

MYTH VS FACT

Here are the top 5 myths about money laundering in the pubs and clubs sector...

MYTH

“ Pubs and clubs are low risk for money laundering. ”

1

FACT

Money laundering through gaming machines is more common than you think. This does not mean those venues are complicit in suspicious activity, but their underestimation of money laundering risk hampers AUSTRAC's ability to tackle crime.



AUSTRAC's 2016 cheque register campaign revealed significant number of venues have not reported suspicious activity relating to money laundering.



Underestimation of money laundering risk hampers AUSTRAC's ability to tackle crime.

MYTH

“ Regular customers who are well-known and liked by staff are unlikely to be money launderers. ”

2

FACT

Many money launderers do not visit a venue once or twice; they are often regular customers. While it is important for venues to develop strong relationships with customers, this does not lessen money laundering risk.



AUSTRAC has found that if money laundering occurs, it is highly likely to be the most established and regular customers.



Established and regular customers can take advantage of their strong relationship with the venue.

MYTH

“ Customers who play the machines, winning and losing money, are not money launderers. ”

3

FACT

While some criminals deposit money into a machine and then cash out with minimal game play, this is not the only way money laundering occurs. Venues cannot rely on the fact that a customer is playing the machines as evidence that they are not laundering money.



Criminals know venues are looking for signs of players cashing out with minimal game play and/or turnover.



Criminals are increasingly willing to accept a loss rate of 10-15 per cent as a cost of laundering their funds.



Consider additional measures to deal with this, such as reporting customers who receive a high number of payouts.

MYTH

“ People who are well-off or in steady employment are not money launderers. ”

4

FACT

While most high-income earners do the right thing, there are people who own cash-intensive businesses and avoid paying their taxes.



They feed the cash earnings of their business through electronic gaming machines to make it look like the funds came from gaming.



This is to avoid reporting their cash earnings to the tax office as income.

MYTH

“ My customer and/or my business will get into trouble if I report to AUSTRAC. ”

5

FACT

Your business will not get into trouble for reporting to AUSTRAC. It is a sign that your business takes its AML/CTF responsibilities seriously. Submitting an SMR doesn't mean your customer has committed a crime. If there is no criminal activity, an SMR will not adversely affect your customer.



By law, reports you provide are kept confidential by AUSTRAC and our partner agencies. SMRs cannot be used as evidence in court or tribunal proceedings.



An SMR from a gaming machine venue can be a vital puzzle piece in a criminal investigation. AUSTRAC pieces together reports from a range of sources including other venues, casinos, banks, and our partner agencies.