



FINANCIAL INVESTIGATIONS DIVISION



FINANCIAL INTELLIGENCE UNIT

**Gaming Sector Review & Typologies
Identified**

(January 2020 – December 2023)



FID-TR-2024-01

Table of Contents

OVERVIEW	2
Statistics Generated From Submitted Reports	2
Gaming Sector Statistical Review	2
Monetary Value of STRs Submitted.....	3
Suspicious Reports Review and Findings	4
Primary Indicators Selected	4
Review & Analysis of Reports “Reasons for Suspicion”	5
Profile of Subjects Reported	7
Parish/Location	7
Occupation & Age Group	7
Conclusion	9

OVERVIEW

This report seeks to provide the necessary statistics, nature of transactions and the trends reported by the reporting entities of the Gaming Lounge sector for the period January 2020 to December 2023.

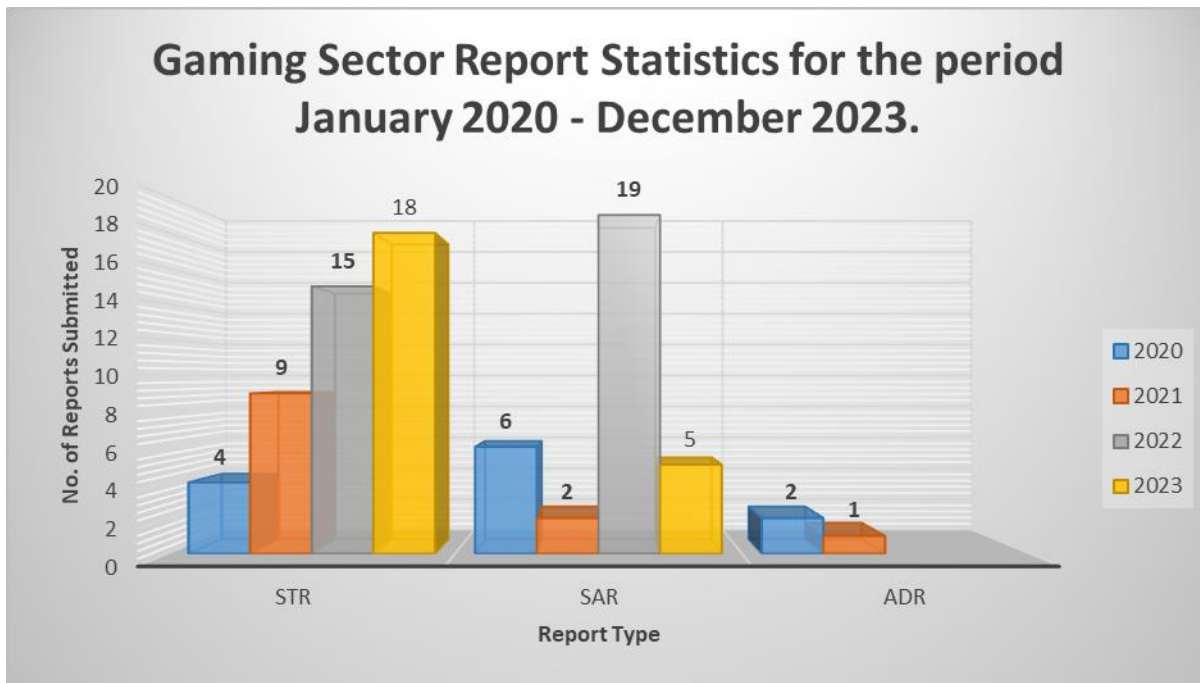
Statistics Generated From Submitted Reports

Gaming Lounges form part of the Designated Non-Financial Institutions (DNFIs) reporting sector. For the period, January 2020 to December 2023, one hundred and ten (110) reports, including Suspicious Transaction Reports (STRs), Suspicious Activity Reports (SARs) and Authorized Disclosure (Request for Consent) Reports (ADRs) have been submitted by all DNFI. The gaming sector accounts for approximately 74% of these reports from the DNFI sectors for the period under review. See details below:

Sector	2020			2021			2022			2023			Grand Total
	STR	SAR	ADR	STR	SAR	ADR	STR	SAR	ADR	STR	SAR	ADR	
Gaming Lounge	4	6	2	9	2	1	15	19	0	18	5	0	81
Others	0	2	10	0	3	4	0	1	5	1	3	0	29
Total	4	8	12	9	5	5	15	20	5	19	8	0	110

Gaming Sector Statistical Review

The gaming sector consist of thirteen (13) reporting entities, nine (9) of which contributed to the eighty-one (81) reports submitted over the four (4) year period (2020 – 2023) as illustrated below:



The calendar year 2022 is noted as the peak year with a total of 34 reports submitted compared to 2021 and 2020, which both years having twelve (12) reports submitted and 2023, twenty-three (23) reports submitted.

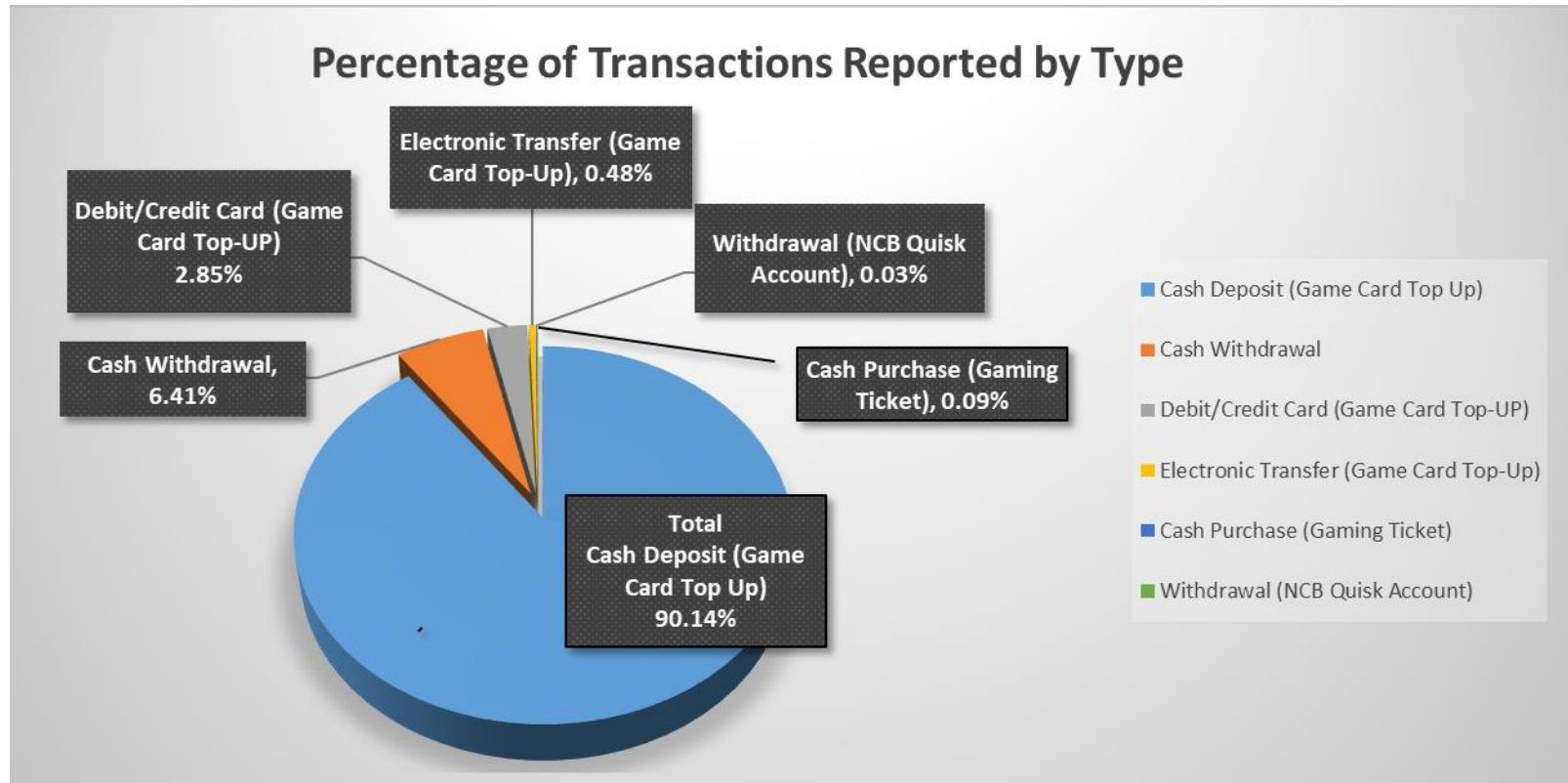
Gaming Sector Review (January 2020 – December 2023)

Monetary Value of STRs Submitted

The eighty-one (81) STRs submitted for the period under review consisted of two hundred and thirty-three (233) transactions with a total monetary value of approximately J\$171.1M. The main transactions reported were cash deposits for top-ups to gaming cards that accounted for 90.1%, that is J\$154.3M, of the total monetary value of J\$171.1M, as detailed in the table and chart below;

2020			2021			2022			2023			Report Count	Tran. Count	Total Amount (J\$)
Report Count	Tran. Count	Total Amount (J\$)	Report Count	Tran. Count	Total Amount (J\$)	Report Count	Tran. Count	Total Amount (J\$)	Report Count	Tran. Count	Total Amount (J\$)			
4	4	1,496,956.66	9	22	9,424,618.76	15	123	105,226,266.45	18	84	54,989,853.48	46	233	171,137,695.35

N.B. SARs (32) and ADRs (3) are classified as activity based reports and will not necessarily involve a dollar value; hence, the table above only represents the dollar value of STRs reported.



Gaming Sector Review (January 2020 – December 2023)

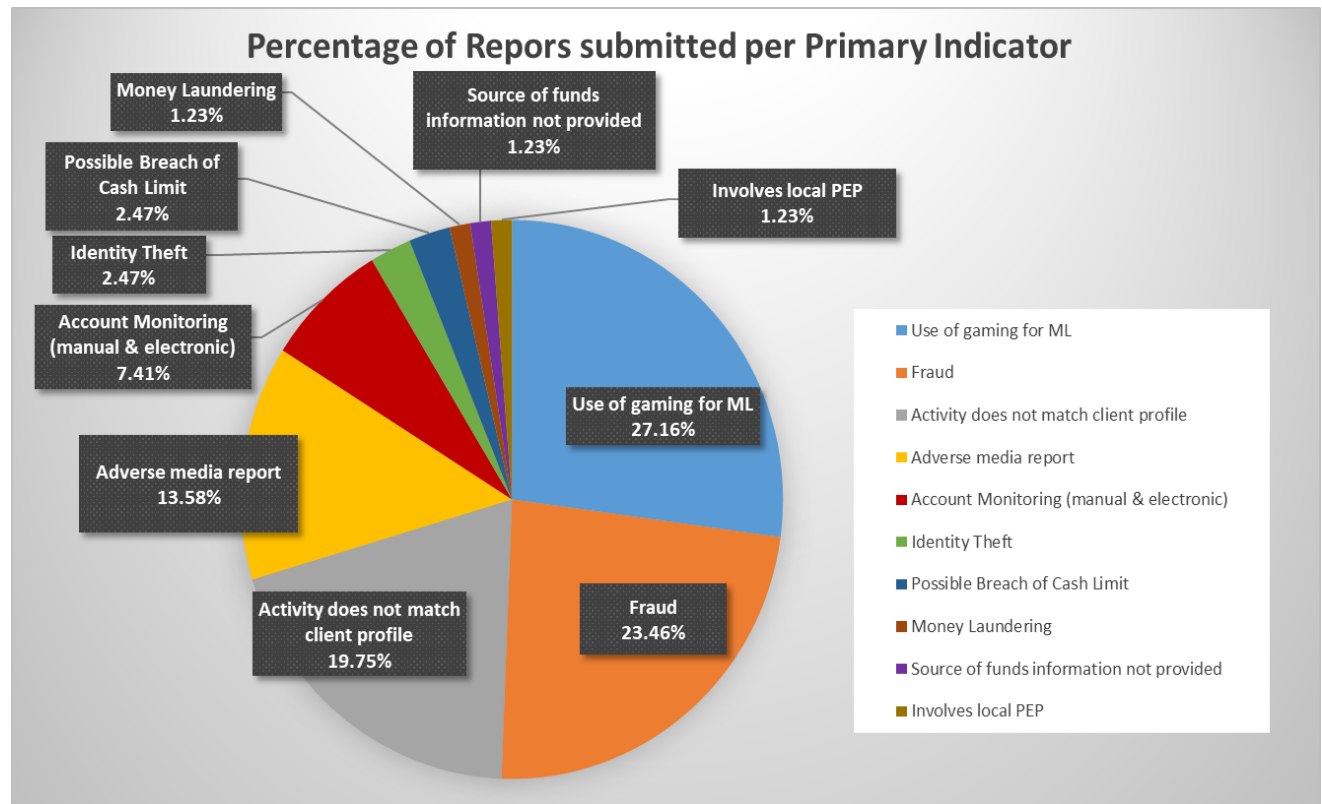
The table below displays the payment method used to ‘top-up’ gaming cards/ accounts with 2022 reflecting significant activities via mainly cash transactions into the gaming sector:

Transaction Mode	Reporting Year				Grand Total
	2020	2021	2022	2023	
Game Card Top Up:					
Cash Deposit	1,220,956.66	5,293,318.80	102,964,665.50	44,938,133.48	154,261,455.39
Debit/Credit Card	276,000.00	806,900.00	630,000.00	3,171,700.00	4,884,600.00
Electronic Transfer			814,000.00		814,000.00
Game Card Top Up Total	1,496,956.66	6,100,218.80	104,408,866.45	48,109,813.48	160,115,655.39

Suspicious Reports Review and Findings

Primary Indicators Selected

The primary indicators selected by the reporting entities were **“Adverse media report”**, **“Use of casino ML”**, **“Activity does not match client profile”** and **“Fraud”**. See below, the percentage of reports that were submitted for the indicators specified by the reporting sector for the period under review:



Gaming Sector Review (January 2020 – December 2023)

The total monetary value of each indicator selected and the number of transactions involved for the STRs are detailed below:

Primary Indicator	Report Count	Tran Count	Total Amount J\$
Account Monitoring (manual & electronic)	4	93	62,779,723.59
Adverse media report	1	36	36,416,141.48
Possible Breach of Cash Limit	2	14	23,202,904.80
Use of gaming for ML	17	59	22,445,866.08
Money Laundering	1	1	17,116,557.90
Activity does not match client profile	10	14	6,127,301.50
Fraud	11	16	3,049,200.00
Grand Total	46	233	171,137,695.35

Review & Analysis of Reports “Reasons for Suspicion”

In conducting a review and analysis of the reasons for suspicion provided by the entities, the FIU extracted the following details:

Suspicion Category	Summary of trends highlighted in the reason by the entities:	Report Count	Tran. Count	Total Amount (J\$)
Unusual transaction Activity	<ul style="list-style-type: none"> ✓ Accumulated gaming activities and increase spending not in line with client profile ✓ Funds deposited on gaming machine and/ or gaming card and minimal or no gaming activities conducted. Then either request a cash-out of the funds same day or return the following day. ✓ Top-Up with the use of credit card and/ or digital wallet with minimal gaming then cashes out ✓ Usage of other patrons’ game card to circumvent the AML system as the gaming activities of client exceeds the daily cash limit of J\$1M. Large cash deposit to gaming account on a monthly basis in excess of the gaming lounge stipulated limit ✓ Large top-ups, large betting on low return machines/ games with high chance of winning and redeeming the winnings in cash 	46	218	168,767,895.35
Debit/Credit Card Fraud	<ul style="list-style-type: none"> ✓ Attempted use of fraudulent debit card to top-up as the machines read invalid ✓ Use of debit/ credit card to top-up client’s gaming card with the card and/ or merchant receipt reflecting another name ✓ Use of same debit card as another patron to top-up gaming card 	14	12	1,301,800.00

Gaming Sector Review (January 2020 – December 2023)

Suspicion Category	Summary of trends highlighted in the reason by the entities:	Report Count	Tran. Count	Total Amount (J\$)
Money Laundering (Gaming)	<ul style="list-style-type: none"> ✓ Use of relative credit card to top-up gaming card ✓ Use of international credit card not in gamers name to top-up gaming card then request the funds be withdrawn and cash given ✓ Cash limit reached and refuse cheque for pay-out ✓ Large gaming activities observed for a student who indicated that the benefactor is his father. 	3	2	918,000.00
Adverse media report found – disclosure of client relations (only SARs submitted)	<ul style="list-style-type: none"> ✓ Federal charges of wire/mail fraud and money laundering ✓ Fraudulent conversion and embezzlement ✓ Charged with heading a lottery scam ring ✓ Misappropriation of company funds while being a director of a company ✓ Arrested in USA with the nature of the crime unknown. ✓ Charges for forgery and conspiracy to defraud ✓ Charges for defrauding a financial institution ✓ Conviction for obtaining cash/ merchandise with fraudulent cheque, attempting to obtain property by false pretence, uttering forged instrument & embezzlement ✓ Client presently in court for defrauding a financial institution ✓ Banned for identity theft ✓ Client convicted for obtaining cash/ merchandise with fraudulent cheque, attempting to obtain property by false pretence, uttering forged instrument & embezzlement ✓ Patron declaring he/she is a 'gunman' and allowing other patrons to game from his game card. 	14	1	150,000.00
Forgery	<ul style="list-style-type: none"> ✓ Counterfeit notes presented to top-up gaming account ✓ Client registered twice with different ID's in different names ✓ Banned client for identity theft facilitated by another patron. 	3	0	0.00
Involves local PEP (only SAR submitted)	<ul style="list-style-type: none"> ✓ No suspicion was stated in reason other than "Declaring a PEP" 	1	0	0.00
Grand Total		81	233	171,137,695.35

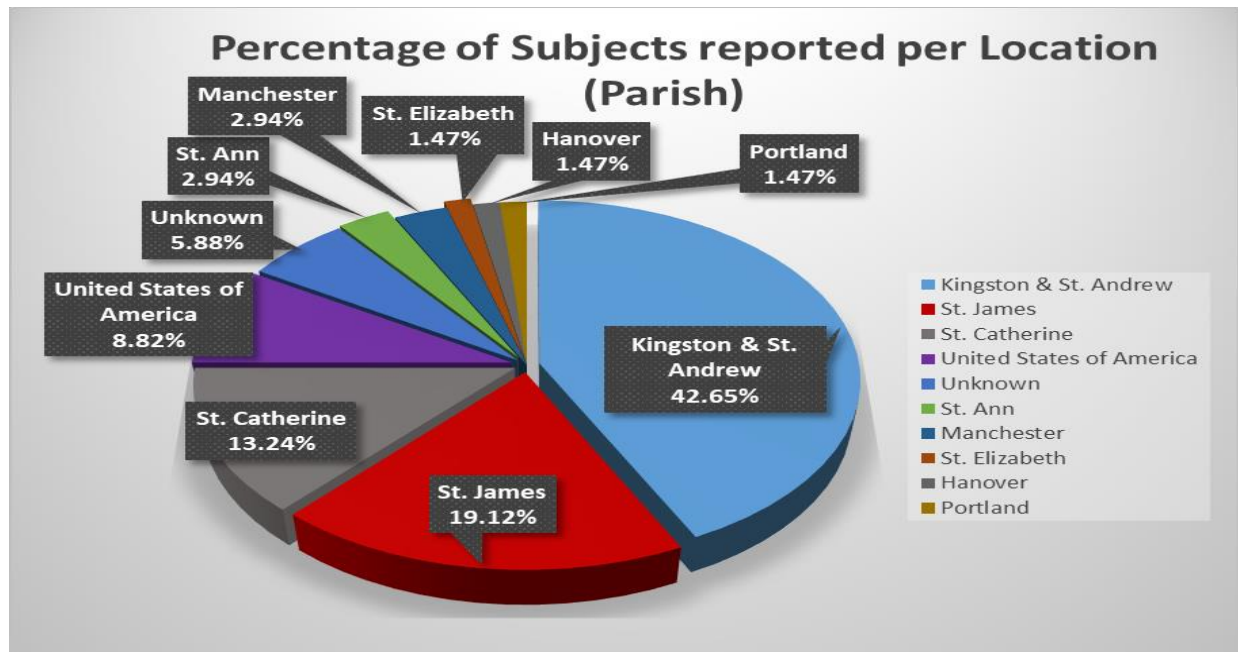
Profile of Subjects Reported

Eighty-one (81) reports were submitted for the period January 2020 to December 2023 and captured sixty-eight (68) gamers with majority being Jamaican nationals (at least 94%). Note that three (3) different gaming lounges submitted at least one (1) report on two (2) gamers each.

Additionally, thirty-(30) of sixty-eight (68) gamers were noted to have other reports submitted by the remittance and commercial banking sectors.

Parish/Location

Kingston & St. Andrew accounted for approximately 40% of the total number of gamers reported, that is forty-seven (47) gamers, for the period January 2020 to December 2022. See below:



Occupation & Age Group

The 31 – 40 age group accounted for approximately 44% of the total number of subjects reported, that is sixty-eight (68) subjects for the period under review. See table below for the different occupations captured per age group for the reports submitted:

Occupation	71-80	61-70	51-60	41-50	31-40	21-30	Unknown	Grand Total
Business Professional		1		1	6			8
Unknown			1	2		2		5
Sales Representative				2	1	1		4
Engineer					3			3
Farmer					3			3
Student						3		3
Producer				1	1	1		3

Gaming Sector Review (January 2020 – December 2023)

Occupation	71-80	61-70	51-60	41-50	31-40	21-30	Unknown	Grand Total
Teacher			1		1			2
PEP				1			1	2
Contractor				2				2
Repair Technician					1		1	2
Retiree	1	1						2
Realtor					1			1
Former TAJ Compliance Officer				1				1
Customer Service Representative					1			1
Housewife				1				1
Carpenter					1			1
Payroll Clerk				1				1
Electrician					1			1
Bartender				1				1
Customs Broker				1				1
Entertainment Coordinator						1		1
Production & Operations Manager				1				1
Engineer/Secretary						1		1
Waitress					1			1
Fire Fighter					1			1
Car Dealership Owner					1			1
Barber				1				1
Chef					1			1
Accountant						1		1
Attorney			1					1
Graphic Designer						1		1
Taxi Driver							1	1
Aesthetician					1			1
Car Wash Operator				1				1
Welder					1			1
Athlete					1			1
Registered Nurse		1						1
Corporate Security Manager					1			1
Village Master					1			1
Television Content Creator					1			1
Grand Total	1	3	3	17	30	11	3	68

Conclusion

The Gaming Sector is a cash intensive sector, as the preferred method for topping up gaming accounts and receiving pay-outs is via cash. For the four (4) years under review, cash transactions were in excess of J\$154M with majority of the clients located in the parishes of St. James and Kingston & St. Andrew.

The activities reported by the licensees identified the following potential avenues for money laundering in the gaming sector:

- Client's ability to utilize another client's card for gaming
- Client's ability to top up gaming card/account with excessive amounts with minimal gaming activities and requesting pay out in cash almost immediately.
- Client's ability to top up card with excessive amounts, place bets on low return machines with higher probability of winning and requesting pay outs in cash
- Client's ability to utilize electronic means such as debit/credit cards and digital wallets and/or accounts to top up gaming cards.
- Client's ability to top up another client's gaming account through electronic means such as debit/credit cards and digital wallets and/or accounts to top up gaming cards.
- Client's ability to top-up gaming cards with debit/ credit cards for which he/ she is not the card holder.

The avenues described above can both be to distort source of funds information and/or circumvent AML policies and procedures established by the gaming lounges. They also provide a potential avenue for laundered funds to be combined with legitimate proceeds received through cash pay-outs that generates a receipt, which would then be deemed "clean" by another party such as a financial institution.

The use of the gaming lounge for laundering of funds could be inferred from two (2) of the clients reported. One of the clients (Client X) was recently charged and sentenced for uttering forged documents, obtaining credit by fraud, forgery and conspiracy to defraud. The client also pleaded guilty to additional charges of obtaining money by false pretence and conspiracy to defraud with a pending sentencing for a previous larceny conviction. The other client (Client Y) was reported by three (3) gaming lounges and whose profile has been described as *"a high roller"* due to *"a very high spending profile"*. The client is also known to use other patrons' gaming cards to *"evade cash limits"*.

Intelligence Dissemination:

Scenario 1

Client X was reported by the gaming lounge in earlier 2021 disclosing the following:

“Person sent two (2) gamers on separate occasions with debit cards to purchase gaming credits for the sum of \$150,000.00 separate from her transaction. She did these transactions with the intention of getting JMD currency.”

Later in the year, 2021 a commercial bank reported an increase in transactional activities to the client’s account that occurred during the months October 2020 to June 2021 that was not in line with the client’s usual activities.

The FIU prepared an intelligence report with the view that the combined activities reported were highly indicative of money laundering and disseminated to the investigative officers of the FID.

Scenario 2

Client X was reported by three gaming lounges during 2022 and 2023 disclosing the following trends of the client:

- *“Client add large amount to card with minimal gaming.”*
- *“Client has a very high spending profile of at least US\$3,000 within 24 hours and accumulated funds through winnings and/ or requested pay-outs are usually transferred to account within the financial institution.*
- *“Client describes as a ‘high roller patron’ who structured cash top-ups to gaming card that accumulated to an amount just under J\$1M and is also known to use other customers’ gaming card to evade cash limits.*

Within the same period as that of the gaming lounges’ reports, the same financial institution to which winnings were transferred, submitted several threshold and suspicious transactions reports and/ or requested pay outs were transferred. The financial institution reported increased and large valued wire transfers from overseas with funds mainly depleted via cash withdrawal transactions. However, subsequent report recognized the wire transfers as fraudulent due to the international financial institution requesting cancellation/recall of the wire transfer credits to the client’s account.

Additionally, another suspicious report was submitted disclosing the complaint of another client who had entered into a land purchase agreement with the gaming client. The necessary down payment were made to the gaming client’s account who has become uncontactable since the transfers; hence, purchase was not completed and the customer believed to be scammed.

The FIU prepared an intelligence report with the view that the combined activities reported were highly indicative of money laundering and disseminated to the investigative officers of the FID.