GAMING POLICY AND ENFORCEMENT BRANCH

ANNUAL REPORT

2018/2019

Letter of Transmittal

I am pleased to submit the 2018/19 Annual Report of the Gaming Policy and Enforcement Branch of the Ministry of Attorney General for delivery to the Legislative Assembly and the citizens of British Columbia. The information in this report reflects the activities of the branch between April 1, 2018, and March 31, 2019.

The Gaming Policy and Enforcement Branch is responsible for the overall regulation and oversight of British Columbia's gambling sector. This includes all commercial gambling conducted and managed by the British Columbia Lottery Corporation, licensed charitable gambling events, horse racing and the delivery of responsible and problem gambling programs to the citizens of the province. The branch's activities are intended to ensure gambling is conducted safely and with integrity.

Honourable David Eby, Q.C. Attorney General

Accountability Statement

Attorney General:

I am pleased to present the 2018/19 Annual Report for the Gaming Policy and Enforcement Branch (GPEB). This report covers the period between April 1, 2018 and March 31, 2019. I am accountable for the contents of this document and the basis on which the information has been reported.

As mandated under the *Gaming Control Act*, and within the provisions of the Gaming Control Regulation and the federal *Criminal Code* of Canada, GPEB is responsible for the overall integrity of gambling and horse racing in the province as well as the delivery of responsible and problem gambling programs.

I would like to highlight a few of the branch's key achievements in 2018/19. In June 2018, government released Dr. Peter German's report, *Dirty Money: An Independent Review of Money Laundering in Lower Mainland Casinos*, which made 48 recommendations for preventing money laundering in B.C. gambling facilities. Government accepted all of Dr. German's recommendations in principle and implementation is being led by government in coordination with the BC Lottery Corporation (BCLC). With the release of this report, the branch has prioritized implementation of the recommendations and is collaborating closely with the police, BCLC and service providers to keep the proceeds of crime out of B.C. casinos.

GPEB and BCLC continue to monitor service provider compliance with the Source of Funds Declaration, which requires service providers to complete a Source of Funds Declaration for cash or cash equivalent (e.g. bank drafts and certified cheques) deposits of $10,000 or more. GPEB conducted several source of funds audits of transactions to verify compliance with the policy as it is an integral control in anti-money laundering efforts, and compliance is critical for upholding the integrity of gambling in B.C.

In November 2018, government brought into force amendments to the *Gaming Control Act* to begin the process of creating a more independent gambling regulator. GPEB has focused resources to enhance gambling enforcement by creating a new Enforcement Division that allows GPEB to take a more proactive approach in its investigations and to respond to incidents in real time. Investigators now have an increased presence at five high-volume casinos in the lower mainland and are scheduled during peak times based on a risk assessment of indicators of suspicious activity in casinos.

GPEB also supports and protects communities in the province with responsible gambling prevention, public awareness and treatment services. GPEB has expanded its early intervention services to address identified service gaps. GPEB also created a specialized training team to provide culturally appropriate narrative therapy training to professionals in Indigenous communities, with a focus on expanding gambling support options in remote and rural areas.

Sam MacLeod
Assistant Deputy Minister and General Manager
Gaming Policy and Enforcement Branch

Contents

Letter of Transmittal iii

Accountability Statement iv

Our Organization 3

Core Business Areas 4

Highlights 8

Gambling in British Columbia 11

Integrity of People and Companies Involved in Gambling 13
- Corporate Registration 13
- Personnel and Lottery Registration 14
- Certification 15

Compliance with Regulations and Standards 16
- The Audit Program 16
- Horse Racing 17
- Horse Race Betting Fees 18

Enhanced Enforcement 19
- Reporting Requirements 19
- Investigations 20
- Intelligence Unit 21
- Joint Illegal Gaming Investigation Team 21

Supporting Citizens and Communities 22
- Responsible Gambling Standards 22
- Services and Supports 23
- Responsible Gambling - RG Check 24
- Bridging Service Gaps 25
- Host Local Government (HLG) Payments 26
- Licensing of Gambling Events 27

Gambling Policy, Regulations and Standards 30
- Gaming Control Act Amendments 31
- Unregulated Online Gambling 32

GPEB Operations Support 33
- Financial Services 33
- Information Technology (IT) Support 34

Contents

Appendix A: Gambling Permitted in British Columbia 35

Appendix B: Information Tables 36
Table 1: Corporate, Lottery Retail Registration and Personnel Registration 37
Table 2: Registration Decisions 38
Table 3: Gambling Supplies Certification 39
Table 4: Gambling Audits by Category 40
Table 5: British Columbia Horse Racing Summary 41
Table 6: Horse Racing Rulings 42
Table 7: Horse Racing Wagering 43
Table 8: Investigations and Enforcement Actions of Incident Reports Related to Gambling 44
Table 9: British Columbia Responsible and Problem Gambling Program 45
Table 10: Host Local Government Revenues by Gambling Facility 46
Table 11: Licensed Gambling 47
Table 12: GPEB Budget and Expenditures 48

Our Organization

The Gaming Policy and Enforcement Branch is responsible for the overall integrity of gambling[1] and horse racing in British Columbia. We do that by maintaining a regulatory and service delivery framework that promotes fairness, public safety and public confidence.

Overview

The Gaming Policy and Enforcement Branch (GPEB) regulates all gambling in B.C. GPEB ensures the integrity of gambling industry companies, people and equipment, and ensures compliance with policies and standards established under the *Gaming Control Act* ("the Act") and the Gaming Control Regulation. This includes regulatory oversight of commercial gambling conducted and managed by the British Columbia Lottery Corporation (i.e. lotteries, casinos, community gaming centres, commercial bingo halls and PlayNow.com), B.C.'s horse racing industry and licensed charitable gambling events. GPEB also delivers responsible and problem gambling programs. GPEB's core objective is to ensure that a comprehensive and responsible gambling regulatory framework is in place.

Vision

The public has confidence in B.C.'s gambling industry.

Mission

To uphold the overall integrity of gambling by maintaining government's gambling policy, regulating the gambling sector, and providing related supports, services and community programs that benefit British Columbians.

1 The word "gaming" has become prevalent when referring to the activity of gambling that is used by many official bodies to control the practice. This is true in British Columbia as per the *Gaming Control Act*. However, since the activity of gambling involves a financial transaction, whereas the activity of gaming not necessarily so, this report uses the term gambling. Exceptions include proper pronouns – the G*aming Control Act*, Gaming Control Regulation, Community Gaming Centres, Licenced Gaming Online, Community Gaming Grants, Joint Illegal Gaming Investigation Team, Gaming Online Service, and Gaming Account Summary Report

Core Business Areas

GPEB has six divisions to carry out its core business:

Compliance Division
Enforcement Division
Licensing, Registration and Certification Division
Community Supports Division
Strategic Policy and Projects Division
Operations Division

COMPLIANCE DIVISION

The Compliance Division works to ensure regulatory compliance with the *Gaming Control Act*, Gaming Control Regulation and *Criminal Code* of Canada. The Division conducts inspections and audits of gambling activities in British Columbia to ensure compliance with legislation, regulation and public interest standards and directives. GPEB staff make inquiries into complaints or violations to determine if there is a need for education or training, a resolution through administrative sanctions or a penalty under the *Gaming Control Act*. The division conducts both commercial and charitable gambling audits. It also provides assistance to the Ministry of Municipal Affairs and Housing in auditing and investigating the use of grants provided under the Community Gaming Grants program per the *Gaming Control Act*. The division's Horse Racing Unit develops and enforces rules and policies for horse racing, regulates horse racing events and registers all racing participants.

ENFORCEMENT DIVISION

As part of enhancing GPEB's enforcement response, this Division was created in 2018 and includes the Investigations and Intelligence Units. The investigators respond to instances of any conduct, activity or incident occurring in connection with gambling that could threaten the integrity of the industry. In support of their regulatory responsibilities, this Division enforces provisions of the *Gaming Control Act*, Gaming Control Regulations, *Criminal Code* of Canada and other provincial statutes under the authority of Special Provincial Constable appointments. The Intelligence Unit provides government and its policing partners with information and situational awareness on organized crime and illicit activity impacting the integrity of gambling in B.C. Four investigators, along with a manager from GPEB's Enforcement Division, work as part of the Joint Illegal Gaming Investigation Team's (JIGIT) two operational units. JIGIT was formed to investigate organized crime involvement in illegal gambling and proceeds of crime entering B.C.'s gambling facilities.

LICENSING, REGISTRATION AND CERTIFICATION DIVISION

The Licensing, Registration and Certification Division is responsible for the registration and certification of the gambling industry, and for licensing charitable gambling events. The Registration and Certification Units are responsible for registering companies and individuals involved in gambling, and for certifying gambling supplies and equipment respectively. Their objective is to ensure the integrity of the companies, individuals, supplies and equipment involved in gambling. The Licensing Unit issues gambling event licenses which allow eligible organizations to fundraise by holding a single gambling event or a series of events.

COMMUNITY SUPPORTS DIVISION

The Community Supports Division supports the integrity of gambling in B.C. through the provision of prevention, clinical and Indigenous programs and services to support a healthy understanding and/or involvement with gambling and provide supports for those negatively impacted by gambling products. The division administers the Responsible and Problem Gambling Program, which includes delivering public awareness through education and training in schools and the community, early intervention and harm reduction services including early intervention-community outreach and free clinical counselling for individuals and families negatively impacted by gambling products.

STRATEGIC POLICY AND PROJECTS DIVISION

The *Gaming Control Act* requires GPEB to advise the Minister on broad gambling policy, standards and regulatory issues, and under the Minister's direction, to manage the government's gambling policy. The Strategic Policy and Projects Division meets current and future policy needs by anticipating industry changes and proactively addressing challenges. This division is responsible for leading strategic policy development and branch communications, and making recommendations for legislation and regulation of gambling activities across B.C.

OPERATIONS DIVISION

The Operations Division provides financial, administrative, risk management, information technology (IT) services, human resource and records management services, including freedom of information request administration, to the Branch. This includes monitoring financial operations and distributing gambling-related funding throughout the province, including Host Local Government payments.

The division is responsible for the development and maintenance of a custom IT application that supports Branch operations from licensing to investigations and revenue distribution. The Operations Division also provides facilities management and administration to the five offices throughout the province. It also provides both strategic human resource advice and functional assistance with all aspects of labour relations for the Branch.

In April 2016, the Ministry of Municipal Affairs and Housing assumed responsibility for the program staff and policy for the Community Gaming Grants program. However, GPEB continues to provide financial administration and information technology support services for the program and retains responsibility for its audit and compliance.

Highlights

In 2018/19, GPEB processed new and renewed registrations for:

- **6,675** gambling workers
- **721** lottery retailers
- **690** horse racing workers
- **233** senior officials and senior employees
- **20** gambling services providers
- **13** ancillary service contractors
- **11** gambling equipment suppliers

In 2018/19 GPEB...

Worked in collaboration with other areas of Government and stakeholders to fully address **9** of Dr. German's recommendations, and **2** interim recommendations from December 2017

Completed **76** inspections of lottery retailers

Completed **833** gambling supplies certifications

Provided counselling and outreach support to **1,997** people across the province with demonstratable clinical outcomes above international norms for counseling

Delivered **2,524** prevention presentations on responsible gambling to **96,065** people

Conducted **176** audits and inspections of organizations that received Community Gaming Grants and gambling licences

Completed **26** compliance audits of BCLC and gambling service providers regarding applicable public interest standards, directives, laws and regulations

Investigated **1,745** reported incidents related to offences under the *Gaming Control Act* and the *Criminal Code* of Canada that resulted in **323** recommended charges, administrative actions or other enforcement measures

In 2018/19 GPEB...

Established a collaborative intelligence model with the Combined Forces Special Enforcement Unit BC to produce timely, actionable intelligence products for the regulator and all levels of law enforcement

Brought forward three amendments to the Gaming Control Act to begin the process of creating a more independent gambling regulator

Expanded the Gam Info Rep service to establish province-wide outreach support realizing a 92% increase in new participants over two years

Created an Indigenous film project to explore and document traditional approaches to wellness

Completed an agreement to provide funding to the Centre for Gambling Research at UBC. The agreement, between BCLC, GPEB, and UBC, outlines a five-year funding model as well as deliverables aimed at informing public policy on gambling

Completed a longitudinal clinical outcomes study to assess Responsible and Problem Gambling Program outpatient counselling services showing positive behavioural changes at both 6 and 12 months post-treatment

Expanded a train-the-trainer Narrative Therapy program for Indigenous communities

Deployed investigators into five high-volume lower mainland casinos during peak times, who are providing a real time, proactive response to incidents that threaten the integrity of gambling

Gambling in British Columbia

The commercial gambling industry includes[2]:

- PlayNow.com, B.C.'s only legal online gambling website
- Provincial and national lottery games
- 17 Casinos
- 18 Community gaming centres
- 7 Commercial bingo halls
- 2 Horse racetracks[3]
- 19 Horse racing teletheatres

Licensed gambling events generated approximately $27.7 million for not-for-profit, charitable and religious organizations in British Columbia.

In 2018/19, commercial gambling in the province generated revenue of $2.6 billion.[4]

After deducting prize payouts and expenses, commercial gambling returned $1.4 billion in revenue to government. This revenue was used to support local communities, the horse racing industry, responsible and problem gambling treatment programs, provincial health programs, other provincial government programs, and GPEB operations.

2 Refer to Appendix A, Gambling Permitted in British Columbia
3 Racetracks include Hastings and Fraser Downs, no racing has occurred at Desert Park since 2016
4 Note that a change in accounting guidance requires that all revenue be stated net of prizes, which is a change from the practice in prior years, and generally results in a lower revenue figure that does not reflect a decline in revenue for BCLC.

$982 million	Allocated to the Consolidated Revenue Fund to support provincial government programs and services
$147.2 million	Allocated to the Health Special Account. This reflects a commitment made by the B.C. government in 1992 to allocate revenue from the BC Lottery Corporation specifically for health care initiatives
$140 million	Allocated to non-profit community groups from Community Gaming Grants
$98.5 million	Allocated to local governments for the Host Local Government program
$14 million	Allocated to fund Gaming Policy and Enforcement Branch operations
$11.6 million	Provided to the horse racing industry reflecting a government commitment to support it by allocating 25% of slot machine net revenue from the casinos co-located at Hastings and Fraser Downs racetracks
$10 million	Allocated to the federal government under a revenue-sharing agreement between the federal and provincial governments
$5.8 million	Allocated to fund GPEB's Responsible and Problem Gambling Programs

Integrity of People and Companies Involved in Gambling

Every year, individuals and companies apply to be registered so that they may work and operate in the commercial gambling industry in B.C. GPEB's goal is to ensure only suitable candidates participate in the gambling industry in this province. Applicants are subject to a background investigation, including but not limited to, a criminal record check and an overall suitability examination to ensure they meet the required standards of integrity. If successfully registered, individuals and companies continue to be monitored to make sure they adhere to the conditions of registration set out in the *Gaming Control Act* and Gaming Control Regulation.

There are three different types of registration: corporate, personnel and lottery retailers. There is an application fee for each type of registration that partially recovers the costs of investigating each application. In addition, corporate registration involves an annual fee.

CORPORATE REGISTRATION

GPEB conducts an in-depth investigation of gambling-related businesses and their executive personnel to ensure suitability. Businesses registered with GPEB include many large public and privately owned companies, including casino, bingo and horse racing operators, as well as suppliers and manufacturers of gambling services, including online content providers, and gambling equipment (e.g. slot machines, automatic shufflers).

GPEB also registers other service providers, such as gambling consultants, raffle services, security and ancillary services, including food and janitorial services provided at gambling facilities.

In addition to its normal responsibilities, Corporate Registration completed a review of the operations and staffing at VIP rooms in the five largest British Columbia casinos. This review resulted in recommendations for stronger standards and policies related to VIP operations and staff interactions with VIP players. It also resulted in a requirement for some VIP staff to go through an expanded due diligence investigation process because of the key responsibilities they hold in relation to VIP players.

PERSONNEL AND LOTTERY RETAILER REGISTRATION

GPEB registers all workers involved in the commercial gambling industry. This includes all people directly involved in the industry (e.g. casino, bingo, horse racing workers and lottery retailers), as well as those indirectly involved (e.g. BCLC and GPEB employees).[5]

Refer to Appendix B, Table 1: Corporate, Lottery Retailer Registration and Personnel Registration

GPEB completes background investigations on these workers which includes, but is not limited to, a criminal record check and a credit check.

Through regulatory audits and investigations, registrants are monitored for compliance with the terms and conditions of registration. If the integrity of a registrant is called into question, or if they are found to be non-compliant with the regulatory requirements of the *Gaming Control Act* or the Gaming Control Regulation, GPEB will take appropriate action to address the concern based on the severity of the transgression. GPEB may issue sanctions, including warning letters, suspensions, fines or cancellation of registration altogether.

Refer to Appendix B, Table 2: Registration Decisions

5 Individuals that operate charitable gambling in B.C. are not registered gambling workers. Instead, GPEB issues charitable gambling licences to eligible organizations

CERTIFICATION

Before being able to operate in the live environment, all gambling supplies[6] used in the province must be tested to the applicable requirements set forth in GPEB's technical gambling standards. GPEB establishes and maintains these technical gambling standards to ensure gambling supplies that are used in commercial or charitable environments:

- operate fairly;
- are safe and secure;
- deliver the stated odds of winning; and
- can be audited.

Certification released one updated Technical Standard[7] this year in response to changes in technology and changes in the market. Gambling supplies are tested in accredited testing facilities (ATFs), which verify product compliance with GPEB's published technical standards. GPEB then certifies the gambling supplies for use in B.C.'s gambling venues.

GPEB investigates player complaints and all reports of malfunctioning gambling supplies, including issues with lottery products, internet gambling software and electronic raffle systems.

Gambling supplies are routinely upgraded and improved. This means their original certification may no longer be valid. Certification is suspended or revoked when a manufacturer or an ATF reports that a particular gambling product no longer meets GPEB's technical gambling standards. A certification may be suspended or revoked for a number of other reasons: a gambling supply malfunctions; an ATF rescinds their certification; or a vendor upgrades the gambling supply and no longer supports the previous version.[8] Software and hardware malfunctions and software bugs and faults all lead to revocations. Gambling supplies for which certification has been suspended or revoked must be removed from the gambling floor, Playnow.com website, or licensed charitable gambling event. Before the gambling supplies can be returned to service, any repairs, modifications or upgrades must be re-tested by an ATF and re-certified by GPEB.

Refer to Appendix B, Table 3, Gambling Supplies Certification

6 Gambling supplies include slot machines and related casino management systems, lottery products (including pull-tab tickets and Scratch & Win tickets), lottery and self-checking terminals, electronic table game equipment, lottery draw systems, bingo supplies, table game supplies, internet gambling systems and software, and charitable gambling electronic raffle platforms.
7 The updated standard released in 2018/19 was the Technical Gambling Standard 6, Electronic Raffle Systems.
8 A malfunction may include, for example, a situation where a slot machine accepts a counterfeit bill or a scratch ticket manufacturing error that does not allow the player to scratch the latex off the ticket. While not exhaustive, this list captures the most common reasons for a certification revocation.

Compliance with Standards and Regulations

GPEB works to ensure regulatory compliance with the *Gaming Control Act*, Gaming Control Regulation and *Criminal Code* of Canada. GPEB achieves this through conducting investigations, inspections and audits of provincial gambling. The Compliance Division has worked with stakeholders to address Dr. German's recommendations to prevent money laundering in B.C. Through its ongoing monitoring and analysis, the division has contributed to the reduction of suspicious cash that has been accepted into casinos.

THE AUDIT PROGRAM

The goal of the audit program is to ensure regulatory compliance with the *Gaming Control Act*, Gaming Control Regulation, policies, directives and public interest standards to help maintain public confidence in gambling in B.C. GPEB inspects and audits BCLC, gambling facilities, lottery retailers and recipients of Community Gaming Grants and Gambling Event Licences.

The program also promotes voluntary compliance with provincial gambling legislation through compliance enhancement education sessions for eligible organizations that conduct licensed gambling or receive gaming grants.

The program develops an annual audit plan that outlines the five main areas that are audited:

1. BCLC's overall conduct and management of all forms of gambling, including the corporation's PlayNow.com website and AML procedures;
2. BCLC's conduct and management of lottery gambling;
3. BCLC's conduct and management of commercial gambling facilities (casinos, community gaming centres and bingo halls);
4. Horse racing; and
5. Licensed gambling and community gaming grants.

The audit program uses a risk-based approach which focuses audit resources on those areas of greatest risk. This approach has resulted in a dynamic audit plan responsive to emerging and changing risks. This gives GPEB the ability to allocate audit resources to the areas of greatest risk within the branch. This year, fewer financial integrity analysis reviews of corporate registrants were conducted, and those resources were allocated to other projects in GPEB, which included performing financial integrity reviews of retail Cannabis applicants to assist in this government priority.

In 2018/19, the GPEB audit team completed 227 audits and file reviews. This comprised 13 audits of gambling facilities, 13 audits related to commercial and lottery gambling, 25 financial integrity reviews, 102 audits of gaming grant recipients, and 74 licence audits.

Of the 176 audits of gaming grant recipients and gambling event licensees, 51 were registered as special projects or complaints from the public, and of the 125 that were assessed for compliance, 55 were fully compliant, 56 were moderately non-compliant, and 14 were severely non-compliant.[9]

The audit team continues to work with GPEB's Corporate Registration Unit to conduct reviews on the financial integrity of corporate registrants. The primary focus is to review corporate registrants' financial information to identify potential risks and the viability of the organization. This year the audit team completed 25 financial integrity reviews of corporate registrants in the gambling industry. This partnership reflects the branch's risk-based audit approach and utilization of staff skill sets.

Refer to Appendix B, Table 4, Gambling Audits by Category

HORSE RACING

GPEB's racing unit regulates horse racing events in B.C. to ensure compliance with the *Gaming Control Act*. The racing unit is also responsible for developing policies and rules to ensure horse racing is conducted fairly and with integrity. In particular, the unit establishes the Rules of Thoroughbred and Standardbred Horse Racing. As required, the unit reviews and revises the rules and meets regularly with industry stakeholders to address issues. GPEB is responsible for enforcing and adjudicating the rules and regulations related to racing and reviews activities on the track or in the backstretch that could have a negative impact on the integrity of horse racing.

B.C.'s horse racing industry employs approximately 2,064 licensed owners, jockeys, drivers, trainers, grooms and exercise riders, all of whom must be licensed and registered with GPEB. In 2018/2019, 690 horse race workers were either licensed for the first time or had their licences renewed.

Refer to Appendix B, Table 5, British Columbia Horse Racing Summary

9 Under a risk-based approach, GPEB targets higher-risk organizations for non-compliance. Therefore, reported compliance rates will be lower than rates that would result from a random sample of all organizations. Moderately non-compliant is defined as findings that the recipient organization must address. For example, an organization fails to submit required reporting documentation to GPEB. Severely non-compliant is defined as findings that may require immediate action from recipient organizations. For example, an organization may have misused funds.

In 2018, GPEB's stewards and judges issued a total of 124 rulings: 37 were for thoroughbred racing infractions (issued by stewards), and 87 were for standardbred racing infractions (issued by judges). The penalties issued by judges and stewards range from temporary suspensions to monetary penalties or cancellation of their registration.

Refer to Appendix B, Table 6, Horse Racing Rulings

In 2018, GPEB had 20 registered teletheatre sites in B.C. that presented simulcast satellite broadcasts of horse races run at local, national and international tracks.

HORSE RACING BETTING FEES

Horse race betting fees are levies on bets made at horse racing events that are collected by GPEB through Hastings Racecourse, Fraser Downs Racetrack and Horse Racing Teletheatre B.C. (4.5 per cent on triactor[10] bets and 2.5 per cent on other bets). Any balance in excess of annual regulatory fees (equal to the cost of regulating the horse racing sector) is remitted back to the horse racing industry. At fiscal year end, the cumulative total of monthly fees is transferred into the Consolidated Revenue Fund. In 2017/18, the province collected $4.2 million in betting fees, retained $1.9 million to offset the cost of regulating the industry and returned $2.3 million to the industry.

Refer to Appendix B, Table 7, Horse Racing Wagering

10 In a triactor bet, the better picks three horses to finish first, second and third, in exact order.

Enhanced Enforcement

GPEB has expanded its enforcement profile by deploying investigators into five high-volume lower mainland casinos and collaborating with law enforcement partners in their intelligence gathering efforts. GPEB's goal is to provide a real time, proactive response to matters that threaten the integrity of gambling, including money laundering, and to be an effective law enforcement partner in connection with their regulatory responsibilities. The Enforcement Division continues to work with stakeholders to respond to Dr. German's recommendations for preventing money laundering in B.C.

REPORTING REQUIREMENTS

All registrants and licensees must notify the General Manager immediately about any conduct, activity or incident occurring in connection with a lottery scheme or horse racing if the conduct, activity or incident involves or involved the potential commission of an offence under a provision of the Criminal Code of Canada that is relevant to a lottery scheme or horse racing, or the commission of an offence under the *Gaming Control Act*.

In addition, under the Gaming Control Regulation, registrants must immediately report any conduct or activity at or near a gambling facility that is or may be contrary to the *Criminal Code* of Canada, the *Gaming Control Act* or any regulation under the *Gaming Control Act*. GPEB works in partnership with BCLC and the police of jurisdiction on matters that impact the overall integrity of gambling.

Refer to Appendix B, Table 8, Investigations and Enforcement Actions of Incident Reports Related to Gambling

INVESTIGATIONS

To uphold the integrity of gambling in B.C., the Enforcement Division investigates instances of any conduct, activity or incident occurring in connection with gambling that could threaten the integrity of the industry. In support of their regulatory responsibilities, this division enforces provisions of the *Gaming Control Act*, Gaming Control Regulation, *Criminal Code* of Canada and other provincial statutes.

Investigators work with the police to investigate various illegal gambling activities, including: unauthorized lottery schemes, illegal gambling houses and criminal offences occurring within casinos, such as loan sharking and money laundering. They also provide in-depth gambling expertise to law enforcement agencies throughout the province. Under the *Gaming Control Act*, GPEB has the authority to recommend charges for prosecution, issue tickets and warnings and/or recommend administrative sanctions.

Enforcement Division investigators provide outreach presentations to law enforcement agencies throughout the province outlining the GPEB mandate. In response to Dr. German's "Dirty Money" report, investigators have become more effective partners to law enforcement by providing a real-time proactive response to criminal incidents and threats of money laundering within the industry. To achieve this goal, the Lower Mainland Region has hired 12 new investigators and deployed them into high volume casinos to deliver a coordinated response to all instances of criminality that occur in the casinos.

The Enforcement Division operates under a risk-based regulatory enforcement model guided through defined objectives, emphasizing social responsibility, public safety and voluntary regulatory compliance. The division works collaboratively with BCLC, Gaming Services Providers and law enforcement agencies and focuses on matters which help to safeguard the industry and address vulnerabilities.

In 2018/2019, investigations were conducted into occurrences of cheating at play, unlicensed gambling, chip passing, theft, breach of the terms and conditions of registration.

Refer to Appendix B, Table 8, Investigations and Enforcement Actions of Incident Reports Related to Gambling

INTELLIGENCE UNIT

The mandate of the Intelligence Unit is to provide timely and accurate intelligence products to gaming stakeholders and decision-makers with a mission to enhance situational awareness of any threats to the integrity of gambling in the province of B.C.

GPEB's Intelligence Unit is a member of the association of Law Enforcement Intelligence Units (LEIU) which is an international group comprised of police agencies at the federal, provincial/state, local and tribal levels. GPEB's Intelligence Unit is a recognized entity within the National Gambling Intelligence Sharing Group (NGISG) and is a member of the Regional Intelligence Group.[11] It has also established intelligence relationships with several other regulatory and compliance organizations that have similar threats to their industry.

In response to Dr. German's "Dirty Money" report, focus has been placed on the development of industry focused, actionable intelligence products for all levels of law enforcement and the regulator. In 2019, GPEB Intelligence integrated with law enforcement within the Joint Illegal Gaming Investigation Team (JIGIT) of the Combined Forces Special Enforcement Unit BC (CFSEU-BC) in order to expand their intelligence capabilities.

JOINT ILLEGAL GAMING INVESTIGATION TEAM

In 2016, the government of British Columbia and the Province's anti-gang agency, the CFSEU-BC, announced the joining of forces to form a coordinated investigation unit designed to crack down on illegal gambling and money laundering inside and outside B.C.'s gambling facilities. The team is located within CFSEU-BC, the largest integrated joint forces police unit in Canada.

The primary focus of JIGIT is to disrupt organized crime and gang involvement in illegal gambling and to prevent criminals from using B.C. gambling facilities to launder the proceeds of crime. The four GPEB investigators, together with a manager at JIGIT, continue to provide in-depth gambling expertise to JIGIT and other law enforcement agencies throughout the province.

GPEB investigators embedded within JIGIT continue to contribute to ongoing, high-level investigations that are reported through the protocols established upon forming JIGIT.

11 The Regional Intelligence Group is a group of agencies from the Pacific Northwest that includes the Royal Canadian Mounted Police, Vancouver Police Department, Department of Homeland Security (USA), Federal Bureau of Investigation (FBI) and other local police departments on both sides of the border.

Supporting Citizens and Communities

The Gaming Policy and Enforcement Branch supports communities in B.C. by delivering problem gambling prevention and treatment support services, administering Host Local Government payments, distributing Destination Assistance Compensation and licensing gambling events for community fundraising groups.

STRATEGY

The Responsible and Problem Gambling Program minimizes harm and promotes responsible gambling practices in communities through B.C.'s Responsible Gambling Strategy.

Refer to Appendix B, Table 9, British Columbia Responsible and Problem Gambling Program

RESPONSIBLE GAMBLING STANDARDS

In supporting this strategy, the Province issues responsible gambling standards for the B.C. gambling industry to ensure that minors are prevented from participating in gambling activities;

- Patrons are equipped to make informed decisions regarding gambling;
- Gambling-related risks are minimized; and
- People affected by excessive gambling have access to timely and effective information and help.

These standards apply to BCLC, gambling service providers, commercial gambling facilities and community organizations licensed to conduct charitable gambling events.

Advertising of BCLC, licensee and service provider gambling events is subject to audit by GPEB to ensure compliance with public interest standards that includes responsible gambling standards, and advertising and marketing standards.

RESPONSIBLE GAMBLING STANDARDS CONTINUED

Compliance audits focus on five key areas:

- Informed choice – ensuring proper use of the "Know your limit, play within it" tagline, an appropriate level of responsible gambling messaging, and availability of rules of play and information regarding the odds of winning;
- Appropriate response – ensuring gambling workers have received Appropriate Response Training;
- Responsible practices – ensuring clocks and responsible gambling material are placed in highly visible and appropriate areas;
- Financial transactions – ensuring information describing payout policies and stating that credit will not be extended is prominently displayed; and
- Voluntary Self-Exclusion Program – ensuring program is fully operational, including making sure that program information is readily available and gambling facilities are effectively monitoring for excluded individuals.

SERVICES AND SUPPORTS

The goals of the strategy and regulatory standards guide the delivery of service in three areas: responsible and problem gambling awareness and education, early intervention and problem gambling counselling.

2018/19 Responsible and Problem Gambling Program Activities Summary	
Counselling Services and Early Intervention Services	1,996 clients served
Day Treatment participants	148 clients served
Prevention and Community Engagement Services	96,065 audience participants at 2,524 presentations
Indigenous Services	11 Narrative Therapy workshops

RESPONSIBLE GAMBLING - RG CHECK PROGRAM

RG Check is a voluntary program supported by GPEB and BCLC that provides an independent and standardized evaluation of the delivery of responsible gambling programs in gambling facilities across Canada. Overseen by the Responsible Gambling Council,[12] RG Check assesses how B.C.'s responsible gambling programs compare to industry best practices, using eight standards, each with their own criteria:

- Responsible gambling policies and a demonstrated awareness of problem gambling;
- Employee training so staff are knowledgeable about their role in responsible gambling;
- A self-exclusion program that facilitates access to counselling;
- Assisting patrons who may have problems with gambling;
- Informed decision-making through readily available information;
- Advertising and promotion that does not misrepresent products;
- Access to money that does not encourage excessive spending; and
- Venue game features (i.e. to promote breaks in play and awareness of the passage of time).

As of March 31, 2019, all casinos and community gaming centres across B.C., as well as PlayNow.com, had accreditation from the Responsible Gambling Council.

12 The Responsible Gambling Council is an independent non-profit organization dedicated to problem gambling prevention based in Toronto. RGC works to reduce gambling risks by creating and delivering innovative awareness and information programs. It also promotes the adoption of improved play safeguards through best practices research, standards development and the RG Check accreditation program.

BRIDGING SERVICE GAPS

As of April 1, 2018, the GameSense Advisor program has been operated and fully funded by BCLC.[13] It is expected that BCLC will expand the program to include all community gaming centres by September 2019.

As a result of the transfer of responsibility, GPEB has focused on and invested in the development of a more holistic approach to gambling support by developing early intervention services, including the expansion of a mobile outreach service to support at-risk gamblers, as well as enhanced prevention support services.

Additional resources have been directed at online players and the program has also worked toward the expansion of community training programs in Indigenous communities to provide culturally responsive supports.

In meeting the commitment to address service gaps, the Responsible and Problem Gambling Program completed a number of initiatives in the 2018/19 fiscal year. These included:

- The development and expansion of specialized rural and remote training teams to extend support options to communities, with a focus on Indigenous communities;
- A longitudinal assessment and evaluation of current problem gambling treatment programs in B.C.;
- Planning on the expansion of Gambling Awareness Week to take place in 45 communities in the 2019/2020 fiscal year;
- The expansion of mobile, early intervention offerings in communities. The Gam Info Rep (GIR) service was developed to bridge gaps in the gambling support continuum. GIRs provide information, support, referrals, and accompaniment to resources, including problem gambling counselling services and treatment groups, as well as community support organizations. An analysis of the expansion of this service revealed a 92% increase in new participants accessing program support across service streams.

13 In 2016, the Responsible Gambling Council (RGC) released a study examining the co-management structure of the GameSense Advisor (GSA) program. The final report's primary recommendation was to end the joint GPEB-BCLC management of the GSA and to transfer responsibility of the program to BCLC. Subsequent evaluation of the recommendation by GPEB and BCLC led to the approval of the transfer of the program to BCLC in October 2017.

BRIDGING THE GAP BETWEEN SERVICES: Reducing Stigma and Reducing Harms

HOST LOCAL GOVERNMENT (HLG) PAYMENTS

Local governments that host casinos and/or community gaming centres receive a share of the net income generated by those gambling facilities. BCLC provides quarterly documentation and calculations of the revenues, expenses and amounts due to each HLG. GPEB provides the HLG payment to the local government based on this information and recovers the funding from BCLC.

Refer to Appendix B, Table 10, Host Local Government Revenues by Gambling Facility

LICENSING OF GAMBLING EVENTS

GPEB's licensing program is responsible for the administration of gambling event licences available to eligible not-for-profit organizations and groups throughout B.C. that wish to raise revenue for direct delivery of programs and services that benefit the broader community and/or a third-party community member in need.

One of GPEB's responsibilities is to ensure that licensed gambling events are conducted fairly and transparently. The branch ensures that organizations applying for a licence are in good standing, have an approved governing structure and open membership and operate according to sound financial practices. GPEB also conducts audits of licensees to ensure they follow rules and guidelines designed to protect the public and the integrity of gambling in the province, and that they are using the proceeds to support the eligible programs stated in the licence. In 2018/19, GPEB eliminated paper-based applications for charitable licensing and supported organizations to move to online applications.

GPEB is currently reviewing its licensing standards, guidelines and conditions. The charitable sector will continue to be consulted to obtain their input and recommendations for enhancing the experience through the licensing process.

Gambling events that can be licensed are ticket raffles, bingos (independent from commercial bingo halls), wheels of fortune, social occasion casinos (casino-style events without slot machines) and Texas Hold'em poker tournaments.

Refer to Appendix B, Table 11, Licensed Gambling

GPEB offers four class types of gambling licenses Class A, B, C or D – depending on the organization's structure and operation, the amount of money it expects to raise, and the prize value and ticket price of its event.

Class A

Issued to eligible charitable and religious organizations for gambling events expected to generate gross revenue exceeding $20,000.

Class B

Issued to eligible charitable and religious organizations for gambling events expected to generate up to $20,000 in gross revenue.

Class C

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

Class D

Issued to eligible groups or organizations wishing to conduct small-scale fundraising events that are expected to generate up to $10,000 in gross annual revenue. Eligibility is based, in part, on funds being used to benefit the broader community or provided to a third party for a charitable purpose.

In 2018/19, GPEB issued **10,490** licences to eligible organizations to conduct gambling events

In total, community organizations raised **$51.8 million** to support their projects and services

436
Class A gambling event licences issued

$34.3 million

3,932
Class B gambling event licences issued

$11.2 million

17
Class C gambling event licences issued

$2.5 million

6,105
Class D gambling event licences issued

$3.8 million

Gambling Policy, Regulations and Standards

The Strategic Policy and Projects Division (SPPD) supports the integrity of gambling in B.C. by providing strategic policy, advice and communications services that support government's gambling objectives for the benefit of British Columbians.

The division's key areas of responsibility are:

- Identifying emerging issues in the gambling sector;
- Providing advice and recommendations to B.C.'s Attorney General, Deputy Attorney General, Associate Deputy Minister and the General Manager on policy approaches that protect the integrity of gambling;
- Working with stakeholders, such as BCLC, gambling industry, non-profit organizations, other provincial jurisdictions and the federal government on gambling issues and initiatives;
- Ensuring B.C.'s legal, regulatory and policy framework supports the integrity of gambling and government's objectives for the gambling sector; and
- Leading strategic internal communications for five branch divisions and supporting communications to the public about gambling.

SPPD leads policy work that supports all aspects of GPEB's business. Throughout 2018/19, the division led projects on a range of policies across the branch with a significant focus on anti-money laundering. This included strategic policy support on the implementation of recommendations from Dr. German's independent investigation on money laundering in lower mainland casinos and bringing forward three amendments to the *Gaming Control Act*.

SPPD also chairs the Canadian Association of Gaming Regulatory Agencies (CAGRA) Policy Committee. CAGRA's Policy Committee brings together regulators from across the country to discuss common policy issues impacting all gambling regulators in Canada, share best practices, and work collaboratively on specific issues. The group engages on issues such as anti-money laundering, unregulated online gambling, and impacts of emerging technologies and new games.

GAMING CONTROL ACT AMENDMENTS

In November 2018, government brought into force amendments to the *Gaming Control Act* to begin the process of creating a more independent gambling regulator. These amendments included empowering the General Manager to make directives to BCLC without Ministerial approval, banning undesirable people from gambling facilities, and ensuring compliance with reporting requirements for all industry participants, including BCLC.

Section 28(3) of the *Gaming Control Act* previously required the General Manager of GPEB to receive approval from the Minister before issuing a directive applicable to BCLC. With this amendment, the requirement to seek Ministerial approval to issue a directive to BCLC has been eliminated to provide GPEB greater independence from government and clarity in its role as the regulator of BCLC.

Previously, BCLC had sole authority to refuse a person entry to a gambling facility if the presence of a person is reasonably believed to be "undesirable." This amendment extends that authority to GPEB and allows the regulator to deny entry to gambling facilities to any persons whose presence is considered "undesirable," including persons who, based on intelligence, may be associated with criminal organizations or money laundering.

Section 92(2.1) sets out specific organizations that commit an offence if they do not provide information requested by GPEB for the purposes of an investigation or if they do not report to GPEB any incident involving the commission of an offence under the *Criminal Code* or the *Gaming Control Act*. BCLC was not previously subject to these provisions. Under the amendment, to section 97(2.1), the existing penalties apply to BCLC, promoting compliance with statutory requirements and providing effective sanctioning powers. The collection of information is critical to GPEB's role to identify trends of potential money laundering and develop effective policies and enforcement actions.

These amendments take the first steps to address the intent of four of Dr. German's recommendations, and a comprehensive review of the *Gaming Control Act* is also underway to address the recommendations and modernize gambling regulation in BC.

UNREGULATED ONLINE GAMBLING

Branch policy staff have conducted significant research and analysis of the impacts of unregulated gambling websites on B.C. and explored options to address this issue. Currently in B.C., BCLC has delegated authority to conduct and manage commercial online gambling and BCLC's PlayNow.com website is the only regulated site.

GPEB is concerned about the risks unregulated gambling websites pose to British Columbians, such as potential fraud or cheating, access by minors, lack of responsible gambling features and potential risk of money laundering. GPEB is working collaboration with other federal jurisdictional partners, but actions to address unregulated online gambling websites are complex because provinces are responsible for public safety and may operate and regulate gambling in their jurisdictions, while the federal government has responsibility for the *Criminal Code* of Canada.

In 2018/19, SPPD led a submission on behalf of Alberta, Manitoba and Nova Scotia asking Advertising Standards Canada (ASC) to require unregulated gambling website advertisers to withdraw their television, radio and online ads. These ads leave the impression that the services being offered fall under the regulated Canadian gambling framework and comply with provincial legislation intended to protect the integrity of gambling for Canadian residents, but this is not the case. These ads falsely and deceptively advertise "free play only" sites, and the majority of ads do not indicate the minimum age for gambling.

The complaint letter to the ASC is one step to help protect Canadians from unregulated gambling, and to ensure that gambling is safe and secure.

GPEB Operations Support

The Operations Division is responsible for providing financial, information technology, risk management and records management services for GPEB. This division is also responsible for freedom of information requests for the branch, assisting the branch in maintaining integrity through transparency. These functions require balancing the need to publicly report on the Branch's operations with protection of regulatory enforcement actions and personal privacy.

FINANCIAL SERVICES

GPEB's financial services unit provides business and technical support to all divisions and business units in GPEB.

This includes, but is not limited to: operational financial services, contract management and budget administration; providing strategic financial advice to GPEB's executive; payment of community gaming grants, host local government payments, destination assistance compensation and distribution of horse racing revenue.

INFORMATION TECHNOLOGY SUPPORT

The Information Technology (IT) unit supports all business units in GPEB by providing daily support for workstations, internal- and external-facing websites, and GPEB's Gaming Online Service (GOS). GOS is a web-based application developed by GPEB that allows eligible applicants to apply electronically for a Community Gaming Grant or gambling licence, submit processing fees through a secure card payment option, track the progress of their applications and file a criminal or regulatory complaint for issues related to gambling or horse racing in B.C.

GOS is also an internal-facing application that is used for the administration of most GPEB activities, including investigation and audit reports, work flow processing of licences, supplies certification, and the administration of Community Gaming Grants, including post-event reporting. GOS is also the primary tool used in the administration of approximately $250 million in payments under the Host Local Government program and the Community Gaming Grants program.

The unit supports GPEB's business needs by enhancing GOS in ways that support each division and their various business requirements. The IT unit also delivers specialized reports and provides the necessary management information to each division. The intranet site for staff provides a tool for internal communications and access to operational materials, while the public-facing site provides information to the public about GPEB and a mechanism for applying for some licences that are administered by GPEB.

Appendix A:

GAMBLING PERMITTED IN BRITISH COLUMBIA

Commercial Gambling	Casinos	Bingo Halls	CGCs	Co-Located Racetrack Casinos	Racetracks	Lottery Outlets	PlayNow.com	Licensed Events	Pubs & Bars
Commercial Bingo Games	✓	✓	✓				✓		
Lottery Products	✓	✓	✓	✓	✓	✓	✓		✓
Slot Machine	✓		✓	✓			✓		
Table Games	✓			✓			✓		
Poker Tables	✓			✓			✓		
Electronic Table Games	✓		✓	✓			✓		
Live Horse Racing				✓	✓				
Teletheatres	✓	✓	✓	✓	✓				✓
Licensing of Gambling Events									
Ticket Raffles								✓	✓
Independent Bingo								✓	✓
Social Occasion Casino								✓	✓
Wheels of Fortune								✓	✓
Limited Texas Hold'em Poker Events								✓	✓

Appendix B:

INFORMATION TABLES

TABLE 1:
CORPORATE, LOTTERY RETAIL REGISTRATION AND PERSONNEL REGISTRATION

TABLE 2:
REGISTRATION DECISIONS

TABLE 3:
GAMBLING SUPPLIES CERTIFICATION

TABLE 4:
GAMBLING AUDITS BY CATEGORY

TABLE 5:
BRITISH COLUMBIA HORSE RACING SUMMARY

TABLE 6:
HORSE RACING RULINGS

TABLE 7:
HORSE RACING WAGERING

TABLE 8:
INVESTIGATIONS AND ENFORCEMENT ACTIONS OF INCIDENT REPORTS RELATED TO GAMBLING

TABLE 9:
BRITISH COLUMBIA RESPONSIBLE AND PROBLEM GAMBLING PROGRAM

TABLE 10:
HOST LOCAL GOVERNMENT REVENUES BY GAMBLING FACILITY

TABLE 11:
LICENSED GAMBLING

TABLE 12:
GPEB BUDGET AND EXPENDITURES

TABLE 1: CORPORATE, LOTTERY RETAIL REGISTRATION AND PERSONAL REGISTRATION

	2018/19		2017/18		2016/17	
	New	Renewal	New	Renewal	New	Renewal
Corporate Registrations[14]						
Gambling Services Providers	9	11	8	19	2	10
Gambling Equipment Suppliers	4	7	3	10	8	9
Ancillary Service Contractors	6	7	3	7	1	4
Senior Officials and Senior Employees	130	103	102	153	96	90
Totals	149	128	116	189	107	113
Lottery Retail Registration and Personnel Registrations[15]						
Gambling Workers[16]	4,878	1,797	4,718	1,919	4,351	2,353
Lottery Retail Managers[17]	246	475	227	691	240	612
Horse Racing Workers	207	483	244	435	339	385
Totals	5,331	2,755	5,189	3,045	4,930	3,350

14 New and renewal registration term duration is up to five years.
15 New and renewal registration term duration is up to three years.
16 Gambling workers include all workers in the BC gambling industry defined by prescribed classes of registration in the Gaming Control Regulation.
17 This figure reflects the Lottery Retail Registration cycle, which provides registrants a three-year registration per renewal.

TABLE 2: REGISTRATION DECISIONS [18]

	2018/19			2017/18			2016/17		
Registration Type	**Denied**	**Revoked**	**Ceased**	**Denied**	**Revoked**	**Ceased**	**Denied**	**Revoked**	**Ceased**
Gambling Workers	29	24	3,751	38	40	3,155	20	36	3,358
Horse Racing Workers	5	2	0	2	1	0	5	1	0
GPEB and BCLC Personnel	3	0	250	0	0	254	0	0	243
Lottery Retail Managers[19]	0	1	359	2	3	282	0	1	448
Total	**37**	**27**	**4,360**	**42**	**44**	**3,691**	**25**	**38**	**4,049**

18 This table only includes personnel registration because corporate registration did not have any denials/revocations during this three-year period.
19 This figure reflects the Lottery Retail Registration cycle, which provides registrants a three-year registration per renewal.

TABLE 3: GAMBLING SUPPLIES CERTIFICATION

	2018/19		2017/18		2016/17	
Certification Type	**Certification**	**Revocation**	**Certification**	**Revocation**	**Certification**	**Revocation**
Lottery Tickets: Scratch & Win, Pull Tab	91	0	67	0	77	1
Online (Playnow.com)[20]	236	79	254	2	134	8
Electronic Gambling Devices & Other Supplies	437	12	500	12	488	29
Table Games	21	0	4	0	4	0
Licensed/ Charitable (50/50)	8	0	4	0	8	0
Other (Lottery systems, Lotto Express, Bingo, etc.)	40	0	8	1	10	1
Total	833	91	**837**	**15**	**721**	**39**

20 Increase in revocations in 2018/19 due to removal of dated software.

TABLE 4: GAMBLING AUDITS BY CATEGORY

Number of Gambling Audits and Files by Category	2018/19	2017/18	2016/17
Casinos, CGCs, Bingo Halls, and Race Tracks	13	17	19
BCLC's Conduct of Commercial & Lottery Gambling	13	10	13
Financial Integrity Analysis of Corporate Registrants	25	53	28
Gaming Grants	102	108	141
Licences	74	61	77
Total	**227**	**249**	**278**

TABLE 5: BRITISH COLUMBIA HORSE RACING SUMMARY[21]

	2018	2017	2016	2018	2017	2016	2018	2017	2016
	Race Days[22]			Live Races			Horses Ran		
Thoroughbred									
Hastings Racecourse (Vancouver)	51	51	53	373	390	403	2,729	2,902	2,987
Standardbred									
Fraser Downs Racetrack (Surrey)	60[23]	58[24]	55[25]	678	652	597	5,424	5,063	4,717

21 No racing has occurred at Desert Park Racetrack since 2016

22 The number of horse racing days is determined by the different breed associations in consultation with the track operator through the HRIMC and approved by the General Manager of GPEB.

23 In 2018, 62 race dates were approved: 60 were raced, 4 were cancelled due to unsafe track conditions due to weather, and 2 additional days were added in April.

24 In 2017, 65 race dates were approved: 58 were raced, 7 were cancelled due to weather and track conditions. The track operator has agreed to add 6 days to the 2018 calendar.

25 In 2016, 61 race dates were approved: 55 were raced, 6 were cancelled due to unsafe track conditions due to weather.

TABLE 6: HORSE RACING RULINGS[26]

	2018	2017	2016
Standardbred			
Whipping Violations	7	6	4
Racing or driving infractions committed during a race	50	41	35
Drug or Alcohol infractions involving either horses or registered horse racing workers	7	10	14
Inappropriate behaviour in the backstretch area of a racetrack	15	17	10
Licensing or registration violations	1	2	1
Horses that bled during a race	1	0	1
Restoration of a horse or a horse racing worker of good standing[27]	2	2	2
Other categories[28]	4	5	15
Total Standardbred Rulings	**87**	**83**	**82**
Thoroughbred			
Racing or riding infractions committed during a race[29]	11	9	19
Drug or alcohol infractions involving either horses or registered horse racing workers	4	4	5
Entering an ineligible horse	1	2	0
Inappropriate behaviour in the backstretch area of a racetrack	14	3	6
Licensing or registration violations	1	0	2
Horses that bled during a race	4	1	4
Restoration of a horse or a horse racing worker of good standing	0	0	2
Other categories	2	2	14
Total Thoroughbred Rulings	**37**	**21**	**52**

26 Horse Racing results are reported in calendar year as betting permits are issued for calendar year. All results from Canadian Pari-Mutuel Agency regarding wagering and drug testing are also reported by calendar year.
27 When a licensee in suspended pending a hearing before the Judges/Stewards, a ruling is generated following the hearing reinstating him/her to good standing.
28 "Other" captures a ruling that does not fall within any of the other categories or is not race-related.
29 Decrease in 2017 due to better quality of riders and a smaller riding colony.

TABLE 7: HORSE RACING WAGERING[30 31]

	2018	2017 $000's	2016
Hastings Park (HP)			
HP Live Races	5,213	6,154	6,826
HP Simulcast Wagers	26,352	29,875	31,112
Total HP	**31,565**	**36,029**	**37,938**
Fraser Downs (FD)			
FD Live Races	1,188	1,242	1,291
FD Simulcast Wagers	8,343	8,646	9,022
Total FD	**9,531**	**9,888**	**10,313**
Teletheatre BC			
Hastings Park Races	557	795	913
Fraser Downs Races	467	563	661
Wagers on Other Racetracks	33,624	38,659	41,290
Total Teletheatre BC	**34,648**	**40,017**	**42,864**
HPI BC			
Hastings Park Races	1,720	1,700	1,812
Fraser Downs Races	908	766	773
Wagers on Other Racetracks	66,104	59,313	54,000
Total HPI BC	**68,732**	**61,779**	**56,585**

30 No racing has occurred at Desert Park racetrack since 2007.
31 Table has been reformatted from previous years to reflect the distribution of wagering across the various strategic business units in racing in BC. In previous years, telephone and on-line wagers placed by BC residents through HPI BC were rolled into the Hastings Park and Fraser Downs wagering numbers.

TABLE 8: INVESTIGATIONS AND ENFORCEMENT ACTIONS OF INCIDENT REPORTS RELATED TO GAMBLING

Type	2018/19 Incidents Reported	2017/18 Incidents Reported	2018/19 Investigated/Actioned	2017/18 Investigated/Actioned	2018/19 Enforcement Action	2017/18 Enforcement Action
Gaming Control Act Offences	349	277	226	179	165	126
Criminal Code Non-Gambling Related	1,149	672	985	593	80	61
Criminal Code Gambling Related	280	288	272	271	54	65
Other	335	157	262	115	24	8
Total	**2,113**	**1,394**	**1,745**	**1,158**	**323**	**260**

Definitions

"*Gaming Control Act* Offences" include all offences listed in the *Gaming Control Act* and Gaming Control Regulation.

"*Criminal Code* Non-gambling Related" includes incidents that were reported to GPEB related to assault, counterfeit currency, fraud, loan sharking, false ID, theft and threats for which GPEB has a categorization in their database.

"*Criminal Code* Gambling Related" includes all offences under Part 7 of the *Criminal Code*.

"Other" includes other reported items that are related to incidents such as offences which may include: abandonment of child; intoxication in a public place; civil harassment, various *Criminal Code* and assistance files to other jurisdictions. The "Other" category is used because the GPEB database does not allow for the categorization of these offences.

"Incidents Reported" indicates that GPEB received a report or complaint from various sources, primarily gambling service providers.

"Investigated/Actioned" indicates that GPEB opened a file and took action.

"Enforcement Action" indicates that GPEB took action that resulted in recommended charges, administrative actions and warnings.

The table does not include incidents related to chip passing in the Lower Mainland (344 incidents in 2018/19) as they are consolidated into a single file and GPEB does not take action on these as they are not offences and are resolved by the gaming service providers. GPEB collects this data to analyze any association to suspicious currency activities. It also does not include suspicious cash transactions (2,349 incidents in 2018/19) which are reported for intelligence purposes only, and are not investigated on a file-by-file basis.

The table also does not include incidents related to prohibited patrons in the Lower Mainland entering gambling facilities (4,797 incidents in 2018/19) as GPEB does not take action on these incidents unless they are repeat offenders. Repeat offenders are captured in the "Incidents Reported" and "Investigated/Actioned".

TABLE 9: BRITISH COLUMBIA RESPONSIBLE AND PROBLEM GAMBLING PROGRAM

	2018/19	2017/18
Program Outputs		
Number of prevention presentations	2,524	2,387
Number of prevention presentation audience participants	96,065	86,075
Calls made to Help Line (specific to problem gambling)	3,393	3,421
Referrals to Responsible and Problem Gambling Program	1,415	1,326
Clients served (clinical and early intervention combined)	1,997	1,612
Discovery Day Treatment Program participants	148	163
Narrative Workshops	11	3
Number of Contracted Service Providers		
Clinical Counsellors	27	26
Prevention Service Providers	15	20
Provincial Coordinators	3	3
Indigenous Providers	9	4
Gam Info Rep	15	2
Training Team	6	0

TABLE 10: HOST LOCAL GOVERNMENT REVENUES BY GAMBLING FACILITY[32]

Name of Casino/CGC	Location	2018/19	2017/18
Chances Abbotsford CGC	Abbotsford	$1,312,507	$1,221,196
Grand Villa Casino	Burnaby	$12,265,181	$11,731,081
Chances Campbell River CGC	Campbell River	$904,535	$801,038
Chances Castlegar CGC	Castlegar	$575,441	$501,802
Chances Chilliwack CGC	Chilliwack	$2,112,246	$2,047,189
Hard Rock Casino	Coquitlam	$6,864,111	$8,633,581
Chances Courtney CGC	Courtenay	$1,088,562	$1,046,055
Chances Cowichan CGC	Duncan	$837,371	$815,006
Casino of the Rockies	Cranbrook (Ktunaxa First Nation)	$1,549,811	$995,092
Chances Dawson Creek CGC	Dawson Creek	$668,439	$704,466
Chances Fort St. John CGC	Fort St. John	$889,625	$899,920
Lake City Casino Kamloops	Kamloops	$1,231,547	$1,904,579
Chances Kamloops CGC	Kamloops	$1,281,809	$899,601
Lake City Casino Kelowna	Kelowna	$1,620,232	$1,930,066
Chances Kelowna CGC	Kelowna	$2,906,935	$2,249,171
Cascades Casino	Langley	$7,500,089	$7,687,718
Chances Maple Ridge CGC	Maple Ridge	$1,760,452	$1,608,880
Chances Mission CGC	Mission	$672,549	$687,768
Casino of Nanaimo	Nanaimo	$2,835,710	$2,860,257
Starlight Casino	New Westminster	$6,544,656	$6,782,928
Lake City Casino Penticton	Penticton	$1,480,038	$2,055,951
Chances Rim Rock CGC	Port Alberni	$453,972	$466,581
Treasure Cove Casino	Prince George	$2,599,161	$2,682,298
Chances Prince Rupert CGC	Prince Rupert	$526,418	$503,064
Billy Barker Casino	Quesnel	$496,413	$497,041
River Rock Casino Resort	Richmond	$16,196,321	$17,085,520
Chances Salmon Arm	Salmon Arm	$634,415	$523,784
Chances Squamish CGC	Squamish	$251,382	$266,114
Elements Casino	Surrey	$4,194,795	$4,124,487
Chances Terrace CGC	Terrace	$708,667	$662,585
Parq/Edgewater Casino	Vancouver	$8,222,961	$9,433,310
Hastings Racecourse Casino	Vancouver	$1,079,425	$1,096,789
Lake City Casino Vernon	Vernon	$1,442,756	$1,972,343
View Royal Casino	View Royal	$4,605,361	$4,165,981
Chances Signal Point CGC	Williams Lake	$607,225	$565,523
Total Local Government Share		**$98,459,879**	**$102,108,766**

32 Revenue may be affected by the following casino strikes in 2018: Hard Rock Casino Vancouver (Coquitlam) from May 11 – July 23, 2018; and Cascades Kamloops, Cascades Penticton, Playtime Casino Kelowna and Lake City Casino Vernon) from June 29 – November 9, 2018.

TABLE 11: LICENSED GAMBLING[33]

Licensed Class	Licensed Type	2018/19 Number	2018/19 Net Revenue	2017/18 Number	2017/18 Net Revenue	2016/17 Number	2016/17 Net Revenue
				$000's			
Class A	Major Raffle	45	$2,013	42	$1,951	44	$1,994
	Minor Raffle	264	$5,219	246	$4,763	244	$4,358
	Registered Raffle	38	$24,098	34	$21,002	32	$20,453
	Independent Bingos	89	$2,942	89	$1,682	90	$1,642
Subtotal of Class A		*436*	*$34,272*	*411*	*$29,398*	*410*	*$28,447*
Class B	Raffles	3,738	$10,781	3,678	$10,510	3,583	$10,410
	Independent Bingos	90	$240	80	$208	79	$188
	Wheels of Fortune	9	$11	12	$23	11	$13
	Social Occasion Casino	22	$43	18	$38	21	$22
	Poker	73	$157	70	$112	82	$125
Subtotal of Class B		*3,932*	*$11,232*	*3,858*	*$10,891*	*3,776*	*$10,758*
Class C	Raffles	15	$2,271	16	$2,606	14	$1,948
	Wheels of Fortune	2	$237	2	$5	2	$247
Subtotal of Class C		*17*	*$2,508*	*18*	*$2,611*	*16*	*$2,195*
Class D	Raffles	5,958	$109	5,891	$3,772	5,809	$3,849
	Independent Bingo	147	$3,731	156	$133	127	$116
Subtotal of Class D		*6,105*	*$3,840*	*6,047*	*$3,905*	*5,936*	*$3,965*
Grand Total – All Classes		**10,490**	**$51,852**	**10,344**	**$46,805**	**10,138**	**$45,365**

33 Net revenue figures are estimated and based on Gaming Event Revenue Reports as of April 4, 2019 which are submitted by licensees as part of the 90-day post-licensed gambling event reporting requirements .

TABLE 12: GPEB BUDGET AND EXPENDITURES

	FY18/19	FY17/18
Branch Budget		
Core Operations	$13,221,000	$13,134,000
Responsible Gambling Program	$6,014,000	$6,011,000
Total Branch Budget	**$19,235,000**	**$19,145,000**
Branch Expenditures		
Core Operations		
Salaries and Benefits Cost	$12,172,509	$11,250,569
Operating and Business Expenses (Including Legal and Professional Services)	1,845,736	$2,112,088
Subtotal	**$14,018,245**	**$13,362,657**
Responsible and Problem Gambling Program		
Salaries and Benefits Cost	$584,450	$383,310
Operating and Business Expenses (Including Legal and Professional Services)	$752,019	$507,652
Contracts	$4,192,488	$4,698,302
Subtotal	**$5,528,957**	**$5,589,264**
Total Branch Expenditures	**$19,547,202**	**$18,951,921**
Surplus (Deficit)	**$(312,202)**	**$193,079**

BRITISH
COLUMBIA