



ADMINISTRATIVE SANCTIONS FOR REGISTERED GAMING SERVICES PROVIDERS

Context

The Gaming Policy and Enforcement Branch (the Branch) regulates gambling in British Columbia, and is responsible for the overall integrity of gaming and horseracing.

The Gaming Control Act requires individuals and corporations who provide goods or services to the gaming and horse racing sectors in BC to be registered by the Branch. Applicants must submit to, and cooperate in, a background investigation as part of the registration process to determine their suitability to provide gaming services in BC.

All gaming services providers are responsible for reading, understanding and following the rules governing gaming in BC, as defined in the [Gaming Control Act](#) (Act) and [Regulation](#), the conditions of registration and, where applicable, [Public Interest Standards](#), standard operating procedures, gaming services provider agreements with either the BC Lottery Corporation or a licensed community organization, and all relevant Branch correspondence, procedures, agreements, policies and orders of the Province and its agents.

The Branch conducts audits, inspections and investigations to monitor compliance of gaming services providers and determine their ongoing suitability to participate in BC's gaming and horseracing sectors. Under the Act, the Branch has the authority to directly impose administrative sanctions on registrants that fail to comply with the Act, the Regulation, conditions of registration and all relevant procedures, agreements, policies and orders.

Objectives

- To encourage registered gaming services providers to voluntarily comply with the Act, regulations, and conditions.
- To ensure the integrity and lawful conduct and management of gaming.

Authority and Application

Section 56 of the Act authorizes the General Manager to register gaming services providers, and to attach conditions to the registrations. The General Manager can refuse to issue or renew the registration of a gaming services provider for any of the reasons set out under section 68 of the Act, including breaching a condition of registration. Section 69 of the Act authorizes the General Manager to impose one or more administrative sanctions, including suspending or cancelling a registration or imposing an administrative fine. The General Manager is authorized under section 80(1) of the Act to conduct background investigations to assess applications for registration and to monitor compliance of registrants with the Act, regulations, rules and

conditions of registration. Under section 71, the General Manager can make inquiries and obtain further information from an applicant or registrant to determine if administrative sanctions are warranted. Section 63 of the Act authorizes the General Manager to charge gaming services provider applicants and registrants for the Branch's costs, including time costs, associated with any background investigations.

The registration responsibilities of the General Manager have been delegated to the Branch's Director of Registration pursuant to section 24(3) and 25(1) of the Act.

Administrative Sanctions

The Act authorizes the General Manager to impose one or more of the following administrative sanctions on a gaming services provider registrant or applicant:

- Issue a warning;
- Refuse to issue or renew a registration;
- Suspend or cancel a registration;
- Impose new, or vary existing, conditions on a registration; and/or
- Impose an administrative fine of up to \$20,000.

Examples of non-compliance where the Branch may impose one or more administrative sanctions include, but are not limited to:

- Failure to submit to, and co-operate in, background investigations, including interviews at the request of the General Manager;
- Failure to submit annual financial statements to the Branch within 6 months of the registrant's fiscal year end;
- Failure to comply with the applicable standard operating procedures and rules of play;
- Failure to provide notice of any specified organizational change, including a change in the officers, directors, associates or shareholders of a registrant.
- Failure to notify the Branch, without delay, of any conduct, activity or incident that may be contrary to the Criminal Code of Canada or British Columbia's Gaming Control Act.

The [Administration Sanctions Table](#) is a guideline describing a range of administrative sanctions that may be imposed by the Branch for first and subsequent violations. However, the type and severity of administrative sanctions imposed depends on a number of factors, including the nature and circumstances of the contravention and the compliance history of the registrant. The Branch can and will apply any of the sanctions available to it, including cancelling or refusing to issue a registration if the General Manager considers that it would be a detriment to the integrity or lawful conduct or management of gaming.

Note also that the violations listed in the Administrative Sanctions Table are not a definitive list of all potential violations. Registrants must comply with all provisions of the Gaming Control Act, all regulations and rules under the Gaming Control Act, all policies published by the

Branch, whether enacted, published or issued before or after the date of registration, and as amended from time to time.

Disputed administrative sanctions are managed by the Branch through its Reconsideration and Administrative Review process. For more information, see:

http://www.pssg.gov.bc.ca/gaming/legislation_policy_standards/internal_review_procedures.pdf

Regulatory or Criminal Offences

In addition to administrative sanctions, registrants could face additional penalties for offences that are contrary to the [Gaming Control Act](#) or the *Criminal Code* of Canada.

Branch investigators, who are designated as Special Provincial Constables, and police officers have the authority to issue violation tickets for fines up to \$500 for regulatory offences under Section 97(2)(b),(c),(d) and (e) of the Act. Disputed tickets are dealt with through the provincial court system in a manner similar to motor vehicle traffic tickets.

Registrants that receive a penalty for a regulatory or criminal offence may also face administrative sanctions, including the cancellation of registration.

Administrative Sanctions Table:

Note: This table is a guideline describing a range of administrative sanctions that *may be* imposed by the Gaming Policy and Enforcement Branch (Branch) for first and subsequent violations. However, the type and severity of administrative sanctions imposed depends on a number of factors, including the nature and circumstances of the contravention and the compliance history of the registrant. The Branch can and will apply any of the sanctions available to it, including cancelling or refusing to issue a registration if the General Manager considers that it would be a detriment to the integrity or lawful conduct or management of gaming. Note also that the violations listed are not a definitive list of all potential violations. Registrants must comply with all provisions of the Gaming Control Act, all regulations and rules under the Gaming Control Act, all policies published by the Branch, whether enacted, published or issued before or after the date of registration, and as amended from time to time.

ADMINISTRATIVE SANCTIONS FOR REGISTERED GAMING SERVICES PROVIDERS			
ADMINISTRATIVE VIOLATIONS	SANCTION(S) IMPOSED FOR SUCCESSIVE VIOLATIONS OF A SIMILAR NATURE		
	1ST VIOLATION	2ND VIOLATION	SUBSEQUENT VIOLATION(S)
The registrant is considered by the General Manager to be a detriment to the integrity or lawful conduct or management of gaming (section 68(a) of the Gaming Control Act).	<ul style="list-style-type: none"> ◆ Registration suspended or cancelled. ◆ Additional conditions imposed. ◆ Administrative fine of up to \$20,000 imposed. ◆ Payment of all time costs and fees associated with any background investigations required. 	<ul style="list-style-type: none"> ◆ Registration cancelled 	
The registrant fails to meet a registration requirement under the Gaming Control Act (section 68(b) of the Gaming Control Act).	<ul style="list-style-type: none"> ◆ Registration suspended or cancelled. ◆ Additional conditions imposed. ◆ Administrative fine of up to \$20,000 imposed. ◆ Payment of all time costs and fees associated with any background investigations required. 	<ul style="list-style-type: none"> ◆ Registration cancelled 	

ADMINISTRATIVE SANCTIONS FOR REGISTERED GAMING SERVICES PROVIDERS (continued)

ADMINISTRATIVE VIOLATIONS	SANCTION(S) IMPOSED FOR SUCCESSIVE VIOLATIONS OF A SIMILAR NATURE		
	1 ST VIOLATION	2 ND VIOLATION	SUBSEQUENT VIOLATION(S)
The registrant has made a material misrepresentation, omission or misstatement in a registration application or in reply by a person conducting an audit, inspection or investigation under the Act (section 68(d) of the Gaming Control Act).	<ul style="list-style-type: none"> ◆ Registration suspended or cancelled. ◆ Additional conditions imposed. ◆ Administrative fine of up to \$20,000 imposed. ◆ Payment of all time costs and fees associated with any background investigations required. 	<ul style="list-style-type: none"> ◆ Registration cancelled. 	
The registrant and has been refused a similar registration, licence or authority in British Columbia or in another jurisdiction (section 68(e) of the Gaming Control Act).	<ul style="list-style-type: none"> ◆ Payment of all time costs and fees associated with any background investigations required to determine implications and appropriate sanctions. 	<ul style="list-style-type: none"> ◆ Payment of all time costs and fees associated with any background investigations required to determine implications and appropriate sanctions. 	<ul style="list-style-type: none"> ◆ Payment of all time costs and fees associated with any background investigations required to determine implications and appropriate sanctions.
The registrant has held a similar registration, licence or authority in British Columbia, or in another jurisdiction, and the similar registration, licence or authority has been suspended or cancelled (section 68(f) of the Gaming Control Act).	<ul style="list-style-type: none"> ◆ Payment of all time costs and fees associated with any background investigations required to determine implications and appropriate sanctions. 	<ul style="list-style-type: none"> ◆ Payment of all time costs and fees associated with any background investigations required to determine implications and appropriate sanctions. 	<ul style="list-style-type: none"> ◆ Payment of all time costs and fees associated with any background investigations required to determine implications and appropriate sanctions.
The registrant has been convicted of an offence, inside or outside of British Columbia, that in the opinion of the General Manager, calls into question their honesty and integrity (section 68(g) of the Gaming Control Act).	<ul style="list-style-type: none"> ◆ Registration suspended or cancelled. ◆ Additional conditions imposed. ◆ Administrative fine of up to \$20,000 imposed. ◆ Payment of all time costs and fees associated with any background investigations required. 	<ul style="list-style-type: none"> ◆ Registration cancelled. 	

ADMINISTRATIVE SANCTIONS FOR REGISTERED GAMING SERVICES PROVIDERS (continued)

ADMINISTRATIVE VIOLATIONS	SANCTION(S) IMPOSED FOR SUCCESSIVE VIOLATIONS OF A SIMILAR NATURE		
	1 ST VIOLATION	2 ND VIOLATION	SUBSEQUENT VIOLATION(S)
Failure to submit to, and cooperate in, background investigations, including interviews at the request of the General Manager under the Act (section 34(a) of the Gaming Control Regulation).	<ul style="list-style-type: none"> ◆ Registration cancelled. 		
Failure to comply with the standard operating procedures and rules of play relevant to the type of gaming pertinent to the registration (section 34(b) of the Gaming Control Regulation).	<ul style="list-style-type: none"> ◆ Written warning with requirement to comply. ◆ Registration suspended pending compliance. 	<ul style="list-style-type: none"> ◆ Administrative fine of up to \$20,000 imposed. ◆ Registration suspended for up to 3 months. ◆ Additional conditions imposed. 	<ul style="list-style-type: none"> ◆ Registration cancelled.
Failure to report the General Manager any civil litigation, regulatory investigation or other legal proceeding involving the gaming services provider (section 34(c) of the Gaming Control Regulation).	<ul style="list-style-type: none"> ◆ Written warning with requirement to comply. 	<ul style="list-style-type: none"> ◆ Administrative fine of up to \$20,000 imposed. ◆ Registration suspended for up to 3 months. ◆ Additional conditions imposed. 	<ul style="list-style-type: none"> ◆ Registration cancelled.
Failure to report to the General Manager any new creditor information (section 34(d) and 34(e) of the Gaming Control Regulation).	<ul style="list-style-type: none"> ◆ Written warning with requirement to comply. 	<ul style="list-style-type: none"> ◆ Administrative fine of up to \$20,000 imposed; ◆ Registration suspended for up to 3 months; ◆ Additional conditions imposed. 	<ul style="list-style-type: none"> ◆ Registration cancelled.

ADMINISTRATIVE SANCTIONS FOR REGISTERED GAMING SERVICES PROVIDERS (continued)

ADMINISTRATIVE VIOLATIONS	SANCTION(S) IMPOSED FOR SUCCESSIVE VIOLATIONS OF A SIMILAR NATURE		
	1 ST VIOLATION	2 ND VIOLATION	SUBSEQUENT VIOLATION(S)
Failure of a publicly traded registered gaming services provider to provide, at the time of issue, copies of all press releases and other records that the gaming services provider is required to file with the securities and exchange commission or similar authority (section 34(f) of the Gaming Control Regulation).	<ul style="list-style-type: none"> ◆ Written warning with requirement to comply. 	<ul style="list-style-type: none"> ◆ Administrative fine of up to \$20,000 imposed. ◆ Registration suspended for up to 3 months. ◆ Additional conditions imposed. 	<ul style="list-style-type: none"> ◆ Registration cancelled.
Failure to ensure that an individual appointed or employed by a gaming services provider is appropriately registered where required under the Act (section 34(g) of the Gaming Control Regulation).	<ul style="list-style-type: none"> ◆ Written warning with requirement to comply. 	<ul style="list-style-type: none"> ◆ Administrative fine of up to \$20,000 imposed. ◆ Registration suspended for up to 3 months. ◆ Additional conditions imposed. 	<ul style="list-style-type: none"> ◆ Registration cancelled.
Failure to post the certificate of registration in the gaming facility for public view (section 34(h) of the Gaming Control Regulation).	<ul style="list-style-type: none"> ◆ Written warning with requirement to comply. 	<ul style="list-style-type: none"> ◆ Administrative fine of up to \$20,000 imposed. ◆ Registration suspended for up to 3 months. ◆ Additional conditions imposed. 	<ul style="list-style-type: none"> ◆ Registration cancelled.
Failure to report any conduct or activity at or near a gaming facility that is or may be contrary to the Criminal Code, the Act, or the regulations under the Act (section 86(2) of the Gaming Control Act; section 34(j) of the Gaming Control Regulation).	<ul style="list-style-type: none"> ◆ Written warning with requirement to comply. 	<ul style="list-style-type: none"> ◆ Administrative fine of up to \$20,000 imposed. ◆ Registration suspended for up to 3 months. ◆ Additional conditions imposed. 	<ul style="list-style-type: none"> ◆ Registration cancelled.

ADMINISTRATIVE SANCTIONS FOR REGISTERED GAMING SERVICES PROVIDERS (continued)

ADMINISTRATIVE VIOLATIONS	SANCTION(S) IMPOSED FOR SUCCESSIVE VIOLATIONS OF A SIMILAR NATURE		
	1 ST VIOLATION	2 ND VIOLATION	SUBSEQUENT VIOLATION(S)
Failure to immediately notify the General Manager of any specified organizational change (section 73(1) of the Gaming Control Act).	<ul style="list-style-type: none"> ◆ Written warning with requirement to comply. ◆ Suspension or cancellation of registration. ◆ Additional conditions imposed. 	<ul style="list-style-type: none"> ◆ Administrative fine of up to \$20,000 imposed. ◆ Additional conditions imposed. 	<ul style="list-style-type: none"> ◆ Registration cancelled.
Failure to submit annual financial statements within 6 months of the end of the registrant's fiscal year (section 77(1) of the Gaming Control Act).	<ul style="list-style-type: none"> ◆ Written warning with requirement to comply; ◆ Additional conditions imposed. 	<ul style="list-style-type: none"> ◆ Administrative fine of up to \$20,000 imposed. ◆ Registration suspended for up to 3 months. ◆ Additional conditions imposed. 	<ul style="list-style-type: none"> ◆ Registration cancelled.