

**To:** Alex Fitzpatrick [REDACTED]  
**Cc:** Steve Thurston [REDACTED]; Rowan Harris [REDACTED]  
**From:** Jason Cremona [/O=VCGLR/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=2FBCB8D9EE27401BACBE41B25672219F-JASON CREMONA]  
**Sent:** Wed 5/22/2019 10:37:11 AM (UTC+10:00)  
**Subject:** Update on Recommendation 17 of the 6CR  
[6CR Brief - recommendation 17 - 20190521.docx](#)  
[6CR Letter to JP - recommendation 17 - 20190521.docx](#)

Alex,

As discussed yesterday, in relation to the status of Crowns progress in addressing the 6CR recommendations, LMA are most concerned about recommendation 17.

Recommendation 17 requires Crown, by 1 July 2019, to undertake a robust review (with external assistance) of relevant control statements, including input from AUSTRAC, to ensure that anti-money laundering risks are appropriately addressed.

Our interpretation of this recommendation which we have clearly, on numerous occasions, advised Crown (Michelle Fielding and Josh Preston) is that to adequately address this recommendation the VCGLR would expect:

- Crown conduct a review of relevant ICS's applicable to AML, which should include the Junket and Premium Player ICS at a minimum,
- Consultation must be formally had with AUSTRAC, where formal input is provided regarding the suitability of the ICSs in ensuring AML risks are addressed,
- Consultation with AUSTRAC must be evidenced in the response Crown provided to the VCGLR re this recommendation,
- Response to the recommendation must outline Crowns response to consultation with AUSTRAC and details the expected outcomes of its 'robust review', ie; any proposed changes to the ICS.

To date Crown have been very much 'non-committal' in terms of the extent of consultation with AUSTRAC and have deviated the focus of the recommendation from the suitability of the ICS's re AML, to the suitability of Crowns overall AML/CTF Program.

LMA have also consulted with AUSTRAC and discussed the recommendation and the VCGLR's expectation re the 'consultation' required. As recently as last week, Rowan consulted further with AUSTRAC and was advised that they have not been approached by Crown to assess the suitability of the ICS's.

I further discussed this with Michelle Fielding in my catch up with her yesterday and although she was 'confident that Crowns submission to meet the VCGLR's expectations', even after I highlighted that this recommendation was the one we were most concerned about due to the lack of consultation with AUSTRAC, she fell short in saying that AUSTRAC has been provided copies of Crowns ICS for input to the robust review. This is what we consider fundamental to Crown successfully meeting this recommendation.

Just to fully inform you of this 'risk' before the Commission meeting, Rowan has compiled:

1. A high level brief on recommendation 17, and
2. A draft letter to send to Josh Preston, in relation to this risk, if this action is deemed necessary post the Commission meeting.

Happy to discuss further,  
regards

**Jason Cremona CPA**

**Manager, Licence Management & Audit**

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