



COMMISSION OF INQUIRY INTO MONEY LAUNDERING IN BRITISH COLUMBIA

**TEXT OF THE OPENING STATEMENT
OF THE B.C. GOVERNMENT AND SERVICE EMPLOYEES' UNION (BCGEU)**

February 24, 2020

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TEXT OF THE OPENING STATEMENT OF THE BCGEU

I. INTRODUCTION

- 1) Good afternoon my name is Stephanie Smith, my pronouns are she/her, and I am president of the BC Government and Service Employees' Union.
- 2) It is my honour to appear before you today on behalf of the 80,000-plus members of the BCGEU to make this submission on the traditional unceded territory of the Musqueam, Squamish and Tsleil-Waututh peoples.
- 3) Before I start I want to thank the Commission for granting our union's application for standing and assure Commission Counsel that I will be providing a written copy of this submission.
- 4) I also want to thank the other participants for being part of this proceeding.
- 5) I would also like to introduce the BCGEU staff who are here with me today:
 - a) Jitesh Mistry, General Counsel
 - b) Danielle Marchand, Press Secretary
- 6) In my statement today I will address three broad topics:
 - a) Why the BCGEU applied for standing;
 - b) What our union plans to contribute to the inquiry; and,
 - c) What outcomes and remedies our union hopes to see as a result of the Commission's work.

II. WHY THE BCGEU APPLIED FOR STANDING

- 7) The BCGEU applied for standing as a continuation of our advocacy on behalf of our members whose lives have been impacted, altered and, in some cases, endangered by the criminal money laundering activity that is at the core of the Commission's mandate.
- 8) Several factors inspired our advocacy. The first is the make-up of our membership.
- 9) The BCGEU is one of the largest, most diverse, and fastest growing unions in BC. Our union represents more than 80,000 members who work in virtually every community in the province and almost every sector of the economy from public service to non-profit to private enterprise.

- 10) A few of our union's membership groups are particularly relevant to these proceedings and I would like to review them briefly.
- a) The BCGEU is the lead union for workers in the provincial public service:
 - i) More than 30,000 of our members work in the direct government and the broader public service; and,
 - ii) Including departments in the Ministry of the Attorney General and the Ministry of Municipal Affairs and Housing tasked with regulation, enforcement, and oversight of many of the sectors impacted by money laundering. For example, the Gaming Policy Enforcement Branch.
 - b) The BCGEU also represents workers in the financial services industry, who face potential risks related to organized crime groups attempting to move their laundered funds through legitimate banking institutions.
 - c) And the BCGEU is the lead union in B.C.'s gaming sector:
 - i) Thousands of our members work in some of the most profitable casinos in the province, including Metro Vancouver's River Rock, Hard Rock, Starlight, and Grand Villa casinos.
 - ii) From their positions in the cages, on the gaming floor, in food and beverage service, and in security our members in this sector have seen, heard, and felt the impacts of money laundering.
 - d) Finally, the BCGEU represents workers whose work has thrust them to the frontlines of the overdose crisis, including:
 - i) Our members in frontline community health, mental health and addictions, social services, court services, corrections, and even libraries.
- 11) I am spending time describing these membership groups because I want to emphasize for the Commission that, while it is true that money laundering has impacted every British Columbian in some way, BCGEU members have experienced unique impacts. Those impacts include:
- a) Seeing their livelihoods and personal safety threatened by the criminal activity that has been allowed, possibly even encouraged, to flourish in B.C.'s gaming sector over the past twenty years;
 - b) Seeing the reputation of the sectors they work in damaged by media coverage of money laundering;

- c) Having the nature of their work change substantively and quickly due to the implementation of anti-money laundering policies and regulations; and,
 - d) Dealing with the serious safety risks and devastating emotional toll of the opioid crisis in their workplaces and communities.
- 12) For tens of thousands of BCGEU members money laundering has been and continues to be a very real factor in their working lives as well as a real and present risk to their mental, emotional, and physical health and safety.
 - 13) The BCGEU applied for standing to be the voice of those members in this inquiry.
 - 14) Before I move on to discussing our union’s intended contributions and hoped-for outcomes, I want to address another critical factor in why we applied for standing: The unique nature of our union.
 - 15) Like all unions, one of the BCGEU’s core objectives is to protect and empower our members and improve their working lives through a rigorous and innovative approach to labour relations, including: collective bargaining, internal organizing and various other tools, techniques and tactics.
 - 16) But, unlike many unions, the BCGEU also has a broader objective: We are part of a progressive social justice movement that aims to create a more just and equitable society where all people have access to human rights—including the right to feel, and be, safe in their homes, communities, and workplaces. A society where all people are treated with dignity, respect, and fairness.
 - 17) Our union’s targets for social justice advocacy are driven by our members through resolutions to our triennial policy conventions as well as through our intra-convention governance body: The provincial executive.
 - 18) Our union’s advocacy takes the form of sophisticated multi-platform campaigns that aim to raise awareness, inspire action, shift discourse, and change policy.
 - 19) Three of the advocacy campaigns we have undertaken over the last three years are of particular relevance to the Commission’s mandate. I would like to briefly review those campaigns.
 - 20) Our “Affordable BC” campaign—focused on our province’s housing affordability crisis—launched in November 2017.
 - a) Like all British Columbians, our members have struggled because of the housing crisis.
 - i) Whether they have found themselves unable to afford to buy homes in the communities they work in;

- ii) Or whether they have found rental stock in their community unaffordable, unavailable or inaccessible;
- iii) Our members in communities across the province told us that lack of safe, affordable housing was their biggest challenge; and,
- iv) They wanted their union to step up and we did with the “Affordable BC” campaign.

21) The “Affordable BC” campaign consisted of:

- a) Working with partners, including other unions, to identify, develop and lobby for policy options aimed at addressing various aspects of the housing crisis, including tax policy, land use zoning, renter protections, and real estate speculation just to name a few;
- b) Reaching out to our members and the general public to hear their stories and discuss our policy proposals. This part of the campaign included a series of public forums on housing in some of B.C.’s hardest hit communities as well as a dedicated website to collect stories;
- c) Direct engagement of all levels of government including municipal, regional, and provincial to promote policy change; and,
- d) A series of online petitions to build public support for various aspects of our plan and give us leverage to get them implemented.

22) The “Affordable BC” campaign is still active and has been successful:

- a) Our public forums were standing room only;
- b) Our petitions garnered tens of thousands of signatures from our members and the general public;
- c) The relationships we built with our partners remain strong and productive; and,
- d) Our policy proposals are getting implemented and having an impact.

23) Nevertheless, as you know, and as our members know, the housing affordability crisis persists.

24) In December 2017 our union launched a second campaign relevant to the Commission’s mandate. This one focused on the fentanyl crisis that was, and still is, changing and ending lives across our province.

- 25) The BCGEU's fentanyl campaign was driven by feedback from tens of thousands of BCGEU members in mental health and addictions, community health, corrections, social work, sheriffs, and even libraries who were dealing with the fallout from the overdose crisis in their worksites and their communities.
 - a) Some had lost clients, co-workers or loved ones to overdose;
 - b) Some had witnessed and responded to overdoses in their workplace; and,
 - c) All of them were desperate for support as they dealt with the impacts of the crisis. They asked their union to step up. And we did with our fentanyl campaign.
- 26) Our fentanyl campaign has two goals:
 - a) Connect with our members to better understand how the overdose crisis has impacted them and develop education, training, and other supports to help them deal with the mental, emotional, and physical toll.
 - b) And public advocacy to exert pressure on all levels of government to take whatever action they could to stop the crisis and mitigate its impacts on working people.
- 27) Like "Affordable BC", our fentanyl campaign is still active.
 - a) It has been successful in that our union developed and deployed resources like education, training, and other supports to support our members. Also, we have seen progressive action by our current government and other organizations to address the crisis.
- 28) But, also like "Affordable BC", the problem that inspired the fentanyl campaign has not been "solved".
- 29) So, two campaigns, both successful in their way but both focused on issues that have not been "solved", issues that continue to impact our members and all British Columbians.
- 30) That brings me to the third campaign I want to discuss before moving on to our union's intended contributions and desired remedies.
- 31) Our Public Inquiry Now campaign was launched in December 2018.
- 32) By that point there was mounting evidence available to the public that indicated that the subjects of our two other campaigns—housing affordability and the overdose crisis—were linked to each other and that both were somehow linked to organized crime and money laundering in casinos. That evidence included leaked RCMP reports as well as the three reports commissioned by our current provincial government from Dr. German and others.

- 33) In effect, Public Inquiry Now built on and merged the “Affordable BC” and fentanyl campaigns to achieve one objective: Pressure the provincial government to call a public inquiry into the links between the housing affordability crisis, the overdose crisis, and criminal money laundering in casinos.
- 34) We knew what we had learned through our campaigns.
- 35) We knew what the government and the police had learned through research and reports.
- 36) We knew there was a link.
- 37) And we knew that a public inquiry was the only way to achieve three goals;
 - a) Get to the truth of how these issues are linked and how our province got to this place of crisis.
 - b) Identify those responsible and hold them accountable for their actions and their inactions.
 - c) Reverse the damage that could be reversed and protect British Columbians from anything like this ever happening again or happening in different sectors.
- 38) In launching Public Inquiry Now the BCGEU became one of the first voices in civil society to call for a public inquiry.
- 39) And with our participation in the inquiry we hope to continue to advance the goals of that campaign.

III. WHAT THE BCGEU HOPES TO SEE COME OUT OF THE INQUIRY

- 40) I will now move on to discuss our participation in the inquiry, specifically:
 - a) What we plan to contribute to the proceedings; and,
 - b) What outcomes and remedies we are hoping to see from the Commission.
- 41) I want to take a moment to acknowledge that the BCGEU applauds and supports the work done by our current provincial government as well as the contributions of Dr. Peter German and others in uncovering the facts of money laundering in B.C.
- 42) After years of inaction, the current government’s commitment to uncovering the truth and their measured approach to fact-finding and data analysis over the past three years has built a strong foundation of knowledge about key factors like:
 - a) The actions and inactions of decision makers, including previous governments; and,

- b) The gaps and deficiencies of the historic and current regulatory, investigatory, and enforcement regimes that have been exploited for too long.
- 43) But none of the work undertaken to date grapples with the questions of accountability, fault-finding, and remedies.
- 44) It is those questions the BCGEU is asking the Commission to grapple with.
- 45) In addition to the Commission's broad mandate to investigate the scale, scope, impacts, causes, and solutions to money laundering, the BCGEU would like to see the Commission address some additional issues we believe will be critical to our province's ability to move forward from this crisis. Those issues include the following.

Improved working conditions in the gaming sector

- 46) We seek improved working conditions in the gaming sector.
- 47) Published reports and communication with BCGEU members suggest that criminal activity has been a known problem in B.C. casinos since the late 1990s.
- 48) Workers in some casinos have faced a visible organized crime presence in their workplaces for more than two decades.
- 49) Some have dealt with harassment and intimidation from known criminals and/or associated VIP gamblers.
- 50) All too often, casino management has turned a blind eye to these issues, or in some cases even enabled them, in order to maintain and grow their business.
- 51) I want to be clear that the BCGEU firmly supports the gaming sector especially for its vital role in funding the public services that families and communities across our province rely on every day.
- 52) For that reason, we would like to see the Commission investigate and make recommendations related to regulatory and institutional reform in the gaming sector, with the health and safety of workers as a central consideration. Key avenues for investigation and recommendations include:

Enabling and protecting whistleblowers

- 53) The German report makes limited recommendations regarding measures to encourage and protect whistleblowing by VIP gaming room employees
- 54) But there is little else in the recommendations from the Commission's mandate reports regarding mechanisms, processes, and protections to encourage whistleblowing by workers in the wider gaming sector or in other workplaces where money laundering or

related illegal activities could either occur or be detected in the course of regulatory and enforcement activities.

- 55) Accounts from the Commission’s mandate reports, the media, and our union’s communications with members suggests that efforts by workers to “blow the whistle” on illegal activity in the gaming sector have been blocked by managers and even elected officials, with whistleblowers facing sanctions up to and including dismissal for speaking up.
- 56) The BCGEU acknowledges that The Public Interest Disclosure Act, our province’s recently enacted whistleblower legislation, offers some protection for some workers in some circumstances—particularly those in public sector employment.
- 57) However, the legislation falls well short of best practices internationally, and would not have enabled or protected attempts at whistleblowing around money laundering in the gaming sector.
- 58) For example, former casino worker Muriel Labine—whose case I will discuss briefly later in this submission—would not have access to whistleblower protection even if she was bringing forward her concerns about money laundering and loan sharking today, with the legislation in place, rather than in the late 1990s, when she bravely attempted to speak up.
- 59) Based on these considerations, the BCGEU asks the Commission to make recommendations to expand and strengthen whistleblower legislation, protections and processes, including:
 - a) Extending whistleblower legislation and protection to employees in the private sector, as has already happened in Australia and several other jurisdictions;¹
 - b) Expanding legal protections to whistleblowers who use the media as a channel for whistleblowing activity; and,
 - c) Establishing a formal regime to support whistleblowing in high-risk sectors, such as gaming sector, real estate, financial services, and luxury car sales.

Resources to expand public sector-led enforcement and compliance in vulnerable sectors.

- 60) Scaling-up regulation, enforcement, and compliance is implicit in many recommendations of the Commission’s mandate reports.

¹ Dennis Gentilin, (2019) “It’s a new era for Australia’s whistleblowers – in the private sector,” The Conversation. Available online at: <https://theconversation.com/its-a-new-era-for-australias-whistleblowers-in-the-private-sector-119596>; Siavash Vatanchi (2019), “Whistleblowing in Canada: a call for enhanced private sector protection.” Available online at: <https://ojs.lib.uwo.ca/index.php/uwojls/article/download/6838/5552/>

- 61) The BCGEU supports these recommendations and believes that the Commission must directly address the need for more resources to carry out this work.
- 62) The existing Gaming Policy Enforcement Branch, for example, is allocated around \$14 million annually to oversee a multi-billion-dollar gaming industry that is extraordinarily vulnerable to organized crime. Findings in the Commission's mandate reports suggest that regulatory and enforcement bodies in real estate, financial services, and luxury automobile sectors may be similarly under-resourced.
- 63) Whatever regulatory, compliance, and enforcement regimes are eventually recommended by the Commission, it will be crucial that they are accountable to the public, rather than to the industries they regulate, and that they have the resources and funding they need to effectively carry out their mandate.
- 64) The BCGEU also asks the Commission to recommend that funding for increased regulation and enforcement come from licensing fees and taxation of higher-risk sectors, including gaming, real estate, financial services and luxury automobiles

Eliminating the source of laundered funds by directly addressing the connection between money laundering and the opioid crisis.

- 65) As I discussed earlier in my statement, the impact of the opioid crisis has been a key driver of the BCGEU's participation in this inquiry.
- 66) While money laundering is an important issue and a critical risk to our province, our union believes it is crucial that the Commission address the fact that the money being laundered is revenue from the drug trade—a trade that is at the root of a public health crisis that has already cost thousands of lives in B.C. and across Canada.
- 67) The BCGEU believes that the location chosen to launder the proceeds of crime—whether it be casinos, real estate, luxury goods or something else—is only the tip of the iceberg and that the source of the funds must be addressed.
- 68) I want to acknowledge that our union supports the actions already taken by our current government in relation to the opioid crisis, including implementing harm reduction programs that save lives and launching a class action lawsuit to recover the costs of the crisis from opioid manufacturers.
- 69) These are valuable and impactful measures. But as Dr. German pointed out: criminals need to launder money and they will find the ways and means to get that done. Recent reports suggest that our province and others have vulnerabilities in areas like international student fees
- 70) On this basis, the BCGEU asks that the Commission hear evidence and take reports on all aspects of the opioid crisis in this province, including: Identifying individuals and organizations—criminal and otherwise—implicated in and profiting from this crisis.

- 71) The Commission should direct particular attention to organizations and individuals involved in the production, importation and distribution of synthetic opioids (fentanyl/carfentanil).
- 72) Based on that work, the BCGEU asks the Commission to make recommendations aimed at addressing all aspects of the opioid crisis, including:
 - a) Potential law enforcement measures to disrupt the criminal organizations supplying opioids;
 - b) Expanded harm reduction measures to reduce deaths and improve outcomes for individuals living with substance use disorders;
 - c) Better protections and protocols for workers who are prescribed opioids after being injured on the job; and,
 - d) Improved social service supports and treatment options to reduce opioid demand and promote public health.

Investigating the possibility of undue influence on municipal, provincial and federal officials

- 73) The BCGEU requests the Inquiry investigate the possibility of undue influence on public offices to affect public policy decisions that could have prevented or disrupted the escalation of money laundering or the opioid crisis.
- 74) The sheer scale and scope of criminal activity outlined in the mandate reports, leaked RCMP reports, and media accounts suggests the possibility must be explored and the BCGEU believes that exploration should be undertaken by the Commission.
- 75) As part of that exploration, the Commission should scrutinize the policy, regulatory, and enforcement decisions that enabled money laundering in high-risk sectors to develop and escalate despite multiple warnings from experts in law enforcement, regulatory bodies, and the gaming sector, including
 - a) What actions were taken or not taken?
 - b) Which decision makers knew or ought to have known the potential harm of those actions and inactions?
- 76) In particular, and at a minimum, we believe the Commission should investigate:
 - a) Published allegations that senior management in the B.C. casino sector knowingly ignored warnings of suspicious activity in B.C. casinos.²

² <https://globalnews.ca/news/5225614/bc-casino-whistleblower-alleged-cooperation-organized-crime/> ;
<https://globalnews.ca/news/5215614/money-laundering-canada-bc-casinos-whistleblower-journal/>

- b) Decisions within the Ministry of Attorney General in 2013 to ignore internal reports warning of large-scale money laundering in the gaming sector, and the subsequent decision in 2014 to fire, without cause, the GPEB employee who brought these warnings forward.³
- c) The provincial government's 2009 decision to disband the RCMP's B.C. Integrated Illegal Gambling Enforcement Team (IIGET), after that team had documented significant money laundering and warned that an organized crime associate had been allowed to buy part of a B.C. casino.⁴
- d) Allegations of "willful blindness" by BCLC executives regarding money laundering and other suspicious activity in B.C.'s gaming sector.⁵
- e) The relationships between private gambling operators and elected officials, including lobbying activity related to gaming policy and political donations to elected decision makers at the provincial and municipal levels.

Eliminating the impact of money laundering on housing prices.

- 77) The research underpinning our union's "Affordable BC" campaign clearly demonstrated what many decision makers also know—speculative investment in real estate has made our province one of the most expensive places in the world to live—particularly in the Metro Vancouver area.
- 78) Fewer working people are able to find appropriate, safe, affordable housing to buy or rent.
- 79) Homelessness is more widespread and growing increasingly severe.
- 80) While various factors have contributed to the housing affordability crisis, the most troubling underlying cause is that housing has come to be seen primarily as a lucrative investment opportunity, rather than a basic human need.
- 81) Evidence points to a multi-billion-dollar portion of this speculative investment being connected to money laundering, with real estate transactions being used as a vehicle to hide illegally transferred offshore money and launder money from drug trafficking and other organized criminal activity.⁶

³ <https://globalnews.ca/news/4897032/bc-casinos-money-laundering/> ;

<https://globalnews.ca/news/4927549/bclc-former-casino-investigators-bc-money-laundering/>

⁴ <https://globalnews.ca/news/4317081/bc-illegal-gambling-enforcement-team-blames-rcmp-liberals-money-laundering/>; <https://globalnews.ca/news/6403415/organized-crime-bc-casinos-rcmp-report/>

⁵ <https://globalnews.ca/news/4927549/bclc-former-casino-investigators-bc-money-laundering/>

⁶ https://news.gov.bc.ca/files/Combating_Money_Laundering_Report.pdf

- 82) Because of a lack of regulation B.C.'s real estate market, not unlike casinos, offers a rare opportunity for criminals to launder the proceeds of crime while also growing their money.
- 83) Again, I want to acknowledge that our current government has done extensive work to mitigate the impacts of the housing affordability crisis through policy, regulatory, and legislative changes and the BCGEU applauds and supports these efforts.
- 84) However, our union believes that the link between the housing crisis and money laundering is one that the Commission must investigate further.
- 85) One specific avenue of inquiry is the extent to which decision makers in the real estate and development industry, including regulators and elected officials, were aware of the growing problem and why more was not done to combat it.
- 86) The BCGEU asks the Commission to investigate the scale, scope, and impacts of money laundering on housing affordability in our province and make recommendations on further measures to remediate those impacts and ensure that safe, appropriate, affordable housing is once again available and accessible to working people in our province.

IV. WHAT THE BCGEU INTENDS TO CONTRIBUTE TO THE INQUIRY

- 87) I have discussed at length why the BCGEU is participating in this inquiry and the outcomes and remedies we hope to see from the Commission's work.
- 88) I want to close my submission by outlining what the BCGEU intends to contribute to the Commission's work through this process.
- 89) Our key and critical contribution will be the stories of our members and staff.
- 90) We intend to offer the perspective of frontline casino workers who witnessed the genesis of money laundering and proliferation of organized crime in their workplaces over the last twenty years.
- 91) For instance, Muriel Labine, a former member and staff person with the BCGEU. Ms. Labine's experiences attempting to speak up about what she saw and protect herself, her family, and her coworkers from what was happening illustrate how criminal activity took hold of our province's gaming sector and offer instructive lessons for other high-risk sectors.
- 92) The BCGEU is working with Ms. Labine to fully consolidate her evidence for submission to the Commission but I would like to briefly highlight some of her experiences here as part of my submission.

- 93) Ms. Labine worked in casinos as a dealer, supervisor, and hostess from 1992 to 2000. She documented the influx of organized crime, loan sharking, and probable money laundering into her workplace starting in the late 1990s.
- 94) Soon after baccarat betting limits were increased from \$25 per hand to \$500 per hand in 1997, Ms. Labine noticed what seemed to be loan sharking activity on the gaming floor.
- 95) Higher stakes, high-turnover games brought in more VIP gamblers and dramatic increases in cash flow, with thousands of dollars being played in a single five-minute game.
- 96) Men she learned had gang affiliations would bring clients and sit with them at the tables, passing players casino chips and bundles of \$20 bills.
- 97) Loan sharks soon became fixtures in her casino, working up to 12 hours per day, with dozens of loan sharks on the casino floor at once.
- 98) Their presence was so ubiquitous that staff came to know their faces and street names.
- 99) Over time, in addition to loan sharking, Ms. Labine and her coworkers noticed known gang members engaging in activity typically associated with money laundering such as exchanging large sums of \$20 bills for \$100 bills and buying casino chips to cash in without playing.
- 100) Eventually, and perhaps inevitably, incidents of serious violence involving loan sharks became known and staff became acutely concerned for their own safety.
- 101) Most notably, one lower-level loan shark who was a regular in Ms. Labine's workplace was shot in a public place by another regular loan shark from the casino. The shooter was later identified as an associate of the Big Circle Boys gang.
- 102) As casino workers became increasingly alarmed about the increasingly obvious presence of organized crime in their workplace, Ms. Labine approached casino managers with her concerns.
- 103) Management refused to act on her information, dismissing what Ms. Labine and her co-workers knew to be obvious loan sharking activity as "just friends loaning money to friends."
- 104) Publicly, management denied any organized crime presence in the casinos, but Ms. Labine continued to notice and record instances of management awareness of and even communication with organized crime figures.
- 105) In one incident, Ms. Labine noted having seen a casino vice-president shaking hands and engaging in long conversations with a man eventually identified as a Big Circle Boys kingpin, top casino loan shark, and violent drug trafficker.

- 106) In another incident, higher management prevented the removal from the casino of a gang associated VIP gambler who had threatened female staff.
- 107) In addition to keeping a detailed journal, Ms. Labine began working with the BCGEU on a unionization drive in the hope of securing a safer, gang-free workplace for herself and her co-workers.
- 108) Our union worked hard on that campaign but, ultimately, we lost. And, because of her union activity, Ms. Labine got fired.
- 109) Though Ms. Labine went on to work as an organizer for the BCGEU with a passion and talent for the casino sector, casino employers barred her from the floor of most Lower Mainland casinos in an effort to stop their employees from sharing their stories and seeking the protection of a union.
- 110) Though Ms. Labine was unable to directly observe suspicious activities in casinos, she was well-known and well-connected in the sector and continued to hear reports of problems from other workers.
- 111) Ms. Labine is just one casino worker and her story is just one story.
- 112) Our union is actively engaged in reaching out to our members with experience in the casino sector as well as the other key sectors I mentioned earlier to collect their stories of how the situation we now face was allowed to happen.
- 113) We are making every effort to encourage our members to share their stories with the Commission while also ensuring they feel, and are, safe from repercussions in their workplace and elsewhere.
- 114) We will continue our efforts throughout these proceedings.
- 115) We also intend to offer the perspective of frontline workers currently tasked with implementing the new anti-money laundering regime in the casino sector, specifically regarding the weaknesses of that regime and its implementation.
- 116) Since taking office in 2017 and based on the recommendations of the German Reports and others, the current provincial government has begun to take action to mitigate the impacts of money laundering in high risk sectors including casinos.
- 117) While the BCGEU applauds the government's efforts in this regard, according to our members, the early days of implementation have had mixed results.
- 118) We intend to bring forward the experiences of BCGEU members currently working on the "front-lines" in the casino sector who tell us of ongoing problems with the anti-money laundering measures being introduced, including:

- 119) Ineffective procedures that download monitoring, tracking, and enforcement tasks to floor level employees, rather than developing comprehensive and integrated systems to accurately monitor transactions.
- 120) These procedures make it difficult for staff to accurately track patrons' cumulative transactions across multiple games and tables, opening the door evasion of anti-money laundering measures, which only come into effect once certain thresholds are reached.
- 121) This decentralized approach to tracking and monitoring makes it difficult for employees to spot suspicious activity while also increasing staff workload and making staff vulnerable to potential discipline if casino management or regulators judge that procedures have not been completed properly.
- 122) In addition, many casino workers report a lack of proper training on the completion of forms meant to capture suspicious activity, and fears of discipline in cases where they unwittingly fill out the forms incorrectly.
- 123) In some cases, anti-money laundering duties that had previously been done by management are now being downloaded to staff.
- 124) Staff also report the persistence of a management culture that encourages employees to appease and enable VIP gamblers and keep them playing, even in the face of problematic activity and behaviour.
- 125) Our members report that, in many cases, management are simply going through the motions of compliance with AML measures while making clear to employees that these measures are unwanted requirements that are the fault of regulators or even the employees' union.
- 126) By bringing forward the lived experiences and evidence of our members our union hopes to inform the Commission's work addressing two of the three questions that inspired the BCGEU to launch our Public Inquiry Now campaign:
 - a) How did we get where we are?
 - b) What can we do to remediate the damage and make sure nothing like this happens in other sectors?
- 127) It is our sincere hope that the Commission's work will also address the other question that formed the foundation of our campaign: Who was responsible and how will they be held accountable?
- 128) With that, I would like to thank the Commission for the opportunity to make this submission.

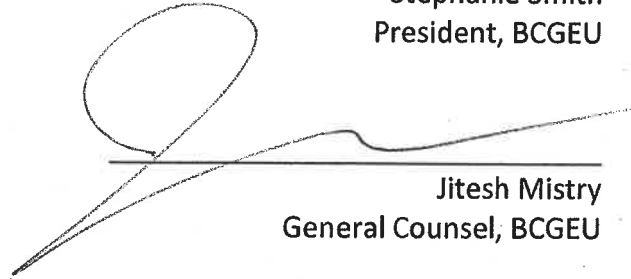
129) On behalf of the 80,000 members of the BCGEU I look forward to contributing to the work of the Commission over the coming weeks and months.

130) Thank you.

Date: February 24, 2020

A handwritten signature in cursive script, appearing to read "Stephanie Smith", written over a horizontal line.

Stephanie Smith
President, BCGEU

A handwritten signature in cursive script, appearing to read "Jitesh Mistry", written over a horizontal line.

Jitesh Mistry
General Counsel, BCGEU