



74 West Seymour Street
Kamloops, BC V2C 1E2

T 250 828 5500
F 250 828 5631

2940 Virtual Way
Vancouver, BC V5M 0A6

T 604 270 0649
www.bclc.com



VIA EMAIL

December 10, 2020

[applicant information]

Re: Request for Records: BCLC File 20-044

British Columbia Lottery Corporation (BCLC) writes further to your November 6, 2020 request under B.C.'s *Freedom of Information and Protection of Privacy Act* (FIPPA) and BCLC's letter dated November 6, 2020.

You requested:

"All emails (sent and received, excluding attachments); decision/information/briefing notes; or other records related to any delay or change in timeline for the implementation of Anti-Money Laundering measures pending the Peter German Dirty Money report. These measures include, but are not limited to capping patron cash payouts at \$25K and removing limits on convenience cheques. Limit search to the Darryl Tottenham and the AML Unit. (Date range: Jan 1, 2018 to Jun 1, 2018.)"

BCLC is providing 12 pages of records in response to your request. Some information has been withheld from disclosure under sections 12, 13, 15, 16 and 22 of FIPPA.

Below are the reasons for withholding information under each of the exceptions to disclosure noted.

Section 12 (cabinet and local public body confidences)

The information withheld under this section would reveal the substance of deliberations of the Executive Council or some of its committees.

Section 13 (policy advice or recommendations)

The information withheld under this section constitutes advice and recommendations by BCLC employees and others to BCLC decision-makers.

Section 15 (harm to law enforcement)

The information withheld under this section is harmful to law enforcement because it would reveal anti-money laundering control processes. If disclosed, the information would be useful to those seeking to evade detection for committing money-laundering offences.

Section 16 (harm to intergovernmental relations or negotiations)

The information withheld under this section is harmful to intergovernmental relations because disclosure could reasonably be expected to harm the conduct of relations between BCLC and other governmental agencies.

Section 22 (harm to personal privacy)

The information withheld under this section consists of the personal information of third parties, the disclosure of which would constitute an unreasonable invasion of their privacy.

The full text of sections 12, 13, 15, 16 and 22 can be found at:
http://www.bclaws.ca/Recon/document/ID/freeside/96165_00

These records will be published a minimum of five business days after release at:
<https://corporate.bcl.com/who-we-are/corporate-reports/reports-disclosures.html>

If you have any questions or concerns regarding BCLC's processing of your request, please contact me at CPenkert@bcl.com, via mail or at (250) 852-5370.

Additionally, under section 52 of FIPPA, you may ask the Information and Privacy Commissioner to review this reply to your request for information. You have 30 business days from the receipt of this notice to request a review by writing to:

Office of the Information and Privacy Commissioner for British Columbia
P.O. Box 9038, Station Provincial Government
Victoria, BC V8W 9A4

T (250) 387-5629 F (250) 387-1696
Email info@oipc.bc.ca Online www.oipc.bc.ca

Sincerely,
[original signed by]

Christian Penkert
Senior Freedom of Information Analyst

Enclosure

Christian Penkert

From: John Karlovcec
Sent: January-11-18 6:45 PM
To: Rob Kroeker
Cc: Daryl Tottenham; Bal Bamra
Subject: BCLC Directive Cash Limits 25K
Attachments: BCLC Directive- Daily cash limits 25K20180111.docx; BCLC 25K Max Directive Q&A.docx

Follow Up Flag: Follow up
Flag Status: Flagged

Rob,
Please see attached draft documents that Daryl has put together. There are more Q & A to be added prior to roll out. Please have a read and we can discuss tomorrow.

Have a good evening all,

John

John Karlovcec BA Law, CAMS
Director, AML & Investigations
Legal, Compliance, Security | BCLC
2940 Virtual Way, Vancouver BC V5M 0A6
T 604 228 3053 | F 604 225 6488

●**Yes, and...**●

JKarlovcec@bclc.com

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

Christian Penkert

From: Daryl Tottenham
Sent: February-13-18 6:37 AM
To: AML
Subject: Emailing: BCLCConveniencePGFLimit edits
Attachments: BCLCConveniencePGFLimit edits.docx

Follow Up Flag: Follow up
Flag Status: Flagged

NOT FOR RELEASE- INFO ONLY

This is a copy of the next Directive that is going to be going out shortly regarding de-limiting all convenience cheques, opening PGF accounts to any amount for opening, and restricting cash disbursements to 25K a day per player. These changes will be welcomed by the SP's as they work hand-in-hand with the previous Directive we put out for 10K receipting. This Directive has been approved by Jim ^s 16

There may be minor changes made to this document prior to release and I will ensure you get a copy of the final product before it goes out. Take a look at it and shout me if you have any questions on any of the changes.

Cheers,
D

Your message is ready to be sent with the following file or link attachments:

BCLCConveniencePGFLimit edits

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

Christian Penkert

From: John Karlovcec
Sent: May 17, 2018 10:40 AM
To: Rob Kroeker
Cc: Bal Bamra ; Daryl Tottenham
Subject: RE: Info for Ministry

Rob,

As requested § 12

- We have accepted that minimal risk since inception;
- People cannot § 12, s 15(1)
- Cheques are marked "non gaming winnings";
- We establish the identity of the customer by verifying acceptable photo ID for all cheques issued;
- Players observed § 12, s 15(1)
- All front line staff are trained to detect and report this behaviour;
- As a result of the § 12, s 15(1)
- § 12, s 15(1)
- With BCLC & SP current level of oversight, § 12, s 15(1), and the intense scrutiny from SP staff, the actual risk we have now is almost non-existent.
- In combination with de-limiting convenience cheques and further reductions in the need to use cash in and out, this risk drops even lower....

Let us know if you require anything else.

John

From: Rob Kroeker
Sent: May-17-18 9:35 AM
To: John Karlovcec ; Bal Bamra ; Daryl Tottenham
Subject: FW: Info for Ministry

Hi Group

I have been working to try to move the s 12 we have pending forward.

Please see Jim's question about using s 12, s 15(1) Can I please ask you to give me the brief details on the controls we have in place that are intended to prevent, detect and report any such attempts.

Thanks you guys.

Rob

From: Jim D. Lightbody
Sent: May-17-18 9:08 AM
To: Rob Kroeker <RKroeker@bclc.com>; Brad Desmarais <BDesmarais@bclc.com>
Subject: RE: Info for Ministry

Rob;
Spoke to DAG about this this morning, they are going to run it by Minister. One question they had was how we would s 12

I'd like you to talk with Anna at GPEB about these s 12 to make sure she is aligned as they will probably get asked about them too.

Thanks,
Jim

From: Rob Kroeker
Sent: Wednesday, May 16, 2018 2:58 PM
To: Jim D. Lightbody <JDLightbody@bclc.com>; Brad Desmarais <BDesmarais@bclc.com>
Subject: RE: Info for Ministry

1. Lowers our risk on cash where s 12, s 15(1)

2 s 12

3 Yes there is some residual risk for s 12

From: Jim D. Lightbody <JDLightbody@bclc.com>

Date: May 16, 2018 at 2:26:19 PM PDT

To: Rob Kroeker <RKroeker@bclc.com>, Brad Desmarais <BDesmarais@bclc.com>

Subject: RE: Info for Ministry

Thanks, Rob. So I can explain it to them:

- 1) What's the rationale for s 12, s 15(1)
- 2) What's the current s 12
- 3) Is there any risk in s 12

Thanks

From: Rob Kroeker

Sent: Wednesday, May 16, 2018 12:02 PM

To: Jim D. Lightbody <JDLightbody@bclc.com>; Brad Desmarais <BDesmarais@bclc.com>

Subject: RE: Info for Ministry

Hi Jim.

s 12

a. s 12, s 15(1)

b s 12, s 15(1)

c. Remove the limit on return of funds cheques (as every buy-in of \$10,000 or more is now subject to proof of source of funds there is no longer a need for this control on return of funds cheques).

BCLC was prepared to implement these changes January 31, 2018, s 16

The service providers are particularly interested in getting a. and b. in place to help smooth out some of the implementation bumps arising from German Reco #1.

From: Jim D. Lightbody

Sent: May-16-18 11:59 AM

To: Brad Desmarais <BDesmarais@bclc.com>; Rob Kroeker <RKroeker@bclc.com>

Subject: Info for Ministry

Brad/Rob;

On my call tomorrow morning (8:30), I expect questions around the following. Can you please send me an update?

s 12

Thanks,

Jim

Jim Lightbody

President & CEO

BCLC Head Office

74 West Seymour Street, Kamloops BC V2C 1E2

T 250 828 5650

BCLC Marketing & Sales Office

2940 Virtual Way, Vancouver BC V5M 0A6
T 604 225 6400

jdlightbody@bclc.com
bclc.com

Christian Penkert

From: John Karlovcec
Sent: January-08-18 7:58 PM
To: Shirley Beveridge; Bal Bamra
Cc: Daryl Tottenham
Subject: Re: AML Response - Approval Presentation Template

Follow Up Flag: Follow up
Flag Status: Flagged

Thanks Shirley. Will review and go over this tomorrow with the team.

Have a nice evening,

John

From: Shirley Beveridge
Date: January 8, 2018 at 2:07:56 PM PST
To: John Karlovcec , Bal Bamra
Subject: AML Response - Approval Presentation Template

Hi John,

As I mentioned when we chatted this afternoon, I met with Jim on Friday to discuss the process for the AML response. At the steering committee meeting this Friday, we will review the processes used for the Crown Recommendations to see what we will leverage for the AML Response. There's piece that Jim would like us to incorporate for sure and that's the Approval Presentation.

For the Crown Recs, the Lead for each recommendation identified the options to address the recommendation as well as their preferred option and put it into a slide deck that was presented to the steering committee for approval. Audit Services would then use the slide decks when they audited each of the recommendations to make sure that what was delivered is what was approved. Jim would like to use that approach for the AML response for both the recommendations as well as the enhancements. For any that are already completed, we do not need to go back and do approval presentations but any that are in progress or upcoming will need them.

Jim mentioned that he would like to see an approval presentation for the enhancement ^{s 15(1)} at the steering committee meeting on Friday. I have attached a copy of the approval presentation template that was used for the Crown Recs, tweaked a bit to make it more relevant to the AML response. I suspect we will need more tweaks to the deck before we land on the final version. If you use this deck as the template for the ^{s 15(1)} enhancement, we can use it at the meeting on Friday as both approval of the enhancement and approval of the template itself.

Let me know if you have any questions or if I can help in any way. The notes section of the slides includes some info on what to put on the slide but, if it's not clear, feel free to give me a shout. I typically send the materials to the steering committee members 2 days ahead of the meeting but, for this kickoff meeting, I likely won't send anything out before Thursday noon.

Thanks, John!

Shirley

Shirley Beveridge, PMP, MSP

Senior Manager, PMO

BCLC, 74 West Seymour Street, Kamloops B.C. V2C 1E2

T 250 828 5541 C^s 17(1)

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

Christian Penkert

From: John Karlovcec
Sent: May-18-18 8:42 AM
To: Daryl Tottenham; Bal Bamra
Subject: RE: Info for Ministry

Follow Up Flag: Follow up
Flag Status: Flagged

Folks,

I just spoke to Rob about this example which he says is great. He is hoping as time permits we can get one of the analysts to^s 13

to^s 15(1) . We can discuss more next week. One or two examples won't cut it if we want

Thanks, JK

From: Daryl Tottenham
Sent: May-17-18 10:58 AM
To: John Karlovcec ; Bal Bamra
Subject: RE: Info for Ministry

Sorry but just have one point to add here as an example. If there is any pushback on the^s 15(1) ,^s 22
s 12, s 13, s 15(1), s 22

he^s 12, s 15(1) solves that problem.

D

From: John Karlovcec
Sent: Thursday, May 17, 2018 10:28 AM
To: Daryl Tottenham <DTottenham@BCLC.com>; Bal Bamra <BBamra@BCLC.com>
Subject: RE: Info for Ministry

Thanks very much you two.

JK

From: Daryl Tottenham
Sent: May-17-18 10:25 AM
To: Bal Bamra <BBamra@BCLC.com>
Cc: John Karlovcec <JKarlovcec@bclc.com>
Subject: RE: Info for Ministry

I think you have covered it off quite nicely, the only addition I would put forward is that as a result of s 12
s 15(1)

I would suggest with our
current level of oversight, use of s 15(1)
and the intense scrutiny from SP staff, the actual risk we have now is almost non-existent.
In combination with de-limiting convenience cheques and further reductions in the need to use cash in and out, this risk
drops even lower....
D

From: Bal Bamra
Sent: Thursday, May 17, 2018 10:14 AM
To: Daryl Tottenham <DTottenham@BCLC.com>
Cc: John Karlovcec <JKarlovcec@bclc.com>
Subject: RE: Info for Ministry

Hi,

My two cents:

- We have accepted that minimal risk since inception;
- People cannot s 12 s 12, s 15(1)
- Cheques are marked "non gaming winnings";
- We establish the identity of the customer by verifying acceptable photo ID for all cheques issued;
- Players observed s 12, s 15(1)
- All front line staff are trained to detect and report this behaviour;

Daryl, your turn...

Thanks,

Bal Bamra B.Com, CAMS
Manager, AML Intelligence
Legal, Compliance & Security Division, BCLC
2940 Virtual Way, Vancouver, BC, V5M 0A6
T 604 228 3113 C s 17(1)

●**Yes, and...**●

bbamra@bclc.com

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