Network and Information Systems

For Board approval	
For Board briefing	
For Board steer	
For Board information	✔

Prepared by:

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Executive summary

1. This paper is to update the Board on the Commission interaction with other government agencies through structured multi agency networks, and our access to key information systems both commercial and restricted.

2. The Commission has developed partnerships and accesses information to enable it to advise and work with Government and other partners on gambling and its regulation.

3. The use of these networks and systems enables the Commission to assess the suitability of operators and individuals to obtain and retain our licences.

4. The information gathered assists Commission decision makers to quantify risk and identify potential links to criminality in support of the licensing objective. The information obtained is used by a broad cross section of workstreams.

5. The Commission is an active member of the Government Agency Intelligence Network (GAIN) which provides a mechanism to enable different regional and local government agencies to work together in a more formal relationship, exchanging information securely within legislative constraints.

6. The Commission is a member of the Financial Crime Information Network (FIN-NET) which facilitates the sharing of financial crime related intelligence between law enforcement, regulators and government departments.

7. The Commission has increased its systems global capability to enable it to conduct enhanced due diligence on potential applicants expected to apply as a result of the change to a point of consumption licensing regime.

8. The Commission will need to review the cost and benefits of the increased capability in 12 months time to ensure they are efficient and effective.

9. The paper is provided for information but I welcome any feedback the Board may have.

Background

10. The Commission is an evidence based regulator applying the Hampton principles. In order to conduct comprehensive risk assessment, undertake proportionate regulation and targeted enforcement it needs to base its decisions on accurate credible information.

11. While the Commission generates information through its own activity, it seeks to ascertain additional information other agencies may hold relating to gambling which they have gathered as a consequence of their work. Combining this information provides us with a comprehensive picture upon which to deliver operational activity and advise Government.

12. A significant risk to the licensing objectives and reputation of the Commission would be the licensing of an operator who is seeking to use gambling as an enabler for organised crime, such as money laundering. To prevent this from occurring we undertake suitable due diligence on the basis of documents, data and information from reliable and independent sources.

13. The Government has provided clear strategic direction to its agencies to work collaboratively and to share information. This is driven by the need for efficient and effective concerted response to national threats, such as organised crime.

GAIN

14. GAIN is the Government Agency Intelligence Network, a multi-agency group that brings together intelligence and investigation staff from public sector enforcement agencies to share information and intelligence and conduct joint investigations. It is a Home Office led initiative contributing towards the Serious and Organised crime strategy.

15. The Commission had been a member of various multi agency partnership arrangements which had developed overtime. The Home Office brought these somewhat disparate informal arrangements together to be more cohesive and efficient.

16. GAIN aims to provide a mechanism to enable different regional and local government agencies to work together in a more formal relationship, exchanging information within legislative constraints. There are no membership costs**. [Exempt information under section 41 of the Freedom of Information Act]**

17. The Commission benefits from an improved understanding of how crime could manifest itself within gambling and a platform through which we can engage others to support the licensing objectives. As an example we have received a number of referrals from police officers who have identified criminal's money laundering through licensed operators, which has led the Commission to launching high profile engagement with the Industry to raise standards.

FIN-NET

18. FIN-NET is the Financial Crime Information Network, a simple, successful and cost effective mechanism that facilitates the sharing of financial crime related intelligence between law enforcement, regulators and government departments. It was established in 1992 as part of the UK government response to the closure of the Bank of Credit and Commerce International (BCCI).

19. **[Exempt information under section 31 of the Freedom of Information Act]**

20. **[Exempt information under section 31 of the Freedom of Information Act]**

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Creditsafe

23. Creditsafe is an online commercial product which enables the Commission to instantly view company credit information on more than 120 million Limited, Non-Limited, Sole Trader and PLC companies worldwide. Its information is drawn from a multitude of data sources such as Companies House, The Registry Trust, London & Edinburgh Gazette and then combined with trade payment data and the Creditsafe database to provide the information in a concise and digestible format.

24. This is the Commission primary system for conducting due diligence on applicants and licence holders. We have purchased enhanced international capability in response to the remote bill. Costs of £40,000.00 are shared between Licensing and Intelligence. We use Creditsafe to independently verify the financial data and source of funds of applicants against official records. We also use this system to help build and validate financial information High Impact operators have provided to the Commission and to enhance the profile we hold on these complex businesses.

Dow Jones Risk and Compliance

25. The Commission has recently secured access to the online Dow Jones Risk and Compliance system. This is designed to improve our capabilities in the remote and anti money laundering areas and to fill identified gaps the other systems do not cover. It has strong anti corruption, due diligence, jurisdiction risk, sanction alert and watchlist capabilities. Its global data sets include Politically Exposed Persons (PEP's) and their close associates, government sanctions, other official lists, and high-profile criminals.

26. Access and costs of £17,000.00 are shared between Licensing and Intelligence As an example of its value we have recently received a third application for a licence for a casino which appears to emanate from the same controlling group. This application is being fronted by a former overseas government minister; use of the system has enabled us to identify several areas around which we seek additional assurance and to comply with the latest Financial Action Task Force recommendations on PEP's.

Supporting systems

27. The Commission utilises a number of supporting commercial systems to verify specific information that is not contained in the aforementioned products to license, regulate and enforce the Gambling Act 2005. The volume of use is relatively low with limited costs:

- Tracesmart; which contain detailed consumer data, enabling us to trace people and support identity verification process.
- Experian and Equifax: detailed credit and risk information which supports licensing and regulatory work.
- Land Registry: details of ownership, landlords and financial records associated to property.
- Companies House: detailed company information and accounts.

Benefits

28. The Commission benefits from a return in its investments in access to the networks and information systems in a variety of ways. Our engagement at both the Gain National Executive Group and its regional meetings has provided the Commission with an improved understanding of how crime could manifest itself within gambling and a platform through which we can influence others to support the licensing objectives. As an example we have received a number of referrals from police officers who have identified criminal's money laundering through licensed operators, which has led the Commission to launching high profile engagement with the Industry to raise standards.

29. **[Exempt information under section 31 of the Freedom of Information Act]**

30. The combination of Creditsafe and Dow Jones Risk and Compliance systems enables the licensing and intelligence teams to undertake the enhanced anti money laundering procedures introduced at the Commission in preparation for the implementation of the remote bill. As a consequence the Commission can comply with our responsibilities to undertake due diligence throughout the licensing lifecycle. These systems enable instant access to vast quantities of reliable independent information significantly contributing to determining licensees ongoing suitability

31. The majority of the information is easily shared across the Commission and is made available to all relevant workstreams. There is a small amount of more sensitive information which needs to be processed by intelligence before it can be utilised by others.

32. The combined package of all these systems provides the Commission with an affordable suite of effective information products complimentary to undertaking licensing, regulation and enforcement.

Issues

33. **[Exempt information under section 31 of the Freedom of Information Act]**

34. The use of information systems enables the Commission to manage risk within a tight financial framework in comparison to the physical verification models adopted elsewhere. The remote and anti money laundering workstreams have driven the identification and refinement of the present systems used by the Commission. It is sensible and prudent that these arrangements are reviewed on an annual basis to ensure they continue to mitigate the risks and justify the costs.

35. **[Exempt information under section 31 of the Freedom of Information Act]**

Recommendations

36. Board is asked to note the contents of the paper.

Appendix A

[Exempt information under section 41 of the Freedom of Information Act]