

[REDACTED]

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**From:** [REDACTED]  
**Sent:** Thursday, 16 June 2011 11:50 AM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** TRIM: RE: RE: Interactive gambling interview- ATT [REDACTED] [SEC=UNCLASSIFIED]

Dear [REDACTED]

I have copied below Di Cohen's original complaints to give some context to my amended response.

Your proposed response with my modifications is as follows

*Hi Matt*

*Thanks for inviting the ACMA to be interviewed on camera about online gambling. You have asked for an interview on online gambling generally and matters relating to ITSM specifically.*

*We decline, however- because firstly the Minister announced a review of the Interactive Gambling Act 2001 (the IGA) on 27 May 2011 so any concerns with that Act might be better addressed by Senator Conroy's office. Secondly under the IGA, the ACMA investigate the online providers of an internet gambling service (effectively, the Internet content hosts). As such, the ACMA's investigations are limited to the individual or organisation that hosts the internet content (and not the content producer or developer). From the investigations conducted as a result of Ms Cohen's complaints none involved an entity going by the names Internet Trafficking Solutions Management or ITSM.*

*In relation to the issues raised by Di Cohen- we have investigated the URLs provided and conducted these investigations in accordance with the requirements of Part 3 of the IGA.*

*All URLs referred to the ACMA (please pronounce A-C-M-A not Ac-ma, Matt) by Di Cohen that were found to provide access to prohibited internet gambling content have been notified to the AFP so it can advise overseas law enforcement agencies. Filter providers accredited by the Internet Industries Association were also notified of the URLs.*

[REDACTED]

Manager  
Broadcasting Standards Section

Australian Communications and Media Authority

[REDACTED]  
[REDACTED]@acma.gov.au  
[www.acma.gov.au](http://www.acma.gov.au)



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From: di\_cohen@hotmail.com  
To: online@acma.gov.au  
Subject: FW: Online Gambling Business Queries  
Date: Thu, 6 Jan 2011 12:45:51 +1100

Dear [REDACTED]

Below is the email with the bulk of information but also here is additional information that may help.

I can confirm that I am an Australian resident. In addition to the information below, ITSM is located at level 5, 17 Grafton Street, Bondi Junction and manages 18 casino sites, 5 online poker rooms and employs over 70 people in departments handling Graphics, IT, Marketing, Affiliates, VIP's, Risk Management, Banking and Payments.

ITSM supports the following sites; Lucky Emporer, Captain Cooks Casino group (including Captain Cooks Casino, Casino Classic and Casino Kingdom), Aztec Riches, Phoenician Casino, the Tusk Group of Casinos (Golden Reef, Music Hall etc), Golden Tiger, Golden Tiger Poker, Casino Action, Black Jack Ballroom, Strike it Lucky, Virtual City Casino, Zodiac Casino, Yukon Gold, Poker Rewards, Music Hall Casino, Nostalgia Casino, Challenge Casino, UK Casino Club, iBig Casino and Golden Reef Online Casino. Casino Rewards is also their loyalty program that encompasses all aforementioned sites. They are one of the biggest online casino groups in the world.

They are licenced out of Kahnawake Mohawk gaming reserve near Montreal, Canada and the servers are located in hosting facilities that go unmentioned.

They are members of the Interactive Gaming Council and certified by eCogra.

The casino and poker software is designed and maintained by Microgaming (MGS) based in Durban, South Africa. The bulk of financial processing is done through Datacash based in Cape Town and certain online wallets processed internally with ITSM.

They require all employees to read this link regarding their information security policy:

<http://itsmstaff.itsm.itsmanagement.net/docs/ITS%20Information%20Security%20Policy%201.1.pdf>

Their internal website of staff members is located at <http://itsmstaff.itsm.itsmanagement.net>

I have reason to believe they could be operating illegitimately as their physical location is in Australia however the IGA 2001 requires that Australian-based companies do not offer online gambling services to Australians physically present in Australia. I am unsure if this means physically located or where they are hosted. Also I believe ITSM is in breach of the act since I have recorded evidence of a former employee who has provided online gambling service to Australian nationals through this company's operation. Do they need to be physically located in Australia as well in order to break the law?

If you require any further information please feel free to contact me. I look forward to hearing from you!

Many thanks,

Di Cohen  
0415759383

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From: di\_cohen@hotmail.com  
To: online@acma.gov.au  
Subject: Online Gambling Business Queries  
Date: Thu, 30 Dec 2010 12:49:28 +1100

Dear [REDACTED]

We spoke over the phone a few weeks ago, apologies it has taken me some time to send this through. I hope that

you can recall our conversation! I will recap anyhow and it will probably spark your memory.

Aside, I would like for these queries to remain confidential if possible.

I was calling to enquire about a company that manages a group of about 15 online gambling sites for poker and casino gambling. The company is called Internet Trafficking Solutions Management (ITSM), their software is "Microgaming" which is licensed in North America and Malta but they are physically located in Sydney.

-Given the Commonwealth Interactive Gambling Act 2001 which prohibits online gambling services based in Australia, I don't understand how they can be physically operating from within Australia with a percentage of Australian citizens as its employees. The company manages all aspects of the online casinos- it has an accounts department, VIP department, marketing department, an entire floor of multilingual customer service reps who operate via msn style chats welcoming players, encouraging them to make deposits and continue to play, as well as a complaints department. Is this operation illegal or just very clever?

-Also, I would like to propose that the "\$500 free" advertisement on this online gambling site <http://www.blackjackballroom.com/> or similar to others found on Captain Cooks Casino is actually misleading and deceptive, thus not adhering to Australian advertising laws.

To explain why; To retrieve this \$500 bonus, the player must make a deposit. Later, when they want to take their winnings, they must have already bet 30 times the bonus amount= \$15,000, which is a common practice on many sites. However, on this site (one of those managed by ITSM) the player is prevented from withdrawing their deposit, should they want to stop. Many other websites allow players to cancel the game and take their deposit at any stage but not this one (or any others managed by ITSM). So in the end, "\$500 free" is far more complex than it appears.

-Lastly, the customer service representatives at ITSM are not required by the employer to have an Responsible Conduct of Gambling accreditation. Is this illegal? Also, being a new Internet-based industry, is there no auditing system in place or consider this as an issue?

I really appreciate your help with this matter and look forward to your response.

If you are not able to assist me with any of these queries, perhaps you might refer me to someone who could?

Many thanks,

Dianne Cohen

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**From:** [REDACTED]  
**Sent:** Thursday, 16 June 2011 11:18 AM  
**To:** [REDACTED]  
**Subject:** FW: RE: Interactive gambling interview- ATT [REDACTED] [SEC=UNCLASSIFIED]

Dear [REDACTED],  
Thanks for your advice about how to proceed with 7.30... does this sound alright?

Hi Matt  
Thanks for inviting the ACMA to be interviewed on camera about online gambling.

We decline, however- because the Minister is reviewing the Act.

In relation to the issues raised by Di Cohen- we have fulfilled all necessary obligations under the IGA.

All sites she has referred to the ACMA (please pronounce A-C-M-A not Ac-ma, Matt) have a URL found to be hosted overseas.

We've referred these to the AFP.

Media Manager  
media.comms

Australian Communications and Media Authority

[\[REDACTED\]@acma.gov.au](mailto:[REDACTED]@acma.gov.au)  
[www.acma.gov.au](http://www.acma.gov.au)



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**From:** Matt Peacock [mailto:Peacock.Matt@abc.net.au]  
**Sent:** Thursday, 16 June 2011 10:43 AM  
**To:** DL - Media  
**Subject:** FW: RE: Interactive gambling interview- ATT Emma

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**From:** Matt Peacock  
**Sent:** Thursday, 16 June 2011 10:40 AM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** RE: Interactive gambling interview- ATT Emma

Dear [REDACTED]

I apologize if my email did not come through.

As I explained on the phone, we are doing a story about online gambling, to be broadcast sometime during the next fortnight, and I am seeking an interview with a spokesperson from the ACMA. We are following up on some investigations made by journalism student Di Cohen, who has provided us with some of her research.

Although I want to deal with some of the broader issues, such as the huge recent global growth in the industry and the difficulties in regulating it, I would also like to ask about the activities of ITSM, which ACMA investigated after a series of complaints were lodged by Ms Cohen earlier this year. As I understand it ACMA investigated 25 complaints about sites linked to this company, and in May ACMA advised Ms Cohen that 24 were determined to be in breach of IGA and 1 had software issues. Of that 24, 23 broke the law by serving Australians (section 15 A) and one, a customer loyalty program called Casino Rewards, was in breach of IGA by advertising its content online.

Your officer who worked on these cases is [REDACTED] and the reference number is ACMA2011/339

I would appreciate it if I could do a TV interview with an ACMA spokesperson on this subject generally and the matters relating to ITSM specifically.

Ideally, we would like to do the interview either tomorrow or early next week. We plan to go to air either next week or early the following week.

Thank you very much for your help.

Kind regards  
Matt Peacock

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Matt Peacock 7.30  
Senior Reporter, GPO Box 9994 Ultimo NSW 2001  
P +61 2 8333 4746



M +61 408168479



-----Original Message-----

From: [REDACTED] [mailto:[REDACTED]]  
Sent: Wednesday, 15 June 2011 9:18 PM  
To: Matt Peacock  
Cc: [REDACTED]  
Subject: Interactive gambling interview

Dear Matt,

Thanks for your call yesterday -apologies for not getting back to you earlier but we're in the 'midst of moving office.

When we spoke last week you said you would send an email outlining the nature of the story, the relevant complaint, and referencing a story in the SMH, as well as what you'd like to talk about in an interview.

I don't recall that coming through -can you please do that, or, if I missed it for some reason, can you please resend?

I will be out of the office on Thursday and Friday, so please include [REDACTED], the ACMA's media manager, on any correspondence.  
[REDACTED] contact details are [REDACTED]. Our group email is media@acma.gov.au

Thanks Matt,

[REDACTED]

PS: Excuse the gmail: I've been working from home and our remote work email is running rather slow.  
Please consider the environment before printing this e-mail.

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