



**Executive Office
MEMORANDUM**

To: Xavier Walsh, Lonnie Bossi, Peter Crinis, Alan McGregor, Joshua Preston, Stephen Hancock, David Brown, John Salomone

Copy: Nick Stokes

From: Ken Barton
Chief Executive Officer – Crown Resorts Limited

Date: 16 November 2020

Subject: **Restrictions on cash deposits at the cage**

As many of you are aware, I have been giving consideration to the issue of significant cash deposits, and additional control measures Crown might implement to enhance Crown's management of money laundering risk. In particular, I have been thinking about the proactive steps Crown can take 'at source', to take away the potential for transactions which are suspicious, rather than just report on those transactions after the fact.

One dimension of this is cash deposits into patron bank accounts, and as you are aware we have been working with the ANZ on this issue, and also issued a direction to all customers (domestic and international) who have made cash deposits since early 2019 informing them of the prohibition on cash deposits into Crown bank accounts.

Another dimension is cash deposits made by patrons at the cage. While there are a number of supervision, monitoring and control mechanisms already in place in respect of patron cash deposits, I have been thinking about additional proactive steps that might be taken in this regard.

Accordingly, I have decided, after consultation with a number of you, to immediately implement additional controls which are intended to stop cash payments above a particular level before they are deposited at the casino, and require customers to provide evidence of their source of funds, whenever they seek to deposit significant volumes of cash.

Please be advised that, effective immediately, the following additional restrictions are to be applied in respect cash deposits by patrons at the cage:

- a) Cash deposits of over \$250,000 are not permitted and will not be accepted in any circumstances;
- b) Cash deposits of over \$200,000 will only be accepted after:
 - a. receipt of a source of funds declaration from the patron depositing the cash;
and

- b. written approval from the respective property COO or the CFO Australian Resorts **and** either the Group AML Compliance Officer or the Group GM Risk & Audit; and
- c) In respect of cash deposits over \$100,000, such deposits will only be accepted after:
 - a. receipt of a source of funds declaration from the patron depositing the cash; and
 - b. approval from a Cage Supervisor for the deposit.

In respect of cash deposits referred to in (a) and (b) above, a notification is to be sent to Surveillance and Security of the date, time and cage location of the deposit so that surveillance footage of the deposit can be extracted and provided to the AML Team together with an Unusual Activity Report about the cash deposit.

I have asked Nick Stokes to prepare a memorandum for my review providing his views on the value of the thresholds I have referenced in (a) to (c) above (and any other matter he thinks is relevant) together with a proposed source of funds declaration form, with recommendations about the types of evidence Crown might require in order to be satisfied of a patron's source of funds to the requisite standard. An important part of the source of funds declaration process will be refusing the patron's buy in, if the patron has been unable to satisfy Crown about their source of funds. Accordingly, I have also asked Nick Stokes to consider how Crown might best implement a second line of review process to audit the effectiveness of source of funds declaration forms (and decisions made by the business units to approve or refuse the buy in).

Please distribute this memorandum to all members of your teams and take any necessary steps to ensure relevant processes are implemented in accordance with this policy.

Should you have any queries, please contact myself or Nick Stokes.

Kind regards

Ken Barton
Chief Executive Officer – Crown Resorts Limited