

## MEMORANDUM TO COUNSEL

Christopher Archibald QC and Christopher Carr SC

Counsel's instructing solicitors (**ABL**) act for the Board of Crown Resorts Limited (**Crown Resorts**).

### Engagement by the Board of Crown Resorts

- 1 Crown Resorts, Crown Melbourne and Crown Perth are currently the subjects of Royal Commissions in Victoria and Western Australia regarding whether Crown Melbourne and Crown Perth are suitable to hold a casino licence.
- 2 ABL acts for the Board of Crown Resorts in connection with the Victorian and Western Australian Commissions. Allens Linklaters have been retained on behalf of Crown Resorts.

### Background

- 3 The Board of Crown Resorts has recently become aware of issues raised by a current Crown employee, Mr Kevin Zhou.
- 4 Enclosed at **Tab 1** is a copy of a surveillance log entry (**SLE**) dated 17 March 2021, which records that on 16 March 2021 ████████ made 'remarks relating to money laundering and Crown staff being aware and assisting in money laundering activities with patrons'. The SLE records that ████████ described two 'methods of circumventing "government laws" (spoken about in the context of money laundering)'.  
  
5 From initial inquiries, Crown Resorts understands that the second of these methods referred to in the SLE relates to a service offered by Crown between approximately 2013 and 2016 by which internationally domiciled patrons staying at a Crown hotel could use debit or credit cards (including China UnionPay cards) to obtain a receipt from the Crown hotel that could be presented at the cage (being the location at the casino where patrons purchase and redeem chips for cash or cash equivalents), where it was able to be redeemed for chips or for a deposit to the patron's account. We refer to this issue as the 'China UnionPay issue', though understand that it may have involved debit and credit cards issued by other entities.

### Instructions

- 6 Counsel is briefed with the documents in the **enclosed** index.
- 7 Counsel is requested to:
  - (a) assist ABL to investigate the matters raised in the SLE, including the nature of the China UnionPay issue (**SLE Issues**); and
  - (b) provide written advice in relation to whether the SLE Issues and any other matters discovered in the investigation amount to a contravention of any law, including but not limited to the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and the *Casino Control Act 1991* (Vic).
- 8 Counsel will also be requested to advise on other matters arising in connection with the SLE Issues, which we will discuss with you further in due course.
- 9 We request that you provide your initial advice by 30 April 2021, with a final written advice to follow.

If Counsel requires any further information, please telephone Leon Zwier on [REDACTED] Elyse Hilton  
on [REDACTED] or Jessica Elliott on [REDACTED]

Dated: 14 April 2021

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**Arnold Bloch Leibler**

IN THE MATTER OF:

**CROWN RESORTS LIMITED**

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**INDEX TO BRIEF**

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<b>Tab</b>	<b>Description</b>	<b>Date</b>
1.	Surveillance log entry	17 March 2021
2.	China UnionPay General file maintained by former Crown employee Debra Tegoni (Executive General Manager for Legal and Regulatory Services)	Various
3.	China UnionPay Regal Crown file maintained by former Crown employee Debra Tegoni	Various
4.	Bank transactions (hard copy file maintained by Crown employee Phil Batsakis, Group Commercial Manager)	Various

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**BRIEF TO COUNSEL**

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Reference LZ 011916235

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14 April 2021