



12 May 2021

By mail and email: [REDACTED]

Ms Catherine Myers  
Chief Executive Officer  
Victorian Commission for Gambling and Liquor Regulation  
Level 3, 12 Shelley Street  
RICHMOND VIC 3121

Dear Ms Myers,

I refer to our recent discussion in respect to the review performed by Grant Thornton and Initialism (**Review**) of historical transactions within Crown's now closed Southbank and Riverbank bank accounts. Specifically, you enquired as to whether Crown had assessed the suitability of the patrons identified in relation to transactions indicative of structuring or cuckoo smurfing activity.

The Review identified 111 persons whose patron accounts were associated with the unusual activity (attached is a list of names and patron numbers).

The patrons have not been subject to a Significant Player Review (**SPR**) as a result of the Review. However, as outlined below, we have now decided to subject those patrons to an SPR.

As outlined in my letter of 24 March 2021 to Mr Ross Kennedy, Victorian Commission for Gambling and Liquor Regulation (**VCGLR**) Chairperson, the SPR is a process initiated by the gaming business units to enhance their knowledge of VIP players who may present an elevated level of risk to Crown given the volume of their transactions at the casino. VIP players are subject to a SPR when they reach certain thresholds through their rated gaming activity within a defined period.

Given the nature of the concerns raised in relation to unusual transactions identified by the Review, the investigation into this matter has been led by Crown's Financial Crime team. The Financial Crime team has been reviewing the activity identified in the Review in respect of each patron to determine whether it constituted behaviour that may be indicative of potential money laundering on the part of the patron. Where the activity identified has been identified as suspicious, Crown has submitted a Suspicious Matter Report with AUSTRAC in accordance with regulatory requirements. This work is ongoing. As warranted, the risk rating associated with some patrons was increased, triggering enhanced due diligence. In most cases, we understand that the identified cuckoo smurfing was conducted by third party remitters, and we have no reason to suspect that it was conducted with any knowledge of the patrons themselves. For this reason, we have not considered there to be a basis for Crown to ban the respective patrons. As you may recall, Crown no longer accepts transfers from third party remitters. Instead funds must come from an account held in the patron's own name.

Notwithstanding the work of the Financial Crime team and although the 111 identified VIP players have not yet reached the thresholds triggering an SPR, we will subject the 111 patrons to the SPR process.

I will provide an update on the progress of Crown's response to the Review as part of Crown's monthly reporting to the VCGLR as required by its letter of 27 April 2021.



Ms Catherine Myers  
Victorian Commission for Gambling and Liquor Regulation

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Pursuant to our recent discussions, we will provide the monthly update in a similar format to that used in my letter of 24 February 2021. Naturally, this format can be amended as required by the VCGLR to suit its needs.

Please do not hesitate to contact me should you have any concerns in relation to either of these matters.

Yours sincerely,

Personal Information

**Xavier Walsh**  
Chief Executive Officer  
Crown Melbourne Limited

Copy: Scott May, Director Legal Services & General Counsel, VCGLR  
Helen Coonan, Executive Chair, Crown Resorts Limited

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