UNITED STATES DEPARTMENT OF THE TREASURY
FinCEN
FINANCIAL CRIMES ENFORCEMENT NETWORK
P.O. Box 39 · Vienna, VA 22183-0039 · www.fincen.gov

FinCEN news releases are available on the internet and by e-mail subscription at **www.fincen.gov**.
For more information, please contact FinCEN's Office of Public Affairs at (703) 905-3770

FOR IMMEDIATE RELEASE
June 3, 2015

CONTACT: Steve Hudak
703-905-3770

FinCEN Fines Tinian Dynasty Hotel & Casino $75 Million for Egregious Anti-Money Laundering Violations

Casino Helped Customers Avoid BSA Reporting

WASHINGTON, DC – The Financial Crimes Enforcement Network (FinCEN) today assessed a $75 million civil money penalty against Hong Kong Entertainment (Overseas) Investments, Ltd., d/b/a Tinian Dynasty Hotel & Casino, in the Northern Mariana Islands for willful and egregious violations of the Bank Secrecy Act (BSA).

As described in the Assessment, Tinian Dynasty failed to develop and implement an anti-money laundering (AML) program. No member of Tinian Dynasty staff was delegated responsibility for day-to-day compliance with the BSA. The casino failed to develop and implement policies and procedures designed to ensure AML compliance, or to detect suspicious transactions; it also never conducted an independent test of its systems to ensure compliance. Further, casino personnel were not trained in BSA recordkeeping requirements or in identifying, monitoring, and reporting suspicious activity.

"Tinian Dynasty didn't just fail to file a few reports," noted FinCEN Director Jennifer Shasky Calvery. "The casino operated for years without an AML program in place. It failed to file thousands of CTRs and its management willfully facilitated suspicious transactions and even provided helpful hints for skirting and avoiding the laws in the U.S. and overseas. Tinian Dynasty's actions presented a real threat to the financial integrity of the region and the U.S. financial system."

Tinian Dynasty accommodated patrons who desired to conduct financial transactions with large amounts of cash without the casino reporting the transactions. During a criminal investigation, undercover agents, posing as customers, told casino staff that they planned to gamble large amounts of money and requested that the casino not report their transactions to the government. In another interaction, the casino's VIP Manager assured an undercover agent, posing as a

representative of a Russian businessman, that his client could bring large amounts of currency, and the casino would not file reports relating to these transactions. Instead of reporting the transactions as suspicious, Tinian Dynasty accommodated these requests. And, in some instances, casino employees provided detailed instructions on how these patrons could conduct transactions without being reported or attracting law enforcement scrutiny.

Tinian Dynasty also willfully violated the requirement to file other currency transaction reports and suspicious activity reports. During the undercover investigation, agents conducted several currency transactions well above the CTR threshold, yet the casino failed to file required reports. During a 2013 search of Tinian Dynasty, law enforcement agents discovered a stack of more than 2,000 unfiled CTRs. When asked about these CTRs, the casino's Chief Auditor said that he assumed that filing them was a low priority because nobody ever noticed that they were not being filed.

Director Shasky Calvery expressed her appreciation to the Internal Revenue Service-Criminal Investigation Division and to the United States Attorney's Office for the Districts of Guam and the Northern Mariana Islands for their contributions to the investigation and strong partnership with FinCEN.

###

FinCEN's mission is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.