

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

**IN THE MATTER OF
RAINBOW CASINO VICKSBURG
PARTNERSHIP, L.P.,
d/b/a RAINBOW CASINO**

No. 2000-02

ASSESSMENT OF CIVIL MONEY PENALTY

I. INTRODUCTION

The Secretary of the United States Department of the Treasury has delegated to the Director of the Financial Crimes Enforcement Network ("FinCEN") the authority to determine whether a financial institution has violated the Bank Secrecy Act, 31 U.S.C. §§5311 et seq. and 31 CFR Part 103 thereunder ("BSA"), and what, if any, sanction is appropriate.

In order to resolve this matter, and only for that purpose, Rainbow Casino Vicksburg Partnership, L.P., d/b/a Rainbow Casino ("Rainbow" or "the Casino") has entered into a CONSENT TO THE ASSESSMENT OF CIVIL MONEY PENALTY without admitting or denying FinCEN's determinations described in Paragraphs III and IV below, except as to jurisdiction in Paragraph II below, which is admitted.

Rainbow's CONSENT TO THE ASSESSMENT OF CIVIL MONEY PENALTY, dated December 12, 2000, is incorporated herein by this reference.

II. JURISDICTION

Rainbow, located in Vicksburg, MS, is and was at all relevant times, a casino licensed by the state of Mississippi. Rainbow is a "financial institution" within the meaning of 31 U.S.C. §5312(a)(2) and 31 CFR §103.11(n). Rainbow had gross gaming revenue of \$48,050,455 for calendar year 1999.

III. FINCEN'S DETERMINATIONS

A. Failure to File Currency Transaction Reports

FinCEN has determined that from January 1995 through December 1996, Rainbow willfully failed to file Currency Transaction Reports by Casino ("CTRC") forms

for 21 currency transactions exceeding \$10,000, as required by 31 CFR §103.22, promulgated under §5313 of the Bank Secrecy Act.

B. Compliance Program Violations

FinCEN has determined that from June 1995 until June 1997, Rainbow failed to fully implement a written compliance program reasonably designed to assure and monitor compliance with the requirements of the BSA in violation of 31 U.S.C. §5318(h) and 31 CFR §103.64(a).

C. Willful Violations

FinCEN has determined that Rainbow willfully violated the BSA in that it failed to implement fully a program to ensure BSA compliance and accurate CTIRC reporting. For example, Rainbow's internal written BSA compliance procedures provide for review of computerized reports of \$10,000 and \$2,500 cash buy-ins to aid in accurate CTIRC reporting, particularly for multiple cash transactions. On two occasions during the Title 31 examination, the IRS attempted to obtain the reports. After the third request, Rainbow's Director of Finance admitted that the casino had copied another casino's written compliance procedures and had never purchased the software to produce the computer reports referred to in its written compliance program. The casino knew that it had not implemented an important component of its written BSA compliance program.

In addition, Rainbow's internal audit reports dated March 12, 1996, August 16, 1996, and February 26, 1997, all note that the casino's multiple transactions logs were "not maintained in an orderly manner that would ensure the detection of missing records." As a result, Rainbow's manual review of the multiple transaction logs did not provide an adequate basis for accurate and complete CTIRC reporting.

Rainbow's management knew or was reckless in not knowing that Rainbow's records supporting CTIRC filing were not properly maintained. Rainbow's management also knew that it had not fully implemented the written compliance program. Rainbow's conduct reflects a pattern of ignoring deficiencies in its compliance program. Therefore, Rainbow's violations of the BSA were willful.

IV. CIVIL MONEY PENALTY

FinCEN has determined that by failing to file CTIRCs and failing to implement an adequate compliance program as described in Paragraph III above, Rainbow willfully violated the currency reporting and compliance program provisions of the BSA and a civil money penalty is due pursuant to 31 U.S.C. §5321 and 31 CFR §103.57(f).

V. ASSESSMENT AGAINST RAINBOW

THEREFORE, the Department of the Treasury assesses against Rainbow a civil money penalty of \$75,000.

By its execution of its CONSENT, Rainbow, without admitting or denying FinCEN's determinations described in Paragraphs III and IV above, except as to jurisdiction in Paragraph II, which is admitted, consents to the assessment of a civil money penalty in the sum of \$75,000.

Rainbow shall, under the terms of its CONSENT:

1. Pay the amount of \$75,000 within five (5) business days of the date of this ASSESSMENT.
2. Such payment shall be:
 - a. made by certified check, cashier's check, or money order;
 - b. made payable to the United States Department of the Treasury;
 - c. hand-delivered or sent by overnight mail to Nicholas A. Procaccini, Assistant Director and Chief Financial Officer, FinCEN, P.O. Box 39, Vienna, Virginia 22183; and
 - d. submitted under a cover letter, which references the caption and file number in this matter.

VI. RELEASE

Rainbow's execution of its CONSENT and its compliance with both the terms of its CONSENT and the terms of this ASSESSMENT OF CIVIL MONEY PENALTY constitute a complete settlement of civil liability for violations of the BSA which were identified by FinCEN in its letters to Rainbow dated October 14, 1999.

By: //signed//
James F. Sloan, Director
FINANCIAL CRIMES ENFORCEMENT NETWORK
U.S. DEPARTMENT OF THE TREASURY

Date: 12-20-00