

To: Rob Kroeker PERSONAL INFO **Brad Desmarais** PERSONAL INFO
From: Jim D. Lightbody
Sent: Fri 29/12/2017 12:00:18 AM
Subject: Re: German Recommendation #1 - Source of Funds Declaration

Rob,

What I would like to do is respond to Kim that we must adhere to GPEB's demand and while feasible, we want to let them know of the operational issues that may arise. Let's suggest we leave the opportunity to improve the implementation in the future if these issues become really problematic.

Secondly, how can we incorporate the GPEB 24/7 investigator into this process somehow?

Can you please draft me a response and I'll get back to her later this week.

Thanks,

Jim

From: Rob Kroeker <PERSONAL INFO>

Date: December 28, 2017 at 1:12:52 PM PST

To: Jim D. Lightbody <PERSONAL INFO>, Brad Desmarais <PERSONAL INFO>

Subject: FW: German Recommendation #1 - Source of Funds Declaration

Hi Jim – we will proceed with having the customer sign even though a signature provides no functional protection. Despite this we want to make sure there is understanding on our side - funds (BD and cash) have to be verified through receipts from an FI regardless so having the player sign something means nothing (it is also somewhat simplistic to think that if someone is going to lie they will suddenly turn to truth telling because they have to sign a form that has no legal consequences). It's the verification documents from the FI that provide the control against ML. In addition, requiring player signature is not simple and will create a degree of logistical complexity as laid out below. As noted earlier, it will create a substantial barrier to automation which would deliver much enhanced monitoring and analytical ability. Just want to make sure we all understand the implications.

From: Daryl Tottenham

Sent: December-28-17 10:28 AM

To: Rob Kroeker <PERSONAL INFO>; John Karlovcev <PERSONAL INFO> Bal Bamra
PERSONAL INFO

Subject: RE: German Recommendation #1 - Source of Funds Declaration

Rob,

From my perspective we have available room on the form to incorporate that addition for patron signature but it would make things more difficult at the SP end.

The top portion of the form contains the RM information and quite often there are additional buy-ins that get added to that form. Because the document is not normally printed out during the buy-in process, that would have to change to accommodate the patron signature.

For the cage staff it would just be another step but they could complete the information for both the RM and 10K reporting, print the document and then explain to the patron that he needs to read it and if the information is correct, sign the document. Having them sign without reading defeats the purpose and it is likely some patrons are going to have questions about the form itself or possibly take issue with something on it which might cause the form to be re-done. It will slow things down considerably at the cage but can be done.

For incremental table buy-ins that hit 10K it will be more problematic and will likely cause us grief down the road for non-compliance when the signature is missed. Table tracking between the salons, VIP rooms and main floor is already a challenge and the staff at those locations would have to know that when the patron hits the 10K mark, everything stops as someone would have to go back to the cage or a workstation, fill in the entire document, print a copy and return to the table , explain to the patron and have him sign off prior to completing the transaction and continuing play.

Part of the problem with having the patron sign and why we chose not to go there is the process for the RM form (and now 10K reporting) normally happens well after the buy-in. The information is collected at buy-in and recorded on the tracking sheet but the forms and input for the LCT occurs well after the buy-in so this change will impact that process. Overall it is manageable and we can make the changes required to make it happen but might require a bit more time to allow the SP's to train their staff on the process.

The only other issue I am concerned about is our ability to shape our programs and effect positive change without being drawn into a similar process with GPEB which ultimately has brought this change to a standstill. As you know we have made numerous changes over the past couple years to our programs, most by directive, and GPEB has not been part of that process. The wording in their last draft that states they will not support the change without patron signature infers the directive cannot proceed, which certainly would set a precedent moving forward on this and other changes we are considering. I am confident that you are well aware of this issue but just wanted to share my concerns on this with you as it may impact my unit moving forward.

On cell and on-line if you have further questions.

Daryl

Daryl Tottenham Ba, CAMS

Manager, AML Programs

Legal, Compliance & Security Division

2940 Virtual Way, Vancouver, BC V5M 0A6

C [REDACTED] PERSONAL INFO

[REDACTED] PERSONAL INFO

•Yes, and...•

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

From: Rob Kroeker

Sent: Thursday, December 28, 2017 9:23 AM

To: John Karlovce [REDACTED] PERSONAL INFO ; Daryl Tottenham <[REDACTED] PERSONAL INFO>; Bal Bamra [REDACTED] PERSONAL INFO

Subject: FW: German Recommendation #1 - Source of Funds Declaration

Hi Group – thoughts on having player sign?

From: Bruce, Kim M FIN:EX [REDACTED] PERSONAL INFO

Sent: December-27-17 2:46 PM

To: Jim D. Lightbody [REDACTED] PERSONAL INFO ; Mazure, John C FIN:EX <[REDACTED] PERSONAL INFO>

Cc: Rob Kroeker <**PERSONAL INFO**>; Brad Desmarais <**PERSONAL INFO**>; Susan Dolinski
PERSONAL INFO; Kendall, Janelle FIN:EX <**PERSONAL INFO**>; Vear, Maureen FIN:EX
PERSONAL INFO

Subject: German Recommendation #1 - Source of Funds Declaration

Hello Jim,

As Acting ADM for GPEB, I have attached a letter regarding Source of Funds declaration.

Sincerely,

Kim

*Kim Bruce, MPA
Executive Director
Licensing, Registration and Certification Division
Gaming Policy and Enforcement Branch
Ministry of Attorney General
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