



Curaçao "LOK" Licences Investigation
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Launch Statement

lokinvestigation.com

Willemstad - December 1, 2024

On November 24, 2024, I filed a formal complaint with the Attorney General of Curaçao against Minister Silvania and three Maltese investors involved in the matter, regarding suspected fraud in the issuance of "provisional" online gambling licences. The overwhelming number of responses from stakeholders, operators, players, and other parties, both locally and internationally, now requires proper management. Taking responsibility in this regard, I have decided to establish a reporting platform in support of this investigation.

About the Reporting Platform

The reporting platform shall be positioned as a non-profit organization and, as of today, has its own website: lokinvestigation.com. Through this website, I will provide interim updates on the progress of the investigation. Additionally, the platform allows visitors to fact-check the minister, the involved parties, and—most importantly—the investigation itself. This is made as straightforward as possible by sharing documents and evidence in the style of the financial-forensic investigative method. This approach aligns with the formal complaint, which spans an impressive 392 pages. Visitors can also read about the background of the investigation and share their feedback. With input from stakeholders, I hope to deepen and expedite the investigation further.

The website will also address, if necessary, comments from Mr. Silvania, conspiracy theories, and other relevant matters. While these comments do not align with the financial-forensic investigative method—since they are opinions not based on facts—they can still create confusion and distract readers from the core issues of the case. This is a common defense technique in public matters. Therefore, it is important to fact-check all opinions, even when it is evident that they are not fact-based. This contributes to the quality and credibility of the investigation.



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I have extended an offer to the involved parties for an opportunity to be heard, which I consider appropriate in the context of the investigation. Mr. Sylvania has since responded to the issue through the media, and Mr. Galea and his partner, Aileen Shortt, issued a separate statement via the Gaming Control Board (GCB) on November 29, 2024, which was later shared on social media. To my knowledge, Mr. Mario Fiorini, associated with the trust firm 'Wyze,' has not yet taken up the offer to provide his perspective.

On the Further Course of the Investigation

As I indicated in my complaint, this is an ongoing investigation. Interim responses will be considered as part of the investigation, provided they hold objective value. Certain points from recent statements by those involved indeed appear to add value to the investigation, and I take this opportunity to elaborate on those points. You can follow the further progress of the investigation on lokinvestigation.com.

To put the responses of Minister Sylvania and other parties into proper perspective, I would like to briefly outline the reasons for this complaint. This complaint is the provisional result of an extensive investigation that I began in November 2023. The investigation was prompted by statements from Mario Galea, in which he claimed that the Gaming Control Board (GCB) had recruited 170 staff members and was, in his words, ready to issue licences. However, during a technical briefing in Parliament on February 23, 2024, this claim was contradicted by Minister Sylvania. This raised serious concerns for me about the processes surrounding the issuance of these licences.

My investigation indicates that Minister Sylvania, a politically prominent figure (a Politically Exposed Person or PEP as defined in Article 3, Section 9, of the Sixth Anti-Money Laundering Directive), may have leveraged his influence to establish a prohibited structure in violation of that directive. This structure appears to be designed to obscure the true policymakers and ultimate beneficiaries of the "provisional licences," with the motive of personal gain among those involved.

Given the gravity of these allegations, I conducted the investigation with the utmost diligence. It took over a year to complete. The 392-page complaint is based on thoroughly and carefully collected evidence. I am convinced there is sufficient evidence to warrant a criminal investigation. My analysis indicates that the structure qualifies as habitual money laundering under Article 2:405 of the Criminal Code. However, it is up



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to the Public Prosecution Service and the criminal court to make a determination on this matter.

Now that all involved parties have made extensive - and often contradictory - statements, I consider it too late for them to rectify their actions. The public disclosure of my findings through this complaint on November 24, 2024, will not harm the ongoing investigation but instead serves the interests of transparency and justice.

Relevant Responses from GCB/Galea/Silvania

Regarding Mario Galea's response in this case, I consider five key points critical to the (ongoing) investigation: The "Provisional" Status of licences

1. No Provisional Licences?
2. The Alleged Available Workforce to Carry Out Tasks
3. The Payment of 'Fees'
4. The Bankruptcy of BC.Game
5. An Alleged Case of Mistaken Identity

Below, I will provide a detailed analysis of these points.

Point 1: No Provisional licences?

The response denies the issuance of "provisional" licences, claiming instead that they are "definitive" licences, which under new legislation will be converted into provisional licences. Licence holders would then have one year to comply with the new regulations. However, in practice, different colors (orange and green) are used to distinguish between "provisional" (yet to be converted) and "definitive" licences. Moreover, these comments contradict previous statements, such as those in an interview with Mario Fiorini included in Annex F of the complaint. In this interview, Fiorini explains that operators' concerns about a mandatory physical presence in Curaçao are unfounded. He asserts that the rules are simple: applications must be submitted by a company with a registered address in Curaçao and one local director. Other staffing requirements are not necessary. After submission, a provisional licence is granted within two months, followed by a six-month period to submit policies and procedures for a "definitive" licence.

It is essential to understand Galea's and Fiorini's statements: applications are not assessed against regulations for months or years because such regulations have not



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yet been developed. Galea himself admitted that they are far from designing these rules, as evidenced by a meeting summary dated June 6, 2022 (Annex F of the complaint), which also highlights Galea's lack of legal expertise. This raises doubts about the reliability of his "legal analysis."

The term "provisional," defined by the Dutch dictionary *Dikke van Dale*, means "pending something definitive." In this case, licence holders are waiting for non-existent regulations that cannot yet be applied. Until then, the policy seems dependent on Galea's personal interpretation. This implies that licences are issued without control or a legal basis.

The 1993 Offshore Gambling Ordinance clearly states that licence holders must adhere to strict rules established in decrees subject to parliamentary oversight. Galea has acknowledged that no such rules have been established, and therefore no decrees exist. Consequently, no authority exists to issue "provisional" licences—not the governor, the minister, the GCB, nor Galea. Should such actions be justified under the existing ordinance, the issuance of licences under false pretenses, suggesting they are properly vetted, constitutes a criminal offense.

Furthermore, the high licence fees charged seem to lack a legal basis. The complaint (Part 18) details jurisprudence demonstrating that stakeholders have successfully reclaimed their money in similar cases. This underscores the legal vacuum in which the current practice operates.

Additionally, Aideen Shortt, Galea's partner, drafted the letter that set the fees in her capacity as an advisor to the minister. However, the minister now denies—based on statements to Parliament—that Shortt was ever an advisor. This raises questions about who determined these fees, under what circumstances, and with what authority (Annex E of the complaint).

Point 2: Workforce

In his statement, Mario Galea claims that the "executive team" of the GCB decides on whether to grant licences, while the review process is carried out by advisors. These advisors allegedly verify whether all required documents have been submitted and manually check for potential issues, such as sanctions.



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However, this statement contradicts his earlier claims that the GCB had recruited 170 people to process licences. In reality, only a few individuals within the GCB appear to be involved in "rubber-stamping" licences, while the process is largely controlled by external "investors." This indicates a classic case of fronting, where actual power and control lie with external parties while the GCB appears formally responsible.

False Impression of Strict Controls

The claim that foreign advisors conduct thorough checks is implausible for several reasons. As outlined in Point 1, multiple parties have denied the existence of stringent controls. While Galea previously asserted that at least 170 employees were recruited by November 2023, it has now been admitted that such personnel do not exist, either within or outside the GCB. This also raises questions about financing.

For comparison, the Dutch Gambling Authority, which manages far fewer licences, employs around 100 staff and operates on an annual budget exceeding NAf. 45 million. Galea's claims would imply that the GCB operates with far more personnel and lower revenues, which would result in a heavily loss-making operation. If true, this would mean that the Maltese investors have already subsidized millions—an assertion that lacks credibility.

The case of BC.Game exemplifies the flaws in the licensing process. This platform received a "definitive" (green) licence, despite later being found involved in sanctions and creditor issues. Only five weeks after issuance, the licence was transferred to a new company, highlighting serious shortcomings in oversight.

Galea's admissions confirm that there is no staff available to perform essential tasks. This has resulted in a drastic downgrading of compliance activities, which were previously portrayed as being rigorous. Notably:

1. Complaints against operators are not addressed;
2. No checks are performed to determine whether operators target markets like the Netherlands and the United States, even though this could implicate money laundering when revenues are derived from illegal operations;
3. No efforts are made to monitor whether operators are active in countries excluded by the UN Security Council or at risk of being excluded, such as Iran and Ukraine.



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The responsibility for these failings lies with Galea, who has reduced the GCB under this revised plan to a mere "rubber-stamper" of licences while retaining actual control over the process. Even with this arrangement, the financial figures (costs versus revenues) do not add up.

Role of "Investors" and Lack of Transparency

It remains unclear what the external "investors" actually do. Whatever compensation they receive, it does not appear to follow an arms-length principle. A percentage-based arrangement or revenue-sharing model seems to be in place.

Minister Sylvania has stated that the portal used in the licensing process, owned by Random Systems (a company belonging to Galea in Georgia), is only a temporary system. Galea now claims that all work is done manually, and payments are not processed through the portal. This raises questions about the portal's actual functionality and the fairness of the compensation provided.

Moreover, the portal is not "new" and, given its minimal significance, does not appear to require substantial investment. However, both Galea and the minister declared in 2021 that the ministry had commissioned Galea to develop the portal for the Ministry of Finance (Annex G of the complaint).

Point 3: The Payment of 'Fees'

Mr. Galea claims that all 'fees' paid by operators are deposited directly into an official government bank account. This assertion is critical to the investigation because it appears implausible on multiple grounds and contradicts previous statements and facts. According to the minister, these 'fees' are received via the GCB and not directly deposited into the government treasury, as Galea asserts. This discrepancy immediately raises doubts about the validity of Galea's statement. If these payments are indeed disguised as government revenue, it may simply be an administrative construct to process the funds. This points to a broader pattern of opacity and lack of oversight.

Use of Foreign Structures

The direct receipt of these payments in Curaçao appears technically infeasible given the stringent regulations governing financial transactions. Instead, it is likely that foreign structures with less stringent regulatory oversight are being used. Based on Galea's history (Annex A), it is plausible that the involved countries include Malta, Bulgaria,



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Czech Republic, Cyprus, and/or Georgia, given their reputations as financial hubs with laxer oversight mechanisms.

The notion that a traditional bank would willingly process such payments is highly unlikely. It is more probable that a friendly Electronic Money Institution (EMI) is being used. These institutions often provide limited financial services and operate with less regulatory scrutiny than traditional banks, posing significant risks to Curaçao's financial reputation.

Moreover, the claim that all payments are routed through a single bank account also seems improbable. In complex arrangements like this, payments typically pass through multiple intermediaries and routes, complicating oversight and increasing the risk of money laundering.

Compensation of 'Investors'

The assertion that all funds go directly into the government treasury is demonstrably false. It is implausible that the "investors" provide their services free of charge. Neither Galea nor the minister has clarified how these parties are compensated or what their exact roles entail. If the collected funds indeed go into the treasury, there would need to be subsequent expenditures to compensate these parties.

If this flow of funds is managed directly by Minister Sylvania, it suggests potential ministerial involvement in money laundering activities.

Fronting Structure

It appears that while the GCB is held formally responsible for financial administration, it has no actual control over the flow of funds. This aligns with a fronting structure, where actual control rests with Galea and the "investors," while the GCB serves merely as a facade.

This analysis highlights significant concerns about the lack of transparency, the use of questionable financial practices, and the potential for misuse of public resources, all of which demand further investigation.



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Point 4: No "Real" Bankruptcy

The assertion that there is "no real bankruptcy" and that the casino BC.Game is not insolvent is not only legally indefensible but also reflects a troubling lack of respect for the authority of the Joint Court of Justice. The Court has declared bankruptcy, and, barring an appeal to the Supreme Court of the Netherlands (which does not involve a review of facts), it is established that the casino is legally insolvent. Downplaying this ruling by claiming that the bankruptcy is "not real" borders on contempt for the legal system and undermines confidence in the country's judicial institutions.

The suggestion that there are "different types of bankruptcies" is nonsensical. Bankruptcy is a legal status declared by a court based on objective criteria, specifically when a debtor is no longer able to meet its financial obligations. There is no distinction between a "real" and a "not real" bankruptcy. The Court's ruling is binding and indicates that the casino cannot fulfill its financial obligations. Attempts to deny or distort this legal reality not only create confusion but also harm the rule of law.

By suggesting that the casino could continue operating despite its bankruptcy and that players could gamble there without risk, Mr. Galea opens the door to further issues. Players depositing funds with an insolvent casino risk not being paid out. Additionally, there is the danger of the casino incurring further debt, which not only impacts creditors but also damages Curaçao's reputation as a reliable jurisdiction in the international gambling sector. This directly threatens trust in the regulator, which is expected to protect players' interests and maintain the integrity of the sector.

Instead of denying the bankruptcy, the GCB should act in the best interest of players and the sector as a whole. This entails informing players of the casino's financial situation and the risks they face. The GCB must ensure the casino does not accept new players or take on additional financial obligations. Transparency is essential, and the GCB must outline the steps it is taking to protect the interests of players and creditors.

Concluding with Minister Sylvania's response, one critical point emerges for the investigation: the minister and the GCB must provide clarity and accountability regarding their handling of BC.Game's bankruptcy. This is crucial for preserving trust in Curaçao's regulatory and legal systems.



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Point 5: Alleged Mistaken Identity

Minister Silvania claims via social media that the investigation is based on a "mistaken identity," alleging confusion between one Galea and a criminal with the same surname. This claim is not only factually incorrect but also demonstrates a lack of understanding of the case's complexity and the investigation's findings. Moreover, it raises serious concerns about the minister's duty of care and his handling of those involved.

Factual Basis: Both Galeas Play a Role

The minister appears to disregard the fact that both Galeas are relevant to the investigation. Annex A of the complaint elaborates on how Mario Galea resigned from the Malta Gaming Authority following accusations of conflicts of interest. Similarly, the Curaçao Chronicle identifies Iosif Galea in connection with other gaming scandals, which also led to his departure from the same authority. Thus, the claim of mistaken identity is incorrect and highlights the minister's failure to thoroughly examine the facts.

Connections and Questions of Integrity

The investigation further reveals that Mario Galea stated on June 6, 2022, that he is a "very good friend" of David Gonzi, the son of Malta's former prime minister. Gonzi was implicated in the notorious Betuniq scandal, where he was suspected of laundering money for the Italian mafia. Mario Galea admitted that Gonzi only pretended to rigorously oversee compliance for 17 companies, while in reality, no such oversight occurred. This raises serious questions about the integrity of Galea's network.

Additionally, Mario Galea has admitted (via the GCB) that he currently manages 155 licences. This suggests that these activities likely require stricter oversight than usual, especially given his connections to individuals implicated in money laundering and other illegal activities.

Contradictions in the Minister's Statements

The minister has made two crucial acknowledgments:

1. He directly collaborates with Mario Galea.
2. He has identified someone in Galea's circle as a criminal.



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The minister confirmed that he works with Mario Galea and not Iosif Galea. This contradicts his earlier statement in Parliament that no tendering was required because Mario Galea and the investors had never worked for the Ministry of Finance. This inconsistency underscores the need for further investigation into the minister's ties to Galea.

The minister has also acknowledged that Iosif Galea is a criminal. This raises the question of whether the minister investigated whether Mario Galea, with whom he collaborates, has links to Iosif Galea or other criminal entities. Given that both Galeas operate within the same network, the likelihood of such connections is significant.

The minister should have conducted a thorough background check before entering into this collaboration. As a politically exposed person (PEP) under Article 3, Section 9 of the Sixth Anti-Money Laundering Directive, the minister has an enhanced duty of care to avoid working with individuals or entities involved in criminal activities. By admitting that both Galeas operate in the same circle, he should have mitigated this risk through extensive due diligence. The question arises whether such an investigation was conducted and, if so, whether the minister can provide evidence of it.

Conclusion

The statements made by those involved highlight the necessity for further investigation. The lack of regulations and the absence of authority to issue provisional licences undermine the legitimacy of the current process. The statements by Galea and Fiorini confirm that licences are being issued without the required legal foundation, posing severe legal and financial risks.

Mr. Galea's claims regarding staffing capacity and control processes are inconsistent and lack credibility. The actual process, where external parties exercise control while the GCB formally bears responsibility, indicates a serious malpractice. The lack of transparency, effective oversight, and legal grounding clearly demonstrates that the current system does not meet the standards of good governance and supervision.

The assertion that all 'fees' are deposited directly and entirely into the government treasury is untenable and contradicts the minister's statements. The use of foreign structures, questionable regimes, and a lack of transparency regarding the compensation of "investors" point to significant misconduct. This practice not only



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introduces financial risks but also threatens Curaçao's reputation and could implicate government officials in money laundering activities.

The claim that there is no "real" bankruptcy is misleading and unprofessional. The Joint Court has declared bankruptcy, and this must be respected. Denying this ruling undermines the rule of law, puts players at risk, and allows the damage to Curaçao to escalate further. It is crucial that the GCB takes responsibility and implements clear, accountable policies to prevent further harm.

Finally, the minister's claim that the investigation involved a "mistaken identity" is not only factually incorrect but also detracts from the seriousness of the situation. The investigation demonstrates that both Galeas play a role and that their connections to criminal individuals and activities should have been thoroughly examined. The minister failed in this responsibility, exposing himself to risks that damage not only his reputation but also that of Curaçao. It is essential that the minister provides full transparency and proves that he has fulfilled his obligations under the anti-money laundering directive.

In light of these significant findings, I have decided to expand my investigation. Next week, I will approach the Maltese authorities to request a direct investigation into these facts and circumstances from Malta. I will also engage with the liquidator in the BC.Game case. As previously mentioned, the progress of this investigation will be available on lokinvestigation.com.

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