



**Junket Due Diligence and Persons of Interest Process
Review**

Crown Resorts Limited
XX June 2020

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Guidance and Limitations

The purpose of this document is to summarise the findings from Deloitte's review into **XXX**.

Our engagement is not an assurance engagement and we did not perform any audit, testing or verification of the information provided to us throughout the engagement and will not provide legal advice. We have also not made assessments of the accuracy of any data in underlying systems. Deloitte has not undertaken any additional research beyond the data provided to us.

This report is prepared solely for the internal use of Crown in accordance with our engagement letter. This document is not intended to and should not be used or relied upon by anyone else and we accept no duty of care to any other person or entity. The report has been prepared for the purpose set out in our engagement letter. You should not refer to or use our name or the presentation for any other purpose.

The Services provided are advisory in nature and have not been conducted in accordance with the standards issued by the Australian Auditing and Assurance Standards Board and consequently no opinions or conclusions under these standards are expressed. Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. The matters raised in this report are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made.

Our work is performed on a sample basis; we cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud.

01 | Executive Summary

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Executive Summary

Thematic findings from our review into the maturity of Newcrest's risk culture.

PART A: Junket Operators

Context

Deloitte Australia Risk Advisory Pty Ltd was engaged by xxx



We conducted an artefact review XXX.



We reviewed XX files



We interviewed XX staff members

Executive Summary

A summary of our overall assessment and the insights and suggestions emerging from our review.

PART B: Persons of Interest Process

PART C: Reporting and Involvement of Crown's Board

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02 | Methodology

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Our Methodology

A customised four-phase approach to assessing Crown’s decision making processes relating to junket operators and persons of interest (POIs).

Background

Deloitte were engaged to conduct a review of Crown’s decision-making processes related to junket operators and persons of interest (POIs). The purpose of the review is to identify opportunities for Crown to enhance its junket operator and persons of interest due diligence frameworks to ensure that Crown is well-placed to make appropriate, informed decisions in accordance with Crown’s risk appetite.

Approach

Our approach involved conducting a review of relevant policies and procedures, internal communications and other documentation as deemed relevant. We also undertook interviews with the key Crown staff and leadership team involved in the processes. We have consolidated our findings through end-to-end mapping of the current decision-making processes relating to new and existing operators and POIs.



03 | Detailed Findings – Junket Operators

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Prospective Junket Operators

Process Map

Prospective Junket Operators

Identified Findings

- (a) the information inputs to be considered and sources to be mined in connection with the assessment of a prospective operator;
- (b) the process for assessing an application made by a prospective operator, including any consideration of any broader group of persons or entities with which the prospective operator might be associated;
- (c) the role for different aspects of the business, including the AML department, the compliance department, the credit department, the VIP International department, and other aspects of the business, in the assessment process; and
- (d) the governance framework and responsibility for approving a new junket operator, including whether the framework and processes are well designed to make decisions reflecting Crown's risk appetite.

Review of Existing Junket Applications Process Map

Review of Existing Junket Operators

Detailed Findings

the process for reviewing existing operators, including, without limitation:

(i) the process for updating previous probity and background checks on existing operators;

(ii) the process undertaken to weigh various factors in connection with existing operators' activity over the prior year, including review, analysis, and consideration of:

(A) any law enforcement requests in respect of the existing operator;

(B) any suspicious matter reports in respect of activity connected to the existing operator;

(C) any other information relevant to the existing operator available to Crown;

(iii) the composition of the committee reviewing existing operators;

(iv) the role for different aspects of the business, including the AML department, the compliance department, the credit department, the VIP International department, and other aspects of the business, in reviewing the background and probity of existing operators; and

(c) the governance framework and responsibility for the review of existing junket operators, including whether the framework and processes are well designed to make decisions

04 | Detailed Findings – Persons of Interest

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Persons of Interest (POI) Process

Process Map

Persons of Interest (POI) Process

Detailed Findings

- a) the information inputs to be considered and sources to be mined in connection with reviewing and making decisions about persons of interest;
- (b) the process for reviewing and making decisions about persons of interest, including, without limitation:
 - (i) the information available to the persons of interest committee (and any other relevant body) in making decisions on particular persons of interest;
 - (ii) the process undertaken to weigh various factors in connection with a review of or decision about a person of interest, including review of:
 - (A) any law enforcement requests in respect of the person of interest;
 - (B) any suspicious matter reports issued in respect of activity connected to the person of interest;
 - (C) any other information relevant to the person of interest available to Crown;
 - (iii) the composition of the committee tasked with reviewing persons of interest;
 - (iv) the role for different aspects of the business, including the AML department, the compliance department, the credit department, the VIP International department, and other aspects of the business, in reviewing persons of interest; and
- (c) the governance framework and responsibility for reviewing and making decisions about

05 | Detailed Findings – Board Involvement

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Board Involvement

Detailed Findings

The Review is also to make recommendations for any improvements in governance or reporting frameworks for:

- (a) decision making in the process of assessing junket operator applications, the periodic junket operator review process, and the persons of interest committee process; and
- (b) reporting and referral to the Board and/or a Board subcommittee of decisions and/or any issues arising from such processes.

06 | Appendix

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Appendix A
Regulatory Landscape

Appendix B

Crown's Program and History of Enhancements

Appendix C

Review of Crown's Information Sources



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