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| Assessment Name | Anti-Money Laundering Risk Assessment |
| Assessment Purpose | Review risk associated with exploiting East Hampshire District Council’s lottery for AML abuse |
| Assessment Created By | Hannah Baynham |
| Assessment Created date | April 2020 |
| Assessment Validated and Checked By | Tracey Wood |
| Assessment Validated and Checked Date | May 2022 |
| Assessment Renewal Date | Apr 2023 |

## Assessment Detail

1. Principle risk areas of East Hampshire District Council’s lottery system being abused for AML practices fall into 2 key areas:
	1. Criminal laundering of money through the purchase of tickets on East Hampshire District Council’s lottery site and subsequent winnings from draws to be taken as ‘cleansed’ money.
	2. False registration and representation of good causes on East Hampshire District Council’s lottery site against which tickets are purchased against to launder illegally acquired funds and to be extracted through the false pretence of funds raised for a good cause.
2. Barriers and restrictions that are currently in place to deter the above practices are as follows:
	1. Ticket purchases are limited per participating player therefore making it impossible to buy a large amount of tickets, therefore activity would require the registration of an extremely large number of individual user accounts for money laundering of significant value.
	2. The maximum return possible from laundering through the purchase of tickets is extremely low in comparison to other gambling activities. Statistically, a maximum of 20% of proceeds are allocated to prizes.
	3. In order to ensure the legitimacy of the good causes registered on East Hampshire District Council’s site, there is a good cause validation process in place for all sites. For East Hampshire District Council lottery, a cause application and approval workflow process is in place whereby East Hampshire District Council have a duty to verify the identity of every good cause prior to approving their inclusion and set up on their lottery website. This workflow is comprehensively tracked and logged on system records.
3. The outcome of the high level assessment of risk is as follows:
	1. East Hampshire District Council’s lottery system present a low risk of money laundering practices for the following reasons:
		1. Transactions are limited to only small sums of money and would therefore require a lot of effort in the setting up of a large number of accounts to make the exploitation of East Hampshire District Council’s lottery a worthwhile laundering activity.
		2. Setting up a good cause requires certification/validation from authorised government bodies which in itself is a deterrent.
		3. The overall combination of risk, reward and effort would mean that Gatherwell is at low risk especially in comparison to alternative gambling activities.