

Message

From: John Karlovcec [REDACTED]
Sent: 2015-01-02 10:46:32 PM
To: Brad Desmarais [REDACTED]
CC: [REDACTED]; Daryl Tottenham [REDACTED]; Robert G. Kroeker [REDACTED]
Subject: RE: [REDACTED] # 11435

Hi Brad,

I just met and spoke with RRCR AGM Daniel LAY concerning [REDACTED] and his recent cash buy-ins. He will make arrangements to have someone speak to [REDACTED].

I advised Daniel to encourage [REDACTED] to refrain from dealing with cash facilitators citing safety concerns. He will also encourage [REDACTED] to utilize his PGF account and attempt to get feedback from him on how we can improve our customer service relative to his gaming needs.

Daniel Lay will advise us once [REDACTED] has been spoken to by RRCR management.

John

From: John Karlovcec
Sent: Wednesday, December 31, 2014 9:37 AM
To: Brad Desmarais
Cc: Daryl Tottenham
Subject: RE: [REDACTED] # 11435
Importance: High

Hi Brad,

As a follow up I spoke with Daryl this morning re: [REDACTED].

[REDACTED] attended RRCR last night and conducted another large cash buy-in using small denomination consisting of (\$20 x 18,001 + \$10 x 1 + \$5 x 1= \$360,035).

This now places him at 1.8 million in cash in 7 days, mostly small bills.

Daryl identified that [REDACTED] opened a PGF account in July and ran a bank draft for a half million into it which he used over the following week but he has not used it since then.

This is starting to be very similar to [REDACTED]'s situation. As an initial step I'm going to suggest that we have RRCR management speak with [REDACTED] much like we did with [REDACTED] to determine source of funds as well as to encourage the use of the PGF account. RRCR can then monitor his activities following the discussion.

I recognize that we do not want to jeopardize revenue however if the dialogue does not garner the intended results we may need to have our investigators have a chat with him and/or look at imposing additional restrictions relative to his use of cash to play.

If you are in agreement we will have the RRCR investigators chat with RRCR management to make arrangements to speak with [REDACTED].

John

From: Brad Desmarais
Sent: December-30-14 11:24 AM
To: Daryl Tottenham
Cc: John Karlovcec
Subject: RE: [REDACTED] # 11435

At this point we are uncertain where the cash is coming from? Can we get the SP Cash Cage to do a source of funds inquiry? Any other suggestions?

Brad Desmarais
Vice President, Corporate Security & Compliance
(and) Interim Vice President, Human Resources

BCLC, 2940 Virtual Way, Vancouver, B.C. V5M 0A6
[REDACTED]

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

From: Daryl Tottenham
Sent: Tuesday, December 30, 2014 11:21 AM
To: Brad Desmarais
Cc: John Karlovcec
Subject: RE: [REDACTED] # 11435

Morning Brad,

Just to update you on this player, upon reviewing his activity this morning there were a number of LCTs in the past 6 days but only 2 incident files and the female was still LNU. I sent a request to the guys at RR this morning to review his activity asap and advise and it turns out RR decided not to report 2 of his cash buy-ins for \$250,000 on each occasion: The first on the 23rd because they were \$100 bills and the 2nd on the 29th and no indication what the bills were. The 450K cash buy-in on the 24th was all \$20's and the second 450K cash buy-in was in various bills from \$10 to \$100. Two of his buy-ins showing 545K and 620K on the 26th and 27th are from winnings the previous night but there should be 2 more UFT files that need to be created and 4 STR's in total over 6 days. His total cash buy-in's during these 6 days sits at 1.4 million, much of which is in small bills. Jerome is looking after my requests to deal with Arlene regarding the circumstances of these buy-ins but the investigators would like to know if there is anything that you wish them to do if [REDACTED] returns again tonight, which he is likely to do. Let me know if there is anything you would like me to follow up with, I have Cathy and Brad doing a priority deep dive on both subjects so we can confirm their source of wealth and stated occupations.

Daryl

From: Brad Desmarais
Sent: Monday, December 29, 2014 1:25 PM
To: Daryl Tottenham
Subject: RE: [REDACTED] # 11435

Thanks, Daryl. Please let me know if this pattern of LCTs continue.

Brad Desmarais

Vice President, Corporate Security & Compliance
(and) Interim Vice President, Human Resources

BCLC, 2940 Virtual Way, Vancouver, B.C. V5M 0A6
[REDACTED]

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

From: Daryl Tottenham
Sent: Friday, December 26, 2014 9:47 AM
To: AML
Cc: Brad Desmarais
Subject: [REDACTED] # 11435

Brad/Cathy

When you return could you please do a priority dive on this guy and create a dossier for him? I have added him on the HRP list and flagged him accordingly and placed him on watch, along with comments to obtain details on the hotel he refers to in his occupation as "hotel owner". He was with a female on his last 2 large buy-ins and although she parked the car and brought in 200K in small bills and gave it to [REDACTED], they did not get ID from her on either visit so she is listed as an LNU. I have flagged her as well to obtain ID and occupation details and will advise accordingly when it is added to this file..

He has a history with BCLC and River Rock back in 2005/2006 but his buy-ins were generally in the 20-60 K range. He disappeared in Nov 2006 and re-surfaced in July 2014 and has had 17 LCT's since that time with buy-ins ranging from 200K to 600K which total 2.6 million from July to December. However he did have a PGF deposit in July for 266 K and the vast majority of the buy-ins from July to late August are grossly inflated due to the churn factor. Most of those buy-ins can be tracked to large disbursements and carry-over.

The anomaly from his play started on December 23rd, 2014 as he had no play between August and Dec 23rd, then showed up with the female and brought in \$250,000 in \$20 bills for table play. (It appears he lost all but 25K of that buy-in.) This cash was brought in by them when they arrived in their Mercedes.

He returned on the 24th with the same female and [REDACTED] carried in 250K in cash and the female followed shortly after with another bag of 200K which she gave to him. The total buy-in was for \$450,000 and was in \$10, \$20, \$50, and \$100 bills and the only disbursement shown anywhere at this point if for 10K at 0727 hrs on the 25th. Will follow further with the RR investigators when they are back to work next week and try to confirm ID on the female.

Brad, you were CC'd on this as an FYI just in case you get a phone call as both buy-ins were properly reported to GPEB and may trigger some activity.

Thx Daryl

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