

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
FINANCIAL CRIMES ENFORCEMENT NETWORK**

IN THE MATTER OF:)	
)	
)	
CG Technology, L.P.,)	Number 2016-05
f/k/a Cantor G&W (Nevada), L.P.)	
d/b/a Cantor Gaming)	
)	
Las Vegas, Nevada)	

ASSESSMENT OF CIVIL MONEY PENALTY

I. INTRODUCTION

The Financial Crimes Enforcement Network (FinCEN) has determined that grounds exist to assess a civil money penalty against CG Technology, L.P., formerly known as, Cantor G&W (Nevada) L.P. d/b/a Cantor Gaming (CG Technology), pursuant to the Bank Secrecy Act (BSA) and regulations issued pursuant to that Act.¹ CG Technology admits to the facts set forth in Attachment A and that its conduct violated the BSA. CG Technology consents to this assessment of a civil money penalty and enters into the CONSENT TO THE ASSESSMENT OF CIVIL MONEY PENALTY (CONSENT) with FinCEN.

The CONSENT is incorporated into this ASSESSMENT OF CIVIL MONEY PENALTY (ASSESSMENT) by reference.

FinCEN has the authority to investigate casinos and their partners, directors, officers, and employees for compliance with and violation of the BSA pursuant to 31 C.F.R. § 1010.810,

¹ The Bank Secrecy Act is codified at 12 U.S.C. §§ 1829b, 1951–1959 and 31 U.S.C. §§ 5311–5314, 5316–5332. Regulations implementing the Bank Secrecy Act currently appear at 31 C.F.R. Chapter X.

which grants FinCEN “[o]verall authority for enforcement and compliance, including coordination and direction of procedures and activities of all other agencies exercising delegated authority under this chapter.”

CG Technology operates race and sports books in Nevada. CG Technology also offers mobile gaming within the state of Nevada and provides gaming technology to casino customers globally. CG Technology currently holds non-restricted gaming licenses, originally acquired in 2009, with approvals from the Nevada Gaming Commission to operate a race book, sports pool, off-track parimutuel race wagering, and off-track parimutuel sports wagering at multiple establishments in Nevada, including the M Resort Spa Casino, the Hard Rock Hotel & Casino, the Tropicana, the Cosmopolitan, the Venetian Casino Resort, the Palms Casino Resort and the Silverton Casino Lodge.

The Internal Revenue Service (IRS) examines casinos for compliance with the BSA under authority delegated from FinCEN. In 2010, IRS examined the operations of CG Technology and identified significant BSA violations. Subsequent investigations from FinCEN and the United States Attorney’s Offices for the Eastern District of New York and District of Nevada identified additional significant BSA violations.

II. RESOLUTION WITH THE UNITED STATES DEPARTMENT OF JUSTICE

On the same date as the CONSENT, CG Technology entered into a Settlement Agreement with the United States Attorney’s Offices for the Eastern District of New York and District of Nevada, which have agreed not to proceed against CG Technology for conduct described in its Statement of Facts. Under that Agreement, CG Technology agreed to pay a combined penalty and forfeiture amount of \$16,500,000 and engage in the remedial steps also

outlined in the Remedial Framework set forth in Attachment B to the CONSENT and this ASSESSMENT.

III. DETERMINATIONS

From March 1, 2009 through September 28, 2015, CG Technology willfully violated the BSA's program, reporting, and recordkeeping requirements.² CG Technology willfully (a) failed to implement and maintain an effective anti-money laundering program;³ (b) failed to report certain suspicious activity;⁴ (c) failed to report certain transactions involving currency in amounts greater than \$10,000;⁵ and (d) failed to keep appropriate records as required by the BSA and its implementing regulations.⁶

These violations, and the governing facts and law surrounding the violations, are described more fully in Attachment A, which is incorporated by reference.

IV. CIVIL MONEY PENALTY

FinCEN has determined that CG Technology willfully violated the program, reporting, and recordkeeping requirements of the BSA and its implementing regulations, as described in the CONSENT and in Attachment A, and that grounds exist to assess a civil money penalty for these violations.⁷

² In civil enforcement of the BSA under 31 U.S.C. § 5321(a)(1), to establish that a financial institution or individual acted willfully, the government need only show that the financial institution or individual acted with either reckless disregard or willful blindness. The government need not show that the entity or individual had knowledge that the conduct violated the BSA, or that the entity or individual otherwise acted with an improper motive or bad purpose. CG Technology admits to "willfulness" only as the term is used in civil enforcement of the BSA under 31 U.S.C. § 5321(a)(1).

³ 31 U.S.C. §§ 5318(a)(2) and 5318(h) and 31 C.F.R. § 1021.210.

⁴ 31 U.S.C. § 5318(g) and 31 C.F.R. § 1021.320.

⁵ 31 U.S.C. § 5313 and 31 C.F.R. §§ 1010.306(d), 1021.311, 1021.312.

⁶ 31 C.F.R. § 1021.410.

⁷ 31 U.S.C. § 5321 and 31 C.F.R. § 1010.820.

FinCEN has determined that the penalty in this matter will be \$12,000,000, of which \$6,000,000 will be concurrent with the forfeiture agreed to by CG Technology in the Settlement Agreement with the United States Attorney's Offices for the Eastern District of New York and District of Nevada. Accordingly, the penalty imposed by FinCEN will be satisfied by the forfeiture and one payment of \$6,000,000 to the U.S. Department of the Treasury.

V. UNDERTAKINGS

By executing the CONSENT, CG Technology agrees to the undertakings set forth in the Remedial Framework in Attachment B. Failure to comply with any provision of the Remedial Framework will constitute a violation of the CONSENT. If FinCEN determines that a failure to comply with the Remedial Framework has occurred, FinCEN may take any enforcement action against CG Technology it deems appropriate, notwithstanding the Release in Part VIII below. Additional actions taken by FinCEN may include, but are not limited to, the imposition of additional civil money penalties, injunctive orders, or ordering other remedial actions within the authorities of FinCEN.

VI. CONSENT TO ASSESSMENT

To resolve this matter, and only for that purpose, CG Technology consents to this assessment of a civil money penalty in the sum of \$12,000,000 set forth in Part IV above, and to the undertakings set forth in the Remedial Framework in Attachment B. CG Technology admits to the Statement of Facts set forth in Attachment A and admits that it willfully violated the BSA's program, reporting, and recordkeeping requirements.

CG Technology recognizes and states that it enters into the CONSENT freely and voluntarily and that no offers, promises, or inducements of any nature whatsoever have been

made by FinCEN or any employee, agent, or representative of FinCEN to induce CG Technology to enter into the CONSENT, except for those specified in the CONSENT.

CG Technology understands and agrees that the CONSENT embodies the entire agreement between CG Technology and FinCEN relating to this enforcement matter only, as described in Part III above and in Attachment A. CG Technology further understands and agrees that there are no express or implied promises, representations, or agreements between CG Technology and FinCEN other than those expressly set forth or referred to in this document and that nothing in the CONSENT or in this ASSESSMENT is binding on any other agency of government, whether Federal, State, or local.

VII. PUBLIC STATEMENTS

CG Technology expressly agrees that it shall not, nor shall its attorneys, agents, partners, directors, officers, employees, affiliates, or any other person authorized to speak on its behalf, make any public statement contradicting either its acceptance of responsibility set forth in the CONSENT or any fact in the DETERMINATIONS section of the CONSENT or Attachment A to the CONSENT. FinCEN has sole discretion to determine whether a statement is contradictory and violates the terms of the CONSENT. If CG Technology, or anyone claiming to speak on behalf of CG Technology, makes such a contradictory statement, CG Technology may avoid a breach of the agreement by repudiating such statement within 48 hours of notification by FinCEN. If FinCEN determines that CG Technology did not satisfactorily repudiate such statement(s) within 48 hours of notification, FinCEN may void, in its sole discretion, the releases contained in the CONSENT and reinstitute enforcement proceedings against CG Technology. CG Technology expressly agrees to waive any statute of limitations defense to the reinstated enforcement proceedings and further agrees not to contest any admission or other

findings made in the CONSENT or Attachment A to the CONSENT. This paragraph does not apply to any statement made by any present or former officer, director, employee, or agent of CG Technology in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of CG Technology or unless CG Technology later ratifies such claims, directly or indirectly. CG Technology further agrees that, upon notification by FinCEN, CG Technology will repudiate such statement to the extent it contradicts either its acceptance of responsibility or any fact in the CONSENT or Attachment A to the CONSENT.

VIII. RELEASE

Execution of the CONSENT, and compliance with the terms of this ASSESSMENT and the CONSENT, settles all claims that FinCEN may have against CG Technology for the conduct described in Section III of the CONSENT and in Attachment A to the CONSENT. Execution of the CONSENT, and compliance with the terms of this ASSESSMENT and the CONSENT, does not release any claim that FinCEN may have for conduct other than the conduct described in Section III of the CONSENT and Attachment A to the CONSENT, or any claim that FinCEN may have against any party other than CG Technology, such parties to include, without limitation, any other director, officer, or employee of CG Technology. Upon request, CG Technology shall truthfully disclose to FinCEN all factual information not protected by a valid claim of attorney-client privilege or work product doctrine with respect to the participation of its current or former directors, officers, employees, or agents in the conduct described in Section III of the CONSENT and Attachment A to the CONSENT.

If FinCEN determines, in its sole judgment, CG Technology has breached any portion of its agreement, FinCEN may void, in its sole discretion, the releases contained in the CONSENT

