

Project ATHENA – April 24, 2019

Start:	10:03 hours
End:	12:11 hours
Attendee's:	Project ATHENA Stakeholders – see RSVP list

TOPIC
Introduction & Opening Remarks
DISCUSSION
<ul style="list-style-type: none"> - Superintendent Paul DADWAL to say a few remarks reintroducing Project ATHENA - Goal: Leaders in policing tackling money laundering from not only a regional level but on a national scale

TOPIC
Update on Project ATHENA – National Level Support
DISCUSSION
<p>Cpl. Ben ROBINSON</p> <p>Update 1:</p> <ul style="list-style-type: none"> - FINTRAC, RBC and RCMP are taking the lead on Project ATHENA. <p>Update 2:</p> <ul style="list-style-type: none"> - Project ATHENA was initially prompted by a bank draft probe and as a means to information share among stakeholders. The project findings have identified other sectors - In 3 to 6 months looking to roll out a plan for a national approach to project ATHENA

TOPIC
CFSEU update on Project ATHENA Analysis and Investigations
DISCUSSION
<p>Mel PADDON and Ben GRANGER</p> <p>Statistics:</p> <ul style="list-style-type: none"> - FINTRAC Disclosure Received: V3: Ongoing Investigation - FINTRAC Disclosure Reviewed and Analyzed: V3: Ongoing Investigation - Number of Patrons identified through the filing of STRs and receipt of FINTRAC Disclosures: V3: Ongoing Investigation - Identified for further investigation: V3: Ongoing Investigation - Identified for interviews: V3: Ongoing Investigation - CRA Referrals: V3: Ongoing Investigation - Assist to other detachments: V3: Ongoing Investigation - Lawyers identified: V3: Ongoing Investigation - Notary Publics: V3: Ongoing Investigation

- Luxury Car Dealerships identified to organized crime, leasing, selling to gamblers: V3: Ongoing
- Money Service Businesses believed to be involved in money laundering: V3: Ongoing
- Realtors: V3: Ongoing Investigation

Based on a review of the BCLC Spreadsheets over an 11 month period, (From the beginning of Project Athena March 2018 to January 2019) - gamblers using 2 or more banks and/or purchasing 3 or more bank drafts:

- Low end: **21** issuing drafts
- High end: **510** issuing drafts

Bases on patterns recognized through FINTRAC Disclosures:

- Change in DRAFT purchases, small dollar drafts, numerous banks, high dollar drafts, one bank.
- Spreadsheet information on draft purchases are now marrying up with FINTRAC disclosures.
- V2: Tradecraft

FINTRAC Update:

- Approximately 15 reports have been sent to CRA, 20 more reports to be sent to PADDON

PADDON Analysis process:

1. Review BCLC reports
2. Review FINTRAC disclosure
3. Possible Police Spinoff file if deemed criminal via the JIGIT mandate
4. Information returned from Financial Institutes to confirm certain aspects
5. Investigations must currently have a nexus to gambling in order to be investigated through JIGIT

Of note:

- disclosure can result in multiple production orders for banks so long as there is supporting evidence/ grounds to proceed
- gambler interviews have been based on sourced background information, recent play, criminal behavior

Discussion

- Financial Institutions De-Risking Clients VS Criminal Investigations: Information sharing between banks and RCMP prior to them filing an STR and removing a customer from their institution to ensure the removal of a client will not affect an ongoing investigation. Reference to the lawful sharing of information **(Takeaway #2)**
- Possibility of positive media attention surrounding project ATHENA, weigh risks for possible stakeholders **(Takeaway #1)**

TOPIC

BCLC Updates

DISCUSSION

BCLC ban process

- For public safety, illegal activities, long term bans are put in place
- BCLC analysis and investigations have an appeal process, have to ensure their decision to ban someone will hold up in court
- Prior to ban they de-conflict with CFSEU to ensure this will not impact an active investigation

Player Gaming Fund Accounts/ Casino Accounts

- Does not use money service businesses
- BCLC attends monthly meetings with the banks to clarify the tellers understanding of what each cheque means, Return of Funds VS Verified Winnings; BCLC to create document for distribution clarifying the two
- Implementation of a possible call-in line for banks to confirm cheques with BCLC to better understand the source of funds being cashed at the banks
- Return of Funds cheques are not confirmed winnings
- FINTRAC – casino disbursement reports, denominations of cash, cheque and deposit into gaming accounts, separate the cheques verified wins vs return of funds

Consent Form – BCLC

- Looking into new process at the cage to obtain player banking information, can suspend a patrons play until they provide requested information, initial suggestion was not a priority for the financial institutions **(Takeaway #4)**

Bank Draft Amendments

- HSBC has made their drafts undesirable to money launderers by including the purchasers name and account information, this information is written on by the teller.
- HSBC currently looking into system to embed this information onto their drafts
- Raise awareness to CBA regarding the issues surrounding not having this information on drafts. **(Takeaway #3)**
- CBA contacted and invited to participate, however no one called into this meeting
- Money Laundering with drafts is not only a casino issue, used across country at various places

Roundtable on individual Financial Institution thoughts on amending drafts

1. HSBC has implemented the change as they wanted their drafts to be less desirable to criminals, this process took no time to implement, all it took was communication to each bank staff that they are now to write the purchasers name and account on the draft, currently looking into a system where this is embedded on the draft

2. BMO shares the same view as HSBC, currently looking at training and communication strategy and a system for embedding this information on their drafts; want input from CBA and other FI's in order to have a clear consensus and direction, require CBA to be on board
3. Scotiabank does not distribute a high enough volume of drafts in order for the VP's to get on board, require further data not just from casinos
4. RBC handwriting purchaser name on the drafts starting May 2019, currently looking into long term solution
5. TD is looking to engage their new leadership and get their buy in
6. CIBC has no current input (the already have purchaser's name imbedded on drafts)

NHQ Comment: Bank drafts are not a new vulnerability, they have been and continue to be a threat/ used for money laundering

- Discussion about what causes banks to be targeted for criminal use, top banks being victimized and proving that having the account number and purchaser information on the draft has an effect in order to make policy change

TOPIC

Sharing of data between entities

DISCUSSION

- New opportunities surrounding data sharing and privacy, ongoing discussions being held **(Takeaway #2)**
- Increase Project ATHENA awareness to BCACP, there will be a presentation in Penticton, BC June 2019; CACP presentation will be a "next step" after presenting to BCACP. No CACP discussions yet
- No CBA involvement yet, CBA feedback/ comment to come
- Ontario Regional Police Money Laundering Training day, occurs every 6 months, may be a good event to present at/ attend

TOPIC

Open Discussion

DISCUSSION

- Further information on the typology with car dealerships from Mel PADDON **(Takeaway #5)**
- Financial Institutions to take Project ATHENA initiative to their legal and privacy teams

ACTION ITEMS

1. Public Trust Reporting - Positives VS Negatives
 - Takeaway - HSBC, RBC, RCMP and Government of BC
2. Law Society/ Privacy issues surrounding information sharing
 - Takeaway - RBC, RCMP, FINTRAC

3. Raise awareness to CBA of project Athena and bank draft vulnerabilities
 - Takeaway – RCMP FPCO
4. BCLC to disseminate information regarding the process of onboarding new customers to PGF accounts and educate regarding the difference between return of funds cheques and game winning cheques
 - Takeaway - BCLC
5. Share the results of the comprehensive analysis, specifically indicators for car dealerships, lawyers and real estate
 - Takeaway – CFSEU-BC

FINAL REMARKS

- FINTRAC Reminder: Flag STR as project ATHENA or #projectathena
- Consideration for BC Real Estate Board involvement, evolution of this process
- Contact Brian McDonald from IMPACT regarding money laundering through luxury vehicles
- Buy-in from VP's in order to put the purchaser information on drafts