

Bank Statement Analysis

The following provides an update on the internal investigation undertaken by Crown in recent weeks into cash deposits, potential structuring activity and suspicious deposit descriptors used through our various bank accounts from 2013 through to December 2019.

It is important to note that this review is ongoing and will include external review and validation of the internal findings.

In some cases, finding and reviewing source bank documents from the distant past has proven difficult but any gaps in the data are highlighted in the information below.

Further, the various banks use very different codes and references when describing transactions which has further proven difficult to clearly determine the source and description of certain transactions. Further work with the ANZ (being our current transactional banker), in particular, is underway to understand and agree information references and codes used in the past and moving forward.

The following table lists a summary of the bank statements compiled and analysed:

Entity	Bank	Period	Remarks
Southbank Investment Pty Ltd	CBA	Nov 2013-Dec 2019	Account closed in Dec 2019
Riverbank Investments Pty Ltd	HSBC	Jan 2007-July 2013	Account closed in Jul 2013
	ANZ	Jan-Jul 2014	Account closed in Jul 2014
	CBA	Mar 2014-Dec 2019	Account closed in Dec 2019
Crown Melbourne Ltd	ANZ	Jan 2013-Dec 2019	
Burswood Nominees Ltd	ANZ	Jan 2014-Aug 2020	

These entities also had bank accounts in foreign currencies (HKD, NZD, SGD, USD) through the banks listed above. The review of the bank accounts substantially concentrated on the AUD accounts. Some review was undertaken of the Riverbank and Southbank FX accounts and found no cash deposits that could be readily identified, however further review may be required.

Bank Statement Formats

Each bank statement format is different with the CBA proving to be the most user-friendly. The following details are provided to indicate the data that we relied on in finalising the outcomes of this review to date.

CBA (Nov 2013 – Dec 2019):

From the transaction description cash deposits, prima facie, can be easily identified along with a reference number which appears to be a patron ID in most cases. An example excerpt follows:

13 Jan	Cash Dep Branch Campsie 01688383	8,600.00
13 Jan	Cash Dep Branch Campsie 01688383	7,400.00
13 Jan	Cash Dep Branch Campsie 01688383	9,000.00
13 Jan	Cash Dep Branch Belmore 1688383	7,500.00
13 Jan	Cash Dep Branch Strathfield 01688383	8,700.00

Although the bank description of “Cash Dep” on the face of it seems to clearly indicate that this is a cash deposit we have not yet verified this with the bank. There are some instances of very large deposits of \$1m and more, which may question the validity of the description. For the purposes of this report we have classified all of these descriptors as cash deposits noting that further verification will be sought.

HSBC (Jan 2007 – Jul 2013):

HSBC statements do not provide adequate details to identify cash transactions. The transaction narrative usually only provides details of the customer making the deposit but it cannot be clearly determined if those are in the form of bank transfers, cheque or cash deposits.

ANZ (Jan 2013 – December 2019):

ANZ Statements provide details of Transaction Type with a variety of descriptors. In our review of the ANZ accounts which included cross-referencing to the alleged cash deposits introduced through the Inquiry, it appeared that all cash deposits identified through the Inquiry were using the AGT descriptor. Accordingly, our review focused on identifying AGT transactions. In addition, the recent use by the bank of the BAI366 code (from early 2019) when combined with the AGT code in the same transaction seemed to also indicate a cash deposit. There is a transaction reference in the form of BAI Code (Bank Administration Institute) where code 366 appears to refer to Coin & Currency Deposited, i.e. Cash, however these BAI codes were only used by the ANZ from 2019.

However, in conjunction with our contacts at ANZ, on 15 September we shared with them 137 recent examples from January 2019 – August 2020 of transactions which were allegedly cash deposits with the transaction type AGT and code BAI366 to verify that these transactions were in fact cash deposits. The ANZ have yet to come to a final conclusion on this review, however they indicated via email on 1 October that “...the team conducted some sampling and did not identify cash activity on those examples. The bulk of the sampling suggested that the larger deposits were in-branch transfers with some of them originating as bank cheques deposited into the Crown account.”

We continue to work with the ANZ to finalise the outcome of their review but clearly there remains some ambiguity about the nature of the deposits identified as cash. Regardless, the tables below include transactions identified as including the AGT transaction type and BAI366 code so, based on the information we have at hand, represent the worst-case scenario for numbers of cash deposits.

Review Activity Undertaken

Cash Deposits

A full analysis of banking transactions through all banks across the period from 2013 to 2019 listed in the table above was completed to identify, where possible, cash deposits under the \$10k threshold subject to the limitations of the details available from the bank statements as described above.

[maybe need to provide further explanation of what we actually did – downloads of all bank statements, sorted by bank code, did we get all statements or are there some gaps? What work was actually undertaken and how did we do it?]

The findings are included in the tables in Appendix 1. Cash deposits into Crown bank accounts had diminished significantly in recent years as per the summary table below:

[insert table summarizing total deposits over all banks]

A further review of cash deposits over \$10k is currently underway.

Structuring and Aggregation of Transactions

The AML, Credit and Compliance teams have done detailed work to identify multiple deposits below \$10k which have been aggregated into a single patron account in SYCO. This covers the period from 2013 to 2019. A total of 28 Unusual Activity Reports (UARs) have been raised so far. The AML team is in the process of investigating these UARs and will be filing Suspicious Matter Reports (SMRs) with AUSTRAC if a reasonable suspicion is formed.

This work was summarized in the attached memo (Appendix 2) circulated to the Board on 29 September.

Other Unusual Transaction Descriptions

A word search of the Southbank and Riverbank CBA bank transactions revealed some unusual descriptors used in deposits. The words searched were: 'House', 'Purchase', 'Goods' and 'Loan'.

Over the review period from 2013 to 2019 there were six transactions featuring the descriptor "house," 16 featuring "Purchase," 19 featuring "Goods," and 32 featuring "Loan."

In July 2018, a group of Crown Departments including Cage, Credit, AML, Table Games, Gaming Machines and Legal met to formalise a Return of Funds Guidelines document to govern the management of transactions with questionable details included in the bank descriptors. Whilst there were instances of funds being returned in the years prior to 2018, the Guidelines for returning funds were only formally established and documented with Louise Lane (former GM AML) from July 2018.

Post the implementation of this Guideline there were minimal instances of deposits with unusual ban descriptors being accepted (one with Goods and seven for Loan).

The above findings are included in the tables in Appendix 3 attached.

Work in Progress

A number of workstreams are continuing in an effort to accurately review and summarise, to the extent possible, the history of cash deposit trends and related issues in Crown's bank accounts. These workstreams include the following:

- Grant Thornton has been engaged to conduct a forensic analysis to validate the work done by the Credit teams in identifying structuring transactions in the Southbank and Riverbank accounts. This exercise will also be extended to the Crown Melbourne and Crown Perth bank accounts used for accepting patron deposits;
- Bank transactions have been converted to electronic records and uploaded into the Splunk dashboard to provide visibility of bank deposits to the AML team. Splunk is the tool used as part of the AML Sentinel Project.
- A further review of cash deposits over \$10k is currently underway;
- Working with ANZ, and the other banks Crown has used to the extent possible, to validate the references and codes used on bank statements to accurately determine whether they are cash deposits. Grant Thornton may also be engaged to assist with this workstream;
- Working with ANZ to determine whether they can provide a daily electronic feed that will be uploaded into the Splunk dashboard for prompt analysis of bank transactions and descriptions with a view to identifying unusual transactions in real time. It is envisaged that this daily feed will also be used to automate the matching of bank deposits with patron account deposits in SYCO / IGT. This will free up resources in the Credit team to focus their efforts on dealing with the exceptions, identifying unusual activities and enforcing the Return of Funds guidelines.