

March 28, 2003

Log # 211129
Via Facsimile: 250 828-5637

Vic Poleschuk
President and CEO
British Columbia Lottery Corporation
74 West Seymour Street
Kamloops BC V2C 1E2

Dear Mr. Poleschuk:

Re: Reporting of Offences - Section 86 (2) Gaming Control Act

The Gaming Policy and Enforcement Branch is responsible for the overall integrity of gaming and horse racing in British Columbia, as outlined in Section 23 of the *Gaming Control Act*.

The investigation of incidents, and securing of related evidence, in legal gaming facilities that may affect the integrity of gaming is the responsibility of the Branch. Staff from the Investigation Division are designated Investigators under Section 81 of the *Act*.

Reporting by the BC Lottery Corporation

Section 86(2) of the *Gaming Control Act* requires the BC Lottery Corporation to notify the Branch, without delay, about any conduct, activity or incident occurring in connection with a lottery scheme or horse racing, (including incidents at a gaming facility or in relation to any of the Corporation's lottery products) that may be considered contrary to the *Criminal Code* of Canada, the *Gaming Control Act* or Gaming Control Regulations, or that may affect the integrity of gaming or horse racing. This includes, but is not limited to:

- a. Cheating at Play;
- b. Theft affecting the integrity of the game (thefts from the house or by a gaming worker);
- c. Thefts affecting the integrity of the game (thefts of BC Lottery Corporation lottery products from the Corporation or the retailers);
- d. Fraud;
- e. Money Laundering;
- f. Persons suspected of passing counterfeit currency;
- g. Loan Sharking;
- h. Robbery;
- i. Assault;
- j. Threats against, or intimidation of gaming employees;
- k. Unauthorized lottery schemes;

- l. Unauthorized gaming by minors;
- m. Unregistered gaming workers; and
- n. Unregistered service providers.

The Corporation need not report incidents already reflected in "Section 86 reports" forwarded to the Investigation Division by service providers (and copied to the Corporation).

Reporting by Service Providers

A service providers' obligation to report incidents under Section 86 of the *Gaming Control Act* is a condition of registration. A service provider's failure to report is an offence under Section 97 (2) (e) of the *Act*. Any clarification of services providers reporting obligations or requirements should be sought from the Investigation Division of the Branch. The Corporation should not direct or advise service providers on reporting requirements.

The Corporation's Casino Standards, Policy and Procedures (amended February, 7, 2003) should clearly reflect the reporting obligations of service providers. Please make the following amendments to that document.

Section 2-10.1 General Reporting

- 3.1 should read "the Service Provider has a legal obligation to send the "Section 86 GC Act Report" to GPBB, Investigation Division"

Section 7-1.1 Security – General

- 8.1.1 should read "if the criminal activity possibly involves Service Provider employees the Service Provider shall report the incident immediately to GPEB Investigation Division in your geographical area"
- 8.4 should read "the Service Provider has a legal obligation to send the "Section 86 GC Act Report" to GPEB, Investigation Division"
- 8.5.1 should read "GPEB using the On-Call Pager or the Investigation Division Regional Office in your geographical area"
- 9.2 should read "if the information is of a criminal nature, GPEB Investigation Division should be advised immediately"
- 9.2.1.a should read "if the informant wishes to remain anonymous, GPEB Investigation Division should be advised immediately"

Thank you for your co-operation.

Sincerely,

Derek Sturko
General Manager

pc: Doug Penrose
Larry Vander Graaf
Terry Towns