GAMBLING COMMISSION

Private and Confidential

Mr Jason Drummond
[redacted]

By post and email to j@j4.uk

22 August 2017

Dear Mr Drummond

Review of a Personal Management Licence (PML) under section 116(2) of the Gambling Act 2005 Mr Jason Drummond Licence: 000-038064-M-325687-001

I refer to the Gambling Commission's ('the Commission') findings that were sent to you on 20 July 2017 and your email of 17 August 2017 surrendering your PML.

Reasons for review

As you are aware, on the 16 May 2017 we commenced a review of your personal management licence (PML) under section 116(2) (c) (i) and (ii) of the Gambling Act 2005 (the Act). We thought it appropriate as we suspected that you (the Licensee) may have carried on activities in purported reliance on the licence but not in accordance with a condition of the licence; and that you may be unsuitable to carry on the licensed activities. The Commission's concerns arose out of your conduct whilst a PML holder with Gametech (UK) Limited ('Gametech')

Background

On the 17 March 2017 the Commission commenced a licence review in respect of Gametech who held a Combined Remote Operating Licence: 000-038061-R-319186-009; the review concluded on the 11 May 2017 as Gametech surrendered the operating licence.

The Commission's preliminary findings in respect of its review of Gametech were sent to you on the 11 April 2017. Gametech were invited to make any representations it may have had in respect of the Commission's findings by the 8 May 2017. No representations were received and so the Commission would have determined its findings on the basis of the information contained within its preliminary findings. In summary our preliminary findings were that:

(1) Gametech breached conditions of its licence by:

- failing to segregate customer funds
- failing to report key events to the Commission as soon as reasonably practicable and in any event within five working days

(2) Gametech's suitability to hold a licence was in question. In particular, we were not satisfied with Gametech's financial suitability, management structure and competence to carry out licensed activities

Victoria Square House
Victoria Square
Birmingham B2 4BP

T+44 121 230 6666
F+44 121 230 6720
www.gamblingcommission.gov.uk

Conclusion of your PML licence review

In our letter of 20 July 2017 the Commission wrote to you and outlined our provisional conclusions in relation to the review of your licence. We informed you that we had carefully considered all the available information gathered as part of the licence review. In addition we outlined our considerations in respect of your representations received by email on 10 July 2017. Having done so, we informed you that we were minded to revoke your PML under sections 117(1) (f) and 119(1) of the Act.

We outlined that we were satisfied that the conditions for revoking your licence under section 120(1) (b) and (d) of the Act are met as our view is that you are not suitable to carry on the licensed activities and because a condition of your licence has been breached.

We informed you that you had the right to request a hearing before a Regulatory Panel if you disagreed with the Commission's provisional conclusion. We invited you to notify the Commission by 16 August 2017 if you wished wish for a Regulatory Panel to make the final decision in respect of the licence review.

On the 17 August 2017 you wrote to the Commission surrendering your PML with immediate effect. As you have not made representations to the findings outlined in our letter of 20 July 2017 or requested a hearing before a Regulatory Panel, the Commission has proceeded on the basis that its findings are not disputed by you. Therefore, my view is that the facts found as outlined in our letter dated 20 July 2017, and the outcome that your licence should be revoked, remain unaltered.

I am therefore of the view that had the licence not been surrendered it would have been revoked.

Publication

In accordance with our normal procedures, details of regulatory action we take will be published on our website. We intend to publish the details on our sanctions register in the terms outlined below:

> *On 16 May 2017, the Gambling Commission (the Commission) commenced a licence review of the Personal Management Licence (PML) issued to Mr Jason Drummond. On 20 July 2017, the Commission wrote to Mr Drummond to inform him that it was minded to revoke his PML on the grounds that Mr Drummond was no longer suitable to carry on the licensed activities. It was not necessary for the Commission to exercise its regulatory powers as the PML was surrendered. However, the Commission considered that had the PML not been surrendered it would have been revoked.*
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> *The facts found included that Mr Drummond had been a PML holder at Gametech (UK) Limited ('Gametech') who held a Combined Remote Operating Licence. Gametech had breached licence conditions which included failing to report key events and the segregation of customer funds. At the time of his tenure as a PML Mr Drummond was aware that Gametech did not have adequate resources available for the purpose of carrying on the licensed activities. Mr Drummond allowed Gametech to use customer funds to cover its operating costs. When asked by the Commission about this activity Mr Drummond provided misleading information to us. In addition he also breached a condition of his licence requiring him to carry out responsibilities in relation to licensed activities in a way 'which does not place the holder of the operating or any relevant premises licence in breach of their licence conditions'.*

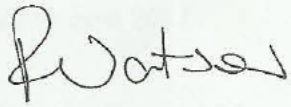
The publication will remain on our sanctions register for 3 years. In addition we will keep details of the sanction on record and this may be referred to in any future dealing with your or related parties.

Next steps

If you have any representations to make in relation to the proposed wording kindly notify Simon Vowles in writing by **6 September 2017** and your comments will be considered. If we do not hear from you within this time period the Commission will publish the wording in the form outlined above on our sanctions register.

In the meantime If you have any further queries regarding this matter please contact Simon Vowles the Case Manager, on 0121 230 6617 or by email at svowles@gamblingcommission.gov.uk.

Yours sincerely



Richard Watson
Programme Director