

## SUPPORTING STATEMENT

### 1. Circumstances Necessitating Collection of Information.

The Bank Secrecy Act, Titles I and II of Pub. L. 91-508, as amended, codified at 12 U.S.C. 1829, 12 U.S.C. 1951-1959, and 31 U.S.C. 5311-5330, authorizes the Secretary of the Treasury, inter alia, to issue regulations requiring records and reports that are determined to have a high degree of usefulness in criminal, tax, and regulatory matters. Regulations implementing Title II of the Bank Secrecy Act (codified at 31 U.S.C. 5311-5330) appear at 31 CFR Part 103. The authority of the Secretary to administer the Bank Secrecy Act has been delegated to the Director of the Financial Crimes Enforcement Network.

Section 5318(g) of the Bank Secrecy Act authorizes the Secretary of the Treasury to require financial institutions to report suspicious transactions. Financial institutions include casinos and card clubs, which are generally defined as gaming establishments licensed under the laws of any State or any political subdivision of any State or as an Indian gaming operation conducted under or pursuant to the Indian Gaming Regulatory Act with annual gaming revenue of more than \$1,000,000. (31 CFR 103.11)

Under 31 CFR 103.21, casinos and card clubs must report a transaction conducted or attempted by, at, or through the casino or card club if the transaction involves or aggregates at least \$5,000 in funds or other assets and the casino or card club knows, suspects, or has reason to suspect that the transaction or the pattern of transactions of which the transaction is a part:

- (i) involves funds derived from illegal activity or is intended or conducted in order to hide or disguise funds or assets derived from illegal activity;
- (ii) is designed, whether through structuring or other means, to evade a recordkeeping or reporting requirement of a regulation promulgated under the Bank Secrecy Act;
- (iii) has no business or apparent lawful purpose; or
- (iv) involves use of the casino or card club to facilitate criminal activity.

### 2. Method of Collection and Use of Data.

Casinos and card clubs report suspicious transactions by filing FinCEN Form 102, and maintaining the supporting documentation relied on to support the filing of the form in addition to a copy of the form filed. The information reported on the form will be used for criminal investigations, prosecutions, and other law enforcement purposes, and for the detection of trends in money laundering and other financial crime.

### 3. Use of Improved Information Technology to Reduce Burden.

FinCEN Form 102 may be filed electronically through the Bank Secrecy Act Direct E-Filing System. Currently, approximately five percent of these forms are filed by electronic means. All filers, whether they file electronically or file a paper form, may complete FinCEN Form 102 on a

computer using fill-in technology. Under 31 CFR 103.21, casinos, and card clubs must maintain the original or business record equivalent of any supporting documentation relevant to the filing of a FinCEN Form 102. Although the rule does not expressly address the use of information technology, the rule reflects the use of such technology to the extent that reporting casinos and card clubs use information technology to create the original documents required to be retained or their business record equivalent.

4. Efforts to Identify Duplication.

No other similar information exists.

5. Methods to Minimize Burden on Small Businesses or Other Small Entities.

This collection of information does not impact small entities.

6. Consequences to the Federal Government of Not Collecting the Information.

Both law enforcement and industry benefit from the improved detection of financial crime, analysis of trends, and coordination of investigative efforts made possible by the information reported in Suspicious Activity Reports. Failure to collect this information would limit law enforcement's ability to investigate and prosecute money laundering and other financial crimes conducted at or through these businesses.

7. Special Circumstances Requiring Data Collection Inconsistent with Guidelines.

Under 31 CFR 103.21, a copy of FinCEN Form 102 and its supporting documentation must be kept for five years because substantive violations of the law that may be indicated by the activity reported on the form are generally subject to statutes of limitations longer than three years. (See also 31 CFR 103.38.)

8. Consultation with Individuals Outside of the Agency on Availability of Data. Frequency of Collection, Clarity of Instructions, Forms, and Data Elements.

The requirement for casinos and card clubs to file a Suspicious Activity Report and maintain records of the supporting documentation appears at 31 CFR 103.21. On March 16, 2009, we issued a Paperwork Reduction Act notice in the Federal Register requesting comment on the proposed renewal without change of the Suspicious Activity Report by Casinos and Card Clubs (See 74 FR 11178). We received no comments during the 60-day comment period.

9. Payments or Gifts.

No payments or gifts will be made to respondents.

10. Assurance of Confidentiality of Responses.

Information provided to the government on the form is expressly prohibited from disclosure under 31 U.S.C. 5318(g)(2), and the participating agencies' Privacy Act notice makes clear that the system of records is intended for the official use of law enforcement. Appropriate system security safeguards will be put in place to protect against unauthorized access.

11. Justification of Sensitive Questions.

No sensitive questions are asked.

12. Estimated Annual Hourly Burden.

Estimated number of respondents: 925.

Estimated total annual response: 11,200.

Estimated form completion time per SAR-C response: 1 hour.

Estimated recordkeeping for the SAR reporting rule: 2 hours

Estimated total recordkeeping and reporting per SAR response: 3 hours

Estimated total annual burden hours: 33,600 hours

13. Estimated Annual Cost.

Not Applicable.

14. Estimated Annual Cost to the Federal Government

Not Applicable.

15. Reasons for Change in Burden

Adjustment, increased reporting of activity.

16. Plans for Tabulation, Statistical Analysis, and Publication.

Not applicable.

17. Request to Not Display Expiration Date of OMB Control Number.

To avoid having to reprint the form merely to display a new date, we are requesting permission to not display the Office of Management and Budget expiration date on the form.

18. Exceptions.

Not applicable.