

Ross Alderson

From: Gordon Friesen
Sent: Friday, September 23, 2011 3:39 PM
To: Steve Beeksma; Ross Alderson
Cc: John Karlovcec
Subject: RE: Under \$50K buy ins in \$20 bills

Thanks Steve! I see your point and can recommend that you discuss this with Arlene and Pat. Doesn't make sense that 10 buy ins at 49,980 with 20's doesn't constitute a SFT! What's 'common sense'?? I guess it needs to be defined!
G

From: Steve Beeksma
Sent: Friday, September 23, 2011 3:23 PM
To: Gordon Friesen; Ross Alderson
Cc: John Karlovcec
Subject: RE: Under \$50K buy ins in \$20 bills

Hi Gord,

If I may chime in here...in addition to Ross' point pertaining to the unusual coincidence of a few recent buy ins being literally \$20 or \$40 shy of the "reportable" \$50K in \$20's threshold here at RRCR there are some secondary/related issues (I tried to located the specific files via our STR's but it's difficult to pin point the exact ones).

I reviewed an incident from last night (11-41564 refers) that was reported as a \$200K cash buy in, \$100K of it was in \$20's. Ross and I have made a habit of reviewing the applicable patrons LCT records for the incident date as we're finding quite often the buy in reported was the second or third buy in for the patron so the actual total for the day may increase dramatically as well as the suspicious circumstances surrounding it. The other buy ins may be \$100's or \$50's but still significant amounts and without a doubt relevant to the file.

In last night's incident I noted there was a \$99,960 buy in that occurred approx. 45 minutes before the patron drove off site to pick up another \$200K cash that was not noted in the file.

When I reviewed the footage in surveillance and requested the additional footage you get the impression your being a huge inconvenience.

I explained and questioned why wouldn't the extra \$100K be reported as well as the actual total is \$300K. I'm told that it wasn't the supervisors job to report the other buy in unless \$50K of it was in \$20's. OK, fair enough but regardless its pertinent to the file and a little common sense could be applied here. Basically it's become common place that if we don't ask for it we won't get it...no surprise there.

So I review the cage footage regarding the \$99,960 that didn't make it onto the report and imagine that...the buy in consisted of 500 X 100 (\$50K) and 2499 X \$20 (\$49,980-the cage confirmed this as the correct amount).

When I commented to surveillance "come on...\$40 bucks away from the threshold and all of a sudden it's not suspicious, or relevant to the \$200K buy in already reported" the typical response is well...it's under the \$50K threshold.

Clearly everything is black and white with them. I pretty sure lowering the \$50K wouldn't go over too well but unless we can see some common sense and effort applied to these kinds of incidents that may be the route to go. At the very least we may suggest the \$50K should apply to the patrons "24 hour rolling period" (or is it static now?). Again...sounds like common sense but we're not seeing this happen here.

Basically a guy could buy in 10 times over say a 15 hour period for \$49K each time and nothing would get reported as suspicious.

The cage has little to do with these other than alerting surveillance at which point it's entirely in their hands what to do with it.

This may be a discussion for us to have with Arlene and Pat which we'll arrange in the near future.

Thanks!

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From: Gordon Friesen
Sent: September 23, 2011 1:28 PM
To: Ross Alderson
Cc: Steve Beeksma; John Karlovcec
Subject: RE: Under \$50K buy ins in \$20 bills

Hi Ross

This is not written in our Policy, so an auditor will not find us non-compliant. This is an AML strategy. The problem we face is that if we believe RRCR are not reporting because 'someone' has instructed the cage not to report these incidents, I don't think you are going to get too many confessions. What I would do is research how many patrons this pertains to (which are probably a select few) and have surveillance put a 'watch' on their buy ins. Discuss this with staff at your next scheduled meeting and air your concerns, i.e. GM, cage manager, etc. and determine their response. As indicated the \$50,000 threshold was just a simple determination made at River Rock because of the volume of transactions. You can alter this at will. There may well be suspicious transactions involving small denominations of bills much less than 50K.

Gord

From: Ross Alderson
Sent: Friday, September 23, 2011 12:36 PM
To: John Karlovcec; Gordon Friesen
Cc: Steve Beeksma
Subject: Under \$50K buy ins in \$20 bills

FYI,

We have had some recent files where we have patrons buy in for \$49,960.00 and \$49,980 in \$20's and we have found out through further investigation.

RRCR are not reporting these as suspicious and Steve and I feel it is too much of a coincidence and the players must have been informed.

We also find that an individual player that may have combined buy ins over a 24 period exceeding \$50K in buy ins in \$20's are also not deemed suspicious as only the "individual buy in" is being looked at.

Steve is looking at the STR's we have done recently to get some ITRAK file numbers.

We believe this is a totally cynical attempt by the site to avoid reporting buy ins as suspicious

I know that a \$50K buy in limit was agreed upon but if you look at the AML training (there is a scenario for \$30K in \$20's) I am concerned that the outside auditor will find us noncompliant.

Cheers

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