

CHAPTER 69

SUSPICIOUS TRANSACTION REPORTING
BY CASINO LICENSEES

Authority

N.J.S.A. 5:12-129.1 et seq., specifically 5:12-129.4.

Source and Effective Date

R.2000 d.407, effective October 16, 2000.
See: 32 N.J.R. 1909(a), 32 N.J.R. 2383(a), 32 N.J.R. 3860(b).

Executive Order No. 66(1978) Expiration Date

Chapter 69, Suspicious Transaction Reporting by Casino Licensees, expires on October 16, 2005.

Chapter Historical Note

Chapter 69, Suspicious Transaction Reporting by Casino Licensees, was adopted as R.2000 d.407, effective October 16, 2000. See: Source and Effective Date.

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. GENERAL RULES

13:69-1.1	Definitions
13:69-1.2	Suspicious transaction reporting
13:69-1.3	Filing procedures; compliance
13:69-1.4	Document retention
13:69-1.5	Confidentiality
13:69-1.6	Concurrent reporting
13:69-1.7	Currency transaction reporting

SUBCHAPTER 1. GENERAL RULES

13:69-1.1 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise:

“Casino licensee” means the holder of any license issued pursuant to the New Jersey Casino Control Act, P.L. 1977, c.110 (N.J.S.A. 5:12-1 et seq.) that authorizes the ownership or operation of a casino and/or a casino simulcasting facility or any person acting on behalf of or under arrangement with the holder of such license.

“Division” means the Division of Gaming Enforcement.

“Person” means any corporation, association, operation, firm, partnership, trust or other form of business association as well as a natural person.

“Suspicious transaction” means a transaction conducted or attempted by, at or through a casino licensee pursuant to which a casino licensee accepts cash or redeems chips or

markers involving or aggregating at least \$5,000 where the casino licensee knows or suspects that the transaction:

1. Involves funds derived from illegal activities or is intended or conducted in order to conceal or disguise funds or assets derived from illegal activities;
2. Is part of a plan to violate or evade any law or regulation or to avoid any transaction reporting requirement under the law or regulations of this State or the United States, including a plan to structure a series of transactions to avoid any transaction reporting requirement under the laws or regulations of this State or the United States; or
3. Has no business or other apparent lawful purpose or is not the sort of transaction in which a person would normally be expected to engage and the casino licensee knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose for the transaction.

For the purposes of this chapter, “accepts cash or redeems chips or markers” shall be defined as a purchase, sale, loan, pledge, gift, transfer, delivery or other disposition including, but not limited to, a deposit, withdrawal, transfer between accounts, exchange of cash, loan, extension of credit, purchase or sale of any monetary instrument, purchase or redemption of any money order, payment or order for any money remittance or transfer, purchase or redemption of markers, counter checks, chips, plaques, tokens or other gaming instruments, or any other payment, transfer, or delivery by, through, or to a financial institution, by whatever means effected inclusive of wire transfers and credit cards.

13:69-1.2 Suspicious transaction reporting

(a) Each casino licensee shall file a report on any suspicious transaction, to the extent and in the manner required by this chapter, with the Director of the Division of Gaming Enforcement.

(b) Casino licensees shall document suspicious transactions reportable under this chapter by completing the U.S. Department of the Treasury, Financial Crimes Enforcement Network’s (FinCen) Form 102 (April 2003), Suspicious Activity Report by Casinos and Card Clubs (SARC), incorporated herein by reference, as amended and supplemented, and collecting and maintaining documentation supporting said SARC.

(c) Complete and timely reporting of a suspicious transaction pursuant to applicable Federal reporting requirements, as may be adopted or amended from time to time, shall satisfy the requirements of this chapter. Such suspicious transaction reports shall be filed with the Director concurrent with the Federal filing but in no event shall be filed outside the filing parameters of N.J.A.C. 13:69-1.3(b).

The filing shall be made in the manner and in such location as shall be determined by the Director.

Amended by R.2005 d.208, effective July 5, 2005.

See: 36 N.J.R. 3375(a), 37 N.J.R. 2552(a).

In (b), substituted "102 (April 2003)" for "TD F90-22.49", inserted "and Card Clubs" following "Suspicious Activity Report by Casinos", and deleted the last sentence; added (c).

13:69-1.3 Filing procedures; compliance

(a) A SARC shall be filed with the Director of the Division of Gaming Enforcement in such location and in such manner as shall be determined by the Director and disclosed by the Division in its instructions related to filing of a SARC.

(b) A casino licensee shall file a SARC no later than 30 calendar days after the date it initially detects facts and circumstances which may constitute a basis for reporting under this chapter. Where a casino licensee is unable to identify the individual involved in the suspicious transaction, the time for reporting may be expanded by an additional 30 calendar days. In no event shall reporting be delayed by more than 60 calendar days from the date of initial detection by the casino licensee. In situations involving violations that require immediate attention, such as ongoing money laundering schemes, the reporting casino licensee shall immediately notify the Division in addition to filing a SARC.

(c) Reporting of a suspicious transaction by a casino licensee pursuant to this chapter shall be in addition to, and not in lieu of, any and all other transaction reporting requirements to which it is subject under the laws or regulations of this State or the United States.

(d) Any casino licensee required to file a report on a suspicious transaction pursuant to this chapter who knowingly fails to file a report thereof, or who knowingly causes a person having that responsibility to fail to file a report, shall be subject to the sanctions set forth in Section 129 of P.L. 1977, c.110 (N.J.S.A. 5:12-129). Nothing in this subsection shall be deemed to preclude indictment and conviction for a violation of N.J.S.A. 2C:21-25 or any other provision of law where the evidence so warrants.

13:69-1.4 Document retention

(a) A reporting casino licensee shall:

1. Maintain on file in its accounting department, legal department or in a designated alternative department approved by the Director of the Division, a copy of any SARC filed with the Director, together with any documentation supporting said filing, for a period of five years from the date of filing of the SARC; and

2. Make immediately available for inspection by agents of the Division a copy of any SARC prepared or filed pursuant to this chapter, together with the supporting documentation retained pursuant to (a)1 above. Such documentation shall be organized and indexed in a manner that facilitates the immediate access intended hereunder.

(b) The Director of the Division, upon the written request of a casino licensee, shall permit said casino licensee to utilize a microfilm, microfiche or other suitable media system for the copying and storage of SARCs and any documentation supporting said filings where the Director determines that the proposed system meets the accessibility and quality criteria outlined in N.J.A.C. 19:45-1.8(e).

(c) The Director of the Division shall:

1. Maintain a record of all SARCs filed pursuant to this chapter for a period of five years from the date of filing of the SARC; and

2. Make copies of SARCs filed pursuant to this chapter available to any State or Federal law enforcement agency upon written request and without the benefit of subpoena.

(d) SARCs and the supporting documentation to be retained pursuant to (a)1 above shall be destroyed:

1. Only at the expiration of the minimum retention period specified in (a)1 above; and

2. Only after the casino licensee has notified the Director of the Division of its intent to destroy SARCs and any documentation related thereto and has obtained written approval from the Director to proceed with same.

13:69-1.5 Confidentiality

(a) A casino licensee or any director, officer, employee or agent of a casino licensee who reports a suspicious transaction pursuant to this chapter shall be prohibited from notifying any person involved in the transaction that the transaction has been reported as suspicious.

(b) Any casino licensee or any director, officer, employee or agent of a casino licensee subpoenaed or otherwise requested to disclose a SARC or the information contained in a SARC shall promptly notify the Division of the request and its response thereto.

13:69-1.6 Concurrent reporting

(a) Each casino licensee shall file with the Director of the Division a copy of any SARC it is required to file pursuant to 31 C.F.R. 103.21. Such suspicious transaction reports shall be filed with the Director concurrent with the Federal filing. The filing shall be made in the manner and in such location as shall be determined by the Director.

(b) Each casino licensee shall file with the Director of the Division, a copy of any Currency Transaction Report by Casinos (CTRC) it is required to file pursuant to 31 C.F.R. 103.22. Such currency transaction reports shall be filed with the Director concurrent with the Federal filing. The filing shall be made in the manner and in such location as shall be determined by the Director.

New Rule, R.2005 d.208, effective July 5, 2005.

See: 36 N.J.R. 3375(a), 37 N.J.R. 2552(a).

13:69-1.7 Currency transaction reporting

(a) Notwithstanding any other provision in this chapter to the contrary, any transaction conducted or attempted by, at or through a casino licensee involving cash in or cash out equaling or aggregating at least \$200,000 in a gaming day shall be reported to the Director of the Division. Currency transactions reportable under this chapter shall be documented as follows:

1. If the transaction is deemed suspicious for the purposes of this chapter, by filing a SARC with the Director in accordance with N.J.A.C. 13:69-1.3; or

2. If the transaction is not deemed suspicious for the purposes of this chapter, by appending to a copy of the CTRC required pursuant to 31 C.F.R 103.22 a narrative, completed after reasonable due diligence, detailing the facts and circumstances associated with the reportable transaction. Such filing shall be made with the Director concurrent with the Federal filing, but in no event later than 15 calendar days after the date of the transaction. The filing shall be made in the manner and in such location as shall be determined by the Director.

New Rule, R.2005 d.208, effective July 5, 2005.
See: 36 N.J.R. 3375(a), 37 N.J.R. 2552(a).