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F I L E D	FEDERAL COURT COUR FÉDÉRALE September 26, 2025 26 septembre 2025
	Jonathan Macena
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Court File No. _____

FEDERAL COURT

BETWEEN

SASKATCHEWAN INDIAN GAMING AUTHORITY INC.

APPELLANT

and

THE ATTORNEY GENERAL OF CANADA

RESPONDENT

NOTICE OF APPEAL

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the appellant. The relief claimed by the appellant appears below.

THIS APPEAL will be heard by the Court at a time and place to be fixed by the Judicial Administrator. Unless the Court directs otherwise, the place of hearing will be as requested by the appellant. The appellant requests that this appeal be heard at Saskatoon, Saskatchewan.

IF YOU WISH TO OPPOSE THIS APPEAL, to receive notice of any step in the appeal or to be served with any documents in the appeal, you or a solicitor acting for you must prepare a notice of appearance in Form 341A prescribed by the *Federal Courts Rules* and serve it on the appellant's solicitor or, if the appellant is self-represented, on the appellant, WITHIN 10 DAYS after being served with this notice of appeal.

IF YOU INTEND TO SEEK A DIFFERENT DISPOSITION of the order appealed from, you must serve and file a notice of cross-appeal in Form 341B prescribed by the *Federal Courts Rules* instead of serving and filing a notice of appearance.

Copies of the *Federal Courts Rules*, information concerning the local offices of the Court and other necessary information may be obtained on request to the Administrator of this Court at Ottawa (telephone 613-992-4238) or at any local office.

IF YOU FAIL TO OPPOSE THIS APPEAL, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.

Date: _____

Issued by: _____
(Registry Officer)

Address of local office:

520 Spadina Crescent East
Saskatoon, SK S7K 3G7

TO: **THE ATTORNEY GENERAL OF CANADA**
c/o The Department of Justice
Suite 3400, The Exchange Tower
130 King Street West
Toronto, ON M5X 1K6
Respondent

AND TO: **FINANCIAL TRANSACTIONS AND REPORTS ANALYSIS
CENTRE OF CANADA**
24th floor, 234 Laurier Avenue West
Ottawa, ON K1P 1H7
Attention: Sarah Paquet, Director and Chief Executive Officer
Tel: 1-866-346-8722
Fax: 613-943-7931

AND TO: **THE ADMINISTRATOR
FEDERAL COURT OF CANADA**
180 Queen Street West, Suite 200
Toronto, ON M5V 3L6

APPEAL

1. THE APPELLANT APPEALS to the Federal Court under section 73.21 of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, SC 2000, c 17 (the “**Act**”) from the decision dated August 28, 2025 (the “**Decision**”) of the Director and Chief Executive Officer (the “**Director**”) of the Financial Transactions and Reports Analysis Centre of Canada (“**FINTRAC**”) which upheld the finding by FINTRAC contained in a Notice of Violation dated April 30, 2025 (the “**NOV**”), that Saskatchewan Indian Gaming Authority Inc. (the “**Appellant**”) committed the following three violations of the Act (the “**Violations**”), but imposed a total administrative monetary penalty of \$1,175,000 as set below:
 - a) **Violation #1:** Failure of a person or entity to report financial transactions that occurred in the course of its activities and in respect of which there are reasonable grounds to suspect that the transactions are related to the commission or the attempted commission of a money laundering offence, or a terrorist activity financing offence that occurred during the casino’s review period of September 1, 2022 to September 1, 2024, which is contrary to section 7 of the Act and subsection 9(1) of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Suspicious Transaction Reporting Regulations* (the “**STR Regulations**”) [Penalty for Violation #1: \$1,075,000, consisting of \$225,000 for Instance #1, \$450,000 for Instance #2, \$200,00 for Instance #3 and \$200,000 for Instance #4] .
 - b) **Violation #2:** Failure of a person or entity to include the prescribed information in a report made under section 7 of the Act concerning transactions suspected of being related to the commission or attempted commission of a money laundering offence, or a terrorist activity financing offence that occurred during the casino’s review

period of September 1, 2022 to September 1, 2024, which is contrary to section 7 of the Act and subsection 9(1) of the STR Regulations [Penalty for Violation #2: \$75,000].

- c) **Violation #3:** Failure of a person or entity to develop and apply written compliance policies and procedures that are kept up to date and, in the case of an entity, are approved by a senior officer, that occurred during the period of September 1, 2022 to September 1, 2024, which is contrary to subsection 9.6(1) of the Act and paragraph 156(1)(b) of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations* (“**Regulations**”) [Penalty for Violation 3#: \$25,000].

2. THE APPELLANT ASKS that:

- (a) the appeal be allowed;
- (b) the Decision be quashed;
- (c) a declaration be made that the Appellant did not commit any of the Violations #1 – 3, or in the alternative, exercised due diligence;
- (d) further, or in the alternative, the penalties be vacated, or in the further alternative, the penalties be reduced;
- (e) further, or in the alternative, the penalties be set aside and the matter of the appropriate penalties be remitted to the Director for redetermination and reduction;
- (f) costs of the appeal be awarded to the Appellant; and
- (g) such other relief as counsel for the Appellant may advise and this Honourable Court may allow.

3. THE GROUNDS OF APEAL are as follows:
- (a) The Appellant is a non-profit corporation, incorporated pursuant to *The Non-Profit Corporations Act, 2022* of Saskatchewan as a charitable corporation, and operates seven casino sites in the province of Saskatchewan.
 - (b) The Class A memberships of the Appellant are owned by the Federation of Sovereign Indigenous Nations (“**FSIN**”) and each of ten Tribal Councils in Saskatchewan that are recognized by the Saskatchewan Indian Gaming Commission of the FSIN, as well as one independent member, which overall encompasses 74 First Nations in Saskatchewan.
 - (c) The Appellant was established with a mandate to create employment for First Nation people, to generate profits which could be distributed to First Nations and to partner on economic development projects that benefit its members and communities.
 - (d) The Government of Saskatchewan (the “**Province**”) and the FSIN completed the 2002 Framework Agreement in 2002 (“**Framework Agreement**”), which replaced the 1995 Framework Agreement, and which authorizes the Appellant to operate casinos in accordance with the 2002 Casino Operating Agreement (“**Operating Agreement**”) with Saskatchewan Liquor and Gaming Authority (“**SLGA**”).
 - (e) SLGA (now Lotteries and Gaming Saskatchewan Corporation) is responsible for the overall conduct and management of the slot machines in the seven casinos operated by the Appellant as required under the *Criminal Code* of Canada.
 - (f) Pursuant to the Operating Agreement, the Appellant is required to operate on a non-profit basis and is entitled to withhold the casino’s

operating expenses, incurred in accordance with the operating policies and directives approved by SLGA, from slot machine revenues and the Appellant is then required to deposit the remainder into a trust account for SLGA in accordance with the Operating Agreement.

- (g) Pursuant to the Operating Agreement, the Appellant may conduct and manage Licensed Games for which it holds a license such as Blackjack, Roulette, Let it Ride, Poker and others. The Appellant is entitled to recover, in any year, any net loss from the operation of Licensed Games and ancillary operations from the net income earned from the operation of slot machines.
- (h) The Operating Agreement provides that the Appellant may use net income, if any, from the operation of Licensed Games for charitable or religious objects or purposes. However, historically Licensed Games have operated at a net loss.
- (i) The Appellant does not have any net income on an annual basis, other than unrealized gains on interest rate swaps which eventually are reversed. Other than cost recovery amounts maintained by SIGA pursuant to the Operating Agreement, all slot machine and dice game gross revenue is deposited into a SLGA (now Lotteries and Gaming Saskatchewan Corporation) account.
- (j) The gaming profits required to be paid by the Appellant to LGS on behalf of the Province are then distributed in accordance with an allocation formula contained in the Framework Agreement between the Province and the FSIN, as amended by the 2007 Amending Agreement.
- (k) Effective April 1, 2023, the Province created Lotteries and Gaming Saskatchewan Corporation (“LGS”) as a Crown corporation to

conduct and manage lottery schemes and oversee the gaming sector in Saskatchewan pursuant to *The Lotteries and Gaming Saskatchewan Corporation Act* from June 1, 2023 forward.

- (l) Pursuant to an agreement signed on June 1, 2023 between the Appellant, SGC, LGS and SLGA, the assignment of the Casino Operating Agreement from SLGA to LGS was completed thereby transferring the conduct and management role for casino operations and online gambling in Saskatchewan from SLGA to LGS.
- (m) The Appellant has been the subject eight FINTRAC examinations conducted in 2007, 2009, 2011, 2013, 2015, 2017, 2020 and 2024.
- (n) Prior to the 2024 FINTRAC examination, the Appellant has never been issued a NOV by FINTRAC, nor been assessed an administrative monetary penalty for any violations of the Act or Regulations.
- (o) In response to all prior FINTRAC Examinations, the Appellant has taken any deficiencies identified by FINTRAC seriously and addressed each deficiency in a responsive, timely and thorough manner, without the proposed issuance of any administrative monetary penalties.
- (p) By letter dated July 31, 2024, FINTRAC advised the Appellant that it would be subject to a compliance examination under the Act and advising of the date the examination would take place (September 26, 2024) and requesting that documentation listed in an attached Appendix 1 – Specific Information Request, be provided by August 30, 2024.
- (q) The Appellant responded to the Specific Information Request in a timely manner and provided the documents requested under the Headings: A. Organizational Information; B. Compliance Program;

C. Higher Risk Clients; and D. Escalation/Suspicious Transaction Reports (“STRs”).

- (r) On September 26 and 27, 2024, FINTRAC conducted the Appellant’s eighth compliance examination, covering the period between September 1, 2022, and September 1, 2024. This examination included a targeted scope to review the following:
- The Appellant’s policies and procedures related to STR reporting;
 - The Appellant’s policies and procedures related to high-risk patrons and special measures to mitigate high-risk activities;
 - The Appellant’s transaction monitoring system;
 - The Appellant’s high-risk table games’ patrons and their related activities/transactions;
 - The Appellant’s submitted STR reports for the examination period.
- (s) The compliance examination conducted by FINTRAC on September 26 and 27, 2024 in regard to the Appellant’s STR reporting represented the first time that FINTRAC had focused on this issue.
- (t) FINTRAC shared its overall findings verbally with the Appellant during an exit interview on September 27, 2024.
- (u) On October 3, 2024, the Appellant e-mailed FINTRAC with a list of action items it had taken following the exit interview in relation to FINTRAC’s findings.

- (v) On February 12, 2025, FINTRAC issued an examination findings letter indicating that FINTRAC had identified three deficiencies in the Appellant's compliance program. FINTRAC detailed the Appellant's non-compliance with the Act and the Regulations and advised that FINTRAC was considering the issuance of a penalty.
- (w) On April 30, 2025, FINTRAC issued the NOV to the Appellant, pursuant to subsection 73.13(2) of the Act which identified the three Violations that FINTRAC alleged it had reasonable grounds to believe SIGA committed and proposed administrative monetary penalties with respect to each alleged Violation.
- (x) The Appellant submitted a representation letter to the Director on May 29, 2025 disputing FINTRAC's findings of Violations and the proposed administrative monetary penalties with respect to each Violation, including by disputing numerous specific findings of fact made by FINTRAC and FINTRAC's application of the facts to the relevant provisions of the Act, Regulations, STR Regulations and FINTRAC's published policies and procedures.
- (y) In reviewing FINTRAC's findings of Violations and the proposed administrative monetary penalties in regard to the 4 Instances referred to in Violation #1 in light of the Appellant's representations, the Director in her Decision found that the Appellant had in fact filed a prior STR or multiple STRs with respect to 3 of the 4 Instances identified in Violation #1 when FINTRAC had concluded that no prior STRs had been filed at all. The Director also found that the Appellant had placed the patrons in question on either its "high" or "extreme high" risk client list.
- (z) In addition, in determining the appropriateness of the administrative monetary penalties for the 4 Instances referred to in Violation #1, the Director acknowledged FINTRAC's policy to reduce penalties

by two-thirds for first time violations taking into account compliance history, but upheld FINTRAC's decision to not reduce the proposed penalties imposed on the Appellant for Violation #1 despite acknowledging that the Appellant had never been levied a penalty before.

- (aa) In regard to Violation #2 and FINTRAC's findings that 39 of the 100 STRs reviewed by FINTRAC contained no money laundering or terrorist financing indicators in the STRs, the Director found that 36 of the 39 STRs did in fact contain money laundering indicators.
- (bb) In addition, in determining the appropriateness of the administrative monetary penalties for the remaining 3 Instances referred to in Violation #2, the Director acknowledged FINTRAC's policy to reduce penalties by two-thirds for first time violations taking into account compliance history, but upheld FINTRAC's decision to not reduce the proposed penalties imposed on the Appellant for Violation #2 despite acknowledging that the Appellant had never been levied a penalty before but instead referring to the Appellant's alleged vast resources.
- (cc) In regard to Violation #3 and FINTRAC's findings that the Appellant's policies and procedures contained an incorrect 30-day deadline for filing an STR and did not contain specifics as to what occupations are higher risk or provide examples of scenarios where an occupation does not match gaming activity, the Director in her Decision determined that these FINTRAC findings were incorrect and unjustified, but upheld FINTRAC's finding in Violation #3 on the basis that the Appellant had failed to properly assess the risk of patrons for 41 of the top 100 patrons reviewed by providing a risk rating of "none". The Director's Decision regarding the risk rating of the 41 patrons was based on the assumption that the Appellant

had entered into a business relationship with these 41 patrons.

- (dd) In addition, in determining the appropriateness of the administrative monetary penalties for Violation #3, the Director acknowledged FINTRAC's policy to reduce penalties by two-thirds for first time violations taking into account compliance history, but upheld FINTRAC's decision to not reduce the proposed penalties imposed on the Appellant for Violation #3 despite acknowledging that the Appellant had never been levied a penalty before, but rather referring to the Appellant's resources.
- (ee) The Director committed a palpable and overriding error in concluding that the Appellant committed each of the three Violations and in assessing the applicable penalties with respect to each Violation;
- (ff) In regard to Violation #1, the Director failed to apply, or misapplied, the correct legal test in accordance with section 7 of the Act and subsection 9(1) of the STR Regulations in finding that the Appellant had reasonable grounds to suspect that the transactions in regard to Instances #1 - #4 related to the commission or the attempted commission of a money laundering offence, or a terrorist financing offence and should have reported a suspicious transaction (Violation #1) in regard to Instances #1 - #4;
- (gg) The Director fettered her discretion by failing to take into account relevant considerations, and by taking into account irrelevant considerations, in finding that the Appellant had reasonable grounds to suspect that the transactions in regard to Instances #1 - #4 of Violation #1 related to the commission or the attempted commission of a money laundering offence, or a terrorist financing offence and should have reported a suspicious transaction (Violation #1) in regard to Instances #1 - #4, which is an extricable legal issue

reviewable on the correctness standard;

- (hh) The Director committed a palpable and overriding error by failing to consider, misinterpreting or misconstruing the evidence in regard to Violation #1, concerning each customer's: i) level of transactional activity that was before FINTRAC including evidence regarding the "recycling" of the customer's own money and winnings or "churn", ii) apparent financial standing, iii) occupational information, iv) pattern of activities, v) knowledge of reporting thresholds and iv) suspected reporting avoidance, in finding that the Appellant had reasonable grounds to suspect that the transactions in regard to Instances #1 - #4 related to the commission or the attempted commission of a money laundering offence, or a terrorist financing offence and should have reported a suspicious transaction (Violation #1) with respect to Instances #1 - 4;
- (ii) The Director fettered her discretion in assessing and imposing the penalties in respect of Violation #1 for Instances #1 - 4 by: i) misinterpreting, misconstruing or failing to consider the evidence regarding the Appellant's compliance history and steps taken to comply; ii) incorrectly assessing the harm done; iii) taking into account irrelevant considerations including the Appellant's resources, level of transactional behaviour by its patrons, the Appellant's size (including "its many employees and Casinos"); and iv) by not properly acknowledging mitigating factors including the Appellant's willingness and efforts to comply and whether the penalties were required to encourage compliance; thereby resulting in the penalties being punitive in nature contrary to section 73.11 of the Act;
- (jj) In regard to Violation #2, the Director, after finding that 36 of the 39 STRs alleged by FINTRAC in the NOV to contain no money

laundering or terrorist financing indicators (“**ML/TF Indicators**”) did in fact contain ML/TF Indicators, committed errors in law and fettered her discretion by completely ignoring, failing to consider or misconstruing the evidence concerning the remaining 3 STRs (#59***929, 587***053 and 59***62) by incorrectly finding that they did not contain any ML/TF Indicators when in fact they did on their face and in the same manner as the other 36 STRs found not to be in violation of the Act or the STR Regulations;

- (kk) The Director committed errors in law and fettered her discretion in assessing and imposing the penalty in respect of Violation #2 by: i) misinterpreting, misconstruing or failing to consider the evidence regarding the Appellant’s compliance history and steps taken to comply; ii) incorrectly assessing the harm done; iii) taking into account incorrect or irrelevant considerations including the Appellant’s alleged “vast” resources, the number of examinations FINTRAC had conducted on the Appellant and after acknowledging compliance in 36 of 39 STRs stating that further elaboration and detail was possible; and iv) by not properly acknowledging mitigating factors including the Appellant’s willingness and efforts to comply and whether the penalties were required to encourage compliance; thereby resulting in the penalties being punitive in nature contrary to section 73.11 of the Act;

- (ll) With respect to Violation #3, the Director committed an error of law by disregarding, mischaracterizing or misconstruing relevant evidence in finding that the Appellant failed to develop and apply written compliance policies and procedures contrary to subsection 9.6(1) of the Act and paragraph 156(1)(b) of the Regulations by concluding that a risk assessment was required for 41 clients of the Appellant for which their risk was listed as “none” when the Appellant was not required to conduct a risk assessment of these

clients as it had not entered into a “business relationship” with the 41 clients according to FINTRAC’s own guidance and policies;

- (mm) The Director committed an error of law and fettered her discretion in assessing and imposing the penalty in respect of Violation #3 by:
- i) misinterpreting, misconstruing or failing to consider the evidence regarding the Appellant’s compliance history and steps taken to comply;
 - ii) incorrectly assessing the harm done with respect to the 41 clients;
 - iii) taking into account irrelevant considerations including the Appellant’s resources, the number of examinations FINTRAC had conducted on the Appellant and the Appellant’s size;
 - iv) inconsistently finding that the Appellant developed policies and procedures that strongly reflect ongoing monitoring and that its failure to maintain complete policies and procedures is a repeat deficiency; and
 - v) by not properly acknowledging mitigating factors including the Appellant’s willingness and efforts to comply and whether the penalties were required to encourage compliance; thereby resulting in the penalties being punitive in nature contrary to section 73.11 of the Act.

4. The Appellant requests pursuant to Rules 317 and 350 of the Federal Court Rules that the Director and FINTRAC send a certified copy of the following material that is not in the possession of the Appellant, but is in the possession of the Director and/or FINTRAC, to the Appellant and to the Registry:

- (a) Copies of all FINTRAC interview notes with the Appellant’s employees;
- (b) A copy of any recommendation from FINTRAC’s Review and Appeals Unit to the Director, and any record of communications between FINTRAC and the Director regarding any of the findings of Violations and/or the proposed penalties;

- (c) Copy of the complete record made available by FINTRAC to the Director in rendering her Decision;
- (d) Any and all file contents relied upon by FINTRAC or pertaining to the findings of FINTRAC and/or the Director in relation to the Violations, the NOV, the penalties imposed against the Appellant or the Decision, including internal records from FINTRAC which are not available to the public, historical records of FINTRAC pertaining to the Appellant, any internal email correspondence, notes, memoranda or other documents in whatever form relating to the consideration, discussion or findings of FINTRAC leading to the Violations, NOV, the penalties imposed against the Appellant or the Decision, or any materials, FINTRAC directives or policies pertaining to this matter which might not have previously been exchanged between the parties.

Date: September 26, 2025

MLT Aikins LLP



Kurt Wintermute, K.C., Solicitor

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TO: **THE ATTORNEY GENERAL OF CANADA**
c/o The Department of Justice
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AND TO: **FINANCIAL TRANSACTIONS AND REPORTS ANALYSIS
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