



UNITED SOUTH AND EASTERN TRIBES, INC.
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May 22, 2006

Financial Crimes Enforcement Network
P.O. Box 39
Vienna, VA 22183

Re: Proposed Regulations: RIN 1506-AA84

Dear Sir or Madam:

The United South and Eastern Tribes ("USET") hereby submits comments with respect to the above-referenced notice of proposed rulemaking, which was published in the Federal Register on March 21, 2006.

USET is an affiliation of twenty-four federally-recognized Indian nations located predominantly in the eastern United States. Our membership is comprised, in part, of several tribes with substantial casino operations, including the Mohegan Tribe of Connecticut, the Seminole Tribe of Florida, the Mississippi Band of Choctaws, the Oneida Indian Nation, the Seneca Nation, the Miccosukee Tribe of Florida, the Tunica-Biloxi Tribe of Louisiana and the Mashantucket Pequot Tribal Nation.

In my capacity as President of USET, I would like to offer the following comments with respect to FinCEN's proposed amendments to the Bank Secrecy Act regulations (RIN 1506-AA84).

Jackpots from Slot Machines and Video Lottery Terminals ("VLTs") — 103.22(b)(2)(ii) and 103.22(b)(2)(iii)

USET endorses the proposed deletion of machine jackpots from the list of reportable cash-out transactions in currency. USET believes, however, that this proposed exclusion should be expanded to include table game jackpots.

Many table games have a jackpot component (e.g., Caribbean stud poker). Jackpots are typically only awarded if the player (1) elects to participate in the progressive jackpot by inserting a token (usually a \$1 side bet) into a designated slot on the table, and (2) he draws one of the few qualifying hands. For example, in a typical game of Caribbean stud poker, a player will win the entire progressive jackpot if he draws a royal flush. Table game jackpots are won only if randomly dealt face cards appear in a predetermined sequence. In other words, the same principles of probability and randomness that govern a slot machine's random number generator apply to the cards needed to win a table game jackpot. Thus, table game jackpots, like machine jackpots, are not likely to form part of a scheme to launder funds through a casino. Further, virtually all casino jackpots are reported to the IRS, pursuant to Title 26 (typically on an IRS form W-2G or 1099). Thus, the interests of both FinCEN and casino operators would be well served by expanding the proposed reporting exemption for slot machines and VLTs to include table game jackpots.

Bills Inserted into Electronic Gaming Devices — 103.22(b)(2)(i)(I)

USET strongly opposes the proposed addition of new regulatory language that would include "bills inserted into electronic gaming devices" as a type of cash-in transaction for reporting purposes. This proposal is problematical and unworkable for several reasons.

"Because there is strength in Unity"

Page 2
Financial Crimes
Enforcement Network
May 22, 2006

Although many casino patrons enroll in "frequent player programs" so that their slot machine play can be tracked and they can earn points towards complimentary goods and services ("comps"), many other customers do not. In other words, at most casinos in the United States a customer can walk in off the street and insert currency in a slot machine without presenting any identification. In these situations—where a patron inserts currency into a slot machine without establishing an account with the casino—it is not possible to track the transaction. The identity of the patron is not known. Further, while it may be possible to monitor the amount of currency that has been inserted in a slot machine, it is not possible to ascertain who actually inserted the currency. For example, during the course of an hour, \$11,000 in currency can be easily inserted in a high-end slot machine. However, whether that currency was inserted by one player or five players cannot be determined unless each patron has enrolled in the casino's "frequent players program" and is using his issued player's card.

Further, it is erroneous to suggest that "cash-in" transactions at a slot machine are analogous to the purchase of a token or chip with currency. Chip purchases involve two individuals: the patron and a dealer at the table (or a cashier at the cage). In a chip purchase situation, ascertaining the identity of the patron and calculating the precise amount of the purchase is easy. A slot machine transaction, by contrast, involves one individual and one machine. The machine is powerless to figure out the identity of the individual inserting the bills unless that individual has obtained and is using a player's card. Further, even when the cash inserted equals \$10,000, the machine cannot ascertain whether the \$10,000 came from one or multiple individuals.

Even where a patron uses his player's card, it is not possible to ascertain with certainty the identity of the person using the card. Anyone can use a given player's card as long as they know the PIN. Further it is not uncommon for friends and family members to share a single card. In those situations, it cannot be determined with certainty who is actually inserting the bills into the gaming device. In addition, if a patron inadvertently leaves his card in a machine and another customer inserts currency into that machine, the "cash-in" attributed to the first player will be overstated.

Finally, the "bill-in" meters in conventional slot machines are electro-mechanical devices and, consequently, sometimes malfunction. There are no systems in place at most casinos to attribute the malfunction for purposes of calculating cash in transactions.

For all the foregoing reasons, USET urges FinCEN to reject the proposed expansion of the term "cash-in transaction" to include "bills inserted into electronic gaming devices."

Sincerely,

A handwritten signature in black ink that reads "Keller George". The signature is written in a cursive, flowing style.

Keller George, President
United South and Eastern Tribes, Inc.

KG/amc