

**Deloitte.**



Crown Resorts Limited  
Forensic Review: Updated timings for Phase 2 and 3 of Forensic Review (including HCT matter)

As at 30 June 2021 (updated 8 July 2021)

# Forensic Review: Updated timings for Phase 2 and 3 of Forensic Review (including HCT matter)

## Purpose

Deloitte's Engagement Letter covering the Forensic Review referenced three distinct phases of work, each phase to be concluded with a Final Report. As the work has progressed, some scope and timing refinements have been necessary (due to the need for additional data sources, or as a result of ongoing discussions between Crown and ILGA). Wherever possible Deloitte has sought to flex its approach to completion of the agreed scope, including accelerating execution and reporting for key parts of the scope, in order that it may be as responsive as possible to various stakeholder enquiries. In addition, the overall scope of the work has been expanded, to include a separately scoped review of historic Hotel Card Transaction (HCT) activity.

This document sets out the current anticipated timetable for completion for the remaining activity for the Forensic Review - Phases 2 and 3 (noting Phase 1 is already complete) as well as the HCT review. This timetable is based on currently available information and a series of assumptions which underpin our timing estimates. In particular, we have made assumptions about key data collection activities in order to prepare estimates for the completion of two critical parts of the Phase 2 - Patron Bank Account Activity Review, as outlined below.

The page immediately following this contains a summary of the current anticipated timetable for key activities remaining for the Forensic review; as well as the expected timetable for the HCT Review. Following this, we have included further detail in relation to these activities.

## Key dependencies

Deloitte's ability to complete the Phase 2: Patron Bank Account Activity Review is dependent on:

- 1) the provision and analysis of certain Crown data sets connected with Patron Activity; and
- 2) our ability to comprehensively identify all patron and non-patron related transactions within the bank account data, including matching specific patron transactions to patrons.

Both activities, which necessarily involve manual work, are currently in progress with Deloitte working with Crown to resolve any issues in the above as quickly and efficiently as possible. Delays associated with these processes may impact stated timelines. For the purposes of transaction matching, our review will only consider information received from Crown by 5 July 2021, which may result in a population of unmatched transactions not able to be reviewed.

Further, the overall duration and reporting timeframes included herein includes an estimated period for conducting a degree of detailed analysis and review of identified Patron Activity (i.e. deep dives) for the time period specified. We have assumed a period of 4 weeks for this activity. Dependant on the exact nature of the deep dive analysis and review required (which may include the need to gather externally-sourced information), we may determine that additional time is required to complete this activity, which may impact the expected reporting timeframe for the Patron Bank Account Activity and the final phase of the Control Framework review. Where the overall timeframe is expected to be impacted, we will notify Crown at the earliest opportunity and agree any contingent actions.

The estimated dates for the production of final reports, and for Deloitte's assessment of any formal Crown response are estimates only, based on an assumed lapsed time. For consistency, we have provided for 2 days between draft and final reports, to address any factual inaccuracies only. We have also provided 3 days for Crown to prepare a formal response, and a further 3-5 days for Deloitte to prepare a response to this document.

## Forensic Review: Updated timings for Phase 2 and 3 of Forensic Review (including HCT matter)

### Data to be reviewed (Phase 2)

Based on our approach to the Primary Patron Account Activity Review (as documented in our Engagement Letter), we are considering data from the following information sources for the period under review:

- 1) External bank statements held in the name of Crown entities;
- 2) SYCO system data including:
  - a. Patron master data; and
  - b. Patron-related transactional data including inbound and outbound telegraphic transfers, cash deposits and withdrawals, gaming cheques, and counter cheque and redemption and credit marker data (\*).
- 3) Third party information sources, including:
  - Reports published by Grant Thornton, Initialism and Promontory Australasia Pty Ltd; and
  - WorldCheck as well as corporate registry or holding records.

In addition, the following information sources may be considered with respect to specific patrons identified from the Primary Analysis:

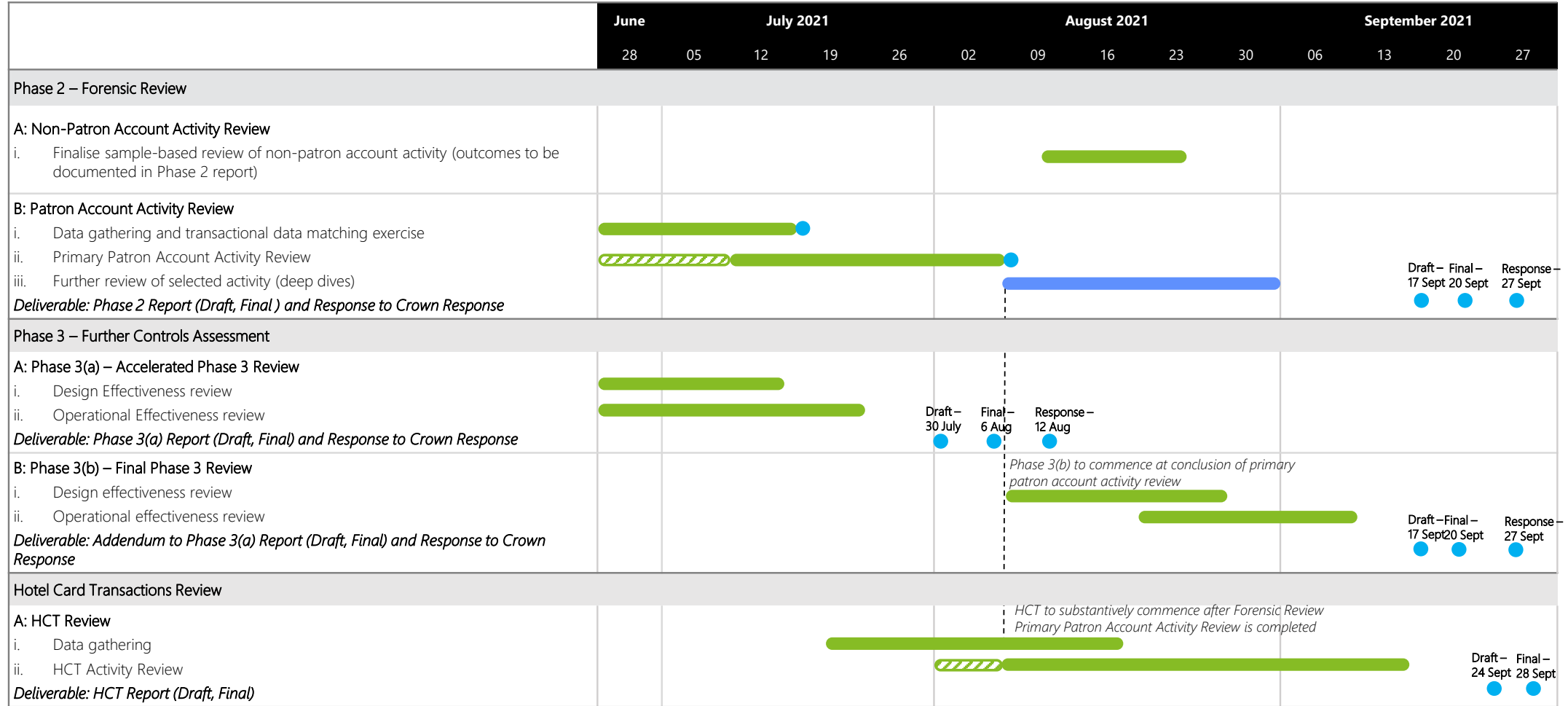
- 1) Patron-related gaming and wagering activity details as held within SYCO (\*);
- 2) Patron-related UAR and SMR activity; and
- 3) Other third party information sources identified as relevant during the course of our work.

### Notes

\* - These data sets form part of Patron DAB Account activity, any coverage of which as part of Phase 2 is predicated on the activity being identifiably associated with identified patron-related external bank account activity.

# Forensic Review: Summary timeline

Timeline below shows remaining work and expected timeframes



**Key** █ Expected timeframe ▨ Prelim/prep work underway ▬ Indicative timeframe ● Milestone

## Forensic Review: Updated timings for Phase 2 and 3 of Forensic Review

Work Area	Detailed explanation of work	Resourcing Profile of Phase	Estimated Duration	Estimated Completion Date
Phase 2 – Forensic Review	<p><b>Non-Patron Account Activity Review</b></p> <p>a) Through discussions with Crown team, review of additional information provided or through other external sources, review whether activity conducted through accounts identified as non-patron accounts aligns with initial assessment (sample based).</p> <p>b) Document outcomes of review for purposes of inclusion in report for Phase 2.</p>	<p>Review Team: 8.5 FTE (2 x Director, 1 x Associate Director, 1 x Manager, 5 x Analysts)*;</p> <p>Data Analytics Team: 3.2 FTE (1 x Associate Director, 1 x Manager, 2 x Analysts);</p>	2 weeks (in parallel with deep dive activity)	Non-Patron Account Activity review estimated for completion by 26 August 2021
	<p><b>Primary Patron Account Activity Review</b></p> <p>a. Collection and processing (including data model refinement) of additional SYCO data for Crown Melbourne and Crown Perth for the 7 year lookback period (in progress)</p> <p>b. Patron transactions data matching exercise (in progress)</p> <p>c. Primary patron account activity review based on identified ML/TF typologies and other identified risk areas</p> <p>d. Assess outcomes of primary patron account analysis for purposes of selecting patron activity for further review</p>	<p>Data Management Team: 0.2 FTE (1 x Manager);</p> <p>SME support: 0.2 FTE (1 x Principal)</p> <p>+ Oversight provided by Partners - Mandy Green, Lisa Dobbins and Tim Tham</p>	4 weeks	Primary Patron Account Activity Review estimated for completion by 6 August 2021
	<p><b>Further Review of selected Patron Activity ("deep dives")</b></p> <p>a. Identify additional information sources (internal to Crown or external) to assist in conducting further review (Deloitte &amp; Crown)</p> <p>b. further analysis of selected activity, including processing and review of additional information</p> <p>c. Consider use of additional third party / public record searches to inform further analysis</p> <p>d. Where required, validate output of further analysis with representatives from Crown (factual only)</p> <p>e. Document outcomes of further analysis</p>	<p>* An additional 3 FTE (1 Manager, 3 x Analysts) will join the Review team in mid July to assist with the Phase 2 Patron Review.</p>	4 weeks	
	<p>Prepare draft Phase 2 report documenting the results of the Forensic review (including deep dives); consider any factual inaccuracies and finalise report. Prepare response to any formal Crown response.</p>	<p>*The core HCT Review team (3 FTE) will also be involved in conducting Phase 2: Patron Review (primary patron account activity analysis), following which they will transition across to commencing the HCT Review.</p>	2 weeks	Draft Phase 2 report estimated for delivery to Crown by 17 September 2021

## Forensic Review: Updated timings for Phase 2 and 3 of Forensic Review

Work Area	Detailed explanation of work	Resourcing Profile of Phase	Estimated Duration	Estimated Completion Date
Phase 3 – Further Controls Review	<p><b>3a: Review of Relevant Controls based on specific ML/TF typologies and risks identified by Deloitte</b></p> <ul style="list-style-type: none"> <li>i. Review design effectiveness of Relevant Controls and Patron Account Controls* with respect to: (1) extent to which they mitigate the specific typologies/risk areas; and (2) Overall design effectiveness (e.g. documentation, accountabilities, resourcing, governance, oversight, and maintenance).</li> <li>ii. To the extent possible, review the operational effectiveness of the Relevant Controls (including both manual and automated TM) during the period 1 December 2020 – 30 April 2021, or relevant sub-period within this timeframe for each specific control.</li> <li>iii. Prepare draft report documenting the results of Phase 3(a); consider any factual inaccuracies and finalise report. Prepare response to any formal Crown response.</li> </ul>	<p>Review Team: 3.5 FTE (1 x Director, 1 x Associate Director, 1 x Manager, 1 x Analyst);</p> <p>SME support: 0.4 FTE (1 x Principal)</p> <p>+ Oversight provided by Partner, Lisa Dobbin</p>	7 weeks (in progress)	Draft report estimated for delivery to Crown by 30 July 2021
Phase 3 – Further Controls Review (cont'd)	<p><b>3b: Controls review based on any other activity identified in Phase 2</b></p> <ul style="list-style-type: none"> <li>i. Review design effectiveness of Relevant Controls and Patron Account Controls with respect to the extent to which they address any risks/behaviours identified in Phase 2 (other than the extent to which already considered in Phase 3a). To the extent possible, we will also consider any new controls implemented after 30 April 2021, where they are relevant from a design perspective to any new risks/typologies identified in Phase 2.</li> <li>ii. To the extent possible, review operational effectiveness of the transaction monitoring controls in place at the time with respect to any transaction or pattern of transactions identified as potentially indicative of ML activity within the Phase 2 work. Specifically, this will involve identifying whether the transaction(s) resulted in a UAR and/or a SMR.</li> <li>iii. Prepare draft addendum to Phase 3(a) report; consider any factual inaccuracies and finalise report. Prepare response to any formal Crown response.</li> </ul>		6 weeks	Draft report estimated for delivery to Crown by 24 September 2021

## Forensic Review: Estimated timings for HCT Review

Work Area	Detailed explanation of work	Resourcing Profile of Phase	Estimated Duration	Estimated Completion Date
<p>Hotel Card Transactions (HCT) Review</p>	<p>a) Through discussions with Crown staff and / or external counsel engaged to review the matter, obtain an explanation of the HCT process as well as that work commissioned or conducted to date by Crown to validate the process and quantify the activity undertaken.</p> <p>b) Identify and gather information and data to inform the work required. This is expected to include the following:</p> <p>c) Based on transaction code-based reports indicating HCT's:</p> <ul style="list-style-type: none"> <li>i. trace transactions through Crown Melbourne Hotel bank statements and associated records through to Patron activity in SYCO, matching hotel guest details with Patron account details (held in SYCO) where possible;</li> <li>ii. Where hotel guest details cannot be matched with Patron account details, conduct further analysis to identify possible matches for further review;</li> <li>iii. Where possible, identify key HCT transaction details including terminals used, card identifier details (including provider, card type, transaction type, Merchant Category Code used);</li> <li>iv. Based on SYCO system records, establish how HCT transactions funds were released to the Patron e.g. via CPV, CEV, cash or other mechanism, including timing of the funds release relative to the hotel transaction (where identifiable);</li> <li>v. Establish where possible the extent to which HCT's identified were subject to regulatory reporting requirements (specifically TTRs, SMRs and, to the extent applicable, IFTIs);</li> <li>vi. Review the Patron Accounts to identify whether HCT transactions have taken place: (a) at all within the HCT Relevant Period with respect to Crown Perth; and/or (b) outside of the HCT Relevant Period at either Crown Melbourne or Crown Perth.</li> </ul> <p>d) Through discussions with Crown staff, and a review of relevant documentation, assess the extent to which the HCT process was subject to Crown's AML/CTF processes for:</p> <ul style="list-style-type: none"> <li>i. ML/TF risk assessment (including product and/or channel risk assessment)</li> <li>ii. Customer due diligence and enhanced customer due diligence</li> <li>iii. Ongoing customer due diligence (including transaction monitoring); and</li> <li>iv. Governance and oversight.</li> </ul> <p>e) Prepare a draft report setting out our findings and any key observations in relation to HCTs identified. Consider any factual inaccuracies and finalise report. Prepare response to any formal Crown response.</p>	<p>3.2 FTE (0.2 x Principal, 1 x Director, 1 x Manager, 1 x Analyst)*;</p> <p>+ Technical and SME support to be provided by Phase 2 data and review teams;</p> <p>+ Oversight to be provided by Partners, Mandy Green and Lisa Dobbin</p> <p><i>* The core HCT Review team (3 FTE) will be involved in conducting Phase 2: Patron Review (primary patron account activity analysis), following which they will transition across to commencing the HCT Review.</i></p>	<p>6-8 weeks</p>	<p>Draft report estimated for delivery to Crown by 24 September 2021</p>