



**The Just Ask Trafficking Prevention Foundation**

**Aug 30, 2019**

***Media One-Day Analysis of Online Gaming  
& Gambling's Role in Human Trafficking***



## Online Gaming

*The analysis of media coverage for online gaming as it relates to human trafficking is that online gaming gives predators a covert pathway to youth through sharing a common bond which goes unregulated, unmonitored, and is difficult to trace. According to the data compiled for this report, key areas of need are adult awareness, education, and training as to what online gaming is and how the predators leverage it to gain access to find, groom, and turn children. Online gaming allows predators to access children remotely and relatively safely. There also needs to be more and better policing of online gaming networks without violating constitutional laws, and children need to be made aware of predatory tactics so they can recognize them, resist them, and communicate when they occur to their parents of other adult parties.*

1. This story addresses the fact that online gaming is an emerging trend by traffickers to identify, recruit, and turn children into sexual abuse victims.

Story Link: <https://www.tampabay.com/news/publicsafety/human-traffickers-new-tool-to-lure-children-online-video-games-20190121/>

### Key Info:

- "Anywhere where people have access to the internet and access to kids, some people are going to try to use it as a tool to lure kids out," said FBI Special Agent Kevin Kaufman of Orlando. "You're pretty much inviting the world into your living room with these online gaming apps."
- "The idea is that people can coordinate within the game," he said. "But just like any other form of communication, it can be abused."
- Kaufman said connecting with children through video games has become a common technique for predators. Some predators eventually meet those kids in person, then trap them for human trafficking purposes.
- "Many parents are unaware, or they think these are harmless games," Kaufman said. "But the chance is always going to be there when you're interacting with strangers online, even with video games."
- In situations where victims are contacted through video games, Kaufman said, it's not uncommon for perpetrators to offer children gift cards for a game in exchange for a photo, or to meet them in person.



- "It's a grooming process," the special agent said. "They're soliciting kids with video gaming cards, PayPal, sending them games in exchange for regular photos. And those progress to more risqué photos."

## Story

Human traffickers' new tool to lure children: online video games Human traffickers' new tool to lure children: online video games

The arrest of seven people for a St. Petersburg case of human trafficking highlights a new social media vulnerability: online video games.

By Caitlin Johnston

Published Jan. 21

ST. PETERSBURG — Parents know they need to be vigilant monitoring their kids' social media accounts. But online video games are giving parents something new to worry about.

Last week's arrest of seven adults on charges that they kept two boys prisoner in a St. Petersburg mobile home serves as a warning that predators are using popular gaming platforms such as Fortnite and Minecraft to lure in children. At least one of those boys was contacted through the online gaming app Discord.

Curtis Lee Gruwell, 34, communicated with a 17-year-old boy living in Louisiana through the app's chat platform, earning his trust over time before picking him up and driving him to Florida with the promise of a better life, according to St. Petersburg police.

Instead, he joined a 16-year-old boy who had already been held prisoner for nearly a year, police said. The younger boy had been repeatedly sexually abused by four men who kept him trapped inside a squalid mobile home, police said. The boys were freed in May, and after a lengthy investigation their alleged captors were rounded up last week.

Days after those arrests, Florida Attorney General Ashley Moody announced the arrest of a man in Broward County who allegedly engaged in sexual activity and solicited pornographic photos and videos from a minor he first contacted through the online game Fortnite. Authorities believe there could be as many as 20 additional victims.

"Anywhere where people have access to the internet and access to kids, some people are going to try to use it as a tool to lure kids out," said FBI Special Agent Kevin Kaufman of Orlando. "You're pretty much inviting the world into your living room with these online gaming apps."

Video games have evolved from using text-based communication to offering text and audio options. Lots of games have dynamic voice chats where players can communicate to large groups or in one-on-one settings. It's common for players to chat frequently with people they've never met, both inside the game and on related apps, said Patrick Vilkinofsky, assistant professor of cybersecurity at Daytona State College.



"The idea is that people can coordinate within the game," he said. "But just like any other form of communication, it can be abused."

Kaufman said connecting with children through video games has become a common technique for predators. Some predators eventually meet those kids in person, then trap them for human trafficking purposes.

"Many parents are unaware or they think these are harmless games," Kaufman said. "But the chance is always going to be there when you're interacting with strangers online, even with video games."

The problem of human trafficking in Tampa Bay isn't new. Many acknowledge the problem has existed here and in cities across the United States for decades. But only in the past five to seven years has awareness of the issue permeated into sphere such as law enforcement, community advocates and political leaders.

Still, identifying the crime remains complicated. Visions of drugged women smuggled into the country in boxes is more a product of pop culture than reality. The more insidious cases — teens wooed by adults promising them travel and an escape from the struggles of their current lives, then forced to perform sex acts for money — that can be harder to recognize. Convicting perpetrators can be even more difficult. To distinguish sex trafficking from prostitution, the state must prove force, fraud or coercion.

Sign up for our Daystarter newsletter"Human trafficking is a business of exploitation, in very simplified words," said Dotti Groover-Skipper, Florida's Anti-Trafficking Director for The Salvation Army. "The contact starts innocently and then these predators lure their victims with false promises."

In situations where victims are contacted through video games, Kaufman said, it's not uncommon for perpetrators to offer children gift cards for a game in exchange for a photo, or to meet them in person.

"It's a grooming process," the special agent said. "They're soliciting kids with video gaming cards, PayPal, sending them games in exchange for regular photos. And those progress to more risque photos."

While it's impossible to make the internet a completely safe space, Kaufman said there are ways for parents to protect their children. In this case, being a "helicopter parent," is a good thing. He encouraged parents to check their kids' phones or ask to listen in to the audio during a game chat.

There are plenty of settings within most games and related apps that allow both players and parents to block people and limit who can send messages, Vilkinofsky said. In many games, individuals can also choose how much of their personal information, such as their name, age or location, is displayed.

"It's pretty much like an extension of social media," he said. "Don't put something out there that you don't want everyone to know."

Parents can also go in and read text messages sent through the games. Most platforms keep a message history, as long as the player doesn't delete it.

Groover-Skipper listed some warning signs for parents monitoring their kids' gaming: Is your child secretive about the game they're playing or to whom they're talking? Are there texts



and calls on their phone from numbers you don't recognize? Do they change immediately change the screen when an adult walks into the room?

Most importantly, she said, it's important that parents talk with their kids about the risks of interacting with strangers online, on any platform including video games. Kids should know the warning signs, too, including whether someone starts asking for their personal information, tries to talk to them about sex or warns them to keep their conversations private.

"Law enforcement is always playing catch-up with new technology and the hundreds of apps that come out every day," Groover-Skipper said. "That's why parents and our kids have to be educated, know the signs to look for, and not fall prey into these traps."

2. This story sheds light on the fact online gaming is a tool used by child predators.

Story link: <https://www.princegeorgematters.com/local-news/shocking-creeps-are-targeting-kids-via-online-gaming-says-expert-1647001>

#### Key Info:

- “Adult education has been lacking,” said Sharifi. “They’re the ones who should be spotting when kids are at risk.”
- “If we don’t name what’s happening and we can’t see the signs, kids won’t know what’s happening to them. They will think it’s their fault,” she said, pointing to the fact that many young people don’t know that having on their phone naked pictures of someone else under 18 is considered possession of child pornography.”
- “They don’t know how prevalent it is. Every community, every school you go to, there’s a case of sexual exploitation,” said Sharifi. “If they were to get education on the issue and what it looks like, everyone would get on board. It’s shocking.”

### Story

'Shocking': Creeps are targeting kids via online gaming, says expert

Aug 19, 2019 2:05 PM by: Glacier Media

Tiana Sharifi has heard the dark stories every parent dreads to hear from their child.

Only a few months ago, she was the program director at Children of the Street Society, a Tri-Cities non-profit that spent a quarter-century working to keep kids out of human trafficking. But just as the organization was absorbed by PLEA Community Services as part of an ambitious plan to deliver 300 educational workshops to more than 5,300 children and teenagers, Sharifi



struck out on her own, launching Sexual Exploitation Education (SEE) to fill what she sees is the weakest link in preventing sexual predators from reaching children: adults.

Now, she's taking that message to police forces, parent groups, teachers and counsellors across the province, including SD43, where she has plans to meet with parent and teacher groups.

“Adult education has been lacking,” said Sharifi. “They're the ones who should be spotting when kids are at risk.”

As sexual exploitation continues to evolve with technology, the line between pimp and online predator has blurred, complicating a fraught digital existence where teenagers and children are already grappling with sexting and revenge porn.

“If we don't name what's happening and we can't see the signs, kids won't know what's happening to them. They will think it's their fault,” she said, pointing to the fact that many young people don't know that having on their phone naked pictures of someone else under 18 is considered possession of child pornography.

In her new role, Sharifi says she keeps her ear to the ground and regularly receives the latest victim disclosures. Out of that has come a disturbing trend, one where predators are turning to online gaming to contact and groom school-age children.

Take Fortnite, a popular online game where players are thrown into a post-apocalyptic world and tasked with building and defending structures from zombie-like creatures. Like most online games, players have the opportunity to interact with one another, chatting in real-time.

“A lot of these are predators pretending to be younger kids,” said Sharifi. “You have an avatar and you're in an online fantasy world. It makes it really easy.”

Often, says Sharifi, the chatting moves to another platform like Facebook or Discord, a free video and text chat platform for gamers that has fostered everything from alt-right hate speech to revenge porn.

In what has become an all too common experience, a Grade 6 student from the Tri-Cities was recently targeted through Fortnite by what appears to be an online predator. But when the person on the other end tried to convince the young boy to meet him at a mall — one of many hubs where sexual predators look to meet face-to-face with young boys and girls — he went to his father, an RCMP officer who had taught his son how to spot an online predator. Most parents aren't cops tuned in to the latest digital threat to children, however, and it can be hard enough getting a grasp on the latest social media platform, let alone guide your child through gaming chat rooms.

“Parents aren't aware that they can turn the chat options off,” said Sharifi.

When Sharifi has gone into schools to hear children's stories, counsellors and teachers are often caught unaware because they don't know how to spot a predator grooming a kid. Part of that comes down to regular conversations with children about the kinds of interactions they have online. About 90 per cent of all recruitment starts online and when it comes to prevention, that number is made even more significant by the fact that 75 per cent of children who have been sexually solicited online have not told a parent.

“They don't know how prevalent it is. Every community, every school you go to, there's a case of sexual exploitation,” said Sharifi. “If they were to get education on the issue and what it looks like, everyone would get on board. It's shocking.”



Just as reports of the online sexual exploitation of children more than tripled across Canada between 2017 and '18, British Columbia is falling behind, says Sharifi. That's significant in a country that hosts 15 per cent of all websites containing child sexual abuse imagery — the third most frequent national host after the Netherlands and the United States, according to the Internet Watch Foundation.

Across Canada, efforts to fight back have had varied success, and in provinces like Ontario and cities like Edmonton, a lot more funding and resources go into the intervention of exploitation.

“That leads to more focus on communities, families and teachers,” said Sharifi. “I don't think B.C. has caught up yet.”

Even in the Tri-Cities, where for the last 25 years the presence of a group like Children of the Street Society helped bring community awareness to child exploitation, many — including municipalities — are still coming to grips with the profile and behaviour of a modern sexual predator, Sharifi said.

“It's not the old creepy man in a van at the park anymore.”  
— Stefan Labbé, Tri-City News

3. This story talked about online gaming and gives some basic advice as to what to do about it.

Story Link: <https://www.foxnews.com/us/authorities-warn-about-sex-traffickers-luring-teens-via-gaming-app-7-arrested>

Key Info: “Traffickers and predators are using social media every single day to recruit children,” Natasha Nascimento, founder and executive director of Redefining Refuge, a Tampa Bay organization that helps young trafficking victims, told FOX 13.

## Story

Authorities warn about sex traffickers luring teens via gaming app, 7 arrested

By Lucia I. Suarez Sang | Fox News

Seven arrested as authorities warn about sex traffickers luring teens via gaming app

Seven people in Florida were arrested as authorities warn about sex traffickers luring teens via gaming apps.



A raid by Florida cops on a squalid mobile home revealed two teenage boys -- one of whom had been repeatedly sexually abused -- who had been lured from their families via an online gaming app, police said Monday.

St. Petersburg police said the two teen boys – 16 and 17 years old – were rescued in May after Louisiana authorities alerted them the 17-year-old had been persuaded to leave home by someone he met on gaming app Discord and could be living in a mobile home in the Florida city.

On Monday, authorities said six people – five men and a woman – were arrested on human trafficking charges. A seventh suspect, 34-year-old Curtis Lee Gruwell, turned himself in to police on Tuesday, authorities said.

“As a mother, I cannot begin to stress how disturbing the facts of this case are for me,” new Florida Attorney General Ashley Moody said during a news conference Monday, the Tampa Bay Times reported.

The other six people arrested were identified as: Mark Earl Dennis, 52 and Andrew Barry Dennis, 45, a married couple arrested in Pinellas County; Michael Ray Blasdel, 36, and J.R. Gauthier, 29, who were also arrested in Pinellas; Eleanor Faye McGlamory, 56, arrested in Marion County; and Michael Wayne Schwartz, 51, arrested in Lee County.

Police said the 17-year-old was lured away from his family after McGlamory, who knew the boy’s family, reached out to him via the gaming app and promised him a better life. The teenager was then picked up by Gruwell in Louisiana and they drove back to St. Petersburg.

“He was told he was going to go to a place that was better,” police Chief Tony Holloway said.

When police went to investigate the home at the Silver Lake Mobile Community on May 9, they found the 16-year-old teenager living in squalor.

Mark Dennis initially claimed to be the teenager’s father, however, police found out that the 16-year-old boy was reported missing from Marion County nearly a year ago.

Police determine that McGlamory had also reached out to the 16-year-old – when he was 15 – and set up a meeting with the Dennises. After meeting in person, the couple decided to give the boy a “new identity” and left a note at the boy’s house telling his mother not to look for him, the Tampa Bay Times reported.

The boy was forced to live on a small mattress, surrounded by animal cages and animal waste, authorities said.

According to police, Gruwell and Schwartz lived in the mobile home with the Dennises. All four men, along with Blasdel and Gauthier, are accused of sexually battering the 16-year-old boy, police said.

Authorities said they don’t believe the 17-year-old was sexually battered and was returned home. The 16-year-old is receiving treatment for his ordeal and is in a safe location, police said.

“You would not think that you live in Florida, it’s an ideal place to live work and raise a family. We all know that, and yet we have the third highest incidents of human trafficking in the nation,” Moody said.



The Dennises, Blasdel, and Gauthier all face charges of sexual battery of a child under the age of 16. All seven defendants face charges of conspiracy to commit human trafficking and interference with custody. They are being held in separate jails across the state.

Investigators and victim advocates issued a warning Monday, saying that it's very common for children to be lured by family, family friends or through online apps into human trafficking.

"Traffickers and predators are using social media every single day to recruit children," Natasha Nascimento, founder and executive director of Redefining Refuge, a Tampa Bay organization that helps young trafficking victims, told FOX 13. Police said the investigation is ongoing.

4. This story details a sting operation which successfully caught online gaming predators trying to lure children.

Story Link: <https://www.11alive.com/article/news/operation-end-game-9-arrested-in-online-child-predator-sting/85-a3c6eb5d-981e-4af0-8a7b-29d0a54617cf>

Key Info: About half of the exchanges involved websites used for dating, socializing or classified advertisements. Although some websites promote themselves as being for "adults only," it is not uncommon for law enforcement to work cases in which children access these sites, establish profiles claiming to be older, then find themselves vulnerable to victimization, harassment, blackmail or assault.

## Story

'Operation End Game': 9 arrested in online child predator sting

Operation End Game targeted people suspected of communicating with children online and then traveling to meet them to have sex.

Author: Michael King

Published: 11:28 AM EDT July 29, 2019

Updated: 5:28 PM EDT July 29, 2019

ATHENS, Ga. — Nine people have been arrested and charged over a three-day period since last Thursday. Each of them has been accused of traveling from areas around northeast Georgia with the intent of meeting a child for sex.

According to the [Georgia Bureau of Investigation](#), the arrestees ranged in age from 19 to 53 years old. One person was a convicted murderer who had completed his sentence. When another was arrested, he was in possession of firearms and a machete.

The GBI says that "Operation End Game" was a three-day [proactive undercover investigation](#) coordinated by the Georgia Internet Crimes Against Children Task Force, the



GBI's [Child Exploitation and Computer Crimes Unit](#), the [Athens-Clarke County Police Department](#), the [FBI](#), the [US Attorney's Office for the Middle District of Georgia](#), and the [Athens-Clarke County District Attorney's Office](#).

Each of the people arrested was charged with violating the [Computer or Electronic Pornography and Child Exploitation Prevention Act of 2007](#).

The goal of "Operation End Game" was to arrest persons who communicate with children online and then travel to meet them for the purposes of having sex. The operation also targeted those who are willing to exploit children by purchasing sex.

Since 2014, the Georgia ICAC Task Force has arrested more than 130 people in similar operations.

These are the suspects arrested and charged

- Morgan Andrews, W/M, Maxeys, GA, 27, mold repair technician
- Joseph Kelly, W/M, 44, Statham, GA, assembly line worker
- James Morriss, Jr., W/M, Dacula, GA, 49, sales representative
- Andrew Schafer, W/M, Winder, GA, 53, project manager
- Deointe Sims, B/M, Athens, GA, 25, assembly line worker
- Fredrick Smith, B/M, Royston, GA, 29, fast food/food delivery service employee
- Michael Turner, B/M, Covington, GA, 46, shipping/receiving employee
- Zachary Turner, B/M, Colbert, GA, 19, unemployed
- Noe Villafuerte, H/M, Winterville, GA, 44, landscaper

Alleged child predators caught in 'Operation End Game'

Next

01 / 09

Morgan Andrews, 27, of Maxeys, Ga.

02 / 09

Michael Turner, 46, of Covington, Ga.

03 / 09

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04 / 09

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05 / 09

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06 / 09

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07 / 09

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08 / 09

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09 / 09

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Previous



NexDuring "Operation End Game," more than 25 cases were established that met the threshold for arrest. Nine of those cases were concluded with arrests.

During the operation, investigators had more than 200 exchanges with subjects on various social media or [internet platforms](#). In many of the cases, the subjects introduced the obscene or lude content, often [exposing the minor to pornography](#) or requesting the minor to take nude or pornographic images for them.

About half of the exchanges involved websites used for dating, socializing or classified advertisements. Although some websites promote themselves as being for "adults only," it is not uncommon for law enforcement to work cases in which children access these sites, establish profiles claiming to be older, then find themselves vulnerable to victimization, harassment, blackmail or assault.

Several of the subjects were identified as communicating simultaneously with multiple investigators [posing as minors](#). This confirms what investigators discover during these types of investigations: That many predators specifically seek out minors on such sites and groom them as potential victims for sexual contact.

In addition to the agencies participating and coordinating the operation itself, ten additional law enforcement agencies participated in "Operation End Game" as members of the Georgia ICAC Task Force: The [Alpharetta Police Department](#), [Clarke County Sheriff's Office](#), Floyd County Police Department, Forsyth County Sheriff's Office, The [GBI-Georgia Information Sharing and Analysis Center \(GISAC\)](#), [Gwinnett County Police Department](#), [Hall County Sheriff's Office](#), [Lilburn Police Department](#), the [Polk County Police Department](#) and the [Savannah Police Department](#).

5. Similar coverage of sting operation but with different insight into online gaming and human trafficking

Story Link: <https://thecrimereport.org/2019/01/21/how-sex-traffickers-are-using-online-video-games/>

Key info: "You're pretty much inviting the world into your living room with these online gaming apps." Many video games have dynamic voice chats where players can communicate to large groups or in one-on-one settings. It's common for players to chat with people they've never met, said cybersecurity expert Patrick Vilkinofsky of Daytona State College.



## Story

### How Sex Traffickers Are Using Online Video Games

By [Crime and Justice News](#) | January 21, 2019

Parents who monitor their kids' social media accounts should also worry about online video games, [the Tampa Bay Times reports](#). Last week's arrest of seven adults on charges they kept two boys prisoner in a St. Petersburg mobile home was a warning that predators are using popular gaming platforms such as Fortnite and Minecraft to lure in children. At least one boy was contacted through the online gaming app Discord. Curtis Lee Gruwell, 34, communicated with a 17-year-old boy living in Louisiana through the app's chat platform, earning his trust over time before picking him up and driving him to Florida with the promise of a better life, said St. Petersburg police. Instead, he joined a 16-year-old boy who had been held prisoner for nearly a year. The younger boy had been sexually abused by four men who kept him trapped inside a squalid mobile home, police said. The boys were freed in May. After a lengthy investigation, their alleged captors were rounded up last week.

Florida Attorney General Ashley Moody last week announced the arrest of a man who allegedly engaged in sexual activity and solicited pornographic photos and videos from a minor he contacted through the online game Fortnite. Authorities believe there may be 20 additional victims. "Anywhere where people have access to the internet and access to kids, some people are going to try to use it as a tool to lure kids out," said FBI agent Kevin Kaufman. "You're pretty much inviting the world into your living room with these online gaming apps." Many video games have dynamic voice chats where players can communicate to large groups or in one-on-one settings. It's common for players to chat with people they've never met, said cybersecurity expert Patrick Vilkinofsky of Daytona State College.



## Gambling

*The link between gambling and human trafficking is a clear one with people attracted to high risk-high reward pleasure seeking who have disposable income, a lowered sense of moral responsibility, obligation, and fear of being caught. This sense of being in an adult playground where one can do and buy anything which gives them pleasure, laws and morality be damned, not only lays the groundwork for wanting unconventional sexual pleasure but motivates criminals to provide it to key target areas. Thus, it can reasonably be said gambling sites attract criminals who participate in human trafficking.*

1. This story gives readers a clear understanding of why human trafficking and gambling exist together and what is being done about it globally.

Story Link: <https://www.usaonlinecasino.com/casino-news/legal/crown-resorts-and-melco-entertainment-could-see-australia-revise-their-gambling-laws/>

Key Information: On top of the inquiry, Bergin has also been asked to investigate allegations published by 2 of the country's media outlets; Nine newspaper and the TV show 60 Minutes. Both of whom have claimed the Crown or "agents, affiliates or subsidiaries engaged in money laundering; breached gambling laws; and partnered with junket operators with links to drug traffickers, money launderers, human traffickers and organized crime groups".

## Story

Crown Resorts and Melco Entertainment Could see Australia Revise Their Gambling Laws  
By Thomas McCoy

-  
August 30, 2019

On Thursday, a New South Wales governmental regulator confirmed the Independent Liquor and Gaming Authority were investigating an inquiry in relation to the operators of Crown Resorts, of which could now lead to Australia's gambling laws being revised entirely, and also jeopardize the company's license to operate a \$2b AUD casino on the famous Sydney Harbor Bridge.

The Crown's most prolific shareholder, James Packer sold 20% of his stake in the business to head of Melco Resorts and Entertainment, Lawrence Ho in recent months. This adds another factor to the investigation where the Hong Kong billionaire may have already breached the group's license for the casino undergoing construction in Bangaroo, Sydney.



Judge Patricia Bergin will be heading the investigation into both casino operators, and cited that if either are not deemed fit to retain the license in Bangaroo, she would need to conclude “what, if any, changes would be required to render those persons suitable”.

Adversaries of the casino, including the Star, are also keeping a watchful eye on the progress of the inquiry. With the state’s gambling landscape heading for a rapid expansion, Bergin confirmed that her report will determine whether the licensing laws in NWS will need to be revised as well. A move which could highly affect all gambling operators in the region. Packer has proposed the plans for the high-rollers casino back in 2012, and has allegedly passed on 10% of his stake to Ho already, however, the remaining 10% will remain on hold until the inquiry into the 2 casino moguls reaches a conclusion, and the mandatory approval from authorities in Western Australia and the state of Victoria is received.

On top of the inquiry, Bergin has also been asked to investigate allegations published by 2 of the country’s media outlets; Nine newspaper and the TV show 60 Minutes. Both of whom have claimed the Crown or “agents, affiliates or subsidiaries engaged in money laundering; breached gambling laws; and partnered with junket operators with links to drug traffickers, money launderers, human traffickers and organized crime groups”.

Bergin will also decide whether or not the Mr. Ho and others will be eligible as partners of the Crown casino as an outcome of the sale. She will need to establish if these “have any business association with any person, body or association who is not of good repute, having regard to character, honesty, integrity, or has undesirable or unsatisfactory financial sources”.

Lawrence Ho’s father Stanley Ho, other members of the Ho family and their associates are already excluded from any involvement with the Bangaroo casino. The Melco founder has already been lambasted heavily for his [links to triad organized crime rings](#), but has continuously denied these claims.

The Crown is currently reviewing their own terms of reference after Bergin’s investigation was announced earlier this week. Both Ho and Packer are said to have put their \$1.75b share in the backburner until the 3 states in the country approve the casino handover. The first half of the shares exchanged at the beginning of June, with the second half due to go through on September 30. At the time, Melco claimed that it “does not require regulatory approval to be consummated”.

Despite company faith, the sale agreement now dictates that the 3 Australian states will need to need to provide a written statement that says Melco “is a suitable person to be associated with the management of a casino, each such notification being unconditional, or on conditions acceptable to the buyer acting reasonably”.

The Gambling and Liquor Regulation has told the state government that they will require additional timeframes to complete the review of the allegations put forward in the media.

2. This story shows how this is a worldwide problem, and prevalent in countries which already have significant human trafficking issues. Its noteworthy to understand the United States in ranked third globally as an exporter of human trafficking victims.



Story Link: <https://www.usaonlinecasino.com/casino-news/cambodia-bans-online-gambling-to-preserve-public-order/>

Key Info: In addition to extortion, these gangs also deal in ransom kidnapping of rich gamblers, unchecked violence, and human trafficking. These types of incidents are cropping up everywhere from Cambodia to the [Crown Casino in Melbourne](#).

## Story

Cambodia Bans Online Gambling “to Preserve Public Order.”

By [Angeline Everett](#)

-

August 19, 2019

Cambodian Prime Minister Hun Sen announced that Cambodia will cease issuing online gambling licenses. “The Royal Government of Cambodia will stop the issuance of online gambling policy and licenses, both within and outside the Kingdom of Cambodia,” the directive stated.

The reasons for the dramatic move came after allegations of criminal organizations using online gambling businesses as a front for extortion and money laundering, according to local reports.

The recent wave of online criminal gambling activity comes after a government casino-license binge, wherein [163 casino licenses were issued in Cambodia](#). The resulting boom in casino activity, most notably in the resort village of Sihanoukville, started a wave of Chinese casino investment in the region. During the slapdash, pell-mell gambling binge, Chinese triad groups also gained a foothold in Sihanoukville. And a crime wave ensued.

Most of the casinos operating in Sihanoukville are run by Chinese companies for Chinese gambling tourists visiting the area. Mandarin is the official language at most of these casinos, and large numbers of Chinese immigrants have moved to the region for casino employment and management, creating Cambodian Chinatowns.

After incidents of [violence linked to Chinese triad gangs](#), the Cambodian government is finally saying ‘enough is enough.’ But the current directive only bans new online casinos from obtaining licenses. Existing online casinos will be allowed to do business until their licenses expire.

China is one of Cambodia’s largest investors, one which also prohibits gambling on Chinese soil. This ban has effectively resulted in special administrative regions (SAR) like Hong Kong and Macau to become gambling meccas for Chinese gaming tourism.

Chinese officials have ramped up action against junket tour operators catering to high roller gambling tourists. These junket tours reportedly take billions in unreported income out of China, to be laundered through SAR gaming activities. Chinese currency is exchanged for



foreign currency by the tour operators. Any winnings are paid out in foreign currency and moved to offshore banks, effectively laundering the money.

China has also established a consulate in Sihanoukville to deal with immigration issues, casino crimes, and assistance for the thousands of Chinese citizens residing in the area. As Cambodians are not allowed to gamble in these establishments, they are strictly Chinese-run businesses. But after a recent wave of violence owing to an increasing triad gang presence, the governments of both countries are working together to control the problem.

In addition to the crimes in physical casinos, Cambodian officials claim that online casino businesses are being used as a front to operate telecom scams and extortion rackets targeting Chinese and Cambodian nationals.

“Cabinet minister, interior minister, economy and finance minister, ministers and heads of relevant institutions, national police chief, national military police chief and authorities at all levels must take strict measures to implement this directive effectively,” Hun Sen said.

Too little too late? Banning online casino operations seems like bailing out a sinking boat without plugging the holes first. This ban only effects any future online casinos from starting, but current operations can run for years until their licenses expire.

But the elephant in the room is the behemoth which is currently trampling everything underfoot: land-based casinos run by triads. In spite of anemic crackdowns on triad violence in the area—including extortion, beatings, kidnapping and murdered people being thrown out of moving cars in broad daylight—it’s business as usual, it seems.

Establishing gambling is usually beneficial to a region in the form of jobs, economic boosts, taxes, and licensing fees (hence the Cambodian casino license binge). But when 2 countries which ban their own citizens from gambling allow pockets of gray area casinos to operate unchecked, WTF did they think was going to happen?

By letting the previously-sleepy resort town of Sihanoukville to become a Chinese-majority gambling hub, this only opens the doors to criminal elements like the triads. Historically, gangs prey on their own people. Italian immigrant gangs in New York City started protection rackets—effectively extorting payments from Italian immigrants running businesses. This started the mafia in America. The rest is history. You can also ask anyone in towns in Eastern Europe; they’ll tell you all about the Russian gangs.

In addition to extortion, these gangs also deal in ransom kidnapping of rich gamblers, unchecked violence, and human trafficking. These types of incidents are cropping up everywhere from Cambodia to the [Crown Casino in Melbourne](#).

While ceasing to issue online casino licenses will stem the flow of internet crime, what will staunch the flow of blood on the streets? It’s time for China and Cambodia to get together, load up their elephant guns, go on safari, and shoot the elephant in the room: lawless land-based casinos.



3. This story helps teach readers why gambling sites are attractive to human traffickers due to the ability to help launder money.

Story link: <https://www.casino.org/news/caesars-entertainment-joins-global-initiatives-combat-human-trafficking>

**Key Info:** Casinos have long been used to launder money – another area operators continually work to block – but the resorts are also presumed to be utilized by human traffickers. Homeland Security says truck stops, hotel rooms, and nightclubs are some of the more common areas where abductees are trafficked into slavery

Caesars Executive VP of Public Policy and Corporate Responsibility Jan Jones Blackhurst said the goal is to eradicate “sex trafficking and all other forms of human trafficking” in the gaming industry.

## Story

Devin O'Connor - January 04, 2019

### Caesars Entertainment First Casino Operator to Join Global Initiatives to Combat Human Trafficking

Caesars Entertainment is the first casino operator to sign the ECPAT Tourism Child-Protection Code of Conduct and join the International Tourism Partnership (ITP) to end human and child trafficking.

Known as “The Code,” companies that join the ECPAT mission are given a framework to provide training to their employees to detect and thwart human trafficking. Other Code signees include hotel brands Hilton, Marriott, and Hyatt, and travel companies such as Delta and Uber. Caesars Executive VP of Public Policy and Corporate Responsibility Jan Jones Blackhurst said the goal is to eradicate “sex trafficking and all other forms of human trafficking” in the gaming industry.

The ITP is an organization of hotel companies that brings industry executives together to “share ideas, build relationships, and work collaboratively.” The Partnership has various goals, but one is to stop human trafficking.

Caesars Entertainment is the first casino operator to sign “The Code” and join forces with the ITP, but it isn’t the only gaming giant working to end human trafficking.

[MGM Resorts’ subsidiary in Macau](#) announced a year ago this month that it had signed the Mekong Club pledge, a Hong Kong nonprofit that is actively disrupting modern slavery. And in August, Las Vegas Sands unveiled its own “comprehensive global initiative” dubbed “Project



Protect” that seeks to strengthen safeguards to make sure the company’s casinos around the world aren’t [being used as trafficking channels](#).

“Human trafficking is modern-day slavery and involves the use of force, fraud, or coercion to obtain some type of labor or commercial sexual act.” -US Department of Homeland Security

Human trafficking is a highly profitable crime, and is estimated to generate \$150 billion in annual income for those engaged. There are said to be 45.8 million people enslaved at this very moment, and that’s thought to be the highest number in the history of the world.

Casinos have long been used to launder money – another area operators continually work to block – but the resorts are also presumed to be utilized by human traffickers. Homeland Security says truck stops, hotel rooms, and nightclubs are some of the more common areas where abductees are trafficked into slavery.

To report suspected human trafficking in the US, dial 1-866-347-2423. Tips can also be submitted online at [www.ice.gov/tips](http://www.ice.gov/tips).

The world’s largest casino operators continue to focus on Japan where the country is readying the bidding process to award three commercial gaming licenses. The biggest players – Sands, Caesars, MGM, and Wynn – are doing everything in their power to put their best foot forward to woo over Japanese lawmakers and convince them that they’re best suited for licensure.

Japan lawmakers have said only those gaming operators that “have high morals, a sense of responsibility, and a clean nature” will be considered. Caesars’ commitment to ending human trafficking plays into that mandate.

Of the nearly 46 million people currently enslaved, the majority are in China, South Korea, Taiwan, and India.

In China’s Macau, the richest gambling hub on planet Earth, prostitution is widespread and legal. However, women (and men) are still often coerced or forced into the industry against their wills.

The US Department of State reports that Macau has not met minimum standards to eliminate human trafficking.

This story is unique because it shows the public perception that gambling sites attract criminals. The previous stories in this paper support that stereotype.

Story link: <https://www.mcall.com/news/pennsylvania/mc-nws-pa-amish-casino-morgantown-20190409-xpdezcbabd2bdme5gwn3pis54-story.html>

Key Info: The kind of stuff they were bringing up is crazy. I don’t foresee any additional human trafficking or murder-for-hire in our town. Allen Styer III, Chairman of the Caernarvon Township Board of Supervisors



## Story

A casino in Amish country? A potential onslaught of slots divides a rural Pennsylvania community

By ANDREW MAYKUTH  
PHILADELPHIA INQUIRER |  
APR 08, 2019 | 7:55 PM  
| MORGANTOWN, BERKS COUNTY

Jere and Sara Ann Brady are against the mini-casino project, at the proposed site in Morgantown, Berks County.

Few people here grasped the monumental implications of Pennsylvania's expanded gaming law until Penn National Gaming Inc. announced plans recently to build a mini-casino in this Berks County community on the edge of Amish Country.

Penn National Gaming, which operates the Hollywood Casino near Hershey, saw an opening to place a new gaming hall at a Pennsylvania Turnpike exit just outside Chester County to attract gamblers from Philadelphia's growing western suburbs. Caernarvon Township, which includes Morgantown, saw an opportunity to capture host-community tax benefits for its 4,000 residents that otherwise might go to a neighboring municipality.

But many residents in this politically conservative area, where it's not unusual to see Amish families driving horse-drawn carriages down Route 23 to shop at the Morgantown Walmart, regard the casino project as a deal with the devil. They see the proposed casino as a threat, an insult to a deeply religious community that could lead to an increase in drinking, personal bankruptcy, broken families and general moral decay.

"In every way, it's incongruent with this community," said Sam Rohrer, a former state representative, who is president of the American Pastors Network, based in the Chester County borough of Elverson, bordering Caernarvon.

This is not a community, like Las Vegas, where 'what happens here, stays here.' This is a community where everybody knows your name, and your business, and we like it that way. Several hundred people turned out for a standing-room-only hearing in Caernarvon on March 4, conducted by the Pennsylvania Gaming Control Board, which has final say on Penn National's application. While some labor and business leaders spoke out in favor of the project, most speakers were opposed, and they were the only ones who got rousing ovations.

"This is not a community, like Las Vegas, where 'what happens here, stays here,'" said the Rev. Coleen Brandt Painter, pastor of the Elverson United Methodist Church, which helped organize a petition that got more than 1,000 signatures opposing the casino. "This is a community where everybody knows your name, and your business, and we like it that way." Some opponents painted lurid portraits of crime, sex-trafficking and predators that would be drawn to the casino, and they feared that unspeakable acts might spill over into a public swimming pool next to the proposed casino site.



“The kind of stuff they were bringing up is crazy,” said Allen Styer III, the chairman of the Caernarvon Township Board of Supervisors, which welcomes the casino project as a major boost to the town’s tax base. “I don’t foresee any additional human trafficking or murder-for-hire in our town.”

Styer said Caernarvon acted defensively out of fear that neighboring New Morgan borough, a former iron ore mine that was notoriously formed into a municipality three decades ago to host a landfill, would gladly accommodate a mini-casino. If New Morgan got a casino, Caernarvon would get stuck with all the problems without receiving any host benefits, he said.

“It was really a no-brainer if you’re looking out for what’s the best interests of the community, based on facts,” Styer said. Penn National estimates Caernarvon would get \$1.6 million annually in new tax revenue, or about 62 percent of the town’s current \$2.6 million budget.

Some opponents have resigned themselves that the Morgantown project is a done deal. Penn National, a homegrown Wyomissing company that began with a single Dauphin County racetrack and is now a publicly traded firm with 30,000 employees and 41 properties nationwide, has already paid a \$7.5 million license fee to the state to locate a satellite casino in the area. Mini-casinos are only one aspect of Pennsylvania’s expanded gaming law in 2017 that will bring gambling much closer to communities like Morgantown. The law also legalized sports betting, video game terminals in truck stops, online gaming and internet lotteries. The state’s iLottery launched last year, and interactive casino gambling will start this year.

The new law authorized the state’s 13 licensed casinos to apply for up to 10 satellite casino licenses, as long as the new facilities were no closer than 25 miles from an existing casino. More than 1,000 of Pennsylvania’s 2,500 municipalities opted out of hosting a satellite casino by a deadline at the end of 2017.

Under a sealed bidding process last year, five licenses for satellite casinos — technically, they’re called Category 4 casinos — were awarded before no more bids were received. The state received nearly \$128 million just for the five licenses.

The term “mini-casino” is really a misnomer, because nothing about them is miniature. The proposed 86,000-square-foot Hollywood Casino Morgantown will be about half the size of the flagship Hollywood Casino at Penn National Race Course in Grantville, Dauphin County. The Morgantown casino will cost \$110 million and contain 750 slot machines and 30 table games, the maximum allowed under the law. It will also include a sports betting area, restaurants and bars.

The kind of stuff they were bringing up is crazy. I don’t foresee any additional human trafficking or murder-for-hire in our town. ALLEN STYER III, CHAIRMAN OF THE CAERNARVON TOWNSHIP BOARD OF SUPERVISORS

Allen Styer III, chairman of the Caernarvon Township supervisors, walks near the proposed casino site. The township supervisors unanimously support the project, which they anticipate will bring \$1.6 million in annual tax revenue to the township of 4,000. (David Swanson)

The Gaming Control Board is likely to vote on the licenses starting in May. The Morgantown site, which abuts the turnpike less than a mile from the Lancaster County border,



has generated far more public opposition than the other four proposed satellite casinos. Penn National aims to begin operations in Morgantown in late 2020.

Of the four other proposed casinos, two will be in shuttered anchor locations in shopping malls — one in the York Galleria Mall, also operated by Penn National, and another in the Westmoreland Mall outside Pittsburgh, operated by Stadium Casino LLC, whose flagship casino in South Philadelphia has not even been built yet.

Mount Airy Casino Resort won the rights to place a satellite casino north of Pittsburgh. And Parx Casino in Bensalem plans to build a satellite casino in Shippensburg, just off I-81. Penn National, which would operate two satellite casino locations, was no fan of the mini-casino concept. It settled a lawsuit last year that objected to the new gaming law, alleging that satellite casinos would cannibalize the revenue of existing properties. And it says its casino in central Pennsylvania was more vulnerable to competition because all its flanks were exposed (unlike the Mount Airy Casino in the Poconos, for which an enlarged buffer zone was written into the law). Penn National bid a stunning \$50.1 million for the rights to place the first satellite casino in York, which effectively blocked any competitors from encroaching along I-83 to the Maryland border.

The Morgantown location emerged last year after Penn National won the final satellite casino auction and targeted territory near its Wyomissing headquarters. The selection of Caernarvon Township became clear because Morgantown is flanked on three sides by towns that opted out of hosting a mini-casino. It's the only place along the turnpike in Lancaster and Berks counties that did not opt out.

The Morgantown site, a 36-acre property that owner Pettinaro Group has unsuccessfully marketed as a retail location, is also about 400 yards outside the 25-mile exclusion zone for the Valley Forge Casino Resort in King of Prussia, so it is as close as is legally possible to the existing casinos in Philadelphia area.

“We’re excited to be building a new \$110 million economic engine that will allow us to penetrate deeper into the Western Philadelphia suburbs,” Eric Schippers, Penn National’s senior vice president of public affairs and government relations, said in an email. He said the new locations in Morgantown and York will generate new revenue for the company, while protecting its existing market share in Central Pennsylvania.

Caernarvon approved a zoning change in 2017 allowing casinos in a commercial zone, and Penn National announced the Morgantown location in October 2018. But opposition did not gain momentum until this year ahead of the Gaming Control Board’s public hearing March 4 in Caernarvon.

Some anti-casino signs have sprouted in lawns, and opponents say they have no interest in transforming Morgantown into a gaming town.

“When we were in Las Vegas, there were a lot of prostitutes around, even in the airport,” said Jere E. Brady, 87, a retired teacher and artist who owns a gallery and curio shop on Main Street, where he planted an anti-casino sign. “We want what’s best for Morgantown, and this casino may not be what’s best.”

Styer, the chairman of the Caernarvon supervisors, said he believes most residents support the casino, and all but six of the opponents who spoke at the public hearing were from



surrounding towns. “Most of them were trying to misrepresent themselves as members of this community, that’s what bothered me,” he said.

But residents in surrounding towns say a community is not defined by the boundaries of a single municipality, and the casino’s impact study only considered economic effects, such as employment, tax revenue and impacts on traffic and sewers. They said the study should also include intangibles, such as cultural impacts.

“You really are affecting three separate counties by the very nature of this community,” said Rohrer, who voted against the legalization of casino gaming in 2004 when he was a member of the Legislature.

“It doesn’t fit into the community, it’s an infringement,” said Eaton Hopkins, who moved his family in 2017 from Malvern to Honey Brook, about four miles from Morgantown, partly to get into a quieter area. “It’s important for the gaming board to consider they are thrusting something on people that really don’t want it.”

Speakers at the public hearing reserved some of their most pointed criticism at the Caernarvon supervisors responsible for the decision, whom they said should have conducted a public referendum on the proposal. But any discontent with the elected officials has not translated into a political backlash.

Two of the five Caernarvon supervisors who voted to allow a casino filed petitions by the March 13 deadline to run for reelection this year.

They are unopposed.