



**Kingdom of Cambodia**

**Nation Religion King**

**COMMERCIAL GAMBLING MANAGEMENT  
COMMISSION OF CAMBODIA  
GENERAL SECRETARIAT**

**Presentation**

**on**

**The Prevention of Money Laundering Activities in Casino**

**Prepared by: AML/CFT Working Group of General Secretariat of CGMC**

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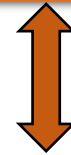
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# Section 1 - Aspects and effects of money laundering activities



Law on Anti-Money Laundering and Combating the Financing of Terrorism was promulgated by  
**Royal Kram No. NS/RKAM/0620/021** dated 27 June 2020



## Impact of money laundering and terrorist financing on society as a whole

These actions will tarnish the country's image, undermining the country's reputation and reducing global opportunities and sustainable growth, which in turn will attract international crime and instability.



At the same time, these actions threaten economic reform, which negatively affects the development and growth of the national economy as a whole.

## Impact of money laundering and terrorist financing (Cont.)



**UNODC: \$ 100 billion annual crime revenues in the Mekong region**

**Human trafficking in the region generates \$ 9.1 billion in annual revenue**

**Criminals need to launder money as a result of these crimes**

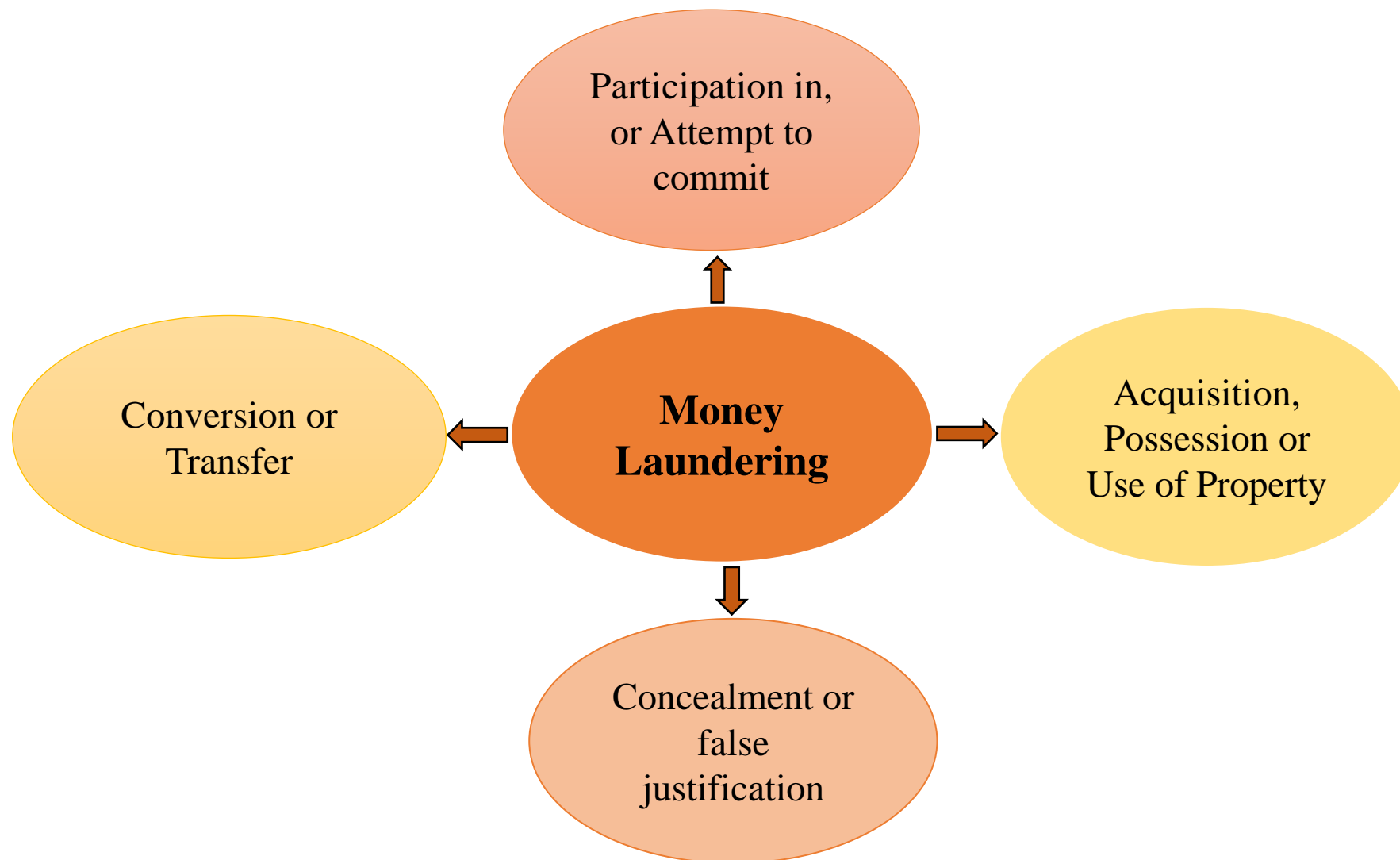
**The effects of those offenses will be used as a means of committing further offenses**

**There are many ways to clean up to become a legitimate and economically valuable asset**

**Affect national and international financial security and stability**

**Boost opportunities for terrorist financing and genocide financing**

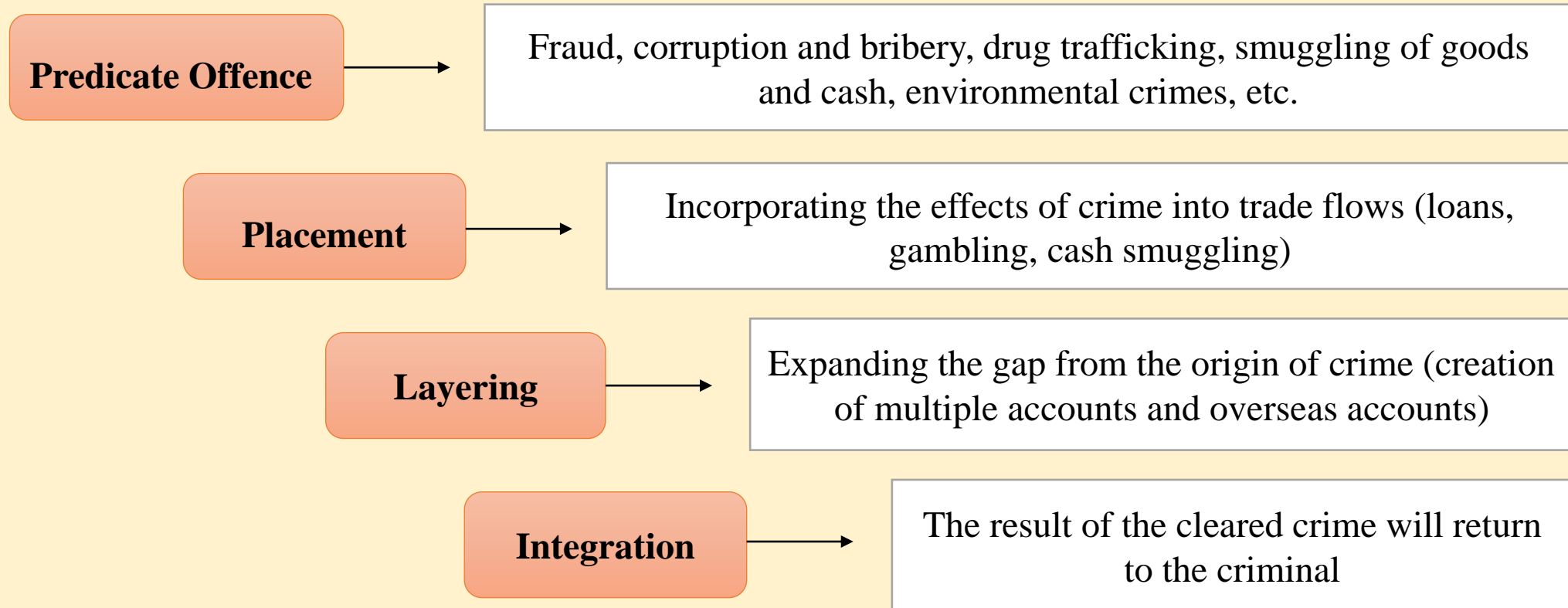
## Section 2 - Definition of Money Laundering in the Law on AML/CFT



## Section 3 - Money Laundering Stages



The Stages of Money Laundering is divided into 4 stages as below:



\* Note: Among the four stages above, the most suspicious and easy to identify money laundering activity is the Placement Stage.

# Section 4 - Assets that are the subject of money laundering activities

## What are the assets that are the subject of money laundering?

According to Article 3, point 3 of the law on anti-money laundering and terrorist financing:

### All kinds of property

**Movable or immovable property, tangible or intangible assets and legal documents or instruments as proof of ownership or property benefits**



# Section 4 - Assets that are the subject of money laundering activities



Tools, means and benefits of money laundering, terrorism and other serious crimes

Substitute property of a natural person or legal entity of equal value, the property subject to freezing, detention and confiscation.





## Section 5 - The three main risks associated with Money Laundering in commercial gambling



### Three main risks associated with money laundering in commercial gambling:

#### General Risk

Casinos are vulnerable to money laundering from crime because the business involves a lot of cash and has a large number of customers who gamble regularly.

#### Junket-specific

These gambling agents make it easy to hide the background of casino gamblers, most of whom are involved in money or individuals from high-risk jurisdictions.

#### Game-specific

Criminal case of buying a Jackpot Winning Ticket from a real winner for more than the winnings in order to launder the dirty money back into a legitimate gambling win.

## Section 6 - Money Laundering Methods (4 Methods)



### 4 Methods to Money Laundering in Commercial Gambling include:

#### Vancouver Model

Transfer money outside the banking system in collaboration with a group of local criminals with foreign partners by transferring money to criminals in the country before traveling and taking the money from the partners of criminals abroad.

#### Hawala Money Laundering

A money laundering method that provides anonymity in money transfer transactions due to the lack of transaction information and the source of the money being transferred.  
Trackable

#### Collusion Between Players

Conspiracy between gamblers in a casino using games such as Poker Game to launder money, deliberately playing to lose money to transfer dirty money to clean money to another partner

#### Buying Jackpot Winning

Buying Jackpot Winning from real Winner by offering more Money than the actual Winning Money, in order to, launder the illicit money to become Legal Gambling Winning Money

## Section 7 - Case Study



### Case Study

The two-member criminal uses dirty money (money as predicate of offense) to be exchanged for coins (chips) in the casino in the amount under the CDD limit to avoid identification.



They then took the coin to other casino conspirators in order to disguise the original owner and fraudulently convert the coin into cash for deposit into the casino company's financial system.



All of the above criminals exchanged coins for money, but requested to transfer the money to a third party, claiming that the funds came from winning the game.



**In general, casinos that operate as an integrated gaming business center always provide financial support to funders in the sense of charity.**



**Money received by a third party in the sense of generosity will become legal money**

## Section 8 - Prevention and Monitoring Measures



- Prepare AML/CFT Policies and Procedures according to the Law and Regulation
- Conduct Risk Assessment and Customer Due Diligence (CDD) on customer
- Assign a Compliance Officer to CAFIU
- Define Role and Responsibilities of Compliance Officer according to the Directives of CAFIU
- Connect to CAFIU Reporting System
- Train front-line staff on the obligation on the law of AML/CFT especially CDD measures
- Record Keeping all customer information's according to the law in force

## Section 9 - Duties of the Reporting Person



### **Article 16:** Internal Control and Compliance of Reporting Entities

Reporting Entities must develop AML/CFT program by:

**1. Established of Internal Policies,  
Procedures and controls**

**3. Ongoing training for officers or employee**

**2. Designation of Compliance Officer**

**4. Internal Audit functions**



**Thank you!**

