

UNITED STATES DEPARTMENT OF THE TREASURY



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FOR IMMEDIATE RELEASE

September 8, 2015

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FinCEN Reaches \$8 Million Settlement with Caesars Palace for Lax Anti-Money Laundering Controls on High Rollers

Casino Agrees to External Audits, Reviews, and Enhanced Training

WASHINGTON—The Financial Crimes Enforcement Network (FinCEN) today announced a settlement with Desert Palace, Inc. d/b/a Caesars Palace where Caesars agreed to pay an \$8 million [civil money penalty](#) for its willful and repeated violations of the Bank Secrecy Act (BSA). In addition, the casino agreed to conduct periodic external audits and independent testing of its anti-money laundering (AML) compliance program, report to FinCEN on mandated improvements, adopt a rigorous training regime, and engage in a “look-back” for suspicious transactions.

Several failures at Caesars caused systemic and severe AML compliance deficiencies. The casino allowed a blind spot to exist in its compliance program—private gaming salons—which are reserved for Caesars’ wealthiest clientele who may gamble millions of dollars in a single visit, and which openly allowed patrons to gamble anonymously. Despite the elevated money laundering risks present in these salons, Caesars failed to impose appropriate AML scrutiny, which allowed some of the most lucrative and riskiest financial transactions to go unreported. Caesars also marketed these salons through branch offices in the U.S. and abroad, particularly in Asia, but failed to adequately monitor transactions, such as large wire transfers, conducted through these offices for suspicious activity. These failures compromised Caesars, and exposed the casino and the U.S. financial system to illicit activity.

“Caesars knew its customers well enough to entice them to cross the world to gamble and to cater to their every need,” said FinCEN Director Jennifer Shasky Calvery. “But, when it came to watching out for illicit activity, it allowed a blind spot in its compliance program. Every business wants to impress its customers, but that cannot come at the risk of introducing illicit money into the U.S. financial system.”

Director Shasky Calvery expressed her appreciation to the Internal Revenue Service, Small Business/Self-Employed Division, which performed the examinations of Caesars, for its contributions to the investigation, and for its strong partnership with FinCEN. She also thanked the Criminal Investigation Division of the IRS, the United States Attorney's Office for the District of Nevada, the Nevada Gaming Control Board, and the Attorney General's Office for the State of Nevada for their significant contributions to the investigation.

Caesars petitioned for bankruptcy in January 2015. That bankruptcy remains pending, and this consent agreement must be approved by the bankruptcy court. Director Shasky Calvery expressed her gratitude to the United States Attorney's Office for the Northern District of Illinois for its assistance with this enforcement action, including representing FinCEN in the bankruptcy litigation.

UPDATE: FinCEN Issues Assessment after Court Approval of FinCEN's settlement with Desert Palace, Inc. d/b/a Caesars Palace (11/06/2015)

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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.