

**Royal Commission into the Casino Operator and Licence****Statement of Nick Weeks**

**Name:** Nick Weeks

**Address:** Crown Towers, Level 3, 8 Whiteman Street, Southbank Vic 2006

**Occupation:** Executive General Manager, Transformation & Regulatory Response

1. I am the Executive General Manager, Transformation & Regulatory Response at Crown Resorts Limited. I am employed on a 12-month contract that commenced on 11 March 2021.
2. I have reported to the Executive Chairman and from 1 June 2021 report to the Chief Executive Officer.
3. I make this witness statement based on my knowledge and belief of the matters set out below and where applicable, the business records of Crown Resorts Limited (**Crown** or the **Company**), except where otherwise stated.
4. Prior to joining Crown, I was the Chief Operating Officer (**COO**) of National Rugby League Limited (**NRL**). I joined the NRL in July 2013 as General Manager, Integrity and General Counsel. I was recruited to establish the NRL's integrity, risk and legal function. I was in that role until 2014 when I was appointed Head of Integrity, a position I held until March 2017. At that time, I was promoted to COO of the NRL and I held that role until September 2020. I stepped down from that position in September 2020 and took up a six-month consulting role with the NRL which expired in February 2021.
5. Before working with the NRL I worked with the Australian Rugby Union for seven years where I was the General Manager – Strategy, Corporate Affairs and Legal.
6. I started my professional career as a lawyer, working for nine years with Allens in Sydney and Cravath Swaine & Moore LLP in New York.

**My early discussions with Crown**

7. I contacted Crown in February 2021 as my consulting arrangement with the NRL was drawing to an end. I reached out to Crown as I was considering my next role and recognised the Company was going through a period of disruption and may be looking for people with my skills and background.
8. I met with the Company in early March to express my interest in working for Crown and to discuss potential opportunities. We discussed my background and experience and the type of people and skills the Company needed. During these discussions I met each of Crown's directors other than John Horvarth, who had earlier announced his decision to retire from the Board.
9. The directors I met with talked about the plans that were being developed at that time to address the findings in the Bergin Report. They also described the number of departures in the executive management team at the Company and the need to bring in additional resources to manage the demands on the business.
10. As part of this discussion, the directors talked to me about their desire to recruit an experienced executive who would be responsible for overseeing the delivery of Crown's reform plans, and to also help coordinate the Company's approach and engagement with the NSW Independent Liquor & Gaming Authority (*ILGA*) and the Royal Commissions in Victoria and Western Australia.
11. During these discussions I tried to understand as best I could the perspective of the directors on the Company's situation. It was important to me to understand if there was a genuine commitment among the leadership of the Company to turn things around and restore trust and confidence in the Company.
12. Through those early discussions I developed confidence that I was joining a company that was committed to the steps required to properly address the weaknesses that existed in the business. Although that decision was based on a small number of conversations, having now been in the role for several months I am satisfied that my early assessment was accurate.

13. This opinion has been shaped by my interactions with the Board, with individual directors and with senior management. I've noticed it through a range of discussions and interactions and through the willingness of the Company to direct resources to the execution of Crown's reform agenda.
14. In particular, I have observed a willingness to address the findings made in the Bergin Report and the need to ensure that appropriate changes and improvements were progressed in a sustainable way.
15. I have witnessed what I consider to be a genuine desire to improve the culture of the Company and to adopt a more open and collaborative approach to Crown's regulators.

#### **My role with Crown**

16. I was offered a job at Crown and in the course of discussing the terms of that role we settled on the title of Executive General Manager, Transformation & Regulatory Response. This title broadly reflected the focus of the role we had discussed. As part of those discussions we agreed that a fixed term contract for 12 months would be a sensible way of structuring the arrangement.
17. I started with Crown on 11 March 2021 and since that time my role has been focussed on three broad areas.
18. First, I am responsible for coordinating Crown's interaction with ILGA and oversight of the Remediation Plan provided to ILGA following publication of the Bergin Report. The majority of my time has been focussed on this, but I also assist with the coordination and oversight of the Company's engagement with the Victorian Royal Commission into the Casino Operator and Licence and the Perth Casino Royal Commission. My role also includes oversight of the AUSTRAC enforcement investigation, responses to ASIC notices and class actions that have been commenced against Crown, although I have been less involved in these matters than I have with ILGA and the Royal Commissions.

19. Second, I oversee and coordinate the range of projects that Crown has identified and are described in its Remediation Plan.
20. Third, I am responsible for reporting to the senior management team and Board on the status of both streams of work referred to above.

### **The Remediation Plan**

21. Crown's reform agenda incorporates the group of plans and actions that were developed or refined by Crown in response to the findings of the Bergin Inquiry, and in response to correspondence received from ILGA on 15 February 2021 (CRW.507.001.6476).
22. This correspondence sets out a number of matters, most notably, a finding by ILGA that at that time it did not consider Crown a suitable person to give effect to the restricted gaming licence in New South Wales. In this correspondence, ILGA invited Crown to nominate actions that it proposed to take to ensure that it is a suitable person to give effect to the restricted gaming licence in New South Wales.
23. In response to this invitation the Company developed its reform plan. The plan was an aggregation of reform projects that were already in progress together with additional reform projects that were developed to respond to specific issues identified in the Bergin Report, and which ILGA expressly referenced in its correspondence with the Company.
24. These ongoing and new reform projects are captured in Crown's Remediation Plan, a version of which was provided to ILGA on 15 March 2021 (CRW.525.001.1581). I was not involved in the preparation of this version of the Remediation Plan as it was finalised and sent to ILGA only a few days after I commenced at the Company. However, I now have responsibility for overseeing and updating the plan to reflect progress that has been made on the Remediation Plan.
25. In consultation with ILGA, Crown has agreed to appoint an independent expert to assess the adequacy, and monitor the effectiveness, of the Remediation Plan. That work will start in the coming days and will involve an initial period of work by the independent monitor to

assess the adequacy of Crown's financial crime related projects, followed by periodic assessments to verify that the Remediation Plan is being implemented in accordance with the timeframes and deliverables described in that plan.

26. The Remediation Plan is focussed on projects that are responsive to the matters identified in the Bergin Report. It does not represent everything the Company is doing to strengthen the operations of the business. For example, the Company has a project team assessing cashless gaming alternatives, there will be reform initiatives progressed by the new Chief People & Culture Officer, and our IT team is undertaking work strengthening the Company's data management and cybersecurity systems. These areas of work are not currently captured in the Remediation Plan.
27. I have broad senior management experience but before starting at Crown I had not worked in the gaming industry. My role is to coordinate and oversee the Remediation Plan, to work with responsible executives to make sure they have the resources necessary to deliver that part of the plan that falls within their area of responsibility, and to keep the Board informed about the progress of the work. I do not have expertise in each of the areas covered by the Remediation Plan and it is not my role to undertake the day-to-day work required to deliver the projects.
28. When I commenced with Crown one of the first things I did was to review the Remediation Plan and to meet with relevant executives to assess the resources necessary to deliver the projects.
29. That work revealed that in some areas Crown had sufficient resources to advance the relevant projects but in other areas, such as the financial crime & compliance area, the Company would need additional resources to progress the work required in a timely manner. In the case of some projects, such as the centralisation of Crown's corporate structure, specialist external legal advice was identified as important. And in the case of other projects, such as the culture uplift program, external resources had already been retained.
30. I decided relatively early that the Company needed assistance to establish a governance framework for the Remediation Plan and to start building workplans for each project. I was

keen to ensure that a governance framework was built at the beginning of this project and the Board was able to clearly see how the management team would deliver each project (CRW.510.041.0995).

31. On 16 March 2021 I sought approval to appoint PwC to help with immediate resources to the Financial Crime & Compliance team and to also provide project management support. That request was approved and PwC were engaged to assist with this work.
32. On 14 April 2021 the Board was briefed on the proposed approach to the delivery of Crown's Remediation Plan. A further detailed update and discussion occurred at the 24 May 2021 Board meeting (CRW.512.110.0060).

#### **Progress of Remediation Plan**

33. The Remediation Plan is a working document. It will be updated as projects advance, and it is likely that additional projects will be included in the Plan as the Company continues through this phase of reform.
34. The plan was most recently updated on 27 May 2021 and provided to Crown's gaming regulators in New South Wales, Victoria and Western Australia (CRW.512.110.0001, CRW.512.113.0001, CRW.512.113.0002 and CRW.512.110.0008). We have committed to continue to report updates to the Plan to these regulators on a monthly basis. Attached to this statement is a copy of the Remediation Plan (CRW.512.110.0008).
35. In my assessment, Crown has made significant progress on the execution of many of the projects recorded in the Remediation Plan.
36. The following projects are complete or substantially advanced:
  - a. Leadership Renewal - perhaps the area in which the Company has delivered the most profound change is in its leadership ranks, both at the executive and non-executive level. Since October 2020, eight directors of Crown have resigned, including all directors appointed by the majority shareholder, CPH. A number of senior executives have left the Company, including the Crown Chief Executive Officer & Managing

Director, the CEO of Australian Resorts, the Crown General Counsel, and the Chief Legal Officer (Australian Resorts).

Crown has replaced these senior people with new executives from outside the Company and the industry. A new Chief Executive Officer & Managing Director started with Crown on 1 June 2021. A new Chief Compliance & Financial Crimes Officer commenced in March, and a new General Counsel will commence on 21 June 2021. In addition, Crown has appointed a Chief People & Culture Officer and a new Group General Manger, Internal Audit.

- b. Organisational structure – a new organisational structure has been put in place. These changes include key elements of Crown’s risk, compliance and people functions. A new independent Financial Crime & Compliance department has been established under the leadership of the Chief Financial Crime & Compliance Officer with a direct reporting line to the CEO and Board. Risk and Internal Audit functions have been separated and reporting lines have been elevated with the creation of a new Chief Risk Officer role. The Company’s focus on people and culture has also been enhanced by the appointment of a Chief People & Culture Officer role reporting to the CEO.
- c. VIP Business Restructure – the VIP business model for overseas customers that has historically operated at Crown, and involved overseas based staff, has been discontinued.
- d. Junkets – Crown has ceased dealing with junkets or junket operators.
- e. Major Shareholder Relationship – concerns raised in the Bergin Report about the influence of CPH, as Crown’s majority shareholder, have been resolved. Among other things, Crown directors appointed by CPH have stepped down and the previous services and controlling shareholder protocol has been terminated.
- f. Financial Crime – the Crown Board approved a significant Financial Crime & Compliance change program which, among other things, will result in a doubling of staffing numbers from 55 to 111 and an additional \$10m per annum invested in that team.

- g. Risk – enhancements have been made to the Company’s framework for managing risk. In December 2020, the new position of Chief Risk Officer was created, reporting to the CEO with a reporting line to the Risk Management Committee. The risk team has grown materially, and the Company has improved its risk management governance and reporting.
- h. Audit – Crown’s internal audit department has been separated from the risk function and a new internal audit manager has been appointed. The Company has also appointed a new independent auditor for the 2021 financial year.

More information on each of the above can be found in the Remediation Plan.

37. Although there are elements of the Plan that have been completed or are substantially complete, there are other elements of the Plan that are ongoing:

- a. Culture – Crown is in the midst of a significant phase of work that is designed to improve its culture. I have been made aware of and have read material that has described this work, which includes:
  - i. The 2020 rollout of new Company-wide values;
  - ii. A culture reform program, which was described in a December 2020 Board paper and involves a range of initiatives. A copy of that Board paper is attached to this statement (CRW.518.004.8953);
  - iii. A significant engagement with Deloitte, who are assisting the Company to deliver important elements of the culture reform program;
  - iv. Changes to remuneration structures;
  - v. Leadership and Board changes; and
  - vi. Enhanced employee communications

I have been involved in discussions with the executive team and Board in relation to the culture uplift project. I have also spoken directly with the Executive Chairman about my experience and interest in the management of conduct or behavioural risk, which is an important element of culture.



Following these conversations, I was asked to prepare a discussion paper for the Board which I did for the 24 May 2021 meeting (CRW.512.110.0055). The paper was designed to provide ideas based on my experience about how Crown can cascade a renewed tone from the top through the organisation. It was particularly focussed on the effective management of conduct risk and how the Company can create an environment for its people where they feel confident to speak up and raise concerns.

The Board discussed the paper and expressed support for many of the ideas it raised. The ideas described in the paper will be considered further in the phase of the culture uplift project to be led by the newly appointed Chief Executive Officer and Chief People & Culture Officer in conjunction with the Board and management team. This phase will be informed by phase 2 of Deloitte's work which will provide the Company with a clear view of the current status of Crown's corporate culture.

An important area that reflects the Company's culture is its engagement with regulators. I have experience working with regulators and believe it is important to build cooperative relationships based on openness and trust. I cannot speak with first-hand knowledge about the history of Crown's relationship with its casino regulators, but I can speak to the Company's approach that I have observed since I commenced at Crown. In short, I have observed a company that recognises that it needs to rebuild its key regulatory relationships.

The Company's shift in its engagement with regulators has been a deliberate change in approach. It is something we have discussed as a senior management team and with the Board. I have observed several decisions recently which reflect this changed approach. For example, in relation to financial crime, we have shared the work Deloitte has done in the first phase of its forensic work, we have shared the Financial Crime & Compliance change plan recently approved by the Board and we have also shared the Remediation Plan.

- b. Financial Crime – There are substantial elements of the financial crime change plan that are in progress. In this area of the business I have observed a genuine appetite from the Board to invest and support additional resources and controls. I understand

that the Chief Compliance & Financial Crimes Officer, Steven Blackburn, will submit a statement addressing this change program.

- c. A Centralised Corporate Structure – Currently, Crown has several independent governance and compliance arrangements that exist among its ultimate holding company, (Crown Resorts Limited), and the key subsidiaries that operate Crown’s casinos in Melbourne, Perth and Sydney. It is a decentralised corporate governance model and one that results in duplication of decision-making regarding core compliance, risk and governance issues.

An important project in Crown’s Remediation Plan is the transition of the Company’s structure to a centralised model where corporate governance, compliance and risk functions are centralised on behalf of the group. This model removes duplication and clarifies responsibility and accountability within the group companies, and will enable the Company to more effectively manage its risk and compliance operations.

Crown’s Board has provided in-principle support to this transition and has asked management to provide a more detailed plan to advance this project. Part of this plan will need to include an engagement strategy with regulators as there are some regulatory impediments that complicate this transition.

Signed: 

Date: 7 June 2021