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Criminals use casinos for money-laundering, says investigator

PUTRAJAYA: Organised crime syndicates are believed to be laundering money by exploiting a facility offered by casinos to tour companies, according to a senior police officer.

DSP Foo Wei Min, senior investigation officer with the Bukit Commercial Crime Investigation Department, said these syndicates were abusing the "junket account" facility provided by most casinos.

The junket account is a genuine business facility offered by casinos to tour companies registered with them. The casinos pay commissions to the tour companies for bringing customers, he said at the two-day seminar on anti-money laundering organised by the Attorney-General's Chambers here.

Foo, who specialises in forensic accounting, said the syndicates registered as tour companies organised trips to casinos in Cambodia, Singapore, the Philippines and as far away as Europe.

"Their customers are not ordinary

gamblers. They lure individuals holding key positions in corporate companies and offer them credit facilities to gamble. It's basically a system where you play (gamble) first and pay later," he said.

Foo explained that the money offered to the gamblers was usually from the ill-gotten gains of the syndicates and when these gamblers lose at the casinos - which is usually the case - they have to pay back the money, now laundered.

The police officer told some 100 participants, mainly officers from the compliance unit of financial institutions and insurance companies, that the syndicates used even luxury items like artworks, gemstones and artifacts in their illegal transactions.

Even barter trade was resorted to as a method of payment, making it almost difficult to track the money trail, what with more and more premises being used as fronts for illegal business, he said.

Meanwhile, law professor Datuk Dr Shad Saleem Faruqi said attempts

by enforcement agencies to freeze the property of any suspect should follow due process.

"There is room for enforcement agencies to abuse for their own benefit, under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001."

"The enforcement agencies have so much power and this can be a temptation for corruption," said Dr Shad, who is Universiti Teknologi Mara's legal adviser and lecturer.

He said the aim should be to prevent the "dirty money" from leaving or entering the country, or benefiting any individual officer or department.

He said the provision for freezing of property under the Act should also provide some procedural safeguards for the accused.

"They have to create more procedures so that agencies have more accountability," he told reporters after presenting his topic entitled 'The Constitution, The Right to Property and the Anti-Money Laundering Act'.