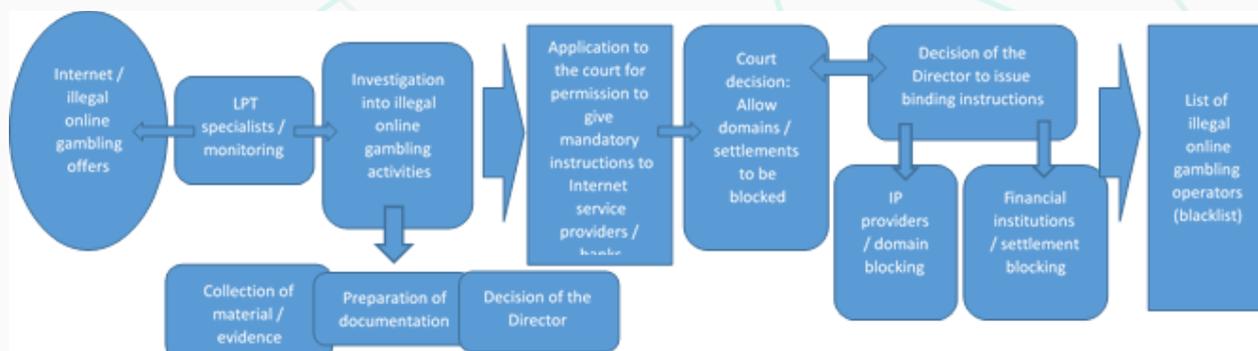


**HOW TO AUTOMATE THE DETECTION OF ILLEGAL GAMBLING OPERATORS
ONLINE?**

CURRENT SITUATION

Gaming Control Authority under the Ministry of Finance of the Republic of Lithuania (LPT) enforces measures against operators of illegal online gambling activities. Operators of illegal online gambling activities are companies that operate without a license issued by Authority for this activity.

Online gambling has been allowed in Lithuania since January 2016. Since then LPT was also able to block illegal gambling sites. In order to ensure measures against illegal websites, LPT monitors the supply of illegal gambling on the Internet (ALĮ 207). Monitoring is carried out by specialists manually searching for such sites online, without the use of any automated tools. If observed illegally operating websites match the criteria of operating in Lithuania, they are included in the list. The criteria - the possibility to log in / register from Lithuania (using Lithuanian IP), the possibility to deposit funds into a player's account, the possibility to gamble. If the website is included in the list, the specialists start the investigation. The investigation includes collecting evidence, preparing material, making a decision on illegal remote gambling and transferring material to the Vilnius Regional Administrative Court on permission to give mandatory instructions to Internet service providers to remove access to information used for illegal gambling and financial institutions to terminate financial operations with an illegal operator. With the permission of the court, LPT sends binding instructions to network service providers and financial institutions regarding the performance of the above-mentioned actions and includes the illegal entity in the list of illegal operators of remote gambling, which is made public.



Domain and/or financial transaction blocking measures are used by the organizers of illegal gambling in most of European countries. EU survey conducted in 2019 reveals 60% of EU/EEC countries are blocking websites (Belgium, Bulgaria, Czech Republic, Cyprus, Denmark, Estonia, France, Greece, Hungary, Italy, Latvia, Poland, Portugal, Romania, Slovakia, Slovenia, Spain). Payment blocking is (or can be) applied by 55% of EU/EEC countries (Czech Republic, Estonia, France, Germany, Greece, Hungary, Latvia, the Netherlands, Norway, Poland, Slovakia, Denmark, Romania, Spain, Italy).

The goal of Authority is to ensure that illegally operating online gambling sites are not available in Lithuania, thus protecting gamblers from illegal supply, as well as gambling operators from illegal and unfair competition when unlicensed entities operating in Lithuania do not pay taxes.

Illegal gambling is a global problem, and solutions are being sought at various levels to solve it and to protect national markets by ensuring a sustainable and responsible market. There are tens of thousands of online gambling sites worldwide, some of them can be used for money laundering, match-fixing, many of them are also available in Lithuania, some of them are even adapted to the Lithuanian market and are in Lithuanian. In addition, there is the problem of recovering or mirroring sites, searching for which take a lot of time and human resources.

Due to the manual monitoring of online supply and recording the evidence on these websites, this process is not as efficient as it could be with automation.

3 Authority specialists perform this function in addition to their other functions. Based on LPT's mandatory instructions 268 sites were blocked in 2020, i.e. about 67 sites per quarter, 22 sites per month. There are currently 654 domains on the List of illegal operators. The LPT watch list currently contains of at least 400 sites that will be investigated.

Automating the search process for illegal sites would increase the effectiveness of measures against illegal operators, would eliminate the human factor of subjecting sites to the watch list, prevent abuse and discretion, thus contributing to the prevention of corruption in this area, and make more efficient use of human resources searching for illegal websites on the Internet. Instead of this the process would be performed by an automated tool, together with filtering illegal websites and their clones according to the established criteria, and by systematizing the data into evidence documented by specialists.

NEEDED SOLUTION

LPT seeks to automate the search for websites of illegal online gambling operators in order to implement measures against illegal online gambling operators as effectively as possible and to ensure the protection of the interests of gamblers and gambling operators, in accordance with the general will and direction of the legislator to provide only licensed gambling services and ensure that business is operating responsibly. For this purpose LPT seeks to create a tool to partially facilitate and expedite supply monitoring processes, identify entities that do not meet the requirements for permitted activities (operators of illegal online gambling) and generate lists/reports of identified entities according to LPT criteria, submitting them to LPT specialists for further information processing.

The developed tool could have these **functionalities**:

1. A program administered by LPT specialists will automatically scan websites for potentially illegal websites where you can gamble.
2. When it detects potentially illegal websites, it will automatically compile them in a database that will be constantly updated and checked for relevance, collect information on mirror sites (clones of blocked websites) and otherwise administer the data collected.
3. The program, using the login data entered in the user database, which will consist of e-mails, passwords, usernames, telephone numbers, addresses and other data used to register users on the website, will automatically or with the assistance of LPT specialist register, identify and connect to a potentially illegal gambling website and collect material to evaluate the content of the website.
4. The program will collect the following information: details of the person organizing the gambling, methods of depositing/withdrawing money, screenshots with the types of gambling organized and other material intended to prove that illegal remote gambling is organized on the mentioned website. All collected material will be stored in a database and systematically presented in a document in .docx format.



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In all cases, it should be possible to generate a report (results) that can be saved on the LPT employee's computer, as well as to process it according to the institution's needs (editable). This tool will help the Authority to implement the measures provided in the Law on Games of Chance of the Republic of Lithuania against illegal operators of online gambling.

HOW WE WILL MEASURE SUCCESS

This tool will contribute to the implementation of LPT's operational objectives, more efficient and effective implementation of LPT's functions, protection of the interests of gamblers and gambling organizers, prevention of corruption in this area, Lithuania's progress in the European context by using innovative methods, modern technologies and start-up initiatives to implement measures against illegal operators of remote gambling.

It should be noted that LPT is a pioneer and currently a leader in blocking illegal Internet content in Lithuania – LPT was the first institution in Lithuania to start blocking illegal gambling sites. Following LPT's example, blocking was later initiated by other institutions.

Automating the process will increase the number of illegal websites blocked, the number of illegal entities with whom settlements are blocked. This will make illegal services less accessible to citizens, and the competitive expectation of national business will be protected by measures taken by a public authority to protect the legal gambling market from illegal competition. The successful implementation of the tool will contribute to the improvement of the image of the institution and the promotion of Lithuania's name in the international context.

In order to improve the statistics on the blocking of illegal online gambling operators, it is expected that automating the process will save time for searching, and the preparation of the material and submission to the court can be done in packages (in the case of mirror sites).

The aim is also to speed up the implementation process of measures against illegal operators (duration of blocking): the duration of the process is now 4-7 days; the goal is 3-5 days.

WHAT WE WILL OFFER TO THE DEVELOPERS

Once a successful tool has been developed and its effectiveness has been proven, if the price of the developed product is rational, LPT will initiate procurement procedures.

In addition, domain and payment blocking in Lithuania are carried out not only by the Authority but also by 5 other institutions (Communications Regulatory Authority, The Radio and Television Commission of Lithuania, State Consumer Rights Protection Authority, Drug, tobacco and alcohol control department, Bank of Lithuania), as well as most of the European countries. Some of them work on a similar principle to the Authority, i.e. monitoring is done manually. Therefore, there is a possibility to interest other authorities supervising gambling or monitoring other illegal online content on a similar basis with this solution.

ADDITIONAL INFORMATION

- [Law on Games of Chance \(in Lithuanian\)](#)
- [Description of the procedure for ensuring access to information used for illegal online gambling activities \(in Lithuanian\)](#)
- [Description of the procedure for restrictions on payments for participation in online gaming organized by illegal gaming operators and payment of winnings through banks or other financial institutions operating in the Republic of Lithuania \(in Lithuanian\)](#)
- [Rules for investigations performed by LPT \(in Lithuanian\)](#)
- [List of illegal gambling operators \(in Lithuanian\)](#)
- [Authority 2019 activity report \(pages 48-49\) \(in Lithuanian\)](#)