UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
FINANCIAL CRIMES ENFORCEMENT NETWORK

IN THE MATTER OF:	**)**	
	)	
	)	**Number 2014-05**
George Que	**)**	
Northern Mariana Islands	**)**	

ASSESSMENT OF CIVIL MONEY PENALTY

I. INTRODUCTION

The Financial Crimes Enforcement Network ("FinCEN") has determined that grounds exist to assess a civil money penalty against George Que, pursuant to the Bank Secrecy Act ("BSA") and regulations issued pursuant to that Act.[1] During the relevant period, Mr. Que was the VIP Services Manager at Hong Kong Entertainment (Overseas) Investments, Ltd. dba Tinian Dynasty Hotel & Casino ("Tinian Dynasty" or "the Casino").

Mr. Que admits to the facts set forth below and that his conduct violated the Bank Secrecy Act. Mr. Que consents to the assessment of a civil money penalty and enters the CONSENT TO THE ASSESSMENT OF CIVIL MONEY PENALTY ("CONSENT") with FinCEN.

The CONSENT is incorporated into this ASSESSMENT OF CIVIL MONEY PENALTY ("ASSESSMENT") by reference.

FinCEN has the authority to investigate casinos and their employees for compliance with and violation of the Bank Secrecy Act pursuant to 31 C.F.R. § 1010.810, which grants FinCEN

[1] The Bank Secrecy Act is codified at 12 U.S.C. §§ 1829b, 1951-1959 and 31 U.S.C. §§ 5311-5314, 5316-5332. Regulations implementing the Bank Secrecy Act appear at 31 C.F.R. Chapter X.

"[o]verall authority for enforcement and compliance, including coordination and direction of procedures and activities of all other agencies exercising delegated authority under this chapter." At all relevant times, Tinian Dynasty was a "financial institution" and a "casino" within the meaning of the Bank Secrecy Act and its implementing regulations, and Mr. Que was an employee of the Casino. 31 U.S.C. § 5312(a)(2) and 31 C.F.R. § 1010.100(t).

Resolution with U.S. Attorney's Office for the Northern Mariana Islands

On May 9, 2013, Mr. Que was indicted by a federal grand jury charging him with Conspiracy to Cause a Financial Institution to Fail to File a Currency Transaction Report, and with Causing a Financial Institution to Fail to File a Currency Transaction Report. The United States Attorney's Office for the Northern Mariana Islands and Mr. Que have entered into a deferred prosecution agreement based on Mr. Que's conduct at the Casino. On July 1, 2014, the United States District Court for the Northern Mariana Islands approved this agreement, which, if all terms are met, will resolve Mr. Que's criminal charges brought by the U.S. Attorney's Office.

II. DETERMINATIONS

From at least January 1, 2009, through the present, Mr. Que served as Tinian Dynasty's VIP Services Manager. Mr. Que willfully participated in violations of the Bank Secrecy Act.[2] Specifically, and as described in more detail below, Mr. Que (a) willfully participated in causing Tinian Dynasty to fail to report transactions in currency, 31 U.S.C. §§ 5313, 5324(a)(1) and 31 C.F.R. § 1021.311; and (b) willfully participated in causing Tinian Dynasty to fail to report suspicious activity, 31 U.S.C. § 5318(g) and 31 C.F.R. § 1021.320.

[2] In civil enforcement of the Bank Secrecy Act under 31 U.S.C. § 5321(a)(1), to establish that a financial institution or individual acted willfully, the government need only show that the financial institution or individual acted with either reckless disregard or willful blindness. The government need not show that the entity or individual had knowledge that the conduct violated the Bank Secrecy Act, or that the entity or individual otherwise acted with an improper motive or bad purpose. Mr. Que admits to "willfulness" only as the term is used in civil enforcement of the Bank Secrecy Act under 31 U.S.C. § 5321(a)(1).

A. Violation of the Requirement to Report Currency Transactions

The Bank Secrecy Act and its implementing regulations require casinos to report, through the filing of Currency Transaction Reports ("CTRs"), transactions that involve either "cash in" or "cash out" of more than $10,000 during a single gaming day. 31 C.F.R. § 1021.311. A casino must aggregate transactions in currency if the casino has knowledge that the transactions are conducted by, or on behalf of, the same person. 31 C.F.R. § 1021.313.

Mr. Que willfully participated in the casino's failure to file CTRs. From at least May 3, 2012, through May 9, 2013, Mr. Que engaged in a pattern of accommodating gamblers who desired to conduct transactions with large amounts of cash without the Casino reporting their transactions. During a criminal investigation, undercover agents, posing as Casino patrons, told Mr. Que that they planned to gamble large amounts of money, and expressly requested that the Casino not report their gaming transactions to the government. On May 3, 2012, Mr. Que assured an undercover agent posing as the New York-based representative of a Russian businessman that his client could bring large amounts of currency to the Casino and gamble, and the Casino would not file reports related to such transactions. When two undercover agents arrived at the Casino on February 28, 2013, Mr. Que assisted them with multiple cash transactions, each of which required the filing of a CTR under the Bank Secrecy Act. Mr. Que advised the undercover agents that if they did not give their names to the Cage staff, the Casino would not be able to identify them on any CTRs that might be filed.

B. Violation of the Requirement to Report Suspicious Transactions

The Bank Secrecy Act and its implementing regulations require a casino to report a transaction that the casino "knows, suspects, or has reason to suspect" is suspicious, if the transaction is conducted or attempted by, at, or through the casino, and the transaction involves or aggregates to at least $5,000 in funds or other assets. 31 C.F.R. § 1021.320(a)(2). A

transaction is "suspicious" if the transaction: (a) involves funds derived from illegal activity; (b) is intended or conducted in order to hide or disguise funds or assets derived from illegal activity, or to disguise the ownership, nature, source, location, or control of funds or assets derived from illegal activity; (c) is designed, whether through structuring or other means, to evade any requirement in the BSA or its implementing regulations; (d) 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 (e) involves use of the casino to facilitate criminal activity. *Id.*

Mr. Que willfully participated in the failure to report suspicious activity. The undercover agents, while posing as Casino patrons, repeatedly made it known to Mr. Que that they did not want the government to know about their transactions. On one occasion, after Mr. Que assured the undercover agents that he had disposed of the Casino's copy of one of the agents' driver's licenses, the agent explained their concerns with being identified to the government, saying "because of some of the dealings we had, let's just say if the government officials find out about [the transactions], they scrutinize it and they wouldn't like it…So we'd rather our names not show up anywhere even with the VIP card. I don't want any track record that we're here too much." The BSA explicitly defines evading reporting requirements as suspicious activity that requires a Suspicious Activity Report to be filed. 31 C.F.R. § 1021.320(a)(2)(ii). Mr. Que was in a unique position to ensure that the Casino reported the suspicious activity. He had personal knowledge, based on multiple conversations with the undercover agents, in which the request was made. Nonetheless, Mr. Que, and through him, Tinian Dynasty, failed to report the activity as suspicious.

III. CIVIL MONEY PENALTY

FinCEN has determined that Mr. Que willfully participated in Tinian Dynasty's failure to report currency transactions and suspicious activity, and that grounds exist to assess a civil money penalty for these violations of the Bank Secrecy Act and its implementing regulations. 31 U.S.C. § 5321 and 31 C.F.R. § 1010.820. FinCEN has determined that the penalty in this matter will be $5,000.

IV. UNDERTAKING

By execution of the CONSENT, Mr. Que, to resolve this matter, and only for that purpose, agrees to the following UNDERTAKING. Within thirty (30) days of the execution of the CONSENT, Mr. Que shall immediately and permanently cease participating, directly or indirectly, in the conduct of the affairs of any "financial institution" (as that term is defined in the Bank Secrecy Act) that is located within the United States or that conducts business within the United States. For purposes of this UNDERTAKING, this restriction shall not prohibit Mr. Que from working in the restaurant or hotel portions of any such financial institution. Failure to comply with this UNDERTAKING will constitute a violation of the CONSENT and this ASSESSMENT. If FinCEN determines that a failure to comply with the UNDERTAKING has occurred, FinCEN may take any enforcement action against Mr. Que it deems appropriate, notwithstanding the release in Section VI below. Additional actions taken by FinCEN may include, but are not limited to, the imposition of additional civil money penalties, injunctive orders, or ordering other remedial actions within the authorities of FinCEN.

V. CONSENT TO ASSESSMENT

To resolve this matter, and only for that purpose, Mr. Que consents to the assessment of a civil money penalty in the sum of $5,000 and to the UNDERTAKING set forth in Section IV. Mr. Que also admits that his conduct violated the Bank Secrecy Act's reporting requirements.

Mr. Que recognizes and states that he is entering into the CONSENT freely and voluntarily and that no offers, promises, or inducements of any nature whatsoever have been made by FinCEN or any employee, agent, or representative of FinCEN to induce Mr. Que to enter into the CONSENT, except for those specified in the CONSENT.

Mr. Que understands and agrees that the CONSENT embodies the entire agreement between Mr. Que and FinCEN relating to this enforcement matter only, as described in Section II above. Mr. Que further understands and agrees that there are no express or implied promises, representations, or agreements between Mr. Que and FinCEN other than those expressly set forth in this document and that nothing in the CONSENT or in this ASSESSMENT is binding on any other agency of government, whether Federal, State, or local.

VI. RELEASE

Execution of the CONSENT, and compliance with the terms of this ASSESSMENT and the CONSENT, settles all claims that FinCEN may have against Mr. Que for the conduct described in Section II of the CONSENT. Execution of the CONSENT, and compliance with the terms of this ASSESSMENT and the CONSENT, does not release any claim that FinCEN may have, or waive FinCEN's right to bring enforcement action based on any such claim, for conduct by Mr. Que other than the conduct described in Section II of this ASSESSMENT, or any claim that FinCEN may have against any party other than Mr. Que. Upon request, Mr. Que shall truthfully disclose to FinCEN all factual information not protected by a valid claim of attorney-

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client privilege or work product doctrine with respect to the conduct of Tinian Dynasty or of any of its current or former directors, officers, employees, or agents.

By:

/S/ August 20, 2014

Jennifer Shasky Calvery Date
Director
FINANCIAL CRIMES ENFORCEMENT NETWORK
U.S. Department of the Treasury