

Case study 2:

Fighting organised crime

A multi-agency operation aimed at raising the awareness among bookmakers of their duties under POCA, resulted in intelligence that an organised crime group were using gambling premises in the area.

One individual gambled/lost in excess of £1m (including recycled winnings) during the previous 12 months.

Joint activity by the police and the Commission resulted in:

For the bookmaker: regulatory action for failing to comply with regulatory requirements (£120,000 payment to a gambling charity).

For the individuals: an arrest warrant for the man was issued.

For the local police: valuable intelligence regarding organised crime, including group members living and visiting bookmakers in the same area, the frequency of their visits to bookmakers and their level of spend.

Case study 3:

An attempt to clean drug money

Local police identified an individual with no legitimate income who was a frequent gambler, often in betting shops from opening until closing time. Police suspected money gained from drug dealing was being 'cleaned' via gambling.

With support from the Commission, the police contacted the betting shops concerned who provided information that the individual mainly took over-the-counter bets, but also used the gaming machines.

He was given a three year custodial sentence for money laundering and drug offences.

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Case study 4:

Multi-agency operations

(Commission work with LAs and police)

In 2014 Enfield Council successfully prosecuted a person for money laundering in relation to the running of an illegal poker club.

The club generated weekly profits of thousands of pounds, and the individual was convicted for money laundering offences. The individual set out to deliberately deceive the LA and ran a professionally organised and well publicised illegal operation.

Enfield Council, the Commission and police worked together to successfully raid the illegal poker club and carry out a full investigation leading to the individual being convicted and the confiscation of his assets under POCA and the club closing.

Further information and advice can be found on our website:

- ▶ Proceeds of crime Act 2002: Information for small businesses
- ▶ Latest anti-money laundering news

Schemes such as *Betwatch* also provide a useful means of sharing intelligence.

If you have any further questions or information, please call our intelligence hotline **0121 230 6655** or email info@gamblingcommission.gov.uk secure email: intelligencereports@gamblingcommission.gov.uk

Money laundering



Information for licensing officers
and local police

Making gambling fairer and safer

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Why you need to know about money laundering and gambling

Licensing authorities have a responsibility to keep crime out of gambling. Local police, as the case studies in this leaflet show, can gather important evidence in their pursuit of other criminal activity.

What you can do

Where suspects are known to use gambling establishments (eg betting shops and casinos), for recreational purposes or as part of their criminal business you should contact us on our confidential intelligence line +44 121 230 6655. This will ensure intelligence is secured and evidence is not lost.

We can provide advice and guidance on next steps and signpost to an operator's Money Laundering Reporting Officer (MLRO) – the person responsible for anti-money laundering at a corporate level. Our Financial Intelligence Officers can also provide support with investigations.

When carrying out gambling premises licence inspections licensing officers should check that staff are aware of the mandatory Proceeds of Crime Act 2002 (POCA) reporting requirements. We would also encourage licensing authorities and police to inform one another of any money laundering or POCA offences they may find, and establish a joint approach and investigation where possible.



Confidential intelligence line +44 121 230 6655

What is money laundering and the proceeds of crime?

The proceeds of crime is property from which a person benefits directly or indirectly by being party to criminal activity.

Money laundering includes the use of funds gained from crime or taking part in any transaction that tries to disguise the origin of those funds.

It involves funds related to all crimes. For example; fraud, corruption, tax evasion, organised criminal activity, terrorism or theft. Money laundering also includes the use of criminal proceeds to pursue leisure activities, such as gambling.



How do criminals launder money in gambling premises?

- ▶ They use the fact that much gambling activity in premises is anonymous, for example playing on a gaming machine, they may stake a great deal of money, lose a small amount, and then cash out the rest as 'clean'.
- ▶ They may go to a number of gambling premises to avoid the risk of suspicion.
- ▶ They may use receipts from gaming machines or betting slips to prove that the cash they have was won through legitimate gambling rather than being illicit money.



What are gambling operators required to do?

Under POCA, all gambling operators have a responsibility to report instances where they know or suspect that a customer is using the proceeds of crime to gamble, or is using their gambling facilities to launder money.

Reports submitted under POCA help to prevent and detect crime, and ensure that crime does not pay. Operators must also conduct an assessment of the risks of their business being used for money laundering, and put in place policies, procedures and controls to prevent money laundering. These should be implemented effectively and kept under review.

Case study 1:

Gaming machine payout receipts don't prove the money is clean

Police executed a warrant at the home of an unemployed man, recovering £18,000 cash and 400 gaming machine payout receipts from various betting operators for sums exceeding £35,000.

He was arrested and, during police interview, claimed that he asked for payout receipts as evidence that the money in his possession was won whilst gambling.

With the support of the Gambling Commission (the Commission), the police asked the manufacturer of the gaming machines to examine server data relevant to the seized payout receipts. Using this data the police, using civil powers under POCA, have retained the money and will seek forfeiture under s294 & s298 of POCA.