GSC GAMBLING

# Terrorist Financing Typologies

## For Gambling Operators

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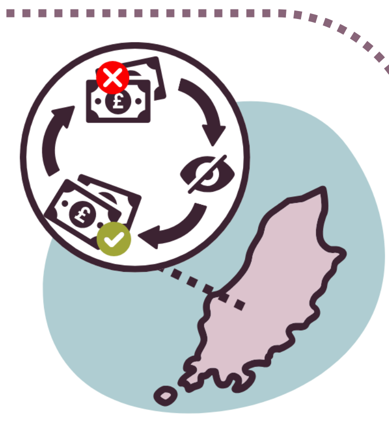
Terrorist Financing

# Gambling Typologies

## 1. Fake Wins

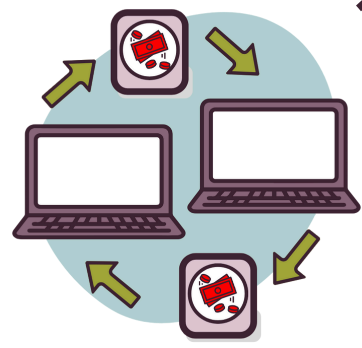
A money launderer, in collusion with an operator of an offshore gambling website, deposits funds obtained from criminal activities in the gambling account and withdraws such funds as winnings. The website operator keeps a percentage of the proceeds as a commission while the launderer declares the winnings to the tax authorities and then uses the funds for legitimate purposes.

## 2. Offshore



A money launderer sets up a company in an offshore jurisdiction through various frontmen. The company then applies for an online gambling licence in the offshore jurisdiction. Funds deriving from criminal activity are then laundered through the online gambling website which is controlled by the launderer.

## 3. Beneficial Owners

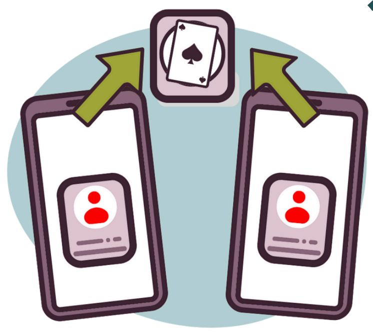


A criminal colludes with other persons who act as beneficial owners of a company which is used to obtain an online gambling licence. Illegally obtained funds are then co-mingled with the legitimate profits of the company and deposited in a bank account.

## 4. Fake Site

A money launderer sets up an online gambling website without registering the website or obtaining a licence. The website is not made available to the public but is used to place funds obtained from criminal activities which are then distributed as winnings to various frontmen. The website is then disconnected citing failure to make a profit as the primary reason for the disconnection.

## 5. Collusion



A money launderer colludes with professional gamblers to place illegally obtained funds on online gambling websites. The gamblers keep a commission from any winnings made before transferring the remaining funds to the launderer.

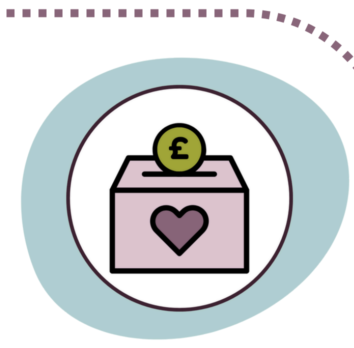
## 6. Fake ID

Illegally obtained funds are deposited into an online gambling account using a false identity. The player engages in minimal gambling activity which is sufficient to make the account appear genuine. After incurring minimal losses the funds are then transferred from the gambling account to a legitimate bank account.

## 7. Chip Dumping

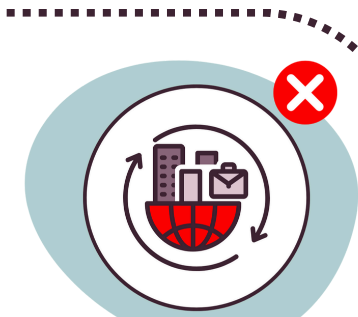
When two (or more) colluding players enter the same online game, they can coordinate their gameplay so that one player deliberately loses to another, a practice known as 'chip dumping'.
This method allows people to transfer money between jurisdictions without using the formal financial system it is a particular risk for TF.

## 8. Charities / Non-profit Organisations



The use of legitimate businesses to fund Terrorist Financing, such as a gambling business using proceeds to fund Terrorist Financing activity by donating money to a charity that supports a war effort.

## 9. Activity from Higher-Risk TF Country



A Turkish national who is living in the jurisdiction is identified by a local bank when they try to arrange for funds to be sent back to their own account in Turkey. The bank reviewed the customer due diligence and identified inconsistencies with the expected account activity. The bank then raised a SAR explaining their suspicions to allow the authorities to investigate further, using gathered intelligence as well as open-source information.

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## 10.

### Lone Wolf / Crowdfunding

A 'lone wolf' actor, who has been associated with conflicts overseas (but not in the capacity as a so-called Foreign Terrorist Fighter), uses crowdfunding pages to raise funds. Isle of Man residents may unknowingly contribute to campaigns that fund terrorism.

## 11.

### Cash Donations Collection

A neighbour reports suspicious cash collections claimed to be for an overseas religious body, possibly linked to a banned terrorist organisation. This reflects a typology where funds are raised under false pretences for terrorist financing.

## 12.

### Unusual Travel Frequency

A person frequently travels but is vague about destinations and reasons, raising concerns about potential terrorist planning. This typology highlights how ordinary behaviour may mask preparatory activities for terrorism.