

DEC 12 2018



Mr. Peter Kappel
Board of Directors
Executive Office
British Columbia Lottery Corporation
2940 Virtual Way
Vancouver, BC V5M 0A6

Dear Mr. Kappel:

I would like to extend appreciation on behalf of Premier Horgan and the Executive Council for your dedication, and that of your board members, in serving the public interest. Crown agencies play a key role in delivering important services that benefit British Columbians in every region of our province.

Government's three priorities remain unchanged: make life more affordable, deliver the services people count on, and build a strong and sustainable economy that supports jobs throughout the province. Across government ministries and in strong partnership with Crown agencies, our emphasis is on raising the standard of living for all British Columbians, delivering quality programs and services that are practical and realistic in a BC context and in our fiscal environment, and judiciously managing affordability pressures – both for citizens and for our business community.

BCLC is expected to conduct business that meets public expectations for social responsibility, public safety and gambling integrity. As a Crown corporation, BCLC is required to make smart, responsible investments to grow business while managing operating costs in the best interest of the Province and the people of British Columbia.

Our government has also made important commitments to reconciliation with Indigenous Peoples, taking action against climate change, and working to ensure that our public service and public sector institutions are representative and inclusive of all our diverse society:

1. Government is adopting and implementing the United Nations Declaration of the Rights of Indigenous Peoples (UNDRIP), and the Calls to Action of the Truth and Reconciliation Commission (TRC), demonstrating our support for true and lasting reconciliation with Indigenous Peoples. All public sector organizations are expected to incorporate the UNDRIP and TRC within their specific mandate and context. Additionally, in May 2018, government released 10 Draft Principles to Guide the Province's Relationship with Indigenous Peoples, which serves as a guide for all public sector organizations as we continue to build relationships with Indigenous communities based on respect and recognition of inherent rights.

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2. While government has already taken steps towards achieving our legislated carbon reduction targets, much remains to be done. Our new climate strategy will outline significant GHG reduction measures in 2019/20 while supporting our program and service objectives through economic growth powered by clean, renewable energy, supported by technological innovation. Please ensure your organization's operations align with government's new climate plan.
3. Over the coming fiscal year, I look forward to working with your leadership team to provide effective, citizen-centred governance, through strong public sector boards that represent the diversity of British Columbia. The Crown Agencies and Board Resourcing Office (CABRO) at the Ministry of Finance provides leadership for the appointment process to fill positions on the boards of Crown agencies. As your board is renewed over time, I encourage you to work with CABRO to actively seek out women, visible minorities, Indigenous Peoples, persons with disabilities, LGBTQ2S+ individuals, and others who may contribute to diversity to add to the CABRO candidate pool to fill open positions. My expectation is that candidates from all regions of our province will be invited to apply to help renew BC's public sector boards, including individuals with a broad range of backgrounds in community, labour and business environments.

As the Minister Responsible for the British Columbia Lottery Corporation, I expect that you will make substantive progress on the following priorities and incorporate them in the goals, objectives and performance measures included in your Service Plan:

1. Regarding the priority work related to the Province's anti-money laundering efforts:
 - Implement government's response to recommendations arising from the Peter German review of money laundering in BC casinos. BCLC will provide a quarterly report to the Deputy Minister Committee on Anti-Money Laundering on the implementation of initiatives to mitigate money laundering and the use of proceeds of crime in BC gambling facilities.
 - Provide support and information on horse racing to Dr. German as and when necessary to assist in his review related to money laundering and organized crime in the real estate, horse racing and luxury car sectors.
2. Complete implementation of the remaining commitments that BCLC is solely and jointly (with GPEB) responsible for in the Plan for Public Health and Gambling (February 2015). In addition, continue to implement the regulatory guidelines for performance measure reporting of Game Sense Advisor (GSA) activities in casinos and community gaming centres.

Mr. Peter Kappel

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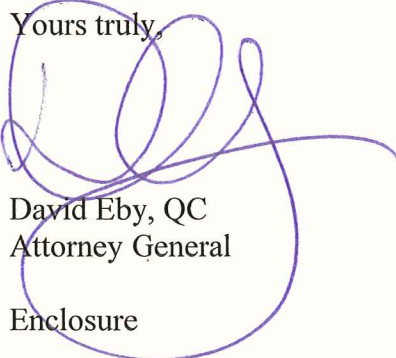
3. Proactively share information with GPEB that assists the branch in meeting its responsibilities for the overall integrity of gambling and horse racing and providing advice on broad policy, standards and regulatory issues. This includes, but is not limited to, the following:
 - Any information about BCLC operations related to implementing the government's response to recommendations arising from the Peter German review of money laundering in BC casinos and any information requested by GPEB, the Anti-Money Laundering Secretariat, or the Associate Deputy Minister's Office as required by them at their sole discretion.
 - Information about any new games (excluding variations of existing games or similar games already being offered by BCLC) that BCLC intends to introduce to determine whether additional responsible gambling standards are required or whether a game may be considered a new type of lottery scheme and requires written approval by the Minister under Section 7 of the *Gaming Control Act*.
 - Information regarding any trends that may influence strategies to combat money laundering and keep the proceeds of crime out of BC gambling facilities.
 - Information regarding proposed upgrades related to the BCLC headquarters building in Kamloops.

4. Optimize BCLC's financial performance in accordance with government policy and directives under the *Gaming Control Act* and Treasury Board direction in order to achieve a net income in line with service plan projections.

Each board member is required to sign the Mandate Letter to acknowledge government's direction to your organization. The Mandate Letter is to be posted publicly on your organization's website on Budget Day on February 19, 2019 to coincide with the release of your organization's service plan.

I look forward to ongoing collaboration with your Board as we work together to deliver improved service and better outcomes for British Columbians.

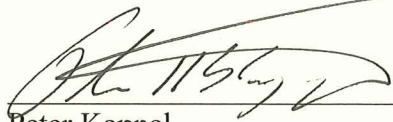
Yours truly,


David Eby, QC
Attorney General

Enclosure

Date: DEC 12 2018

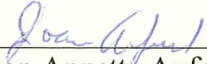
pc: The Honourable John Horgan, Premier
Mr. Don Wright, Deputy Minister to the Premier and Cabinet Secretary
Ms. Lori Wanamaker, Deputy Minister, Ministry of Finance
Ms. Heather Wood, Associate Deputy Minister and Secretary to Treasury Board
Ministry of Finance
Mr. Richard Fyfe, QC, Deputy Attorney General, Ministry of Attorney General
Mr. Douglas S. Scott, Associate Deputy Minister, Ministry of Attorney General
Mr. Sam MacLeod, General Manager, Gaming Policy and Enforcement Branch
Ministry of Attorney General
Mr. Jim Lightbody, Chief Executive Officer and President, BC Lottery Corporation



Peter Kappel
Board Chair
BC Lottery Corporation

16 Jan 2019

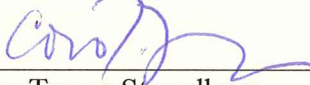
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Joan Annette Axford
Board Member
BC Lottery Corporation

Jan 23/19

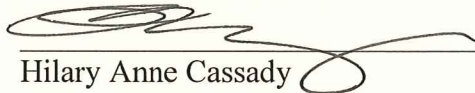
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Coro Terese Strandberg
Board Member
BC Lottery Corporation

Jan. 16 /19

Date



Hilary Anne Cassady
Board Member
BC Lottery Corporation

Jan. 16, 2019.

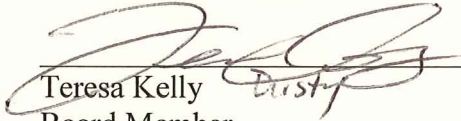
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Lisa Diane Ethans
Board Member
BC Lottery Corporation

Jan 16 /2019

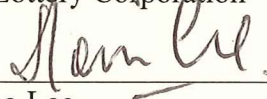
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Teresa Kelly
Board Member
BC Lottery Corporation

January 16, 2019

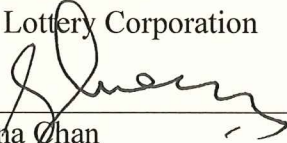
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Mario Lee
Board Member
BC Lottery Corporation

Jan. 16 /2019

Date



Fiona Chan
Board Member
BC Lottery Corporation

Jan 16, 2019

Date



Greg Moore
Board Member
BC Lottery Corporation

JAN. 16, 2019

Date