

**Gaming Policy and Enforcement
Investigations and Regional Operations
Division**

SECTION 86 G C ACT REPORT

To be submitted without delay.

CONFIDENTIAL

This document is the property of Investigations and Regional Operations Division, Gaming Policy and Enforcement, is confidential and shall not be disclosed or divulged, in whole or in part, without prior consent of the Investigations and Regional Operations Division, Gaming Policy and Enforcement.

Date: January 18, 2016

Service Provider: N/A

Date & Time of Occurrence: January 14 and 15, 2016.

Details: Alleged Service Provider non-compliance to PCMLTFA

SUMMARY:

On January 14 and 15 2016 several Senior Management employees of BCLC's Corporate Security Department, including Director, AML & Operational Analysis Ross ALDERSON and Vice President of Corporate Security Rob KROEKER, were involved in interviews conducted by MNP llp (Head Office 7th Floor, 715 5th Avenue SW, Calgary, AB T2P 2X6BCLC)

The reason for the interviews was to gather information relating to Anti Money laundering practices specifically at the River Rock Casino Resort. (RRCR)

During the course of these interviews MNP auditors stated that during their previous interviews of RRCR gaming employees conducted at River Rock on December 9 and 10, 2015 that there were a number of admissions of serious misconduct in breach of the Proceeds of Crime, Money Laundering and Terrorist Financing Act (PCMLTFA) that is found true could result in criminal penalties.

It was alleged that employees in the cage at River Rock were accepting large cash transactions while knowing that information was false and that the funds were likely proceeds of crime. It was alleged that following statements were made.

1. RRCR cage staff received a large volume of cash "that was covered in blood" and suspected to be proceeds of crime and that BCLC was not made aware of this fact.
2. RRCR cage staff received a large volume of cash "that was suspiciously damp" and suspected to be proceeds of crime and that BCLC was not made aware of this fact.
3. RRCR cage staff recorded an occupation for a patron of "princess" and submitted it to FINTRAC knowing it to be false.

E-Mail PERSONAL INFORMATION

MNP auditors would not disclose the persons involved or the date and time of actual occurrence. BCLC is the FINTRAC reporting entity for Gaming in BC and takes these allegations extremely seriously and believes that these allegations if proven, could result in the following criminal penalties:

- Failure to report suspicious transactions: up to \$2 million and/or 5 years imprisonment
- Failure to meet record keeping requirements: up to \$500,000 and/or 5 years imprisonment.

Present during the BCLC interviews were the following persons

MNP Iain KENNY
MNP Hayley LABBE
GPEB Anna FITZGERALD

It is understood that during the interviews at River Rock on December 9 and 10, 2015 the following person were present for each interview;

MNP Iain KENNY
MNP Hayley LABBE
GPEB Anna FITZGERALD
GPEB Derek DICKSON

E-Mail **PERSONAL INFORMATION**

Police Called: Yes ☐ No ☒

Attended: Yes ☐ No ☐

Police Force: N/A

File Number:

Investigating Officer(s) & Badge Number(s): N/A

Submitted by: Ross ALDERSON

GPEB Registration # : 208038

E-Mail **PERSONAL INFORMATION**