

Indiana Gaming Commission Business Meeting September 26, 2024

Gaming Integrity Division

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Gaming Integrity Division Mission Statement

To proactively work in partnership with casinos to analyze information and when appropriate conduct investigations with other initiatives to deter financial crimes and other activities negatively impacting the integrity of the gaming industry in Indiana while ensuring compliance with all Federal and State BSA/AML requirements.

Summary

About the Gaming Integrity Team

- Organizational Chart
- Team Members

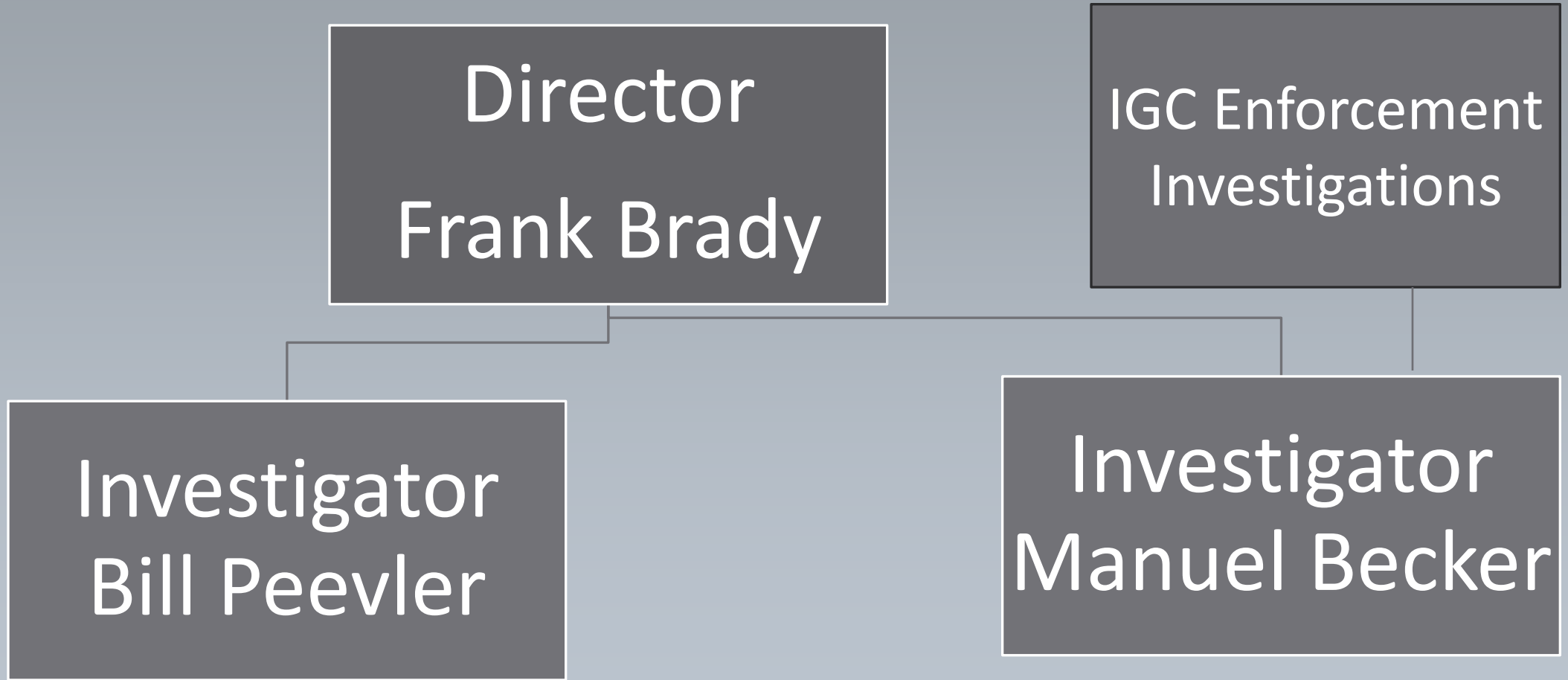
Federal/State Regulations and Industry Standards

- Title 31 AML/BSA and 18 USC 1956
- SOI Money Laundering IC 35-45-15-5
- American Gaming Association - Best Practices

Criminal Investigations

- Examples

Organizational Chart



Gaming Integrity Division



Bank Secrecy Act (BSA) & Anti-Money Laundering

New Tripoli Bank
Because people are more valuable than money.

An infographic illustrating various money laundering techniques. It features several icons: a bank building labeled 'BANK', a person at a computer labeled 'FAKE DOCUMENTS', a person at an ATM labeled 'OFFSHORE ACCOUNT', a stack of money labeled 'MONEY CASH', a person in a suit labeled 'BRIBE', a prison cell labeled 'PRISON', and a bomb labeled 'CRIME AND TERRORISM'. A central figure is shown interacting with an ATM.

FINANCIAL INSTITUTION FRAUD

CPE CREDIT: 8
COURSE LEVEL: Overview
FIELD OF STUDY: Accounting Knowledge

ACFE
Association of Certified Fraud Examiners

SELF-STUDY CPE COURSE

The image shows the cover of a self-study CPE course. The title is 'FINANCIAL INSTITUTION FRAUD'. The cover features a photograph of a modern skyscraper with a large dollar sign on its facade. The ACFE logo and name are prominently displayed at the bottom.



Casinos are Financial Institutions



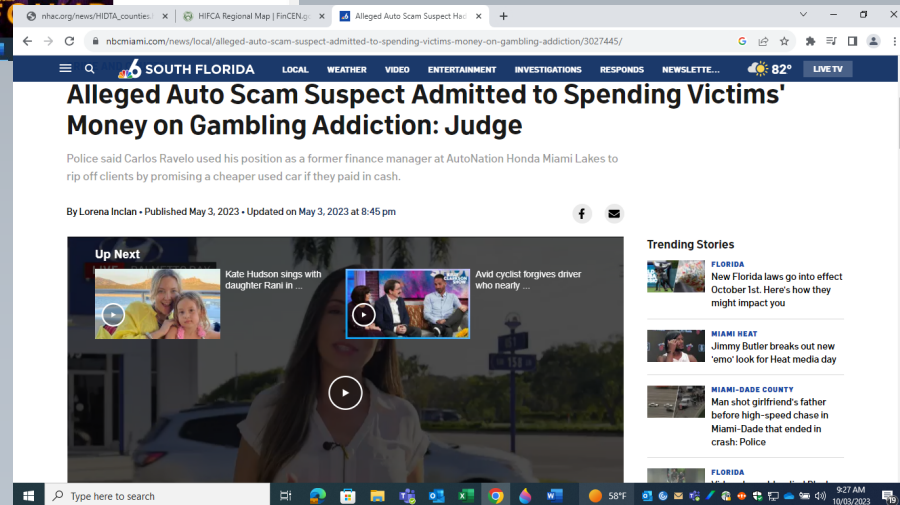
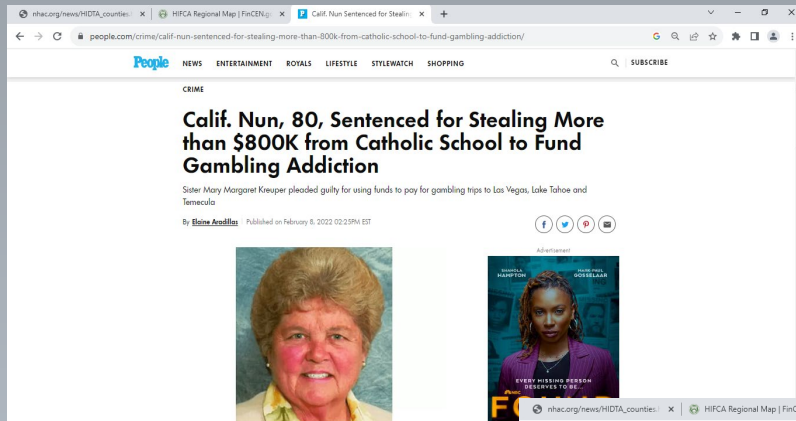
Under Title 31 the Internal Revenue Service (IRS) and the Financial Crime Enforcement Network (FinCEN) consider Casinos, which have a gross annual revenues of more than \$1,000,000,000.00, as Financial Institutions just like banks. As a result, Casinos are subject to the Bank Secrecy Act (BSA) requiring an effective written anti-money laundering (AML) program. Each casino completes an AML risk analysis based on the casino's location, products and services. These casino AML programs are audited by the GID annually.

American Gaming Association Best Practices

Each casino property conducts an annual AML Risk Assessment using AGA, IRS and FINCEN guidelines to establish BSA/AML policies and procedures that meet the five pillars of AML compliance in financial institutions.

- **Designation of a Compliance Officer** – Begins with buy in from the top. Providing resources and time for the establishment of a robust AML compliance program.
- **Written Internal Policies, Procedures and Controls** – These need to meet the AGA, IRS and FINCEN guidelines and regulations. These Internal Policies, Procedures and Controls are implemented with a strong requirement for enforcement.
- **Ongoing Training for Employees** – Training all employees to identify and report potential AML violations should be highly encouraged. Continuous training of Internal Policies, Procedures and Controls will promote their importance.
- **Independent Review** – Internal Audit reviews work well in conjunction with independent external audits.
- **Customer Due Diligence** – Strong and comprehensive KYC programs with implementation of Enhanced Due Diligence (EDD) when warranted.

Why is this important?



Criminal Investigation Examples

Casinos and Sports Wagering



Criminal Investigation Examples

Financial Fraud

Check Fraud , Tax Fraud, Identity Theft, Credit/Debit Card Fraud

Embezzlement

Residential Care , Family Business

Human Trafficking and Human Smuggling

Illicit Massage Business (IMB's)

Transnational M/L

HAWALA, Money Laundering Organizations

Narcotics Trafficking

Marijuana, Fentanyl, Methamphetamine

Money Laundering



Totals

\$242,000.00 in \$20 Bills

\$20,000.00 in \$50 Bills

-\$2,000.00 returned to Q

\$260,000 in \$5,000.00 Chips

\$3,540 handed to Male associate from green backpack

Unknown amount still in green backpack

Money Laundering – I.C. 35-45-15-5

Patron brings in \$41K in \$20 bills and buys casino chips. Less than 1 hour later patron returns to cash in his chips of \$49K. Three days later patron again brings \$35K in \$20 bills and cashes out \$44K with minimal gaming.

In each occurrence the patron provides different identifying information and subsequently causes the casino to file fictitious records with FINCEN.



Narcotics Investigations



Mr. DC from Lexington, KY

Federal parole for prior drug trafficking conviction.

Wagering activity at Southern IN casinos, of interest was the sudden large amounts of currency brought into the sportsbook with unknown source of funds. The sports wagers ranged in amounts of a few hundred dollars to \$160,000.00 in US Currency (Cash).

A joint investigation by the Nicholasville, KY PD and Federal Parole agents found DC was involved drug trafficking. Case was later adopted by the IRS CID unit for the Narcotics Trafficking and Money Laundering charges.

Casino records assisted in documenting \$3.2 million in transactions.

Sentenced to 7 years and 9 months Distribution of Marijuana and Money Laundering

This case was later cited in the US Treasury 2024 Risk Assessment Report.

Gaming Integrity Division Goal

The ultimate investigative goal of these comprehensive, integrated, and parallel financial investigations is to gather all applicable information and present potential criminal activity cases to local prosecutors, law enforcement agencies, and federal authorities for criminal prosecution, or to assist those entities with their own investigations. In this endeavor creating working relationships with County Prosecutors, Local Law Enforcement, State and Federal agencies.

The Gaming Integrity Division also works with IGC Enforcement Agents and Investigators with comprehensive criminal investigations of major violators or investigations involving several properties and assisting as a liaison with Federal and State agencies.

Questions



Contact Information

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Gaming Integrity Division

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Resources

Money Laundering in British Columbia <https://www.cullencommission.ca/com-rep/>

FINCEN Advisory Guidelines for Casinos <https://www.fincen.gov/resources/advisories/fincen-guidance-fin-2008-g007>

FINCEN Risk-Based Approach to Assessing Customer Relationships and Conducting Customer Due Diligence <https://www.fincen.gov/news/news-releases/joint-statement-risk-based-approach-assessing-customer-relationships-and>