



AMERICAN GAMING ASSOCIATION

Policy Division
Financial Crimes Enforcement Network (FinCEN)

November 17, 2014

Regulatory Identification Numbers: 1506-0005, 1506-0006
Attention: PRA Comments - BSA Suspicious Activity and Currency Transaction
Reporting Requirements

Docket No. FINCEN – 2014 – 0001

Dear Director Shasky Calvery:

**Re: Renewal Without Change of Bank Secrecy Act Suspicious Activity and
Currency Transaction Reporting Requirements**

The American Gaming Association (AGA)¹ appreciates this opportunity to continue our engagement with the Financial Crimes Enforcement Network of the U.S. Department of Treasury (FinCEN) on anti-money laundering (AML) compliance efforts under the Bank Secrecy Act (BSA). Our members remain committed to implementing a strong culture of compliance throughout the casino industry.

By its Federal Register Notice published on September 18, 2014,² FinCEN invited comment on its proposal to extend, without revision, the use of its current forms for “Suspicious Activity Report for Casinos and Card Clubs” (OMB No. 1506-0006) (Casino SAR), and for “Currency Transaction Report for Casinos and Card Clubs (OMB No. 1506-0005) (Casino CTR).

AGA generally agrees with FinCEN that these forms, as currently designed, effectively serve the purposes of the BSA. In these comments, we suggest consideration of the following three enhancements to FinCEN’s guidance on completing CTRs and one revision to the SAR form:

- Supplement official guidance for CTR completion to clarify expectations regarding situations in which a patron presents identification that casino personnel knows to be inaccurate or obsolete;
- Provide CTR instructions regarding circumstances in which a patron’s government-issued identification indicates it should not be used for identification purposes;

¹The American Gaming Association is the leading organization representing the commercial casino industry in the United States. Members include major casino operators, manufacturers of gaming equipment, and those who provide services to the industry. Since its founding in 1995, the AGA has worked with FinCEN to ensure the effectiveness of the industry’s anti-money laundering programs.

² 79 Fed. Reg. 56123 (September 18, 2014).

- Enhance CTR instructions to more clearly differentiate between Multiple Transactions and Aggregated Transactions; and
- Consider creating a separate category on SAR forms for suspicious activity that is unique to the casino sector.

These proposed revisions aim to improve the information acquired by FinCEN – and by the industry – concerning financial activity at casinos that may pose AML risks. By the same token, we do not think they involve any significant additional burden on those filing casino SARs and CTRs.

We appreciate the opportunity to submit these comments, and to continue the dialogue between FinCEN and the casino industry on AML policies and implementation under the BSA. We would be pleased to elaborate upon these points at your convenience and look forward to continuing to engage with FinCEN on these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Freeman". The signature is fluid and cursive, with a large initial "G" and a long, sweeping underline.

Geoff Freeman
President and CEO, American Gaming Association



1. CTR: Out-of-Date Customer Residence on Government ID

In some instances, a patron will present an official government identification document that reflects a residence address that casino personnel know to be obsolete or otherwise inaccurate. This question ordinarily arises when a patron has changed his or her residence, but has not yet acquired a reissued identification with the new residential information.

We respectfully request that FinCEN supplement its official guidance for CTR completion to clarify its expectations regarding these situations. We understand FinCEN's current policy to be that if the casino has reliable information that a patron's address on a government-issued identification has been superseded, the casino should record the newer address and should keep a record of the inquiry it pursued to confirm the address that does not appear on the government-issued identification.

FinCEN guidance on this issue would promote enhanced compliance efforts and consistency in examinations.

2. CTR: Government-Issued Identification Not to Be Used for Identification

A further complication with patron identification arises with government-issued identification documents that state on their face that the documents should not be used for identification purposes. This can create confusion for casino personnel.

The industry would benefit from CTR instructions that specify whether such forms of identification may be accepted, and if so, the circumstances in which they are acceptable. We look forward to resolution on this issue, and would be pleased to provide FinCEN with any additional information that would be helpful.

3. CTR: Differentiating Between Multiple and Aggregated Transactions

FinCEN has published Frequently Asked Questions (FAQs) regarding multiple and aggregated transactions; however, we are requesting further clarification because questions and concerns persist in both the compliance sector and among examiners.

FinCEN's FAQ 17 states: "Filers should check "Multiple transactions" (Item 3) if there were multiple cash-in or cash-out transactions of any amount conducted in a single business day by or for the person recorded in Part I. "Multiple transactions" is not the same as the Item 24 option "Aggregated transactions," which only involves multiple transactions all of which are below the reporting requirements and requires at least one of the transactions to be a teller transaction."

Further, FinCEN's Frequently Asked Question (FAQ) 27 states: "Filers should check box 24e 'Aggregated transactions' (along with any other box applicable in Item 24)

only in the following circumstance: 1) the financial institution did not identify any of the individuals conducting the related transactions, 2) all of the transactions were below the reporting requirement, and 3) at least one of the aggregated transactions was a teller transaction.”

We request clarification on these requirements because the industry and examiners would benefit from such clarification, and the current FAQ on “Aggregated transactions” refers to the teller function, which does not apply to casinos.

We therefore request that FinCEN consider issuing CTR instructions that more clearly differentiate between Multiple Transactions Box (Part I, Item 3) and the Aggregated Transaction Box (Part II, Item 24), as well as providing guidance on their application to the casino sector. Again, FinCEN guidance on this issue would promote enhanced compliance efforts and consistency in examinations.

4. SAR: Engaging in Offsetting Betting Patterns

We also request that FinCEN consider a change to the SAR form to capture a form of suspicious activity that is unique to the casino sector. Casino patrons, ordinarily by working together, can engage in betting patterns that greatly reduce the mathematical risks they face in wagering. These patterns include taking offsetting bets at a roulette game (for example, red and black, or odd and even) or in offsetting wagers on a sporting event or contest. AGA members and FinCEN agree that in many situations, such betting patterns are suspicious and should trigger an SAR filing.

As you are aware, minimal gaming activity with large transactions, which currently must be recorded in Field 32(b) of the current SAR is a casino-specific box that is helpful to the industry because it captures a typology unique to our sector. Because engaging in offsetting betting patterns is presumptively suspicious and also unique to our sector, we propose that FinCEN consider adding it as a separate category to be reported in Field 32 of the current SAR. Doing so would create no significant additional burden on SAR filers. Indeed, it would provide clarity for filers, improve SAR data quality, simplify law enforcement review of casino SARs, and would allow ready aggregation of information about such presumptively suspicious activity.