

June 2012

## ENHANCING OUR ANTI-MONEY LAUNDERING PROGRAM

In 2011, a provincial anti-money laundering review found that BCLC and its operators employ standard and appropriate anti-money laundering strategies. It also made four recommendations for BCLC to further strengthen anti-money laundering efforts at B.C. gambling facilities.

Since the review, BCLC and its casino service providers, along with the Gaming Policy and Enforcement Branch (GPEB), have worked together to develop cash-free buy-in options for players. By providing cash-free alternatives for larger transactions, we're further strengthening our program and aligning with best practices.

We've also made a number of policy changes, such as enhancing electronic transfer options, providing more common electronic deposit options and allowing players to transfer verified wins or their original buy-in back to into their bank account.

### Report Recommendations

1. **Recommendation:** BCLC, in consultation with GPEB, should revise its buy-in/cash-out policy to allow for cash-outs to be paid by cheque, where cash-out cheques clearly and unequivocally indicate that the funds are not from gaming winnings.

**Status: Complete.** We have expanded buy-in options to provide alternatives to cash buy-ins of \$10,000 or more. Players can now purchase casino gaming services with certified cheques, bank drafts or debit cards from Canadian banks, or with casino cheques issued for verified wins by a Canadian casino.

2. **Recommendation:** BCLC should enhance training and corporate policy to help ensure gaming staff do not draw conclusions about the ultimate origin of funds based solely on the identification of a patron and his or her pattern of play. Training and business practices should result in gaming staff having a clear understanding that the duty to diligently scrutinize all buy-ins for suspicious transactions applies whether or not a patron is considered to be known to BCLC or the facility operator.

**Status: Complete.** BCLC has enhanced the online and class room training packages for gaming staff by including training on *Indicators of Suspected Loan Sharking, What is Money Laundering, What are Suspicious Transactions* and the FINTRAC Guidelines. The enhancements give staff indicators and examples of suspicious activity. All gaming staff in the province must complete this training and must refresh their training every two years.

3. **Recommendation:** BCLC holds the view that gaming losses on the part of a patron provide evidence that the patron is not involved in money laundering or other related criminal activity. This interpretation of money laundering is not consistent with that of law enforcement or regulatory authorities. BCLC should better align its corporate view and staff training on what constitutes money laundering with that of enforcement agencies and the provisions of the relevant statutes.

**Status: Complete.** BCLC has established regular police working group meetings with Vancouver RCMP Integrated Proceeds of Crime Unit as well as local law enforcement agencies. We provide information to these groups and work with them to ensure that there is a consistent view of the interpretation of money laundering and what information is needed by law enforcement.

4. **Recommendation:** Gaming is almost entirely a cash business in B.C. This presents opportunities for organized crime. Transition from cash transactions to electronic funds transfer would strengthen the anti-money laundering regime. BCLC, in consultation with GPEB, should take the steps necessary to develop electronic funds transfer systems that maximize service delivery, create marketing opportunities, and are compliant with anti-money laundering requirements.

**Status: Complete.**

*Enhancements to Patron Gaming Fund (PGF) account program:* Casino-based accounts that allow customers to transfer money (over \$10,000) conveniently between their casino account and their approved Canadian bank account, eliminating the need to bring cash into a casino.

- Account holders can link their casino accounts with up to two approved Canadian bank accounts, allowing direct transfers from a bank account.
- Transfers into casino accounts can be made by certified, personal or Canadian casino cheque, debit card or internet banking.
- Account holders can return any amount transferred into their casino account or verified win amount to their approved bank accounts.

*Casino Cheques:* In addition to issuing casino cheques for verified wins, service providers can now issue cheques for the return of buy-in funds up to \$5000 and the return or pay-out of funds transferred into a patron's casino account; only one cheque per week may be issued to any one customer, and must be prominently marked "Return of Funds – Not Gaming Winnings."

*Cheque Hold Program:* A deferred payment plan where players can secure play against a personal cheque from an approved bank that will not be processed by a casino until an agreed upon period of time. The player can play up to the value of the cheque and any winnings or remaining funds are paid back to the player by casino cheque; if there are no remaining funds, the casino processes the cheque. No cash is involved in any of the transactions. Casinos are responsible for cheque verification, acceptance and collection procedures that are satisfactory to BCLC and in compliance with FINTRAC reporting guidelines.

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