



Financial Crimes Enforcement Network

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FinCEN Analysis Shows How Casino Reporting of Suspicious Activity Has Increased Annually since 2004

VIENNA, Va. – The Financial Crimes Enforcement Network (FinCEN) today reported filings of suspicious activity reports by casinos and card clubs (SAR-Cs), which grew annually from 2004 to 2010, a period when gaming activities also continued to expand. Filings rose to 13,986 in 2010, up from 5,962 in 2004. The report also shows 8,327 SAR-Cs were filed in the first half of 2011. The data are found in a new FinCEN report [Suspicious Activity Reporting in the Gaming Industry](#).

The report found that the types of activities reported in SAR-Cs reflected known money laundering and criminal techniques. For instance, the types of activities described most frequently in SAR-C narratives, the section of the SAR-C where filers provide details of what they detect, were suspected structuring of cash transactions to avoid the currency transaction report (CTR) threshold of more than \$10,000, and financial transactions with minimal or no gaming activity.

“SAR-Cs provide meaningful information and serve as a valuable tool to help law enforcement deter and track illicit activity,” said FinCEN Director James H. Freis, Jr. “In addition, FinCEN’s latest report on the gaming industry is another indication that prior adjustments to [FinCEN’s rules and guidance](#) to reduce extraneous reporting have helped casinos to focus on providing information that is truly useful to law enforcement.”

With the growth of SAR-Cs during the study period, which paralleled a significant expansion of gaming operations across the United States, the casino industry has increasingly provided valuable information to FinCEN and its law enforcement customers seeking to deter and detect criminal abuse of the gaming industry.

In addition, FinCEN reports that state-licensed casinos submitted 70 percent of SAR-Cs, tribal casinos 26 percent, and card clubs 2 percent of SAR-Cs. The remainder were filed by race tracks and cruise ships that also have casinos. The analysis shows that by state, New Jersey was the top

filer with 22 percent of the number of SAR-Cs filed, followed closely by Nevada with 19 percent SAR-Cs filed. In dollar terms, however, Nevada filed SAR-Cs with transaction amounts of \$782 million, or 44 percent, of the dollar amount included on SAR-C filings. New Jersey had nearly \$292 million, 17 percent, of the total dollar amount included on SAR-C filings.

Based on total filings, the average dollar amount of suspicious activity reported per filing was \$23,664, and the median was \$10,000. However, some casinos reported much higher amounts: reports by one casino averaged \$402,319. Over the study period, the total amount of suspicious activity reported was \$1.77 billion.

In 2007, FinCEN issued a rule to exclude from currency transaction report (CTR) requirements jackpots from slot machines and video lottery terminals. The rule also exempted from CTR filing certain transactions between casinos and currency dealers or exchangers and between casinos and check cashers. The basis for the exemption is that these types of transactions pose little risk of money laundering or tax evasion, or would be duplicative of other BSA reporting, while allowing casinos to focus attention to areas of greater risk of money laundering or other illicit financial activity.

In addition, a closer examination of SAR-Cs in the new report reveals that where the casino or card club indicated “other” as the characterization of suspicious activity, the narrative section often included allegations that patrons displayed unusual behavior or that employees violated casino policies. (Note to Editors: In 2009, FinCEN issued an [advisory related to structuring](#) by patrons and casino employees.) Filers also reported the use of false or invalid identification, fraud against the casino involving checks or other monetary instruments, and unusual transactions indicative of money laundering.

Complete information about FinCEN’s regulations and additional reports can be found on [FinCEN’s Casino Homepage](#).

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*F*inCEN's mission is to enhance U.S. national security, deter and detect criminal activity, and safeguard financial systems from abuse by promoting transparency in the U.S. and international financial systems.