



United States Department of Justice

United States Attorney's Office Central District of California

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United States Courthouse
312 North Spring Street, 14th Floor
Los Angeles, California 90012

August 26, 2013

Mr. Laurence A. Urgenson
Kirkland & Ellis LLP
655 15th Street, NW, Suite 1200
Washington, DC 20005

Re: Las Vegas Sands Corp.

Dear Mr. Urgenson:

On the understandings specified below, the United States Attorney's Office for the Central District of California (the "USAO") agrees that, except as provided herein, it will not bring any criminal or civil case against the Las Vegas Sands Corp., a corporation organized under the laws of, and headquartered in, Nevada, or any of its present or former parents, subsidiaries, affiliates, officers, directors, employees, or agents (the "Company"), for any acts (except for criminal tax violations, as to which the USAO does not and cannot make any agreement) related to violations of 18 U.S.C. § 371: Conspiracy to Fail to File Suspicious Activity Reports by Casinos and 31 U.S.C. § 5318(a), 5322(a): Failure to File Suspicious Activity Reports by Casinos, based on the facts set forth in Attachment A (Statement of Facts) attached hereto, which is incorporated herein by reference, or relating to information disclosed by the Company to the USAO or known to the USAO prior to the date on which this Agreement was signed.

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The USAO enters into this Non-Prosecution Agreement (“Agreement”) based, in part, on the following factors: (a) the Company’s voluntary and complete disclosure of the conduct, beginning in 2007 and continuing through the present; (b) the Company’s extensive, thorough, and real-time cooperation with the Department of Justice and USAO, including conducting an internal investigation, voluntarily making current and former employees available for interviews, making voluntary document disclosures, and making multiple presentations to the USAO on the status and findings of the internal investigation; (c) the Company’s extensive efforts (including efforts initiated by the Company prior to learning of the USAO’s investigation) to enhance its Casino Suspicious Activity Report (“SARC”) program and to significantly enhance its compliance and legal staff; (d) the positive actions taken by senior Company management in connection with the conduct set forth in Attachment A (engaging the Company’s compliance and legal functions); and (e) the Company’s agreement to provide written reports to the USAO on its further progress and experience in monitoring and enhancing its SARC program, as described in Attachment C (Reporting Requirements).

The Company and government agree not to make any public statement contradicting Attachment A. It is understood that the Company accepts and acknowledges responsibility for the conduct of its employees as set forth in Attachment A.

This Agreement does not provide any protection against prosecution for any conduct except as set forth above, and applies only to the Company and its present or former parents, subsidiaries, affiliates, officers, directors, employees, and agents as of the date of this Agreement, and not to any other entities or individuals. The Company expressly understands that the protections provided under this Agreement shall not apply to any acquirer or successor entity unless and until such acquirer or successor formally adopts and executes this Agreement.

For a period of two (2) years from the date that this Agreement is executed, the Company shall, subject to applicable laws and regulations: (a) cooperate fully with the USAO, the Drug Enforcement Administration (“DEA”), and any other law enforcement agency designated by the USAO regarding matters arising out of the conduct covered by this Agreement; (b) assist the USAO in any investigation or prosecution arising out of the conduct covered by this Agreement by providing logistical and technical support for any meeting, interview, grand jury proceeding, or any other trial or other court proceeding; (c) use its best efforts promptly to secure the attendance and truthful statements or testimony of any officer, director, agent, or employee of the Company at any meeting or interview or before the grand jury or at any trial or other court proceeding regarding matters arising out of the conduct covered by this Agreement; and (d) provide the USAO, upon request, all non-privileged information documents, records, or other tangible evidence located in the United States regarding matters arising out of the conduct covered by this Agreement about which the USAO or any designated law enforcement agency requires.

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The Company's obligations under this Agreement shall have a term of two (2) years from the date that this Agreement is executed, except as specifically provided in the following paragraph. It is understood that for the two-year term of this Agreement, the Company shall: (a) commit no felony under U.S. federal law; (b) truthfully and completely disclose non-privileged information in response to USAO requests; and (c) bring to the USAO's attention all conduct by, or criminal investigations of, the Company, any of its employees, or its subsidiaries relating to any felony under U.S. federal law that come to the attention of the Company's senior management, as well as any administrative proceeding or civil action brought by any governmental authority that alleges fraud or corruption by or against the Company.

It is understood that the Company will continue to strengthen its already-enhanced SARC program, as set forth in Attachment B. It is further understood that the Company will report to the USAO regarding implementation of the further enhancements to its SARC program, as described in Attachment C.

It is understood that the Company has voluntarily agreed to return the sum of \$47,400,300 to the United States Treasury, which represents funds accepted by the Company from or on behalf of Zhenli Ye Gon. The Company agrees to pay these sums to the United States Treasury within ten (10) days of executing this Agreement.

It is understood that, if the USAO determines that the Company has committed any felony under U.S. federal law after signing this Agreement, that the Company has deliberately given false, incomplete, or misleading testimony or information at any time in connection with this Agreement, or the Company otherwise has violated any provision of this Agreement, the Company shall thereafter be subject to prosecution for any violation of federal law which the USAO has knowledge, including perjury and obstruction of justice. Any such prosecution that is not time-barred by the applicable statute of limitations on the date that this Agreement is executed may be commenced against the Company, notwithstanding the expiration of the statute of limitations during the term of this Agreement plus one year. Thus, by signing this agreement, the Company agrees that the statute of limitations with respect to any prosecution that is not time-barred as of the date this Agreement is executed shall be tolled for the term of this Agreement plus one year.

It is understood that: (a) all statements made by the Company to the USAO or other designated law enforcement agents, including Attachment A hereto, and any testimony given by the Company before a grand jury or other tribunal, whether before or after the execution of this Agreement, and any leads from such statements or testimony, shall be admissible in evidence in any criminal proceeding brought against the Company; and (b) the Company shall assert no claim under the United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or any leads therefrom are inadmissible or should be suppressed. By signing this Agreement, the Company waives all rights in the foregoing respects.

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In the event that the USAO determines that the Company has breached this Agreement, the USAO agrees to provide the Company with written notice of such breach prior to instituting any prosecution resulting from such breach. The Company shall, within thirty (30) days of receipt of such notice, have the opportunity to respond to the USAO in writing to explain the nature and circumstances of such breach, as well as the actions the Company has taken to address and remediate the situation, which explanation the USAO shall consider in determining whether to institute a prosecution.

It is further understood that this Agreement does not bind any federal, state, local, or foreign prosecuting, enforcement, administrative, or regulatory authority other than the USAO. The USAO will, however, bring the extensive cooperation and enhanced SARC program of the Company to the attention of other prosecuting and investigative offices, if requested by the Company.

It is further understood that the Company and the USAO may disclose this Agreement to the public. With respect to this matter, from the date of execution of this Agreement forward, this Agreement supersedes all prior, if any, understandings, promises and/or conditions between the USAO and the Company. No additional promises, agreements, or conditions have been entered into other than those set forth in this Agreement and none will be entered into unless in writing and signed by all parties.

Sincerely,

ANDRE BIROTTÉ, JR.
United States Attorney
Central District of California

ROBERT E. DUGDALE
Assistant United States Attorney
Chief, Criminal Division



KEVIN S. ROSENBERG
Assistant United States Attorney
Deputy Chief, Organized Crime
Drug Enforcement Task Force Section

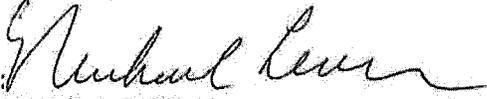
I, the undersigned, am an officer as stated below and have authority to sign and bind the Las Vegas Sands Corp. On behalf of the Las Vegas Sands Corp. on whose behalf I am signing this agreement: I have read this Agreement carefully; I have discussed it fully with the attorney for the Las Vegas Sands Corp., Laurence A. Urgenson; I understand the terms of this Agreement; I

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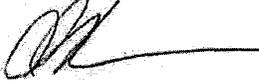
knowingly and voluntarily agree to these terms after a thorough discussion with Mr. Urgenson; I do so without force, threats, or coercion; no promises, representations, agreements, commitments, or inducements have been made except those set forth in this Agreement; and I am satisfied with the Las Vegas Sands Corp.'s attorney's representation in this matter.

AGREED AND CONSENTED TO: LAS VEGAS SANDS CORP.

Date: 26 August 2013

BY: 
MICHAEL A. LEVEN
President, COO, and Secretary
Las Vegas Sands Corp.

Date: 26 August 2013

BY: 
IRA H. RAPHAELSON
Executive Vice President
Global General Counsel
Las Vegas Sands Corp.

I have carefully reviewed and discussed this Agreement with my clients, the Las Vegas Sands Corp. To the best of my knowledge, they are officers of the Las Vegas Sands Corp. who are duly authorized to execute this Agreement on behalf of the Las Vegas Sands Corp. and that they are doing so knowingly and voluntarily.

APPROVED AS TO FORM:

Date: 26 August 2013

BY: 
LAURENCE A. URGENSON
Kirkland & Ellis LLP

Attachment A
Statement of Facts

The following Statement of Facts is incorporated by reference as part of the Non-Prosecution Agreement, dated August 26, 2013, between the United States Attorney's Office for the Central District of California (the "USAO") and Las Vegas Sands Corp. ("LVSC"). The USAO and LVSC agree that the following facts are true and correct:

A. Background

LVSC/The Venetian and Palazzo

At all times relevant to this agreement:

1. LVSC was headquartered in Las Vegas, Nevada and incorporated in Nevada.
2. LVSC was in the business of destination properties (Integrated Resorts) that feature accommodations, gaming and entertainment, convention and exhibition facilities, celebrity chef restaurants, and many other amenities.
3. LVSC operated casinos in Las Vegas through the Venetian and the Palazzo ("Venetian-Palazzo").
4. The Venetian-Palazzo was licensed and regulated in the State of Nevada.
5. As part of their federal and state regulatory obligations, the Venetian-Palazzo maintained a compliance program that included responsibility within a compliance department for developing written policies, training, and monitoring of the Casino Suspicious Activity Report ("SARC") generation and submission processes by casino finance personnel. That program was understood by LVSC and Venetian-Palazzo senior management to meet or exceed applicable federal and state regulatory and legal standards and included industry-leading processes, such as background checks against the prohibited parties lists maintained by the Department of the Treasury, Office of Foreign Assets Control ("OFAC"), including its Narcotics Trafficking List, Specially Designated Nationals ("SDN") List, and Terrorist List.

B. Overview

6. The USAO believes that operations and compliance personnel at the Venetian-Palazzo, beginning on or about October 19, 2006, should have: (1) identified the financial transactions of Zhenli Ye Gon (“Ye Gon”) related to his wire transferring of approximately \$45 million and depositing of approximately \$13 million in cashier’s checks between February 2005 and continuing through March 2007 as suspicious within the meaning of the Bank Secrecy Act in advance of a March 16, 2007 newspaper report of the raid of his home in Mexico City; and (2) filed one or more SARCs against Ye Gon in addition to the SARC it filed in April of 2007.

7. The USAO also believes that after October 19, 2006 the compliance personnel at the Venetian-Palazzo did not:

- a. adequately investigate Ye Gon, his respective companies, or his source(s) of funds;
- b. conduct an appropriate deposit pattern analysis of incoming front money deposits and marker payments by Ye Gon and failed to understand and appreciate the layered manner in which Ye Gon wire transferred his funds;
- c. attach appropriate suspicion, if any, to Ye Gon’s use of multiple third-party fund sources;
- d. attach appropriate suspicion, if any, to Ye Gon’s use of multiple casas de cambios;
- e. attach appropriate suspicion, if any, to the fact that the Venetian’s internal due diligence investigations could not link Ye Gon to nearly all of the companies he professed to own and/or control which originated wire transfers of funds to the Venetian;

- f. attach appropriate suspicion, if any, to Ye Gon making multiple wires on the same day or consecutive days, and his failing to identify himself on the wires as the beneficiary, which continued even after the Venetian expressed concern and the Venetian's Finance Department complained that it was difficult to associate certain wire transfers with Ye Gon's patron account;
- g. attach appropriate suspicion, if any, to Ye Gon originating payments in Mexico and routing them through the Venetian's Hong Kong subsidiaries for final credit at the Venetian casino in Las Vegas;
- h. conduct appropriate diligence into the reason for requests to use a non-casino-name account (which accounts are commonly used in the industry to protect patron privacy and which accounts have been approved for such use by some gaming regulators); or
- i. attach appropriate suspicion, if any, to requests to use a non-casino-name account.

8. The Venetian-Palazzo believes that, at the time of the conduct described in this Statement of Facts, it complied with the requirements of the Bank Secrecy Act making good faith judgments based on the information available to it, including: due diligence by a major competitor, its own due diligence including database reviews that confirmed that Zhenli Ye Gon was not on any US government watch list and was being allowed into the US by the government; and in reliance on its compliance mechanism, which met or exceeded industry practice, as well as the advice of inside and outside counsel. The Company acknowledges that, in hindsight and upon full consideration of the evidence, some of which was known to some Company personnel, including some later developed by the USAO, the Venetian-Palazzo failed to fully appreciate the suspicious nature of the information or lack thereof pertaining to Ye Gon in the context of the

Venetian's evaluation of whether to file additional SARCs against him earlier and in retrospect should have filed SARCs earlier, and should have filed a more complete SARC when it did file one.

C. Zhenli Ye Gon

9. Zhenli Ye Gon was an established, high-stakes player who gambled at several major casinos, including the Venetian. Zhenli Ye Gon's total gaming losses at these multiple casinos between 2004 and 2007 exceeded \$125 million, which included over \$84 million in losses at the Venetian. Generally available, third-party, gaming records show that at least ten casinos in Atlantic City and Las Vegas expressed interest in Zhenli Ye Gon's patronage. During the relevant period, more than 100 inquiries were made about Zhenli Ye Gon by other casinos, including major competitors of LVSC where Zhenli Ye Gon had gambled tens of millions of dollars, in an effort to solicit his business.

10. In Ye Gon's credit application to the Venetian, he identified himself as the owner of Unimed Pharm Chem and stated that he was in the chemical business. The Company understood that the company Constructa E Inmobiliaria was the construction company for or related to Unimed Pharm Chem. Ye Gon told Company employees and at least one other person that he was involved in the pharmaceutical business in Mexico or ran a medical equipment business in Mexico. By the end of 2006 or early 2007, Ye Gon became the largest all cash up front gambler the Venetian had ever had to that point.

11. Ye Gon wired transferred money to the Company from two different banks and seven different casas de cambio, each of which were located in Mexico. Ye Gon identified the wire originators on his wire transfers as Unimed Pharm Chem Mexico, Constructra E Inmobiliaria. Ye Gon also identified the wire originators on his wire transfers as Comercial Enlace Internaccional, Hector Eduardo Fanghanel Fuente De La Luna, Inmorplus SA De CV,

Unimed Pharmaceutical, and Ernesto Caballero. The monies that Ye Gon sent through casas de cambio were deposited at those casas de cambio in United States currency, which was not visible to the Venetian-Palazzo on the related documentation. Ye Gon regularly sent multiple wire transfers from different casas de cambio in large amounts spread out over several days. Additionally, Ye Gon sent three of these wire transfers, which totaled over \$1,500,000, from Mexican casas de cambio to a Company subsidiary in Hong Kong for transfer to Las Vegas. Many of Ye Gon's wire transfers lacked sufficient information to identify him as the intended beneficiary of the funds.

12. In March 2007, Zhenli Ye Gon's Mexico City, Mexico home was raided by police and law enforcement officers seized approximately \$207 million in U.S. currency from the residence. Prior to the March 2007 raid, Zhenli Ye Gon was accepted as a legitimate businessman.

13. Upon learning of the raid on Zhenli Ye Gon's home on March 17, 2007 via a Los Angeles Times article, the General Counsel and Chief Compliance Officer of the Venetian-Palazzo, on behalf of LVSC management, reached out to both the Nevada Gaming Control Board and the United States Drug Enforcement Administration ("DEA") authorities that same day regarding Zhenli Ye Gon's patronage of the casino, to offer LVSC's full support and cooperation with state and federal investigative and enforcement efforts. Venetian General Counsel did not inform government authorities that the Venetian was holding over \$4 million in funds received from Ye Gon, which the Venetian transferred to the general ledger in an effort to partially satisfy Ye Gon's debt after conferring with inside and outside counsel.

14. LVSC took immediate, affirmative, and voluntary action to investigate the facts and report them to the DEA in 2007 and cooperated extensively with local and federal law

enforcement authorities during the ensuing 2-year investigation and attempted prosecution of Zhenli Ye Gon in the District of Columbia.

15. In connection with Zhenli Ye Gon's patronage of the Venetian, management engaged the Venetian-Palazzo compliance program, relying upon Venetian-Palazzo compliance and inside counsel, as well as outside counsel. Insofar as LVSC's senior-most management understood, the compliance procedures in place met or exceeded industry practices and standards, met or exceeded federal and state legal and regulatory requirements, and its requirements were being adhered to by Venetian-Palazzo operational and compliance personnel. The Venetian was warned by at least one LVSC officer that receiving funds from a company which were then gambled and lost by an individual put the Venetian at risk of possibly having to return those funds if those funds were not lawfully obtained.

16. The Government has no evidence that anyone at LVSC or the Venetian-Palazzo had knowledge of Zhenli Ye Gon's alleged criminal activities prior to the March 2007 raid.

1. Funds Received by Venetian-Palazzo

17. During his patronage, Zhenli Ye Gon lost a total of \$90,125,357 at Venetian-Palazzo. Of that total, \$36,504,300 was a loss of credit advanced by the Venetian-Palazzo that was ultimately classified as bad debt and written off by Venetian-Palazzo after the March 2007 raid. During Ye Gon's time playing at the Venetian, he lost more than \$50,000,000 that he had sent to the Venetian, of which \$47,400,300 came after November 7, 2006. Ye Gon's losses at the casino tables were so extraordinary that the Venetian classified him as an "outlier" in company earnings graphs and charts. Ye Gon's losses were large enough to affect the bonuses of many LVSC and Venetian executives, including individuals involved in compliance. Ye Gon's individual bets were monitored in real time and they had an immediate effect on the Company's earnings.

18. Zhenli Ye Gon principally funded his play at Venetian-Palazzo via wire transfers and cashier's checks. Zhenli Ye Gon's wire transfers were deposited to four accounts:

- a. Las Vegas Sands Inc.;
- b. Venetian Marketing Inc.;
- c. Interface Employee Leasing, and
- d. Venetian Far East Limited.

19. To address patron privacy concerns, and after consultation with Venetian-Palazzo's in-house General Counsel and Chief Compliance Officer, as well as an outside counsel, certain of Zhenli Ye Gon's funds were transferred to an account that did not identify its association with a casino (Interface Employee Leasing). This account had never been used as a depository account by gamblers. It was a pre-existing aviation account used to pay pilots operating the Company's aircraft.

20. The majority of the wire transfers by Zhenli Ye Gon to Venetian-Palazzo were routed through Mexican currency exchange houses, or casas de cambios. While the Financial Crimes Enforcement Network ("FinCEN") had published an advisory regarding the potential use of such institutions for suspicious activity, none of the suspect mechanisms cited in that advisory resembled Zhenli Ye Gon's activity. Casas de cambios are "used legitimately to convert currencies and wire money both domestic and internationally." However, when used by individuals with access to the normal banking services, the activity may become suspicious, especially when an individual uses multiple such entities. Zhenli Ye Gon used seven different casas de cambios to wire money to the Venetian, sometimes using two or three different casas de cambios on the same day or consecutive days. While nearly all of Zhenli Ye Gon's wires were initiated by cash deposits to the casas de cambios in U.S. currency, this fact was not visible to the Venetian-Palazzo on the related documentation.

21. Venetian-Palazzo's internal booking of funds deposited by Zhenli Ye Gon -- from Venetian-Palazzo's cage account into its general ledger account -- after Zhenli Ye Gon's arrest -- was also vetted with outside counsel by the Venetian-Palazzo's General Counsel and Chief Compliance Officer.

22. Consistent with its third-party check policies, certain of the funds originating from third-party corporate bank accounts were held for acceptance (or rejection) pending confirmation of Zhenli Ye Gon's beneficial interest in those businesses.

2. Casino Controls

23. Within the context of its then-existing controls system, Venetian-Palazzo vetted and approved Zhenli Ye Gon as a patron of the casino, before allowing him to gamble as follows:

- a. Zhenli Ye Gon's gambling activities, including win and loss amounts, were reported by Venetian-Palazzo in real-time to Nevada gaming regulators.
- b. In accordance with applicable state and federal regulations, Venetian-Palazzo accurately reported Zhenli Ye Gon's gambling on its books and records.
- c. Over 40% of Zhenli Ye Gon's losses were accumulated in private gaming rooms where his gambling was subject to real-time video surveillance by Nevada gaming regulators.
- d. Venetian-Palazzo verified Zhenli Ye Gon's government-issued identification, known credit history, and reputed business and financial standing.
- e. Zhenli Ye Gon was also represented by an independent agent registered with Nevada gaming regulators and upon whom Venetian-Palazzo had previously conducted due diligence.

- f. No indication of any link to criminal activity was seen when Zhenli Ye Gon and his associates were screened against OFAC's prohibited parties lists (including the Narcotics Trafficking, SDN, and Terrorist Lists) and other publically-available information.

24. On January 3, 2007, the Compliance Department instructed the Investigations Department to identify the ownership of the following companies: Unimed Pharm Chem Mexico DE CV, Constructora E Inmobiliaria Federal SA DE CV, and Comercial Enlace Internacional Mexico. The Investigations Department was unable to determine the ownership of these companies.

25. Between January 4, 2007 and January 5, 2007, the Compliance Department conducted Internet searches with the intent to determine if Zhenli Ye Gon owned Unimed Pharm Chem Mexico DE CV, Constructora E Inmobiliaria Federal SA DE CV, and/or Comercial Enlace Internacional Mexico. The results of those efforts were as follows:

- a. Unimed Pharm Chem Mexico DE CV: Zhenli Ye Gon was listed on a contact information sheet for the company and was identified in a lawsuit against the company.
- b. Constructora E Inmobiliaria Federal SA DE CV: Venetian-Palazzo had previously received wires on March 22, March 23, and March 28, 2005 that were originated by Constructora E Inmobiliaria Federal SA DE CV. These three wires listed Zhenli Ye Gon as the beneficiary. One wire had originally listed the Venetian-Palazzo depository account as the beneficiary; however, after wire instructions were re-sent by Venetian-Palazzo, Zhenli Ye Gon was ultimately listed as the beneficiary. These transactions were never disputed by any party.

No other information could be obtained that identified Zhenli Ye Gon as an owner or as being associated with this company.

- c. Comercial Enlace Internacional Mexico: No information could be obtained that identified Zhenli Ye Gon as an owner or as being associated with this company.
- d. Zhenli Ye Gon never represented on any of his multiple credit applications that, other than Unimed Pharm Chem, he had any affiliations with these companies listed as the originator on many of the wire transfers

26. Sometime before March 17, 2007, the Compliance Department reviewed the website of Eurofimex Casa De Cambio, S.A. de. The Compliance Department was able to pull from the website addresses and contact information for the company. The Compliance Department also noted that the website included information on services provided and company directors, none of which was negative. However, the company did not make these checks on the other six casas de cambios that sent wires that were credited to the Zhenli Ye Gon account.

27. Despite receiving over \$18,000,000 in previous wire transfers for Ye Gon's benefit, the Venetian's Investigations Department was not assigned the task of identifying ownership interest in three companies that appeared as originators on Ye Gon's prior wire transfers, that is, Unimed, Constructora E Inmobiliaria, and Comercial Enlace Internacional, until January 3, 2007. Between January 4, 2007 and January 5, 2007, the Compliance Department reviewed the OFAC prohibited parties lists for both Zhenli Ye Gon and the following companies and organizations: Unimed Pharm Chem Mexico Sa De CV, Constructora E Inmobiliaria SA DE CV, Commercial Enlace Internacional Mexico, and Eurofimex Casa De Cambio. None of the names appeared on the Narcotics Trafficking, SDN, or Terrorist Lists. Constructora E Inmobiliaria Urvalle CIA, LTDA, a Columbian entity, was listed on the Narcotics Trafficking list. Additional research was performed to determine whether any connection existed between

the two companies. No link was found between the two companies. Additionally, the Compliance Department determined that Constructora E Inmobiliaria is a common, generic name for a construction and real estate company.

28. A subsequent review of the OFAC prohibited parties lists was performed on March 7, 2007, for both Zhenli Ye Gon and the following companies, organizations, and individuals: Casa De Cambio Nuevo Leon, Inmorplus Sa De CV, Consultoria Internacional Case De Cambio, Ernesto Caballero, and Hector Eduardo Fanghanel. None of the names appeared on the Narcotics Trafficking, SDN, or Terrorist lists.

29. The Compliance Department performed additional due diligence by reviewing the Credit Department's files. These files included the following:

- a. November 2, 2006 Credit Recommendation Letter from a Venetian employee and officer;
- b. November 11, 2006 Credit Establishment Affidavit;
- c. Multiple Central Credit, LLC reports; and
- d. Nevada Gaming Control Board-registered Independent Agent (Lawrence Lee) file.

30. In or before approximately December 2006, the Compliance Department conducted a process-related review of Cashier Checks and Credit Procedures.

31. Throughout Venetian-Palazzo's relationship with Zhenli Ye Gon, records of his play were maintained in compliance with federal Title 31 and corresponding Nevada gaming requirements.

32. Prior to the March 2007 raid, Venetian-Palazzo was advised by a former employee of another prominent Las Vegas resort ("Resort A") that representatives of Resort A had traveled to Mexico to market Resort A's products and also to collect an outstanding debt

from Zhenli Ye Gon, a patron. During that discussion, Resort A's employee stated to LVSC that Resort A's representatives had visited Zhenli Ye Gon at his Mexico City, Mexico residence and had toured a pharmaceutical company purportedly owned by Zhenli Ye Gon. Resort A's employee informed Venetian-Palazzo that Resort A's representatives made no negative findings in connection with this visit or Zhenli Ye Gon generally. Resort A was among the several major casinos that continued to court Zhenli Ye Gon as a customer during his play at Venetian-Palazzo. The Venetian did not investigate further as to why such a purportedly large pharmaceutical company had no internet web page, internet citations, or internet "footprint."

33. The USAO has developed evidence establishing the following facts, some of which LVSC and Venetian executives were aware:

- a. In December 2006 or January 2007, Ye Gon met with casino employees to discuss the manner in which the wire transfers were coming into the casino. According to a witness who was present at the meeting, the casino was having difficulty processing the volume of the wire transfers and the fact that the transfers had several different originators and beneficiaries listed. The manner in which these transactions were coming in made it difficult for the casino to figure out which player account to credit the money to. When casino personnel asked Ye Gon to wire the money in larger lump sums, as opposed to breaking it up incrementally, and use consistent listed beneficiaries, Ye Gon stated that he preferred to wire the money incrementally because he did not want the government to know about these transfers. Another Company executive who was not present at the meeting understood that Ye Gon was superstitious about sending large amounts of money to the Venetian at one time for fear of losing all the money at once.

- b. In a January 4, 2007 memo, the Venetian's Senior Director of Finance directed the Venetian's Compliance Officer, Vice President of Gaming Operations, Controller, and Operations Controller to immediately use new procedures to safeguard funds received from customers. In the case of incoming wires without beneficiary information: within 48 hours, if they got a reply for beneficiary of funds, the Venetian could disclose the funds to the cage. Otherwise, unidentified wires were to be returned after 48 hours. However, the Venetian did not follow this policy many times regarding Ye Gon. Venetian wire transfer summaries for October 23, 2006 through March 12, 2007 reflect over \$2 million in funds from Ye Gon that were "waiting for receipts" and that were not returned per this policy.
- c. Furthermore, in a February 3, 2007 e-mail from the Venetian's General Counsel to the Venetian's Senior Director of Finance, Compliance Officer, and the LVSC Chief Financial Officer, the General Counsel authorized Ye Gon to send money to IEL "one time." However, Ye Gon wired money to IEL 15 times total between February 12 and March 16, 2007 for about \$5.2 million. In another e-mail that day, the Venetian's Senior Director of Finance outlined procedures for handling Ye Gon's wire transfers that included ensuring the link between the originator identified on the wire transfer and Ye Gon was not broken by routing funds through IEL. However, as noted above, the Venetian's Investigation Department could not identify the link Ye Gon and Commercial Enlace, Mr. Cabellero, Hector Fanghanel, or Inmorplus, and it accepted numerous wire transfers from these originators.
- d. Venetian executives had operational meetings where they discussed how Ye Gon's presence at the Venetian was very good financially because he gambled

and lost substantial amounts of money they already had on account. Ye Gon's losses were large enough to significantly affect the Company's profitability. Meetings took place among Venetian executives where they discussed how Ye Gon had become such a large gambler in a relatively short period of time and discussed his source of funds.

3. Venetian-Palazzo's Currency Transactions Reporting

34. Venetian-Palazzo filed eleven currency transaction reports ("CTRs") relating to Zhenli Ye Gon's transactions prior to the March 2007 raid, all for amounts less than \$100,000.

4. Venetian-Palazzo's Suspicious Activity Reporting

35. On April 18, 2007, the Venetian-Palazzo filed a SARC with FinCEN relating to Zhenli Ye Gon's transactions. The report did not describe approximately \$4.2 million on deposit by Zhenli Ye Gon that was later taken by Venetian-Palazzo as a credit against the approximately \$40 million Zhenli Ye Gon owed Venetian-Palazzo at the time of the filing, upon advice of inside and outside counsel. The filed SARC also did not disclose:

- a. that Ye Gon had lost over \$90 million dollars.
- b. that Ye Gon used Mexican casa de cambios to transfer in over 90% of the money received by the Venetian.
- c. that Ye Gon had told the Venetian that he preferred the government not know about his transfers.
- d. that the Venetian had accommodated Zhenli Ye Gon by making an account of a subsidiary not involved in gaming available to Zhenli Ye Gon for his use.
- e. the nature of the wire transfers such as their origination by companies and individuals not obviously connected to Zhenli Ye Gon and his use of multiple

casas de cambios, the use of multiple wire transfers on the same or consecutive days, as well as his failure to identify himself on the wires as the beneficiary.

Attachment B
Compliance Enhancements

In addition to the enhancements the Las Vegas Sands Corp. has already made to its compliance program as described in the Non-Prosecution Agreement (“Agreement”) and Statement of Facts, the Company agrees that it has or will undertake the following:

Board of Directors and Compliance Officers/Personnel

1. The Company will maintain an overall compliance structure, consistent with gaming license requirements, that includes oversight by an independent Committee of the Board of Directors with direct oversight of the Company’s Chief Compliance Officer (“CCO”) and the Compliance Program. This Committee will be responsible for ensuring that the Company is in compliance with all aspects of this Agreement. All reports submitted as a part of this Agreement shall be sent under the cover of the CCO and copied to this Committee.
2. The Company has engaged executives with extensive law-enforcement and/or compliance backgrounds as Chief Compliance Officers for each country of operation.
3. The Company will report the increases/enhancements to its compliance staffing using December 31, 2011 as a baseline.

Executive Review and Bonus Structure

4. The Company will formalize and incorporate anti-money laundering and BSA compliance performance as a bonus qualification and implement clawback provisions for bonuses later determined to have contributed to compliance failures for personnel in casino sales, casino cage, casino credit, and relevant personnel in surveillance, security, compliance and finance, as well as those with management oversight over the foregoing.

Know Your Customer

5. As required by the BSA and/or regulation(s), the Company will maintain Know Your Customer guidelines and controls in order to detect and prevent the laundering of criminally derived funds or other illegal financial activity through the Company. These

guidelines and controls will be risk-based for high-volume credit and/or cash customers and include: collection, validation, and analysis of basic identity and source of funds information including verifying the customer's link to any entity transferring funds on the customer's behalf; name matching against lists of known parties (such as politically exposed persons); reviews of both front-money/marker payments and play patterns for SARC-reporting requirements; and an examination of whether the customer's transaction had a business or apparent lawful purpose or was the sort in which the particular customer would normally be expected to engage.

Suspicious Activity Reports and Internal Audit

6. The Company will continue to follow all laws and regulations concerning the filing of Suspicious Activity Reports for Casinos ("SARCs") in the United States for any suspicious activity, as defined by the Bank Secrecy Act and its implementing regulations, including suspicious activity identified by the Company that starts, ends, or passes through the United States.

7. The Company will continue to assign responsibility for monitoring of SARC processes to specific compliance and surveillance personnel.

8. The Company will continue to periodically update training of relevant personnel on risk-based parameters for SARCs.

9. The Company will continue to periodically train casino finance personnel to aggregate all internal information in SARC recommendation process.

10. The Company will maintain its reconfigured SARC Committee to include the CCO.

11. The Company will increase training for and upgrade staffing of its Internal Audit Group to verify the efficacy of enhancements discussed herein.

Generic Accounts

12. The Company will prohibit the use of neutral name accounts.

Attachment C
Reporting Requirements

1. Las Vegas Sands Corp. (the "Company") has implemented significant voluntary enhancements to its Casino Suspicious Activity Report ("SARC") program. As provided in Attachment B, the Company agrees to continue to implement such measures that, at a minimum, support a finding that no material deficiencies exist therein based upon a Bank Secrecy Act ("BSA") compliance review of the Company, which must occur prior to the termination date of the Agreement. Otherwise, the Non-Prosecution Agreement ("Agreement") will be automatically extended until the soonest examination or another reliable report can be reviewed.

2. During the two-year period covered by the Agreement, the Company shall: (1) conduct an initial review and submit an initial report, and (2) conduct and prepare at least three (3) follow-up reviews and reports to be submitted by the Company's CCO as described below:

- a. By no later than 180 days from the date this Agreement is executed, the Company shall submit to the USAO a written report setting forth a complete description of the Company's internal controls, policies, and procedures for ensuring compliance with the BSA and other applicable anti-money laundering laws comparing same to a baseline of December 31, 2011; and the proposed scope of the subsequent reviews. The report will also memorialize the fact that the Company's CCO (1) has reviewed the commitments contained in this Agreement; (2) has made inquiries with relevant Company personnel, including the responsible heads of internal audit and operations; and (3) based on those inquiries, can attest that the Company has taken substantial steps to fully comply with the commitments contained in Attachment B. The report and subsequent reports shall be transmitted to Chief, OCDETF Unit, U.S. Attorney's Office, Central District of California, 312 N. Spring Street, 1400 U.S. Courthouse, Los

Angeles, CA 90012. The Company may extend the time period for issuance of the report with prior written approval of the USAO.

- b. The Company shall undertake at least three (3) follow-up reviews, incorporating the USAO's comments on the Company's prior reviews and reports, to further monitor and assess whether the Company's policies and procedures are reasonably designed to detect and prevent violations of the BSA and other applicable anti-money laundering laws.
- c. The first follow-up review and report shall be completed by no later than 180 days after the initial review. Each follow-up review and report shall be completed by no later than 180 days after the completion of the preceding follow-up review.
- d. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation and impede pending or potential government investigations and, thus, undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except as otherwise agreed to by the parties in writing or is otherwise provided by law.
- e. The Company may extend the time period for submission of any of the follow-up reports with prior written approval of the USAO.

3. During the pendency of this Agreement, with regard to patron activity beginning, ending, or passing through the United States, the USAO, upon request, may inspect the Company's casino, compliance, marketing, or finance records located in the United States and the Company will provide the USAO any requested records casino, compliance, marketing, or finance records located in the United States with seven business days of the request; and every

120 days the Company will provide the USAO with a copy of casino or finance “Credit Issuance/Collections Reports” located in the United States to the same addressee as initial and subsequent reports provided above.

4. Prior to the termination of the Agreement, the Company’s CCO must provide the USAO with a certification that the Company is operating according to the best practices of SARC reporting compliance and, if not, what steps are being taken to reach best practices, including reporting what has been done during the preceding period to implement and strengthen the Company’s SARC reporting program and what steps are planned to continue to improve the program.