

Las Vegas Casino Bans MassRoots CEO For Cannabis Ties

Written by Administrator
Monday, 12 June 2017 17:50 -

The gambling industry's [year-old program intended to prevent money-laundering](#) in America's casinos has resulted in one of the cannabis industry's highest-profile media executives being banned from gambling at the [Wynn & Encore Las Vegas](#) casino.

Wynn banned Isaac Dietrich for his 'source of wealth in the marijuana field.'

Isaac Dietrich, CEO of Denver-based social media platform [MassRoots](#) and one the investors who [recently purchased controlling interest in High Times magazine](#) and its affiliated businesses, signed up for Wynn Resorts' [Red Card reward program](#) while gambling at the Las Vegas casino last week. Wynn's Red Card program promises exclusive rates and promotions. Dietrich instead received a red card of a different sort — ejection from the casino.

"I can confirm that I was permanently banned from gambling at Wynn Resorts on June 7, 2017, due to my role as chairman and CEO of a publicly-traded technology company focused on the cannabis sector," Dietrich told Leafly in an email today.

A 'Marijuana Related Entity'

In a June 7 email to Wynn Resorts' compliance officer noting that MassRoots' stock is traded by many of the same institutions that have holdings in Wynn Resorts, Dietrich explained that MassRoots is a technology company that does not deal directly in cannabis.

A response to Dietrich's email, apparently from Wynn Resorts' compliance officer Larry Whelan, begged to differ.

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“If I recall correctly, the customer due diligence procedures required by the Wynn Las Vegas compliance program identified your business as a marijuana related entity that derives its income from marijuana businesses. Unfortunately, this puts your source of wealth in the marijuana field – as your business is being paid with proceeds from the sale of marijuana.

“Our regulatory requirements are not limited to identifying businesses that facilitate the sale of marijuana – we are obligated to identify the source of wealth of our customers to ensure the funds have been lawfully earned.

“The ‘state vs. federal’ debate will continue at much higher levels than this email. Until that debate is clearly resolved with respect to the Bank Secrecy Act, the Wynn Las Vegas leadership team has chosen to take the more conservative approach.”

Your Business Model is Cannabis, Right?

Leafly was unable to independently confirm the email from Whelan to Dietrich. Michael Weaver, Wynn’s senior vice president of marketing and communications, responded to Leafly’s questions, saying, “As a matter of policy, we do not comment on our guests.” Weaver did not address the email’s authenticity and did not respond to follow-up email and telephone questions about the Wynn’s compliance program practices or the due diligence cited in the email attributed to Whelan.

The email attributed to Whelan left the door open for Dietrich to appeal his ban from Wynn’s casino.

“If we’ve misunderstood your business model, please feel free to share that information with me and I’ll be happy to review,” the email attributed to Whelan said.

According to MassRoots’ investor relations information, the publicly traded company “is one of the largest technology platforms for the regulated cannabis industry,” enabling consumers to make educated cannabis purchasing decisions through community-driven reviews.

Trade Show Visitors = Money Launderers?

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The American Gaming Association, a national trade group representing the \$240 billion U.S. casino industry, instituted its anti-money laundering compliance program last year. The program was intended to combat money laundering and terrorist financing in compliance with the federal Bank Secrecy Act. Recently updated anti-money laundering compliance best practices [are detailed here](#).

Dietrich's running afoul of anti-money laundering compliance at the Wynn casino over the source of his income comes as recreational cannabis sales are set to begin throughout Nevada on July 1.

If the Wynn's policy becomes active among other resorts, it could cause some interesting conflicts, as Las Vegas has become the defacto capital of cannabis industry trade shows. The annual [MJ Biz Conference](#), America's largest cannabis trade show, is held there every November. Last year the show attracted more than 10,000 attendees. This year it moves to the Las Vegas Convention Center and is expected to draw upwards of 14,000 guests. That's a lot of visitors to ban from the casino floor.



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