

Chile Casino Superintendent detailed the measures to avoid money laundering

Different measures have been taken due to the entry of foreign operators in the Chilean market. Four casinos have already been inaugurated since the beginning of the new law of casinos, and, by the end of the year; other five entertaining and betting centers are expected to be inaugurated.

The oldest has only one year of difference and, unlike the seven casinos that already exist in the country, the new ones are subject to a regulation made especially for them and are controlled by Chile Casinos Superintendence (SCJ).

The head of the entity, Francisco Javier Leiva, talked about the possible risks that this industry may generate and the measures that the authority has taken to avoid that money laundering manoeuvres are being held in the country.

What are the chances that the societies that get to this new business sully the industry?

I discard it completely because, in the process of granting licenses, before the evaluation of the projects, the pre-qualification stage has been held. A complete investigation has been performed, with all the projects that have been applied, in order to get to know the society chain and the final owners of this chain.

The aim of the investigation was to assure the suitability of the applicants, to know the legal origin of the money they aimed to invest and their capacity to invest. Interpol and FBI backgrounds have been searched, as we interviewed and searched for backgrounds in banks and financial institutions with which the investors applied.

It has been performed with the 48 projects applied, and just the ones that complied with this stage, in our opinion, passed to the evaluation stage. Therefore, the first big barrier to avoid money laundering in casinos is to prevent the casino to be connected to money laundering entities, and that could be prevented with pre-qualification and all the investigation performed.

How many casinos will be in total?

There will be 24, but we have a difference. There are seven already operating that are local tenders, so these are not under the regulation and control of the Superintendencia. That's why we have talked about a new order, generated with the creation of the Superintendencia and the new law of casinos that allowed the opening of the market. We have 18 new operators so far. We think that, during 2009, we will have 15, and the three licenses granted in August 2008 will be operational in the second semester of 2010.

Does the Superintendencia have enough tools to control these 18 casinos?

The natural stage that comes now is the control of the casinos that are currently operating. We have been concentrated in the control of the construction stage so far, to assure that projects developed are according to the proposals that were evaluated before. At the same time, we have to start controlling the operation. Last August, it was the first anniversary of the operation of Casino Termas de Chillán.

However, as it was very difficult to estimate at the beginning how many controllers were necessary, we have committed to the Budget Direction to do the evaluation depending on the requirements to do the control.

Is there a chance that possible mafia organizations may arouse from this industry? It happened in other countries...

Well, I think that, first of all, the most practical thing is pre-qualification in order to avoid casino owners to be connected to mafias that launder money, and then, the control of the land and the regulation. Due to the demand of the Superintendence, casinos have to count with cameras.

The demand is that there has to be a continuous recording of all that happens in the casino for 15 days and, if there is some incident, it has to be taped and have at least six months, therefore, those are documents or information that are a proof in case the Superintendence performs an investigation, however, it shouldn't harm the documentary revision, the financial estate, the recounts and the control visits of the Superintendence.

Will local casinos be supervised any moment?

Yes, the law indicates that, at least for December 31st, 2015, these seven local tenders expire, conclude and a new tender has to start in order to occupy these seven licenses within the new law of casinos. Then, from 2016, these 18 plus those seven will all be under the regulation of the Superintendence.