

GAMING POLICY AND ENFORCEMENT BRANCH

*Ministry of Housing and
Social Development*

ANNUAL REPORT

*April 1, 2008 to
March 31, 2009*



**BRITISH
COLUMBIA**

The Best Place on Earth

Know your limit, play within it

SERVICE

PROTECTION

COMPLIANCE

TABLE OF CONTENTS

| | |
|----|--|
| 1 | Table of Contents |
| 2 | Letter of Transmittal |
| 3 | Accountability Statement |
| 4 | Key Facts About Gaming in British Columbia |
| 6 | Service |
| | <ul style="list-style-type: none">• Supporting community organizations (community gaming grants)• Benefiting community organizations (licenced gaming events)• Ensuring citizens are protected from risks related to excessive gambling |
| 18 | Protection |
| | <ul style="list-style-type: none">• Protecting citizens through laws and regulations• Ensuring suitable people and companies are involved with gaming• Ensuring gaming equipment and products are fair• Ensuring the proper conduct of horse racing |
| 24 | Compliance |
| | <ul style="list-style-type: none">• Auditing for compliance• Enforcing the rules and regulations of horse racing• Enforcing the rules and regulations of gaming |
| 30 | Public Satisfaction with the Regulation of Gaming |
| 32 | Where the Money Goes |
| 34 | Looking Ahead |
| 36 | Appendices |
| | <ul style="list-style-type: none">• Appendix A: Gaming industry legal and operating framework• Appendix B: Gaming permitted in British Columbia• Appendix C: Source and distributions of revenues• Appendix D: Gaming Policy and Enforcement Branch operating budget and expenditures |

LETTER OF TRANSMITTAL

I am pleased to submit the Gaming Policy and Enforcement Branch 2008/09 Annual Report to the British Columbia Legislature. The information presented in this report reflects the activities of the Ministry of Housing and Social Development's Gaming Policy and Enforcement Branch for the 12 months ending March 31, 2009.

The Gaming Policy and Enforcement Branch is responsible for the regulation of British Columbia's gaming industry. The Branch's mandate is to ensure that gaming is operated with honesty and integrity and that the interests of the public and participants are protected.

On June 23, 2008, the Gaming Policy and Enforcement Branch moved from the Ministry of Public Safety and Solicitor General to the Ministry of Housing and Social Development.

Over the past two years, British Columbia's lottery retail network has been reviewed by the Branch, the British Columbia Ombudsman and an independent auditor. Each of these reviews identified gaps in the regulation of lottery gaming. As a result, eighty-one recommendations were made to the Gaming Policy and Enforcement

Branch and the BC Lottery Corporation. The Branch implemented all of the recommendations made in its own report and by the Ombudsman. All of the recommendations made by the independent auditor, Deloitte and Touche, will be fully implemented in 2009.

The potential for fraud can never be completely eliminated: However, the work completed by the Branch in the past two years has ensured that the risk of fraud will be effectively managed through proper safeguards and regulatory oversight.

In 2009/10, the Branch will continue to employ innovative programs and practical new tools to address challenges. The Branch's goal is to have the best regulated gaming jurisdiction in North America. This goal requires strong relationships with industry stakeholders and effective enforcement of applicable laws and regulations.

I look forward to continuing to work closely with Branch management and staff to ensure the effective regulation of British Columbia's gaming industry and strong protection for customers.

Honourable Rich Coleman
Minister of Housing and Social Development

ACCOUNTABILITY STATEMENT

Honourable Rich Coleman
Minister of Housing and Social Development

Minister:

It is my pleasure to present the Annual Report of the Gaming Policy and Enforcement Branch for the fiscal year 2008/09. The information in this report reflects the activities of the Branch for the 12 months ending March 31, 2009. I am responsible for the contents of the report, including the selection of accomplishments and the manner in which they are reported.

British Columbians can be confident that gaming in this province is effectively regulated, offers a gratifying entertainment opportunity to those who play responsibly and provides valuable funding to community organizations across British Columbia.

The Branch's core mandate is to ensure that gaming in the province is conducted fairly and with integrity. More specifically, the Branch makes sure that trustworthy people and companies are involved in the industry, that gaming revenues are used appropriately, that all incidents of real or suspected wrongdoing are addressed and that anyone experiencing problems related to gambling receives help.

Currently, several jurisdictions are putting extra emphasis on safeguarding fairness in gaming. In British Columbia, this trend is reflected in the significant actions taken by the Branch. In 2008/09, these enhancements included the finalization of a comprehensive lottery retail manager registration process and the development of equipment certification programs and improved lottery and casino audit and investigation programs. Implementation of these initiatives satisfies recommendations made by the British Columbia Ombudsman in her May 2007 report.

In 2009/10, the Branch will conclude implementation of a coordinated formal risk-management strategy for the Branch and for the gaming industry as a whole.

When complete, the Branch will have satisfied all recommendations made by independent auditor Deloitte and Touche in its December 2007 report.

The Branch also is committed to ensuring gaming is conducted in a socially responsible manner. To encourage British Columbians to make healthy choices, the Branch funds responsible gambling programs in universities, community centres and public venues. In addition, the Branch provides free counselling services to anyone anywhere in the province who is affected by gambling issues.

Proceeds from gaming serve British Columbians in important ways. In 2008/09, \$156.3 million was distributed to 6,800 community organizations. These groups include children's ballet clubs, Little League baseball teams, environmental groups, social services organizations, among others. Other gaming proceeds support social programs in British Columbia, primarily health and education.

The Gaming Policy and Enforcement Branch strives daily to maintain British Columbia's position as a global leader in gaming regulation, ensuring that gaming in the province is conducted fairly and responsibly and that revenues are used for the betterment of the people of the province.

I am fortunate to work with talented and enthusiastic people who are committed to ensuring the integrity of this complex and growing industry. My thanks to Branch staff for another year of dedicated and exemplary service.

Derek Sturko
Assistant Deputy Minister & General Manager
Gaming Policy and Enforcement Branch

Ensuring the Integrity of Gaming

The core goal of the Gaming Policy and Enforcement Branch is to ensure the integrity of gaming in the province.

The Branch's work falls into three broad categories:

- Providing **service** to citizens and communities;
- Ensuring citizens and communities are **protected**; and
- Ensuring **compliance** with regulations and standards.

The Branch's activities related to these categories of work are described in the following pages.

KEY FACTS ABOUT GAMING

Gaming is a \$2.6 billion per year industry in British Columbia.

During the past year the gaming sector included over:

- 24,500 jobs directly related to gaming;
- 7,500 licensed gaming events; and
- 250 companies that were directly or indirectly involved in the industry.

As of March 31, 2009, the commercial gaming industry included:

- Provincial and national lottery games, including PlayNow, the BC Lottery Corporation's internet lottery website;
- 17 casinos;
- 14 community gaming centres;
- 12 commercial bingo halls;
- 6 horse race tracks; and
- 25 horse racing teletheatres.

In 2008/09, the regulation of gaming in British Columbia included:

- 6,685 grants and 7,540 gaming event licences issued to charitable and religious organizations;
- New and renewed registrations for:
 - 5,714 gaming workers;
 - 3,436 lottery retailers;
 - 111 senior gaming officials;
 - 1,033 horse racing workers; and
 - 10 gaming services and gaming equipment providers;
- Certification of 581 types of gaming equipment or gaming supplies;
- 474 audits of licensed gaming events and organizations' use of gaming grant proceeds;
- Audits of all casinos, community gaming centres and horse race tracks, and bi-annual audits of commercial bingo halls;
- Reviews of the operations of all 25 teletheatre in the province;
- Investigation of 5,716 notifications of suspicious activity and potential wrongdoing; and
- Audits of the BC Lottery Corporation's compliance with all applicable public interest standards, directives, laws and regulations in relation to the conduct and management of all aspects of commercial gaming.

SERVICE

The Branch provides a range of services to citizens and communities throughout British Columbia. This includes distributing grants to non-profit community organizations, issuing licenses for charitable gaming events, funding programs and services that foster a responsible approach to gaming in both industry participants and consumers, and ensuring problem gambling counselling services are made available to anyone who requests them.

Enhancing Customer Service

Accessing a number of these services is now easier, faster and more efficient for clients than ever before. This is in large part due to the continued expansion of *Gaming Online Services*, the Branch's e-business capacity, which includes the public and gaming service providers in a wide range of business processes.

These online services are available to anyone who has access to a computer and the internet at no cost to the client, 24 hours a day, seven days a week. Government Agents offer assistance, as needed, to those without internet access.

Gaming Online Services enables the public to access a full range of gaming information. For example, community organizations may now apply for various grants and licences, submit required

financial reports and pay fees by credit card – all online. This has resulted in reduced data entry and administrative tasks at the Branch end, significantly improving the Branch's processing efficiency and turn around time.

In addition, gaming service providers and the public may submit to Branch investigators online reports of real or suspected wrongdoing. *Gaming Online Services* also facilitates the creation of, and access to, registration reports for individuals and companies and certification reports for gaming equipment.

Online services also enhance internal operations by improving administrative processes for registration and certification, and by providing valuable tools to track and monitor investigations and a variety of activities related to horse racing. Online services also facilitate the sharing of information among the various divisions of the Branch.

Gaming Online Services is being introduced in five phases. The first three phases were implemented in 2007/08, the fourth in 2008/09, and it is anticipated that the final phase will be introduced in 2009/10. This final phase will further enhance registration services and processes and will allow a shared lottery retailer database between the Branch and the BC Lottery Corporation.

Supporting Community Organizations (Community Gaming Grants)

The Branch distributes government gaming revenues in the form of Community Gaming Grants to eligible community organizations to support a wide range of programs and services throughout British Columbia. In 2008/09, \$156.3 million was distributed to 6,685 charitable organizations on behalf of the Province. Funding to individual organizations is based on the type of organization, the programs and services it delivers and its financial need.

Eligible organizations may be funded to a maximum of \$100,000 through Community Gaming Grants for any combination of program costs and minor capital project costs. For province-wide programs, annual funding to a maximum of \$250,000 may be approved.

In 2008/09, the Branch completed its work harmonizing the Direct Access and Bingo Affiliation grant programs. As a result of this work several standards have been implemented for Community Gaming Grants.

One of these standards is moving all grant recipients to an annual payment model. Annual payments, as opposed to monthly payments, for all recipients of Community Gaming Grants. This shift increases flexibility for community organizations and reduces administrative costs for government.

There are six main sectors funded by Community Gaming Grants:

- Human and Social Services: programs that significantly contribute to the quality of life in a community, including eligible programs presented by service organizations and service clubs;
- Public Safety: programs that support public safety initiatives, disaster relief, and emergency preparedness in British Columbia;
- Environment: programs that support British Columbia's environment or protect the welfare of animals and wildlife;
- Arts, Culture and Sport: programs that support the performing arts, media arts, visual arts, literature, heritage, culture or sports in the community;
- Major Capital Projects: The Branch provides funding to a limited number of organizations that require funds to build, renovate or repair facilities, to a maximum of \$100,000. Organizations must make an equal contribution, and facilities must be open to the public; and
- Parent Advisory Council (PAC) and District Parent Advisory Council (DPAC) grants: PACs and DPACs are automatically eligible for gaming grants under Direct Access and/or Bingo Affiliation grant programs. PACs receive \$20 per student annually, while DPACs receive grants of \$2,500 each year.

Community organizations may apply for these grants during annual application periods specific to the funding sector to which an organization's programs and services apply.

Table 1: Community Gaming Grants (\$ figures in millions)

| Major Grant Funding Sectors | 2008/09 | | 2007/08 | |
|---|--------------|----------------|--------------|----------------|
| | Number | Funding | Number | Funding |
| Human & Social Services | 2,266 | \$73.2 | 2,189 | \$67.2 |
| Environment | 119 | 3.8 | 122 | 3.5 |
| Arts, Culture and Sport | 1,910 | 47.2 | 1,990 | 48.9 |
| Public Safety | 182 | 6.6 | 187 | 6.1 |
| Major Capital Projects | 74 | 4.3 | 73 | 3.8 |
| PACs and District PACs | 1,762 | 13.6 | 1,797 | 13.9 |
| Subtotal Major Funding Sectors | 6,313 | \$148.7 | 6,358 | \$143.4 |
| One-time Special Grant Programs | | | | |
| One-time grants | 12 | \$3.5 | 5 | \$0.8 |
| BC150 Volunteer Incentive Program | 26 | 0.1 | n/a | n/a |
| BC150 Years Celebrations | 173 | 1.3 | 30 | 0.3 |
| Playground Grants | 146 | 2.5 | 97 | 1.5 |
| Sportsfunder | 0 | 0.0 | 82 | 2.0 |
| Bingo Association Grants | 15 | 0.2 | 17 | 0.2 |
| Subtotal One-time Special Grants Program | 372 | \$7.6 | 231 | \$4.8 |
| Total Community Gaming Grants | 6,685 | \$156.3 | 6,589 | \$148.2 |

One-Time Special Grant Programs

In addition to six main funding sectors the Branch also manages several one-time special grant programs. These targeted, short-term grant programs target priorities of government. In 2008/09, the Branch administered three one-time grant programs: PAC Playground; BC150 Celebration; and the BC150 Volunteer Incentive Program.

PAC Playground grants provide funding to PACs to build or replace playground equipment at schools around the province. In 2008/09, a total of 146 grants totalling \$2.5 million were distributed to PACs. Grants were distributed on the basis of demonstrated need. Priority was given to PACs where no playground equipment existed or where current equipment had been, or was scheduled to be removed.

To help British Columbians celebrate the 150th anniversary of the founding of the province, the Branch distributed BC150 Celebration grants to non-profit community organizations for celebration projects and events held in 2008. In 2008/09, \$1.3 million was distributed to 173 organizations.

The BC150 Volunteer Incentive Program grant program was developed to recognize volunteers' contributions to fundraising events in support of special purposes or projects. Organizations can apply for grants of up to \$5,000. In 2008/09, 26 grants were distributed, totalling \$80,850.

One-time Grants

To enhance the benefits of specific projects that have a significant, positive impact on British Columbians, the Branch distributes a limited

number of one-time grants to exceptional organizations. In 2008/09, 12 organizations received such grants, for a total of \$3.5 million.

Sportsfunder

In 2005/06, the BC Lottery Corporation introduced a new product line, SportsFunder, from which net revenues are allocated through the Community Gaming Grant program to benefit amateur athletes, in support of the Vancouver 2010 Olympic and Paralympic Winter Games. Funding is dependent on SportsFunder sales, which have been lower than anticipated. In 2008/09, no SportsFunder grants were distributed.

In 2009/10, the Corporation will work to develop new products to increase funding for the SportsFunder grant program.

Bingo Association Grants

Bingo Affiliation grants were introduced in 2002 when the Corporation assumed responsibility for the conduct and management of bingo halls. Each hall had a bingo association that was responsible for organizing volunteers from affiliated charitable community organizations. The Branch provided grants to these associations to cover administrative costs.

In 2008/09, the Branch eliminated the volunteer requirement for community organizations affiliated with bingo halls. The Branch is working with Bingo Associations to determine what roles and/or responsibilities these organizations could take on in the future.

Benefiting Community Organizations (Licensed Gaming Events)

In addition to distributing gaming grants, the Branch issues gaming event licences to eligible charitable and religious organizations throughout British Columbia that wish to raise funds to support their community programs and services.

More than 7,500 licences were issued in 2008/09. Collectively, community organizations raised \$35.6 million to support their projects and services, an increase of 12 per cent over 2007/08.

The Branch is responsible for ensuring that charitable gaming events are conducted in a fair and transparent manner. To this end, the Branch ensures that organizations that apply for a charitable gaming licence are in good standing, have a democratic governing structure and open membership, and operate according to sound financial practices. In addition, the Branch regularly audits licensees to ensure they follow rules and guidelines designed to protect the public.

Gaming event categories available for licensing are: ticket raffles, independent bingos (which are conducted in facilities other than commercial bingo halls), wheels of fortune, and social occasion casinos (casino-style events without slot machines).

Based on public demand and the success of a pilot project held in 2007, Texas Hold'em style poker tournaments are now also considered a licensable gaming event.

Organizations wishing to conduct a gaming event must do so under one of four types of gaming event licences: Class A; B; C; or D. The class of licence issued depends on the organization's structure and operation, the amount of money it expects to raise, prize value and ticket price.

All charitable gaming events must be operated on a not-for-profit basis, and net revenues must go to programs or services that directly benefit the community. In addition, organizations conducting Class A, B or C gaming events must have their organizational structure approved by the Branch.

Class A

Class A licences are issued to eligible charitable and religious organizations for gaming events expected to generate gross revenue exceeding \$20,000.

Class A gaming events earned a total of \$23.4 million in 2008/09. Several organizations earned more than \$500,000 for charitable causes. These included the British Columbia Children's Hospital Foundation (\$2.4 million), the Variety Club of British Columbia (\$1.9 million), the Vancouver General Hospital and University of British Columbia Hospital Foundation (\$1.6 million), the Canucks for Kids Fund (\$0.9 million) and the Peace Arch Hospital and Community Health Foundation (\$0.9 million).

Class B

Class B licences are issued to eligible charitable and religious organizations for gaming events expected to generate up to \$20,000 in gross revenue.

Class B gaming events earned a total of \$7.7 million in 2008/09, an average of \$1,900 per event.

Class C

Class C licences are issued to approved community fairs and exhibitions that operate ticket raffles, bingos, wheels of fortune and limited casinos. These licences are issued to a select number of established fairs and exhibitions on a case by case basis.

Class C gaming events earned a total of \$2.3 million in 2008/09. The majority of this was earned by the Pacific National Exhibition. Class C licenced gaming events were also held at the Prince George Exhibition, the Alberni District Fall Fair and the Interior Provincial Exhibition and Stampede held in Armstrong.

Class D

Class D licences are issued to eligible groups or organizations wishing to conduct small-scale fundraising events expected to generate up to \$5,000 in gross revenue. This licence was introduced in 2007 in response to requests from a number of groups, individuals and organizations who could not meet the eligibility criteria in place for large-scale fundraisers, but who nonetheless wished to contribute to various programs and services within their respective communities.

Class D gaming events are restricted to ticket raffles and independent bingo events. Eligibility of Class D applications is based on how the funds generated will be spent, rather than the structure of the organization.

Class D gaming events earned a total of \$2.2 million in 2008/09, an average of \$700 per event.

Table 2: Charitable Gaming Events (all \$ figures in thousands)

| Licence Class | Licence Type | 2008/09 | | 2007/08 | |
|----------------------------------|-------------------------------|--------------|-------------------|--------------|-------------------|
| | | Number | Earned | Number | Earned |
| Class A | Minor | 172 | \$3,560.2 | 197 | \$3,327.7 |
| | Major | 36 | 2,032.6 | 36 | 2,275.9 |
| | Registered | 18 | 14,525.8 | 20 | 11,013.7 |
| | Independent Bingos | 147 | 3,282.6 | 151 | 2,431.9 |
| | Total Class A Licences | 373 | \$23,401.2 | 404 | \$19,049.2 |
| Class B | Raffles | 3,750 | \$7,138.6 | 4,218 | \$7,693.3 |
| | Independent Bingo | 149 | 368.0 | 162 | 360.2 |
| | Wheels of Fortune | 25 | 38.9 | 33 | 40.2 |
| | Social Occasion Casino | 28 | 32.3 | 35 | 41.8 |
| | Poker | 57 | 87.2 | 5 | 5.6 |
| | Total Class B Licences | 4,009 | \$7,665.0 | 44,53 | \$8,141.2 |
| Class C | Raffles | 4 | \$2,013.3 | 5 | \$2,430.2 |
| | Independent Bingo | 1 | 1.0 | 1 | 4.5 |
| | Limited Casino | 1 | 104.9 | 1 | 209.9 |
| | Wheels of Fortune | 2 | 201.0 | 2 | 294.6 |
| | Total Class C Licences | 8 | \$2,320.3 | 9 | \$2,939.2 |
| Class D | Independent Bingo | 72 | \$51.1 | 32 | \$19.8 |
| | Raffles | 3,077 | 2,142.0 | 2,199 | 1,519.7 |
| | Total Class D Licences | 3,149 | \$2,193.1 | 2,231 | \$1,539.4 |
| Total—All Licence Classes | | 7,540 | \$35,579.5 | 7,097 | \$31,669.0 |

Ensuring Citizens are Protected from the Risks Related to Excessive Gambling

In 2003, Government launched the Province's Responsible Gambling Strategy. The Strategy's three core goals are to:

- Reduce the incidence of problem gambling;
- Reduce the harmful impacts of excessive gambling; and,
- Ensure gambling is delivered in a manner that encourages responsible practices and healthy choices.

These goals guide the delivery of service in two key areas: problem gambling counselling and responsible gambling awareness services. In addition, the Strategy guides the Province's problem gambling and responsible gambling research agenda.

Reducing the incidence of problem gambling

The Branch is addressing the first goal of the Strategy by creating greater awareness of problem gambling issues and services, and by educating players to understand the risks, know their limits and to play within their means.

In 2008/09, the Branch contracted 20 service providers to deliver problem gambling education and prevention programs. These service providers deliver community-based education presentations and training sessions that encourage people to make healthy choices and provide information on how to prevent gambling problems.

Topics include the identification of problem gambling behaviours, appropriate responses to a friend or family member experiencing problems, how to access counselling services, common myths related to gambling (such as the concept of skill versus luck), and responsible play practices for those who chooses to gamble.

Approximately 1,900 presentations were made in 2008/09 to a variety of audiences, including community organizations, seniors groups, elementary and secondary school classes, treatment centres, gaming industry workers and health care professionals.

Research indicates that problem gambling behaviour often starts at an early age. Reasons for this include low risk-aversion and belief in myths, including, for example, that if you play long enough, you will eventually win. Over the past three years, the Branch has sponsored a school-based problem gambling prevention tool called *Know Dice*. This multimedia program teaches Grade six students about the risks related to gambling and the facts that dispel the myths. Throughout 2008/09, the program was delivered in schools across the province.

As children grow up, they become better able to tell the difference between myth and fact. However, the tolerance for risk often remains high, and it can have devastating impacts on young people. Young adults, particularly 18 – 24 year-old males, are at an increased risk of developing gambling problems.

Since January 2008 the Branch has partnered with the Responsible Gambling Council in Ontario to bring an interactive problem gambling awareness program called *Know the Score* to British Columbia. The program:

- Dispels myths about winning and losing;
- Identifies signs of problem gambling;
- Informs students of local resources that help treat gambling-related problems; and
- Suggests ways to limit gambling risks.

Staffed by contracted prevention providers and students from the host school the *Know the Score* program was delivered to about 12,300 students on 13 campuses in British Columbia. The table below provides details.

The Branch is currently coordinating and standardizing its problem gambling prevention efforts across the province. This coordination will include posting educational materials on the British Columbia Responsible Gambling website so educators, public health officials and other individuals can have easy access to information and services.

In 2009/10, the Branch will enhance its problem gambling prevention service to include two more “at-risk” populations: seniors and Aboriginal peoples. These enhancements include the development of a theatre production that will be performed throughout British Columbia, primarily at seniors’ facilities. In addition, the Province will contract with professionals to provide problem gambling prevention services to Aboriginal peoples.

Table 3: Know the Score Presentations

| Post-secondary Institution | Community | Number of Interactions |
|---|------------------|-------------------------------|
| University of Northern British Columbia | Prince George | 1,174 |
| Kwantlen University College (Surrey campus) | Surrey | 873 |
| UBC-Okanagan | Kelowna | 1,520 |
| Okanagan University College | Kelowna | 1,254 |
| Northwest Community College | Terrace | 350 |
| Selkirk College | Castlegar | 642 |
| Camosun College | Victoria | 1,182 |
| University of Victoria | Victoria | 816 |
| British Columbia Institute of Technology | Burnaby | 793 |
| Kwantlen University College (Richmond campus) | Richmond | 915 |
| Thompson Rivers University | Kamloops | 1,239 |
| University of British Columbia | Vancouver | 622 |
| Vancouver Island University | Nanaimo | 923 |
| Total | | 12,303 |

Reducing the harmful impacts of excessive gambling

In 2008/09, the Branch contracted with 36 professional clinical counsellors across British Columbia to provide problem gambling counselling services. These services are provided free of charge to anyone experiencing a problem with gambling or affected by someone else's gambling. Group and/or individual therapy sessions are available at the client's convenience. If required, the counsellor will travel in the evening or on a weekend to a location of the client's choosing and/or provide counselling over the telephone or internet.

In 2008/09, the Branch sponsored a pilot of an innovative counselling program called Discovery. The Discovery program is a day, evening and

weekend treatment program that is designed to help individuals with gambling problems develop the knowledge and skills to effectively address gambling related issues. The Discovery program will continue to evolve and will expand in 2009/10.

The Branch also funds a dedicated, 24-hour toll-free Problem Gambling Help Line. Operators provide crisis counselling and refer individuals and/or their families to community treatment and prevention services provided by the Province. The Help Line and the free counselling services constitute an immediate response network designed to ensure that anyone experiencing difficulties as a result of excessive gambling receives professional clinical help.

Table 4: Responsible Gambling Program Statistics

| Program Figures | 2008/09 | 2007/08 |
|---|---------|---------|
| Total Help Line calls (includes erroneous calls and hang-ups) | 6,228 | 5,656 |
| Calls made to Help Line specific to problem gambling | 6,006 | 4,938 |
| Referrals to the Problem Gambling Program | 2,864 | 2,695 |
| Counselling service admissions | 1,280 | 1,054 |
| Number of prevention information sessions delivered | 1,373 | 1,855 |
| Contracted service providers | | |
| Clinical counsellors | 36 | 36 |
| Prevention service providers | 22 | 24 |
| Provincial coordinators | 2 | 3 |
| Responsible Gambling Officers (RGIC Staff) | 25 | 9 |

Ensuring that gambling is delivered in a manner that encourages responsible gambling and healthy choices

Three key Branch programs ensure that problem gambling prevention and responsible gambling practices and policies are maintained within the gaming industry. The first two, the Responsible Gambling Information Centre and Appropriate Response Training program, are delivered in partnership with the BC Lottery Corporation. Through the third program, the Branch conducts comprehensive audits of all casinos, race tracks, community gaming centres and bingo halls for compliance with the Province's Responsible Gambling Standards.

Since 2006/07, the Branch and the BC Lottery Corporation have co-managed the Province's Responsible Gambling Information Centre program. Information Centres are located in every casino in the province. The centres are staffed by trained individuals who provide referrals and on-site education to casino patrons seeking information or anyone experiencing distress related to gambling. In 2009/10, the Branch and the Corporation will expand the Information Centre program to ensure trained personnel are available to provide educational and referral services at every casino and community gaming centre in the province.

Appropriate Response Training is an educational program for gaming workers designed to enhance their knowledge, awareness, attitudes and skills, and enable them to respond appropriately to patrons who may be experiencing distress in a gaming facility. The Branch supports Appropriate Response Training by providing problem gambling treatment and prevention experts to conduct the training sessions.

In July 2005, the Province issued responsible gambling standards for the entire British Columbia gaming industry. The standards ensure:

- Minors are prevented from participating in gambling activities;
- Patrons are equipped to make informed decisions regarding gambling activities;
- Gambling related risks are minimized; and
- Persons affected by excessive gambling have access to timely and effective information and assistance.

These standards apply to the BC Lottery Corporation, all gaming service providers and all commercial gaming facilities.

Every year, the Branch audits every casino, race track and community gaming centre, as well as about half of the commercial bingo halls in the province. The Branch also inspects approximately 20% of the lottery retailers to ensure facilities comply with these standards. The results of these audits are summarized in the Responsible Gambling Strategy annual report found at:

www.bcresponsiblegambling.ca

Research

The Branch sponsors ongoing research into problem gambling and responsible gambling issues. Full copies and descriptions of the research undertaken by the Branch can also be found on the Responsible Gambling website at:

www.bcresponsiblegambling.ca/problem/research

PROTECTION

The Branch is responsible for ensuring the integrity of all gaming and gaming events in British Columbia. This means the Branch scrutinizes every company and individual involved in the gaming industry and every type of gaming equipment. It also means the Branch maintains regulatory oversight of the BC Lottery Corporation. The Corporation conducts and manages lotteries, casinos, community gaming centres and commercial bingo halls, while the Branch monitors all gaming services providers and gaming workers, British Columbia's horse racing industry and licensed gaming events.

Protecting citizens through laws and regulations

The Branch fulfills its mandate under Canada's Criminal Code and the Province's *Gaming Control Act* and *Gaming Control Regulation*.

In 2008/09, the Branch issued a Minister's directive to limit to 40 the number of teletheatre licences permitted in British Columbia. Teletheatres, which were previously limited to 26 under an Order-In-Council that had been in place since 1996, present simulcast satellite broadcasts of horse races run at local, national and international tracks.

Increasing the cap from 26 to 40 allows the horse racing industry to generate additional revenues to support the long-term viability of horse racing in British Columbia. The majority of new teletheatres are located in existing casinos and community gaming centres, rather than in pubs and bars. This serves to consolidate gaming within existing gaming facilities. The Branch does not issue a teletheatre licence unless the activity has been approved by the host local government.

Ensuring the right people and companies are involved with gaming

Each year thousands of individuals and dozens of companies apply to be registered with the Branch. The registration program is in place to ensure that only suitable candidates are involved in the gaming industry. A background investigation of each registrant includes, but is not limited to, a criminal record check and a credit check. In some cases interviews are conducted to confirm if the applicant meets standards of integrity for the gaming industry. If successfully registered with the Branch, registrants are monitored to ensure that they continue to adhere to the conditions of registration set by the *Gaming Control Act* and *Gaming Control Regulation*.

The Branch's registration program is divided into three sectors: corporate registration, gaming personnel registration, and lotteries registration.

Corporate Registration

The Corporate Registration unit scrutinizes businesses working in the gaming industry as well as the senior executive personnel attached to those businesses. Businesses registered with the Branch include many large public and privately owned companies, such as casino, bingo and horse racing operators and suppliers and manufacturers of gaming equipment, such as slot machines are also regulated. The Branch also registers other gaming service providers, such as gaming consultants and security and ancillary services, including food and janitorial services provided at gaming facilities.

In 2008/09, the Corporate Registration unit also monitored the regulatory compliance of 250 companies, and investigated and approved organizational changes, including changes in directors, ownership, shareholders, investors and lenders.

Personnel Registration

The Personnel Registration unit registers all individuals involved in the gaming industry (except lottery retailers; see below). This includes all individuals directly involved in the industry, such as casino, bingo and horse racing workers, as well as those indirectly involved, including employees of the Corporation or the Branch.

In 2008/09, the Personnel Registration unit observed a decrease in the number of new

registrations as the year progressed due to a slowing of turnover in the gaming industry. This reflects the current economic climate in the province. Some expansions within the gaming industry that were originally planned for the year were put on hold because of the economy. The number of personnel registration renewals in 2008/09 declined as well.

Registration of Lottery Retailers

In response to allegations of lottery retailer fraud in Ontario, the Branch began to register lottery retailer managers in 2007. This work included registering managers already working at the approximately 4,000 lottery retail outlets in the province. This enhanced the Branch's capacity to ensure the integrity of lottery operations and to mitigate the potential risks represented by

Table 5: Registration Figures

| Corporate Registrations | 2008/09 | | 2007/08 | |
|---------------------------------------|---------|---------|---------|---------|
| | New | Renewal | New | Renewal |
| Gaming service providers | 5 | 10 | 12 | 19 |
| Gaming equipment suppliers | 5 | 6 | 4 | 4 |
| Ancillary service contractors | 10 | 7 | 8 | 2 |
| Senior officials and senior employees | 111 | 148 | 117 | 171 |

| Personnel Registrations | 2008/09 | | 2007/08 | |
|----------------------------------|---------|---------|---------|---------|
| | New | Renewal | New | Renewal |
| Gaming workers | 4,374 | 1,311 | 5,008 | 2,358 |
| Lottery retail managers | 3,436 | n/a | 2,923 | n/a |
| Horse racing workers | 412 | 621 | 168 | 1,009 |
| Branch and Corporation personnel | 323 | 13 | 124 | 11 |

Summary of Refusals, Revocations, and Cancellations

Each year, for a variety of reasons, the Branch refuses to register certain individuals. The most common reasons include inappropriate behaviour that calls into question the honesty and integrity of the applicant, including, but not limited to failure to pass a criminal record check; outstanding criminal charges; or the failure to fully disclose all information requested in the application or during any subsequent investigation. Having a criminal record does not automatically exclude an applicant from being registered. However, all applicants are thoroughly vetted to ensure their suitability to participate in the gaming industry.

The process of making sure registrants are suitable for the gaming industry continues after registration. Registrants are continually monitored for compliance with the Terms and Conditions of

Registration through such methods as regulatory audits and investigations. If information is determined to be damaging to the integrity of the registrant or does not comply with the regulatory requirements of the *Gaming Control Act*, a progressive disciplinary process addresses the concerns. Based on the severity of the transgression, the registration program may issue a sanction, warning, suspension or may cancel registration.

The table below indicates the number of registrations that the Branch revoked due to non-compliance with registration requirements. The table also indicates the number of individuals who voluntarily left the gaming industry.

Table 6: Summary of Revocations and Cancellations

| Type of Registration | 2008/09 | | | 2007/08 | | |
|--------------------------------------|---------|---------|--------|---------|---------|--------|
| | Refused | Revoked | Ceased | Refused | Revoked | Ceased |
| Gaming workers | 61 | 25 | 4,298 | 61 | 24 | 3,690 |
| Horse racing workers ¹ | 4 | 2 | n/a | 6 | 2 | n/a |
| Lottery retail managers ² | 6 | 4 | 772 | 1 | 1 | 1 |

1. The horse racing workforce is highly fluid. As a result it is possible to accurately track the number of individuals departing the horse racing industry.
2. The lottery registration program was started in September 2007.

Ensuring Gaming Equipment and Product are Fair

The Branch's certification process provides the general public with confidence that gaming equipment and gaming supplies work the way they are intended to and deliver the stated odds of winning. Examples of gaming equipment include slot machines, related computer systems, lottery terminals, self-checking lottery machines and electronic table-game equipment. Gaming supplies include lottery products, bingo supplies, table game supplies, and software used for online gaming. Only equipment and supplies certified by the Branch may be used in British Columbia's gaming venues.

In the certification process, gaming equipment and gaming supplies, including pull-tab tickets and scratch and win tickets, are tested against technical standards maintained and published by the Branch. All equipment manufacturers and suppliers must ensure their products meet or exceed the standards. Accredited testing facilities verify compliance with these standards during their testing process.

Sometimes a new lottery scheme is best tested in a live environment. In that case, an interim certification is granted as a first phase in the certification process.

Under the authority of the *Gaming Control Act*, the Branch investigates reports of gaming equipment malfunctions and lottery product issues received from the BC Lottery Corporation and the general public. In 2008/09, the Branch conducted nine technical investigations into real or suspected gaming equipment malfunctions and lottery product complaints.

Certifications are revoked or suspended by the Branch when it is reported by a manufacturer or an accredited testing facility that a particular piece of gaming equipment no longer meets the technical standard under which it was approved. Gaming equipment is routinely upgraded and improved, resulting in certifications being revoked and older versions being abandoned by the manufacturer. Malfunctions in gaming equipment can also invoke a revocation or a suspension of a certification. It is important to note that revocations due to malfunctions affecting game integrity are rare. Software upgrades account for the majority of revocations.

In all instances, gaming equipment that is revoked or suspended must be removed from the gaming floor until it is either repaired or modified. A new Certificate of Technical Integrity is required before the equipment can be returned to service.

Table 7: Gaming Equipment Certifications

| Type of Certification | 2008/09 | | 2007/08 | |
|--|----------------|-------------|----------------|-------------|
| | Certifications | Revocations | Certifications | Revocations |
| Pull-tab lottery tickets | 7 | 0 | 43 | 0 |
| Scratch and Win lottery tickets | 80 | 2 | 52 | 0 |
| E-Lottery (PlayNow interactive games) | 7 | 0 | 17 | 0 |
| Electronic gaming devices and other supplies | 559 | 33 | 489 | 39 |

Ensuring the Proper Conduct of Horse Racing

The Branch regulates and manages horse racing throughout British Columbia. As part of its regulatory framework, the Branch provides effective management of racing events, develops fair and appropriate rules, and licenses all participants in the horse racing industry. The Branch also seeks to enhance the viability of horse racing in British Columbia.

To perform these functions, Branch employees are present at all operating race tracks in British Columbia. In 2008, the Branch oversaw the running of 1,891 races on 186 race dates at the six provincial tracks. In keeping with the racing season, horse racing statistics are reported by calendar year.

In addition to regulating racing events, the Branch develops rules and policies ensure the horse racing industry is conducted and managed fairly and with integrity. As required, the Branch revises and updates the Rules of Thoroughbred and Standardbred Horse Racing in British Columbia. The Branch also meets with key stakeholders in the racing industry on a regular basis to address issues as they arise.

British Columbia's racing industry employs approximately 5,000 licensed owners, jockeys, drivers, trainers, grooms and exercise riders. Everyone who works directly in or provides services to the horse racing industry must be licensed and registered with the Branch. In 2008, 1,033 of horse race workers were either licensed or had their licence renewed.

Table 8: British Columbia Horse Racing Summary

| Thoroughbred Tracks | Race Days | | Live Races | | Horses Ran | |
|----------------------------------|-------------|-------------|--------------|--------------|--------------|--------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Hastings Racecourse (Vancouver) | 71 | 68 | 647 | 610 | 5,189 | 4,864 |
| Sagebrush Downs (Kamloops) | 6 | 6 | 37 | 38 | 283 | 283 |
| Sunflower Downs (Princeton) | 1 | 1 | 9 | 9 | 76 | 76 |
| Kin Park (Vernon) | 3 | 3 | 18 | 18 | 128 | 128 |
| Total | 81 | 78 | 711 | 675 | 5,676 | 5,351 |
| Standardbred Tracks | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Fraser Downs Racecourse (Surrey) | 102 | 102 | 1,156 | 1,123 | 9,408 | 9,029 |
| Sandown Racecourse (Sidney) | 3 | 3 | 24 | 29 | 150 | 206 |
| Total | 105 | 105 | 1,180 | 1,152 | 9,558 | 9,235 |

Note: British Columbia's horse racing schedule is based on the calendar year. The figures included in this annual report reflect the racing figures for the period of January 1, 2008 to December 31, 2008.

All together, it is estimated that the province's horse racing industry provides British Columbians with 7,500 direct and indirect jobs. The overall economic impact of the industry is estimated to be \$350 million per year.

In the last decade, the British Columbia horse racing industry has faced increased competition from other jurisdictions, such as Alberta and Washington. As part of its commitment to stabilize and rejuvenate the horse racing industry, the Province enhances prize purses with revenue from slot machines at race tracks. In 2008/09, over \$6.5 million was shared by the thoroughbred and standardbred sectors.

In addition to this slot machine revenue, the revitalization of the horse racing industry depends upon funds generated from bets wagered at race tracks and teletheatres. Teletheatre sites across the province present simulcast satellite broadcasts of horse races run at local, national and international tracks. In 2008, approximately \$216 million was wagered at racetracks and teletheatres. These funds generated from these bets provide much needed assistance to the racing sector.

Table 9: Horse Race Wagering (\$ figures in thousands)

| Standardbred Racing | | 2008 | 2007 |
|------------------------------------|---------------------|--------------------|--------------------|
| | Fraser Downs | \$7,147.1 | \$7,803.5 |
| Live wagering | Sandown | 97.6 | 163.1 |
| | Total live wagering | 7,244.7 | 7,966.6 |
| Other wagering | | 49,330.8 | 84,554.8 |
| Total Standardbred wagering | | \$56,575.5 | \$92,521.4 |
| Thoroughbred Racing | | 2008 | 2007 |
| | Hastings Racecourse | \$21,617.2 | \$21,775.4 |
| Live wagering | Sagebrush Downs | 85.9 | 84.6 |
| | Kin Park | 79.1 | 78.5 |
| | Princeton | 36.9 | 42.4 |
| | Total live wagering | 21,819.1 | 21,980.9 |
| Other wagering | | 138,243.9 | 102,076.3 |
| Total Thoroughbred wagering | | \$160,062.9 | \$124,057.2 |
| Total wagering | | \$216,638.5 | \$216,578.6 |

COMPLIANCE

The Branch has a number of responsibilities related to ensuring compliance with gaming regulations and standards.

The first is to maintain a comprehensive audit regime focused on commercial and charitable gaming in the province. This includes audits of commercial gaming facilities, horse race tracks, licensed charitable gaming events, the use of community gaming funds received by not-for-profit groups and inspections of lottery retail sites. In addition, the Branch conducts regular audits of all aspects of the BC Lottery Corporation's business, including their PlayNow Internet operations.

A second responsibility is to ensure compliance with the rules and regulations of horse racing. This includes issuing and enforcing rulings for infractions at horse race events.

A third responsibility is to ensure that any allegation of real or suspected wrongdoing related to gaming is investigated. This includes participating in investigations concerning illegal gambling activity and conducting investigations of unlawful activity in legal gaming venues.

Auditing for Compliance

The Branch employs a comprehensive audit strategy to monitor compliance with all applicable legislation, regulations, policies and directives. The Branch's authority is defined in the *Gaming Control Act* and *Gaming Control Regulation*, and is further guided by policy directives and public interest standards.

Under this authority, the Branch delivers a comprehensive risk-based audit strategy that assesses regulatory compliance by the commercial

gaming sector, including lottery gaming, the licensed charitable gaming sector and community organizations' use of gaming proceeds. In addition, the Branch works to improve compliance through public education programs.

The Branch audit unit is separated into two work units: the Commercial Gaming Audit unit and the Charitable Gaming Audit unit

Commercial Gaming Audit Activity

In 2008/09, the Branch managed a comprehensive commercial audit plan. The audit plan's three core objectives are to:

- Verify compliance with the Gaming Control Act, Gaming Control Regulation, Branch directives and public interest standards;
- Maintain the integrity, fairness, security and public safety of the gaming environment, gaming equipment, gaming assets and gaming supplies; and
- Confirm that a safe and supportive environment for the delivery of gaming products and services is in place and that responsible gambling is encouraged, gambling risks are minimized, and effective and timely information and assistance is provided for individuals experiencing distress.

The Commercial Gaming Audit unit is divided into three audit streams. The first stream focuses on commercial gaming facilities and involves conducting compliance audits of the conduct, management and operation of commercial gaming activities by service providers. Every year the Branch audits all commercial casinos, community gaming centres and race tracks in the province. Commercial bingo halls are audited once every two years.

The second audit stream focuses on the Corporation's conduct and management of lottery gaming including the Corporation's PlayNow Internet lottery games. In addition, the Branch conducts inspections of a number of the Corporation's lottery retail sites throughout the province.

The third audit stream focuses on the Corporation's compliance with gaming laws, regulations and public interest standards. Since 2007/08, the Branch has conducted annual audits of a number of the Corporation's internal processes and procedures.

Charitable Gaming Audit Activity

The Charitable Gaming Audit unit conducts audits of licensed gaming events for compliance with terms and conditions for both event conduct and

use of proceeds, and appropriate use of the gaming grant funds. Each year, the Branch audits every large-scale registered raffle in the province as well as a number of smaller-scale charitable licensed gaming events. The audit findings for large-scale registered raffles are accessible on the Branch website at:

www.hsd.gov.bc.ca/gaming/reports/audits

Ongoing work for the Branch includes improving compliance among organizations receiving gaming funds, ensuring proper use of gaming proceeds and enhancing financial accountability on the part of the organizations benefiting from these proceeds.

In 2009/10, the Branch will enhance its long term audit plan by adding in the charitable audit sector to formalize our comprehensive compliance audit plan.

Table 10: Charitable and Commercial Audit Activity

| Type of Audit | 2008/09 | 2007/08 |
|---|---------|---------|
| Commercial gaming site compliance audits | 43 | 39 |
| Compliance audits of the BC Lottery Corporation's commercial gaming business, including PlayNow | 18 | 11 |
| Commercial gaming audits of the Corporation's lottery business (e.g. lottery prize payout) | 8 | 4 |
| Inspections of lottery retailers | 798 | 862 |
| Audits of charitable organizations receiving grants and conducting licenced gaming events | 474 | 576 |
| Percentage of audited gaming fund recipients in compliance | 65% | 77% |

Enforcing the Rules and Regulations of Horse Racing

Regulating the horse racing industry includes enforcing the Rules of Horse Racing and adjudicating matters that occur on the track or in the backstretch area that could have a negative impact on the integrity of horse racing.

In 2008, 298 rulings were issued by the Branch's Stewards and Judges; 87 by stewards for infractions related to Thoroughbred racing and 211 by judges for infractions related to Standardbred racing. This was slightly less than 2007, when 104 rulings were issued related to Thoroughbred racing and 220 rulings were issued related to Standardbred racing.

Table 11: Horse Racing Ruling

| Standardbred Rulings | 2008 | 2007 |
|--|-------------|-------------|
| Whipping violations | 39 | 54 |
| Racing or driving infractions committed during a race | 127 | 112 |
| Drug or alcohol infractions involving either horse or registered horse racing workers | 5 | 11 |
| Inappropriate behaviour in the backstretch area of a race track | 20 | 24 |
| Licensing or registration violations | 1 | 1 |
| Horses that bled during a race | 4 | 3 |
| Restoration of a horse or a horse racing worker to good standing | 9 | 13 |
| Other categories | 6 | 2 |
| Total Standardbred Rulings | 211 | 220 |
| Thoroughbred Rulings | | |
| Racing or riding infractions committed during a race | 24 | 34 |
| Drug or alcohol infractions involving either horses or registered horse racing workers | 14 | 7 |
| Entering an ineligible horse | 13 | 5 |
| Inappropriate behaviour in the backstretch area of a race track | 8 | 18 |
| Licensing or registration violations | 5 | 4 |
| Horses that bled during a race | 1 | 9 |
| Restoration of a horse or a horse racing worker to good standing | 10 | 7 |
| Other categories | 12 | 20 |
| Total Thoroughbred Rulings | 87 | 104 |

Enforcing the Rules and Regulations of Gaming

The Province is committed to ensuring the integrity of gaming in British Columbia. This includes enforcing the laws, regulations and standards related to gambling and ensuring all instances of real or suspected wrongdoing related to gaming and horse racing are thoroughly and independently investigated.

The Branch may use a range of enforcement actions and sanctions in the course of investigating regulatory offences. Under the *Gaming Control Act*, the Branch has the authority to issue warnings, administer sanctions or issue tickets. For more serious violations, the Branch will recommend to Crown Counsel that charges be laid under the *Gaming Control Act* or the Criminal Code.

The Branch's enforcement actions include investigating, or assisting law enforcement agencies in investigating, complaints and allegations of suspected criminal activity and regulatory infractions related to gaming and horse racing in British Columbia. The Corporation and all service providers, licensees and registrants (including lottery retailers) are required to notify the Branch without delay of 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 cheating at play, thefts, fraud, money laundering, loan sharking, robberies, assaults and threats.

Other enforcement actions include conducting all post-registration and post-licensing investigations; investigating illegal gambling activity in conjunction with law enforcement agencies, such as unauthorized lottery schemes or common gaming houses; and providing gaming expertise, proceeds of crime assistance, and forensic audit support to law enforcement agencies throughout the province.

The Branch maintains strong relationships with the RCMP and other municipal police departments in to increase awareness of enforcement issues related to gaming and to identify potential suspects involved in unlawful activity in gaming. The Branch also uses these strong working relationships to identify trends in unlawful activity and to coordinate intelligence concerning unlawful activity in gaming and horse racing. A core focus for 2008/09 (and continuing into 2009/10) is addressing casino-related money laundering, suspicious currency transactions and loan sharking activity in conjunction with police of jurisdiction.

Since 2006, the Branch has publicly reported the number of files generated each year and the status of the files when they were closed. Files are generally divided into three categories: allegations of real or suspected Criminal Code violations (e.g., theft, fraud, cheating at play, etc.); allegations of real or suspected *Gaming Control Act* violations (e.g., barred individuals attempting to enter a gaming venue); or reports made to the Branch that are not related to violations of either the Criminal Code or the *Gaming Control Act* (e.g., inappropriate behaviour in a gaming venue, inaccurate or inconclusive reports, etc.).

In 2008/09, the Branch received 5,716 notifications from registrants, licensees and the Corporation of suspicious activity or suspected wrongdoing. Of these, 2,667 notifications were related to real or suspected Criminal Code violations, 1,266 were related to potential *Gaming Control Act* violations and 1,738 were unrelated to either Criminal Code or *Gaming Control Act* violations.

Of the 1,266 notifications or complaints concerning alleged violations of the *Gaming Control Act*, approximately 80 per cent (998) were notifications of individuals legally prohibited by the BC Lottery Corporation from attempting to enter a gaming facility. Over the past year, the Branch focused on enforcing prohibitions by issuing 100 ticket violation notices to prohibited individuals who attempted to enter a gaming venue. Through its actions, the Branch has observed a decrease in the number of notifications of this type of offence.

As a result of reviews of the Province's lottery retail system conducted by the British Columbia Ombudsman and an independent auditor in 2007, the Branch has significantly enhanced its enforcement activities related to lotteries. This included establishing a lottery investigation unit and enhancing scrutiny of lottery retail operations. In 2009/10, the Branch will continue to focus on investigations of complaints regarding lottery retailers.

Table 12: Investigation Activity Related to Real or Suspected Wrongdoing

| Types of Notification and/or Complaints | Number opened | Cleared files | | | | | | | Ongoing | |
|---|---------------|------------------------|-------------------------|-------------------------|----------|---------------------------|--------------------|------------------------|------------|--|
| | | CC ¹ charge | GCA ² charge | GCA ³ admin. | Warning | Intelligence ⁴ | Other ⁵ | Unfounded ⁶ | | |
| Real or suspected Criminal Code violations | | | | | | | | | | |
| Theft | 1,003 | 12 | n/a | n/a | 0 | 9 | 875 | 29 | 78 | |
| Assault or threats | 406 | 3 | n/a | n/a | 0 | 4 | 370 | 13 | 16 | |
| Fraud | 283 | 2 | n/a | n/a | 0 | 3 | 168 | 49 | 61 | |
| Money laundering or loan sharking | 306 | 0 | n/a | n/a | 0 | 134 | 100 | 59 | 13 | |
| Cheat at play | 99 | 1 | n/a | n/a | 0 | 10 | 82 | 3 | 3 | |
| Counterfeit | 571 | 0 | n/a | n/a | 0 | 538 | 15 | 2 | 16 | |
| Real or suspected Gaming Control Act violations | | | | | | | | | | |
| GCA violations | 267 | n/a | 0 | 191 | 3 | 3 | 45 | 7 | 18 | |
| Prohibited ⁷ | 998 | n/a | 100 | 0 | 0 | 836 | 23 | 5 | 34 | |
| Reports unrelated to either Criminal Code or Gaming Control Act violations | | | | | | | | | | |
| Other | 1,783 | 10 | 2 | 33 | 0 | 55 | 1,508 | 116 | 59 | |
| Total | 5,716 | 28 | 102 | 224 | 3 | 1,592 | 3,186 | 283 | 298 | |

1. Includes files where investigations by the Branch or police of jurisdiction with assistance from the Branch resulted in charges under the Criminal Code.
2. Includes files where investigations by the Branch resulted in charges under the Gaming Control Act which includes issuing Ticket Violation Notices.
3. Includes files where the Branch has investigated breaches of conditions of licenses or registration.
4. Includes files where data on suspect individuals and groups was correlated and filed for future potential investigations or forwarded to police of jurisdiction (RCMP Proceeds of Crime, Major Crime or Commercial Crime, FINTRAC, etc.).
5. Includes files where there was insufficient evidence to lay charges, files which the Branch assisted police of jurisdiction on unrelated criminal matters, files with unidentified suspects, and other non reportable issues.
6. Includes files where there was no substance to the allegation, notification or complaint.
7. This includes notifications of individuals legally prohibited by the BC Lottery Corporation attempting to enter a gaming facility.

PERFORMANCE

Public Satisfaction with the Regulation of Gaming

The Branch's business plan includes a goal to increase public confidence in the regulation and management of gaming. For the past three years, the Branch has surveyed British Columbians' familiarity and satisfaction with Government's efforts to regulate gaming, address problem gambling and distribute gaming revenues. The survey was conducted as part of the BC Stats Community Health Education and Social Services survey.

The 2008/09 survey was conducted in December 2008, and January and March 2009. Respondents were questioned about their familiarity with three key areas and their level of satisfaction regarding each:

- How Government regulates gambling in BC;
- How Government is addressing problem gambling in British Columbia; and
- How Government distributes gaming revenue in British Columbia (e.g., municipal revenue sharing, economic development, charitable gaming, health care, etc).

Previous surveys have established a baseline for overall familiarity and satisfaction with the regulation and management of gambling in BC. With the addition of the 2009 results, the data reinforces trends identified in previous years. The survey indicates there is a strong relationship between levels of familiarity and satisfaction with the government management of gambling in BC. That is to say, the more that individuals know about how the Branch regulates gambling, addresses problem gambling or distributes gaming revenues, the more likely the individual is to be satisfied with those activities. Individuals who knew the least about Branch activities were the most likely to be dissatisfied.

Rates of familiarity have increased with respect to both the regulation of gambling and the government's efforts to deal with problem gambling. There has been no change in rates of familiarity with respect to how government distributed gaming revenues.

The full report is on the Branch website at:

www.hsd.gov.bc.ca/gaming/

Table 13: Public familiarity with the regulation of gambling in the province

| Familiarity with how government is ... | ... regulating gambling | | ... addressing problem gambling | | ... distributing gaming revenues | |
|--|-------------------------|---------|---------------------------------|---------|----------------------------------|---------|
| | 2008/09 | 2007/08 | 2008/09 | 2007/08 | 2008/09 | 2007/08 |
| Very familiar | 10% | 8% | 9% | 8% | 5% | 6% |
| Somewhat familiar | 37% | 39% | 36% | 35% | 31% | 31% |
| Not very familiar | 23% | 26% | 25% | 29% | 27% | 27% |
| Not at all familiar | 30% | 27% | 30% | 29% | 36% | 36% |

Divisional Client Satisfaction Surveys

In 2008/09, the Branch initiated a project to measure client satisfaction with staff performance and efficiency. The first phase of this project, the surveying of clients who apply for community gaming grants and/or charitable gaming licences, began in October 2008. Respondents were drawn from all applicants who applied for any type of licence or grant in the last fiscal year. They were questioned primarily about their level of satisfaction regarding accessibility and clarity of information, timeliness of response, ease in understanding the rules and usability of the website.

The survey results indicated that, in general, clients were quite satisfied with the level of service they received. In particular, clients indicated they were treated fairly and that explanations of decisions

were provided in a clear and understandable manner. The survey also indicated that first-time applicants were less satisfied with services than repeat applicants. In 2009/10 the Branch will work on improving the clarity of application processes to assist first time applicants.

The results of this survey are available on the Branch website at:

www.hsd.gov.bc.ca/gaming/

In 2009/10, the Branch will launch client satisfaction surveys for three additional divisions: Registration and Certification, Horse Racing, and Audit and Compliance.

Table 14: Public satisfaction with the regulation of gambling in the province

| Satisfaction with how government is ... | ... regulating gambling | | ... addressing problem gambling | | ... distributing gaming revenues | |
|---|-------------------------|---------|---------------------------------|---------|----------------------------------|---------|
| | 2008/09 | 2007/08 | 2008/09 | 2007/08 | 2008/09 | 2007/08 |
| Very satisfied | 12% | 11% | 7% | 7% | 5% | 5% |
| Somewhat satisfied | 18% | 18% | 12% | 11% | 12% | 14% |
| Neither satisfied nor dissatisfied | 40% | 41% | 41% | 40% | 44% | 41% |
| Somewhat dissatisfied | 13% | 14% | 18% | 21% | 19% | 20% |
| Very dissatisfied | 17% | 16% | 21% | 21% | 21% | 20% |

WHERE THE MONEY GOES

In 2008/09, commercial gaming in British Columbia grossed \$2.61 billion, an increase of \$144 million (5.8 per cent) over 2007/08. Gaming revenue comes from casinos, community gaming centres, commercial bingo halls and lotteries. After prize payouts and expenses, net government revenue from gaming totalled \$1.1 billion.

Revenue from commercial gaming conducted and managed by the BC Lottery Corporation supports local communities, the horse racing industry, essential government programs and Branch operations. A small portion of net commercial gaming revenues is directed to the federal government.

Supporting Local Communities

Gaming revenue provides significant benefits to people throughout British Columbia. One of every four dollars goes to communities across the province through the Branch's grant program.

Social programs, community services and local economic development are all enhanced by gaming revenue.

In 2008/09, the Branch distributed \$156.3 million in community gaming grants to 6,800 community organizations.

Host local governments, defined as those that host casinos and/or community gaming centres, receive grants for any purpose within their legal authority that is of benefit to the community. In 2008/09, the Branch paid \$83.8 million in grants to 31 host local governments, an increase of \$0.9 million over 2007/08. A further \$9.1 million in gaming revenue was paid into communities that host destination casinos. Since 1999, the Province has distributed over \$450 million in gaming revenue to local governments.

Gaming funds support a wide variety of vital community programs, capital projects and other initiatives.

Several host local governments used gaming revenue in 2008/09 to enhance local infrastructure. Examples included replacing street lights in downtown Campbell River, upgrading dikes in Quesnel and improving water works in Langley. Recreation activities supported by gaming revenues included upgrading curling facilities in Kamloops, building a new tournament facility in Coquitlam and installing lights at the skate board park in Williams Lake.

To support the revitalization of horse racing, the Branch distributed \$6.5 million to the industry through a number of economic and business initiatives, including increased purses. This was a 14 per cent increase over 2007/08. In total, \$1.7 million was directed to the Thoroughbred racing industry and \$4.8 million was distributed to the Standardbred industry.

British Columbia Government Social Programs

Provincial health care and education services receive almost three-quarters of net gaming proceeds. In 2008/09, \$147.3 million in gaming revenue was directed to the British Columbia Government's Health Special Account to be used exclusively for the administration, operation and delivery of health care, health research, health promotion and health education services. Since its creation in 1992, more than \$1.7 billion has been paid directly to this account.

In 2008/09, \$657.7 million was allocated to the Consolidated Revenue Fund to support social programs, primarily health care and education. In the past ten years, more than \$4 billion in gaming revenue has been directed to the Fund.

Gaming Policy and Enforcement Branch Operations

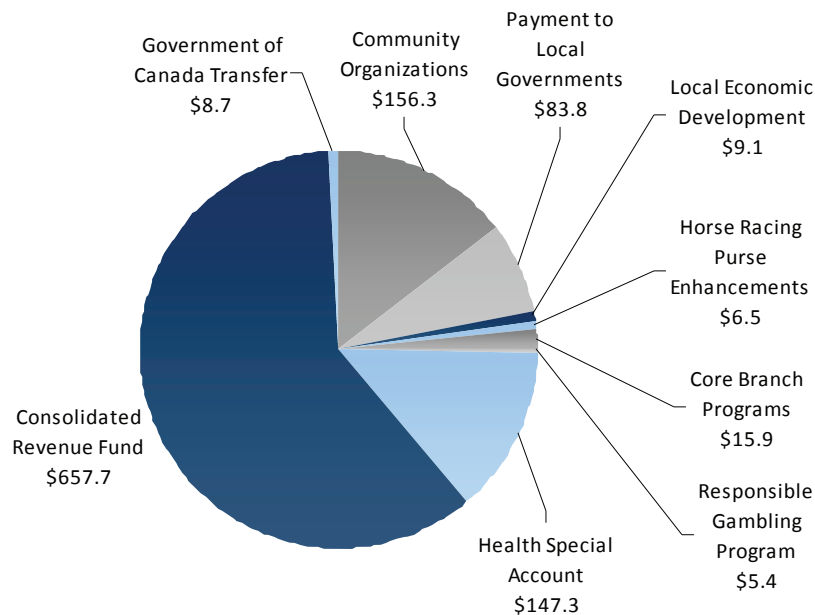
In 2008/09, the Branch spent \$21.3 million on the regulation of gaming, an increase of \$2.2 million over 2007/08. Core operating costs accounted for \$15.9 million, and the programs related to the Branch's Responsible Gambling Strategy accounted for the other \$5.4 million.

Core operating costs increased by \$2.2 million as a result of increased staffing levels needed to address recommendations by Deloitte and Touche. The Deloitte report recommended substantial enhancement of the Branch's work related to audit, investigations, registration, compliance and risk management. These recommendations required the hiring of 23 additional employees.

Government of Canada Transfer

As a part of a revenue sharing agreement between the federal and provincial governments, \$8.7 million of lottery revenues was transferred to the federal government.

Figure 1: Where the Money Goes (2008/09)



LOOKING AHEAD

The gaming industry is complex and continues to evolve. In the past several years, the industry has seen the emergence of more multi-purpose gaming venues, public demand for higher scrutiny of lottery gaming, and an increase in the popularity of illegal and unregulated gambling, including internet gambling sites. Globally, the economic climate is profoundly different from a year ago and this has had an effect on the gaming industry in the province. Mindful of these changes, the Branch will continue to enhance services provided to citizens and communities.

The Branch is responsible for ensuring British Columbia is served by a comprehensive and responsible gaming regulatory framework. To address this responsibility, the Branch's four primary goals in the coming year are to:

- Ensure that gaming and horse racing in the province are conducted with integrity;
- Ensure that problem gambling is effectively addressed and responsible gambling is promoted;
- Ensure that gaming revenues effectively support community initiatives and programs; and
- Ensure that British Columbians are confident in the regulation and management of gaming and horse racing.

Ensure the integrity of gaming and horse racing

In 2009/10, the Branch will continue to play an integral role in ensuring the gaming industry meets high standards of honesty, integrity and financial responsibility.

The Branch will ensure the integrity of gaming through its comprehensive audit plan. The 2009/10 audit plan will include the monitoring of licensed charitable gaming and community

organizations' use of gaming proceeds, and auditing all commercial gaming venues and the BC Lottery Corporation for compliance with legislation, regulations, policies and directives. Throughout the year, the Branch will assess and, where necessary, adjust its audit program or schedule based on its ongoing risk management processes.

The Branch will continue to ensure all real or suspected incidents of wrongdoing are addressed. This includes investigating or, where appropriate, assisting in the investigation of any real or suspected contraventions of either the Criminal Code or *Gaming Control Act*.

The Branch is responsible for developing fair and appropriate rules, and ensuring the horse racing industry is conducted and managed fairly and with integrity. In 2009/10, the Branch will take a lead role in the horse racing sector to fully implement an industry-wide business plan. In addition, the Branch will implement new steroid testing policies for race horses and develop a strategy to address security issues on the backstretch of Fraser Downs race course.

As a result of reviews of the province's lottery business by the Ombudsman and Deloitte and Touche, the Branch has established a new position: Executive Director, Internal Compliance and Risk Management. This position is responsible for formalizing risk management program for the Branch and for developing and implementing a more coordinated approach to risk management for the entire gaming industry. In 2009/10, the Branch will also lead the coordination of a comprehensive risk management strategy for British Columbia's gaming industry.

Effectively address problem gambling and promote responsible gambling

The Branch retains an ongoing commitment that any person who seeks help related to gambling problems is provided with professional and confidential help. The Branch will also continue to deliver problem gambling prevention and responsible gambling information programs, which increase awareness of problem gambling behaviour and encourage responsible gambling practices.

Specific projects that the Branch will undertake to enhance the Province's Responsible Gambling Strategy include establishing a panel of experts to advise the Province on research questions related to problem gambling, fully implementing province-wide youth gambling prevention programs and expanding responsible gambling service within gaming venues.

Ensure that gaming revenues effectively support community initiatives and programs

The Branch is committed to providing non-profit community organizations with a high level of service. To further enhance service levels, the Branch will initiate reviews of its grant and licence application processes. Where appropriate, the Branch will implement changes.

To ensure that its registration services are easily accessible, the Branch will conduct an evaluation of its registration processes through internal reviews and external client satisfaction surveys and, where appropriate, will implement policy and/or process changes. In addition, the Branch will continue to enhance the functionality of Gaming Online Service and thereby provide the public with increased access to current policies and programs.

On behalf of the Province, the Branch will continue to distribute grants to community organizations through its community grant program. The Branch will also continue to license all eligible charitable gaming events in the province.

Ensure British Columbians are confident in the regulation and management of gaming and horse racing

Over the past three years, there has been no statistical change in the percentage of British Columbians who are satisfied with the regulation and management of gaming in British Columbia.

Branch research indicates that there is strong tie between familiarity and satisfaction, that is to say, the more people know about the Branch's efforts the more likely they are to be satisfied with those efforts.

However, public opinion on the regulation of gaming is influenced by a multitude of factors, of which only a few are controlled by government. Those areas over which government has some control, such as increasing public familiarity with the regulation of gaming, strengthening the regulatory framework for gaming and completing work related to enhancing the integrity of the Province's lottery retail system, will continue to be areas of focus for 2009/10.

For further information regarding the work of the Branch in 2009/10 please see the Branch's Business Plan at:

www.hsd.gov.bc.ca/gaming/

APPENDIX A: GAMING INDUSTRY LEGAL AND OPERATING FRAMEWORK

Gaming in the province is regulated under the Criminal Code of Canada and British Columbia's *Gaming Control Act*. Responsibility for ensuring the effective regulation of gaming resides with the Minister of Housing and Social Development. The Minister provides broad policy direction to ensure government's social and economic priorities for gaming are achieved. The Minister is not involved in decisions respecting individuals or specific companies or organizations, nor in the day-to-day management of gaming.

Regulating B.C.'s Gaming Industry

Gaming is regulated by the Gaming Policy and Enforcement Branch. The Branch is made up of seven divisions:

- The Policy, Responsible Gambling and Business Services Division is responsible for developing and maintaining the policy and regulatory framework for gaming and horse racing in B.C. The Division establishes industry-wide public interest standards and manages responsible gambling initiatives and problem gambling treatment programs. The Division also provides financial advice to the Branch executive, administers the Branch budget, makes payments on behalf of the Branch, and provides information and technology support.
- The Licensing and Grants Division is responsible for distributing grants to community organizations and for issuing gaming event licences to eligible organizations.
- The Racing Division is responsible for regulating and managing horse racing in B.C.
- The Registration and Certification Division is responsible for conducting financial and personal background checks on all gaming services providers and gaming workers. The Division also approves and certifies all gaming equipment used in the province.
- The Audit and Compliance Division is responsible for conducting compliance audits of the BC Lottery Corporation, commercial gaming, lottery

gaming, licensed gaming events and community organizations' use of gaming proceeds.

- The Internal Compliance and Risk Management Division is responsible for managing the Branch's internal compliance regime and for coordinating the Branch's and industry's risk management strategies.
- The Investigations and Regional Operations Division fulfills the Branch's enforcement function and is responsible for investigating all complaints and allegations of regulatory wrongdoing. The Division assists law enforcement agencies in criminal investigations in or near gaming and horse racing facilities in B.C. In addition, the Division is responsible for the day to day management of regional offices in Kelowna, Prince George and Burnaby.

Note: On June 15, 2009, the investigative function of the Branch moved to the Ministry of Public Safety and Solicitor General. This move changed the reporting structure for the Division but has not change the work within the Division or the work that occurs within the Branch as a whole.

Conduct and Management of Gaming in B.C.

British Columbia Lottery Corporation

The BC Lottery Corporation conducts and manages all commercial gaming in the province, with the exception of horse racing. Headed by a board of directors, appointed by Cabinet, the Corporation reports to the Minister of Housing and Social Development (Minister of Public Safety and Solicitor General prior to June 2008) and is regulated by the Branch. The Corporation manages all contracts and formal relationships with service providers, as well as all lottery agreements with other provinces and the federal government. In addition, the Corporation sets the rules of play for lotteries, casinos, community gaming centres and commercial bingo halls.

Horse Racing Service Providers

The Branch licenses private companies to conduct and operate live horse racing events at horse racing tracks in British Columbia. These service providers are responsible for conducting horse racing in accordance with rules and regulations as set by the Province in the Gaming Control Act and the *Rules of Thoroughbred and Standardbred Horse Racing*. Pari-mutuel wagering on horse races is regulated by the federal government through the Canadian Pari-Mutuel Agency.

Licensed Community and other Organizations

The Branch licenses community and other eligible organizations to conduct and manage gaming events such as ticket raffles, independent bingos, wheels of fortune and social occasion casinos. Community organizations that host licensed charitable gaming events must comply with the rules and regulations outlined by the Province.

Supporting the Delivery of Gaming in B.C.

Gaming Services Providers

The BC Lottery Corporation contracts with private companies that provide day-to-day operational services at its gaming facilities and lottery outlets. These companies include casino, bingo and community gaming centre operators. Services providers must ensure all gaming employees have taken Appropriate Response Training and that no person under the age of 19 participates in gambling activities or is present where gambling activity occurs.

Key Persons

The Branch identifies as key persons those individuals who hold critical security, operational or financial responsibilities in the gaming and horse racing industries. These individuals include directors, officers and senior employees of any business that is involved with gaming operations in the province.

Gaming Equipment Suppliers

Gaming equipment suppliers manufacture and/or distribute gaming equipment and materials to gaming venues. Manufacturers include companies that produce gaming equipment and materials, such as bingo paper, slot machines and playing chips. Distributors also include companies that market gaming equipment and materials.

Ancillary Service Providers

Ancillary contractors include companies that provide services to gaming operators that are not directly related to the delivery of gaming. These include landlords, janitorial services and concessionaires.

Gaming and Horse Racing Workers

Gaming and horse racing workers are registered by the Province to ensure the integrity, honesty and financial responsibility of gaming and horse racing operations. Gaming workers are individuals who are paid to conduct, manage or present large-scale licensed raffles, casino games, commercial bingos or teletheatres. Horse racing workers include individuals who work for or conduct business with race tracks. These include jockeys, trainers, race horse owners and racing officials.

Horse Racing Teletheatre Operators

The Branch licenses teletheatre sites to present simulcast satellite broadcasts of horse races run at local, national and international tracks. There are 25 teletheatre locations in B.C. Twenty-two are operated by TBC Teletheatre BC in venues across the province. The remaining three teletheatres are located at race tracks (Hastings Racecourse, Fraser Downs Racetrack and Sandown Raceway) and are operated by the Great Canadian Gaming Corporation.

APPENDIX B: GAMING PERMITTED IN BRITISH COLUMBIA

Gaming is a rapidly evolving industry. New products, approaches and methods of delivery are continually being developed. Players' preferences are also continually changing. The Province of British Columbia has chosen to take a cautious and responsible approach in determining the forms of games it will permit and where the games may take place. Such

opportunities must not jeopardize the integrity of the industry, must be capable of being effectively regulated and must be socially responsible. The following table summarizes the forms of gaming the Province has authorized, and the locations where each may be offered.

Table A: Gaming Permitted in British Columbia

| Commercial Gaming | Casinos | Bingo Halls | CGCs* | Co- Located Race Tracks/ Casinos | Race Tracks | Lottery Outlets | Internet | Licensed Events | Pubs & Bars |
|-----------------------------------|---------|-------------|-------|--|----------------|--------------------|----------|--------------------|----------------|
| Commercial Bingo Games | | ✓ | ✓ | | | | | | |
| Lottery Products | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ |
| Slot Machines | ✓ | | ✓ | ✓ | | | | | |
| Table Games | ✓ | | | ✓ | | | | | |
| Poker Tables | ✓ | | | ✓ | | | | | |
| Electronic Table Games | ✓ | | ✓ | ✓ | | | | | |
| Live Horse Racing | | | | ✓ | ✓ | | | | |
| Teletheatres | ✓ | | ✓ | ✓ | ✓ | | | | ✓ |
| Licensed Charitable Gaming | | | | | | | | | |
| Ticket Raffles | | | | | | | | ✓ | ✓ |
| Independent Bingo | | | | | | | | ✓ | ✓ |
| Social Occasion Casinos | | | | | | | | ✓ | ✓ |
| Wheels of Fortune | | | | | | | | ✓ | ✓ |

* Community Gaming Centres

APPENDIX C: SOURCE AND DISTRIBUTIONS OF REVENUES

Table B: Government Gaming Revenues and Disbursements

| Revenue – In (all figures in \$ millions) | 2008/09 | 2007/08 |
|--|------------------|------------------|
| Lotteries | \$254.5 | \$262.0 |
| Horse Racing Betting Fee | 1.9 | 1.9 |
| Casinos | 758.1 | 761.8 |
| Bingo (includes community gaming centres) | 76.2 | 63.2 |
| Total Revenue | \$1,090.7 | \$1,088.9 |
| Disbursements – Out | 2008/09 | 2007/08 |
| Supporting Communities | | |
| Community Organizations | \$156.3 | \$148.1 |
| Payment to Host Local Governments | 83.8 | 83.0 |
| Local Economic Development (DAC) | 9.1 | 18.8 |
| Horse Racing Purse Enhancements | 6.5 | 5.7 |
| Gaming Policy and Enforcement Branch Operations | | |
| Core Programs to Regulate Gaming | 15.9 | 13.7 |
| Problem Gambling Program | 5.4 | 5.4 |
| British Columbia Government Programs | | |
| Health Special Account | 147.3 | 147.3 |
| Consolidated Revenue Fund | 657.7 | 658.4 |
| Government of Canada Transfer | | |
| Under a federal/provincial lottery agreement | 8.7 | 8.5 |
| Total Disbursements | \$1,090.7 | \$1,088.9 |

Table C: Host Local Government Share of Gaming Revenues

| Host Government | Casino or Community Gaming Centre | 2008/09 | 2007/08 |
|----------------------------|---|---------------------|---------------------|
| Burnaby | Gateway Casino Burnaby | \$9,894,191 | \$10,435,052 |
| Campbell River | Campbell R. Bingo Palace* (closed 06/07) | - | 122,951 |
| | Campbell River Chances* (opened 07/07) | 636,530 | 554,408 |
| Coquitlam | Boulevard Casino | 9,677,331 | 9,946,588 |
| Courtenay | Chances Courtenay* (opened 02/08) | 658,252 | 53,553 |
| Dawson Creek | Chances Dawson Creek* | 699,544 | 816,934 |
| Cowichan | Chances Cowichan* | 752,920 | 691,551 |
| Fort St. John | Chances Fort. St. John* (opened 09/07) | 822,731 | 424,771 |
| Kamloops | Lake City Casino Kamloops | 2,147,795 | 2,401,859 |
| | Chances Kamloops* | 385,630 | 306,720 |
| Kelowna | Lake City Casino Kelowna | 2,754,686 | 3,072,288 |
| | Chances Kelowna* | 1,028,289 | 970,691 |
| Ktunaxa Tribal (Cranbrook) | Casino of the Rockies [†] | 1,681,240 | 1,731,597 |
| Langley | Cascades Casino | 6,745,290 | 7,508,464 |
| | Playtime Gaming Langley* (opened 10/08) | 37,058 | - |
| Mission | Chances Boardwalk* (opened 10/07) | 582,778 | 265,244 |
| Nanaimo | Great Canadian Nanaimo | 2,898,471 | 3,054,116 |
| New Westminster | Royal City Star (Riverboat) [†] (closed 12/07) | - | 2,387,439 |
| | Starlight Casino [†] (opened 12/07) | 6,346,230 | 1,776,486 |
| Penticton | Lake City Casinos Penticton [†] | 1,717,191 | 1,853,805 |
| Port Alberni | Chances Rim Rock* (opened 09/07) | 425,452 | 227,557 |
| | Treasure Cove Casino | 2,509,792 | 3,039,251 |
| Prince George | Chances Good Time Prince George (opened 03/08) | 204,473 | 7,755 |
| Prince Rupert | Chances Prince Rupert* (opened 10/07) | 520,981 | 190,606 |
| Quesnel | Billy Barker Casino | 633,093 | 702,038 |
| Richmond | River Rock Casino | 12,099,891 | 12,583,081 |
| Surrey | Fraser Downs | 3,209,360 | 3,923,856 |
| Terrace | Chances Terrace* (opened 01/09) | 80,111 | - |
| | Great Canadian Holiday Inn (closed 11/07) | - | 773,996 |
| Vancouver | Edgewater Casino | 6,463,316 | 5,556,848 |
| | Hastings Racecourse (slots commenced 11/07) | 1,077,132 | 131,842 |
| Vernon | Lake City Casino Vernon | 1,800,089 | 1,862,517 |
| View Royal | Great Canadian View Royal | 4,797,451 | 5,037,149 |
| Williams Lake | Chances Signal Point* | 572,115 | 611,792 |
| Total HLG Revenue | | \$83,859,413 | \$83,022,805 |

* Community gaming centre

[†] Destination casino

APPENDIX D: BRANCH OPERATING BUDGET AND EXPENDITURES

Table D: Branch Budget and Expenditures

| Branch Budget | 2008/09 | 2007/08 |
|-------------------------------------|---------------------|---------------------|
| Core Operations | \$14,142,000 | \$11,766,000 |
| Responsible Gambling Program | 7,002,000 | 6,997,000 |
| Total Branch Budget | \$21,144,000 | \$18,763,000 |
| Branch Expenditures | | |
| Core Branch Operations | 2008/09 | 2007/08 |
| Salaries and benefits costs | \$11,302,378 | \$9,671,374 |
| Operating and business expenses | 3,766,769 | 3,545,678 |
| Legal and professional services | 835,803 | 501,413 |
| Subtotal | 15,904,950 | 13,718,465 |
| Responsible Gambling Program | 2008/09 | 2007/08 |
| Salaries and benefits costs | 183,003 | 233,488 |
| Operating and business expenses | 958,053 | 674,113 |
| Legal and professional services | 52,413 | 427,094 |
| Contracts | 4,190,956 | 4,032,565 |
| Subtotal | 5,384,425 | 5,367,260 |
| Total Branch Expenditures | \$21,289,375 | \$19,085,725 |
| Surplus/(Deficit) | \$(145,375) | \$(322,725) |

Contact information

For more information on the Gaming Policy and Enforcement Branch, or to view this document and others from the Ministry of Housing and Social Development, please go to our website at:

<http://www.hsd.gov.bc.ca/gaming/>

For more information on British Columbia's Responsible Gambling Strategy please go to:

<http://www.bcreponsiblegambling.ca>

The Head Office of the Gaming Policy and Enforcement Branch is located in Victoria, with regional offices located in Burnaby, Kelowna and Prince George.

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