



Financial Crimes Enforcement Network

A bureau of the U.S. Department of the Treasury

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FOR IMMEDIATE RELEASE
December 22, 2008

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FinCEN Report: New Rule Dramatically Reduces Casino CTR Filings

VIENNA, Va. – The Financial Crimes Enforcement Network (FinCEN) reported in its new study that the number of currency transaction reports filed by casinos (CTRCs) fell by more than a third after FinCEN reduced reporting requirements on certain categories of transactions that FinCEN had determined do not pose a significant risk for money laundering, terrorist financing or tax evasion.

As demonstrated by this latest report, FinCEN is committed to providing feedback to its regulated industries within 18 months of the effective date of new rules or changes to existing regulations as part of the bureau's efficient and effective administration of the Bank Secrecy Act.

"FinCEN is working with industry so that casinos and all financial institutions can focus their attention on areas with greater likelihood of fraud, terror financing and money laundering rather than spending time on redundant filings," FinCEN Director James H. Freis, Jr. said in announcing the study entitled [*An Assessment of Currency Transaction Reports Filed by Casinos between July 1, 2006 and June 30, 2008.*](#) "This report – together with casino reporting rule changes – shows how FinCEN and industry are working jointly to focus where there is greater risk."

The number of CTRC filings during the period from July 2007 through June 2008 dropped by 35 percent, or 285,000, after FinCEN issued a rule exempting jackpots from slot machines and video lottery terminals. FinCEN compared filings during the period from July 2007 through June 2008, with filings during the 12-month period preceding issuance of the rule. During the period from July 2007 through June 2008, the number of filings on cash out payments from jackpots on wagers in slot machines and video lottery terminals fell to 112,027, a decrease of 74 percent, from 426,325 during the 12-month period preceding issuance of the rule.

The reasoning behind the 2007 rule change was that jackpot winnings in excess of \$10,000 at slot machines or video lottery terminals are random and not likely to be part of a scheme to

launder funds through the casino. Further, winnings on jackpots of \$1,200 or more must be reported to the Internal Revenue Service.

The rule also excluded currency transactions exceeding \$10,000 conducted between casinos and currency dealers or exchangers, and between casinos and check cashers, which are routine and contractual casino business transactions. Requiring a casino to file CTRCs for these transactions resulted in duplicative reporting, since currency dealers or exchangers and check cashers are already required to file CTRs on these transactions. The 2007 rule change eliminated this duplication of effort.

The drop in CTRC filings confirms the expected results of the rule change to promote more efficient allocation of resources by the casino industry and the government while effectively getting law enforcement information necessary to pursue the common goal of fighting crime, terrorist financing, and other illicit activity.

This study also evaluated the quality of CTRC filings. A higher quality of CTRC reporting increases the usefulness to law enforcement in criminal, tax, regulatory and counterterrorism investigations.

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The mission of the Financial Crimes Enforcement Network is to safeguard the financial system from the abuses of financial crime, including terrorist financing, money laundering, and other illicit activity. We achieve this mission by: administering the Bank Secrecy Act; supporting law enforcement, intelligence, and regulatory agencies through sharing and analysis of financial intelligence; building global cooperation with our counterpart financial intelligence units; and networking people, ideas, and information.