



process that can take years. In the meantime, compliant companies are left with the choice of hoping the regulatory environment changes quickly or taking action themselves to level the playing field. It may seem daunting to act, but there are steps companies can take. Specifically, reputable investigative firms can assist compliant companies by documenting the misdeeds of non-compliant competitors—information that can ultimately be shared with regulators. Misdeeds we have seen include:

- **Opaque Ownership:** Because regulation of the above-cited industries varies widely by country, some companies go to great lengths to hide their ownership in order to escape regulation in particular jurisdictions. Efforts to determine ownership can lead to what sometimes appears to be a game of corporate “whack-a-mole,” where ownership records lead from one opaque entity to another. Through our international offices and network of contacts, we have frequently been able to obtain the records necessary to document the true ownership of companies while also showing how those owners took steps to disguise their interests, thereby evidencing their consciousness of guilt.
- **Lax or Non-Existent Know Your Customer Policies:** Depending on the industry and jurisdiction, laws may mandate thorough KYC policies. On several occasions, through discreet testing, we have been able to document significant gaps in company compliance regimes.
- **Lax or Non-Existent Geo-Blocking:** Some Internet platforms are required to restrict access to customers in certain jurisdictions, a process known as “geo-blocking.” Time and again we have seen companies make minimal geo-blocking efforts as they try to maintain and expand their customer base within regulated jurisdictions.
- **Links to Bad Actors:** As certain platforms face a more regulated future, companies have tried to distance themselves from individuals whose known participation could prevent the companies from being licensed. While assisting compliant companies, we have been able to document competitors’ undisclosed links to bad actors as well as those actors’ histories of illegal and/or unethical activities.

There is no question that it is difficult to compete in an industry with non-existent or developing regulation. Not all companies survive such an environment. However, as abuses continue, there is little question that some level of regulation will result and, hopefully, bad actors will be weeded out when they lose their competitive advantages. Until then, with no timeframe for significant regulatory changes, compliant companies will need to fend for themselves.

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