

This is Affidavit #1 of Robin Jomha
made in this case on 24/MARCH/2021

COMMISSION OF INQUIRY INTO MONEY LAUNDERING IN BRITISH COLUMBIA

The Honourable Mr. Austin F. Cullen, Commissioner

AFFIDAVIT OF ROBIN JOMHA

I, ROBIN JOMHA, of 910 Government St., Victoria, British Columbia, Director, AFFIRM THAT:

1. I am the Director of the Corporate Registration unit within the Licensing, Registration and Certification ("LRC") Division of the Gaming Policy and Enforcement Branch ("GPEB"), a participant in the Commission of Inquiry into Money Laundering in British Columbia through Her Majesty the Queen in Right of the Province of British Columbia, and as such, I have personal knowledge of the facts and matters deposed to in this affidavit, save and except where based on information and belief, and where so stated, I believe it to be true.
2. I affirm this affidavit to provide evidence to the Commission pursuant to a summons issued to me under the *Public Inquiry Act*, SBC 2007, c. 9.

The LRC Division

3. GPEB has six divisions to carry out its core business: Community Supports; LRC; Compliance; Enforcement; Strategic Policy and Projects; and Operations.
4. I have worked as a regulator of the gaming industry in British Columbia since 1996, first with the BC Gaming Commission and then with GPEB when the BC Gaming Commission was incorporated into the new entity.

5. From November 1996 to October 1998 I was a Gaming Inspector in the Vancouver Office of the BC Gaming Commission.
6. From October 1998 to April 2002 I was the Regional Manager for Vancouver Island for the Gaming Commission based out of Nanaimo. In April 2002, the Nanaimo office was closed and I was transferred to what was then the Registration Division of GPEB as a Corporate Investigator.
7. I became the Director of Corporate Registration in August 2013 and still hold this position. From January to May 2017 I served as the Executive Director of the LRC Division of GPEB on a Temporary Assignment. During the period in which I acted as Executive Director of the LRC Division, I retained responsibility for the duties delegated to me as Director of Corporate Registration.
8. The LRC Division is responsible for the registration and certification of the gambling industry and for licensing charitable gambling events. The Division has four business units: Corporate Registration; Personnel and Lottery Retailer Registration; Certification and Game Integrity; and Licensing. Each business unit is led by a Director who reports the Executive Director of LRC.
9. Attached hereto and marked as **Exhibit "A"** to my affidavit is a copy of the LRC Division's 2020/21 Business Plan. Attached hereto and marked as **Exhibit "B"** to my affidavit is a copy of an organizational chart for the LRC Division as at January 14, 2021.

Corporate Registration

10. The Corporate Registration unit ("CREG") is responsible for registering companies involved in gaming in BC. Corporate Registration completes an in-depth investigation of gambling-related businesses and their executive personnel to ensure suitability for registration. The unit's objective is to ensure the integrity of the companies involved in gambling in the province.
11. Businesses registered with GPEB include many large public and privately-owned companies, including casino, bingo and horse racing operators, as well as suppliers and manufacturers of gambling services, including online content providers, and gambling equipment (e.g. slot machines, automatic shufflers).

GPEB also registers other service providers, such as gambling consultants, raffle services, security and ancillary services, including food and janitorial services provided at gambling facilities.

12. CREG rarely denies applications for corporate registration. When there is a denial it is usually for a failure to fully cooperate with the background investigation process or for providing false information in materials disclosed through the application process or in interviews with investigators. The focus of background investigations is on the applicants' honesty, criminal history, and financial integrity.

Personnel and Lottery Retailer Registration

13. The Personnel and Lottery Retailer Registration Unit is responsible for registering individuals involved in gambling in BC. All workers involved in the commercial gambling industry are required to be registered with GPEB. This includes all people directly involved in the industry (e.g., casino, bingo, horse racing workers and lottery retailers), as well as those indirectly involved (e.g., BCLC and GPEB employees). The Unit's objective is to ensure the integrity of these individuals.
14. Each year, GPEB denies a number of applications for a variety of reasons. This may include but is not limited to failing to provide proper disclosure, providing false, misleading or inaccurate information, failing to pass a criminal record check, failing to disclose outstanding criminal charges or not providing information requested in the application or during subsequent background investigations.

Certification and Game Integrity

15. The Certification and Game Integrity Unit is responsible for certifying gambling supplies and equipment in BC. Before being able to operate in the live environment, all gambling supplies used in the province must be tested to the applicable requirements set forth in GPEB's technical gambling standards. GPEB establishes and maintains these technical gambling standards to ensure gambling supplies that are used in commercial or charitable environments: operate fairly; are safe and secure; deliver the stated odds of winning; and, can be audited. Gambling supplies are tested in accredited testing facilities, which verify product compliance

with GPEB's published technical standards. GPEB then certifies the gambling supplies for use in BC's gambling facilities.

Licensing

16. The licensing program issues gambling event licences to eligible organizations throughout BC that wish to raise revenue to support and benefit their local programs and services. Licences must be applied for in advance of the proposed gambling event and are issued with the understanding that the licensee will honour municipal bylaws. All licensed charitable gambling events must be operated on a not-for-profit basis, and net revenues must go to programs or services run by eligible organizations that directly benefit the community.

Conditions of Registration for Gaming Service Providers and Gaming Workers

17. The registration of gaming service providers and workers is addressed in Part 8 of the *Gaming Control Act*, SBC 2002, c. 14, (the "Act") and Part 8 of the *Gaming Control Regulation*, BC Reg 208/2002 (the "Regulation").
18. The conditions of registration for gaming service providers include, among other things, that the service provider must: "be a party to a valid and subsisting agreement with the lottery corporation regarding the provision of gaming services"; "obey the standard operating procedures and rules of play that are established by the general manager or the lottery corporation, and relevant to the type of gaming pertinent to the registration"; and "obey all applicable public interest standards established by the general manager under section 27(2) of the Act": see s. 34(1)(c)(f) and (g) of the *Regulation*.
19. The conditions of registration for gaming workers include, among other things, that the gaming worker "must obey the standard operating procedures and rules of play that are established by the general manager or the lottery corporation, and relevant to the type of gaming pertinent to the registration": see s. 35(b) of the *Regulation*.
20. BCLC sets the standard operating procedures for casino service providers and gaming workers in casinos as part of BCLC's responsibility for the conduct and management of gaming in the Province.

21. Through regulatory audits and investigations, the Compliance and Enforcement Divisions of GPEB monitor registrants throughout their registration period for compliance with conditions of registration.
22. The Compliance Division audits casino service providers for compliance with BCCLC's standard operating procedures and provides copies of audit reports to the LRC Division.
23. If a registrant breaches a condition of registration, the LRC Division may take action under sections 68 and 69 of the *Act*, including issuing a warning, imposing an administrative fine, suspending or canceling the registration or imposing new conditions on a registrant's registration.
24. During my tenure, CREG has not used the imposition of conditions on a gaming service provider as a disciplinary tool or sanction. If a gaming service provider breaches a condition of registration, CREG typically takes steps towards progressive discipline by issuing a warning letter, fine, suspension, and then cancellation, without using conditions.
25. Examples of circumstances in which CREG has used a progressive discipline approach with gaming service providers are where there has been a failure to provide documentation (such as annual financial statements, changes of ownership, filings of required disclosures, and notices of incidents) or failure to pay fees (such as annual registration fees) as required by the *Act* or the *Regulation*. During my tenure as Director, I have only used progressive discipline measures in these circumstances and, in one case, in response to an incidence of petty theft. I do not have direct knowledge of examples of progressive discipline measures used in the Personnel and Lottery Retailer Registration Unit.
26. In my experience, the progressive discipline measures described above are effective without the use of additional conditions. If a gaming service provider has already breached conditions, in my view, it is more effective to take the progressive steps towards discipline rather than imposing more conditions.
27. The GPEB General Manager has discretion under section 56(3) of the *Act* to attach conditions to registration of gaming workers or gaming service providers.

over and above the conditions set out in sections 34 and 35 of the *Regulation*. These conditions may differ for different registrants or classes of registrants and they must be consistent with the conditions of registrations prescribed under section 105 of the *Act*.

28. CREG uses the imposition of conditions as a method to ensure registrants stay in compliance with the *Act* and the *Regulation* and that they understand GPEB's expectations.
29. An example of the imposition of conditions to registration of a service provider pursuant to s.56(3) is NYX Gaming Group Ltd. ("NYX"). In April 2016, CREG investigators produced a Report of Findings following an initial background investigation which identified potentially problematic ownership issues. In a letter dated April 29, 2016, I granted a conditional approval of NYX's registration and imposed corporate registration conditions on NYX as a requirement for a grant of final approval. Attached hereto and marked as **Exhibit "C"** is a copy of my letter to General Counsel for NYX setting out the additional conditions on that service provider.
30. Attached hereto and marked as **Exhibit "D"** is a copy of my letter to General Counsel for NYX dated May 16, 2016, reiterating the conditions and confirming that NYX would be given a reasonable amount of time to provide GPEB with a remedial plan for review should GPEB consider canceling NYX's registration.
31. The conditions imposed on NYX were requirements for further disclosure and background investigations required for final registration approval. The conditions were all successfully fulfilled by the service provider. In a letter dated October 28, 2016, I confirmed that all conditions had been fulfilled and approved of NYX's registration without special conditions. Attached hereto and marked as **Exhibit "E"** is a copy of my October 28, 2016 letter to General Counsel for NYX.
32. If GPEB's Enforcement Division receives a section 86 report or otherwise learns of potential wrongdoing that relates to a gaming worker, the Enforcement Division will conduct a post-registration investigation. The Enforcement Division documents the results of their investigation pertaining to a registered gaming worker in a report of findings which is forwarded to the LRC Division.

33. The LRC Division will take appropriate action to address the concern based on the severity of the transgression.
34. I am advised by Bob Pilot, Director of Personnel and Lottery Registration ("PLR"), and I verily believe it to be true, that one example of the LCR Division imposing post-registration conditions on a gaming worker occurred in the context of a gaming worker accepting a gratuity directly from a patron. The LCR concluded that this act constituted a violation of the gaming worker's conditions of registration under section 35(b) of the *Regulation*.
35. I am further advised by Mr. Pilot and I verily believe it to be true that in response to the incident, the LCR imposed additional conditions on the gaming worker pursuant to sections 68 and 69 of the *Act*. In particular, the LCR imposed the following conditions on the gaming worker: that they conduct themselves in a manner above reproach; that they familiarize themselves with and abide by all the usual conditions of registration; that they immediately report to the Director of PLR in writing any future contacts that they personally had with police and other authorities and the reason for the contact; and that they sign the conditional letter, acknowledging that they had reread the excerpt of the BCLC Policy and the House Rules as they pertain to tips and email a signed copy of the letter to the Director of PLR within 30 days by email or mail.
36. An example of the LRC Division canceling the registration of a gaming worker is Yang (Lisa) Gao, who at the time was the Director of VIP Guest Relations at the River Rock Casino Resort.
37. In 2017, GPEB's Compliance Division conducted a post-registration investigation into Ms. Gao, the results of which were forwarded to the LRC Division. The LRC Division had no record of previous incidents involving Ms. Gao. In a decision dated November 23, 2017, the Director of Personnel Registration/Deputy Registrar of the LRC Division found that Ms. Gao willfully failed to disclose a third party buy-in by a provincially barred individual in violation of a BCLC Directive. The Deputy Registrar found that this constituted a violation of Ms. Gao's conditions of registration under section 35(b) of the *Regulation* and canceled Ms. Gao's registration pursuant to sections 68 and 69 of the *Act*. Attached hereto and marked as **Exhibit "F"** to my

affidavit is a copy of the November 23, 2017 decision of the Deputy Registrar [GPEB1145].

38. The Director of Personnel Registration/Deputy Registrar asked me to review the decision letter and the investigation report to determine if any elements of the incident should be considered as corporate registration violations.
39. Although I did not identify a breach of a corporate registration condition, I was concerned by the level of authority and autonomy that had been granted to Ms. Gao as a gaming worker which allowed her to manage the third party buy-in without approval from a corporately registered senior employee.
40. As a result, I launched a review of VIP Rooms in Lower Mainland casinos. Based on the results of that review, the process to designate senior VIP staff as senior employees rather than gaming workers was modified. This modification changed LCR's internal registration rules for the industry as a whole and not for specific gaming service providers. Attached hereto and marked as **Exhibit "G"** is the Final Investigation Report on Casino VIP Operations. The document is undated, but I estimate that the document was finalized in approximately July 2018.
41. Attached hereto and marked as **Exhibit "H"** is a Briefing Note dated July 25, 2018 for decision for GPEB's General Manager, Sam MacLeod, on the recommendations relating to casino VIP rooms resulting from the VIP room review.
42. During my tenure as Director of CREG with GPEB, CREG has not received a request to consider imposing conditions on a facility operator relating to suspicious cash transactions. I do not believe it is within my authority to impose such conditions on a facility, as this would relate to the gaming service provider's operational functions. BCCLC manages and conducts gaming operations including providing operational direction to facility operators through standard operating procedures and operating services agreement contracts. Imposing specific conditions to registration such as restricting the acceptance of certain denominations of cash would infringe upon BCCLC's mandate. GPEB does not get involved in operational decisions other than through specific Ministerial or GM directives.

43. The VIP room project is an example of a circumstance in which GPEB took the actions within its authority on registration but, with respect to operational requirements, took action by making a request of BCLC to put in operational requirements on the facility operators rather than GPEB imposing the operational requirements.

AFFIRMED BEFORE ME at Victoria,
British Columbia, this 24 day of
March, 2021.



A commissioner for taking affidavits for
British Columbia

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ROBIN JOMHA

Joanna Stratton
Barrister & Solicitor
Ministry of Attorney General
Legal Services Branch
PO Box 9280 Stn Prov Govt
1001 Douglas Street
Victoria, BC V8W 9J7

This is Exhibit "A" referred to in the
affidavit ofRobin Jomha.....
affirmed before me atVictoria.....
in the Province of British Columbia
this....24...day ofMarch....., 2021
[Handwritten signature]
A Commissioner for taking Affidavits
Within the Province of British Columbia

Executive Director Message

The 2020/21 Business Plan sets the priorities, goals and strategies for Gaming Policy and Enforcement Branch (GPEB) Licensing, Registration and Certification (LRC) Division. This Plan supports the Division in fulfilling its role to ensure the integrity and safety of gambling through exercising due diligence in registration of service providers and workers; certification of equipment and supplies; and licensing of charitable gambling events.

Kim Bruce
Executive Director



Our Vision

The public has confidence in BC's gambling industry

Our Mission

To uphold the overall integrity of gambling and horse racing by maintaining government's gambling policy, regulating the gambling sector, and providing related supports, services and community programs that benefit British Columbians.

Our Goals	Our Objectives
Strengthen Our Regulatory Presence	Improving Regulatory Framework and Oversight Contributing to Public Health and Safety
Create Conditions for Our People to Thrive	Building Internal Capacity Maximizing Employee Engagement Effective Internal Communication and Collaboration Improving Process Efficiencies and Effectiveness
Modernize Service Delivery	Improving Customer Service Effective External Communication and Collaboration Improving Financial Sustainability Optimizing Financial Policy Compliance

Our Core Work

The Licensing, Registration and Certification (LRC) Division is responsible for the registration and certification of the gambling industry, and licensing charitable gambling events. The LRC Division works to ensure regulatory compliance with the *Gaming Control Act*, *Gaming Control Regulation*, *Part VII* provisions of the *Criminal Code* of Canada and GPEB policies, directives and public interest standards to maintain the public's confidence in gaming in BC.

Corporate Registration: No individual or company, other than BCCLC or a licensee, may conduct, manage or operate a lottery scheme in British Columbia; and no person may offer gambling services in British Columbia unless they are authorized by GPEB to do so. Corporate Registration completes an in-depth investigation of gambling-related businesses and their executive personnel to ensure suitability for registration. Businesses registered with GPEB include many large public and privately-owned companies, including casino, bingo and horse racing operators, as well as suppliers and manufacturers of gambling services, including online content providers, and gambling equipment (e.g. slot machines, automatic shufflers). GPEB also registers other service providers, such as gambling consultants, raffle services, security and ancillary services, including food and janitorial services provided at gambling facilities.

Personnel and Lottery Retailer Registration. All workers involved in the commercial gambling industry are required to be registered. This includes all people directly involved in the industry (e.g., casino, bingo, horse racing workers and lottery retailers), as well as those indirectly involved (e.g., BCCLC and GPEB employees). Each year, GPEB denies a number of applications for a variety of reasons. This may include but is not limited to failing to provide proper disclosure, providing false, misleading or inaccurate information, failing to pass a criminal record check, failing to disclose outstanding criminal charges or not providing information requested in the application or during subsequent background investigations.

Certification and Game Integrity. Before being able to operate in the live environment, all gambling supplies used in the province must be tested to the applicable requirements set forth in GPEB's technical gambling standards. GPEB establishes and maintains these technical gambling standards to ensure gambling supplies that are used in commercial or charitable environments: operate fairly; are safe and secure; deliver the stated odds of winning; and, can be audited. Gambling supplies are tested in accredited testing facilities, which verify product compliance with GPEB's published technical standards. GPEB then certifies the gambling supplies for use in BC's gambling facilities.

Licensing. The licensing program issues gambling event licences to eligible organizations throughout BC that wish to raise revenue to support and benefit their local programs and services. Licences must be applied for in advance of the proposed gambling event and are issued with the understanding that the licensee will honour municipal bylaws. All licensed charitable gambling events must be operated on a not-for-profit basis, and net revenues must go to programs or services run by eligible organizations that directly benefit the community.

Through regulatory audits and investigations, registrants and licensees are monitored throughout their registration/licensed period for compliance with the terms and conditions. If the integrity of a registrant or licensee is called into question, or if they are found to be non-compliant with the regulatory requirements of the *Gaming Control Act* or the *Gaming Control Regulation*, LRC Division will take appropriate action to address the concern based on the severity of the transgression. LRC Division may issue sanctions including warning letters, suspensions, fines, or cancellation of registration/licence altogether.



Strategic Context and Division Priorities

Priorities

Work at all levels of the division is aligned with the strategic priorities, goals and objectives outlined in the GPEB Strategic Plan and the Ministry of Attorney General Business and Service Plans.

Values

The public has confidence in BC's gambling industry.

External Factors <ul style="list-style-type: none"> • Dr. German Review and Cullen Commission • Access to information from police and other agencies • Relationship with BCLC • Changing face of gaming (online, e-sports, chase the ace, electronic raffles 50/50) • COVID-19 Pandemic 	Internal Factors <ul style="list-style-type: none"> • Limitation of Gaming Online Services (GOS) system • Implementation of the LRC new organizational structure • Workload demands • Lack of operational policy • COVID-19 Pandemic changes to internal work processes and shift to work from home
Risks <ul style="list-style-type: none"> • Succession management • Retention of staff • Shift from land based to online gambling • Changes in leadership and government • Technology systems to support business • Gaming activity shift due to COVID-19 	Opportunities <ul style="list-style-type: none"> • Building relationship with internal and external stakeholders • Building internal capacity where practical • Enhancing relationships with other Divisions and BCLC • LEAN projects • Online applications

Highlights from 2019/20

- Completed the implementation of new organizational structure resulting in improved efficiencies, consolidation of personnel and lottery unit, integration of work, and opportunities for succession.
- Continued to implement improvements related to LEAN project for PREG and initiated a LEAN project for CREG including moving from paper based to online applications.
- Launched renewed version of the Licensed Charitable Gaming Rules after extensive internal and external stakeholder consultation.
- Enhanced communication between LRC and service providers/BCLC including consultation on LEAN projects and structured meetings with casino operators ownership and senior executives to ensure ongoing compliance and information sharing.
- Improved Corporate Registration financial integrity program by creating a senior investigator of financial integrity and working closely with Audit Division to create strong processes.
- Completed implementation of new Corporate Registration requirements as recommended in investigation report on VIP rooms in casinos.
- Responded to impacts of COVID-19 by amending Charitable Licensing Rules to provide more flexibility to the charitable gaming sector.
- Successfully supported staff to work from home due to COVID-19 while continuing to provide quality licensing, registration and certification services.
- Updated technical standards for Certification as a continuous improvement mechanism in support of our role as industry leaders.
- Supported implementation of Keystone Sports on PlayNow with BCLC.
- Completed the final phase of Lotteries Registration Renewal Redistribution project resulting in improved efficiencies while decreasing workload and partnered with BCLC on Lottery Transformation Project.
- Eliminated redundant quality assurance and quality control reporting from BCLC in furthering efficiency.
- Demonstrating leadership in representing GPEB in initiatives such as first aid attendants, ergonomic assessments, and building emergency response team.
- Improvements in the information system/GOS to implement segregation of financial accounts.

Ministry Service Plan

Goal 1: The justice and public safety sector in BC is fair

Objective 1.1 Increased access to justice

Goal 2: The justice and public safety sector in BC protects people

Objective 2.1 Improved outcomes for Indigenous people across the justice and public safety sector through strengthened partnerships with Indigenous leadership and communities

Objective 2.2 Strengthened prevention, protection and support for victims of crime, and marginalized and vulnerable women and children

Objective 2.3 Improved public safety for all British Columbians

Goal 3: The justice and public safety sector in BC is sustainable

Objective 3.1 Strengthened sustainability of the justice and public safety sector to deliver accessible and effective programs and services

Goal 4: The justice and public safety sector in BC has the public's confidence

Objective 4.1 Increased public confidence in the justice and public safety sector

Goals—Objectives—Strategies

Goal: The justice and public safety sector in BC is fair

Objective: Increased access to justice

GPEB Goal: Modernize service delivery

- Modernize information systems in collaboration with Operations Division to improve efficiencies and service to the public with a focus on shifting to online for applications, record storage, reports and payment options.
- Analyze options for charities to move to online formats to support charitable fundraising during COVID-19.
- Review business practices to ensure efficient and effective service delivery during COVID-19 including corporate background investigations.
- Collaborate with BCLC and Lottery Retailers to modernize the system for Lottery Retail/Contract Manger applications and site certification by moving to an online system.
- Improve protection of confidential information by moving to a secure FTP server to receive corporate applications.
- Develop risk matrixes for Corporate Registration to improve consistency and transparency of registration requirements.
- Improve document storage and retention by moving from paper-based records to electronic files.
- Consult with clients on how to access services through regular consultation with PREG stakeholders.

Goals: The justice and public safety sector in BC protects people. The justice and public safety sector in BC has the public's confidence

Objectives: Improved public safety for all British Columbians. Increased public confidence in the justice and public safety sector.

GPEB Goal: Strengthen our Regulatory Presence

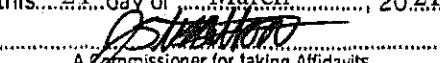
- Update operational policies and licensing rules; and implement a communication plan to inform stakeholders and the public of changes.
- Increase public and stakeholder awareness through user friendly website design and resources.
- Continue to provide input and recommendations on the creation of the Independent Gambling Control Office (IGCO) and changes to the legislation.
- Ensure our ongoing ability to access information systems remains in good standing (eg. CPIC, PSP).
- Trial and implement online investigative tools for Corporate Registration.
- Strengthen Certification Technical Standards to meet the evolving industry.

Goal: The justice and public safety sector in BC is sustainable

Objective: Strengthened sustainability of the justice and public safety sector to deliver accessible and effective programs and services.

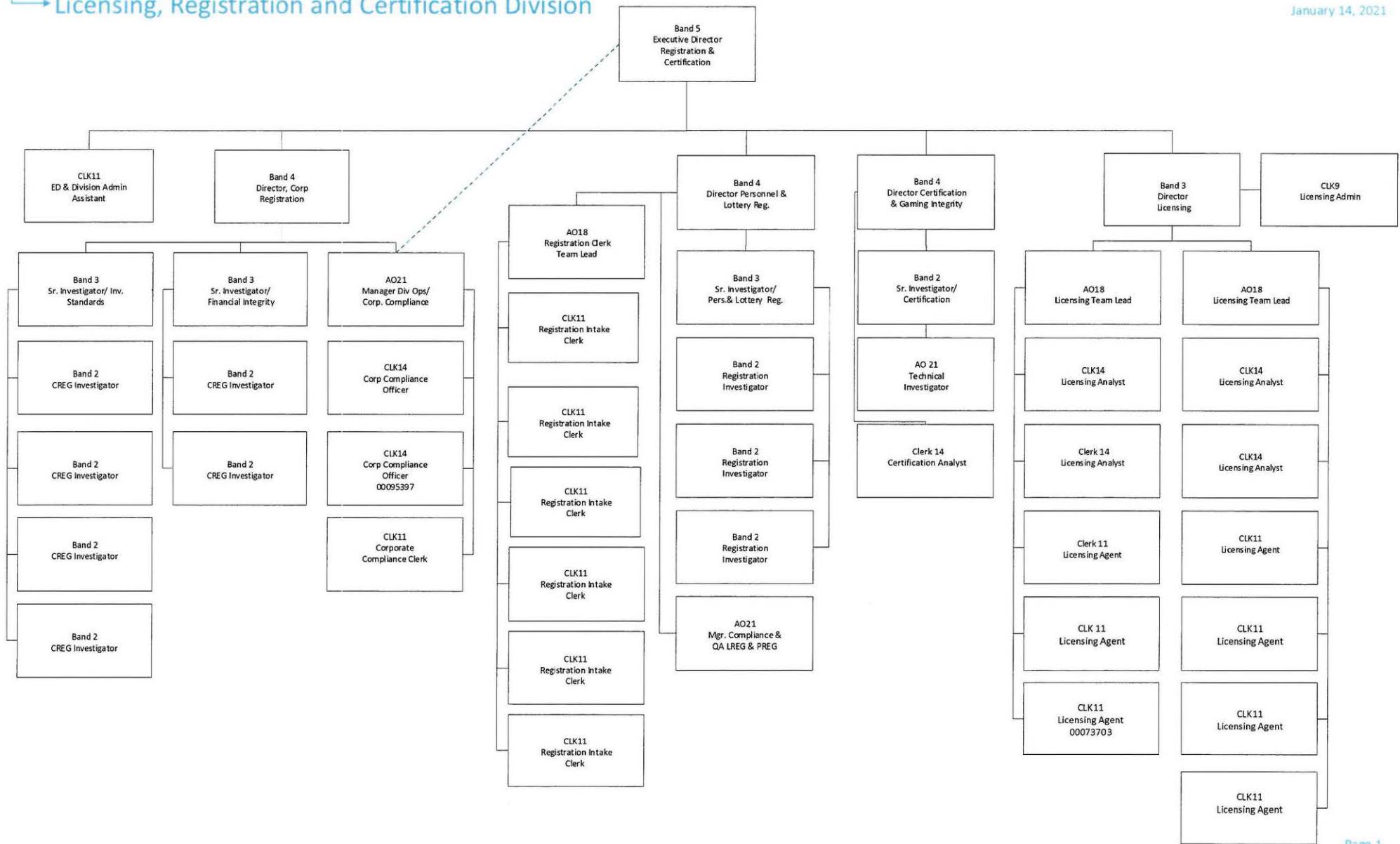
GPEB Goal: Create Conditions for our People to Thrive

- Continue to develop and update operational policy/procedures to support consistent processes and application of the regulatory framework.
- Implement recommendations from LEAN review of Personnel Registration and Corporate Registration and initiate LEAN project for Charitable Licensing.
- Strengthen information sharing between Divisions.
- Continue to improve workplace culture and team dynamic through reinforcement of respectful workplace training, performance management, communication and training.
- Implement a plan to support staff to be successful and supported during COVID-19 including updating telework agreements, providing equipment, and implementing virtual staff meetings.

This is Exhibit " B " referred to in the
affidavit ofRobin Jomha.....
affirmed before me atVictoria.....
in the Province of British Columbia
this....24...day ofMarch....., 2021.

.....
A Commissioner for taking Affidavits
Within the Province of British Columbia

→ Licensing, Registration and Certification Division

January 14, 2021





Know your limit, play within it.

April 29, 2016

CREG: 577

Mr. Matt Stafford, General Counsel
NYX Gaming Group Ltd.
Suite 220 – 8691 West Sahara Avenue
Las Vegas NV 89117

This is Exhibit "C" referred to in the
affidavit of Robin Jomha

affirmed before me at Victoria

in the Province of British Columbia

this.....24..... day of March, 2021

[Signature]
A Commissioner for taking Affidavits
Within the Province of British Columbia

Dear Mr. Stafford:

Re: Registration of NYX Gaming Group Ltd.

The Gaming Policy and Enforcement Branch ("GPEB") is charged with the responsibility of regulating the gaming industry and ensuring that persons and companies providing gaming goods and services in the province have integrity.

Conditional registration of NYX Gaming Group Ltd. and the following senior officials/senior employees has been approved and expire April 28, 2021.

- | | |
|--------------------|---------------------------------------|
| • Matthew Davey | Chief Executive Officer & Shareholder |
| • Arthur Hamilton | Chief Financial Officer |
| • Matthew Stafford | General Counsel |

As a registrant, you must be aware of and abide by our *Conditions of Registration* during the term of registration. A copy of the Conditions and a Certificate of Registration are enclosed for your information and records.

Please be advised that full registration privileges will be considered upon completion of our due diligence investigation and subject to the additional conditions outlined below, be met:

1. That the six additional NYX Senior Officials and Board of Directors successfully complete the Registration Process by August 31, 2016.
2. GPEB Corporate Registration be provided, within 30 days after the closing of the acquisition of OpenBet;
 - a. A complete list of all equity holders, with percentage ownership of issued common shares and preferred shares, and identifying if the preferred shares are convertible (conversion terms, dates of conversion).
 - b. A list of all debt holders with each debt holders' dollar value and percentage of total debt.
 - c. Identify all equity and or debt holders who have the ability to convert their investment in NYX to shares equally or greater than 5%.
 - d. A list of the new management team of OpenBet.

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Ministry of Finance	Gaming Policy and Enforcement Branch Licensing, Registration and Certification	Mailing Address: PO BOX 9202 STN PROV GOVT VICTORIA BC V8W 9J1 Telephone: (250) 356-0663 Facsimile: (250) 356-0782	Location: Third Floor, 910 Government Street Victoria, BC V8W 1X3 Web: www.gaming.gov.bc.ca
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Page 2
NYX Gaming Group Ltd.
April 29, 2016

3. Advise GPEB Corporate Registration of any party who is intending to convert their debt instrument or equity to common shares. Notification must be made without delay.
4. That NYX Digital Gaming (OB SPV) Limited, the new entity which will be acquiring OpenBet, provide the required Corporate Disclosure Form and \$250 application fee, as an Associate, as soon as possible.
5. That William-Hill, being a substantial investor, makes the required application to GPEB, Registration Division, as an Associate.
6. That William-Hill successfully completes the required GPEB Corporate Registration by November 30, 2016 if its ownership remains above the 5% threshold.
7. That William-Hill must provide written assurance that it has ceased providing gaming services in the Province of British Columbia or the Province of Manitoba and must outline the steps it has taken to accomplish this. Independent confirmation will be conducted by GPEB.

Be advised that should any investor holding 5% or more of NYX voting common shares be found unsuitable the conditional registration for NYX Gaming Group Ltd. may be cancelled at my discretion.

Should you have any questions or concerns regarding our registration process please contact me or Karen Zeleny, Manager, Corporate Compliance, at this office.

Sincerely,


Robin Jomha
Director and Deputy Registrar, Corporate Registration

Enclosures

cc: Michael D. Lipton, Partner, Dickinson Wright LLP



May 16, 2016

Mr. Matt Stafford, General Counsel
NYX Gaming Group Ltd.
Suite 220 – 8691 West Sahara Avenue
Las Vegas NV 89117

Know your limit, play within it.

CREG: 577

This is Exhibit "D" referred to in the
affidavit of Robin Jomha

affirmed before me at Victoria

in the Province of British Columbia
this...24... day of March 2021

Ostmann
Commissioner for taking Affidavits
Within the Province of British Columbia

Dear Mr. Stafford:

Re: Registration of NYX Gaming Group Ltd.

This is further to my April 29, 2016 letter, advising conditional registration of NYX Gaming Group Ltd. had been granted.

Please be advised that full registration privileges will be considered upon completion of our due diligence investigation and subject to the additional conditions outlined below, be met:

1. That the six additional NYX Senior Officials and Board of Directors successfully complete the Registration Process by August 31, 2016.
2. GPEB Corporate Registration be provided, within 30 days after the closing of the acquisition of OpenBet;
 - a. A complete list of all equity holders, with percentage ownership of issued common shares and preferred shares, and identifying if the preferred shares are convertible (conversion terms, dates of conversion).
 - b. A list of all debt holders with each debt holders' dollar value and percentage of total debt.
 - c. Identify all equity and or debt holders who have the ability to convert their investment in NYX to shares equally or greater than 5%.
 - d. A list of the new management team of OpenBet.
3. Advise GPEB Corporate Registration of any party who is intending to convert their debt instrument or equity to common shares. Notification must be made without delay.
4. That NYX Digital Gaming (OB SPV) Limited, the new entity which will be acquiring OpenBet, provide the required Corporate Disclosure Form and \$250 application fee, as an Associate, as soon as possible.
5. That William-Hill, being a substantial investor, makes the required application to GPEB, Registration Division, as an Associate.
6. That William-Hill successfully completes the required GPEB Corporate Registration by November 30, 2016 if its ownership remains above the 5% threshold.

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Ministry of Finance	Gaming Policy and Enforcement Branch Licensing, Registration and Certification	Mailing Address: PO BOX 9202 STN PROV GOVT VICTORIA BC V8W 9J1 Telephone: (250) 356-0663 Facsimile: (250) 356-0782	Location: Third Floor, 910 Government Street Victoria, BC V8W 1X3 Web: www.gaming.gov.bc.ca
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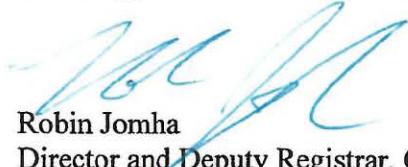
Page 2
NYX Gaming Group Ltd.
May 16, 2016

7. That William-Hill must provide written assurance that it has ceased providing gaming services in the Province of British Columbia or the Province of Manitoba and must outline the steps it has taken to accomplish this. Independent confirmation will be conducted by GPEB.

Be advised that should any investor holding 5% or more of NYX voting common shares be found unsuitable the conditional registration for NYX Gaming Group Ltd. may be cancelled at my discretion. Please note however, that should GPEB consider cancelling NYX's registration, NYX will be given a reasonable amount of time to provide GPEB with a remedial plan for my review for suitability.

Should you have any questions or concerns regarding our registration process please contact me or Karen Zeleny, Manager, Corporate Compliance, at this office.

Sincerely,



Robin Jomha
Director and Deputy Registrar, Corporate Registration

Enclosures

cc: Michael D. Lipton, Partner, Dickinson Wright LLP



October 28, 2016

Know your limit, play within it.

CREG: 577

Mr. Matt Stafford, General Counsel
NYX Gaming Group Ltd.
Suite 220 – 8691 West Sahara Avenue
Las Vegas NV 89117

This is Exhibit "E" referred to in the
affidavit of Robin Jomha.....
affirmed before me at Victoria.....
in the Province of British Columbia
this 24 day of March 2021

[Signature]
Commissioner for taking Affidavits
Within the Province of British Columbia

Dear Mr. Stafford:

Re: Registration of NYX Gaming Group Ltd.

This is further to our letters of April 29, 2016 and May 16, 2016 advising registration of NYX Gaming Group Ltd. was subject to various conditions and the completion of our due diligence investigation.

The Gaming Policy and Enforcement Branch ("GPEB") has completed its due diligence investigation pursuant to the *Gaming Control Act* and the conditions outlined in our May 16, 2016 letter have been met. Full registration has been granted to NYX Gaming Group Ltd. and the following senior officials/employees:

- | | |
|------------------------|--|
| • Vladislav Aizenstadt | Chief Technology Officer |
| • Salvatore Basile | Independent Director, Chair Compliance Committee |
| • Craig Billings | Chair, Board of Directors, Independent Director |
| • Hamish Brown | Chief Operating Officer |
| • Matthew Davey | Chief Executive Officer & Shareholder |
| • Arthur Hamilton IV | Executive Vice President, Finance |
| • Eric Matejevich | Chief Financial Officer |
| • Matthew Stafford | General Counsel |
| • Huw Thomas | Chief Corporate Development & Marketing Officer |

Approval has been granted to William Hill Organization Ltd. as an associate for the full registration period.

Please note that the registration expiry for NYX Gaming Group Limited and its senior officials and employees has been amended to July 11, 2020 to coincide with the registration expiry of OpenBet Technologies Limited and its associates and senior persons. A new Certification of Registration issued to NYX Gaming Group Ltd. is attached for your records.

.... /2

Ministry of Finance	Gaming Policy and Enforcement Branch Licensing, Registration and Certification	Mailing Address: PO BOX 9202 STN PROV GOVT VICTORIA BC V8W 9J1 Telephone: (250) 356-0663 Facsimile: (250) 356-0782	Location: Third Floor, 910 Government Street Victoria, BC V8W 1X3 Web: www.gaming.gov.bc.ca
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Page 2
NYX Gaming Group Ltd.
October 28, 2016

Be further advised that GPEB received disclosure from the following companies/persons and the background investigation is ongoing:

- Roger Buckeridge Independent Director
- James Merkur Independent Director
- Jason Walbridge Group Chief Operating Officer
- BetDigital Limited Associate
- NextGen Gaming Pty Ltd. Associate
- NYX Digital Gaming (OB SPV) Limited, Associate

As you are aware, all registrants must be aware of and abide by our Conditions of Registration during the term of registration. In addition, GPEB requires financial statements with a review engagement standard or higher be submitted with your annual filings within six months of each financial year end.

Should you have any questions or concerns regarding our registration process please contact me or Karen Zeleny, Manager, Corporate Compliance, at this office.

Sincerely,



Robin Jomlia
Director and Deputy Registrar, Corporate Registration

Enclosure

cc: Michael D. Lipton, Partner, Dickinson Wright LLP



Know your limit, play within it.

2017-11-23

File # GAMW-26951

Yang Gao
Unit 214, 2228 162nd Street
Surrey, B.C. V3Z 6P4

CONFIDENTIAL

This is Exhibit " F " referred to in the
affidavit ofRobin Jomha.....
affirmed before me atVictoria.....
in the Province of British Columbia
this....24....day of .. March .., 20.21

O'Sullivan
A Commissioner for taking Affidavits
Within the Province of British Columbia

Attention: Ms. Gao:

Re: GAMING WORKER REGISTRATION

This letter addresses your suitability for registration as a gaming worker in the Province of British Columbia. Public confidence in the integrity of gaming is of the utmost importance in this industry. Section 23 of the Gaming Control Act ("the Act") provides that the Gaming Policy and Enforcement Branch ("GPEB") is responsible for the overall integrity of gaming in BC. This responsibility includes the requirement that gaming workers who assist in the conduct, management, operation or presentation of gaming or horseracing be registered by GPEB under the Act and submit to background investigations to determine suitability, including ongoing suitability, for registration. The purpose is to ensure that the registrant's involvement in the gaming industry will not negatively affect the integrity or reputation of the industry and to make certain that people working in the industry have and are seen by the public to have integrity. The Act allows the General Manager to delegate powers and duties which are set out in Part 8 of the Act and it is under this authority I consider this matter.

ISSUES

There are two issues under Section 68 of the Act that must be decided to determine the overarching issue of suitability for registration. These issues are as follows:

- (a) Would your being registered be considered by the general manager, on reasonable grounds, to be a detriment to the integrity or lawful conduct or management of gaming?
- (c) Have you breached or are you in breach of
 - (i) a condition of the registration of the registrant?

FACTS and ANALYSIS

On November 8, 2017 GPEB Licensing, Registration and Certification Division received information from Compliance Division, Lower Mainland Region, advising you were the subject of an investigation. It was reported that on September 13, 2017 while on holidays you attended work and facilitated a third party buy-in of \$200,000 in \$100 bills in the Salon Privé at the River Rock Casino Resort (here-in-after “RRCR”) contrary to the provisions of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and Regulation and a FINTRAC and BCLC directive.

It was reported that you were the only RRCR employee involved in the transaction that had full knowledge of the fact that the recipient of the \$200,000 in gambling chips was not going to play nor was he the owner of the buy-in funds. Furthermore you were the only RRCR employee involved in the transaction that knew the third party owner of the funds was Mai Lin Chen a RRCR VIP that was provincially barred for two years after it was reported that he had physically assaulted one guest services host and sexually assaulted another while in the Salon Privé. As a result of his provincial barring Chen is ineligible to gamble in the Province of British Columbia.

Proceeds of Crime (Money Laundering) and Terrorist Financing Act (S.C. 2000, c. 17)

- Section 5 (k) of the Act requires gambling facilities in the Province of British Columbia to report large cash transactions.
- Section 6 of the Act requires the reporting entity to keep records and verify identity as per the Regulations.

On June 15, 2017 BCLC issued a Directive to all BC Casinos and Community Gaming Centers in regards to FINTRAC amendments related to the Reasonable Measures form. This directive required these gambling entities to complete enhanced due diligence efforts to determine and document ownership of funds for all cash buy-ins, disbursements, and Forex transactions of \$10,000 or more within a 24 hour period. In part this Directive states that if the money belongs to a third party, the third party ID must be scanned into the system before the transaction can be completed. If the third party is not present to provide this information the transaction must be refused.

Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations (SOR/2002-184)

8 (1) Every person or entity that is required to keep a large cash transaction record under these Regulations shall take reasonable measures to determine whether the individual who in fact gives the cash in respect of which the record is kept is acting on behalf of a third party.

(2) Where the person or entity determines that the individual is acting on behalf of a third party, the person or entity shall keep a record that sets out

- (a) the third party's name, address and date of birth and the nature of the principal business or occupation of the third party, if the third party is an individual;
- (c) the nature of the relationship between the third party and the individual who gives the cash.

In this case the Reasonable Measures form was completed at the cash cage by the cage supervisor and specifies the money belonged to the individual that you brought to the cash cage and not an unknown third party. Interviews of the Cash Cage supervisor that completed the form indicated she received her information to complete the form from either you or the guest services host that was present for part of this transaction. Interview of the guest services host indicated he was aware the recipient of the \$200,000 in chips would not be playing at that time but he would be coming back that night. At no time was the guest services host made aware this was a third party buy-in and the chips did not belong to the individual that presented the \$200,000 in cash to the cage.

Investigators spoke to the General Manager Casino Operations, RRCR. The General Manager was adamant that the expectation would be that someone at the Director level would receive, understand, disseminate, and ensure policy awareness. He also stated that if the funds belong to a third party that person must be present, "that's clear as day in our AML training". Third party transactions require both patrons to be there and both be identified.

On October 17, 2017 you were interviewed by two Compliance Division investigators at the Burnaby GPEB office. In an audio and video taped interview you confirmed you are the Director of VIP Guest Relations. You stated your role is the facilitation of incoming VIP/VVIP guests making sure they are well taken care of while in BC. If they make a request, your unit determines if it is a reasonable request and within policy.

You told the investigators your company takes policy very seriously and as a Director you are often responsible for the dissemination of policy and if your people do not understand the policy you expect them to go up the line until they find someone that can fully explain it. You indicated this could happen frequently in your unit because for many, English is not their first language. In relation to the June 15, 2017 BCLC Directive regarding FINTRAC Amendments you steadfastly maintained you did not read the directive word for word and maintain you did not know that if a third party was not present you must refuse the buy-in.

You told the investigators your understanding of the Reasonable Measures policy is that you have to understand who you are dealing with. Are they coming with legitimate and reasonably explainable funds to gamble with? When a transaction takes place, ensure that all policy is followed and identification is presented to make sure the funds brought to the casino are legitimate.

When asked about BCLC and River Rock policy regarding third party buy-ins you indicated that in general terms the agencies need to be made aware as to why a third party buy-in happened. You explained that in China when you reach a certain social status you have others do certain things for you. You told the investigators that you let the person acting on behalf of the third party know that this transaction is going to be questioned. You also let your company and related agencies know that it involves a third party transaction. You told the investigators that because you know the relationship and why the third party didn't do this for themselves, then as long as you explain and it's a reasonable explanation you believe you can say you did your due diligence. If they won't listen to you and insist on going ahead anyway it is no longer your responsibility. You kept telling the investigator you are not the police and not responsible for adult behavior as long as you explained the consequences. You told the investigator this is your policy and not the company's.

You were shown the BCLC Directive – FINTRAC Amendments effective June 17, 2017 and referred to a highlighted portion that reads:

If a patron advised that the cash is on behalf of another patron you must determine who that individual is, the relationship between the parties and treat the transaction as a third party transaction. This would include obtaining all the necessary documentation for a third party transaction and scanning ID of the third party BEFORE the transaction can be completed. If the third party is not present or refuses to provide this information the transaction must be refused and an iTrak file shall be created to document why the service provider was unable to identify the third party.

You responded by saying you understand the Directive and claim that “we did all that”. You told the investigators the Directive is “common sense and reasonable”.

You told the investigators that on September 13, 2017 you were walking your dog when you received a telephone call from Mai Lin Chen. Chen was notifying you that he was sending his manager to obtain \$200,000 in chips. You asked why and were told the manager would explain later. Upon your return home you had a voice mail from the manager Dan Liu. You told the investigators you have known these two for years. You told the investigator that Chen is a wealthy Chinese businessman. You maintain that you warned Liu that this type of transaction would not look good for him due to his lack of gaming history and an individual who comes to the River Rock to do this type of transaction will be flagged immediately as suspicious. You told Liu there would be some sort of investigation over this type of transaction because “it doesn’t look good”. Liu told you that Chen had several friends coming to Vancouver for one night that like to gamble. The money counting is time consuming and takes too long so the chips were being purchased ahead of time. You maintained you warned Liu that this is common practice in BC and the friends would have to present ID in order to enter the Salon Privé anyway and Chen knows this. You told Liu this transaction would cause trouble for you but he insisted it take place. You maintained you asked Liu about the source of the funds in front of the cash cage. Later you indicated you were not aware if anyone overheard the conversation or understood it.

You told the investigators you were aware the Reasonable Measures form had to be completed. You don’t have any responsibility to complete this form but you have been asked to translate in the past for patrons that don’t speak English. You can’t recall if anyone asked you about the source of the funds nor if Liu was asked if he owned the funds in your presence. You did confirm that the form was not accurate because it indicates the money belonged to Liu and you know it didn’t.

When asked why you did not refuse the buy-in as the Reasonable Measures Directive, as it relates to third party buy-ins dictates when that person is not present, you stated that in this case there was a reason. You knew the third party and you knew he could not be present. In your mind he was not trying to hide anything because you knew Chen was barred.

When you were referred back to the BCLC Directive which was emailed to you on June 16, 2017 and the specific policy language that states in part that “if the third party is not present the transaction must be refused”, you indicated you did not see it “word for word”. You then told the investigator that if somebody explains that they are concerned with the “service time” and intend on completing the registration when the guests arrive at a later time you do not believe this

would be against policy or the law. You told the investigator that maybe there is a problem with your judgment but you did not see a problem.

You told the investigators that you are on the service side and a police person did not stop the guest from entering the premise so they are a guest to you. You again reiterated that after you explain all the necessary things the client needs to know they are on their own. As an adult they can make their own judgment.

When it was expressed by the GPEB Investigators that your concern and emphasis was on customer service and not the financial obligation and requirements that are expected of gaming workers in casinos you responded with "that is true and not true". You again explain that the unknown guests were going to provide the needed information and paperwork and the transaction was facilitated so the process would be expedited.

The *Gaming Control Act* states:

71 (1) The general manager may make inquiries and require information from an applicant or registrant that the general manager considers necessary to decide whether or not to exercise a discretion under this Part to:

- (a) grant or renew a registration;
- (b) suspend or cancel a registration;
- (c) impose conditions on a registration.

68. The general manager may refuse to issue or renew the registration of a gaming service provider or gaming worker if the applicant for the registration or renewal:

- (a) is considered by the general manager, on reasonable grounds, to be a detriment to the integrity or lawful conduct or management of gaming;
- (c) has breached or is in breach of
 - (i) a condition of the registration of the registrant, or

69 (1) For any of the reasons under Section 68, the general manager may issue a warning to a registrant or may cancel, suspend for a period of time, impose new conditions on, or vary existing conditions of, a registration or any registrant.

The *Gaming Control Regulation* states:

- 35.** It is a condition of registration of a gaming worker that:
- (b) he or she must obey the standard operating procedures and rules of play that are
 - (i) established by the general manager or the lottery corporation, and
 - (ii) relevant to the type of gaming pertinent to the registration,

REASONS and DECISION

The gaming industry has been established on a foundation of honesty in order to protect the general public, gaming operators, employees, assets and the integrity and reputation of the industry. GPEB must ensure that those in the industry meet the highest standards.

As a Director in the largest gambling facility in British Columbia you are expected to meet and exemplify the standards that have been established for the gambling industry. This is even more critical in light of your role in dealing with large cash transaction and the increased scrutiny regarding money laundering in BC Casinos and in particular through the River Rock Casino Resort.

I find that on June 15, 2017 the British Columbia Lottery Corporation (BCLC) sent out a directive in response to amendments made to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. BCLC's directive was in support of a directive the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) issued for the reporting of large cash transactions and in particular the Reasonable Measures form. In this case we are referring to that portion of the directive dealing with third party buy-in requirements. I find that this directive and the Reasonable Measures template were emailed to you on June 16, 2017.

I find that as part of your duties as Director of VIP Guest Relations you must ensure the dissemination of all policy to your team and ensure everyone on your team is familiar with these requirements. In the case of this Directive it is even more critical that your team is aware of these requirements as it is your team that would primarily be the first point of contact dealing with the VIP's that are usually responsible for the majority of the large cash buy-ins in a gambling facility.

I find that in the case at issue you knowingly or willfully failed to inform the Cash Cage Supervisor and your Guest Services coworker that this was a third party buy-in. In doing so you circumvented the BCLC Directive and AML training you have received. I find your non-disclosure of the fact this was a third party buy-in and the fact that the owner of the funds is a Provincially Barred individual put you in violation of your conditions of registration pursuant to Section 35(b) of the Gaming Control Regulation and thereby puts you in contravention of Section 68(c)(i) of the Gaming Control Act.

Section 68(a) of the Act states the general manager may deny registration where there are reasonable grounds to believe the applicant being registered is a detriment to the integrity or lawful conduct or management of gaming.

I find that your explanations and rationale for choosing to place a Provincially Barred VIP's wants and desires ahead of a BCLC directive and legislation is of grave concern to me. It is especially concerning because of the fact that the legislation and directive were put in place for the very reason of properly identifying and documenting the source of large cash transactions and in particular third party involvement. Your actions on September 13, 2017 served to undermine the reasonable measures process and bring your judgment and thereby suitability for the gambling industry into question.

I find that your willful non-disclosure that led to the violation of this BCLC and FINTRAC directive has served to make you an unsuitable registrant. For this reason I have decided to

cancel your gaming worker registration pursuant to the provisions of Section 68 of the Gaming Control Act.

For information regarding requests for reconsideration of any GPEB decision and copies of the *Gaming Control Act and Gaming Control Regulation* please refer on line at <http://www2.gov.bc.ca/assets/gov/sports-recreation-arts-and-culture/gambling/gambling-in-bc/internal-review-procedures-registration.pdf> Should you have any questions please call Service BC at 1-800-663-7867 and request that you be transferred to my direct line at (250) 356-0983.

Sincerely,



G.E. (Garth) Baillie
Director Deputy Registrar
Personnel Registration

This is Exhibit "G" referred to in the
affidavit of Robin Jomha,
affirmed before me at Victoria,
in the Province of British Columbia
this..... 24 .. day of March, 2021.

.....
A Commissioner for taking Affidavits
Within the Province of British Columbia

FINAL INVESTIGATION REPORT
CASINO VIP OPERATIONS

OVERVIEW

Due to recent events involving suspicious transactions and high wealth casino patrons in VIP rooms in the Lower Mainland, Gaming Policy and Enforcement Branch (GPEB), Licensing Registration and Certification (LRC) Division, Corporate Registration (CREG) Unit conducted a corporate investigation of the three casino operators who operated the five casino locations with the highest level of VIP play. The purpose of this investigation was to identify:

- 1) whether individuals currently registered as gaming workers under Personnel Registration (PREG) and employed in VIP rooms should require registration under Corporate Registration;
- 2) whether junkets or independent consultants are utilized in attracting wealthy patrons to VIP rooms in BC casinos as those companies or individuals would require registration;
- 3) whether current procedures governing VIP rooms are sufficient in mitigating risk arising from money laundering.

This investigation reviewed the staff and procedures at the VIP rooms of Great Canadian Gaming Corporation's (GCGC) River Rock Casino Resort and Hard Rock Casino locations; Gateway Casino's Grand Villa Casino and Starlight Casino locations; and Parq Vancouver ULC.

SYNOPSIS

- VIP rooms at various BC casinos are regularly involved in large transactions.
- On September 13, 2017, a casino patron and the Director of VIP Guest Relations at the River Rock Casino Resort were involved in a third party suspicious currency transaction at the VIP room cash cage. Although referred to as the cash cage, this area is responsible for all transactions involving cash or any other monetary instruments.
- An I-TRAK report (2017-52024) was generated whereby prompting a GPEB investigation by the Compliance Division.
- The investigation concluded that the Director of VIP Guest Relations was complicit or to a lesser degree negligent in facilitating the suspicious currency transaction.
- The Director of VIP Guest Relations was deemed unsuitable for the BC gaming industry resulting in cancellation of their registration with GPEB.
- The Director of VIP Guest Relations position remains vacant at this time. The General Manager of River Rock Casino Resort assumed control of the VIP operations in the interim.
- On December 13, 2017, the Executive Director of GPEB LRC and Director of LRC CREG initiated further investigation into VIP operations at River Rock Casino Resort to ascertain whether further CREG oversight is needed.

- Also on December 13, 2017, the Director of LRC CREG requested further information regarding VIP operations from all casino operators in the province, specifically:
 - Number of VIP venue(s) that your company operates.
 - Personnel Organizational Chart for each venue operating a VIP gambling room(s).
 - Operations and Policy Manuals specific to the VIP gambling room(s).
 - Job descriptions of all individuals currently employed in VIP gambling room(s).
 - Identities of any individuals acting as contractors or independent agents on behalf of your company in connecting with VIP players globally.
- A CREG investigator was assigned to further investigate the incident at the River Rock Casino Resort where VIP Guest Relations Managers who reported to the former Director of VIP Guest Relations were interviewed. On March 31, 2018, a Preliminary Investigation Report was completed and included findings and recommendations including expanding the investigation to review four additional casinos in the Lower Mainland (Parq Vancouver, Hard Rock Casino, Grand Villa Casino, Starlight Casino) and completion of a Final Investigation Report.

INVESTIGATION PROCESS

The investigation included the following process:

- Interview of employees of the VIP rooms at the River Rock Casino Resort, Parq Vancouver, Starlight Casino, Grand Villa Casino, and Hard Rock Casino.¹
 - On April 19 and 20, 2018, interviews with seven Parq Vancouver VIP employees were conducted.
 - From April 25, to 27, 2018, interviews with seven VIP employees from Starlight Casino and Grand Villa Casino, two additional Parq Vancouver VIP employees and two Hard Rock Casino VIP employees were conducted as a part of this review.
 - Interviews were conducted at GPEB's Kingsway office and were visually recorded.
- Review of information and documents provided by casino operators including Personnel Organizational Chart for each venue operating a VIP gambling room(s); Operations and Policy Manuals specific to the VIP gambling room(s); job descriptions of all individuals currently employed in VIP gambling room(s); and identities of any individuals acting as contractors or independent agents on behalf of the company in connecting with VIP players globally.
 - Great Canadian Gaming Corporation: River Rock Casino Resort / Hard Rock Casino (Appendix B)
 - Parq Vancouver ULC: Parq Vancouver (Appendix C)
 - Gateway Casinos: Starlight/Grand Villa (Appendix D)

¹ Questions asked during interviews included in "Appendix A"

- It should be noted that in all cases the staff and management of the five casinos reviewed fully cooperated with the investigation and made all requested staff available to the investigators.

INVESTIGATION FINDINGS

Interviews of VIP employees included specific questions regarding:

- Policies, personal responsibilities, training, suspicious transactions, large transactions, and operations of the VIP rooms.
- Compensation, gifts, tips, and any gratuities received from wealthy patrons were asked in determining whether conflicts of interests exist due to personal dealings.

Policies:

Great Canadian Gaming Corporation: River Rock Casino Resort / Hard Rock

It was determined that special policies for VIP rooms were non-existent at the facilities². However, general policies governing the casino floor were applicable to the VIP rooms (Table Games, Cash Cage, Gratuities, etc.). BCLC policies regarding the operations of gaming sites were the foundation for internal policies. Each individual interviewed asserted that the minimum standards imposed by corporate policies were adhered to on a day-to-day basis.

Parq Vancouver ULC: Parq Vancouver

It was determined that special policies for VIP rooms were non-existent at the facility. However, general policies governing the casino floor were applicable to the VIP rooms (Table Games, Cash Cage, Gratuities, etc.). BCLC policies regarding the operations of gaming sites were the foundation for internal policies. With this, policies on rules or betting revisions were implemented in the past and included the following³:

- Opening Squeeze Baccarat cards
- Average Bets & Bonus
- Squeeze Cards Pre-Shuffle
- Li Room Back Betting
- Unlimited Free Hands in Li Room
- Supervisor Threshold and Li Room Rulings
- Thresholds

The aforementioned revisions were limited to ensuring clarity in what was permissible during gambling activities. Absent were further special policies governing the Cash Cage, acceptance of gratuities, fraternizing with clients/patrons, etc. It should be noted that one VIP employee openly admitted to fraternizing with a client by accompanying them to Las Vegas to Gamble on

² As determined through correspondence from the General Managers of River Rock Casino Resort and Hard Rock Casino in Appendix B.

³ See Appendix B

their free time. The employee emphasized that the plane ticket to Las Vegas was paid out of pocket while the hotel accommodation was provided by the client through a personal comp⁴ with a Las Vegas Casino. This incident is demonstrative of a conflict of interest that occurred due to the lack of written policies in place preventing employees from fraternizing with their clients.

Gateway Casinos: Starlight/Grand Villa

Unlike the other service providers, Gateway Casinos had written policy specific to the VIP operations. The “VIP Standard Operating Parameters” dated March 19, 2012 must be signed by employees involved with VIP operations. The document⁵ was divided into four sections:

- Compliance with Regulation and Law
- Protection of Proprietary and Customer Information
- Financial Interaction Boundaries
- Professional Boundaries

Each section was designed to protect the employee and employer from any untoward interaction with VIP clients and patrons.

Policies: Summary of Findings

It was apparent that the three operators investigated applied differing levels of policies specific to the VIP rooms. Great Canadian Gaming Corporation indicated policies specific to VIP operations were non-existent. Parq Vancouver ULC’s policies specific to VIP operation were limited to card play and betting thresholds. Gateway Casinos demonstrated that policies specific to VIP operation existed in the form of “VIP Standard Operating Parameters” documentation that must be signed by VIP employees. The differing levels of policies can be attributed to BCLC’s lack of policies governing VIP operations.

Personal Responsibilities

Great Canadian Gaming Corporation: River Rock Casino Resort / Hard Rock Casino

When asked about personal responsibilities specific to interactions with the patrons, the consensus was that each VIP Guest Relations Manager or VIP Guest Relations Host was expected to be on call for any requests made by wealthy patrons (hotel rooms, entertainment tickets, buy ins, etc.). Although the VIP Guest Relations Manager or VIP Guest Relations Host were not expected to attend to the requests personally, they were expected to facilitate the requests by communicating to personnel on shift at the River Rock Casino Resort. Wealthy patrons had access to the VIP Guest Relations Managers or VIP Guest Relations Host by calling their corporate cellular phone provided by the company. This contact information was provided

⁴ Comps are complimentary items and services awarded by casinos to encourage gambling. Comps are determinant on level of betting and time spent gambling.

⁵ See Appendix C

through individual business cards provided by GCGC. While at the casino, the VIP Guest Relations Managers or VIP Guest Relations Host were tasked with the following:

- Assisting in any translation services from Mandarin or Cantonese to English including but not limited to special requests, buy ins, comps, food services, and interaction with casino staff and BCLC investigators.
- Maintaining a civil environment in the VIP rooms. This included assisting in deescalating contentious situations between wealthy patrons and staff.
- Ensuring that policies were adhered to such as table play and chip passing.
- Identifying potential high limit players on the casino floor and approaching them with opportunities to play in the VIP rooms.
- Keeping wealthy patrons happy.

Additionally, the VIP Guest Relations Managers or VIP Guest Relations Host were expected to understand current policies in place regarding casino operations and anti-money laundering (AML). Risks were immediately apparent due to the VIP Guest Relations Manager or VIP Guest Relations Host's close relationship with wealthy patrons as the responsibilities and duties were designed to increase rapport with wealthy patrons.

When asked about how the casino attracts wealthy patrons, the VIP Guest Relations Managers and VIP Guest Relations Host were consistent in answering that most were recruited through word-of-mouth interaction between patrons in addition to internal efforts in identifying potential high limit players on the casino floor. According to the VIP Guest Relations Managers and VIP Guest Relations Host, GCGC did not employ independent agents or contractors for the purpose of recruiting wealthy patrons to their gaming sites. It should be noted that both positions traditionally reported to the Director of VIP Guest Relations, however, due to vacancies at both sites, the VIP employees reported to the General Manager of their respective casinos.

Parq Vancouver ULC: Parq Vancouver

During this due diligence process, the Director of Customer Development, Customer Development Executives, and Customer Development Hosts were interviewed. The job descriptions for the positions are included in this report. The Director of Customer Development oversees the Customer Development Executives and Hosts. Both positions report directly to the director. The director was primarily responsible for the following:

- Create and implement Customer Development strategic plans
- Cultivate and sustain relationships with VIP players ensuring player loyalty
- Develop profiles and ratings of VIP players for VIP database
- Ensure compliance with licensing laws and statutory regulations
- Respond and/or resolve customer issues that are escalated

During the interview, the Director of Customer Development stated that dinners with clients at onsite restaurants occurred from time-to-time, however, her interaction was limited compared to that of her subordinates.

Customer Development Executives and Hosts had overlapping responsibilities. The Customer Development Executive had the added responsibility of driving new player acquisitions, driving business development initiatives, and laying out plans for enhancing service, and evaluating and analyzing service performance. The shared duties include:

- Resolve guest relations issues with the assistance of Casino Operations
- Make player comp decisions based on play history and potential play
- Develop player relationships
- Provide scheduling arrangements for hotel and/or restaurant
- Develop new and current player relationships

During the interviews, additional duties that were revealed were the following:

- Translation services at the cash cage
- Arranging transportation for VIP clients
- Expectation to be on call to serve VIP clients with company cell phones 24/7

The overall goal of the department was to provide a memorable experience for their VIP clients. It was determined through the interviews that client recruitment was through word-of-mouth recruiting through the clients in addition to the Customer Development Executive's duty to develop new and current player relationships as mentioned above.

Gateway Casinos: Starlight/Grand Villa

The following positions were reviewed and interviewed during this due diligence: Executive Director VIP Business Development, Business Development Manager VIP, Executive Host VIP, and Casino Host VIP. The duties and responsibilities for the Executive Director VIP Business Development were as follows:

- Creates and implements strategy for the VIP Table Game and Business Development department
- Builds strong relationships with players, VIP staff, regulators, and senior table game management
- Assumes fiscal responsibility of VIP operations
- Resolves escalated guest concerns
- Directs assigned VIP staff
- Oversees maintenance of VIP guest database

The Executive Director was separated from the VIP clients as that duty was delegated to the Business Development Managers and Executive Hosts. It is important to note that those who were compensated through fixed salary were not eligible to participate in the tip pool. As such, the only employees interviewed who participate in the tip pool were Casino Host VIP as they were hourly paid employees. Additionally, Business Development Managers and Executive Hosts were the only personnel with company cell phones. VIP clients may contact them on a 24/7 basis, however, it was expected that the Executive Hosts direct all calls to the on duty personnel at the casino. Casino Hosts utilized a shared cell phone during working hours.

The duties and responsibilities of the Business Development Manager VIP were as follows:

- Builds and maintains a database of VIP guests
- Marketing strategies
- Establishes networks with third party agents and suppliers that will assist in driving business to company properties (e.g. travel agents, tour group operators etc.)
- Handles demanding guests and resolves issues
- Ensures compliance at all times to regulatory requirements and company policy
- Supervises VIP Hosts

The main responsibility of a Business Development Manager was to bring in new players to the casino. When asked about the responsibility of establishing networks with third parties, both Business Development Managers stated that the use of a third party contractor was cost prohibitive. Additionally, most of the VIP clients that they attract are through word of mouth and fostering relationships through interaction. Interaction may include sharing a meal together at a restaurant off site. It seemed that the Business Development Managers were cognizant of the importance of maintaining a level of separation with their VIP clients.

The duties and responsibilities of the Executive Host VIP were as follows:

- Coordinates all Casino Hosts
- Manages the performance of staff
- Scheduling
- Manages all cost elements within the department
- Develops relationships with guests and customer group representatives
- Retains a thorough knowledge of internal control and regulatory policies and procedures.
- Liaises with government regulators.
- Issues Comps

The role was more managerial in nature as it coordinated Casinos Hosts by ensuring adherence of policy and procedure. Although the Executive Host VIPs were on call 24/7, they were trained to redirect any material issues arising from client interaction to the persons on duty. For example, one Executive Host VIP explicitly stated that they do not come in to the casino on their day off regardless of the issue. The Executive Host VIP was not responsible for attracting new players; however, they were responsible for maintaining the loyalty of current players.

The duties and responsibilities of the Casino Host VIP were as follows:

- Identifies and develops relationships with regular guests
- Monitors the arrival, stay, and departure of VIP guests
- Supervises Hosts (beverage servers)
- Ensures the guests are made to feel comfortable
- Issues comps

The Casino Host VIP was not a salaried position and participated in the tip pool where their share was 25%. They also provided translation services if it was requested by the VIP guest. During the interviews, it was evident that the Business Development Manager VIP position had the greatest exposure to VIP guests.

Personal Responsibilities: Summary of Findings

The personal responsibilities of VIP employees centered on the development and maintenance of relationship with VIP patrons. Both Great Canadian Gaming Corporation and Parq Vancouver ULC applied a decentralized management structure whereby VIP employees under the department heads were given greater autonomy in decision making with overlapping duties and responsibilities. Conversely, Gateway implemented a more centralized management structure whereby most VIP employees (excluding Business Development Hosts and Executive Host VIP) were not expected to maintain contact with VIP patrons outside their hours of employment.

Due to the personal responsibilities of VIP employees to develop and maintain rapport with VIP patrons, a conflict of interest may exist. This risk is greater with Great Canadian Gaming Corporation and Parq Vancouver ULC.

Suspicious Transactions

Great Canadian Gaming Corporation: River Rock Casino Resort / Hard Rock Casino

The VIP Guest Relations Manager's or VIP Guest Relations Host's role in transactions was limited to translation services from Mandarin or Cantonese to English. This was necessary as cash cage personnel communicated solely in English. The problem arises where the VIP Guest Relations Manager or VIP Guest Relations Host may translate in a manner that was inaccurate for AML purposes. For example, the VIP Guest Relations Manager could tell the cash cage staff that money belonged to the player when it did not. The VIP Guest Relations Manager or VIP Guest Relations Host were subject to annual or bi-annual sign offs on AML and corporate policies. It was also noted that Surveillance was only privy to a visual feed as there was no audio surveillance in the VIP room cash cage. When asked about AML policies and procedures during the interview, each individual was able to describe the corporate process and policy in place. It was noted by the VIP Guest Relations Managers and VIP Guest Relations Host that revenues generated in the VIP rooms rapidly decreased after new recommendations requiring bank drafts with receipts was directed by the Attorney General to BCLC in early January 2018.

Parq Vancouver ULC: Parq Vancouver

All VIP employees were knowledgeable in Anti-Money Laundering policies in place. Additionally, they were well aware of the recommendations currently in place regarding bank drafts and receipts. The employees also expressed that revenues were greatly affected due to the new recommendations in place as VIP players have decreased buy in amounts to circumvent the new recommended reporting requirements mandated by the Attorney General in early January 2018. When asked if VIP players were advised to decrease buy in amounts for the purpose of avoiding the reporting threshold, each employee responded in the negative.

Gateway Casinos: Starlight/Grand Villa

A separate policy document on large cash and suspicious financial transactions existed. Each individual interviewed understood the policy and procedure and was able to explain the transaction process in detail during the interview. There was a general sentiment among the employees that revenues decreased substantially due to the new recommendations in place with respect to bank drafts and receipts. Additionally, employees were adamant that they did not suggest to VIP clients to circumvent the reporting threshold in order to gamble.

Suspicious Transactions: Summary of Findings

It was found that the new recommendations requiring bank drafts and receipts directed by the Attorney General to BCLC in January 2018 greatly affected revenue of all three operators. However, during the interviews it was found that the VIP players were circumventing the new recommended reporting requirements by buying in below the reporting threshold of \$10,000. Whether VIP employees were complicit in advising VIP players to buy in below the threshold should be investigated further.

VIP Room Operations

Great Canadian Gaming Corporation: River Rock Casino Resort / Hard Rock Casino

As previously mentioned, policies of VIP rooms mirror common internal policies governing the gaming floor. As such, special policies for VIP rooms were non-existent. Gaming floor managers and cash cage managers in the VIP rooms were shared with the gaming floor, meaning, additional special oversight for large buy-ins at the table and VIP room cash cage were non-existent. Traditionally, the Director of VIP Guest Relations managed the VIP rooms autonomous of the general gaming floor. Communication with the current General Manager was minimal according to the VIP Guest Relations Managers and VIP Guest Relations Host. At the time of the interviews, the General Manager had oversight of the VIP rooms through his Assistant General Manager.

Parq Vancouver ULC: Parq Vancouver

As previously mentioned, policies of VIP rooms mirror common internal policies governing the gaming floor. As such, special policies for VIP rooms were non-existent. Gaming floor managers and cash cage managers in the VIP rooms were shared with the gaming floor, meaning, additional special oversight for large buy-ins at the table and VIP room cash cage were non-existent. Special training for gaming floor managers and cash cage managers specific for VIP rooms appears to be lacking. As with many VIP operations, Parq Vancouver's VIP areas seem to operate autonomously of the gaming floor.

Gateway Casinos: Starlight/Grand Villa

The policy of VIP rooms mirror common internal policies governing the gaming floor. However, the "VIP Standard Operating Parameters" were also implemented in order to reduce the level of perceived conflict of interest between an employee and a VIP client. Gaming floor

managers and cash cage managers in the VIP rooms were shared with the gaming floor, meaning, additional special oversight for large buy-ins at the table and VIP room cash cage were non-existent. Special training for gaming floor managers and cash cage managers specific for VIP rooms appears to be lacking.

VIP Room Operations: Summary of Findings

VIP Room Operations implement common internal policies governing the gaming floor. For Great Canadian Gaming Corporation and Parq Vancouver ULC, special policies for VIP rooms were non-existent. Gateway Casinos have implemented policy through the “VIP Standard Operating Parameters” that were specifically drafted for the VIP rooms.

VIP Employee Compensation

Great Canadian Gaming Corporation: River Rock Casino Resort / Hard Rock Casino

The range of compensation for VIP Guest Relations Managers and VIP Guest Relations Host varied from \$45,000 to \$70,000. The VIP Guest Relations Manager and VIP Guest Relations Host positions were not participants in the tip pool and did not participate in a bonus program. However, the VIP Guest Relations Managers and VIP Guest Relations Host were participants in the corporate stock option program.

Parq Vancouver ULC: Parq Vancouver

The compensation for each position was as follows:

- Director of Customer Development - \$110,000 with a bonus up to 20%
- Customer Development Executive - \$77,000 to \$120,000 with various bonus structures
- Customer Development Host - \$45,000 to \$51,000 with various bonus structures.

Additionally, the aforementioned VIP employees did not participate in the tip pool.

Gateway Casinos: Starlight/Grand Villa

The compensation for each position was as follows:

- Executive Director VIP Business Development: \$165,000 plus quarterly bonuses based on performance
- Business Development Manager VIP: \$50,000 to \$70,000 plus performance bonuses
- Executive Host VIP: \$50,000 to \$70,000 plus performance bonuses
- Casino Host VIP: \$18.00 to \$20.00 per hour with 25% participation in tip pool

Additionally, the aforementioned salaried VIP employees did not participate in the tip pool.

VIP Employee Compensation: Summary of Findings

The salaries reported by employees during this investigation need to be reviewed in order to determine if they are in line with industry standard in other jurisdictions. The salaries reported seemed unexpectedly low for the responsibilities carried by many of the VIP employees. This may pose a risk due to the high net wealth of VIP patrons and unexpectedly low compensation of the VIP employees. Further investigation is needed to determine of the risk of accepting illicit compensation by VIP employees from VIP patrons.

Tips, Gifts, and Gratuities

Great Canadian Gaming Corporation: River Rock Casino Resort / Hard Rock Casino

The VIP Guest Relations Managers and VIP Guest Relations Host stated that participation in the tip pool was not allowed due to internal corporate policies. If a wealthy patron insisted on the acceptance of a tip, they were directed by the VIP Guest Relations Manager or VIP Guest Relations Host on duty to give the amount to the dealer or cash cage for tip pooling purposes. Most non-monetary gifts or gratuities given to the VIP Guest Relations Managers or VIP Guest Relations Host were in the form of tea or treats. The VIP Guest Relations Managers and VIP Guest Relations Host also communicated that they had not accepted any monetary or luxury item compensation from wealthy patrons in the Casino or privately

Parq Vancouver ULC: Parq Vancouver

Participation in the tip pool for Customer Development department personnel was strictly prohibited. Additionally, the acceptance of gifts was not permitted over a value of \$100. Most gifts that were offered are in the form of tea or baked goods. However, due to the employees' close relationship with clients, further due diligence into the employees will be required.

Gateway Casinos: Starlight/Grand Villa

As previously mentioned, only non-salaried employees participated in the tip pool. All gifts offered by VIP clients must be reported. Employees may only accept gifts under \$100 after receiving permission from their supervisor. It was noted that there was some confusion during the interviews as to what the exact policy was with regard to accepting gifts.

Tips, Gifts, and Gratuities: Summary of Findings

It was widely reported by VIP employees that gifts in the form of tea or baked goods were gifted by VIP patrons from time to time. Tips are outright refused by the VIP employees and VIP patrons are directed to tip the dealer or the cash cage. Employees may only accept gifts up to a certain threshold dependent on the company they work for. However, there was some confusion as to what was permissible under the policy.

DISCUSSION

Although there were broad similarities in how the different casino operators managed their respective VIP rooms, it was apparent that each company had created its own standard as far as titles, duties, responsibilities, restrictions and oversight of the VIP rooms. All of the facilities used BCLC's mandatory table game and cash cage procedures as a foundation adding specific corporate policy as needed. Gateway Casino alone had a written set of procedures specific to VIP Operations.

The implication of using BCLC standard casino rules for the VIP rooms assumes that these areas do not require special consideration. This is despite the physical separation of VIP rooms with some having separate entrances restricting access to a small subset of players. Additionally, each casino operator created a number of specific VIP room related staff positions with their own chain of command and compensation structure separate from the rest of the casino floor. VIP rooms and players were treated as a different business line than the rest of the gaming floor. These areas were treated as autonomous from the rest of the casino by staff, management, and customers, therefore, policies and procedures should reflect this.

Each casino company used differing titles for VIP employees. The duties, compensation and responsibilities were inconsistent from company to company. Determining which VIP personnel at each facility requiring CREG registration will focus on a risk analysis of actual duties and authorities of each individual that may affect the integrity of gambling in British Columbia.

The investigation was focused on analysis and recommendations related to three questions as follows:

Whether individuals currently registered as gaming workers under Personnel Registration (PREG) and employed in VIP rooms should require registration under Corporate Registration (CREG);

Due to the autonomous duties of each individual reporting to the senior personnel managing VIP rooms, inherent risks do exist. As previously mentioned, each company implemented unique management structures for their VIP operations, however, the autonomy of hosts or guest relations personnel is a consistent element throughout all structures. All sites reviewed were consistent in reporting structure as all personnel involved in VIP operations reported directly to the senior personnel managing VIP rooms. Currently, there are an estimated fifty gaming personnel involved in the VIP rooms across the lower mainland. However, there would be only an estimated fifteen to twenty personnel requiring registration under CREG if registration was limited to personnel with a supervisory operational VIP role in the lower mainland. It is important to note that the Personal Disclosure Form (Standard) is an intentionally intrusive application process. This process allows for information such as personal finances be disclosed to GPEB for further scrutiny. Due to the lower salary levels, an inherent risk between hosts and wealthy patrons may exist where VIP room personnel may aid in the circumvention of BCLC and casino operator policy.

Whether junkets or independent consultants are utilized in attracting wealthy patrons to VIP rooms in BC casinos as those companies or individuals would require registration;

Evidence of junket operators or independent consultants utilized by casino operators was non-existent. Individual employees interviewed, senior management, and compliance of each operator confirmed that these services were not utilized.

Whether current procedures governing VIP rooms are sufficient in mitigating risk arising from money laundering.

The casino companies operate their facilities using corporate policies under the overall framework of BCLC casino, cash cage, and AML standards. While no direct evidence that these varying corporate standards added to the risk of money laundering exist, implementing a consistent set of best practices dictated by BCLC and used in all VIP rooms would be beneficial on several levels.

First, it would ensure that customers would be treated the same in all BC casinos and could not “shop around” for casinos where standards are weaker or staff are not trained as well in AML and other practices.

Second, it would allow a consistent standard throughout the industry which could be easily audited by GPEB Compliance staff as they are able to do on cash handling, table game play, surveillance, responsible gambling, and other aspects of casino operations.

Third, it would provide a built in standard for any new casinos opened in BC such as those planned in Delta and Victoria.

Fourth, it would ensure that all casino staff are trained to the same standard and that staff moving from one company to another are already cognizant of the standards.

Further Inquiry

During this investigation it became apparent that several casino staff positions which were not directly tied to VIP services did have an important role to play in ensuring honesty and integrity in the operations of VIP rooms. Consideration should be given to further examining VIP Room operational risks by expanding the scope of the investigation to include the following areas:

1. Interview with table game directors and/or managers involved with VIP operations.
2. Interview with surveillance personnel overseeing VIP operations.
3. Interview with security personnel involved with VIP operations.
4. Interview with general managers or directors of casinos in determining what level and modes of oversight are placed on VIP operations.

RECOMMENDATIONS

The following recommendations from CREG are based on the investigation pertaining to VIP operations:

1. All Supervisory VIP operations personnel working in lower mainland casinos to submit Personal Disclosure Form (Standard) to CREG within a one month period of request.
 - The Personal Disclosure Form (Standard) is an intentionally intrusive application process that imposes a high barrier of entry into the BC gaming industry. Through this process, additional information such as personal finances may be requested by GPEB for further scrutiny. Investigation into the finances of individuals is deemed necessary in order to determine if past, current, or present risks involving external compensation from clients to employees exist due to the relatively low compensation provided to the positions investigated.
 - Since the casino companies use different titles and duties for their VIP staff some analysis will be required to determine precisely which employees will be required.
 - At this time, an estimated fifteen to twenty additional gaming personnel would require registration under CREG immediately due to their involvement in the VIP rooms across the lower mainland. Depending on the findings of those registration investigations the scope may be broadened to an additional thirty gaming personnel involved in the VIP rooms.
2. GPEB direct BCLC to implement universal VIP operations policies. Areas that should be considered when designing these policies include:
 - Fraternization between VIP staff and customers including acceptance of gratuities or any form of gift or benefit
 - Distribution, control and auditing of comps
 - Specific VIP operations training for all VIP staff which is mandatory and must be renewed periodically
 - Clear reporting lines and checks and balances to ensure individual staff can't operate with full autonomy to satisfy VIP clients in contravention of government and corporate rules as occurred with the former Director of VIP Guest Relations at River Rock.
 - Responsibilities of senior management and surveillance in overseeing VIP operations
 - Exploring the possibility of upgrading VIP cash cage surveillance to allow audio rather than just video recording of large transactions
3. GPEB Compliance Division Investigators and Auditors design and implement a system for specific spot checks and audits of VIP rooms to ensure compliance with VIP Room standards.
4. CREG Investigations into casino operators to include a component of testing and verifying that all senior staff are adequately trained in VIP Room procedures and properly fulfilling their mandate. This could include having staff demonstrate how they fulfill these duties rather than just discussing it during an interview.

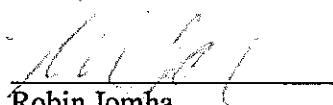
Prepared by:



David Kang
Corporate Registration Investigator

Reviewed by:



Robin Jomha
Director, Corporate Registration

Robin Jomha
Acting Executive Director, Licensing Registration Certification

Appendix A

The Gaming Control Act identifies two entities:

- BC Lottery Corporation (BCLC) – Sec 7 Responsible for the conduct and management of gaming on behalf of the Government.
- Gaming Policy and Enforcement Branch (GPEB) – Sec 23 – Responsible for the integrity of gaming and horse racing in the Province of BC.

Preamble:

- This interview is an official record. We expect honesty and accuracy in the answers provided by you.
- All information received by the Branch is confidential and may only be released with your consent or in accordance with privacy legislation.

Questions:

1. Has anybody in the company discussed with you why you were asked to this interview?
Has anyone given you suggestions on answering GPEB questions?
2. How were you hired for your current position?
 - a. What was your first job in Gaming?
 - b. How did you come to (Company)? When?
3. What is your current salary?
 - a. Is there a bonus structure paid out?
 - b. Are you allowed to accept gifts from VIP players / clients? Up to how much?
 - i. What is the largest gift you received?
 - c. Do VIP personnel share into the tip pool at (Company)?
4. What is the overall responsibility and role of the VIP room?
5. What are the corporate expectations of a person in your position?
 - a. What training do you receive on corporate policy for your position?
 - b. How is your performance measured?
 - i. Is there a monetary threshold that needs to be met?
6. Could you explain the policy and procedures surrounding VIP Rooms?
 - a. Who developed these policy and procedures?
 - b. Do they differ than that of the casino floor?
 - i. If so how do they differ?
7. Could you describe the processes in place for the VIP room? Could you take me through step by step on what types of services are provided to the VIP Player?
 - a. How are cash transactions conducted?
 - b. Do you explain to your client that non cash deposits into BCLC mandated gambling accounts are an option?
 - i. How often do VIP players utilize these accounts?
 - c. To what amount are you authorized?

- i. What is the largest amount that you dealt with?
 - ii. On average, how much cash is transacted during your shift?
 - iii. What is the largest buy in you have dealt with?
 - 1. Could you go through the process on how the buy in was exchanged for chips?
 - d. Who ultimately authorizes the amount above what your threshold?
 - i. Is the GM or Director of the casino involved in this process?
8. How are players courted or brought to (Company)?
 - a. What connects you to these VIP players?
 - b. Could you explain the network connecting you to VIP players around the world?
 - c. Who are some of the independent agents (junkets) that you deal with?
 - i. How are they affiliated to (Company)?
 - ii. Is there any payment made to independent agents?
 - 1. How is payment facilitated?
9. Are you aware of the AML policies in place (BCLC and your company)? Could describe them for me?
10. Are there any privacy policies regarding players who gamble in the VIP rooms?
 - a. Have you ever dealt with a situation where a VIP client's personal privacy was in conflict with AML policies?
 - i. Have you dealt with any third party buy ins due to personal privacy concerns?
11. During your career, were you ever asked by management or VIP client to circumvent processes in place?
 - a. Were you ever witness to a subversion of BCLC or (Company) policies regarding cash transactions?
 - i. Is there a reporting structure (whistle blowing) in place?
 - ii. Do you feel comfortable with the whistle blowing policies in place?
 - iii. Have you ever reported anything through the whistle blowing process?
12. Have you ever been put into a position where you felt that your reputational honesty and integrity were compromised due to a request from management or VIP players?

Appendix B



Re: River Rock Casino Resort - Inquiry Letter 00000000000000000000000000000000

To: Michael Kim

From: GOGC

Date: December 15, 2017

Robin Jomha, Gaming Policy & Enforcement Branch
December 15th, 2017

RE: GOGC VIP Information Request

The following is our written submission in response to your letter for information regarding our VIP gambling room(s).

1. VIP gambling room(s)
 - a. Salon Prive Tables
 - b. Prive Slots
2. Personnel Organization Chart attached. (not inclusive of positions of indirect roles within the room like Security, Maintenance, Surveillance, Food & Beverage, etc...)
3. There are no Operations and Policy Manuals specific to the VIP gambling room(s)
4. Job descriptions attached. Not inclusive of positions of indirect roles listed in 2
5. There are no contractors or independent agents acting on behalf of RRCR to connect with VIP players

Sincerely,

Michael Kim
General Manager
River Rock Casino Resort



2800 Victoria Avenue, Vancouver, BC, Canada V6E 5W1 | Tel: 604.681.9888 | Fax: 604.681.9889 | www.hardrockvancouver.com

Robin Jombal, Gaming Policy & Enforcement Branch
December 18th, 2017

RE: GCGC VIP Information Request

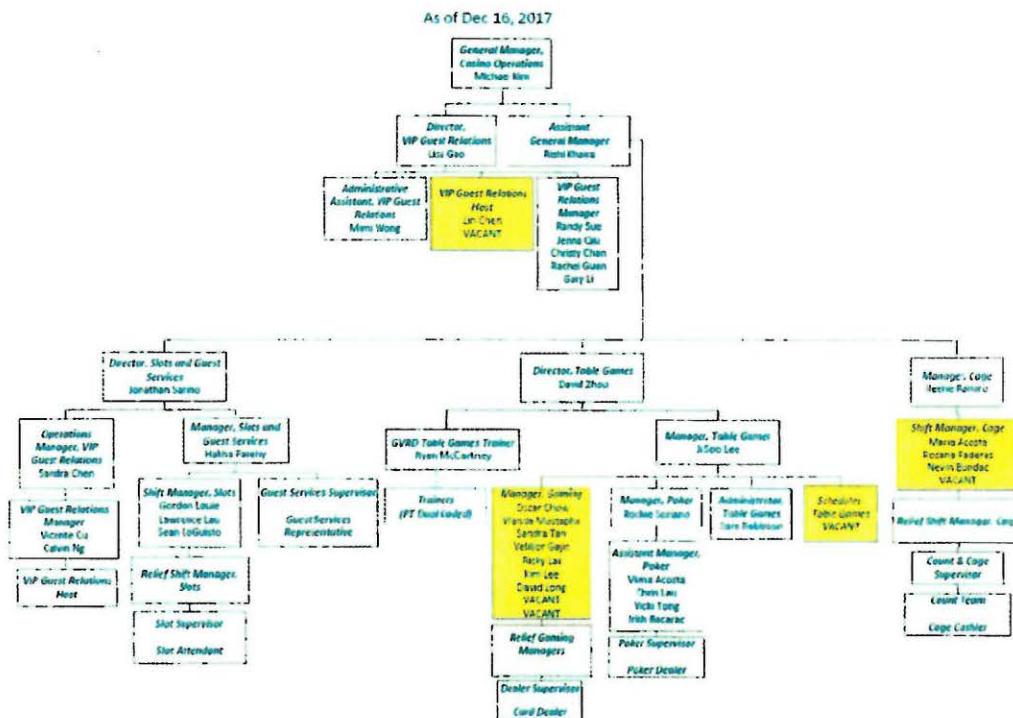
The following is our written submission in response to your letter for information regarding our 'VIP gambling room(s)'.

1. VIP gambling room(s):
 - a. Prive Baccarat
 - b. Prive Slots
 - c. Prive Blackjack
2. Personnel Organization Chart attached. (not inclusive of positions of indirect roles within the room like Security, Maintenance, Surveillance, Food & Beverage, etc)
3. There are no Operations and Policy Manuals specific to the VIP gambling room(s).
4. Job descriptions attached. (Not inclusive of positions of indirect roles within the room like Security, Maintenance, Surveillance, Food & Beverage, etc)
5. There are no contractors or independent agents acting on behalf of HRDV to connect with VIP players

Sincerely,

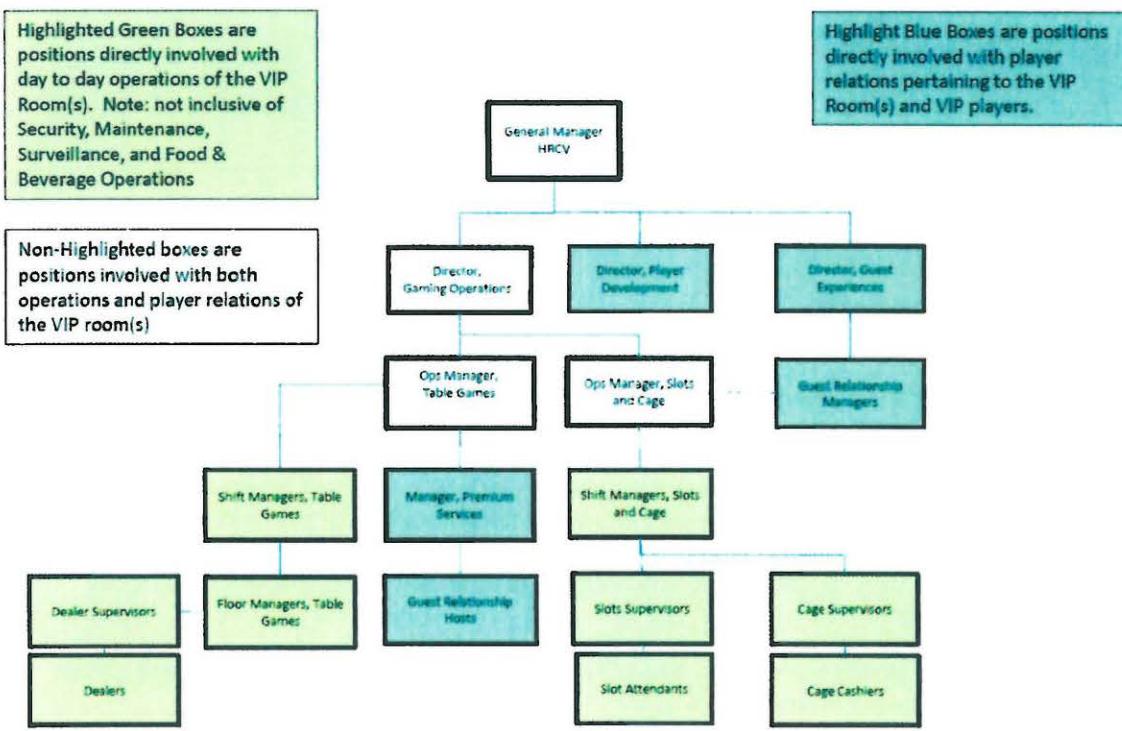
Jimmy Ho
General Manager
Hard Rock Casino Vancouver

River Rock Casino High Limit Room(s) Organizational Chart

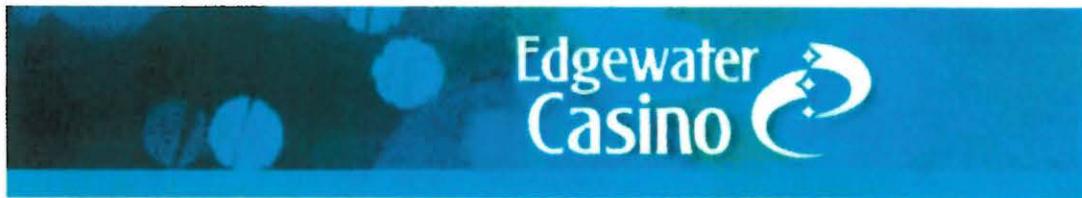


Hard Rock Casino Vancouver High Limit Room(s) Organizational Chart

As of Dec 16, 2017 (subject to restructure Jan 2018)



Appendix C



MEMORANDUM

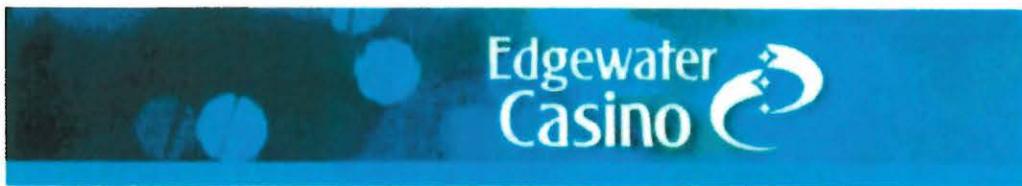
TO:	ALL ASSOCIATES	DATE:	MARCH 24, 2015
FROM:	P&P COMMITTEE	EFFECTIVE DATE:	March 24, 2015
MEMO ID#	2015 - 07		
SUBJECT	Opening Cards procedure for Squeeze Baccarat		

This memo is a friendly reminder to all associates to open only 1 card at a time while dealing on any Squeeze Baccarat if there were no further instructions given by the customer.

If the player says "Open" or gives you a hand signal to open the cards: the dealer will open only one card at a time.

The only exception to this is when the player verbally asks you to open both cards and please clearly announce "dealer opening both cards"

-P&P Committee



MEMORANDUM

TO: TABLE GAME SUPERVISORS DATE: APRIL 15, 2015
FROM: P&P COMMITTEE EFFECTIVE DATE: Immediately
MEMO ID# 2015-09
SUBJECT Up Rating Average Bets (Li Room & Le Salons)

BJ or DDBJ

When a player is playing BJ or DDBJ by themselves, their main bet average will be multiplied by 3.

When 2 players are playing BJ or DDBJ, their main bet average will be multiplied by 2.

When 3 or more players are playing BJ or DDBJ, their main bet average will be entered as is.

MB, EZB, BJ & DDBJ Bonus Bets:

All bonus bets will be entered as 5 times the average wager placed on the bonus.

Examples:

BJ or DDBJ: One player at table

Player consistently bets \$100 on main bet and \$25 on bonus

Main Bet: $\$100 \times 3 = \300

Bonus Bet: $\$25 \times 5 = \125

Figure that will be entered into GMS Average Bet is \$425 ($\$300 + \125)

BJ or DDBJ: Two players at table

Player consistently bets \$200 on main bet and \$15 on bonus

Main Bet: $\$200 \times 2 = \400

Bonus Bet: $\$15 \times 5 = \75

Figure that will be entered into GMS Average Bet is \$475 ($\$400 + \75)

BJ or DDBJ: Four players at table

Player consistently bets \$300 on main bet and \$30 on bonus

Main Bet: $\$300 \times 1 = \300

Bonus Bet: $\$30 \times 5 = \150

Figure that will be entered into GMS Average Bet is \$450 ($\$300 + \150)

MB or EZB: (Amount of players does not affect main bet average)

Player consistently bets \$500 on main bet and \$50 on bonus

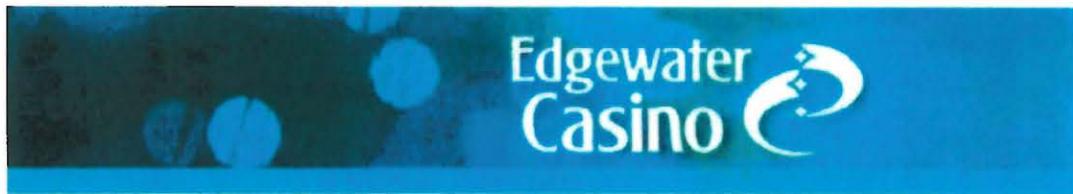
Main Bet: $\$500 \times 1 = \500

Bonus Bet: $\$50 \times 5 = \250

Figure that will be entered into GMS Average Bet is \$750 ($\$500 + \250)

These steps are required to reward a player accordingly through the GMS system.
Memo 2015-04 is still in effect. Averages are to be updated every 15 minutes.

-P&P Committee



MEMORANDUM

TO: ALL ASSOCIATES **DATE:** APRIL 15, 2015
FROM: P&P COMMITTEE **EFFECTIVE DATE:** April 15, 2015
MEMO ID# 2015 - 10
SUBJECT Hand Shuffle for Squeeze Cards

Hand shuffling the squeeze cards will no longer be required before or after the machine shuffle.

A supervisor must be present at the time the cards are unboxed and placed into the shuffler.

A supervisor must also be present when the cards are removed from the shuffler and up until the point when they are placed into the iShoe.

New Opening Table and Dead Table Procedure:

Issue only one setup until players arrive at your table.

Example #1:

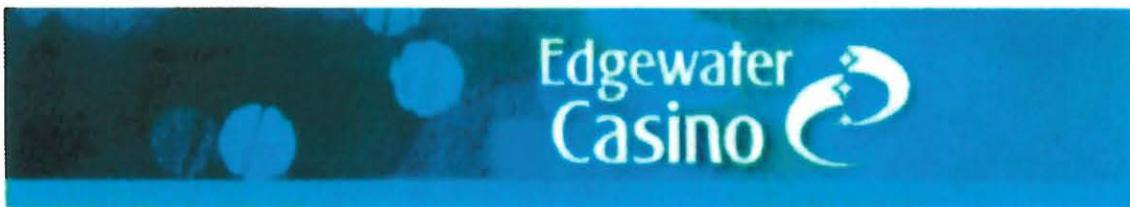
Load one setup into the shuffler and when a player arrives at your table that is when you would load a second setup into the shuffler.

Example #2:

If all the players leave and there are no holds or requests for new shoe, after sufficient time has passed dump the cards in the iShoe. At this time, you should only have one setup in the shuffler

There should only be one setup issued to the table until you have a live game.

-P&P Committee



MEMORANDUM

TO: ALL ASSOCIATES **DATE:** MAY 7, 2015
FROM: P&P COMMITTEE **EFFECTIVE DATE:** May 7, 2015
MEMO ID# 2015 - 12
SUBJECT Li Room Back Billing

We are now permitting 1 Back Bettor per square in the Li Room only if the seated player permits this.

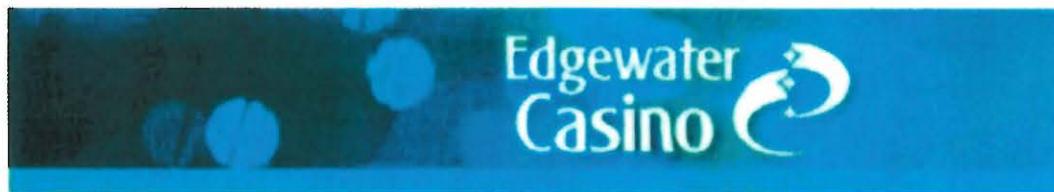
They must still meet the table minimum in order to Back Bet or else the bet will not be accepted.

For Example:

You can now have a total of 2 separate bets on one square; they no longer have to stack it on top of each other.

By enforcing this rule we will minimize chip passing and disputes between the patrons on the table.

-P&P Committee

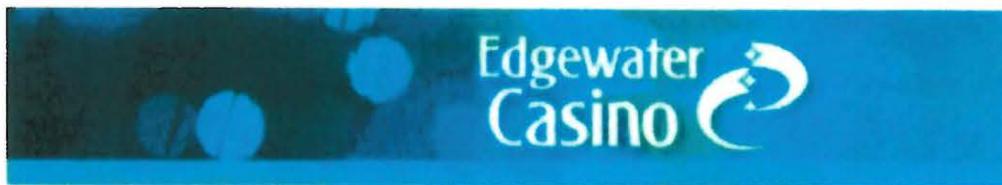


MEMORANDUM

TO: ALL ASSOCIATES **DATE:** DECEMBER 20, 2015
FROM: P&P COMMITTEE **EFFECTIVE DATE:** December 21st 2015
MEMO ID# 2015 - 22
SUBJECT Unlimited free hands in Li Room

Unlimited free hands in Li Room

- When requested, dealer shall offer free hands to any baccarat tables in Li Room
 - There are no table minimum requirement for the unlimited free hands in Li Room rules to be effective
 - If free hands are requested, and that there are no other players wishing to place a bet, dealer will announce following:
 - Free hand requested
 - Final bets
 - No more Bets
 - Dealing free hands
 - If players are unable to decide where to place bet, both dealer and dealer supervisor are encouraged to offer free hand.
 - Players are required to meet minimum wager on bonus bets even on free hands.



MEMORANDUM

TO: ALL ASSOCIATES DATE: FEBRUARY 9TH, 2016
FROM: P&P COMMITTEE EFFECTIVE DATE: February 9TH, 2016
MEMO ID# 2016 - 09
SUBJECT Supervisor Threshold and Li Room Rulings

Dealers are responsible to deal the game within the guideline of Edgewater Casino and BCLC P&P and create a comfortable atmosphere for the guests. If a problem comes up and it creates friction between the guest and the dealer, a dealer supervisor must step in. Some examples:

- Dealer error
 - Guest complaints
 - Guest request that is outside of the normal practice

Dealers must never make any judgements or take calls on behalf of the dealer supervisors or management.

Dealer supervisors must step in and handle the situation in case of dispute. Dealers should retreat from the conversation unless required for translation.

When the dealer is translating for the supervisor, it is important that the dealer say only what the supervisor is asking them to. Dealers should not add any more to the conversation. Likewise, the dealer should translate everything the guest says to the supervisor when translating.

When dealer supervisors are unsuccessful in defusing the situation, they must escalate the problem to the pit manager. Prior to escalating the situation, dealer supervisors should have following information ready for pit manager:

- Summary of incident
 - Guest name
 - Dealer name
 - Table number
 - Summary of efforts made by dealer/supervisor to resolve situation

Once the pit manager is called, the supervisor should politely inform the guest that the manager is on the way. The supervisor should refrain from engaging in further conversation other than answering questions.

For below scenarios, dealer supervisors can make ruling for total bets not exceeding \$1,000

Scenario #1: Dealer makes mistake of opening the house's cards, without instruction from the guest.

Dealer will apologize for the mistake and call the dealer supervisor.

Dealer supervisor will give each guest with a bet on Banker or Player the option to pull their bets back.

Dealer supervisor will further inform guests that all bonus bets will play as it is, and no option will be given.

If a guest asks for the reason, the dealer supervisor will politely explain, "the squeeze option is only determined by main bets, but not bonus bets."

If the problem is resolved successfully, the dealer supervisor will inform the incident in details to the pit manager.

If the guest refuses to continue on with the hand, the dealer supervisor will call the pit manager.

Once pit manager is called, inform the guest that the manager is on their way and refrain from having further discussion with guest with exception of answering guest's question.

Scenario #2: Dealer does not give cards to any player to squeeze and opens card without being instructed to do so.

Dealer will apologize for the mistake and call the dealer supervisor.

Dealer supervisor will give each guest with a bet on Banker or Player the option to pull their bets back.

Dealer supervisor will further inform guests that all bonus bets will play as it is, and no option will be given.

If a guest asks for the reason, the dealer supervisor will politely explain, "the squeeze option is only determined by main bets, but not bonus bets."

If the problem is resolved successfully, the dealer supervisor will inform the incident in details to the pit manager.

If the guest refuses to continue on with the hand, the dealer supervisor will call the pit manager.

Once pit manager is called, inform the guest that the manager is on their way and refrain from having further discussion with guest with exception of answering guest's question.

Scenario #3: Dealer gives wrong cards to the highest bettor.

Dealer will apologize for the mistake and call the dealer supervisor.

Dealer supervisor will give each guest with a bet on Banker or Player the option to pull their bets back while informing that "card speaks" and if they wish to play the hand, winning of the hand will be determined once hands are corrected.

Dealer supervisor will further inform guests that all bonus bets will play as it is, and no option will be given.

If a guest asks for the reason, the dealer supervisor will politely explain: "the squeeze option is only determined by main bets, but not bonus bets."

If the problem is resolved successfully, the dealer supervisor will inform the incident in details to the pit manager.

If the guest refuses to continue on with the hand, the dealer supervisor will call the pit manager.

Once pit manager is called, inform the guest that the manager is on their way and refrain from having further discussion with guest with exception of answering guest's question.

Scenario #4: Dealer gives the cards to the guests whose bet is not the highest.

Dealer will apologize for the mistake and call the dealer supervisor.

Dealer Supervisor will explain that there will be no options given. An option is only given if the dealer exposes the card and does not allow any guest option to squeeze.

If the problem is resolved successfully, the dealer supervisor will inform the incident in details to the pit manager.

If the guest refuses to continue on with the hand, the dealer supervisor will call the pit manager.

Once pit manager is called, inform the guest that the manager is on their way and refrain from having further discussion with guest with exception of answering guest's question.

Scenario #5: Dealer makes mistake of opening both cards on a hand, after player requested to see only one card.

Dealer will apologize for the mistake and call the dealer supervisor. Dealer Supervisor will apologize for the dealer error and inform the guest: "Sorry for the error, we will be more careful next time. The hand will continue because the outcome of the hand is not affected by revealing one card or two cards." Card speaks.

Dealer supervisor will direct the dealer to continue with the game.

If the problem is resolved successfully, the dealer supervisor will inform the incident in details to the pit manager.

If the guest refuses to continue on with the hand, the dealer supervisor will call the pit manager.

Once pit manager is called, inform the guest that the manager is on their way and refrain from having further discussion with guest with exception of answering guest's question.

Scenario #6: Dealer accidentally pre-slid card.

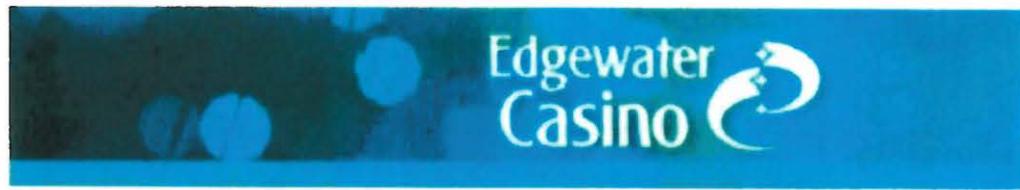
Dealer will apologize for the mistake and call the dealer supervisor.

If card is exposed, dealer supervisor will inform players that dummy hand will be played out and no bets will be taken for the next round. If card is not exposed, dealer supervisor will inform players that the card will be used to play for next hand and no dummy hand is required.

Prior to reporting to pit manager, dealer supervisor should have following information ready:

1. Time of the incident
2. Name of the dealer
3. Name of the guest if available
4. Summary of situation
5. Action taken by supervisor
6. Outcome of the incident

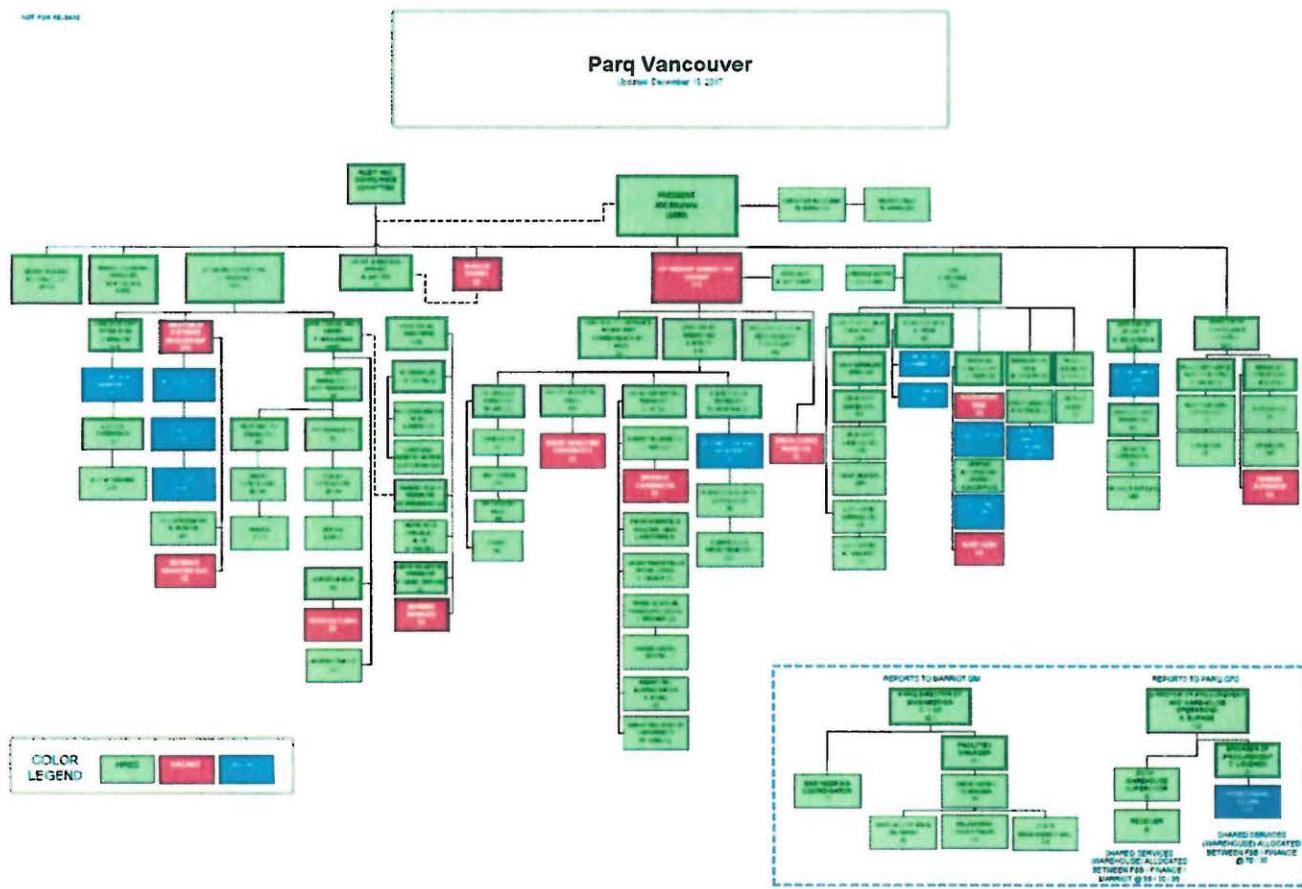
At any given time, if an option was given to a player, pit manager needs to be informed immediately after the incident.



MEMORANDUM

TO: ALL ASSOCIATES **DATE:** FEBRUARY 9, 2016
FROM: P&P COMMITTEE **EFFECTIVE DATE:** February 9, 2016
MEMO ID# 2016 - 10 **Updated** February 9, 2016
SUBJECT Action Thresholds UPDATED

<u>Buy-In Thresholds</u>	<u>Location</u>
\$0 and up Start Tracking Sheet	Salon
\$1000 Start tracking sheet**	LR Room
\$3000 Start tracking sheet**	All Areas
\$3000 Inform PD of player	All Areas Excluding Le Salons
\$8000 Inform Manager of player	All Areas
\$9000 up Must be manager approved prior to selling chips	All Areas
**If the player is known to go over \$3000 then start a tracking sheet on their first buy-in	
<u>Average Bet</u>	<u>Location</u>
\$200 Inform PD of player & Start tracking sheet	All Areas Excluding Le Salons
<u>Bonus Bet Payout</u>	<u>Location</u>
\$3000 and up - Pay and Inform Manager	All Areas
\$5000 and up - Pay and Inform Manager	Manager Calls Surveillance
\$10000 and up - Do not Pay and Inform Manager	Manager Calls and Reviews footage
\$25000 and up - Do not Pay and Inform Manager	Cards go to surveillance
<u>DS Approvals for Dealers</u>	<u>Location</u>
Loading cards into shunter	All MB / EZB
All Envy bets	PG / FAH
\$100 and up bonus payout	All games
\$101 and up cash change	Main Casino
\$101 and up color change	Main Casino
\$301 and up cash change	LR Room / Salon
\$301 and up color change	LR Room / Salon
<u>Notification of Player Wins</u>	<u>Location</u>
Inform Manager for every increment of \$10,000 winnings	All Areas
Inform Manager as required	Salon
<u>Allowed DS Dispute Approval Limits</u>	<u>Location</u>
\$1 - \$100 Allowed	Main Floor
\$1 - \$1000 Allowed	LR Room & Salon



Appendix D



VIP Standard Operating Parameters

Introduction:

Gateway Casinos & Entertainment Limited ("Gateway") is responsible to ensure a safe work place and that business practices and employees comply with regulatory and legal requirements and professional standards. On occasion, an employee may be asked by a customer to act or allow an action that could present a risk to him/herself, the customer or to Gateway and/or which may contravene a regulation or law. This document provides some clear parameters for VIP Business Development employees when they address such issues and other interactions and work practices. Related policies and resources are listed at the end of this document and should also be reviewed.

Document Owner: VIP and Compliance

Applies to: All VIP Business Development employees

Final Accountability: VIP Management

Policy:

1. Compliance with Regulation and Law:

- 1.1 No employee shall endanger the reputation, the gaming registration or the ability of Gateway to do business as an operating entity. Employees shall conduct themselves and their work with utmost care to abide by all regulatory and legal requirements. No employee will be excused from compliance with the terms of this document or any legal or regulatory requirement on the basis that they did not realize that their actions were non-compliant or could endanger the reputation of Gateway.
- 1.2 Employees must never enable or act in concert with any customer in any manner that may possibly be construed as a legal or Gaming Control Act violation.
- 1.3 If an employee is witness to or asked to participate in something that has the potential to present any risk to the employee, customer or Gateway, that employee shall not participate in the risky activity and shall report the incident to his/her supervisor/manager and appropriate members of Senior management, Security and/or Surveillance as soon as possible.

2. Protection of Proprietary and Customer Information:

- 2.1 Employees shall exercise prudence and care to protect and to prevent the unauthorized disclosure of confidential information. Dissemination of Gateway proprietary information or the disclosure of confidential information or files (e.g. customer or contact lists) is strictly prohibited unless specifically authorized as stated in Section 2.5 below.

- 2.1.1. This caution includes the use or disclosure of confidential information by or to a former Gateway employee. Disclosure or use of such material within this context may place the former employee in a legally tenuous position.
- 2.2. Any information, improvement, process, design or other work related product or creation that an employee may invent, discover, conceive or originate by him/herself or with others during the employee's employment is considered confidential and exclusive property of Gateway and shall not be disseminated or disclosed to any person or entity outside of Gateway unless specifically authorized as stated in Section 2.5 below.
- 2.3. No employee shall knowingly alter, destroy, conceal, cover up, falsify or make a false entry in any record, document or tangible object with the intent to impede, obstruct or improperly influence an investigation or proper administration of any matter.
- 2.4. Upon expiration or termination of employment for any reason, an employee shall turn over to Gateway, all property in the employee's possession and custody which belongs to Gateway. The employee shall not retain any copies of correspondence, memoranda, reports, notes, drawings, photographs or other documents relating in any way to the affairs of Gateway which came into the employee's possession at any time during their employment.
- 2.5. A request for release of any information, work product or document to a former Gateway employee or other person or entity must be made to a member of the Executive Committee of Gateway. This includes requests for copies of current and/or archived information. An approval once given is not considered as approval for a subsequent or similar request.

3. Financial Interaction Boundaries:

- 3.1. All customer financial transactions or assistance with a customer's financial transactions are to be routed through Gateway's standard operating procedures and within standard areas of a Gateway facility that are under surveillance.
- 3.2. VIP Business Development employees may not loan personal objects, money, Gateway mobile phones/devices or other Gateway property to customers, potential customers, friends or relatives except with the prior authorization from a member of the Executive Committee of Gateway or in the rare case of a life threatening emergency.

4. Professional Boundaries:

Business Development employees shall maintain clear professional boundaries in all work related interactions and in their relationships with customers. If an employee wishes to undertake any of the prohibited activities listed below, he/she must obtain specific and prior authorization for that activity from a member of the Executive Committee of Gateway.

- 4.1. No employee shall directly or indirectly offer, pay, solicit or accept bribes or engage in any activity that may appear to be improperly influencing business relations. An employee may not give or accept or undertake to give or accept any monetary gifts, commissions or favours of any kind in connection with his/her work except in accordance with Gateway's Conflict of Interest Policy.

- 4.2 An employee may explain the standard rules of a game but shall not offer advice as to methods of play, strategy or systems.
- 4.3 An employee may explain standard Gateway and BCLC account features and other standard Gateway approved financial procedures but he/she shall not provide monetary funding or bankroll advice.
- 4.4 An employee shall not ingest, apply or inhale any substance that is given to him/her by a customer or a member of the general public.
- 4.5 An employee shall not attend a non-Gateway event or social activity or visit a competitor's facility in the company of a Gateway customer.
- 4.6 An employee shall not leave Gateway's premises by riding in or driving a vehicle with a customer in the same vehicle.
- 4.7 An employee shall not go to the home or temporary residence of a Gateway customer.
- 4.8 An employee shall not stay overnight with or accompany a customer on an overnight journey.
- 4.9 An employee shall not participate in any activity that is self-deprecating or hurtful to other individuals.

Related Documents

- Code of Professional Conduct
- Respect and Honesty Policy
- Conflict of Interest Policy
- Large Cash and Suspicious Financial Transactions Policy
- Protection of Privacy Policy
- BCLC Privacy Compliance Q&A
- Non-Competition & Non-Solicitation Agreement
- Harassment Policy Work Place Violence Policy
- Reimbursable Expenses Policy
- Information Technology Policy
- Mobile Device Usage Policy
- Health and Safety Program

External Resources

- *Gaming Control Act*
- *BCLC Casino Standards, Policy and Procedures*
- *Proceeds of Crime (Money Laundering) and Terrorist Financing Act and Regulations*

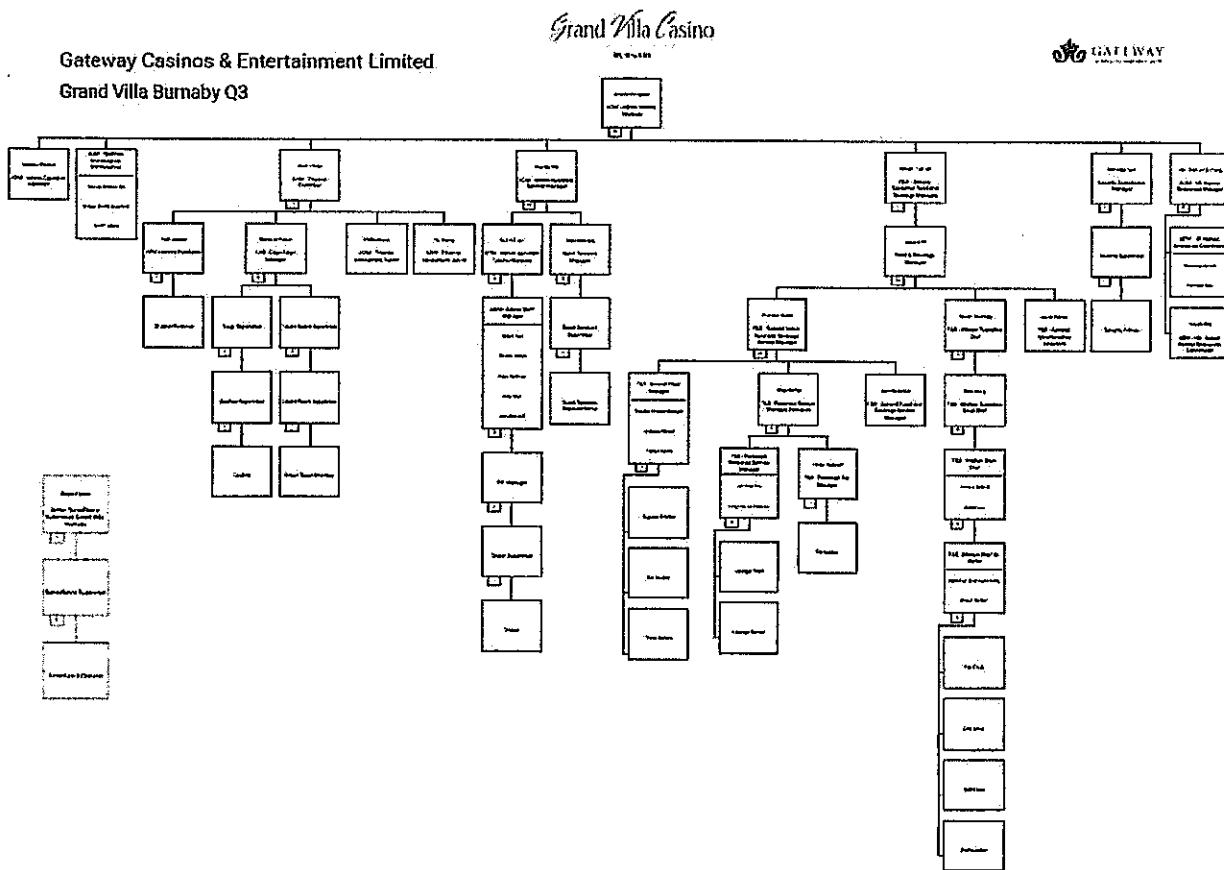
Personal Acknowledgement & Agreement

By signing this acknowledgement and agreement, I signify that I have read, understand, and agree to adhere to the VIP Standard Operating Parameters as set out in this document.

Name (print) _____

Signature _____

Date _____



* Pending Regulatory Approval
** Vacant Positions

Confidential - Property of Gateway Casinos & Entertainment Limited

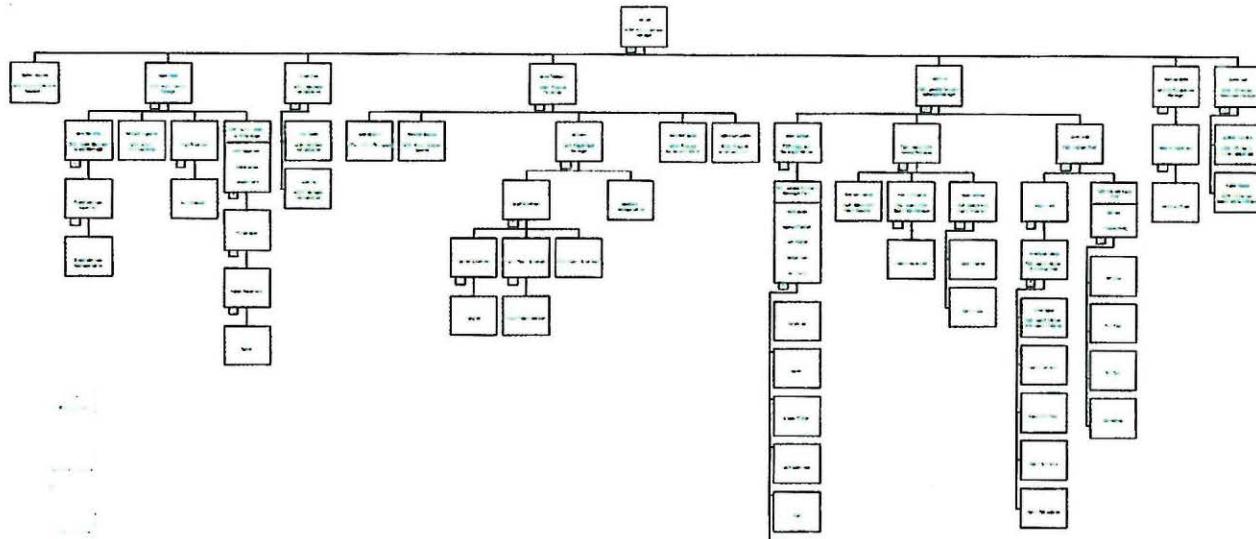
Pg. 1 of 1

Gateway Casinos & Entertainment Limited

Starlight Q3



Starlight



* Pending Regulatory Approval
** Vacant Positions

Confidential - Property of Gateway Casinos & Entertainment Limited

Pg. 1 of 1

This is Exhibit "H" referred to in the
affidavit of Robin Jomha

affirmed before me at Victoria

in the Province of British Columbia

this.....24....day of .. March, 2021

[Signature]
A Commissioner for taking Affidavits
Within the Province of British Columbia

Cliff: 553062
Date Prepared: July 25, 2018
Date Decision Required: August 31, 2018

**MINISTRY OF ATTORNEY GENERAL
GAMING POLICY AND ENFORCEMENT BRANCH
BRIEFING NOTE**

PURPOSE: For DECISION for Sam MacLeod,
General Manager, Gaming Policy and Enforcement Branch (GPEB)

ISSUE: **Status of GPEB corporate registration investigation into VIP rooms**

Recent events involving suspicious transactions and high wealth casino patrons in VIP rooms in the lower mainland triggered an investigation by GPEB's Corporate Registration (CREG) unit regarding the following:

- whether individuals currently registered as gaming workers under Personnel Registration (PREG) and employed in VIP rooms should require registration under CREG;
- whether junkets or independent consultants are utilized in attracting wealthy patrons to VIP rooms in BC casinos as those companies or individuals would require registration; and
- whether current procedures governing VIP rooms are sufficient in mitigating risk arising from money laundering.

The investigation reviewed the staff and procedures at the VIP rooms of Great Canadian Gaming Corporation's (GCGC) River Rock Casino Resort and Hard Rock Casino locations; Gateway's Grand Villa Casino and Starlight Casino locations; and Parq Vancouver ULC Parq Vancouver location. CREG has prepared a Final Investigation Report with findings and recommendations to the General Manager.

DECISION REQUIRED/RECOMMENDATION:

OPTION 2: GPEB General Manager recommend to BC Lottery Corporation (BCLC) to implement universal VIP Operations policies. GPEB to require one VIP room guest services director (or equivalent) for each of the five lower mainland casinos to apply for registration as a senior employee (total of 5). GPEB to implement recommendations 3 and 4 of the Final Investigation Report – Casino VIP Operations.

SUMMARY:

The Final Investigation Report on Casino VIP Operations recommended the following:

- Individuals currently only registered as gaming workers under Personnel Registration and employed in VIP rooms should require registration under CREG.
- There was no evidence that service providers utilize junkets or independent consultants.

Cliff: 553062

Date Prepared: July 25, 2018

Date Decision Required: August 31, 2018

- Additional policy and procedures governing VIP rooms are required to mitigate risk arising from money laundering including:
 - GPEB Audits of VIP rooms
 - GPEB testing and verifying that all casino senior staff are adequately trained in VIP Room procedures
- GPEB should recommend to BCLC implementation of universal VIP operations policies

BACKGROUND:

- On September 13, 2017, a casino patron and the Director of VIP Guest Relations at the River Rock Casino Resort were involved in a third party suspicious currency transaction at the VIP room cash cage.
- An I-TRAK report prompted a GPEB investigation by the Compliance Division. The investigation concluded that the Director of VIP Guest Relations was complicit or to a lesser degree negligent in facilitating the suspicious currency transaction.
- The Director of VIP Guest Relations was deemed unsuitable resulting in cancellation of their gaming worker registration with GPEB.
- On December 13, 2017, GPEB CREG initiated further investigation into VIP operations at River Rock Casino Resort to ascertain whether further CREG oversight is needed.
- On March 31, 2018, a Preliminary Investigation Report was completed and included recommendations to expand the investigation to review four additional casinos in the lower mainland (Parq Vancouver, Hard Rock Casino, Grand Villa Casino, and Starlight Casino) and completion of a Final Investigation Report.
- The Final Investigation Report findings were as follows:
 - Policies: The three operators investigated, GCGC, Gateway, and Parq Vancouver ULC, applied differing levels of policies specific to VIP rooms. The differing levels of policies can be attributed to BCLC's lack of policies governing VIP operations.
 - Personal Responsibilities: VIP employee responsibility of all three operators center on the development and maintenance of relationships with VIP patrons. Due to the personal responsibilities of VIP employees to develop and maintain rapport with VIP patrons, a conflict of interest may exist. This risk is greater with Great Canadian Gaming Corporation and Parq Vancouver ULC because of their operational policies for VIP staff.
 - Suspicious Transactions: It was found that the new recommendations requiring bank drafts and receipts directed by the Attorney General to BCLC in January 2018 greatly affected revenue of all three operators. However, during the interviews, it was found the VIP players were circumventing the recommended reporting requirements by buying below the threshold of \$10,000. Whether VIP employees were complicit in advising VIP players, should be investigated further.

Cliff: 553062

Date Prepared: July 25, 2018

Date Decision Required: August 31, 2018

- VIP Employee Compensation: Salaries reported for VIP employees seemed unexpectedly low for the responsibilities carried out by many of the VIP employees. This may pose a risk due to the high net wealth of VIP patrons and unexpectedly low compensation of the VIP employees.
- Tips, Gifts, and Gratuities: VIP employees received small gifts from VIP patrons such as tea or baked goods. Tips were refused by VIP employees. Employees may only accept gifts up to a certain threshold. However, there was some confusion as to what was permissible under policy.
- The Final Investigation Report recommendations were as follows:
 1. All supervisory VIP operations personnel working in lower mainland casinos submit Personal Disclosure Form (Standard) to CREG within a one month period of request.
 2. GPEB direct BCLC to implement universal VIP operations policies.
 3. GPEB Compliance Division Investigators and Auditors design and implement a system for specific spot checks and audits of VIP rooms to ensure compliance with VIP Room standards.
 4. CREG investigations into casino operators to include a component of testing and verifying that all senior staff is adequately trained in VIP Room procedures and properly fulfilling their mandate.

DISCUSSION:

- Although some risk was mitigated through the implementation of recommendations requiring Source of Funds declarations, the rapport developed between VIP employees and their wealthy patrons poses inherent risks.
- Additionally, VIP operations policies are inconsistent from operator to operator resulting in confusion caused by the lack of universal policy from BCLC.
- GPEB Compliance Division's current oversight of VIP rooms has been periodic where operators may be afforded time to ensure deficiencies were not discoverable. Spot checks would allow for Compliance Investigators and Auditors to review VIP operations with no warning to the operators.
- It was found that many senior staff of casino sites were disconnected with the VIP rooms allowing for unfettered operations. Allowing this to continue ostensibly negates any oversight of VIP operations.
- In the lower mainland VIP rooms, there were approximately 50 gaming personnel of which 15 to 20 had a supervisory role with each casino having a VIP room guest services director (or equivalent).
- Testing and verifying senior staff training by CREG should ensure that senior staff are well versed in VIP Room procedures with continuous oversight.
- Under Section 28(1) of the *Gaming Control Act*, the general manager may issue directives applicable to the branch and BCLC with approval from the Minister. Directives may apply to gaming operations and BCLC must comply with the directives (Section 28(2)).
- The Final Investigation Report outlined continued high levels of risks evident throughout the VIP rooms in the lower mainland. At this time, monitoring of VIP operations is recommended for the foreseeable future.

Cliff: 553062
Date Prepared: July 25, 2018
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OPTIONS:

OPTION 1: Status Quo - GPEB, BCLC and casino operators make no changes to casino VIP operations

Implications:

- Casino operators will continue to develop their own rules around VIP room operations allowing inconsistent standards to remain.
- VIP patrons may be confused by different rules and expectations of conduct in different casinos. Those with the intent to breach AML rules or compromise casino staff may be able to exploit the discrepancies in standards by looking for facilities with lower standards.
- GPEB would continue to register VIP staff as gaming workers rather than the more thorough background investigation completed on senior employees.

OPTION 2: GPEB General Manager recommend to BC Lottery Corporation (BCLC) to implement universal VIP Operations policies. GPEB to require one VIP room guest services director (or equivalent) for each of the five lower mainland casinos to apply for registration as a senior employee (total of 5). GPEB to implement recommendations 3 and 4 of the Final Investigation Report – Casino VIP Operations. (Recommended Option)

Implications:

- BCLC may resist the recommendation due to the potential impact on revenue.
- Provides an opportunity for BCLC and GPEB to work together collaboratively.
- If BCLC implements the recommendation in conjunction with GPEB implementation of recommendations 3 and 4 of the Final Investigation Report – Casino VIP Operations will address the risks and process weaknesses identified in the report.
- Recommending to BCLC does not require the approval of the Minister. Issuing a Directive requires Minister's approval under Section 28(3) of the Act.
- The director (or equivalent) positions in VIP rooms operate with a level of authority and autonomy consistent with being treated as senior employees.

OPTION 3: GPEB General Manager provide a directive to BCLC under Section 28(1) of the *Gaming Control Act* to implement universal VIP operations policies. GPEB to require all supervisory VIP room guest services staff to apply for registration as senior employees and implement recommendations 3 and 4 of the Final Investigation Report – Casino VIP Operations

Cliff: 553062
Date Prepared: July 25, 2018
Date Decision Required: August 31, 2018

Implications:

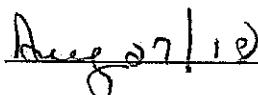
- BCLC must follow the directive.
- A directive cannot be superseded by subsequent BCLC decisions.
- A directive in conjunction with implementation of recommendations 3 and 4 of the Final Investigation Report – Casino VIP Operations will address the risks and process weaknesses identified in the report.
- A directive may take longer to implement due to additional steps such as Ministerial approval and obtaining a legal opinion.
- Requiring all VIP room supervisors to apply for registration as senior employees would create a larger sample size of individuals to investigate to determine possible wrongdoing however it would be inconsistent with how gaming workers in other areas of a casino are treated which may cause substantial resistance from these workers, BCLC and service providers.

OPTION 1 APPROVED



Sam MacLeod
General Manager
Assistant Deputy Minister
Gaming Policy and Enforcement Branch

DATE:



Aug 07/18

Prepared by:
Robin Jomha
Director, Corporate Registration
Gaming Policy and Enforcement Branch
778 698-2874

Approved by:
Kim Bruce
Executive Director, Licensing, Registration
and Certification Division
Gaming Policy and Enforcement Branch
778 698-2772

Attachment

Final Investigation Report: Casino VIP Operations