



Gambling Motivated Fraud in Australia 2008 – 2010

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Introduction

Warfield & Associates is proud to present our report 'Gambling Motivated Fraud in Australia 2008-2010'.

This study is an adjunct to our previous study released in May 2008 and continues to seek an answer to the question 'Is problem gambling a motivating factor in the committing of an act of fraudulent behaviour?'

The study confirms that a gambling addiction does not discriminate. The past three years have seen Accounts Clerks, Bank Staff, Bookkeepers, Customs Officers, Childcare Workers, Hotel Managers, Pensioners, Real Estate Agents, Solicitors, Soldiers and TAFE Teachers all steal to gamble. The impact on their lives, their families' lives and those of the people they defrauded, has been significant. The impact has included attempted suicides, marriage breakups, people losing their jobs and businesses having to close down. Then there is the gaol time that the perpetrators have faced. Of the 190 people convicted during the period, 147 spent time in gaol.

No doubt the debate on the impact of gambling on society will continue. We trust that our study may add to the existing knowledge base of gambling counsellors, the legal fraternity, employers, families of gamblers, researchers and psychologists.

Thank you to everyone involved in the production of this research. The 181 cases represent but a sample of the hundreds of cases that needed to be reviewed in order to produce the final report.



Brett Warfield

Partner

Warfield & Associates

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Executive Summary

This report presents findings of a 2011 study into gambling, problem gambling and the relationship to the committing of criminal acts of deception.

The relevant period covered by the research incorporates any conviction in an Australian court of law during the period 1 January 2008 to 31 December 2010 for deception related offences. These offences must have had evidence that the proceeds of the crime were mostly gambled or where existing gambling debts were the motivation for committing the offences.

For comparison purposes, we have also included the results of the period 2005-07 throughout the report. These figures were extracted from our 1998-2007 study and have not been previously published.

He has gambled away his family, his reputation, his employment, and his standing in the community

The key findings include:

- 181 criminal cases were included in the study. (170 during 2005-07).
- Of the 190 persons convicted of an offence, 125 of them or 66% were male.
- Of all the States and Territories, Queensland had both the most number of gambling motivated frauds at 54, as well as the most lost to fraud overall, which totalled \$29,241,285. This represents 38% of the national losses. Victoria had the highest totals during the period 2005-07.
- Total amount stolen was \$77,311,264 over the three year period. (\$77,172,959 2005-07).
- The youngest person convicted was 20 and the oldest was 72 years old.
- The ten largest frauds contributed over \$46 million to the losses. Nine of the perpetrators were male and one was female.
- There were 12 cases where fraud exceeded \$1 million.
- Men stole an average \$496,380 to gamble compared to \$234,828 by women.
- Employees were responsible for 60% of all fraud by number and 40% by value. They averaged more than \$285,000 per fraud.
- Poker machines were by far the most regular mode of gambling by the offenders.
- Of the 56 cases where poker machines were identified as the main mode of gambling, 33 involved (59%) were female.
- The average loss to fraud where the person was solely addicted to poker machines was \$234,000.
- Nine robberies were staged to cover up gambling related thefts.
- At least 32 of the offenders had a prior criminal history. 13 of 110 employee related offenders (12%) had a criminal past. The rest were frauds on friends, family, financial institutions and the Government.
- There were high levels of depression reported amongst many of the perpetrators.

About this Research

Aim of the Research

This report presents findings of a 2011 Australia wide study into problem gambling as a motivator for the committing of criminal acts of deception.

In particular, 'Is problem gambling a motivating factor in the committing of an act of fraudulent behaviour?'. This may include either financing the gambling directly or to repay gambling-related debts.

The aim of this research was to increase existing knowledge about the relationship between gambling and fraud.

How the research was undertaken

The first phase of research for this study involved an extensive review of online law judgments as well as Australian newspaper articles containing court reports that provided details of judgments.

The relevant period covered by the research was any conviction in an Australian court of law during the period 1 January 2008 to 31 December 2010 for deception related offences where evidence was led that the proceeds of the crime were mostly gambled or, where existing gambling debts were the motivation for committing the illegal acts.

Examples of the types of criminal offences that were included in the research included, but were not limited to:

- Defrauding the Commonwealth
- Dishonest use of position
- Dishonestly dealing with documents
- Embezzlement
- False accounting
- Falsification of accounts
- Forgery
- Fraud as an employee
- Fraudulent misappropriation
- Larceny by a clerk
- Make false document
- Make false instrument
- Making false entries
- Misappropriation of Commonwealth Property
- Obtain property by deception
- Obtaining financial advantage by deception
- Obtaining money by making false and misleading statements
- Stealing as a servant
- Taking property without the consent of the owner
- Theft
- Use false document
- Uttering

Has been declared bankrupt, is not employed, has no income or assets and is reliant on her husband for financial support

Had developed a serious gambling problem over the past 12 months and had blown about \$20,000 on the pokies

Convictions for criminal offences provide tangible evidence that a criminal offence has been committed. This circumvents placing reliance upon non-legal understandings of criminal offences.

Unsuccessful attempts at these criminal offences were not included.

Where there was a statement presented to the court that gambling addiction may have contributed to the losses, yet this assertion was untested or not accepted by the court, these cases were ignored.

Limitations on the Research

This research is not intended to be a comprehensive and complete summary of the size of the problem. That would only be possible with access to all court files in all State and Federal Local/Magistrates Courts, District/County Courts and Supreme Courts.

Even with unrestricted access to the files, the time required and cost of undertaking such a review would be prohibitive.

The majority of District Court cases are not reported electronically and there would appear to be selective reporting of judgments even in the higher courts such as the Supreme Courts and Criminal Courts of Appeal.

What has been evident is that the press report the larger value fraud cases. Therefore, it is likely that the cases with the larger losses have been incorporated. However, the lower value cases, which may be greater in number, may not have all been reported. Therefore, the results are indicative only and although the sample of over 180 cases is considerable, it is clearly evident that the number does not reflect the total population of cases nationally during the research period.

Issues with Estimating the Size of the Problem

Some of the issues that inhibit an attempt to get a true picture of the correlation between problem gambling and fraud include:

- Offences may not ever be detected by employers, government welfare agencies, the ATO or other organisations.
- Even if the offences are detected, the offence may not be reported to the Police or relevant prosecuting authorities. This may be due to a lack of interest, compassion for the alleged offender or because of a poor likelihood of recoverability of assets or the thefts may be resolved privately by offering the offender the opportunity to repay any money stolen. The potential impact on a company's brand may also be a consideration for failing to report a matter to the Police.
- Even if reported to the Police or prosecuting authorities, only some of the offences end up in the courts.
- Situations where the crimes are resolved outside the criminal justice system. This may include situations in which an offender steals from his/her family and the family does not report the crime.

Therefore, an analysis only of available court files or the media reporting of cases will give a less than complete picture of the size of the relationship between fraud and problem gambling. This demonstrates just how hard it is to gauge the true level of gambling motivated fraud in Australia.

Gambling and Problem Gambling

What is gambling ?

The Productivity Commission's 2010 report into Australia's gambling industries defined gambling as:

*'gambling is an entertainment based on staking money on uncertain events driven by chance, with the potential to win more than staked, but with the ultimate certainty that gamblers as a group will lose over time. The fact that gamblers inevitably lose overall and that gambling is intended to be a recreational activity, distinguishes these outlays from investment activities, where chance also plays a prominent role.'*¹

Examples of what people can gamble on in Australia include, but are not limited to:

- Poker machines and card machines (electronic gaming machines)
- Scratch tickets
- Lotteries
- Lotto, Powerball, Pools, Super 66, Ozlotto
- Keno
- Horses or greyhounds
- Playing cards
- Two-up
- Table games and other games at a casino
- Internet such as on-line casinos or poker tournaments
- Betting on a sporting or entertainment event such as cricket, football, soccer, tennis, golf, elections, reality television show winners via the internet or telephone with betting agencies

What is a problem gambler ?

The Salvation Army, like a number of welfare organisations in Australia, provides gambling counselling services. It states that the terms 'problem', 'compulsive' and 'pathological' are used interchangeably to describe problem gambling and further, that it occurs when 'a person is dominated by a persistent strong urge to gamble.'²

Has a chronic gambling addiction where he spends up to \$10,000 per week on online gambling

¹ Productivity Commission 2010, Gambling, Report no. 50, Canberra, page 1.4

² Public Information, Public Relations Department, The Salvation Army, 'Dealing with Problem Gambling' Page 4

In 2005 the Ministerial Council on Gambling, through Gambling Research Australia, undertook the task of determining a national definition of problem gambling in Australia 'Gambling prevalence in South Australia : October to December 2005.' It stated that the following definition has been endorsed by all States and Territories:

*'Problem gambling is characterised by difficulties in limiting money and / or time spent on gambling which leads to adverse consequences for the gambler, others, or for the community.'*³

The Problem Gambling website⁴, which is a Victorian Government initiative funded through the Community Support Fund, describes some typical problem gambling behaviour as:

- Spending more money and time on gambling than intended
- Hiding your gambling from other people
- Borrowing money to pay for living expenses – e.g. phone bill, gas bill, groceries, petrol
- Losing interest in other activities (except for gambling)
- Finding work or your role as a parent is affected
- Starting to lie about your gambling
- Not going to work or not at home as expected

She took up to \$20,000 cash to each gambling session during the height of her addiction

³ South Australian Department for Families and Communities. 'Gambling prevalence in South Australia : October to December 2005.' Page 8

⁴ www.problemgambling.vic.gov.au/problemgambling/problem.asp

Case Study 1

28 year old male. Prior conviction for fraud. In gaol when this matter was being heard. Gambling addict who in his early 20's turned over up to \$200,000 a week at Crown Casino. Took money from the sale of a car and did not bank it.

Amount stolen: \$16,000

Addiction: Casino

Sentence: Four months gaol

Amounts Stolen

181 gambling related cases were included in the study with a total amount stolen of \$77,311,264 over the three year period. This represented an average of \$427,134 per fraud (\$453,958 in 2005-07).

AMOUNT DEFRAUDED	NUMBER 2008-10	AMOUNT 2008-10	NUMBER 2005-07	AMOUNT 2005-07
Over \$1 million	12	\$48,490,798	14	\$49,890,234
\$500,000 to \$999,999	13	\$8,757,360	16	\$11,596,099
\$100,000 to \$499,999	67	\$16,873,964	52	\$12,033,459
\$50,000 to \$99,999	30	\$2,110,918	39	\$2,728,675
Under \$50,000	59	\$1,078,224	49	\$924,492
Totals	181	\$77,311,264	170	\$77,172,959

Figure 1 – Amounts defrauded by category

One third of all convictions were for frauds involving less than \$50,000. Although not large in size, the impact of these frauds is most often felt by those who can least afford them – small businesses, families, friends, care receivers, charities and associations.

Case Study 2

33 year old male. Transferred money from the company's bank account into his own account and then onto Centrebet. Discovered by a colleague who told the Directors. Made full admissions. Repaid \$270,000. Declared bankruptcy.

Amount stolen: \$2,900,000

Addiction: Centrebet on sporting events and casino

Sentence: Three years gaol

The Perpetrators

Sex

66% of the offenders were male. (53% in 2005-07).

Frauds committed by males were also much higher in value on average than female offenders. In fact, more than double the value of those perpetrated by women.

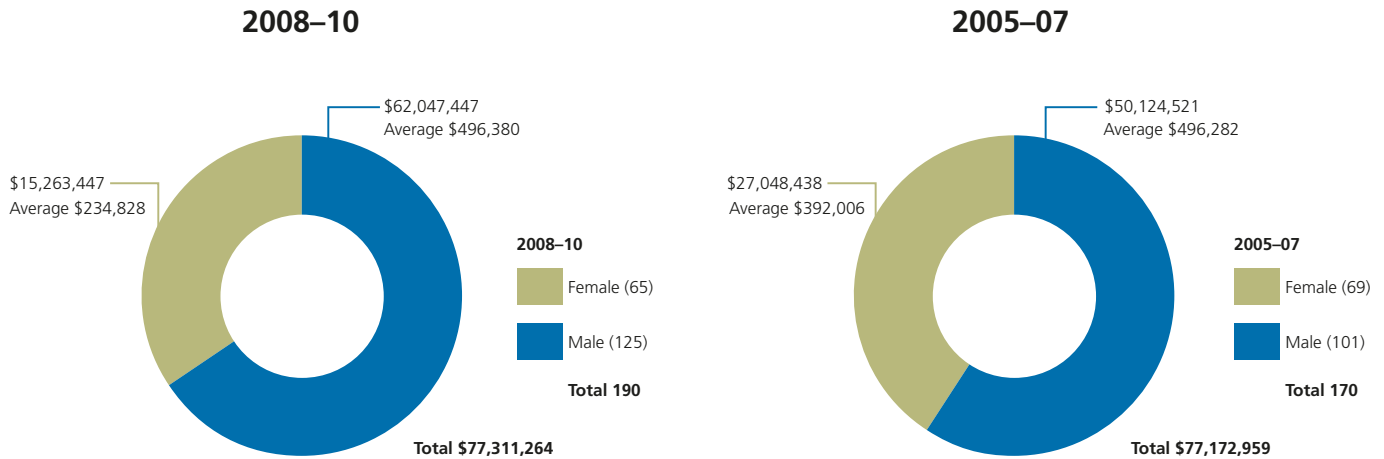


Figure 2 – Total fraud by sex

Of the 12 frauds exceeding \$1 million, only one woman was involved.

Age

In 169 of the 181 cases, the age of the perpetrators was recorded, either at the date of conviction or sentencing. This involved 177 offenders.

An attempt was made to obtain meaningful information on the age of the perpetrators when they commenced the gambling motivated frauds, however there were too many gaps as the exact period of the fraud was not always given. Therefore, the age as at conviction and/or sentencing has been used as a reference point.

AGE GROUPS	NUMBER 2008-10	AMOUNT 2008-10	AVERAGE 2008-10	NUMBER 2005-07	AMOUNT 2005-07	AVERAGE 2005-07
Up to 20	1	\$400	\$400	0	\$0	\$0
21-30	33	\$7,217,578	\$218,714	26	\$3,741,766	\$143,914
31-40	54	\$36,678,595	\$679,233	54	\$40,972,884	\$758,757
41-50	48	\$15,207,849	\$316,830	40	\$16,917,084	\$422,927
51-60	29	\$6,959,502	\$239,983	25	\$8,388,835	\$335,553
61-70	11	\$8,073,496	\$733,954	9	\$3,508,062	\$389,785
71 and over	1	\$81,978	\$81,978	2	\$462,787	\$231,394
Totals	177	\$74,219,398	-	156	\$73,991,418	-

Figure 3 – Fraud broken down by age groups

The age range of 31-50 also perpetrated the largest number of frauds during the period 2005-07.

The Victims

In General

The victims of the frauds were spread across a range of organisations and individuals. By number and size, the greatest impact was on those that employed the perpetrators.

VICTIM ENTITY / INDIVIDUAL	NUMBER 2008-10	AMOUNT 2008-10	AVERAGE 2008-10	NUMBER 2005-07	AMOUNT 2005-07	AVERAGE 2005-07
Employers	108	\$30,862,642	\$285,765	111	\$51,046,254	\$459,876
Investors in unregistered schemes	2	\$15,100,000	\$7,550,000	7	\$4,726,967	\$675,281
Australian Taxation Office	8	\$12,417,674	\$1,552,209	3	\$1,111,163	\$370,388
Clients of Financial Advisors / Solicitors / Accountants	1	\$6,329,067	\$6,329,067	6	\$4,572,151	\$762,025
Financial Institutions (by other than employees)	15	\$2,139,090	\$142,606	2	\$838,000	\$419,000
Centrelink	11	\$1,244,730	\$113,157	8	\$791,627	\$98,953
Family members	4	\$945,461	\$236,365	5	\$294,900	\$58,980
Friends	6	\$569,600	\$94,933	3	\$415,710	\$138,570
Care receivers	4	\$335,230	\$83,808	1	\$20,875	\$20,875
State Governments	0	\$0	\$0	3	\$11,378,303	\$3,792,768
Other	22	\$7,367,770	\$334,899	21	\$1,977,009	\$94,143
	181	\$77,311,264		170	\$77,172,959	

Figure 4 – Victims of fraud by category

In total 23 financial institutions were impacted by either employees, customers or identity thieves. 12 hotels were also the victims.

Employee Fraud

The amounts stolen by employees have been further broken down due to their frequency and size. Of the 12 cases involving thefts of more than \$1 million, six involved employees.

Employee fraud by problem gamblers averaged \$285,765 in each case.

AMOUNT DEFRAUDED	NUMBER 2008-10	AMOUNT 2008-10	NUMBER 2005-07	AMOUNT 2005-07
Over \$1 million	6	\$12,761,730	9	\$33,326,245
\$500,000 to \$999,999	9	\$6,025,252	10	\$6,823,982
\$100,000 to \$499,999	41	\$10,119,981	37	\$8,640,822
\$50,000 to \$99,999	19	\$1,311,756	21	\$1,550,271
Under \$50,000	33	\$643,923	34	\$704,934
Totals	108	\$30,862,642	111	\$51,046,254

Figure 5 – Employee fraud by size of frauds

The 108 cases involved 110 people. 63 of the employees were male and 47 were female. Women stole \$13.742 million, or 45% of the total amount of \$30.863 million stolen from employers.

31 of the employees were in a finance related function.

Can I Have My Money Back ?

The ways in which an assessment was made by the courts as to whether the person had a gambling problem and whether they benefited from the frauds included:

- Personal asset searches
- Psychological evaluations of the subject as a problem gambler
- Evidence presented by family members
- Bank records revealing that the stolen monies were spent at clubs or casinos
- Evidence by employees of the clubs where the gambling mostly took place

This also provided evidence of available assets for confiscation to repay money taken whether through criminal or civil action.

It is not surprising that those who commit fraud motivated by problem gambling rarely quarantine assets. It was not unusual to observe that despite the amount of money stolen, the subjects had large debts, having lost everything as a consequence of the gambling. Bankruptcy was not uncommon.

There were instances where some money was recovered before it was all gambled or where assets were sold to make a repayment. This included, but is not limited to:

- \$118,000 of \$453,000
- \$6,000 of \$50,000
- \$15,000 of \$15,000
- \$270,000 of \$2.9 million
- \$15,000 of \$355,000
- \$3,000 of \$17,700
- \$60,000 of \$281,000
- \$15,000 of \$224,000

However, the lower level frauds, under \$50,000, had a much greater chance of being repaid, either immediately, or by installments over time.

He has got not a razor to show for it, nor has his family

Where were the Frauds Perpetrated ?

The frauds were broken down by the State and Territory in which they occurred.

Queensland overtook Victoria during the period as having the most number of frauds and the highest total amount stolen. Almost one third of all frauds occurred in Queensland.

STATE	NUMBER 2008-10	AMOUNT 2008-10	NUMBER 2005-07	AMOUNT 2005-07
Australian Capital Territory	4	\$445,775	4	\$678,029
New South Wales	34	\$10,496,793	38	\$26,027,867
Northern Territory	6	\$483,721	5	\$852,811
Queensland	54	\$29,241,285	49	\$10,891,960
South Australia	16	\$4,053,372	9	\$858,878
Tasmania	14	\$2,161,711	13	\$612,289
Victoria	44	\$28,194,935	49	\$35,144,755
Western Australia	9	\$2,233,672	3	\$2,106,370
	181	\$77,311,264	170	\$77,172,959

Figure 6 – Frauds broken down by State and Territory

The appellant has 539 prior convictions from 14 court appearances. Those offences began in 1987 and almost exclusively involve offences of dishonesty in one form or another

Case Study 3

41 year old female. Accounts clerk. Deposited company cheques into a false bank account over a period of four years. Depressed after family death and difficult relationship. Offered incentives by the casino to gamble and even received a birthday card from one of the casinos.

Amount stolen: \$337,000

Addiction: Casinos

Sentence: 22 months gaol

Sentences

Not all people convicted were sentenced to a gaol term. The 181 cases involved 190 people as there were several cases which involved multiple offenders.

Of the 190 people convicted, 147 received gaol sentences, whether full time or part time/weekend detention. The balance received suspended sentences, home detention, community service/community based orders or good behaviour bonds.

Where an appeal against a sentence was noted, the amended sentence, if any, was taken into account.

The table below indicates the length of sentences after taking into account mitigating factors. These are not the head sentences, but the minimum terms that the perpetrators faced.

AMOUNT DEFRAUDED	AVERAGE LENGTH OF SENTENCE	NUMBER OF CASES	NUMBER OF NON CUSTODIAL SENTENCES
Over \$5 million	4 years 3 months	3	0
\$1 million to \$5 million	3 years 9 months	11	0
\$500,000 to \$999,999	2 years 4 months	14	0
\$100,000 to \$499,999	1 year 7 months	72	6
\$50,000 to \$99,999	10 months	30	5
Under \$50,000	4 months	60	32
		190	43

Figure 7 – Sentences recorded by size after taking into account mitigating circumstances

As can be seen, there was a much greater likelihood of a custodial sentence once the amount stolen was over \$50,000. For example, there was a 47% likelihood of gaol if the amount stolen was less than \$50,000 compared to a 94% likelihood of gaol as the amount rose to exceed \$100,000.

Considerations taken into account by the Judges and Magistrates concerning the sentences and discounts included:

- Pleas of guilty
- The period over which the dishonesty was perpetrated
- The amount of money left outstanding
- The quality and degree of trust that the perpetrator breached
- The impact of the offences on the public and public confidence and/or the effect on fellow employees
- Whether the perpetrator's actions were deliberate, systematic and premeditated
- Whether the perpetrator took extensive steps to disguise his/her wrongdoing
- How cooperative the perpetrator was once the fraud was discovered
- Whether the perpetrator was remorseful
- The person's character

Duration of Frauds

The period of time over which the frauds were committed was identified in 172 of the cases.

Two cases of particular interest were the following non-employee related frauds:

- A financial adviser defrauded his clients over 16 years without being detected
- A son claimed his mother's pension for 20 years after she died

Employee Fraud

Of the 108 instances where fraud was committed by an employee, the duration of the fraud was identified in 105 cases (98 from 111 in 2005-07).

Of the frauds committed by employees, the longest period the fraud went undetected was eight years involving nearly \$355,000. It also took one of the big four banks seven years to identify that a teller had been stealing over \$820,000 in cash from ATMs, teller drawers and a safe.

Management may want to believe that in the event of fraud in their organisations, the internal controls will identify the issue fairly quickly. The evidence from the research disagrees. The question that is apparent with a large number of the frauds committed by employees on their employers is 'why did it take so long to discover ?' This is particularly relevant in the larger organisations who have the resources, systems and audit teams. What preventative controls were in place ? Where were the warning signals and the whistleblowers ?

It is clear that a number of Australia's largest organisations should review their fraud risk management approach.

DURATION	NUMBER 2008-10	AMOUNT 2008-10	NUMBER 2005-07	AMOUNT 2005-07
5 years +	8	\$7,549,004	14	\$8,431,613
3 years up to less than 5 years	14	\$7,315,073	9	\$3,139,337
2 years up to less than 3 years	24	\$6,762,545	18	\$11,984,693
12 months up to less than 2 years	23	\$6,086,802	29	\$19,342,253
6 months up to less than 12 months	10	\$770,319	14	\$3,174,100
1 month up to less than 6 months	15	\$1,626,296	10	\$712,693
Under 1 month	11	\$506,284	4	\$614,530
Totals	105	\$30,616,323	98	\$47,399,219

Figure 8 – Time taken for employee fraud to be discovered

44% of cases of employee fraud lasted more than two years. The longer the period of time that the fraud goes undetected, the greater the impact on the person who committed the fraud and the organisation they defrauded.

Some organisations can withstand a large fraud. They have the economic resources to recover, whether it is through their insurance policy or simply writing off the amount. However, small to medium sized organisations are not so fortunate. There have been cases observed where the fraud has caused the organisation to close its business, often leaving innocent victims, such as creditors, out of pocket and employees out of a job.

Modes of Gambling

There were 99 cases where the mode of gambling was identified. The balance was simply referred to as 'a gambling addiction' but did not specify what that addiction was. Future studies of the link between fraud and gambling would be greatly assisted if the judges and magistrates, as well as consulting psychologists, state the specific mode of gambling the person has been addicted to and the media report it accordingly.

In the majority of cases, there was evidence that one main preferred gambling mode was used. On occasions, multiple gambling modes were identified to the courts.

It is evident that the entire proceeds of the frauds would not have been spent gambling in every case. However, the overwhelming evidence was that the addiction resulted in not only most of the fraudulent proceeds being gambled, but also other income and family assets, resulting in little evidence of lavish lifestyle or asset accumulation.

MODE OF GAMBLING	NUMBER 2008-10	AMOUNT 2008-10	NUMBER 2005-07	AMOUNT 2005-07
Poker machines	56	\$13,102,600	65	\$24,973,723
Casinos *	9	\$5,300,231	16	\$19,059,838
Horseracing	11	\$25,546,638	6	\$4,480,614
Internet Sports Betting	5	\$2,620,369	1	\$1,330,957
TAB	7	\$2,798,350	4	\$788,623
Other**	11	\$12,250,685	6	\$11,475,786
Total	99	\$61,618,873	98	\$62,109,541

Figure 9 – Main types of gambling modes on which perpetrators bet

* This excludes references to poker machines played at a casino, which have been included in the poker machine figures.

** Lotto, Cards, Dogs, Offshore betting, Poker, Football pools, Keno and multiples of any of the above modes.

Poker machines

Poker machines were specifically mentioned in 56 cases. Of these, 33 involved female players and 23 were males.

Just over \$13 million was lost to poker machines. The average loss to fraud where the person was solely addicted to poker machines was \$233,975.

The comments by judges, magistrates and academics throughout the research indicated that they believe poker machines should be regarded as particularly addictive and that their accessibility provides people with greater opportunities to gamble.

No gambling mode was recorded for \$15 million. No doubt poker machines would have been the preferred mode of gambling for at least some of these proceeds.

Had developed a serious gambling problem over the past 12 months and had blown about \$20,000 on the pokies

Casinos

Casinos were specifically mentioned on 17 occasions. When taking out the sole purpose to play poker machines and where multiple modes of gambling were mentioned, the number was reduced to nine cases. Of these nine, eight were men and one was a woman.

When a person went to play at the casinos on the gaming tables such as Black Jack, Roulette or other games, the average fraud to pursue their addiction was \$588,915.

Horseracing

The average loss to fraud when betting on horseracing was \$2,322,422. This was by far the highest average loss for the gambling modes represented.

Four of the ten largest frauds were motivated by an addiction that included gambling on the horses.

Betting on horseracing was an exclusively male domain, with all 11 of the perpetrators being male.

TAB

Seven people bet only at the TAB. This was an exclusively male domain with no female perpetrators involved.

The average loss to fraud when betting at the TAB was \$399,764.

Internet Sports Betting

This mode of betting encompasses betting online with one of the growing number of online bookmakers who offer odds on sport, racing and entertainment.

We believe this will be a growing area of concern for problem gamblers mainly because of the ease with which access can be gained to markets and odds and the turnaround time to place a bet. All can be done from an office or home computer.

Five people during the period bet exclusively on Internet Sports Betting.

The average loss to fraud when betting using this mode was \$524,074.

Other

Where there were multiple forms of betting involved or betting on less frequent types of gambling, they have been included in this section. For example there were several instances of addiction to scratch lottery tickets. Two people had addictions to Keno. Three people were addicted to Lotto/Tattsлото.

Gambling became the major form of recreation for the pair, and he ran up credit card debts of \$100,000 travelling to gaming venues in Victoria and interstate

Case Study 4

50 year old female. Made transfers to her personal bank accounts. Also overpaid herself and made excessive superannuation contributions. Withdrew \$2.8 million at various gambling venues.

Amount stolen: \$4,600,000

Addiction: Poker machines

Sentence: Five years gaol

Reasons Given for the Gambling Motivation

In most cases, reasons were not provided for the frauds. However there were trends that became obvious. According to court records, past or present traumas or some life impacting experience such as the death of a close family member, rape, physical abuse, marriage breakdown or personal financial crisis were sometimes catalysts for the person to escape into the world of gambling.

Escapism from the day to day worries was a constant theme, but by no means given as an excuse.

It was as if the gamblers were trying to find relief from boredom or to escape from negative circumstances.

A significant number of people believed that they could win at their gambling. In particular, those who were ultimately charged with criminal offences involving thefts from their employers, believed they could win the money required to pay back the money they had stolen to gamble.

'Euphoria', 'feeling important', 'being somebody' were also terms that were observed on a number of occasions when perpetrators were relating their emotional feelings about their gambling.

They placed themselves under financial pressure to finance their craving for gambling.

Some quotes from cases help to illustrate the background to the motivation:

'He was young and lonely. He felt isolated and suffered from anxiety and depression'

'...had become addicted to gambling after the break-up of his first marriage'

'Became hooked on poker machines in 2006 after enduring violence at home'

'Her background has been difficult, having suffered from depression as a result of a marriage marked by abuse. This had led on to a gambling addiction'

From 1997
onwards, you bet
nearly every day

Case Study 5

29 year old male. Finance officer at a charity inflated invoices over a 12 month period. Paid the extra to himself as well as paying invoices twice, to both legitimate creditors and himself.

Amount stolen: \$1,530,000

Addiction: Internet sports gambling

Sentence: Two years gaol

Problem Gambling Counsellors

People with a gambling addiction do have significant resources available to them to help with their problems.

A national problem gambling hotline exists.

National bodies and information resources are listed below. Apart from these there are a range of Hospitals, Universities, Churches, Community Groups and Multicultural Groups that provide gambling counselling services on a regional or local level.

ORGANISATION / WEBSITE	WEBSITE ADDRESS
Gamblers Anonymous	www.gamblersanonymous.org.au/
Lifeline	www.lifeline.org.au/
Problem Gambling	www.problemgambling.vic.gov.au
Relationships Australia	www.relationships.com.au
The Salvation Army	www.salvos.org.au/
Wesley Mission	www.wesleymission.org.au/homepage.asp

It was a relief
when the Police
knocked on the
door

Case Study 6

35 year old male. Stole from the cash for ATMs over a three month period. Introduced to gambling in his 20s and at his worst was gambling up to \$1,000 per day. Had previously lost \$15,000 and had his car repossessed due to gambling. Attempted suicide.

Amount stolen: \$50,000

Addiction: Unknown

Sentence: Three year good behaviour bond

Contact Us

WARFIELD & ASSOCIATES

Warfield & Associates is a professional services firm specialising in Forensic Accounting and the prevention, detection and investigation of unethical behaviour, in particular fraud and corruption.

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