



Agenda

- Introduction
- MOT-Aruba
- Indicators
- Red Flags for Casinos
- Cases
- From unusual to suspicious
- Reporting forms
- Questions





Financial Intelligence Unit *of* Aruba
MOT

MOT-Aruba

- Founded in 1996
- Autonomous and independent
- Administrative organization
- FIU's tasks
- Legislation (LWTF)
- (Inter)national Cooperation





Indicators I – Key terms

- **Transaction**

An act or combination of acts by or on behalf of a client in connection with the procurement or provision of a service or whose service provider has taken notice within the framework of his provision of service to a client.

- **Combination of (financial) acts**

Multiple acts, which could be related; acts where there is cause to assume that they are related to each other.

- **Intended transaction**

A transaction which has not been fully completed (yet).



Indicators II

- 130101 A transaction reported to law enforcement authority or justice department;
- 130102 A transaction made by or on behalf of a natural person or a legal person, group or entity, located in countries of jurisdictions, which are mentioned on lists referred to by the Sanction Ordinance 2006 (AB 2007 no. 24) or mentioned on lists appointed to by the Head;
- 130103 A wire transaction of Afl. 500.000,= or more ;
- 130105 A cash transaction of Afl. 5.000,= or more (indicator is only applicable for casino's) ;
- 130201 A transaction which gives reason to presume that it might be related to money laundering;
- 130202 A transaction which gives reason to presume that it might be related to terrorist financing;



Financial Intelligence Unit *of* Aruba
MOT

Red Flags for Casinos





Red flags I

- The incoming flow of funds consists of many small amounts and the outflow of large amounts or vice versa;
- Repayment to the client to another account, then the account from which the money was deposited;
- Cash buy in with pay out in another currency, in larger denominations, or by means of a check or a wire transfer;
- Buy in and cashing out of casino chips with minimal play;
- Placing of funds in slot machines and claiming to have won the Jackpot;
- Playing games with low return but high probability of winning.



Red flags II

- Client does not want to identify him/herself, or does not want to provide additional information;
- Client uses third party to buy in and/or cash out;
- Clients come in and/or leave together but act like they do not know each other during buy in/cash out/play.



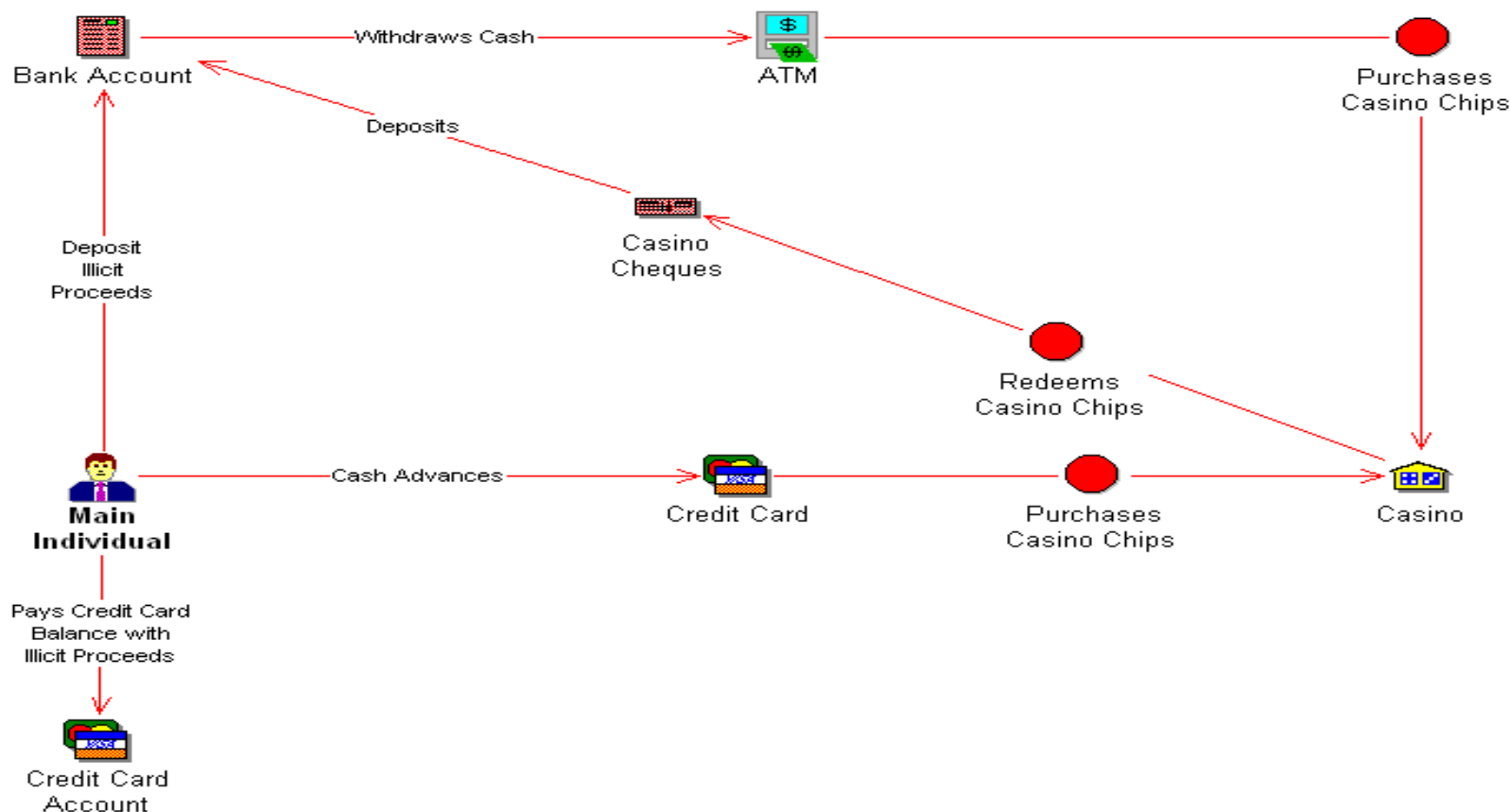
Financial Intelligence Unit *of* Aruba
MOT

Cases Casinos





Case Money Laundering





Case Money Laundering - Method

Casino value instruments (Layering phase)

- Proceeds of criminal activity were deposited to a bank account;
- Cash withdrawals from ATM's in casinos were used to buy chips;
- Chips were redeemed for casino cheques;
- Casino cheques were deposited to the individual's account.



Case Money Laundering - Method

Credit Cards (Layering phase)

- Credit card cash advances in casinos were used to buy chips;
- Chips were redeemed for casino cheques;
- Casino cheques were deposited to the individual's account;
- Proceeds from criminal activity were used to pay the credit card account balance.



Case Money Laundering - Red Flags Casinos

- individual had provided **different information regarding his/her employment;**
- casino staff reported that the **amount of casino chip purchases was not in line with the individual's reported employment** (over \$1.1 million).



Case Money Laundering - Red Flags Financial institutions

- individual had provided different information regarding his/her employment;
- Unusual activity on individual's bank account (no payroll deposits, purchases or bill payments. Large cash deposits were followed by large cash withdrawals at casinos. Credit card cash advances at casinos, followed by cash deposits to the credit card account);
- Deposit of casino cheques (value of the casino cheques were within 10% of the value of the casino chip purchases made a few days prior).



Case Money Laundering - Money Laundering phases

- Placement: illicit funds were placed in the financial system (deposit in bank account and payment of credit card account balance);
- Layering: funds of the bank account and credit card were used to purchase casino chips. The casino chips were later converted to a casino cheque which was deposited in the bank account.



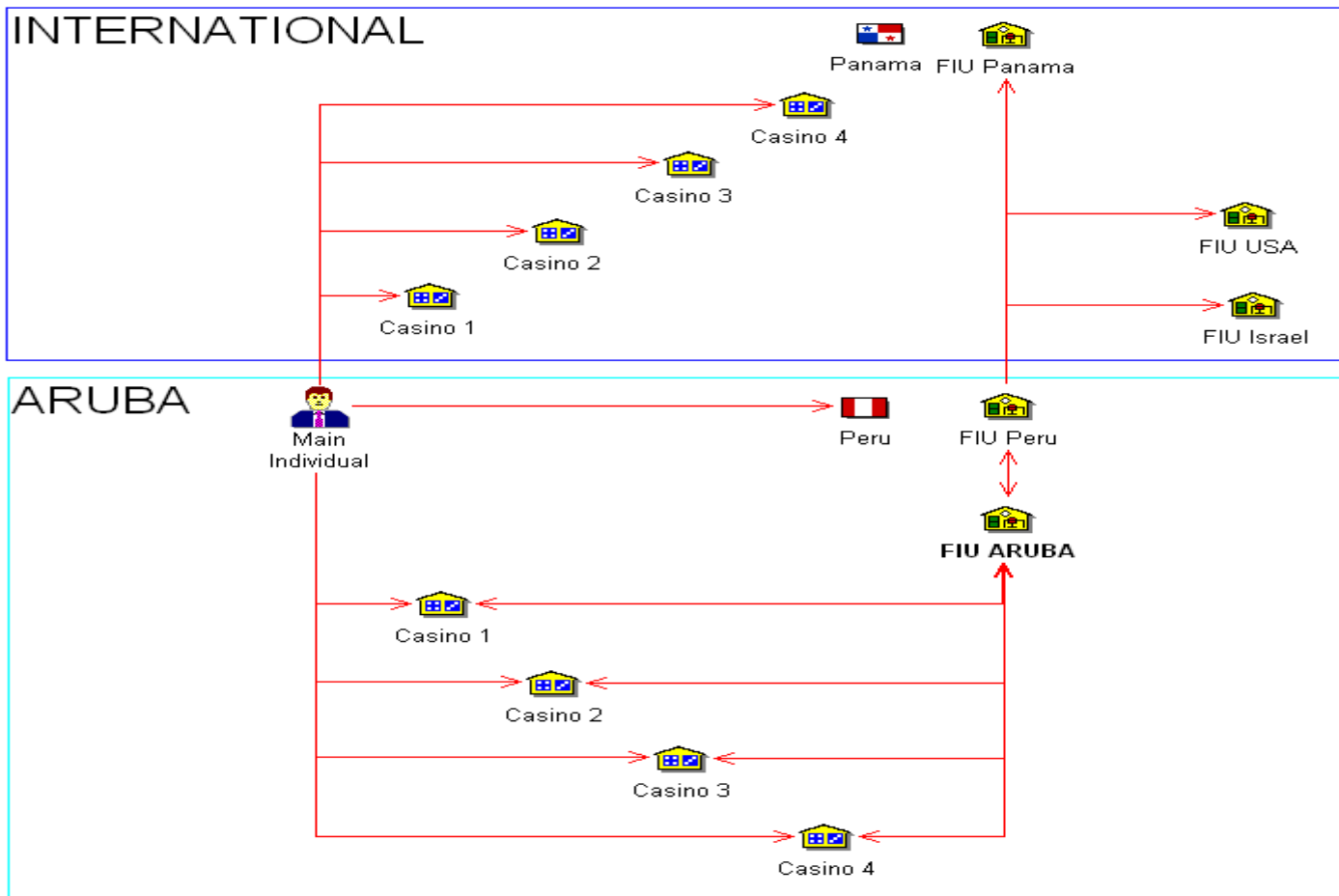
Case Money Laundering - Importance of the reports from casinos

- Helped identify two additional subjects who were linked to the individual through financial transactions;
- One casino reported that a **third party purchased casino chips** on behalf of the main individual;
- The casino also reported that **the main individual purchased casino chips for the benefit of another party.**

The relevant designated information related to these third parties, as well as the main individual, were disclosed to two different law enforcement agencies



Case The Gambler





Case The “Gambler”

Facts

- Subject was arrested in Peru for committing an offense (cross border declaration violation);
- Subject was in possession of \$121,700;
- Subject indicated that the money came from "gambling" in different casinos on Panama and Aruba;
- Subject has to prove that the origin/source of the money is legal.

FIU Peru has sent information requests to:

- Israel;
- Panama;
- USA;
- Aruba.



Financial Intelligence Unit *of* Aruba
MOT

Case The “Gambler”

FIU Aruba

- Cross border declaration reports;
- Reports casinos;
- Information request to 4 casinos;

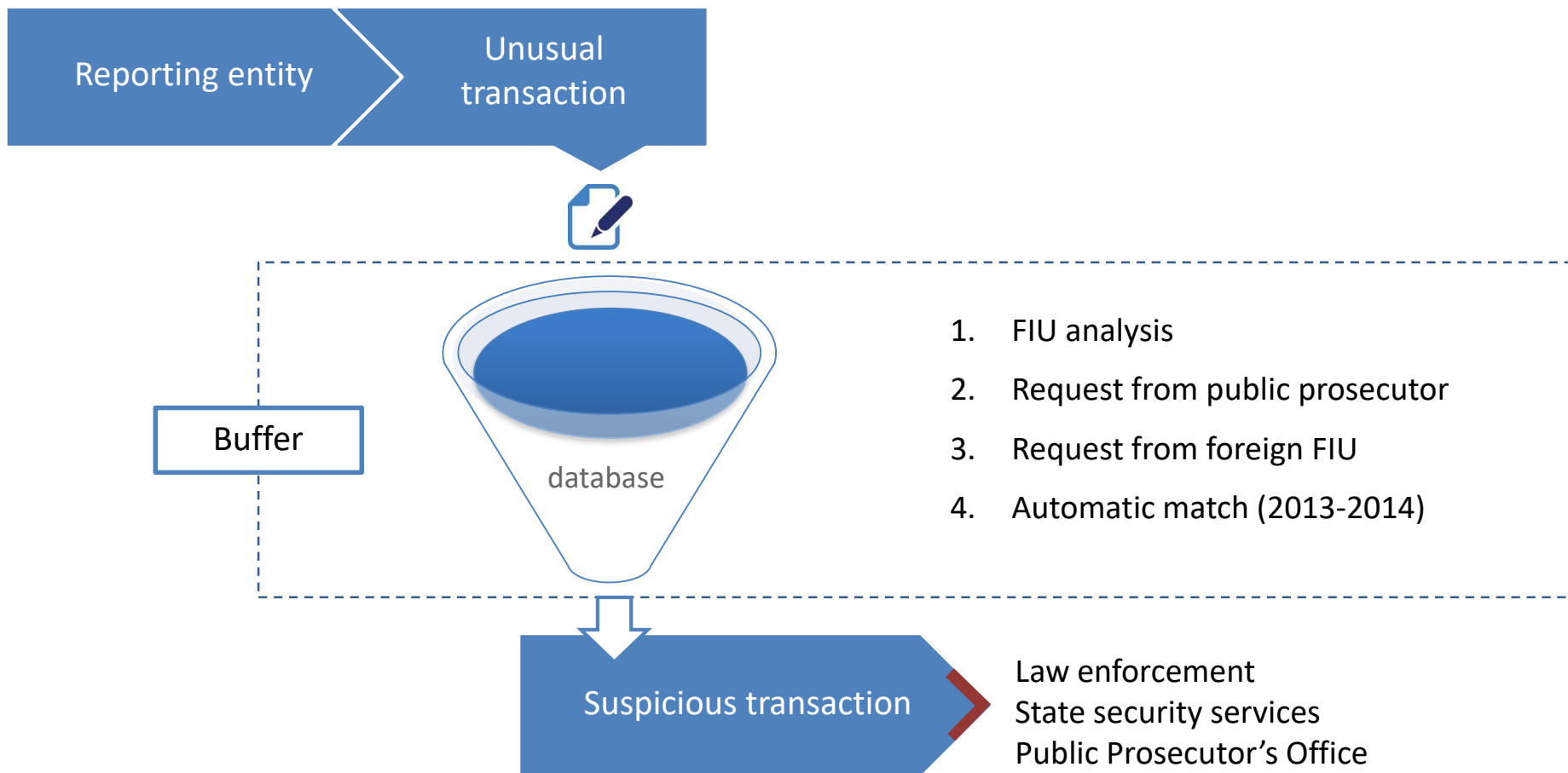
Conclusion

- Information sent to FIU Peru.
The information may help the subject prove the origin of the money.



Financial Intelligence Unit *of* Aruba
MOT

From Unusual to Suspicious





Reporting forms

Example

- On September 5, 2013, client John Doe completed a series of buy ins for a total sum of USD \$ 10,000. An unusual gaming pattern has also been observed: the client did not play continuous, but was cashing out several times. After a few minutes he would come back to the Casino Cage and repeat the pattern. Mr. John Doe cashed out a total of ten times and got paid a total sum of USD \$ 14,000 by the Casino Cage.



Reporting forms

Common errors

- Amount;
- Initials;
- Given names;
- Identification document number;
- Birth date;
- Birth place;
- Land of birth.

Attention:

Control reports diligently before submitting to MOT. Often the quality of the reports is good, but they contain small (writing) errors



Financial Intelligence Unit *of* Aruba
MOT

Questions





Financial Intelligence Unit *of* Aruba
MOT

Thank you for your attention

www.fiu-aruba.com