

# Online Gambling Operators Should Be Systematically Screening Customers Against Global Sanctions Lists, Says Datanomic

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Sanctions and PEP List Screening Needed to Prevent Criminals Exploiting Money Laundering Loopholes and Weaknesses in the System

Online gambling operators will come under greater scrutiny in 2009 as prosecutions against money laundering increase and the ripple effects of increased fraud from the credit crunch hit the gaming industry, according to compliance screening and fit for purpose data specialists Datanomic Ltd.

Operators must take a more aggressive and pro-active risk based approach and do more to plug the gaps and address the weaknesses surrounding money laundering.

The anonymous nature of the Internet and the use of encryption make it especially difficult to trace online money laundering transactions. Furthermore, the rise of non-credit card forms of electronic payment, which may not be subject to the transaction records or limits of credit cards, are adding complexity to the problem. However, under the UK Proceeds of Crime Act 2002, and the Terrorism Act 2000, and the EU 3rd Money Laundering Directive, operators should regularly and systematically screen their clients against global Sanctions lists.

“Multi-million pound fines are commonplace in the banking industry for breaching money laundering regulations, and we’re starting to see hefty fines imposed on other industries, such as the legal sector and other areas of financial services,” said Dr Jonathan Pell, CEO of Datanomic Ltd. “We expect to see online gambling operators face the full brunt of legislative penalties as fraud continues to increase. Given the elusive nature of tracing these financial transactions, operators must demonstrate they are taking a more pro-active, risk based approach through systematic, comprehensive screening of their customers, before a transaction can take place.”

Know-Your-Customer and risk management protection initiatives have already become mandated in the financial services sector and these defensive strategies are used to protect organisations against money laundering. Datanomic expects the online gaming sector to follow suit.

With many online gaming companies moving into Russia, screening against Cyrillic character sets is essential for gambling operators looking for comprehensive screening. Operators must ensure the proper protection measures are in place to protect both individual members of staff, as well as a company’s reputation. Datanomic believes that Enterprise Screening, the systematic screening of employees and internal contractors, as well as external partners, agents, third parties, and distributors, will become standard business practice for large organizations in all major vertical markets over the next three years.

Datanomic’s Director Sanctions & PEP (Politically Exposed Persons) Screening software enables organisations to rigorously and systematically identify heightened-risk entities within their customer bases. It relieves the burden of manual or semi-automated client screening by enabling automated screening in an easy-to-use/easy-to-implement solution purpose-built for Compliance. Datanomic includes

powerful screening rules to match against both commercial and regulatory body/Government watch lists, to deliver a highly intelligent data matching solution that is designed for ease of use by non-technical users.

#### About Datanomic

Datanomic's holistic approach to delivering fit-for-purpose data and screening accuracy enables its growing list of blue chip clients around the world to achieve a rapid Return on Investment, by exposing and correcting deficiencies in information their businesses rely upon, and by discovering potential regulatory and legislative compliance data issues in line with proactive risk management. Our clients come from a wide spectrum of industries including financial services, telecommunications, government, healthcare, utilities, professional services and engineering.

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