



Mille Lacs Band of Ojibwe Indians
Gaming Regulatory Authority
Detailed Gaming Regulations

BANK SECRECY ACT COMPLIANCE

Document No. DGR - 17

Effective: November 22, 2005

Section 1. Special Definitions. Special terms as used in this part, as applied to casinos:

- A. "Business year" means the annual accounting period, such as a calendar or fiscal year, by which a casino maintains its books and records for purposes of subtitle A of title 26 of the United States Code.
- B. "Casino account number" means any and all numbers by which a casino identifies a customer.
- C. "Customer" includes every person that is involved in a transaction to which this part applies with a casino, whether or not that person participates, or intends to participate, in the gaming activities offered by that casino.
- D. "Gaming day" means the normal business day of a casino. For a casino that offers 24 hour gaming, the term means that 24 hour period by which the casino keeps its books and records for business, accounting, and tax purposes. For purposes of the regulations contained in this part, each casino may have only one gaming day, common to all of its divisions.
- E. "Machine-readable" means capable of being read by an automated data processing system.

Section 2. Currency Transaction Reports and Multiple Transaction Logs.

- A. \$2,500 Threshold. Each Gaming Enterprise shall establish procedures for tracking and reporting cash transactions or a series of such transactions, that occur in the same gaming day, in excess of two thousand five hundred dollars (\$2,500); and
- B. \$10,000 Reporting Requirement. Each Gaming Enterprise shall establish procedures for reporting cash transactions made by a gaming patron during a gaming day that exceeds ten thousand dollars (\$10,000) on a currency transaction report.

The report shall be filed with the Internal Revenue Service within fifteen days of the transaction occurring and a copy shall be simultaneously filed with the GRA/OGR&C. Currency transaction reports shall be filed for any single transaction or series of related multiple transactions with the same directional flow.

- C. Submit to Accounting Dept. The reports shall be submitted to the Accounting Department of the Gaming Enterprise on a daily basis and maintained for a period of five (5) years.
- D. Collaboration. If casino personnel become aware that two or more persons are conducting gaming activities as if they were one party (e.g. husband and wife), their activity is to be treated as if from a common bankroll. The Multiple Transaction Control Log is to be updated and tracked as if they are one customer for purposes of the \$10,000 threshold.
- E. Responsibility for Reporting. Cage, Pit and Slot personnel are responsible for communicating with other personnel to ensure, to the best of their ability and knowledge, that all transaction reports are completed.
- F. Other Compliance. Compliance with these Regulations does not release the Gaming Enterprise from its obligation to comply with applicable federal regulations.

Section 3. Cash Transactions. Cash transactions involving cash in or cash out in excess of ten thousand dollars (\$10,000) cumulatively within a Gaming Enterprise's gaming day must be reported by the Gaming Enterprise. The information to be reported shall include, but is not limited to, the following:

- A. Cash in. Cash in, including, but not limited to, the following:
 - (1) Purchases of chips and tokens;



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- (2) Front money and safekeeping deposits;
 - (3) Bets of currency, including money plays;
 - (4) Purchases of a Gaming Enterprise check;
 - (5) Exchanges of currency for currency, including foreign currency; and
 - (6) Bills inserted into electronic gaming devices.
- B. Cash out. Cash out, including, but not limited to, the following:
- (1) Redemptions of chips, tokens, and tickets;
 - (2) Payments on bets;
 - (3) Front money and safekeeping withdrawals;
 - (4) Cashing of checks;
 - (5) Exchange of currency for currency, including foreign currency;
 - (6) Travel and complimentary expenses and gaming incentives; and
 - (7) Payment for tournament, contests, and other promotions.
- C. Exemptions. Other provisions of this part notwithstanding, the Gaming Enterprise is exempt from the reporting obligations found in Sections 3 and 4 of this standard for the following transactions in currency:
- (1) Bills inserted into electronic gaming devices in multiple transactions (unless a Gaming Enterprise has knowledge pursuant to Section 4 in which case this exemption would not apply); and
 - (2) Jackpots from slot machines or video lottery terminals.

Section 4. Multiple Transaction Control Log.

- A. Maintain Log. Each Gaming Enterprise shall be required to maintain a log for the purpose of recording aggregate cash transactions in excess of two thousand five

hundred dollars (\$2,500). The Gaming Enterprise shall coordinate between pits, slots, cashiers, cages, redemption centers, and other appropriated areas to ensure all transactions in excess of two thousand five hundred dollars (\$2,500) are recorded.

- B. Responsibility. The associate witnessing the transaction is responsible for completing the log.
- C. Log Contents. The log shall include, but is not limited to, the following information:
- (1) Date of the transaction.
 - (2) Time of the transaction.
 - (3) Description of the patron and name of the patron, if known.
 - (4) Type of transaction and related information including, but not limited to, the following types of transactions:
 - (i) Deposit
 - (ii) Check
 - (iii) Chip or token redemption.
 - (5) Amount of transaction.
 - (6) Signature with their legible unique identification number of associate recording the transaction.
 - (7) Location of the transaction.
 - (8) Photograph of the patron. (If feasible)
 - (9) Any other information deemed necessary by the Director or the GRA Board to ensure compliance with all applicable law.

Section 5. Reportable Transactions.

- A. Policies and Procedures. Within ninety (90) days of Band Assembly's approval of these Detailed Gaming Regulations, the Gaming Enterprises shall establish policies and procedures for the processing of cash transactions in excess of ten thousand dollars (\$10,000). Prior to the processing of cash transactions in excess of ten thousand dollars (\$10,000), the Gaming Enterprise shall obtain, at a minimum, the



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following information:

- (1) Patron's last name, first name, middle initial.
 - (2) Patron's full address, including number, and street, city, zip code, and country if other than the United States.
 - (3) Patron's social security number.
 - (4) Passport number or alien identification number and issuing country if the patron is an alien or non-resident of the United States.
 - (5) Type and number of identification used to verify the information in subsections (1) through (4) above.
 - (6) Patron's business or occupation.
- B. Agent. If an individual or agent is conducting a transaction on behalf of another individual, the same information as described in subsection (A) must be obtained for the individual serving as the agent. This is in addition to the information required for the individual for whom the transaction is being conducted.
- C. Verification U.S. Residents. All identification information must be verified by examining the identification presented by the patron. Acceptable identification for a United States resident includes the following:
- (1) Driver's license.
 - (2) United States passport. (For non-residents of the United States only)
 - (3) Other government issued photo identification cards.
- D. Verification of Aliens and Nonresidents. For aliens or nonresidents of the United States, acceptable identification includes the following:
- (1) Passport.
 - (2) Alien identification card.
 - (3) Other official documents evidencing nationality or residence.
- E. Transactions Refused. If the patron is unable to provide any of the above information or the identification provided is not acceptable, the transaction must be refused until the necessary information has been obtained.
- F. Patron Deposits. If the denied transaction involves chip redemption or payment of winnings, and the patron is unable to provide adequate identification in order to verify the patron's identity and address, the payment of winnings to the patron must be refused until the necessary information has been obtained. The Gaming Enterprise does, however, have the right to demand redemption of chips and tokens. If the Gaming Enterprise chooses to exercise this right, the patron winnings in the form of chips or tokens will be placed on deposit. When the patron chooses to place the winnings on deposit, this would be the only instance in which a cashier will be allowed to accept a patron deposit without verifying the patron's identification. However, identification should be obtained verbally from the patron and a surveillance photograph must be obtained for all winnings held on deposit regardless of the dollar amount. These deposits will not be refunded until proper identification is provided and will only be refunded to the individual in the surveillance photograph. The table games manager, casino shift officer or higher position must approve both the deposit and refunding by initialing the patron deposit voucher before the transaction is complete. Also, identification provided for verification should be recorded on the patron withdrawal voucher and currency transaction report.
- G. Exclusion of Patron. If a patron refuses or is unable to provide proper identification, all transactions will be stopped and the



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patron will be excluded from any further gaming activity until satisfactory identification is provided. Management of each Gaming Enterprise will document written procedures detailing the exclusion and subsequent Reinstatement procedures which include, at a minimum, the notification process of surveillance, cage, and security personnel. If such exclusion of a patron lasts longer than seventy-two (72) hours, the Gaming Enterprise shall comply with its responsibilities to petition for exclusion of the patron pursuant to the Exclusion policy contained at Tab 6 of these Detailed Gaming Regulations.

Section 6. Currency Transaction Report.

The following information shall, at minimum, be included in the currency transaction report:

- A. Part I – Section A. The individual or organization for whom the transaction was completed, including the following information:
- (1) Patron's last name, first name, and, if provided, middle initial.
 - (2) Social Security number.
 - (3) Name of the organization and employer identification number if the transaction is being conducted on behalf of a business or organization.
 - (4) If the individual is an alien or nonresident of the United States, a passport number or alien registration number or both, and issuing country for both.
 - (5) Complete address of the patron, including the number and street, city, state, zip code and country if not the United States.
 - (6) Date of Birth.
 - (7) Type and number of the identification used to verify patron's identity.
- B. Part I – Section B. Identity of individual

conducting the transaction (complete only if an agent conducts the transaction for a person), including the following information:

- (1) Agent's last name, first name, and, if provided, middle initial.
- (2) Agent's Social Security number.
- (3) If the individual is an alien or nonresident of the United States, a passport number or alien registration number or both, and issuing country for both.
- (4) Complete address of the agent, including the number and street, city, state, zip code and country if not the United States.
- (5) Type and number of the identification used to verify patron's identity.

- C. Part II. Description of the transaction, including the following:

- (1) Indicate the nature of the transaction. Indicate if more than one (1) type of transaction is involved, and indicate the amount for each. Only transactions in one (1) of the same categories, including:
 - (i) Currency exchange;
 - (ii) Cash in; or
 - (iii) Cash out;should be included on a single currency transaction report.
- (3) Specify the total amount of the cash transaction, in United States dollars, being reported. This must be completed for reports even if a check is being cashed.
- (4) Include the date of the transaction.
- (5) If the transaction involves currency other than United States currency, including the following information:
 - (i) The country that issued the currency.
 - (ii) Total amount of the foreign



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- currency in United States dollars.
- (6) If the transaction involves a check, include the following information:
- (i) Date of the check.
 - (ii) Amount of the check.
 - (iii) Payee of the check.
 - (iv) Maker of the check.
 - (v) Drawee Bank and city.
- D. Part III. Identity of Gaming Enterprise and associate(s) preparing and approving the documentation of the transaction, including the following:
- (1) Indicate Gaming Enterprise name and employer identification number (EIN);
 - (2) Complete address of the Gaming Enterprise, including the number and street, city, state and zip code;
 - (3) Specify title of approving official and include signature;
 - (4) Include the date of the approval;
 - (5) Include the preparer's name; and
 - (6) Complete contact name and phone number information.
- E. If a Gaming Enterprise files a currency transaction report lacking some customer identification information outlined in subsection (A) above because a customer is no longer available, it is required to file an amended currency transaction report with new identification information on the initial transaction if the customer returns and conducts new transactions of which a Gaming Enterprise obtains knowledge within 60 days.

Section 7. Additional Documentation Required.

A. Pursuant to 31 C.F.R. § 103.36, a separate record containing a list of each transaction between the Gaming Enterprise and patrons involving the following types of instruments having a face value of three thousand dollars (\$3,000) or more:

- (1) Personal checks;
- (2) Business checks (including Gaming Enterprise checks);
- (3) Official bank checks;
- (4) Cashier's checks;
- (5) Third-party checks;
- (6) Promissory notes;
- (7) Traveler's checks; and
- (8) Money Orders.

B. The list shall contain the following information:

- (1) Time, date, and amount of transaction;
- (2) Name and permanent address of the patron;
- (3) Type of instrument;
- (4) Name of drawee or issuer of instrument;
- (5) All reference numbers (i.e. personal check number), and;
- (6) Name or license number of the associate that conducted the transaction.

C. Applicable transactions will be placed on the list in the chronological order in which they occur.

Section 8. Suspicious Activities Reporting

A. General.

- (1) Every casino (for purposes of this section, a "reporting casino"), shall file with FinCEN, to the extent and in the manner required by this section, a report of any suspicious transaction relevant to a possible violation of law or regulation. A casino may also file with FinCEN, by using the Suspicious Activity Report by Casinos specified in paragraph (b)(1) of this section, or otherwise, a report of any suspicious transaction that it believes is relevant to the possible violation of any law or regulation but whose reporting is not required by this section.
- (2) A transaction requires reporting under



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the terms of this section if it is conducted or attempted by, at, or through a casino, and involves or aggregates at least \$5,000 in funds or other assets, and the casino knows, suspects, or has reason to suspect that the transaction (or a pattern of transactions of which the transaction is a part):

- (i) Involves funds derived from illegal activity or is intended or conducted in order to hide or disguise funds or assets derived from illegal activity (including, without limitation, the ownership, nature, source, location, or control of such funds or assets) as part of a plan to violate or evade any federal law or regulation or to avoid any transaction reporting requirement under federal law or regulation;
- (ii) Is designed, whether through structuring or any other means, to evade any requirements of this part or of any other regulations promulgated under the Bank Secrecy Act, Public Law 91-508, as amended, codified at 12 U.S.C. § 1829b, 12 U.S.C. § 1951-1959, and 31 U.S.C. § 5311-5332; or
- (iii) Has no business or apparent lawful purpose or is not the sort in which the particular customer would normally be expected to engage, and the casino knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction; or
- (iv) Involves use of the casino to facilitate criminal activity.*

B. Filing procedures.

- (1) What to file. A suspicious transaction shall be reported by completing a Suspicious Activity Report by Casinos ("SARC"), and collecting and maintaining supporting documentation as required by paragraph (c) of this section.
- (2) Where to file. The SARC shall be filed with FinCEN in a central location, to be determined by FinCEN, as indicated in the instructions to the SARC.
- (3) When to file. A reporting casino is required to file each SARC no later than 30 calendar days after the date of the initial detection by the reporting casino of facts that may constitute a basis for filing a SARC under this section. If no suspect is identified on the date of such initial detection, a casino may delay filing a SARC for an additional 30 calendar days to identify a suspect, but in no case shall reporting be delayed more than 60 calendar days after the date of such initial detection. In situations involving violations that require immediate attention, such as ongoing money laundering schemes, the reporting casino shall immediately notify by telephone an appropriate law enforcement authority in addition to filing a SARC. Casinos wishing voluntarily to report suspicious transactions that may relate to terrorist activity may call FinCEN's Financial Institutions Hotline at 1-866-556-3974 in addition to filing timely a SARC if required by this section.

- C. Exceptions. A casino is not required to file a SARC for a robbery or burglary committed or attempted that is reported to



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- appropriate law enforcement authorities.
- D. Retention of records. A reporting casino shall maintain a copy of any SARC filed and the original or business record equivalent of any supporting documentation for a period of five years from the date of filing the SARC. Supporting documentation shall be identified as such and maintained by the reporting casino, and shall be deemed to have been filed with the SARC. A reporting casino shall make all supporting documentation available to FinCEN and any other appropriate law enforcement agencies or federal, state, local, or tribal gaming regulators upon request.
- E. Confidentiality of reports; limitation of liability. No casino, and no director, officer, employee, or agent of any casino, who reports a suspicious transaction under this part, may notify any person involved in the transaction that the transaction has been reported. Thus, any person subpoenaed or otherwise requested to disclose a SARC or the information contained in a SARC, except where such disclosure is requested by FinCEN or another appropriate law enforcement or regulatory agency, shall decline to produce the SARC or to provide any information that would disclose that a SARC has been prepared or filed, citing this paragraph and 31 U.S.C. § 5318(g)(2), and shall notify FinCEN of any such request and its response thereto. A casino, and any director, officer, employee, or agent of such reporting casino, that makes a report pursuant to this section (whether such report is required by this section or made voluntarily) shall be protected from liability for any disclosure contained in, or for failure to disclose the fact of, such report, or both, to the extent provided by 31 U.S.C. § 5318(g)(3).
- F. Compliance. Compliance with this section shall be audited by the Department of the Treasury, through FinCEN or its delegates, under the terms of the Bank Secrecy Act. Failure to satisfy the requirements of this section may constitute a violation of the reporting rules of the Bank Secrecy Act and of this part.
- G. Effective Date. This section applies to transactions occurring after March 25, 2003.
- Section 9. Title 31 Training.** At a minimum, any employee functioning in a capacity that entails the possibility of encountering any requirement relative to Title 31 must receive training at least twice a year. Training is to include training personnel in the identification of unusual or suspicious transactions.
- Section 10. Compliance Program.**
- A. Each casino shall develop, and submit for GRA Board approval within ninety (90) days of Band Assembly's approval of these Detailed Gaming Regulations, a written program reasonably designed to assure and monitor compliance with the requirements set forth in 31 U.S.C. chapter 53, subchapter II and the regulations contained in this part.
- B. At a minimum, each compliance program shall provide for:
- (1) A system of internal controls to assure ongoing compliance;
 - (2) Internal and/or external independent testing of compliance; including, without limitation, an annual statement whether internal controls and procedures are working effectively to detect and report suspicious transactions of \$5000 or more, and currency transactions of more than \$10,000, to the proper authorities, as required by



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this part, and to comply with the record keeping and compliance program standards of this part;

- (3) Training of casino personnel, including training in the identification of unusual or suspicious transactions, to the extent that the reporting of such transactions is required by this part, by other applicable law or regulation, or by the casino's own administrative and compliance policies;
- (4) An individual or individuals to assure day-to-day compliance;
- (5) Procedures for using all available information to determine:
 - (i) When required by this part, accurate identification of the customer, the name, address, social security number, and other information, and verification of the same, of a person;
 - (ii) The occurrence of any transactions or patterns of transactions required to be reported pursuant to 31 C.F.R. § 103.21, including, without limitation, any transactions or patterns of transactions indicated by accounts or records maintained by a casino to record or monitor customer activity.
 - (iii) Whether any record as described in subpart C of 31 C.F.R. § 103.54 must be made and retained; and
- (6) For casinos that have automated data processing systems, the use of automated programs to aid in assuring compliance.

History. Approved by Band Assembly on November 22, 2005.

Changes to all applicable sections casino to Gaming Enterprise; Changes to all applicable sections customer to patron; Changes to all applicable sections employee(s) and personnel to associate(s); Addition of section 2(C), deleted from section 4(D); Addition

of section 2(D), deleted from section 4(E); Addition of section 2(E), deleted from section 4(F); Changes to section 3(A), original parts (1) – (3) updated to (1) Purchases of chips and tokens; (2) Front money and safekeeping deposits; (3) Bets of currency, including money plays; (4) Purchases of a Gaming Enterprise check; (5) Exchanges of currency for currency, including foreign currency; and (6) Bills inserted into electronic gaming devices; Changes to section 3(B), original parts (1) – (5) updated to (1) Redemptions of chips, tokens, and tickets; (2) Front money and safekeeping withdrawals; (3) Payments on bets; (4) Cashing of checks; (5) Exchanges of currency for currency, including foreign currency; (6) Travel and complimentary expenses and gaming incentives; and (7) Payment for tournament, contests, and other promotions; Addition of section 3(C) Exemptions. Other provisions of this part notwithstanding, the Gaming Enterprise is exempt from the reporting obligations found in sections 3 and 4 of this standard for the following transactions in currency: (1) Bills inserted into electronic gaming devices in multiple transactions (unless a Gaming Enterprise has knowledge pursuant to Section 3 in which case this exemption would not apply); and (2) Jackpots from slot machines or video lottery terminals; Changes to section 5(G) If such exclusion of a patron... pursuant to the Exclusion policy contained in Detailed Gaming Regulation 6; Changes to section 6(A) Part I – Section A added; Changes to section 6(B) Part I – Section B added; Changes to section 6(C) Part II added; Deleted section 6(C)(1); Deleted section 6(C)(5)(i); Addition of section 6(D) Part III. Identity of Gaming Enterprise and associate(s) preparing and approving the documentation of the transaction, including the following: (1) Indicate Gaming Enterprise name and employer identification number (EIN); (2) Complete address of the Gaming Enterprise, including the number and street, city, state and zip code; (3) Specify title of approving official and include signature with license number; (4) Include the date of the approval; (5) Include the preparer's name with license number; and (6) Complete contact name and phone number information; Addition of section 6(E) If a Gaming Enterprise files a currency transaction report lacking some patron identification information outlined in



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subsection (A) above because a patron is no longer available, it is required to file an amended currency transaction report with new identification information on the initial transaction if the patron returns and conducts new transactions of which a Gaming Enterprise obtains knowledge; and Changes to section 7(B)(6) Name or license number changed to Name and license number; Changes to section 8(B)(1) ...supporting documentation as required by paragraph (D) of this section approved by the Gaming Regulatory Authority Board on May 8, 2008.
Effective Date of changes May 8, 2008.