

**Policies.**

# Made at Welcome Break.

Anti Money Laundering and Fraud Policy  
September 2024 v4



Welcome Break

## Policy Statement

1. Welcome Break is committed to preventing, detecting and reporting fraud/money laundering and in co-operating with other organisations/authorities; to reduce opportunities for fraud
  
2. The Company will manage the fraud risk by:
  - defining, setting and maintaining cost effective control procedures to identify and deter fraud
  - investigating all incidences of actual, attempted, or suspected fraud and all instances of major controls breakdown
  - encouraging Team Members to be vigilant and raising fraud-awareness at all levels
  - ensuring key controls are complied with
  - providing Team Members with effective confidential reporting mechanisms and encouraging their use
  - acting against individuals and organisations perpetrating fraud against Welcome Break and seeking restitution of any asset fraudulently obtained and the recovery of costs
  - co-operating with the police and other appropriate authorities in the investigation and prosecution of those suspected of fraud

## Purpose

3. To clearly document the Company's attitude to and stance on fraud and money laundering
  
4. To demonstrate to internal and external stakeholders that Welcome Break deals with fraud in an appropriate manner.

## Scope

5. This policy applies to all Welcome Break Team Members (Team Members being anyone who is employed by Welcome Break regardless of their position). It should be read in conjunction with the supporting policies listed separately in the further guidance section at the end of this document
  
6. The following actions are among those considered to fall within the definition of fraud (not an exhaustive list):
  - theft of company property, including information
  - forgery or alteration of company documents
  - wilful destruction or removal of company records

- falsification of expense claims
- unauthorised disclosure of confidential information to outside parties
- misappropriation or use of company assets for personal gain
- undertaking or assisting in illegal activity (including money laundering, covered within the Gaming specific *Key licensing objectives and AML* policies)
- acceptance of bribes or gifts to favour third parties
- knowingly generating or paying false claims or invoices

## Underlying Philosophy

7. Fraud risk can best be managed through preventative and detective control measures. Welcome Break is committed to the continuous improvement of fraud prevention and detection techniques.
8. Management has a responsibility to ensure adequate anti-fraud measures and controls are present in systems. However, everyone is equally expected to be vigilant and play an active part in anti-fraud/money laundering activity.
9. The overt investigation of all actual or suspected instances of fraud and the prosecution of offenders provides an effective deterrent. Therefore, all known or suspected incidences of fraud will be thoroughly and impartially investigated.
10. The investigation of any material fraud involving Team Members is best conducted using the prevailing Company policies and in consultation with the People Business Partner.

## Corporate Objectives

11. To develop an anti-fraud culture and define Team Member responsibilities this Area
12. To reduce the opportunity for fraud by introducing preventative and detective measures into systems and processes
13. To ensure that anti-fraud controls are considered and built into new systems and processes at the design/scoping stage
14. To promote an open and ethical culture within the organisation which deems unethical behaviour unacceptable
15. To increase the vigilance of Team Members through raising fraud risk awareness

16. To ensure that the Directors of Welcome Break meet their statutory responsibilities towards fraud & money laundering
17. To learn from previous incidents and share lessons and experiences in fraud prevention and detection with a view to amending the relevant policies
18. To encourage everyone to report their suspicions
19. To investigate impartially and thoroughly all cases or suspected cases of fraud, to prosecute and where appropriate, to seek to recover monies and costs through legal means
20. To co-operate with other organisations, such as other companies, the police and other legal authorities in the industry-wide detection and prevention of fraud

## Corporate Principles & Practice

### Fraud Prevention and Detection

21. Welcome Break will define the boundaries for acceptable conduct
22. HR policies include reference to recruitment and screening of new Team Members, and effective appraisal system and exit interviews.
23. Fraud risk will be assessed regularly as part of the business's risk management process, and at the design stage of new systems and processes. Cost-effective controls will be introduced where appropriate
24. Fraud/security risk awareness refreshers will be published annually LMS training undertaken with Team Members in high-risk functions and revenue streams, as well as overarching fraud guidance and general vigilance reminders
25. Regular assurance will be completed on key controls to ensure their effective mitigation of the fraud risk

data analysis will be used to proactively manage the fraud risk and identify actual and potential problems (using a third party on the high-risk gaming machines)

26. Any material fraud at sites is captured via a central Log and the Business Assurance Manager is notified; along with the Head of Commercial Income (MLRO) if related to money laundering or gaming. This will be reviewed in line with the Group Fraud reporting schedule and / or twice per year at a Welcome Break level.
27. Fraud contingency plans will be developed to ensure appropriate and timely action is taken if fraud is suspected or uncovered. Material fraud is captured via a central log and the Business Assurance Manager and Head of Commercial Income (Money laundering specifically) notified

## Further Guidance/Policies

### Related Policies:

- Conflict of Interest policy
- Purchasing policy & other Welcome Break business controls
- Gaming Assurance policy
- Anti-Money laundering policy
- Anti-Money Laundering & Terrorist Financing Risk Assessment
- Operating Licence key licensing objectives policy
- Cash loss/Fraud escalation Matrix
- Whistleblowing policy
- Lloyds bank Fraud risk guidance

## Money Laundering (Gaming)

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## **Introduction**

1. The Money Laundering and Terrorist Financing Regulations 2019 (MLR 2019) came into force on 10 January 2020. The Regulations widen the regulated sector from that set out in the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017) which came into force on 26 June 2017.
2. MLR 2017 implemented the EU's Directive on Money Laundering. In doing so, they replaced the Money Laundering Regulations 2007 (MLR 2007) and the Transfer of Funds (Information on the Payer) Regulations 2007, which were previously in place.
3. This policy has been updated from the Money Laundering Regulations 2003 in order to comply with the Money Laundering and Terrorist Financing (Amendment) Regulations 2022 that requires processes to be adopted to avoid the possibility of the business being used for money laundering and terrorist financing.
4. New obligations in respect of money laundering were imposed by the Proceeds of Crime Act 2002 (the "PCA") and the Money Laundering Regulations 2003 ("the regulations"). This legislation broadens the definition of money laundering and increases the range of activities caught by statutory framework and this has been extended to include risks associated with terrorist financing by the 2022 amendment regulations.

## **Scope of the Policy**

5. This Policy applies to all Team Members of Welcome Break and aims to maintain the high standards of conduct which currently exist within the Company by preventing criminal activity through money laundering. The Policy sets out the procedures which must be followed (for example the reporting of any suspicions of money laundering activity) to enable Welcome Break to comply with its legal obligations.
6. The Policy sits alongside Welcome Break's Whistleblowing Policy and other Welcome Break policies

7. Failure by any Team Member to comply with the procedures set out in this Policy may lead to further action being taken in line with Company policies

## What is Money Laundering?

8. Money laundering is the process of channelling 'bad' money into 'good' money to hide the fact that the money originated from criminal activity, and often involves three steps:
  - **Placement** - cash is introduced into the financial system by some means.
  - **Layering** - a financial transaction to camouflage the illegal source.
  - **Integration** - acquisition of financial wealth from the transaction of the illicit funds.
9. Money laundering is the term used for several offences involving the proceeds of crime or terrorism funds. Organised crime groups and corrupt elites launder the proceeds of crime through the UK to fund lavish lifestyles and reinvest in criminality. Most financial transactions through and within the UK are entirely legitimate, but its role as a global financial centre and the world's largest centre for cross-border banking makes the UK vulnerable to money laundering.
10. The following constitute the act of money laundering:
  - concealing, disguising, converting, transferring criminal property, or removing it from the UK; or
  - entering into or becoming concerned in an arrangement which you know, or suspect, facilitates the acquisition, retention, use or control of criminal propertyby or on behalf of another person; or
  - acquiring, using, or possessing criminal property.
11. These are the primary money laundering offences and thus prohibited acts under the legislation. There are also two secondary offences: failure to disclose any of the primary offences and tipping off. Tipping off is where someone informs a person or people who are, or are suspected of being involved in money laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an



investigation.

12. Potentially any person could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and / or do nothing about it. This Policy sets out how any concerns should be raised.

Whilst the risk to Welcome Break of contravening the legislation is low, it is extremely important that all Team Members are familiar with their legal responsibilities: serious criminal sanctions may be imposed for breaches of the legislation. **The key requirement for Team Members is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer (MLRO)**

### **What are the obligations of Welcome Break?**

13. Due to the Gaming operations at sites Welcome Break must put in place appropriate anti -money laundering safeguards and reporting arrangements
14. The Regulations apply to “relevant persons” acting during business carried on by them in the UK. It is mainly accountancy and financial transactions relating to Gaming. However, the safest way to ensure compliance with the law is to apply them to all areas of work undertaken by Welcome Break; therefore, **everyone** is required to comply with the reporting procedure set out in the policy.
15. The obligations on Welcome Break are to establish and maintain appropriate and risk- sensitive policies and procedures. Welcome Break must:
  - appoint a Money Laundering Reporting Officer (MLRO) to receive disclosures from Team Members of money laundering activity (their own or anyone else’s).
  - implement a procedure to enable reporting of suspicions of money laundering
  - maintain customer identification procedures in certain circumstances
  - maintain record keeping procedures; and
  - conduct money laundering and terrorist funding risk assessment and adopt appropriate internal controls

### **The Money Laundering Reporting Officer**

16. The nominated officer at Welcome Break to receive disclosures about money laundering activity is the Head of Commercial Income, who can be contacted as follows:

Nick Jackson

Tel: 07880 201399

E-mail: [Nick.jackson@welcomebreak.co.uk](mailto:Nick.jackson@welcomebreak.co.uk)

17. If the MLRO is not available, any suspicion of money laundering should be reported to:

Dave Newman, Commercial Income Manager Tel: 07833293233

Email: [Dave.newman@welcomebreak.co.uk](mailto:Dave.newman@welcomebreak.co.uk)

## **Disclosure Procedure**

18. Any suspicions should be reported to the MLRO (see below), and any advice followed.

## **Reporting a Concern to the MLRO**

19. Any Team Members who suspect that money laundering activity is taking place, or anyone who becomes concerned that their involvement in a matter may amount to a prohibited act under the legislation, must disclose this promptly to the MLRO.

20. The disclosure should be made to the MLRO or deputy using the proforma report attached at Appendix A. As much detail as possible should be included in the report.

21. The Team Member must follow any subsequent directions from the MLRO or deputy and must not make any further enquiries themselves into the matter. Additionally, they must not take any further steps in the transaction without authorisation from the MLRO or deputy.

22. The Team Member must not disclose or otherwise indicate their suspicions to the person(s) suspected of money laundering. They must not discuss the matter with others or note on a file that a report has been made to the MLRO in case this results in the suspect becoming aware of the suspicion.

## **Consideration of the disclosure by the MLRO**

23. The initial discussion / disclosure will be noted by the MLRO, who will promptly evaluate this and determine whether it is appropriate to report it to the National Crime Agency (NCA).

<http://www.nationalcrimeagency.gov.uk/>

24. The MLRO or deputy must, if they so determine, promptly report the matter to the NCA through the NCA website. The MLRO / deputy MLRO is registered with the NCA to make a 'Suspicious Activity Report' and, as such, will log-in and submit any report themselves. This is likely to be done in liaison with the person raising the concern.

25. If no report is made, the reason must be recorded by the MLRO.
26. All disclosure reports referred to the MLRO and reports made to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of 5 years.
27. The MLRO or deputy will commit a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and they do not disclose this as soon as practicable to the NCA.

## **Record Keeping**

28. All information obtained for the purposes of money laundering checks and referrals must be kept up-to-date and will be held and processed in compliance with relevant Data Protection legislation.
29. Individuals carrying out due diligence checks must retain the identification evidence and details of the relevant transaction(s) for that client for at least five years.
30. The MLRO will keep a record of all referrals received and any action taken to ensure an audit trail is maintained.

## **Risk Management & Internal Control**

31. The risk to Welcome Break of contravening the anti-money laundering legislation will be assessed on a regular basis and the adequacy and effectiveness of the Anti- Money Laundering Policy will be reviewed in light of such assessments.
32. The adequacy, effectiveness, promotion of and Team Members compliance with the documentation and procedures will also be monitored through Welcome Break's Corporate Governance and Anti-Fraud Policy frameworks.

## Staff Awareness

33. Whilst the risk to Welcome Break of contravening the legislation is low, it is extremely important that everyone is familiar with their legal responsibilities: serious criminal sanctions may be imposed for breaches of the legislation. The key requirement on Team Members is to promptly report any suspected money laundering activity to the MLRO
34. Where appropriate, on an Annual basis Welcome Break Team Members will receive a notification to undertake an online refresher course on any relevant guidance or policies relating to money laundering or other potential fraud

## APPENDIX A – Proforma Disclosure Report & Reporting

CONFIDENTIAL: Report to Money Laundering Reporting Officer	
Name	
Title / Department / Directorate	
Phone number	
Email	
Details of Suspected Offence	
Names and addresses of the persons involved (if a company, the nature of their business)	
Nature, value, timing of activity	
Nature of suspicions	
Signed and dated (type name and date)	
For Completion by the MLRO	

Date received	
Are there reasonable grounds for suspecting money laundering?	
If yes, confirm date of report to NCA	
Unique NCA case reference number	
Date consent given to Team member for transaction to proceed (if applicable)	
Signed and dated	

Please do not discuss the content of this report with anyone whether you believe them to be involved in the suspected money laundering activity described or not. To do so may constitute a 'tipping off' offence, which carries a maximum penalty of 5 years' imprisonment.

## – Making a report to the MLRO / National Crime Agency

If you suspect that money laundering activity is taking place (or has taken place), or think that your involvement in a matter may amount to a prohibited act under the legislation, you must disclose this as soon as possible to the MLRO, Nick Jackson, ([Nick.Jackson@welcomebreak.co.uk](mailto:Nick.Jackson@welcomebreak.co.uk), telephone 07880 201399) or, in the event of his absence, the Commercial Income Manager, Dave Newman ([Dave.newman@welcomebreak.co.uk](mailto:Dave.newman@welcomebreak.co.uk), telephone 07833293233).

You should contact the MLRO as soon as is practicable – certainly not weeks or months later, or you may become liable to prosecution. Considerations of confidentiality do not apply if money laundering is at issue.

In the first instance, the report may be made via email or verbally. You may then be asked to complete the proforma Disclosure Report, to allow the MLRO to assess the information and decide whether a Suspicious Activity Report (SAR) should be made to the National Crime Agency (NCA). You should include as much detail as possible, for example:

- Details of the people involved – name, date of birth, address, company names, directorships, phone numbers etc.
- Full details of the nature of the involvement.
- The dates of activities.
- Where they took place.
- How they were undertaken.
- Likely amounts of money or assets involved.
- Why you are suspicious.

This will assist the MLRO to make a judgement as to whether there are reasonable grounds for assuming knowledge or suspicion of money laundering. The MLRO may initiate an investigation to enable them to decide whether a report should be made to the NCA.

In cases where legal professional privilege may apply, the MLRO must decide (taking legal advice if required) whether there is a reasonable excuse for not reporting the matter.

If a decision is made that a report should be made, the MLRO will complete the relevant NCA forms.

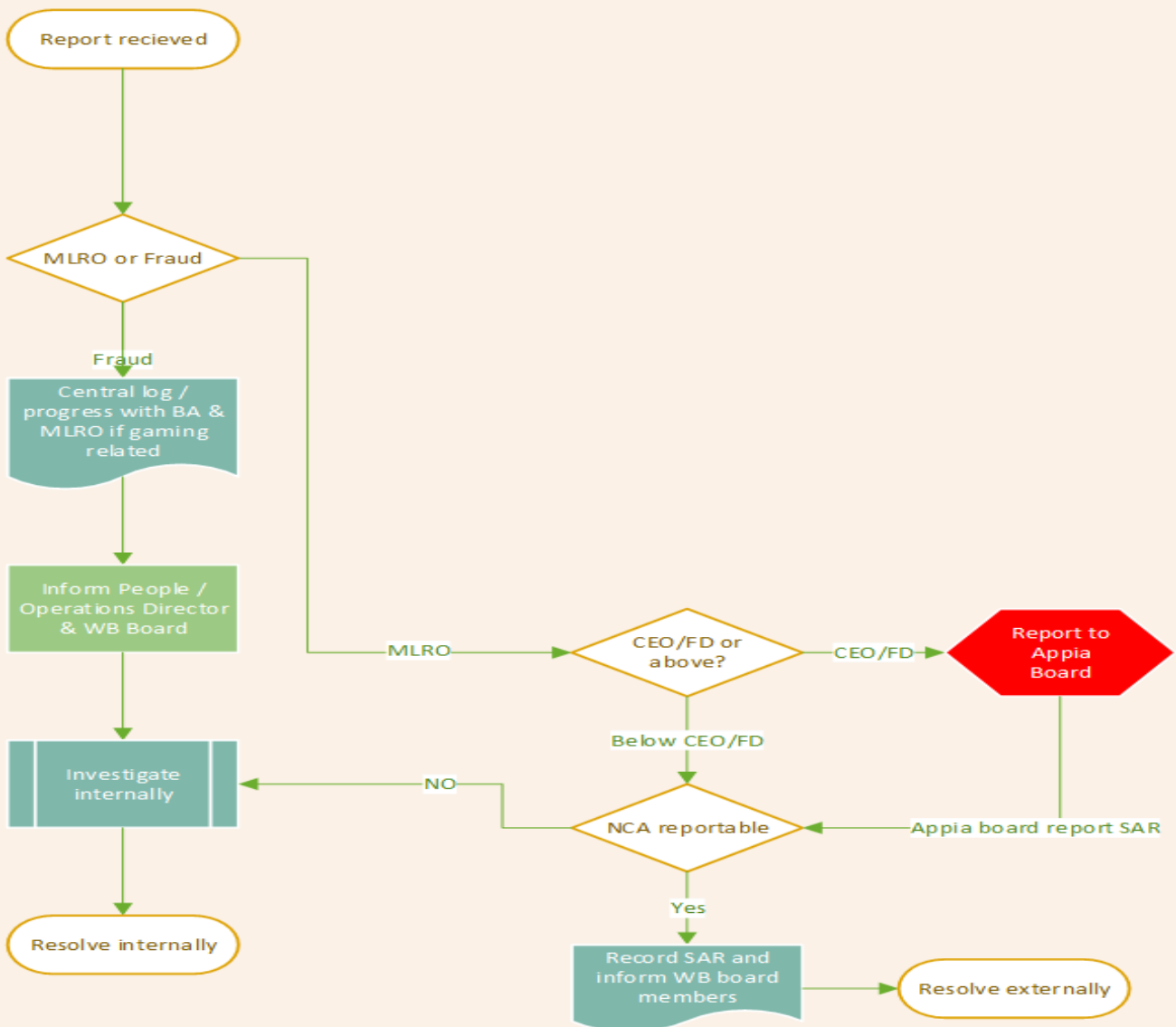
Once the matter has been reported to the MLRO, you must follow any directions they may give you. *You must not make any further enquiries into the matter yourself.* Any investigations will be undertaken by the NCA.

If you are still involved with the situation that has given rise to suspicions of money

laundering, you must not take any further action *that might constitute a money laundering offence* unless permission is given by the NCA to continue with the process

We will on request produce this policy / procedure, or content.

### APPENDIX B – MLRO & Fraud reporting workflow





- I have read, understood, and agree to implement the provisions of the above Company Policy and Procedures.

- Signed: .....

- Name: (Please Print) .....

- Date: .....

- Site: .....

- Position: .....

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