Defence & Security · GS - III

Digital betting platforms increasingly exploit financial intermediaries, mule accounts and informal transfer networks to facilitate organised financial crime. Examine the challenges they pose to India's internal security and suggest measures to strengthen enforcement.

EXAM YEAR	PAPER	SUBJECT
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MARKS	WORD LIMIT
10	~150 words

Answer Hint

Cyber-enabled financial crime, money laundering, mule accounts, hawala networks, PMLA, FIU-IND, inter-state coordination, international cooperation, digital forensics, financial literacy, regulatory oversight.

Model Answer

Introduction

Illegal online betting networks have evolved into organised cyber-enabled financial operations. Their use of mule accounts, shell entities and hawala channels makes financial tracking and enforcement increasingly complex.

Internal Security Challenges

Such networks facilitate money laundering, tax evasion and cross-border transfer of illicit proceeds. Rented bank accounts and SIM cards conceal the identity of operators and beneficiaries. Their transnational structure creates jurisdictional difficulties, while links with organised crime can threaten financial integrity and public security.

Measures to Strengthen Enforcement

The Enforcement Directorate, CBI, FIU-IND and state police must strengthen intelligence sharing and coordinated investigations. Real-time suspicious transaction monitoring, KYC compliance and improved beneficial-ownership identification can help detect mule accounts. Digital forensics and international cooperation are essential for tracing cross-border transactions and securing electronic evidence.

Banks and telecom operators should strengthen fraud detection and customer verification. Public awareness campaigns must discourage citizens from renting out bank accounts or SIM cards.

Conclusion

Combating illegal betting requires an integrated strategy combining financial intelligence, cyber capabilities, international cooperation and citizen awareness.

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