



Victorian Commission for
Gambling and Liquor Regulation

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18 June 2018

Our ref:
Your ref: RMD 1147099

Mr Richard Murphy
Partner
MinterEllison

Via email: [REDACTED]

Dear Mr Murphy

Re: **VCGLR China Investigation – Detention of Crown group staff in China**

1. Thank you for your letter dated 7 June 2018. I wish to respond to some of the matters raised therein.

Background

2. On 2 February 2018, the VCGLR wrote to Crown Melbourne Limited (**Crown**). Pursuant to section 26(1) of the *Casino Control Act 1991 (the Act)*, Crown was required produce various records to the Commission (**the Notice**), including:

'Any other records which contain information regarding the identification, assessment or treatment of risks conducted by Crown Melbourne Limited and/or Crown Resorts Limited and/or Crown Resort Pte Ltd (Hong Kong) regarding operations within mainland China from 1 January 2015 to the present, excepting and records or documents which have already been provided to the Commission.'

3. On 16 February 2018, a response was received from Crown which stated, in relation to this specific request:

We have been unable to locate any documents that contain information about Crown Resorts, Crown Melbourne or Crown Singapore's identification of risks attaching to the operations being conducted by their employees in China save for

- (a) Documents that have previously been provided to the VCGLR and
- (b) Documents that record legal advice that is subject to legal professional privilege which Crown does not intend to waive.

Addition materials

For the sake of completeness, we otherwise note that Crown is in the process of restoring a number of back up tapes, which may contain materials that are required to be discovered in the Class Action that has been commenced against Crown in connection with the China detentions. The technological aspect of this restoration process will take considerable period of time (months)

It is possible that, in the course of reviewing further materials (as back up tapes are restored), that Crown may identify further documents that fall within the scope of the Notice (and/or earlier notices issued by the VCGLR under s26 of the Act. If this is the case, we will let the VCGLR know, and can supply a copy of the identified documents.'

Provision of information

4. Crown has recently provided (on **insert date and insert date**), the Commission with further documents, presumably from the restoration of back up tapes, which fell within the scope of the Notice (or possibly previous requests made by the Commission). As you will be aware, the provision of these documents occurred after Commission Inspectors conducted interviews with key Crown staff in relation to this matter.
5. As you will appreciate, the ongoing provision of documents by Crown has affected the ability of the Commission to conclude its investigation. An explanation from Crown concerning why the email restoration process has taken so long is desirable.
6. In order for the Commission to be able to work towards concluding its investigation, and pursuant to section 26 of the Act, I require that Crown produce all outstanding documents that meet the scope of its previously issued notices by the close of business on **2 July 2018**.

Redacted material in previous disclosures

7. At paragraph six of your letter you refer to:

'Some other documents have also been redacted on the basis of legal professional privilege or lack of any relevance to the China investigation.'
8. I request you separately identify which material in each particular document has been redacted on the basis of:
 - a. legal professional privilege (LPP);
 - b. lack of relevance to the China investigation; or
 - c. any other basis (if any)
9. Further, it is requested that Crown allow inspectors the opportunity to review the redacted documents with material previously redacted on the basis of "lack of relevance" or "any other basis" in an unredacted format (i.e. documents with only LPP material redacted) at a mutually suitable time, but before the close of business 28 June 2018.

Investigation Process

10. I am aware that, on **insert date**, the Chief Executive Officer of the Commission sent Crown a copy of the draft Investigation Report for your comment.
11. As you would be aware, due to the recent disclosures made by Crown referred to in Paragraph 4, the Commission is now not able to conclude its investigation and will continue to assess the documents provided (as well as any other documents that arrive before or on 2 July 2018). Please disregard the draft Investigation Report, as it is likely to alter given the material that has recently been disclosed.
12. Further, it is noted that, given the disclosures referred to in paragraph 4 and any new disclosures of records that may be provided, the Commission may need to conduct further interviews as part of its investigation process. If this occurs, you will be advised.

Yours faithfully,

Stephen Berriman
Director, Compliance