

<http://www.cbc.ca/canada/british-columbia/story/2008/05/21/bc-emergency-meeting-casinos-laundrying.html>

CBC News probe leads to emergency meeting with B.C. Lottery Corp.

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[CBC News](#)



B.C. Solicitor General John van Dongen says he will look into allegations of suspected money laundering going under-reported. (CBC)

B.C.'s solicitor general has called an emergency meeting with the head of the B.C. Lottery Corp. after a CBC News investigation revealed suspected money laundering at the province's casinos is under-reported.

"I am meeting with the board of directors of [the] B.C. Lottery Corporation immediately and will be seeking from them an explanation about how the reporting ... has been conducted and the apparent discrepancy in the numbers," John van Dongen said.

It is his responsibility to ensure B.C. casinos are operated with integrity, he said.

In the legislature, the Opposition demanded answers to questions about the allegations of money laundering in B.C. casinos.

"Their silence and their inaction has put the integrity of the entire system at risk," said NDP leader Carole James. "How is it the media knew more about the scandal than he [the solicitor general] did? Or is this just another example of a coverup by the Liberal government?"

Van Dongen said he will be looking for answers when he meets the directors of the B.C. Lottery Corp.

Legal hurdle obtaining documents

The documents from the provincial government's Gaming Policy and Enforcement Branch obtained by the CBC outline thousands of incidents of suspicious activities and large cash transactions in casinos, including allegations of loan sharking, money laundering and fraud.

The documents also show charges were laid in less than one per cent of the incidents.

It took the CBC four years trying to obtain the documents through freedom of information requests, after two major casino companies and the provincial branch overseeing gaming tried to stop them from being handed over.

CBC News recently obtained 3,000 pages, which included suspicious transaction reports, or STRs, and large cash transaction reports, or LCTRs, with some details blacked out.

Van Dongen said he does not know why it took four years for his office to hand over the documents. The Gaming Policy and Enforcement Branch is an arm of the solicitor general's office.

"I can't comment on that ... but certainly there is a law in place for access to information and my expectation from my ministry is that that law is followed," he said.

Mary Carlson, the executive director of the Office of the Information and Privacy Commissioner of B.C., said the delay was unusually long.

"It's unfortunate that it took four years. It was a complex, elongated process with lots of procedural objections and at the end of the day, the commissioner is definitely not happy it took as long as it did because we, of all people, know that information delayed is information denied," Carlson said.

Casinos profit from under-reporting: researcher



Researcher Garry Smith says casinos are in a conflict of interest when it comes to reporting suspected money laundering. (CBC)

In the documents obtained by CBC News, counterfeiting and theft is among the most frequently suspected activities, but cases of alleged money laundering and loan sharking are also listed.

The documents outline instances of suspected crimes spotted by casino staff, but there are likely many more that casinos miss, said Garry Smith of the Gaming and Research Institute at the University of Alberta.

"They say they're being as vigilant as they can, but the conflict of interest is there because these people are flashing the money and ultimately the casino makes money," he said.

In a further conflict, provincial governments are both the benefactors and the regulators of casinos, Smith said.

In its current budget, the B.C. government forecasts the province's casinos will make \$1.2 billion this fiscal year after winnings are paid out.

The government will take \$700 million, more than double what it predicts it will receive from provincial lotteries.

Read more: <http://www.cbc.ca/canada/british-columbia/story/2008/05/21/bc-emergency-meeting-casinos-laundering.html#ixzz0eXIUiPFV>