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**FINANCIAL TRANSACTIONS REPORTING**

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**19.1 Definitions (for this section)**

Definitions used in previous and subsequent sections retain their meaning unless modified below:

**Agent** - any individual who conducts a **financial currency** transaction on behalf of another individual or organization.

**Business Year** - the annual accounting period, **such as a calendar or fiscal year**, by which a casino maintains its books and records.

**Casino/Gaming facility** – any organization licensed to do business as a casino ~~or gambling casino~~ in the Cherokee Nation. It includes the principal headquarters and every **domestic** branch or other place of business of the casino. **Under Title 31, any requirements specific to casinos refers to any casino that has gross annual gaming revenue in excess of One Million Dollars (\$1,000,000.00) during either the previous or current business year.**

**Casino Account Number** – means any and all numbers by which a casino identifies a customer.

**Currency** - the coin and **paper money** ~~currency~~ of the United States or any other country that circulates and is customarily used and accepted as money in the country it is issued. ~~It includes United States silver certificates, United States notes, Federal Reserve notes and official foreign bank notes, but does NOT include bank checks and notes or other negotiable instruments not customarily accepted as money.~~

**Customer** – **includes** every person who is involved in a **currency** transaction to which Title 26 and Title 31 applies; ~~Whether or~~

not that person participates in the gaming activities offered by the casino.

**Established Customer** - a person with an account with a financial institution, including a loan account or deposit or other asset account, or a person with respect to which a financial institution has obtained and **maintains** on file the person's name and address, as well as taxpayer **identification number I.D.** (e.g. social security or employer **identification number I.D.**) or, if none, alien identification number or passport number and country of issuance and to which the financial institution provides financial services relying on that information.

**FinCEN** – means the Financial Crimes Enforcement Network, a bureau of the Department of the Treasury.

**Gaming Day** - the normal business day of a casino. For a casino that offers **twenty-four (24) 24 hours gaming operations**, that **twenty-four (24) 24 hour** period by which the casino keeps its books and records. For purposes of this document, each casino must have only one (1) gaming day common to all of its divisions.

**“Knowledge of Cash Financial Transaction”** - a casino shall be deemed to have knowledge, if any sole proprietor, partner, officer, director, or employee of the casino, acting within the scope of his or her employment: has knowledge that such multiple currency transactions have occurred; and, business information is retained on magnetic disk, tape, or other machine readable media, or in any manual system with similar documents and information, which contain information that such multiple currency transactions have occurred.

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**Machine-Readable** – means capable of being read by an automated data processing system.

**Money Laundering** - the disguising or concealing of illicit income in order to make it appear legitimate. Illegal drugs are purchased with large amounts of currency. Just in case the currency has been “marked” by the federal government during preplanned “sting” operations, the drug dealers want to get rid of (e.g. ~~i.e.~~ launder) this currency for new, “clean” currency that is not marked. Banks and casinos are generally used by drug dealers to “wash” or “launder” their monies from the drug transactions. Also, utilizing a bank or a casino sometimes works to provide a “legitimate” look to the transactions.

**Monetary/Negotiable Instruments** - for purposes of the ~~Currency T~~ransaction ~~R~~eporting, monetary instruments include currency and negotiable instruments, which ~~are includes~~ all checks (including personal, business, bank, cashier’s, third-party checks, and casino checks), money orders, traveler’s checks, certificates of deposit, and promissory notes, ~~whether or not they are in bearer form or complete.~~

**Organization** - person other than an individual.

**Person** - an individual, corporation, partnership, trust or estate, joint stock company, association, syndicate, joint venture, or other unincorporated organization or group, and all entities treated as legal personalities.

**Structuring** – For purpose of Title 31 reporting, a person structures a transaction if that person, acting alone, or in conjunction with, or on behalf of, other persons,

conducts or attempts to conduct one or more transactions in currency, in any amount, at one or more locations where currency transactions are conducted, on one or more days, in any manner, for the purpose of evading the reporting requirements under Title 31. “In any manner” includes, but is not limited to, the breaking down of a single sum of currency exceeding Ten Thousand Dollars (\$10,000.00) into smaller sums, including sums at or below Ten Thousand Dollars (\$10,000.00), including any series of transactions. The transaction or transactions need not exceed the Ten Thousand Dollar (\$10,000.00) reporting threshold at any single casino location on any single day in order to constitute structuring.

**Transaction in Currency** - a transaction involving the physical transfer of currency from one (1) person to another. ~~A transaction in currency does not include a transfer of funds by means of bank check, bank draft, wire transfer, or other written order that does not include the physical transfer of currency.~~

**19.2 General ~~Financial—Transaction~~ Reporting**

- A. In accordance with Title 26 – Internal Revenue Code, ~~t~~he ~~Commission or the gaming casino~~ operation shall establish and ~~the gaming operation shall~~ comply with procedures for the correct reporting and withholding of certain gambling winnings and/or promotional prizes and awards. These procedures shall be approved by the Cherokee Nation Gaming Commission (CNGC). ~~in accordance with Title 26 – Internal Revenue Code.~~

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- B. Pursuant to the Title 31/Bank Secrecy Act, the casino operation shall develop and implement the gaming operation shall prepare a eCompliance pProgram and system of internal controls, which includes detailed procedures used to comply with these standards. The Compliance Program and internal controls shall be provided approved by to the Commission CNGC.
- C. According to Federal Law, the Title 31/Bank Secrecy Act requires the reporting of certain cash financial transactions and the reporting of suspicious transactions. Additionally, certain records are required to be prepared and maintained relative to Title 31/ Bank Secrecy Act for casinos with having gross annual gaming revenues in excess of One Million Dollars (\$1,000,000.00).
- D. The purpose of these internal controls is to provide gaming operations the casino with a framework for developing a system of internal controls/procedures to meet the requirements of Title 26 and Title 31 of the U.S.C.
- E. ~~Title 31/Bank Secrecy Act standards shall apply to gaming facilities having gross annual gaming revenues in excess of One Million Dollars (\$1,000,000.00) \$1,000,000.~~
- E. For any Tribal authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these standards will be acceptable, as approved by the CNGC.

- F. Within this document the Title 31/Bank Secrecy Act will be referred to as Title 31.

**19.3 Procedures for Reporting Winnings**

- A. Prior to payment of winnings, employees shall determine if winnings are subject to Internal Revenue Service (IRS) reporting requirements. No winnings shall be paid until the appropriate forms (as applicable) have been completed.
- B. IRS Forms – W-2G, 5754, 1099, and 1042-S or other forms designated by the Internal Revenue Service (IRS) for reporting winnings and/or promotional prizes and awards within this section shall be referenced as IRS forms for reporting winnings.
- C. IRS Forms for reporting winnings shall be available to all departments, which may encounter reportable transactions.
- D. IRS Forms for reporting winnings shall be completed in accordance with, and contain the information required in Title 26 and this document for all reportable winnings and/or promotional prizes and awards.
- E. A copy of each completed form shall be retained in chronological order for a minimum of five (5) years and readily available for inspection. Summary documents may be used for inspection purposes provided original documentation can be

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retrieved, upon request within seventy-two (72) hours.

F. Before concluding (i.e., prior to payment of winnings) any transaction subject to IRS reporting requirements, the handler of the transaction shall:

1. Obtain two (2) forms of appropriate identification, at least one (1) form of identification shall be an official photo identification; if tax identification (Social Security Card) is not available the winner must complete form W-9 Request for Taxpayer Identification Number and Certification.

2. Acceptable forms of identification include a driver's license, military or military dependent identification card, passport, alien registration card, state issued identification card, cedular card (foreign), or other photo identification and/or combination of unexpired documents that contain an individual's name and address and are normally accepted by financial institutions as a means of identification when cashing checks for persons other than established customers.

3. As an option to requesting the necessary identification and other data from an established customer, information on file may be used if:

a. The handler of the transaction knows the customer;

b. The customer's name and appropriate identification credentials were obtained from the customer for a previous transaction;

c. The information is on file to properly complete a the IRS Form; and,

d. The customer information on file is periodically updated as follows:

i. Copy of original identification credentials;

ii. If the customer's Social Security Card was not available to verify identification, the customer must have a completed form W-9 Request for Taxpayer Identification Number and Certification on file;

iii. Documentation of the examinations is included in the information on file;

iv. Expiration dates of identification credentials are included in the information on file; and,

v. The transaction date is prior to the expiration date on file.

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4. The appropriate IRS Form for reporting winnings shall be completed according to the Form instructions and forwarded to the Accounting department for review and transmittal to the IRS.

**19.4 Title 31 Compliance Program**

- A. In accordance with Part 19.2 (B) of this section, each Compliance Program shall, at a minimum, provide for:

1. A system of internal controls to assure ongoing compliance;
2. Internal and/or external independent testing for compliance. The scope and frequency of the testing shall be commensurate with the money laundering and terrorist financing risks posed by the products and services provided by the casino;
3. Training of casino personnel, including training in the identification of unusual or suspicious transactions, to the extent that the reporting of such transactions is required by Title 31, by other applicable law or regulation, or by the casino's own administrative and compliance policies;
4. Designated individual and/or department to assure day-to-day compliance;
5. Procedures for using all available information to determine:

- a. When required to be reported, the name, address, social security number, and other information, and verification of the same, of a person;
- b. The occurrence of any transactions or patterns of transactions required to be reported;
- c. Whether a record required by Title 31 must be made and retained; and
- d. For casinos that have automated data processing systems, the use of automated programs to aid in assuring compliance.

- B. The Title 31 Compliance Program shall be reviewed at least annually, and shall consider the following, at a minimum, in determining whether to revise the program:

1. Results of independent testing, including internal or external reviews or audits;
2. Results of examinations by IRS or other governmental authorities;
3. Significant changes in operations;
4. Significant changes in the types of financial services offered;
5. Implementation of any automated systems and programs that may affect compliance;

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6. Amendments to Title 31 regulations;
7. Amendments to Title 31 reporting forms;
8. New guidance, advisories, bulletins issued by FinCEN, including frequently asked questions; and ,
9. The extent to which errors and omissions to information relating to Currency Transaction Report by Casinos (CTRC)s and Suspicious Activity Report by Casinos (SARC)s occur, whether or not corrected prior to filing.

**19.5 Currency Transaction Report by Casinos (CTRC) Procedures**

Each casino shall file a report of each transaction in currency, involving either cash in or cash out, of more than Ten Thousand Dollars (\$10,000.00).

- A. Transactions in currency involving cash in include, but are not limited to:
1. Purchases of chips, tokens, and other gaming instruments;
  2. Front money deposits;
  3. Safekeeping deposits;
  4. Payments on any form of credit, including markers and counter checks;
  5. Bets of currency, including money plays;

6. Currency received by a casino for transmittal of funds through wire transfer for a customer;
  7. Purchases of a casino's check;
  8. Exchanges of currency for currency; and,
  9. Bills inserted into electronic gaming devices.
- B. Transactions in currency involving cash out include, but are not limited to:
1. Redemptions of chips, tokens, tickets, and other gaming instruments;
  2. Front money withdrawals;
  3. Safekeeping withdrawals;
  4. Advances on any form of credit, including markers and counter checks;
  5. Payments on bets;
  6. Payments by a casino to a customer based on receipt of funds through wire transfers;
  7. Cashing of checks or other negotiable instruments;
  8. Exchanges of currency for currency;
  9. Travel and complimentary expenses and gaming incentives; and,

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10. Payment for tournament, contests, and other promotions.
- C. Casinos are exempted from reporting the following currency transactions:
1. Transactions with domestic banks;
  2. Transactions between a casino and a currency dealer or exchanger, or between a casino and a check casher, so long as such transactions are conducted pursuant to a contractual or other arrangement with a casino covering the financial services in Part (A)(8), Part (B)(7), and (B)(8) of this section;
  3. Cash out transactions to the extent the currency is won in a money play and is the same currency the customer wagered in the money play, or cash in transactions to the extent the currency is the same currency the customer previously wagered in a money play on the same table game without leaving the table;
  4. Bills inserted into electronic gaming devices in multiple transactions (unless a casino has knowledge, in which case this exemption does not apply); and,
  5. Jackpots from electronic gaming devices.
- D. Prior to completing any currency transaction in excess of Ten Thousand Dollars (\$10,000.00) or before completing the first transaction within a series of

transactions where the total of a customer's transactions exceed Ten Thousand Dollars (\$10,000.00), the casino shall complete the appropriate Title 31 reporting requirements.

1. FinCEN Form 103 - Currency Transaction Report by Casinos, or any other form designated by FinCEN for reporting currency transactions in excess of Ten Thousand Dollars (\$10,000.00), shall be completed by any casino having gross annual gaming revenues in excess of One Million Dollars (\$1,000,000.00) and within this section shall be referenced as a CTRC.
2. IRS/FinCEN Form 8300 - Report of Cash Payments Over \$10,000 Received in a Trade or Business, or any other form designated by FinCEN for reporting currency transactions in excess of Ten Thousand Dollars (\$10,000), shall be completed by any casino having gross annual gaming revenues of One Million Dollars (\$1,000,000.00) or less, casino hotel, gift shop, cater/banquet service, conference/seminar facilities, etc. and shall adhere to all Title 31 requirements, as applicable.
3. CTRC forms shall be available to all departments which may encounter reportable transactions.
4. CTRC forms shall be completed in accordance with, and contain the information required in Title 31 for all reportable transactions.

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5. A copy of each completed CTRC is retained in chronological order for a minimum of five (5) years and is readily available for inspection. Summary documents may be used for inspection purposes provided original documentation can be retrieved, upon request within seventy-two (72) hours.
- E. Before concluding any transaction with respect to which a CTRC report is required (i.e., before completing the currency exchange) under this section, the handler of the transaction shall:
1. Obtain and record the complete name, date of birth (DOB), account number, and the social security or taxpayer identification number, if any, of the person or entity on whose behalf such transaction is to be effected;
  2. If the customer's Social Security Card is not available to verify identification, the customer must complete form W-9 Request for Taxpayer Identification Number and Certification;
  3. Obtain, or reasonably attempt to obtain, the customer's physical (permanent) address – Do not enter a post office box number unless the person has no physical address; and
  4. Obtain and examine the customer's identification credentials and compare to previously obtained information.
5. Acceptable forms of identification include a driver's license, military or military dependent identification card, passport, alien registration card, state issued identification card, cedular card (foreign), or other photo identification and/or combination of "unexpired" documents that contain an individual's name and address and are normally accepted by financial institutions as a means of identification when cashing checks for persons other than established customers.
  6. This standard also applies to the Agent of a customer.
  7. As an option to requesting the necessary identification and other data from an established customer, ~~as required in part (A) (2) of standard 14.6;~~ information on file may be used if:
    - a. The handler of the transaction knows the customer;
    - b. The customer's name and appropriate identification credential were obtained from the customer for a previous transaction;
    - c. The information is on file to properly complete a CTRC; and,

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- d. The customer information on file is periodically updated as follows:
  - i. Copy of original identification credentials;
  - ii. Copy of Social Security Card with tax identification, if any, or form W-9 Request for Taxpayer Identification Number and Certification;
  - iii. Documentation of the examinations is included in the information on file;
  - iv. Expiration dates of identification credentials are included in the information on file; and,
  - v. The transaction date is prior to the expiration date on file.
- 8. ~~In each instance, the specific identifying information (e.g. i.e. the driver's license number, etc.) used in verifying the identity of the customer shall be recorded on the report, and the mere notation of "established customer" or "bank signature card on file" on the report is prohibited.~~
- 8. If a customer refuses or cannot provide the required information in this section, the transaction is shall be immediately terminated and Surveillance is notified. The transaction may not be completed

until the customer can comply with the requirements. ~~in any situation where the identification requirements in either (A)(2) or (A)(3) cannot be completed.~~ In case of a dispute, the casino management and the CNGC ~~or another individual of authority~~ will be notified.

- 9. ~~Subsequent to completing the reportable transaction or supplemental transaction, all required information is entered on the CTRC. If a customer refused to provide a social security number and the number is not available from other records maintained by the casino operation, or from the records of any branch office, "refused" is noted on the report. If any of the other required information is not available or the customer refuses to provide the information, "n/a" or "refused" is denoted on the CTRC.~~

- 9. In any situation where identification requirements in this section are not complied with ~~but the transaction was completed,~~ the customer shall be is barred from further gaming and until a CTRC can be is prepared completed as required. For purposes of barring the customer, the description (and name, if known) of the customer is communicated to all personnel in surveillance, security, gaming or gaming related areas, the accounting department and affiliates. The casino shall use all methods available to prevent any

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- further transactions from occurring.
10. Upon completion of the report, the handler of the transaction signs the CTRC and submits it to the designated department for review and filing prior to transmitting it to the accounting department. The form(s) must be sent to the designated accounting department within twenty-four (24) 24 hours after the end of the designated gaming day. 24-hour period.
- F. ~~When a customer attempts to complete a Title 31 type transaction, or attempts to complete a Title 31 transaction that would cause the customer's transactions to exceed the \$10,000 threshold, to determine reportability in a monitoring area, the individual handling the transaction (in the pit, the pit supervisory personnel are considered the individuals handling transactions):~~
- ~~1. Initiates the procedures for the reporting requirements of Title 31. If the transaction is completed, then the procedures in part 14.3 (B) of this standard are completed. If the transaction is not completed, a CTRC will not be prepared and the transaction is terminated.~~
  - ~~2. Prior to completing the transaction:
    - ~~a. Obtains the customer's name, social security or employee identification number (EIN), and identification credential;~~
    - ~~b. Obtains, or reasonably attempts to obtain, the customer's permanent (physical) address; and,~~
    - ~~c. Examines the identification credential, including the expiration date, verifies the customer's identity. (Using a customer's driver's license is the preferred method for verification of appropriate information. If a driver's license cannot be obtained, a passport, nonresident alien identification card, other government issue identification credential or other picture identification credential normally acceptable by financial institutions as a means of identification when cashing checks is acceptable). Standard 14.8 also applies to an agent of the customer.~~~~
  - ~~3. Before completing the last transaction, within a series of transactions where the total of a customer's transactions exceed the \$10,000, identification requirements in either standard (A)(2) and (A)(3) applies. Once the last transaction is completed, a reportable transaction has occurred and thus the reporting requirements of Title 31 apply. (i.e., the series of transactions will become a multiple transaction, a dissimilar cash-in transaction or a dissimilar cash-out transaction if the transaction is completed).~~

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~~4. For a single cash table game wager of more than \$10,000, identification requirements in either standard (A)(2) and/or (A)(3) are complied with, before accepting the wager. In the case of a series of transactions where a table game wager is the last transaction in the series that would cause the series to exceed \$10,000, identification requirements in either standard (A)(2) and (A)(3) is complied with before accepting the wager.~~

F. The designated individual / department shall review and ensure the completeness of all currency transaction reports and shall file the report in accordance with CTRC instructions.

G. A currency transaction report for each transaction or series of transactions, in currency, involving either cash in or cash out, of more than Ten Thousand Dollars (\$10,000.00) in a gaming day must be filed with the IRS by the 15<sup>th</sup> day after the date of the transaction. Casinos may report both cash in and cash out transactions by or on behalf of the same customer on a single currency transaction report.

**19.6 Structured Transactions**

A. No person shall for the purpose of evading the transactions in currency reporting requirements of Title 31, with respect to such transaction:

1. Cause or attempt to cause the casino operation to fail to file a

report required under these standards;

2. Cause or attempt to cause a casino operation to file a report required under these standards that contains a material omission or misstatement of fact; or,

3. Structure, attempt to structure, assist in structuring, or attempt to assist in structuring any transaction which is required to be reported under these standards.

B. Violation of any standard set forth in this section may result in license revocation or denial by CNGC, in addition to possible civil and/or criminal penalties as provided for under Title 31.

**19.7 Multiple Transaction Log (MTL) Procedures**

~~A. A period of time is set forth for which each gaming facility has designated an established cut off point for the monitoring of multiple transactions over a 24 hour period. Monitoring areas are established within each department for this purpose, and are established at each single specific cage and at each specific gaming pit or grouping of tables supervised by an individual. Such cut off times are delineated within the system of internal control.~~

A. Multiple transactions totaling more than Ten Thousand Dollars (\$10,000.00) during any gaming day are reportable under Title 31. A separate record containing a list of

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each transaction between the casino and its customers involving monetary / negotiable instruments, including certain cash advance and/or credit transactions, and having a value of Three Thousand Dollars (\$3,000.00) or more must be aggregated (kept track of) on an MTL in order to determine if the Ten Thousand Dollars (\$10,000.00) threshold has been attained.

- B. "Cash in" transactions are to be aggregated (add to) only with other "cash in" transactions. "Cash out" transactions are only to be aggregated with other "cash out" transactions unless it is a cash exchange transaction. Cash exchange transactions are "currency for currency" transactions and are recorded as both cash in and cash out.
- C. MTLs shall be maintained and aggregated for each gaming day.
- D. Monitoring areas are established within each department for this purpose, and are established at each single specific cage and at each specific gaming pit or grouping of tables supervised by an individual. Such cut-off times are delineated within the system of internal control.
- E. Alternately, an MTL may be assigned to any single cage cashier for each shift, provided the casino has established controls to account for all MTLs issued/required each gaming day.
- F. MTL

1. An MTL is a one-part log maintained in each monitoring area, or as assigned, for purposes of recording information relative to loggable monetary / negotiable instrument transactions. Only one (1) MTL is used at a time, per monitoring area or cashier, for each designated twenty-four (24) hour period (e.g. gaming day). Unless currency (monetary) transactions are monitored separately from negotiable instruments, in which case, the same standards shall apply (i.e., one of each type of each MTL may be used).
2. Each completed MTL is retained in chronological order for a minimum of five (5) years and is readily available for inspection. Summary documents may be used for inspection purposes provided original documentation can be retrieved, upon request within seventy-two (72) hours.
3. Upon encountering the first transaction subject to MTL reporting, the handler or employee shall obtain all information required by Section 19.5(E).
4. An MTL shall contain the following information for each loggable transaction:
  - a. For monetary transaction:
    - i. Time, date, and amount of transaction;

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- ii. The name and Social Security Number / Taxpayer identification number or other unique identification number used to establish the identity of the customer;
  - iii. The type of transaction;
  - iv. The name and employee identification number of the employee who conducted each transaction;
  - v. Signature and employee identification number of the individual responsible for the accuracy of the record; and,
- b. For negotiable instruments, in addition to the requirements in Section 19.6(F)(4)(a), the type of instrument, the issuer/drawee, all reference numbers (e.g., casino, personal check number, etc.).
5. Loggable transactions will be placed on the list in the chronological order in which they occur.
- G. To ~~make a diligent effort to~~ prevent the circumvention of the prohibitions of Title 31 or the reporting and record keeping requirements of Title 31 by multiple transactions, dissimilar cash-in transactions or dissimilar cash-out transactions, ~~each employee and/or supervisor~~ **officers, employee or agents** in each monitoring area shall:

1. ~~Maintain~~ Ensure MTL<sup>2</sup>s are available to each designated monitoring area or cage cashier which may encounter loggable transactions;
2. For transactions that they handle, record loggable transactions on MTL<sup>2</sup>s and include the information described in Section 19.7(F)(4) 14.3 (C)(3) for the transaction. Loggable transactions are recorded **prior to completing the transaction.** ~~immediately after their occurrence.~~
3. At the **beginning** end of each shift, review the MTLs for applicable area of responsibility and ensure that all required information has been obtained. ~~in order to become familiar with descriptions of individuals whose transactions are being monitored.~~
4. As applicable, **n**otify other responsible personnel ~~in the same monitoring area~~ that the monitoring process has been initiated for a particular customer.
5. ~~During the designated 24-hour period, a customer's transactions are monitored for possible supplemental transactions and reportable transactions.~~
6. ~~Record on MTL's any and each succeeding loggable transactions for individuals being monitored~~

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H. At the conclusion of the designated shift for individually assigned MTLs; ~~and/or at the end of the gaming day for designated monitoring areas~~ ~~24 hour period:~~

1. A new MTL is started;
2. Recording of information on the previous MTL is ceased; and,
3. The MTL is reviewed for completion and forwarded to the designated individual/department for aggregation with all monitoring areas within the casino. ~~An indication as to the end of the designated 24 hour period is recorded on the MTL.~~

I. An MTL is completed ~~for each designated 24 hour period~~ for each monitoring area and/or cage cashier during the gaming day, regardless of whether or not any loggable transactions have occurred. (If no loggable transactions were observed for the designated ~~twenty-four (24) 24~~ hour period, an indication such as "no activity" is to be recorded on the MTL.)

J. On a routine basis, no longer than ~~twenty-four (24) 24~~ hours after the end of a designated ~~24 hour period gaming day~~. MTL<sup>2</sup>s are submitted to the designated ~~individual/department accounting—department~~ to be reviewed for compliance and to complete any CTRC reporting requirements.

**19.8 Suspicious Activity Report by Casinos (SARC) Procedures**

A. Every casino shall file with FinCEN, to the extent and in the manner required, a report of any suspicious transaction that is relevant or that the casino operation believes to be relevant to a possible violation of law or regulation.

B. A transaction requires reporting under the terms of this section if it is conducted or attempted by, at, or through a casino, and involves or aggregates at least Five Thousand Dollars (\$5,000.00) in funds or other assets, and the casino knows, suspects, or has reason to suspect that the transaction (or pattern of transactions of which the transaction is a part):

1. Involves funds derived from illegal activity or is intended or conducted in order to hide or disguise funds or assets derived from illegal activity (including, without limitation, the ownership, nature, source, location, or control of such funds or assets) as part of a plan to violate or evade any Federal law or regulation or to avoid any transaction reporting requirement under Federal law or regulation;
2. Is designed, whether through structuring or other means, to evade any requirements of this section or of any other regulations promulgated under the Bank Secrecy Act;
3. Has no business or apparent lawful purpose or is not the sort in which the particular customer would normally be expected to

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- engage, and the casino knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction; or,
4. Involves use of the casino to facilitate criminal activity.
- C. An individual/department ~~is~~ shall be designated to ~~as one who~~ oversees the reporting of suspicious transactions. ~~This individual may have other job duties and the compliance specialist may be designated as this individual.~~
- D. When an officer, employee or agent of the ~~gaming facility~~ casino determines that a possible suspicious transaction has occurred, a SARC is prepared and submitted to the individual/department designated in the Compliance Program. ~~standard 14.13.~~
- E. SARC forms shall be available to all departments which may encounter suspicious transactions.
- F. A suspicious transaction shall be reported by completing a SARC and collecting and maintaining supporting documentation as required by this section.
- G. ~~The individual reviews each SARC and determines whether or not a suspicious transaction has occurred.~~ Within twenty-four (24) hours, upon determination that a suspicious transaction may have occurred, a completed SARC shall be forwarded to the designated individual in Part C
- of this section. The designated individual shall review each SARC and supporting documentation and determine whether or not a suspicious transaction has occurred that requires the SARC to be filed with FinCEN.
- H. The designated individual shall be responsible for ensuring that the SARC form(s) are completed in accordance with Title 31 and contain the information required for all suspicious transactions reported.
- I. The SARC shall be filed with FinCEN as indicated in the instructions to the SARC.
- J. A SARC shall be filed no later than thirty (30) calendar days after the date of the initial detection by the casino of facts that may constitute a basis for filing a SARC under this section. If no suspect is identified on the date of such initial detection, a casino may delay filing a SARC for an additional thirty (30) calendar days to identify a suspect, but in no case shall reporting be delayed more than sixty (60) calendar days after the date of such initial detection.
- K. In situations involving violations that require immediate attention, such as ongoing money laundering schemes, the casino or designated individual shall immediately notify by telephone an appropriate law enforcement authority in addition to filing a SARC within the specified time frames.
- L. The casino or designated individual may also report suspicious

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transactions that may relate to terrorist activity by contacting the FinCEN's Hotline at 1-866-556-3974 in addition to filing a SARC within the specified time frames.

M. SARCs are considered confidential documents and are not to be disclosed with any individual not authorized or privy to the information contained therein (e.g., law enforcement, CNGC, designated compliance personnel, etc.). No casino, no director, officer, employee, or agent of any casino operation who reports a suspicious transaction may notify any person involved in the transaction that it has been reported.

N. Any person subpoenaed or otherwise requested to disclose a SARC or information contained in a SARC, except where disclosure is requested by FinCEN or another appropriate law enforcement or regulatory agency, shall decline to produce the SARC or to provide any information that would disclose that a SARC had been prepared or filed, as protected under Title 31.

~~O. For suspicious transactions, the completed SARC is forwarded to the accounting department within 24 hours of the completion of the review and determination that a suspicious transaction occurred.~~

O. A copy of any completed SARC filed is retained, along with all original or business record equivalent of any supporting documentation, in chronological order for five (5) years from the date

of filing the SARC, and must be readily available for inspection.

P. Supporting documentation shall be identified as such and maintained by the casino, and shall be deemed to have been filed with the SARC. A casino shall make all supporting documentation available to FinCEN, appropriate law enforcement agencies, and/or Federal/State gaming regulators upon request.

Q. A copy of the original SARC shall be forwarded to the CNGC within the same filing time frame as required by FinCEN. A casino shall make all original supporting documentation available for inspection purposes upon request.

R. A casino is not required to file a SARC for a robbery or burglary committed or attempted that is reported to appropriate law enforcement authorities.

### **19.9 Other Transaction Types**

~~The following standards detail how certain cash transactions should be classified or treated for MTL and CTRC purposes.~~ The following standards detail how certain financial transactions should be classified or treated for MTL and CTRC purposes.

A. When a customer buys back with cash a check or other negotiable instrument previously tendered, the transaction is recorded on an MTL or a CTRC as "other cash-in". Such transactions must be approved by the CNGC in accordance with Section 14.1.

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B. More than one (1) customer may be part of a reportable or loggable transaction if the persons conducting the transactions are in cooperation with one another and the transaction ~~are~~ is designed to benefit a team of customers rather than just one (1) person. In such circumstances, customer information from all customers is included on the appropriate IRS Forms or CTRC for reporting purposes.

C. No Agent may act on behalf of another customer without express legal authority/permission (e.g., power of attorney, legal dependent, named estate executor, letter of guardianship, etc.). A copy of the legal documentation may be required in order to complete a valid traceable financial transaction (e.g., casino account deposit / withdrawal, unclaimed documented jackpot, etc.). No Agent may game or conduct any financial transaction that cannot be directly traced to a customer (e.g., purchase/redemption of casino instruments).

D. If in a single visit an ~~a~~Agent conducts transactions for more than one (1) customer, then for reporting purposes customer information from all customers is included on the CTRC. If more than one (1) agent is associated with one (1) customer, transactions are aggregated for the customer with agent information from all agents included on the CTRC.

E. Employees or officers, when performing tasks in the performance of their duties on behalf of a

customer, are considered the handler of the transaction rather than an agent of the customer. Employees or officers when conducting a transaction not related to the performance of their duties but rather for their own benefit are considered a customer for a transaction (or an agent if the transaction was for another person's benefit).

**19.10 ~~Prohibited~~ and Restricted Transactions**

A. With respect to the following transactions, each deposit of funds, account opened or line of credit extended, a casino shall secure and maintain records of all related transactions in accordance with Title 31 requirements, as approved by the CNGC. The following transactions are ~~strictly prohibited~~ restricted unless otherwise approved, and included in the casino's Title 31 Compliance Program: ~~by the Commission-CNGC:~~

1. Front money deposits;
2. Safekeeping deposits;
3. Credit play, including (but not limited to):
  - a. Marker credit,
  - b. Rim credit, and
  - c. Call bets.
4. Foreign Currency.

~~B. Personal checks are considered credit and will not be accepted unless~~

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~~warranted by a national check clearing firm. All checks accepted must conform to warranty requirements.~~

B. Procedures for accepting these types of transactions, must include controls and processes that prevent any financial transactions by or on behalf of, that go through, or are made in connection with any individual or entity identified by the Office of Foreign Assets Control (OFAC) from occurring. Any attempt by an individual or entity to conduct such financial transactions shall be reported to OFAC in accordance with OFAC regulations

C. All ~~C~~cash payments must adhere to authorization and payment restrictions as specified in Section 4 – General Provisions, Section 12 – Casino Instruments and Exchanges, and Section 14 – Cage Operations and/or other sections which may be applicable. ~~may be paid in the amount of Three Thousand Dollars (\$3,000.00) \$3,000.00 or less. Payments exceeding Three Thousand Dollars (\$3,000.00) \$3,000.00 may be paid in the form of check or cash at the request of the customer, while the remaining portion in the amount or in excess of Three Thousand Dollars (\$3,000.00) \$3,000.00 shall be satisfied by check.~~

**19.11 Casino Management Systems / Player Tracking Records**

A. For the purpose of complying with Title 31 reporting requirements, if a casino has knowledge of multiple currency transactions, those

transactions shall be treated as a single transaction if the casino has knowledge that they are by or on behalf of any person and result in either cash in or cash out totaling more than Ten Thousand Dollars (\$10,000.00) during any gaming day.

B. Knowledge of multiple transactions below the MTL reporting requirements may occur through the use of casino management systems and/or player tracking data. If the casino system provides knowledge of multiple transactions that meet reporting requirements under these provisions, the casino shall include, within its system of internal control, the processes necessary to capture the data and determine any and all reporting requirements.

C. Player tracking records, when used as a source document for documenting cash activity and when used for the purposes of complying with Title 31, are retained for a period of five (5) years. Summary documents may be retained in lieu of original player rating records if:

1. The established customer file (i.e., player membership file) contains all requirements listed in Section 19.5(E).
2. The summary documents include at a minimum, on a daily basis, all the ~~cash~~ finances transaction information recorded on the original player rating records;
3. Original player rating records are retained for a minimum of thirty (30) days; and,

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4. Both original and summary player tracking records are retained, if possible, when the records are used as support to a SARC.

### 19.12 **Gaming Departmental Standards**

~~The standards in this section apply to all gaming departments and gaming related departments including the security, surveillance, the cage, and accounting departments.~~ The standards in this section apply to all departments within the gaming facility that may encounter reportable transactions, all gaming departments, including but not limited to security, surveillance, the cage, and accounting departments.

A. Job duties and responsibilities of ~~officers~~, employees ~~and agents~~ include:

1. Ensuring that ~~prohibited restricted~~ transactions pursuant to Title 31 do not occur;
2. Properly recording all transactions that fall under the criteria of Title 26 and Title 31 on the appropriate forms and logs and in the manner prescribed by these standards ~~and in accordance with the approved Compliance Program~~;
3. Making a diligent effort to prevent the circumvention ~~of the prohibitions~~ of ~~or~~ the reporting and record keeping requirements of Title 26 and Title 31;

4. Being familiar with what is considered a suspicious transaction, making a diligent effort to identify and report suspicious transaction; and,
5. Having knowledge of Title 26 and Title 31 and the minimum internal control standards relative to the employee's job duties and the ~~gaming casino~~ operation.

~~B. For Title 31 purposes, an independent agent who is not an employee or officer of the gaming facility or a branch office, is considered an agent of the customer, rather than of the gaming facility, when party to a transaction for the benefit of another person. Employees or officers, when performing tasks in the performance of their duties on behalf of a customer, are considered the handler of the transaction rather than an agent of the customer. Employees or officers when conducting a transaction not related to the performance of their duties but rather for their own benefit are considered a customer for a transaction (or an agent if the transaction was for another person's benefit).~~

### ~~19.13 Accounting Department standards~~

~~A. Job duties and responsibilities of officers, employees and agents of the accounting department/retention specialist personnel include:~~

- ~~1. Ensuring that prohibited transactions do not occur.~~

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~~2. Properly recording all transactions that fall under the criteria of Title 26 and Title 31.~~

~~3. Making a diligent effort to prevent the circumvention of the reporting requirements in Title 26 and Title 31 or the reporting and recording keeping requirements of Title 31 by multiple transactions in a designated 24-hour period.~~

~~4. Being familiar with what is considered a suspicious transaction, making a diligent effort to identify suspicious transactions and report such.~~

~~5. Having knowledge of Title 26 and Title 31 and the minimum internal control standards relative to the employee's job duties and gaming operation.~~

B. The accounting / designated department responsible for record retention and filing requirements shall: ~~retention:~~

1. Receive CTCR<sup>2</sup>s, SARC<sup>2</sup>s and MTL<sup>2</sup>s from the various departments and ensure that MTL<sup>2</sup>s are received from all monitoring areas in accordance with established deadlines in this document.

2. Review all documents for compliance with Title 31 and these standards. MTL<sup>2</sup>s are reviewed to ensure that CTCR<sup>2</sup>s were completed for all reportable transactions within a singular monitoring area.

3. Document instances of noncompliance and attempts to obtain any missing information.

4. All exceptions discovered through this accounting review are forwarded to appropriate personnel for follow-up.

5. Sign reports attesting to their review and remit to the appropriate agency.

6. File a copy of each IRS Form for Reporting Winnings, CTCR and SARC and the original MTL<sup>2</sup>s in chronological order and such documents shall be readily available for examination by appropriate regulatory and law enforcement agencies.

7. Accounting department/retention specialist personnel performing the accounting procedures noted in this section ~~standard no. 51~~ are independent of the generation of the documents being examined. Employees from a department other than the accounting department may perform the procedures in this standard if those employees are independent of the generation of the documents being examined and are designated in the approved Compliance Program.

C. On a routine basis, accounting personnel shall ensure that ~~Title 31~~ documents and related documents, including those required by Title 26 and Title 31 and these Financial Curreney Transaction Reporting

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Minimum Internal Control Standards (MICS), are properly maintained.

**19.14 Title 31 Compliance Officer Standards**

The eCompliance eOfficer so designated by the casino operations under their Compliance Program pursuant to Title 31 shall:

- A. Ensures that Title 31 procedure manuals or other appropriate documentation are in place and available to employees for reference purposes when needed.
- B. Ensures that a training program is established, maintained and effective.
- C. Ensures that the system of internal control relative to Title 31 is established, maintained and effective.
- D. Reviews and evaluates any and all Title 31 exceptions and areas of noncompliance including reviewing internal audit and independent accountant findings. Associated follow-up is documented and maintained for inspection.
- E. The Compliance eOfficer may have other job duties but may not be responsible for performing financial transactions that may be reportable under these Standards. gaming department procedures except for those associated with SARC procedures as defined in these standards.

**19.15 Training Program**

- A. A training program shall be established and maintained to instruct employees as to the requirements of Title 26 and Title 31, the Currency Financial Transaction Reporting Minimum Internal Controls Standards MICS, and the gaming casino operations system of internal control.
- B. A training coordinator shall be established who oversees the training program. The training coordinator may have other job duties and the compliance officer may function in this capacity.
- C. Records are maintained to document when training was provided, which the employees receiving the training, and passed and the content of the training session. Copies of these records shall be forwarded to the Commission CNGC for review. inclusion in the licensed employee file.
- ~~D. Casino~~ Eemployees shall receive comprehensive training before they are permitted to function in any capacity that entails the possibility of encountering a Title 26 and/or Title 31 reporting requirement, record keeping requirement or prohibition, or performing accounting department procedures. Accounting department employees shall receive training before they are permitted to function in any capacity that entails performing accounting department procedures relative to Title 26 and/or Title 31.

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- E. ~~Training of each casino employee that functions in any capacity that entails the possibility of encountering a Title 26 and/or Title 31 reporting requirement, record keeping requirement or prohibition, and of each accounting department employee that functions in any capacity that entails performing accounting department procedures relative to these requirements, is ongoing and shall be provided at least annually.~~
- E. Refresher training shall be provided at least annually and shall be documented in accordance with Part C of this section.
- F. An individual employee may be required to attend additional comprehensive training, if deemed to have an excessive number of errors and/or omissions, in order to maintain a license issued by the CNGC.
- G. Comprehensive ~~T~~training shall include, but is not limited to:
1. Presentation of materials relative to ensuring employees have a clear understanding of the requirements in these standards, sample forms, and any appropriate procedure manuals.
  2. Explanation of ~~prohibited restricted~~ transactions (~~Title 31~~), loggable transactions, reportable transactions and suspicious transactions, and reviewing the duties, responsibilities and procedures associated with each employee's position.
3. Review the use of MTL's.
  4. Review the definition of a customer and Agent.
  5. Review the proper completion of IRS Forms ~~for Reporting Winnings~~ (including which form to use for each type of reportable transaction), CTRC, and/or a SARC.
  6. Review the definition of "established customer" and when "established customer-information on file" may be used ~~on a CTRC~~.
  7. Review the documentation and the records that need to be created and maintained relative to these standards.
  8. Explanation of the consequences of noncompliance.