

# BCLC's Anti-Money Laundering Actions

BCLC has continued to improve its anti-money laundering (AML) controls as part of our ongoing efforts to safeguard B.C. casinos from illegal activity. Below is a chronology of key actions from 2012 to current:

## **June 2012: Encouraged Use of Non-Cash Transactions**

BCLC implemented policy changes to encourage the use of non-cash transactions to reduce the flow of large amounts of cash in casinos. This included allowing B.C. casinos to offer Patron Gaming Fund (PGF) accounts.

A PGF account is for gaming-use specifically and exists to facilitate gaming play – not to provide financial services typically offered through personal bank accounts. PGFs allow players to transfer money between their PGF account and their approved bank account (as defined by the Office of the Superintendent of Financial Institutions), eliminating the need to bring cash into a casino. Transactions are traceable.

## **October 2012: Began Barring Individuals Suspected Of Having Links To Criminal Activity**

BCLC identified and barred an individual suspected of having links to criminal activity and providing off-site cash deliveries.

## **October 2013: New Dedicated Anti-Money Laundering Unit Created**

BCLC created a dedicated Anti-Money Laundering (AML) Unit, which ensures BCLC's compliance with AML regulations and guidelines, and conducts intelligence gathering and analysis. At this time, BCLC required employees working in the AML Unit to acquire Association of Certified Anti-Money Laundering Specialist (ACAMS) professional certification, believed to be the first requirement of its kind in the industry.

## **March 2014: Established Information Sharing Agreement with Police**

BCLC established an Information Sharing Agreement with police to support BCLC in identifying and proactively banning individuals from B.C. casinos who are suspected of criminal activity, believed to be a public safety risk or members of organized crime groups.



**April 2014: Requested Police Assistance Regarding Suspicious Activities**

BCLC met with the Combined Forces Special Enforcement Unit of the RCMP and requested police assistance regarding increased large-cash transactions and suspected illegal activities.

**June and November 2014: Proposed the RCMP Investigate Suspicious Individuals Near Casinos**

BCLC presented a proposal to the Combined Forces Special Enforcement Unit of the RCMP to investigate individuals suspected to be engaging in criminal activity in proximity to casinos.

**July 2014: Provided Police with List of Suspects**

BCLC supplied to police a list of Top 10 suspected cash facilitators associated with another individual linked to organized crime.

**February 2015: Requested the RCMP Initiate An Investigation on Cash Drops**

BCLC requested that the RCMP's Federal Serious and Organized Crime unit initiate an investigation based on information that BCLC had collected related to cash drops at casinos by an individual believed to be associated to organized crime. Shortly thereafter, the RCMP launched its "E-Pirate" multinational money laundering investigation.

**April 2015: Requirements for Players to Disclose Source of Funds**

BCLC began placing certain players on sourced-cash conditions, meaning that they could not play with cash unless they could disclose the source of their buy-in funds. In summer 2015, BCLC further revised and extended its source of funds program (which was expanded on in [January 2018](#)), intended to protect casinos from criminal proceeds, and continued to place players on the cash conditions. Since 2015, we have placed these conditions on more than 600 players.

**January 2016: Replaced Casino Chips at River Rock Casino**

BCLC replaced the series of \$5,000 denomination casino chips at River Rock, rendering the prior chips worthless, thereby reducing the potential for individuals to use them for illicit purposes.

**October 2016: New Protocols Introduced to Help Safeguard Casinos**

BCLC established a protocol to ensure that players are unable to attend a casino and attempt to buy-in with cash that another B.C. casino has already declined, unless authorized by BCLC's AML Unit following its review of the circumstances.

### **June 2017: Implementation of Reasonable Measures Process**

BCLC implemented a Reasonable Measures process that requires casino operators to complete enhanced due diligence in determining and documenting the ownership of funds for all cash buy-ins, disbursements and foreign exchange transactions of \$10,000 or more within a static 24-hour period.

### **January 2018: Enhanced Source of Funds Requirements**

**BCLC implemented** Dr. Peter German's first interim recommendation, by expanding Source of Funds procedures in B.C. casinos. All casino operators must complete a Source of Funds Declaration for all cash and bank draft/certified cheque forms of buy-ins of \$10,000 or more, which includes recording detailed information about where the player sourced funds before the player is allowed to buy-in. In addition to the interim recommendation, BCLC implemented a requirement for all players to provide an original receipt from a financial institution, as proof of source of funds.

### **March 2018: Prohibited Casinos from Accepting Payment from Money Service Business**

BCLC implemented a policy that prohibited casinos from taking any form of payment from a Money Service Business.

### **June 2018: Dr. German Makes 48 Recommendations to Improve AML Policies**

The Ministry of the Attorney General released an independent report of anti-money laundering policies and practices in B.C. casinos. The report identified 48 recommendations to improve anti-money laundering controls.

### **September 2020: German Report Recommendation Progress**

BCLC continues to work with the Province to implement recommendations from the independent review. As of September 2020, BCLC has addressed **11 of the 12 recommendations** for which it is responsible.

### **January 2021: BCLC Addressed Remaining German Report Recommendations**

BCLC has addressed **all recommendations** for which it is responsible for from Dr. Peter German's 2018 independent review of Anti-Money Laundering policies and practices in Lower Mainland casinos.

**For More Information About BCLC's Actions to Combat Money Laundering, Please Visit:**

**<https://corporate.bclc.com/anti-money-laundering.html>**