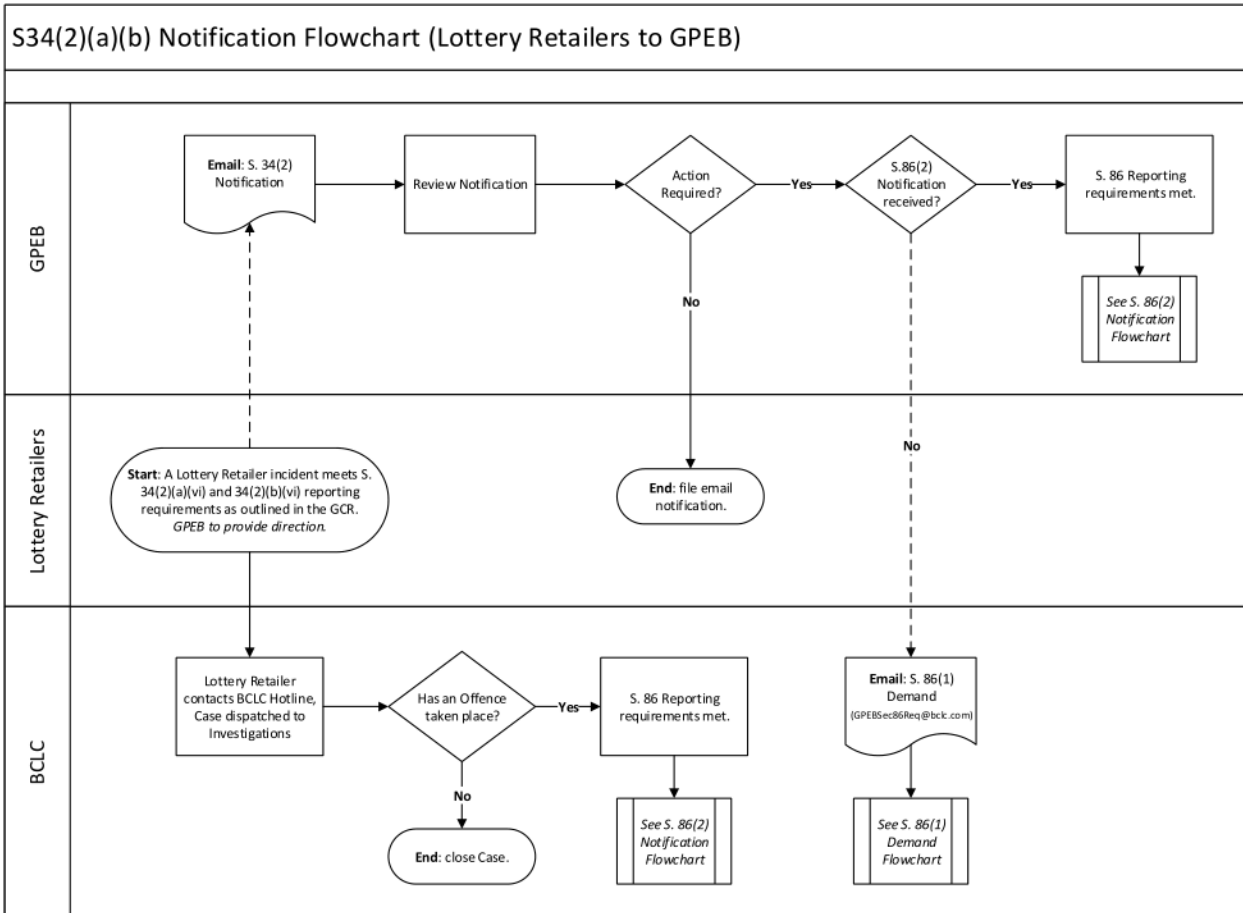


Section 86(1) Investigative Audit Demand Flowchart



Section 34 Notification Flowcharts







355179

Bud Smith
Board of Directors
British Columbia Lottery Corporation
74 Seymour Street
West Kamloops BC V2C 1E2

Dear Mr. Smith:

This Mandate Letter confirms your organization's mandate, provides government's annual strategic direction and sets out key performance expectations for the 2017/18 fiscal year. On behalf of the Province of British Columbia, thank you for your leadership and the contributions made by the British Columbia Lottery Corporation over the past year in support of government's objective of providing legal gaming in a safe and responsible manner benefiting all British Columbians. In particular, congratulations on the efforts made towards the following contributions and achievements:

- Contributing to the integrity of gambling through the conduct and management of gambling in a social responsible manner, while exceeding the 2015/16 net income target of \$1.216 billion by \$97.5 million;
- Working with government to combat illegal gaming and advancing government's Anti-Money Laundering strategy, including enhancing Customer Due Diligence, and by providing funding for the Joint Illegal Gaming Investigation Team (JIGIT);
- Working with government to implement commitments from the Plan for Public Health and Gambling (February 2015), including completing three and making significant progress on four of the commitments that pertain to the Corporation;
- Attaining a Comprehensive Cost Ratio of 42% and surpassing the 2015/16 target of 43.3%; and,
- Substantially completing the recommendations made by Internal Audit & Advisory Services (IAAS).

.../2

Ministry of Finance

Office of the Minister

Mailing Address:
PO Box 9048 Stn Prov Govt
Victoria BC V8W 9R2
Telephone: 250 387-3751
Facsimile: 250 387-5594

Location:
501 Belleville Street
Parliament Buildings, Victoria
website:
www.gov.bc.ca/fin

B.C.'s Corporate Governance Framework takes a principles-based approach in providing direction for effective governance of ministries and Public Sector Organizations (PSOs). Since June 2014, the Taxpayer Accountability Principles (TAP) have provided guidance to ensure that the actions taken and services provided strengthen accountability and promote cost control while meeting the public policy objectives established by government on behalf of the citizens of B.C. I would also like to recognize the contributions BCLC makes to local and regional economies in British Columbia, and in particular the importance of the corporation's head office to the Kamloops area.

It is critical that public sector organizations operate as efficiently as possible, in order to ensure British Columbians are provided with effective services at the lowest cost possible. This requires constant focus on maintaining a cost-conscious and principled culture through the efficient delivery of services that stand the test of public scrutiny and help develop a prosperous economy in an environmentally sustainable manner. This is critical to government's commitment to control spending and balance the budget. For this reason, it is essential that BCLC contains costs and meets its projected revenue targets.

Government is making open information a priority across the public sector to enhance government transparency and accountability in the use of public resources, the delivery of programs and public services. With that in mind, it is government's expectation that BCLC will foster a culture of transparency and information sharing with government.

Government seeks to deliver legal gaming in a sound and responsible manner that promotes the integrity of gaming and public safety. Under the *Gaming Control Act*, the Lottery Corporation is responsible for the conduct and management of gaming on behalf of government.

The Lottery Corporation is directed to conduct its business in a manner that meets government's expectations for social responsibility, public safety, gaming integrity, and projected financial targets. This is achieved through a culture of innovation and cost containment as well as commitment to responsible gambling and anti-money laundering efforts.

To achieve this mandate, the British Columbia Lottery Corporation is specifically directed to take the following strategic actions:

1. BCLC will optimize the Corporation's financial performance and sustain net return to the Province in accordance with government direction on cost containment, responsible gambling, and anti-money laundering, and in alignment with the Taxpayer Accountability Principles by:
 - a) Continuing to seek business opportunities such as new gambling facilities and eGaming from a social responsible perspective with particular attention to impacts on problem gambling, money laundering, public safety, and subsequently developing strategies to mitigate risk;
 - b) Providing a long term Capital Plan to the Ministry of Finance setting out the corporation's capital and spending and management plans, including significant IT and Kamloops head office facility development projects, over the next five years;

- c) Reviewing its approach to commissions paid to gaming service providers and implementing changes subject to the approval of its board of directors;
 - d) Achieving financial targets as approved by Treasury Board;
 - e) Reporting on the implementation of the new PlayNow subsidiary, which will be managed by the same controls and accountabilities to BCLC's Board; and
 - f) Providing quarterly reports to the Ministry of Finance that provide financial forecasts, and discuss and identify issues and risks.
2. Continue to support government in the implementation of its Anti-Money Laundering (AML) Strategy and mitigation of related illegal activities, including but not limited to:
- a) Undertaking activities to ensure the Corporation's compliance regime is focused on preserving the integrity and reputation of B.C.'s gaming industry in the public interest;
 - b) Working collaboratively with GPEB to determine and implement measures that effectively combat money laundering and illegal activities in B.C. gambling facilities;
 - c) Funding, in accordance with government's announced direction, the Joint Illegal Gaming Investigation Team (JIGIT), a dedicated, coordinated, multi-jurisdictional investigative and enforcement response to unlawful activities within B.C. gaming facilities and illegal gambling in B.C.;
 - d) Collecting and sharing information and data with GPEB that supports measures to address money laundering in B.C. gaming facilities, illegal gaming in the province, and JIGIT operations; and
 - e) Enhancing AML best practices with appropriate consideration of evaluating source of funds prior to cash acceptance within a risk-based framework; and
 - f) Providing a quarterly report to the Minister of Finance on BCLC's activities related to the above.
3. Implement the five remaining commitments that BCLC is responsible for in the *Plan for Public Health and Gambling (February 2015)*. This includes offering time and money budgeting tools to Encore Rewards members and PlayNow.com customers and implementing customized responsible gambling messaging on PlayNow.com. BCLC will continue to partner with GPEB in the implementation of the four remaining commitments for which they are jointly responsible, including implementing a GameSense Advisor presence in Community Gaming Centres and undertaking key research projects related to online problem gambling and high-risk features of Electronic Gaming Machines. BCLC will submit bi-annual progress reports to the Minister of Finance and the General Manager, GPEB on the implementation of commitments under the Plan.
4. BCLC will report out on the completion of implementation of the recommendations from the *Review of the British Columbia Lottery Corporation (December 2014)* by Internal Audit and Advisory Services by June 30, 2017.

The ongoing culture shift to principled public sector governance remains a priority for government. PSOs are expected to undertake more comprehensive professional development to enhance orientation of their board members and senior executives. Government will be providing programming and resources designed to complement components of orientation to ensure understanding of the accountabilities and expectations of public sector boards and organizations. For detailed information about TAP directives, please refer to the following link, [Taxpayer Accountability Principles](#).

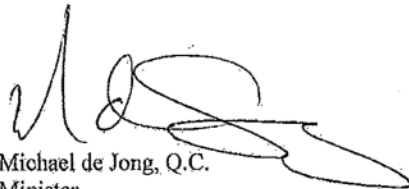
Government is committed to continue to revitalize the relationship between Government and PSOs. This strong focus on increased two-way communication supports and ensures a common understanding of Government's expectations. Timely communication of emerging issues which may affect the business of the British Columbia Lottery Corporation and/or the interests of government is critical to building trust and the effective delivery of public services, including information on any risks to achieving financial forecasts and performance targets. With the TAP embedded in the Annual Service Plans and Reports, this will support board chairs in assessing and communicating the organization's overall performance.

In addition, it is expected that your organization will continue to be diligent in ensuring familiarity with and adherence to statutory obligations and policies that have broad application across the public sector. Please refer to the following link for a summary of these accountabilities, [link to Crown Accountabilities](#).

Each board member is required to acknowledge the direction provided in the Mandate Letter by signing this letter. The Mandate Letter is to be posted publicly on your organization's website, and a copy signed by all board members provided to the ministry and made available to the public upon request.

I look forward to our regular meetings focusing on strategic priorities, performance against TAP, and working together to protect the public interest at all times.


Sincerely,

A handwritten signature in black ink, appearing to read 'Michael de Jong', with a stylized flourish at the end.

Michael de Jong, Q.C.
Minister

- 5 -

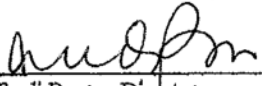
Signed by:


Bud Smith, Chair
British Columbia Lottery Corporation

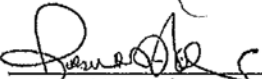
December 5, 2016
Date


Christina Anthony, Director
British Columbia Lottery Corporation

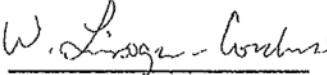
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Date


Trudj Brown, Director
British Columbia Lottery Corporation

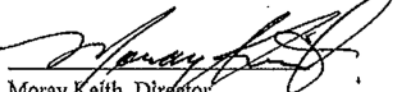
December 5, 2016
Date


Robert Holden, Director
British Columbia Lottery Corporation

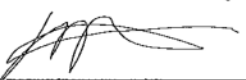
Dec 5, 2016
Date


Wendy Lisogar-Cocchia, Director
British Columbia Lottery Corporation

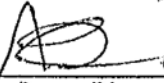
Dec 5/16
Date


Moray Keith, Director
British Columbia Lottery Corporation

Dec. 5/16
Date


Matthew Watson, Director
British Columbia Lottery Corporation

Dec 5, 2016
Date


Andrew Brown, Director
British Columbia Lottery Corporation

Dec 5 16
Date

- 6 -

cc: Honourable Christy Clark
Premier

Kim Henderson
Deputy Minister to the Premier and Cabinet Secretary

Athana Mentzelopoulos
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Cheryl Wenezenki-Yolland
Associate Deputy Minister
Ministry of Finance

Christina Anthony
Trudi Brown
Robert Holden
Wendy Lisogar-Cocchia,
Moray Keith
Matthew Watson
Andrew Brown

Board Members
Public Sector Organization

Jim Lightbody
Chief Executive Officer
British Columbia Lottery Corporation

John Mazure
Assistant Deputy Minister
Gaming Policy and Enforcement Branch

Attachment: Taxpayer Accountability Principles

B.C. Taxpayer Accountability Principles / B.C. Taxpayer Accountability Principles	
Further information available at: http://gov.bc.ca/crownaccountabilities	
1 Cost Consciousness (Efficiency)	Strengthen cost management capabilities and foster a culture of cost-consciousness at all levels of public sector organizations. Provide public services and programs as efficiently and effectively as possible to "bend the cost curve" and support sustainable public policies and programs as a lasting legacy for generations to come.
2 Accountability	Transparently manage responsibilities according to a set of common public sector principles in the best interest of the citizens of the province. By enhancing organizational efficiency and effectiveness in the planning, reporting and decision making, public sector organizations will ensure actions are aligned with government's strategic mandate.
3 Appropriate Compensation	Comply with a rigorous, standardized approach to performance management and employee compensation, which reflects appropriate compensation for work across the public sector that is consistent with government's taxpayer accountability principles and respectful of the taxpayer.
4 Service	Maintain a clear focus on positive outcomes for citizens of British Columbia by delivering cost-efficient, effective, value-for-money public services and programs.
5 Respect	Engage in equitable, compassionate, respectful and effective communications that ensure all parties are properly informed or consulted on actions, decisions and public communications in a timely manner. Proactively collaborate in a spirit of partnership that respects the use of taxpayers' monies.

6 Integrity

Make decisions and take actions that are transparent, ethical and free from conflict of interest. Require the establishment of a strong ethical code of conduct for all employees and executives. Serve the citizens of British Columbia by respecting the shared public trust and acting in accordance with the taxpayer accountability principles.



Know your limit, play within it.

FEB 08 2017

350705

Jim Lightbody
CEO and President
British Columbia Lottery Corporation
2940 Virtual Way
V5M 0A6

Dear Mr. Lightbody

Re: Joint Illegal Gaming Investigation Team

The Ministry of Finance's Gaming Policy Enforcement Branch (GPEB), The Ministry of Public Safety and Solicitor General's (PSSG) Policing and Security Branch (PSB), and the RCMP "E" Division have agreed to the creation of the Joint Illegal Gaming and Investigation Team (JIGIT) within the Combined Forces Special Enforcement Unit B.C. (CFSEU-BC). JIGIT is an initiative to help combat police-reported increases in illegal gambling and to increase investigation into the manner in which funds flow through provincial gambling facilities.

I want to thank you for the financial contribution that the British Columbia Lottery Corporation (BCLC) will make to JIGIT and the continued cooperation between our two organizations on compliance.

PSB and GPEB have entered into a Letter of Understanding, which outlines the purpose, structure, governance, funding, duration, performance reporting, and confidentiality requirements of JIGIT. The Letter of Understanding is confidential in nature and is attached for your reference.

This letter provides for the agreement between BCLC and GPEB regarding performance reporting, financial reporting, confidentiality and public communications, as specified below.

Performance Reporting

GPEB will provide BCLC with bi-annual performance information based on reporting received from CFSEU-BC. The report will outline the efforts of JIGIT and include gambling specific metrics.

.../2

Ministry of
Finance

Gaming Policy and
Enforcement Branch
Assistant Deputy
Minister's office

Mailing Address:
PO BOX 9202 STN PROV GOVT
VICTORIA BC V8W 9N1
Telephone: (250) 387-1301
Facsimile: (250) 387-1818

Location / Courier Address:
Third Floor, 910 Government Street
Victoria, BC V8W 1X3
Web: www.gaming.bov.bc.ca

The report provided to BCLC may include:

- Number of active JIGIT files
- Total number of investigative techniques [investigative efforts against targets (e.g. surveillance, judicial authorizations, warrants, interviews etc.)]
- Total number of police seizures (including a breakdown of what those were and the value)
- Total number of arrests, charges, convictions and dispositions.

Financial Reporting

Financial reporting on JIGIT will be provided to BCLC on a quarterly basis, in a mutually agreeable form, noting the province cannot disclose information that would be detrimental to JIGIT operations or compromise police investigations. I understand discussions are underway between our two financial departments to determine what format this reporting will take.

Confidentiality

Any reports generated or produced in connection to JIGIT, including performance reports and financial reports, shall remain confidential unless otherwise agreed to by PSB and GPEB or where required by law or regulatory disclosure requirements.

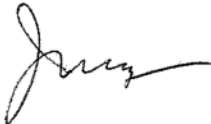
The attached Letter of Understanding between GPEB and PSB must also remain confidential.

Public Communications

External, public-facing communications of JIGIT activities, such as media releases and press conferences, are within CFSEU-BC jurisdiction. The Ministry of Finance and the Ministry of Public Safety and Solicitor General have requested that JIGIT communication of investigative matters pre and post operation be shared by the RCMP with both Ministries as early as possible to the extent advisable by the CFSEU-BC. The Ministry of Finance will ensure that BCLC is briefed on these issues where advisable by the CFSEU-BC.

The attached Letter of Understanding may be amended as required.

Yours sincerely,



John Mazure
Assistant Deputy Minister and General Manager
Gaming Policy and Enforcement Branch
Ministry of Finance

pc: Mr. Clayton J. D. Pecknold, Assistant Deputy Minister and Director of Police Services
Mr. J.E.L. (Len) Meilleur, Executive Director, Compliance Division
Ms. Amanda Hobson, Vice-President, Chief Financial Officer, Finance and Corporate Services,
BCLC
Mr. Rob Kroeker, Vice-President, Corporate Security and Compliance, BCLC



Know your limit, play within it.

June 20, 2017

358903

Clayton J. D. Pecknold
Assistant Deputy Minister and Director of Police Services
Policing and Security Branch
Ministry of Public Safety and Solicitor General
PO Box 9285 STN PROV GOVT
Victoria, BC V8W 9J7

Dear Mr. Pecknold,

The Gaming Policy and Enforcement Branch (GPEB) would like to propose the following amendment to the letter of understanding dated February 7, 2017 between the Ministry of Public Safety and Solicitor General (PSSG) and the Ministry of Finance (MoF) regarding the creation, operation and funding of the Joint Illegal Gaming Investigation Team (JIGIT) (see attached letter).

GPEB proposes amending Section 5, Paragraph 2 on page 3:

"A review will be undertaken by PSSG, MoF and the RCMP / CFSEU-BC late in year two to determine if JIGIT will continue beyond this five year mandate. Another review would take place in the fourth year of operation to determine whether JIGIT should continue to deliver on its mandate after year five. Terms of the review will be established through consultation and agreement between the parties."

To the following language:

"A review will be undertaken by PSSG, MoF and the RCMP / CFSEU-BC in year four (2019/20) to determine if JIGIT will continue beyond this five year mandate. Terms of the review will be established through consultation and agreement between the parties"

This proposed change is necessary to clarify that a single review in year four (2019/20) is the only review necessary to determine whether the mandate should be extended beyond five years rather than two separate reviews.

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Ministry of
Finance

Gaming Policy and
Enforcement Branch
Office of the Assistant
Deputy Minister and
General Manager

Mailing Address:
PO BOX 9311 STN PROV GOVT
VICTORIA BC V8W 9N1
Telephone: (250) 387-1301
Facsimile: (250) 387-1818

Location:
Third Floor, 910 Government Street
Victoria, BC
Web: www.gaming.gov.bc.ca

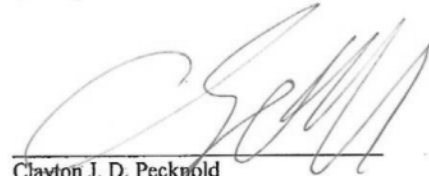
It is understood and agreed that all terms and conditions forming the original letter of understanding, as well as the above stated amendment of Section 5, Paragraph 2, shall remain in full force and effect during the duration of the letter of understanding.

Please indicate approval of the proposed amendment by signing below and returning it to GPEB.

Yours truly,



John Mazure
Assistant Deputy Minister and General Manager
Gaming Policy and Enforcement Branch
Ministry of Finance



Clayton J. D. Pecknold
Assistant Deputy Minister and Director of Police Services
Policing and Security Branch
Ministry of Public Safety and Solicitor General

pc: Ms. Tonia Enger, Executive Director and Deputy Director, Policing and Security Branch
Ms. Alana Best, Executive Director, Policing, Security, and Law Enforcement Infrastructure and Finance
Mr. J.E.L. (Len) Meilleur, Executive Director, Compliance Division, Gaming Policy Enforcement Branch

Page 26 to/à Page 28

Withheld pursuant to/removed as

s.22;s.15

Page 29 to/à Page 33

Withheld pursuant to/removed as

s.15;s.21

Page 34 to/à Page 36

Withheld pursuant to/removed as

s.22

September 27, 2017

HASTINGS ENTERTAINMENT INC.
95 Schooner Street
Coquitlam BC V3K 7A8



Attention: Rod Baker

Dear Rod:

RE: REQUESTING HOST LOCAL GOVERNMENT APPROVAL

On September 21, 2017, British Columbia Lottery Corporation ("**BCLC**") was provided with a copy of a letter sent by Great Canadian Gaming Corporation ("**GCGC**") to the City of Vancouver ("**COV**") dated September 20, 2017. In that letter, GCGC requested approval from the COV to permit electronic table games at Hastings Racecourse.

Under the *Gaming Control Act* ("**GCA**"), only BCLC has the authority to conduct, manage and operate gaming in the province of British Columbia on behalf of the government. Accordingly, only BCLC may determine the type and extent of lottery schemes offered at gaming facilities, subject only to any host local government limitations. BCLC has provided clear communication to all Service Providers that they are not to initiate discussions with any host local government regarding gaming or gaming facilities without BCLC's express knowledge and consent.

In our view, the letter is a clear violation of sections 88(b) and 88.1(a) of the GCA. The relevant sections read:

88 A person, other than the government or a person authorized under this Act, must not

- (a) conduct, manage or operate a lottery scheme,*
- (b) promote or hold himself or herself out as someone authorized under this Act to conduct, manage or operate a lottery scheme, or*
- (c) negotiate with a municipality, regional district, first nation or any other person respecting the conduct, management or operation of a lottery scheme.*

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Kamloops, BC V2C 1E2

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Vancouver, BC V5M 0A6

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88.1 *A person, other than the government or a person authorized under this Act, must not*

(a) do, or promote or hold himself or herself out as someone authorized to do, or

(b) negotiate with a municipality, regional district, first nation or any other person respecting

anything referred to in section 18 (1) (a) to (c).

Section 18(1) reads:

18 *(1) Subject to first receiving authorization by a written directive of the minister under section 6, the lottery corporation may*

(a) develop, use or operate a facility as a gaming facility,

(b) relocate an existing gaming facility, or

(c) substantially change the type or extent of lottery schemes or horse racing at a gaming facility.

Throughout the letter, GCGC represents itself as being authorized to conduct, manage or operate a lottery scheme by asserting:

1. That GCGC has determined that electronic table games are necessary to serve the market;
2. That GCGC would determine the initial number of electronic table games to be installed;
3. That GCGC would be responsible for ensuring that corresponding slot positions would be reduced; and
4. That GCGC would be responsible for the placement of the electronic table games.

All of the above matters (type, amount, and placement of lottery schemes) go to the heart of conduct, manage and operation of lottery schemes and are solely within the purview of BCLC. At no time has GCGC been authorized to act on BCLC's behalf. Any request or consideration for a new type of lottery scheme can only be addressed through Brad Desmarais, BCLC's VP of Casino and Community Gaming.

In the event that GCGC sent the letter in the context of its lease renegotiation with the COV, then, in BCLC's opinion, the letter is a violation of sections 88(c) and 88.1(b) of the *GCA*.

Any contravention of the *GCA* is also a breach of Article 2.03 of the Operational Services Agreement which requires the Service Provider not take any action that contravenes the *GCA*. BCLC expects that GCGC will cease and desist from any further communication of this nature.

We appreciate your recent communications with Mr. Desmarais acknowledging the inappropriateness of the GCGC letter to COV. We have also been provided with a copy of your second letter to COV dated September 26, 2017 in which you endeavour to correct any impression that GCGC may determine the conduct, management or operation of lottery schemes. Your immediate response to our concern is noted.

BCLC has a positive duty pursuant to section 86(2) of the *GCA* to report to the Gaming Policy Enforcement Branch ("**GPEB**") any conduct that BCLC believes contravenes the *GCA*. Accordingly, BCLC will be notifying GPEB of its concerns and providing them with a copy of this correspondence and GCGC's letter to the COV. We will also advise GPEB of your recent attempt to mitigate your actions and will provide them with a copy of your letter to COV, dated September 26, 2017.

If you have any questions, please feel free to contact either myself at 250-828-5557 or via email at jkeim@bclc.com or Brad Desmarais at 604-225-6408 or via email at bdesmarais@bclc.com.

Yours truly,



Jennifer Keim
General Counsel

cc: Brad Desmarais, VP Casino and Community Gaming
Kim Bruce, Executive Director, Licensing, Registration & Certification, GPEB



**Gaming Policy and Enforcement Branch
Compliance Division**

**Section 86(2) Gaming Control Act &
Section 34(1)(t) Gaming Control Regulation**

REPORT TO GPEB – PLEASE SUBMIT WITHOUT DELAY

CONFIDENTIAL

This document is the property of the Gaming Policy and Enforcement Branch. It is confidential and shall not be disclosed or divulged, in whole or in part, without prior consent of the Executive Director of Compliance Division, Gaming Policy and Enforcement.

Date: 2017-09-27

ITRAK #: N/A

Service Provider: Great Canadian Gaming Corp (GCGC)

Location: 188 N. Renfrew Street Vancouver, BC

Occurrence: Violations of sections 88(b) and 88.1(a) of the Gaming Control Act

Date & Time of Occurrence: Sept 20, 2017

Details: as above and detailed per three (3) attachments

Police Called: Yes ☐ No ☒

Attended: Yes ☐ No ☒

Police Force: [Click here to enter text.](#)

File Number: [Click here to enter text.](#)

Investigating Officer(s) & Badge Number(s): [Click here to enter text.](#)

GPEB Registration #: [Click here to enter text.](#)

Submitted by: Ross Alderson, Director AML & Investigations, BCLC

E-Mail SGGPEB86ReportingLMD@gov.bc.ca

Lower Mainland Regional Office, 408 – 4603 Kingsway Ave, Burnaby B.C. , V5H 4M4

Ussery, Camas AG:EX

From: s.22
Sent: Tuesday, March 13, 2018 2:11 PM
To: JAG WEBFEEDBACK JAG:EX
Subject: Re: 546714

Attention: The Honourable David Eby, Q.C.
Attorney General for the Province of British Columbia

Dear Sir,

Thank you for your email.

I greatly appreciate you personally taking the time to respond, particularly during the sitting of the Legislature.
Yours Respectfully

s.22

On Tue, Mar 13, 2018 at 10:36 AM, JAG WEBFEEDBACK JAG:EX <AGWEBFEEDBACK@gov.bc.ca> wrote:

s.22

Email: s.22

Dear s.22

Thank you for your emailed letter of February 19, 2018, regarding your concerns about British Columbia's anti-money-laundering practices and policies and for providing suggestions.

I have forwarded your letter to Mr. Peter German to inform his independent review of British Columbia's anti-money-laundering policies and practices in relation to BC casinos.

Following your initial letter, you emailed on February 19, 2018 to express concern that BCLC had become aware you had written to my office.

While evaluating where this letter should be directed for action, both BCLC and Mr. German were considered. BCLC was considered because significant portions of your letter related to your time as an employee, and Mr. German was considered because of the use it may be for his review. Ultimately, I decided it was most appropriate to forward this to Mr. German. In the process of making this determination, BCLC became aware of the letter's existence. A copy of the letter was not provided to BCLC.

Thank you for writing.

Yours truly,

David Eby, QC

Attorney General

546714

Ussery, Camas AG:EX

From: Minister, AG AG:EX
Subject: 546714
Attachments: Letter to AG_Feb18_Final.pdf

From: s.22
Sent: Monday, February 19, 2018 1:07 PM
To: Minister, AG AG:EX
Subject: Fwd: CONFIDENTIAL - PER BC CASINO REVIEW

Forwarded per request

----- Forwarded message -----

From: s.22
Date: Mon, Feb 19, 2018 at 1:02 PM
Subject: CONFIDENTIAL - PER BC CASINO REVIEW
To: david.eby.MLA@leg.bc.ca

To the Attorney General of British Columbia, the Honourable Mr. David Eby QC

Dear Sir,

Please find attached an electronic copy of a letter I have written for you.
I would respectfully and gratefully appreciate you taking the time to read it.
It would mean a lot to me.

Regards

s.22

Page 4 to/à Page 6

Withheld pursuant to/removed as

s.22