



1 Mohegan Sun Boulevard

Uncasville, CT 06382

860.862.8000

May 22, 2006

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

Re: Comments on Proposed Regulations: RIN 1506-AA84

Dear Sir or Madam:

On behalf of the Mohegan Tribal Gaming Authority (*dba* the Mohegan Sun Casino), 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 – 103.22(b)(2)(ii) and 103.22(b)(2)(iii)

The Mohegan Sun Casino endorses the proposed deletion of machine jackpots from the list of reportable cash out transactions in currency. We believe, 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, Pai Gow poker). Jackpots are only awarded if the player (1) selects to participate in the progressive jackpot by inserting a token (usually a \$1 side bet) into the 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 progressive jackpot if he draws a royal flush (the odds of which are one in 649,739). 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 and VLT to include table game jackpot.

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

The Mohegan Sun Casino 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:

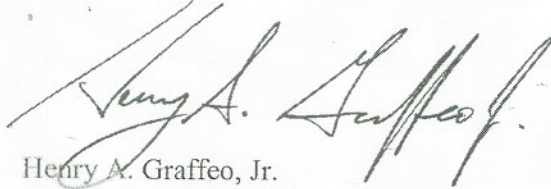
- Although many patrons of the Mohegan Sun Casino have elected to establish a Players Club account so their slot machine play can be recorded (and they can earn Players’ points), many other customers have not. In other words, a customer can walk in off the street, insert currency in a Mohegan Sun slot machine without presenting any identification. This is true in most casinos in the United States. 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 is using a Players Card.
- 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). Ascertaining the identity of the patron making the chip purchase and the precise amount of that purchase is relatively 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 Players 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 a Players Card, it is not possible to ascertain with certainty the identity of the person using the card. Anyone can use a given Players Card. Further it is not uncommon for friends and family members to share a single Players 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 attributed to the first player will be overstated.

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

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

The Mohegan Sun Casino does not oppose, and has no comment with respect to, the other proposed regulatory changes set forth in RIN1506-AA84.

Respectfully,



Henry A. Graffeo, Jr.
Casino Compliance Director

cc: Leo Chupaska
Marcel Vernon
Eric Facer
Doreen Scovish