
GAMING POLICY AND ENFORCEMENT BRANCH

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German Report Implementation: Addressing Money Laundering in BC's Casinos

Presentation for UBCM

GAMING POLICY AND ENFORCEMENT BRANCH (GPEB)



- GPEB is established under the *Gaming Control Act*
- General Manager develops, manages and maintains government's gambling policy and ensures regulatory oversight of the commercial gambling industry, licensed charitable gambling, and horse racing
- Commercial gambling is conducted and managed by the BC Lottery Corporation

MONEY LAUNDERING

- BC Casinos have been used for large-scale, transnational money laundering.
- The approach used has been dubbed the 'Vancouver Model'.



THE GERMAN REPORT TIMELINE

CONFIDENTIAL

DIRTY MONEY

An Independent Review of Money Laundering in Lower Mainland
Casinos conducted for the Attorney General of British Columbia

Peter M. German, QC
Peter German & Associates Inc.

March 31, 2018

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- ▶ July 2015 – Peak of Suspicious Transaction Reports
- ▶ April 2016 – Joint Illegal Gaming Investigation Team established
- ▶ July 2016 – MNP Report
- ▶ Sept 2017 – Dr. German appointed for AML review
- ▶ Dec 2017 – German Report interim recommendations to Government
- ▶ June 2018 – German Report “Dirty Money” publicly released

INTERIM RECOMMENDATIONS

- In December 2017, German made two interim recommendations:
 1. Implement a Source of Funds Declaration for cash deposits over \$10,000
 2. The regulator be onsite at high-volume casinos in the Lower Mainland



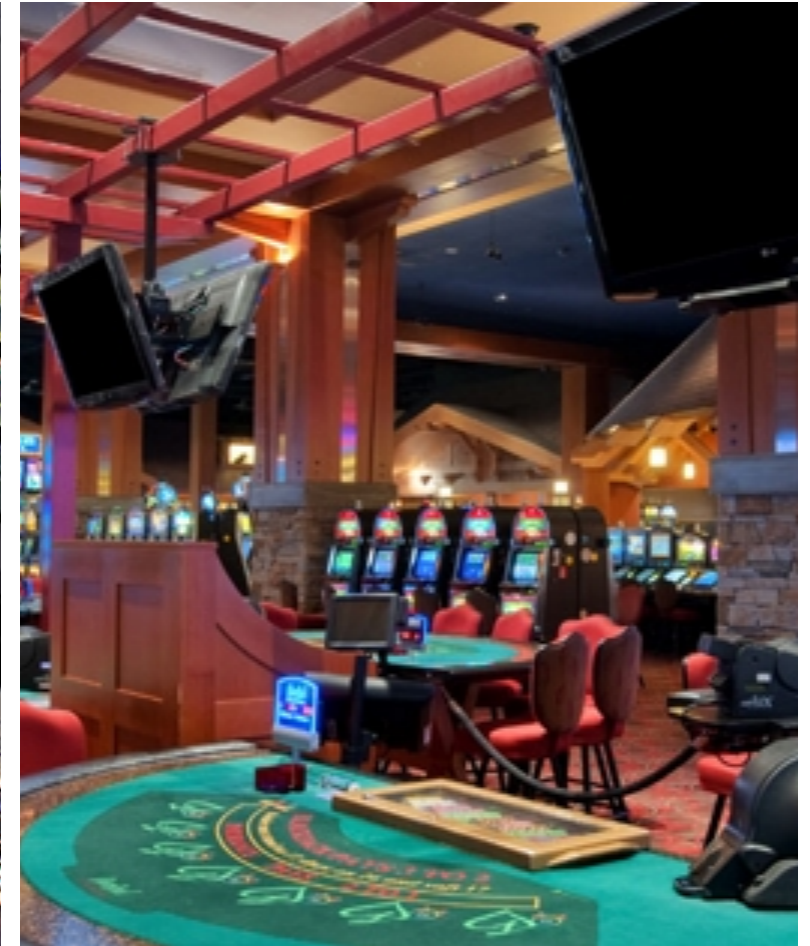
SOURCE OF FUNDS POLICY IMPLEMENTED

- Source of Funds Policy
 - BCLC implemented policy in January 2018
 - Policy requires receipt for any transaction over \$10K in a 24hr period
 - Three GPEB audits complete – considered effectiveness of implementation and service provider compliance



REGULATOR PRESENCE IMPLEMENTED

- Dedicated Enforcement Division within GPEB
- Increased GPEB investigator presence in casinos
- Intelligence Unit created



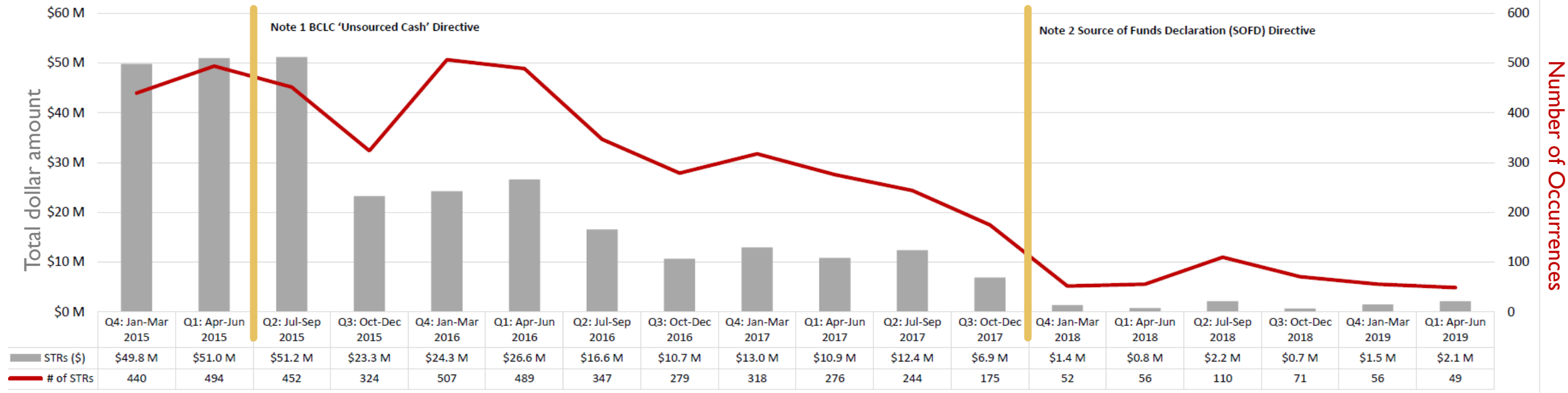
DIRTY MONEY REPORT RECOMMENDATIONS

- Report made 48 recommendations
- 17 recommendations complete
- Key recommendations include:
 - Independent regulator
 - Clear roles and responsibilities between regulator and BCLC
 - Standards-based model
 - AML be a responsibility of regulator
 - Dedicated Policing Unit



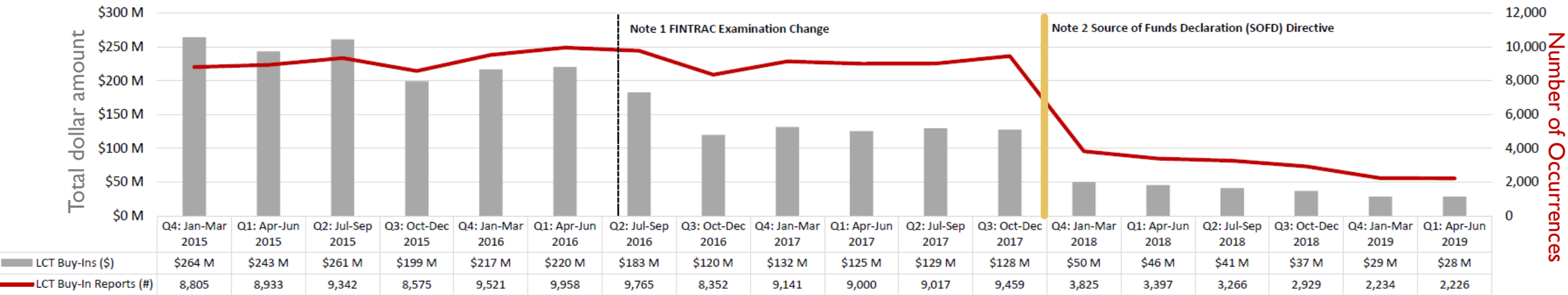
SUSPICIOUS TRANSACTION REPORTS

STR Submissions to FINTRAC
For the Period January 1, 2015 - June 30, 2019
Figures Obtained from BCLC



LARGE CASH TRANSACTION (LCT) REPORTS

LCT Buy-In Report Submissions to FINTRAC
For the Period January 1, 2015 - June 30, 2019
Figures Obtained from BCLC and BCLC Dashboards



QUESTIONS?

