



Proliferation Financing Typologies

For Gambling Operators

Gambling Supervision Commission
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Gambling Typologies

1.

Mixers

A Player uses virtual assets to fund the account, which have previously passed through a cryptocurrency mixer. After minimal play, funds are transferred and further mixed before ending up in a cryptocurrency wallet, which is associated with proliferation financing activity.

Online gambling accounts can be used alongside crypto mixers, bridges, and peer-to-peer exchanges to obscure the origin of the funds, making them very difficult to track. Note: for PF (or TF), the funds need not be criminally derived illicit funds, licit funds can also be used to finance PF/TF.



2.

Fake ID

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 another account associated with a sanctioned state or individual.



3.

Legitimate Arm

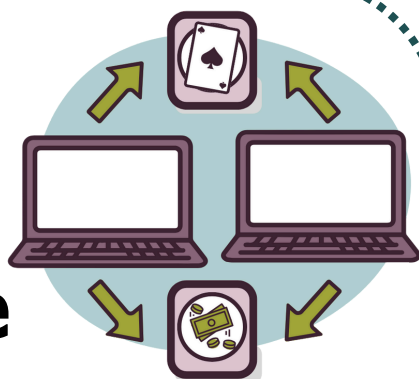
A criminal colludes with other persons who act as beneficial owners of a company which is used to obtain an online gambling licence. Illegally obtained funds collected from scam 'farms' are then co-mingled with the legitimate profits of the company and deposited in a bank account.



4.

Deliberate Losses

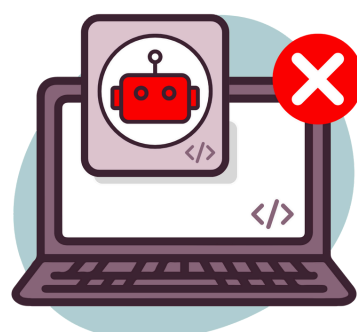
Peer-to-peer games such as e-poker, where value transfers can occur between both electronic and human players as a result of deliberate losses, at a relatively low cost to the players. Players will make large bets on very bad hands, expecting to lose to the accomplice. This is generally known as chip-dumping and is considered to mainly pose a risk of terrorist financing.



5.

Bots

Unusual / suspicious play is investigated and it is found that multiple accounts are controlled by bots which share similar IP addresses.



6.

PePs & Sanctions

Player associated with a sanctioned state or individual.



7.

Dual Use Goods

Upon taking Source of Wealth it is established that a player earns money through the international trade of 'dual use goods' with sanctioned states, such as parts for washing machines, cars and medical equipment.



8.

Charities / Non-profit Organisations

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



NOTE.

Regularly check adverse media and typology reports, such as UNODC reports, highlighting emerging risks.