

## **2011/12 Gaming Policy and Enforcement Branch Business Plan**

The Gaming Policy and Enforcement Branch (GPEB) is responsible for regulating all gaming in British Columbia. Gaming is a complex industry and as a result GPEB is a multifaceted organization with a wide range of responsibilities.

### **GPEB's Mandate**

GPEB's primary mandate is to ensure the integrity of gaming and horse racing in the province. This mandate is shaped by British Columbia's Gaming Control Act, Canada's Criminal Code and other applicable laws, regulations, and policies. The Branch provides regulatory oversight of the BC Lottery Corporation (BCLC), which is responsible for the conduct and management of lotteries, casinos, community gaming centres, commercial bingo halls and PlayNow.com. GPEB's mandate is also guided by the Minister responsible through the Ministry of Public Safety and Solicitor General's Service Plan. In the 2011/12-2013/14 Service Plan, GPEB's stated core objective is to ensure that a comprehensive and responsible gaming regulatory framework is in place.

### **Strategic Context**

The gaming industry in B.C. has expanded and evolved dramatically over the past ten years. As a result, GPEB must continually reassess and evolve its business practices, at the same time ensuring that core regulatory functions remain in place.

#### **Challenge: Online, interactive gaming**

Having launched e-casino in the summer of 2010, BCLC continues its expansion into online gaming with e-poker, launched in February 2011. E-poker is the first multi-jurisdictional, head-to-head, online gaming system in the world. This expansion of internet gaming poses some significant challenges for GPEB as the regulator, for example:

- New systems and playing environments, which require adaptation from the various business areas within GPEB in order to provide regulatory assurance, and
- Online gaming and its relationship to problem gambling.

This challenge will continue with BCLC's plan to continue its online expansion with interactive e-bingo scheduled to be launched within the next eighteen months.

**GPEB Response: Cross-divisional working group**

In response to the e-poker initiative, a working group was formed with representation from all divisions with a role in regulating internet gaming. The process culminated in a formal recommendation to GPEB's Assistant Deputy Minister for signoff of the e-poker project with assurance that all regulatory requirements had been met. This process proved to be effective in addressing issues related to e-poker. GPEB will continue to apply this collaborative approach to other key issues affecting the gaming industry in B.C.

**Challenge: Decline in the B.C Horse Racing Industry**

Horse racing revenues in B.C. have declined over the past decade. The industry faces numerous challenges as it attempts to reverse this trend and develop a sustainable business model. Industry organizations requested the intervention of the provincial government in 2009 to help stabilize and revitalize racing in BC.

**GPEB Response: B.C. Horse Racing Industry Management Committee**

Under the direction of the former Minister of Public Safety and Solicitor General, the B.C. Horse Racing Industry Management Committee (HRIMC) was formed with the full authority to provide strategic direction, decision-making, and business leadership to the horse racing industry with the aim of revitalizing the industry.

In 2009/10 and 2010/11, the ADM of GPEB chaired the HRIMC, and GPEB provided significant staff support. GPEB will have an ongoing role in implementing the Industry Business Plan through 2011/12.

**Challenge: Anti-Money Laundering**

Casino gaming in British Columbia is primarily a cash-based business, which poses unique challenges to the Branch in providing and supporting appropriate anti-money laundering initiatives and policies. In early 2011, the Honourable Rich Coleman, then Minister of Public Safety and Solicitor General, requested a review of anti-money laundering strategies employed at B.C.'s gaming facilities. As the laundering of money involves complex criminal activities, this challenge will be ongoing.

**GPEB Response: Anti-money laundering action plan and cross-divisional working group**

In response to the review, a GPEB action plan and cross-divisional working group has been formed to develop and implement policies that will decrease the reliance on cash in the industry and provide security for patrons. This work will take place in consultation with BCLC and will continue through 2011 and 2012.

## **Additional GPEB Initiatives**

### **Enhancements to the Gaming Online System (GOS)**

In order to deliver effective service to the public, the Branch uses a web-based system that combines internal components with a public interface. The Gaming Online System (GOS) requires new functionality to handle an ever-increasing client base and provide all users with increased confidence in the system. The enhancements scheduled to be developed in 2011/12 include the following:

- Increased flexibility to the grants system
- High priority enhancements for all business areas
- Lottery retailer registration
- E-services
- Increased reporting capability.

### **Strengthening the Voluntary Self-Exclusion Program**

The BCLC voluntary self-exclusion (VSE) program enables players who have a gambling problem to exclude themselves from gaming facilities for a specified period of time. In August 2011, the results of two separate independent reviews commissioned by BCLC and GPEB were released. The results of these reviews confirmed the effectiveness of the VSE program and provided opportunities for further enhancement of the program. In 2011/12, using the recommendations of the reports and best practices, GPEB will implement policies to strengthen the effectiveness of the tools in place to assist those in the VSE program.

## **Core Business**

### **Goal 1 – Ensuring citizens and communities are protected**

#### **Key Deliverables**

- 1.1 Ensure the Province has a strong regulatory environment for gaming that protects consumers while allowing reasonable business practices.
- 1.2 Ensure all people and companies involved in the gaming industry are thoroughly scrutinized and deemed suitable.
- 1.3 Ensure all equipment and supplies used in the gaming industry are certified prior to use.
- 1.4 Ensure the Branch has a comprehensive governance, risk and compliance strategy. Continue to work with the gaming industry to develop a comprehensive risk management and compliance framework.
- 1.5 Ensure an appropriate response to allegations of wrongdoing at gaming venues.

- 1.6 Ensure the gaming industry in British Columbia is recognized as a leader in anti-money laundering best practices.

## **Goal 2 – Ensuring compliance with regulations and standards**

### **Key Deliverables**

- 2.1 Manage a comprehensive risk-based audit program for BCLC, and for charitable and commercial gaming.
- 2.2 Determine the outcome of each horse race, adjudicate any related matters, and enforce the rules and regulations of horse racing.
- 2.3 Investigate allegations of wrongdoing related to gaming.

## **Goal 3 – Supporting citizens and communities**

### **Key Deliverables**

- 3.1 Assist the Ministry of Community, Sport and Cultural Development with the distribution of community gaming grants
- 3.2 Issue gaming event licences to community organizations.
- 3.2 Manage the delivery of problem and responsible gambling programs, and ensure problem gambling counselling and support services are available to anyone who requests them.
- 3.3 Distribute payments to local governments that host gaming venues.
- 3.4 Provide support to the B.C. Horse Racing Industry Management Committee.

### New Performance Measures

In 2010/11, GPEB revised its performance measures to focus on timeliness of services that directly impact the public. These values were then averaged into a service score that also appears in the Ministry of Public Safety and Solicitor General's Service Plan. Because some of these measures rely on factors outside of Branch control, a score of 100 is unlikely to be realized.

Performance Measure	2010/11 Forecast	2011/12 Target	2012/13 Target	2013/14 Target
Branch Service Score	81	84	85	86

The Branch Service Score is an average of the following performance measures:

Division	Service Standard	Description	Performance Measure: % of transactions that met the service standard			
			2009/10 - Baseline	2010/11 - Forecast	2011/12 - Target	2012/13 - Target
Registration	1	Complete applications for horse racing licences are processed within 5 business days	99	<b>98</b>	98	98
Registration	2	Complete applications for lottery retailer registrations are processed within 5 business days	96	<b>96</b>	98	98
Registration	3	Complete applications for gaming worker registrations are processed within 5 business days	99	<b>98</b>	98	98

Division	Service Standard	Description	Performance Measure: % of transactions that met the service standard			
			2009/10 - Baseline	2010/11 - Forecast	2011/12 - Target	2012/13 - Target
Audit	4	Draft reports are issued within 30 days of commercial gaming audits <sup>1</sup>	N/A	35	40 <sup>2</sup>	52
Audit	5	Draft reports are issued within 35 days of lottery retailer audits	N/A	60	64	65
Audit	6	Final reports are issued within 70 days of licensed gaming event audit or community gaming grant audit	N/A	63	64	65
Policy	7	Correspondence requests are completed within 14 business days	N/A	100	100	100
Policy	8	Problem Gambling Hotline callers referred to counselling services are contacted by a Responsible and Problem Gambling Program counsellor within 24 hours	100	100	100	100
Licensing and Grants	9	Applications for Class B licences are processed within 3 business days <sup>3</sup>	70	76	80	80
Licensing and Grants	10	Applications for Class D licences are processed within 3 business days <sup>4</sup>	63	72	80	80

<sup>1</sup> Audit Division has traditionally measured the timeliness of their draft reports by a rolling average, rather than a percentage of the service standard. For 2010/11, the rolling average for commercial gaming audits is forecast at 38 days.

<sup>2</sup> Expected FTE hires for the Commercial Gaming Audit group should result in a decrease of the rolling average and consequently an increase in the percentage of draft reports issued within the service standard, which will fully materialize in 2012/13.

<sup>3</sup> This service standard presumes the application is accurate and complete. However, many licensing application submitted to GPEB contain errors and/or are missing information. This extends the processing time.

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