

#### **4.12 The Deputy of St. Martin of the Minister for Economic Development regarding the regulation of betting offices in the Island:**

Will the Minister inform Ministers how many of the 3 department officers and 3 shadow commissioners visit the 29 betting offices in the Island to conduct their regulatory function, what percentage of their time this represents, how often are betting offices and the premises of other regulated licence holders visited and what does this entail? How infractions have been identified since 2004 and what are they?

##### **Senator A.J.H. Maclean (The Minister for Economic Development):**

This question highlights the need for a statutory gambling commission to effectively regulate the industry as, I might add, was identified by the recent I.M.F. (International Monetary Fund) visit. Staff and the shadow commissioners have no right of admittance to a betting office without permission of the Constable and cannot investigate unless accompanied by a police officer. The Licensed Betting Office review was undertaken in 2007 with the co-operation of industry. This review identified significant delinquencies in some shops. Those included poor accounting, little regard for problem gamblers and few systems to support suspicious activity, in particular, anti-money laundering. Twelve licensed betting offices managers were interviewed following anomalies in their applications. One operator was investigated for selling a business without due diligence or approval. In 2005, 76 illegally-sited fixed odd betting terminals or fruit machines were found in licensed betting offices and were removed. Thank you.

##### **4.12.1 The Deputy of St. Martin:**

Yes, I am grateful for the answer to the end but I would like to have had the answer given at the beginning. I did ask how much time was spent by these officers regulating the premises, not the results. Could the Minister tell us how much time was spent, what percentage of their time?

##### **Senator A.J.H. Maclean:**

Sorry, it is impossible to give a percentage of time that officers spend on licensed betting offices particularly. Clearly the department is resourced appropriately for all the duties that it carries out with regard to regulatory services, which include, of course, licensed betting offices and all the other functions involved in that particular industry.

##### **4.12.2 The Deputy of St. John:**

In the Minister's previous comments he stated that a number of illegal betting machines were found in betting shops. Could you tell us what action was taken by his department or the police in relation to these infringements of the law?

##### **Senator A.J.H. Maclean:**

The department takes or believes that dealing with matters such as this should be done in a 'light touch' way in co-operation with the industry. There was a degree of misunderstanding with the law and the make-up of the particular machines. They were removed. The industry agreed to the removal of machines and we had them removed in 2004 when the incidence was identified.

##### **4.10.3 The Deputy of St. John:**

A supplementary. If the Minister had them removed, were they confiscated, given that they were being operated illegally?

**Senator A.J.H. Maclean:**

In 2004 I am not aware of what happened to the machines but I assume that they were returned to the U.K. or other operators. But I am happy to get confirmation for the Deputy in due course.

**4.10.4 Deputy G.P. Southern:**

Does the Minister believe that “the light touch” he refers to should apply to the potential for money laundering within these establishments?

**Senator A.J.H. Maclean:**

No, I take very seriously matters such as anti-money laundering. As I said at the beginning, I think it is important that we have a statutory gambling commission with the powers and the teeth to be able to ensure that provisions for anti-money laundering are properly in place. I have to say that the shadow commission to date has identified one in particular very serious incident of substantial sums of money in cash being passed over the counter at a licensed betting office. That has been dealt with, as it should have been.

**4.12.5 The Deputy of St. Martin:**

Again, I do not think the Minister has really answered the question, so I do not really think we know how much time the officers spent out on the field regulating and how much time they should spend in the office. Can I just ask the Minister: there appears to be, in one document, 3 officers employed and 4 in another document that has been published? Could the Minister, in fact, inform Members how many employees are employed by E.D.C. (Economic Development Committee)? We know there are possibly 3; there could be 4. We also know that there would be 3 commissioners. But also is there another officer employed just solely with the lottery, and if the Gaming Law comes into place that officer will not be engaged, will continue to be under the Gambling Commission?

**Senator A.J.H. Maclean:**

I am afraid I find that a rather confusing question. But I think to answer the Deputy’s question, in terms of full-time equivalent, it is 2.35. There are 4 employees that, as far as the Business Plan is concerned, are involved in dealing with gambling matters. The department has in regulatory services 8.1 full-time employees equivalent. Clearly, the Deputy should appreciate that staff members work in different areas. They are not all working 100 per cent of the time in a particular area. So there is a degree of flexibility, as you would expect.