

Policy Name	Protection From Source of Crime & Disorder Policy
Policy Purpose	Ensuring that City of Lincoln Council will be protected from being a source of crime or disorder, being associated with crime or disorder or being used to support crime.
Policy Created By	City of Lincoln Council
Policy Created date	January 2018
Policy Validated and Checked By	Legal & Democratic Services Manager
Policy Validated and Checked Date	22 nd February 2018
Policy Renewal Date	22 nd February 2019

Policy Detail

1. This Policy is beholden to the Proceeds of Crime Act 2002 (see <http://www.legislation.gov.uk/ukpga/2002/29/contents>) & The Anti Money Laundering (AML) Regulations
 - 1.1. Proceeds of Crime Act 2002 : - *“An Act to establish the Assets Recovery Agency and make provision about the appointment of its Director and his functions (including Revenue functions), to provide for confiscation orders in relation to persons who benefit from criminal conduct and for restraint orders to prohibit dealing with property, to allow the recovery of property which is or represents property obtained through unlawful conduct or which is intended to be used in unlawful conduct, to make provision about money laundering, to make provision about investigations relating to benefit from criminal conduct or to property which is or represents property obtained through unlawful conduct or to money laundering, to make provision to give effect to overseas requests and orders made where property is found or believed to be obtained through criminal conduct, and for connected purposes.”*
 - 1.2. The AML Regulations require relevant businesses to:
 - put in place procedures to verify the identity of customers on entering into a business relationship or transaction and to carry out ongoing monitoring during the business relationship
 - keep records obtained in establishing customers’ identities and of business relationships for five years
 - train employees in the relevant procedures and law
 - appoint a nominated officer whose role includes reporting to NCA, or its successor, suspicions of money laundering activity
 - put in place and maintain policies and procedures to cover the requirements listed above
2. City of Lincoln Council is a professional operation and takes its responsibilities to ensure all players of their society lottery are operating within the law.
3. City of Lincoln Council employ the services of Gatherwell Ltd a Remote External Lottery Management company and therefore mainly take transactions electronically though either Direct Debit, credit card & debit card. No cash payments can be used for payment, mitigating the chance for the passing of counterfeit money.
4. A number of safeguards are in place to validate players’ identities as part of the account verification process. Additionally, safeguards are in place to ensure that ticket purchases are not excessive, therefore mitigating the risk of money laundering. If players tried to purchase excessive tickets then the system controls built into the software algorithms will advise the player that they have exceeded the number of tickets possible and stop the transaction.
5. The software resides on secure servers. These reside behind encrypted firewalls and offer bank level security protocols in the transfer of electronic data. Additionally they are situated in a secure data centre managed by Disclosure and Baring checked staff.
6. All transactions for the software will have full audit trails of every transaction made including timestamps. These audit trails will ensure that should any suspicious activity be identified a full investigation by Gatherwell Ltd staff or law enforcement bodies can be undertaken.



7. In an effort to minimise the risk of fraudulent behaviour and demonstrate impartiality throughout, the main Lottery draw each week takes the results from an independently drawn lottery (currently identified as the Australian Super 66). This ensures no fraudulent activity can be taken in the generation of the winning set of numbers for the draw. To ensure compliance at an entry level into the system, these numbers will need to be entered separately by two of the directors of the business each week. The smaller local level prizes are generated based on a random ticket selection from existing purchased tickets by an algorithm within the software.
8. Whilst by its definition a lottery is a random game of chance and therefore offers little opportunity for collusion or cheating, any suspicion of malpractice will result in the immediate blocking of the users account.
9. Any evidence of illegal behaviour by staff will be managed in line with the Council's Disciplinary Policy.
10. All companies who provide fundamental services in the provision of the service (e.g. Direct Debit Bureaus, Age Verification service providers, Prize fund insurance etc) undergo rigorous validation in terms of their suitability, credibility and reputation. This includes full financial health checks and references where required.



Gambling commission questions:-

Ensuring that the applicants's business will be protected from being a source of crime or disorder, being associated with crime or disorder or being used to support crime.

- *Are you aware of the Proceeds of Crime Act (PoCA) and your responsibilities in relation to the Act?*
- *How will you ensure that you are not party to any illegal activities, for example, money laundering? What would you do if you suspect someone was attempting to use you as a way of laundering money? How would you try to detect if someone was attempting to pass counterfeit money and what would you do?*
- *How will you protect your equipment from crime and criminal misuse?*
- *Will you have CCTV or other crime prevention procedures in place?*
- *What security measures will be in place for cash handling?*
- *How will you monitor transactions and accounts for any suspicious activities?*
- *How will you ensure keys are kept securely (eg machine keys, keys for restricted access areas, money boxes)?*
- *Will you have steps in place to prevent money lending between customers?*
- *How will you ensure there is no collusion between customers and staff?*
- *How would you deal with someone if you felt they were trying to cheat in any way?*
- *How would you deal with someone who you felt was under the influence of alcohol or drugs?*
- *How will you ensure that other companies you deal with are trustworthy and reputable?*
- *If it came to your attention that another operator or a staff member was operating in an illegal manner, what would you do?*
- *For remote operators, how will you ensure there is no peer to peer collusion (eg in poker rooms)?*

