



December 10, 2018

Her Worship Lisa Helps  
Mayor of the City of Victoria  
1 Centennial Square  
Victoria BC V8W 1P6

Dear Mayor Helps:

Thank you for your letter of October 18, 2018, regarding implementation of recommendations of the German Report.

As you know, I believe it is critical to restore British Columbia's reputation in the gambling industry and ensure that BC's casinos are never again considered a location for laundering the proceeds of organized crime.

I can assure you that we are taking immediate action against money laundering in BC and have already seen a dramatic decrease in large amounts of unsourced cash entering Lower Mainland casinos. Government has accepted all of Dr. German's 48 recommendations in principle and work is underway on about half, including nine that are now fully completed. Policy-related work is also underway through an Anti-Money Laundering Secretariat within the ministry and an internal deputy minister committee with representation from the Ministry of Attorney General, Ministry of Public Safety and Solicitor General, and the Ministry of Finance. Many of Dr. German's recommendations are complex, involving other ministries and jurisdictions, and a full implementation timeline is still being developed. We are moving forward as quickly as possible and intend to update the public on our progress, as appropriate.

You may be aware government worked with the RCMP to form the province-wide Joint Illegal Gaming Investigation Team (JIGIT) in 2016 and is established within the Combined Forces Special Enforcement Unit British Columbia (CFSEU-BC). It is a dedicated and integrated multi-jurisdictional enforcement team that responds to illegal gambling and unlawful activities, including money laundering in gambling facilities. Five investigators from the Gaming Policy and Enforcement Branch (GPEB) are fully integrated into JIGIT.

In January, JIGIT, GPEB, and the BC Lottery Corporation (BCLC) collaborated to form the Gaming Intelligence Group (GIG) which meets both weekly and monthly to identify issues and trends that could suggest money laundering issues within casinos. At weekly meetings the group shares information about real time incidents from the past week, including examining suspicious transactions and areas of concern. Monthly meetings focus on identifying overall trends and how current processes should be modified and improved.

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As part of his review of money laundering in Lower Mainland casinos, Dr. German provided two interim recommendations in December 2017. BCLC implemented the first interim recommendation on January 10, 2018 through new source of funds procedures requiring valid documentation of the source of funds for all cash and bank draft buy-ins of \$10,000 or more in a 24-hour period. The original receipt must show the customer's name, the source of the funds and, if that source is a financial institution, the name of the financial institution and account number. If the customer cannot provide the required information, Service Providers must refuse the transaction, document it, and notify BCLC. Following the interim recommendations, in his report, Dr. German recommended reviewing the Source of Funds declaration on an annual basis. GPEB and BCLC are doing this to ensure the source of funds declaration is working as intended. This policy applies across the province.

Dr. Peter German's second interim recommendation from December 2017, required that government regulators have a presence on-site, and be available to service providers throughout the day and during peak hours. GPEB has increased the regulator's presence at five high-volume casinos, including the Hard Rock Casino in Coquitlam, Starlight Casino in New Westminster, River Rock Casino and Resort in Richmond, Grand Villa Casino in Burnaby, and Parq Vancouver during peak activity. Existing investigators are providing this presence in the short term and an additional 12 new investigators are being hired to meet Dr. German's recommendation. GPEB's Lower Mainland office is also augmenting communications to ensure 24/7 contact points between GPEB and casinos during off-hours. If a downtown Victoria casino is approved, GPEB would determine investigator presence based on a risk assessment. GPEB would also have the flexibility to deploy investigative resources to any area that requires additional support if the need arises. The increased presence and availability has improved information sharing with service providers and the ability to cultivate first-hand information, which informs government, law enforcement, and policy decisions.

I welcome you to connect directly with our Secretariat if you require further general updates on the implementation process of the German Report. The Secretariat can be reached at 778-974-5965.

Thank you for writing. I hope the above information is helpful to you.

Yours truly,

A handwritten signature in black ink, appearing to read 'David Eby', with a stylized flourish extending to the right.

David Eby, QC  
Attorney General