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## **Nevada Casino's Willful Disregard for Anti-Money Laundering Laws Leads to \$1 Million FinCEN Penalty**

### **Sparks Nugget, Inc. Lacked a Culture of Compliance**

**WASHINGTON**—The Financial Crimes Enforcement Network (FinCEN) today announced a \$1 million [civil money penalty](#) against Sparks Nugget, Inc. d/b/a John Ascuaga's Nugget, of Sparks, Nevada. Sparks Nugget admitted that it willfully violated the anti-money laundering (AML) provisions of the Bank Secrecy Act (BSA). Casinos are required to implement and maintain an effective AML program; to maintain records of certain transactions; and to file reports relating to transactions in currency and suspicious transactions. These reports are valuable to law enforcement investigators seeking to follow money trails in order to anticipate or solve crimes. Sparks Nugget egregiously and willfully violated AML program requirements, reporting obligations, and recordkeeping requirements.

“Sparks Nugget had a systemic breakdown in its compliance program,” said FinCEN Director Jennifer Shasky Calvery. “Despite the fact that it hosted convicted embezzlers and had been repeatedly alerted to suspicious transactions by its own BSA compliance manager, Sparks saw no need to re-think its AML defenses.”

Sparks disregarded its compliance manager. It chose not to file rightfully prepared Suspicious Activity Reports (SARs) and it instructed her to not interact with the Internal Revenue Service's BSA auditors and prevented her from reviewing a copy of the completed exam report.

Sparks Nugget also committed hundreds of recordkeeping violations, and failed to report several Currency Transaction Reports (CTRs) as well as SARs. The management committee Sparks Nugget established to determine whether to file SARs never held a single meeting, and some committee members were unaware that they were even on the committee. Sparks Nugget lacked any mechanism to document or otherwise account for decisions not to file SARs, and its day-to-day managers maintained that no suspicious activity ever transpired in the millions of dollars of transactions that occurred at the casino.

As is typical for many modern casinos, Sparks Nugget was in an excellent position to make effective use of risk-based, information-driven compliance. Sparks Nugget harnessed its software systems and its own employees to gather large amounts of information about its customers. The casino used this information to improve profits, to provide more personalized customer service, and to minimize the casino's business risk. Despite this, and despite the requirements of the BSA, Sparks Nugget willfully failed to use this same information to fulfill its AML obligations under the law.

Director Shasky Calvery expressed her appreciation to the Internal Revenue Service, Small Business/Self-Employed Division, which performed the examination of Sparks Nugget, for its contributions to the investigation, and for its strong partnership with FinCEN.

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*FinCEN's mission is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.*