

# MinterEllison

23 August 2019

**PRIVATE & CONFIDENTIAL  
BY EMAIL**

Adam Ockwell  
Director, Compliance  
Victorian Commission for Gambling and Liquor Regulation  
Level 3  
12 Shelley Street  
RICHMOND VIC 3121

Dear Mr Ockwell

**Crown Resorts Limited (Crown) | Section 26 Notice**

We refer to your letter dated 9 August 2019 and to our letters in reply dated 14 August and 16 August 2019.

The purpose of this letter is to provide further information relevant to your letter, as well as to enclose documents produced in response to paragraph 8 of your letter.

**Production of records**

We now **enclose** a list of documents produced in respect of the Relevant Entities (pursuant to paragraph 8 of your letter). The list identifies the Relevant Entities to which each document produced relates.

As foreshadowed, the USB storage device containing copies of these documents will be delivered to your office on Monday morning. Crown is conducting a final review and quality check of the list of documents over the weekend. A final list, and all documents referenced therein, will be included in the USB storage device.

In the interests of efficient document management, Crown will produce digital copies of original records which have been produced electronically from a document management database. Should the VCGLR require production of native versions of the documents in their original file format, Crown would welcome the opportunity to discuss how best to facilitate this request in a timely manner.

Crown notes for completeness that both the information contained in this correspondence, and the documents produced in response to paragraph 8 of your letter, are confidential and provided to the VCGLR pursuant to section 26 of the *Casino Control Act 1991* (Vic).

**Sourcing of relevant records**

As indicated in our prior correspondence, most of the Relevant Entities initiated their dealings with Crown over ten years ago, and in some cases, over 20 years ago.

Having regard to paragraph 8 of your letter, Crown has collected and reviewed records maintained by each of its Compliance, Anti-Money Laundering/Counter Terrorism Finance (**AML/CTF**) and Credit departments, which are the relevant departments within Crown responsible for Crown's processes for initial and ongoing probity checks and related ongoing diligence activities in relation to junket activities and Premium Players.



Specifically, Crown's:

1. Credit department performs, among other things, financial and other general probity checks;
2. AML/CTF department performs transactions monitoring and other due diligence functions consistent with its relevant statutory and regulatory obligations; and
3. Compliance department is responsible for Crown's general compliance and regulatory monitoring functions, and responding to information requests from law enforcement agencies.

As would be evident, having regard to the timeline for the provision of documents, and the duration of Crown's engagement with certain of the Relevant Entities, Crown has not conducted searches of all of its document repositories (e.g. its entire email server and archived email records).

### **Privileged material**

The USB device will contain documents which have been redacted on the basis of legal professional privilege.

Documents which are subject to legal professional privilege have not been produced.

For completeness, we note that documents subject (in whole or part) to a claim for legal professional privilege:

1. were created for the dominant purpose of giving or obtaining legal advice (or refer, in whole or part, to such advice); and
2. Crown has not waived, and does not intend to waive, the privilege arising in these communications.

### **Crown's AML/CTF obligations**

As the VCGLR is aware, Crown is prohibited by section 123 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AML/CTF Act**) from producing to the VCGLR any records relating to suspicious matter reports. Crown is also subject to certain other non-disclosure obligations in Federal legislation.

### **Further information**

As is evident from the information and records provided, much of Crown's dealings with the Relevant Entities occurred a significant period of time ago. Over that period, the requirements which Crown is subject to, and its compliance processes, have evolved significantly.

For present purposes, it suffices to observe, at a high level, that:

1. initially, it was the responsibility of the VCGLR's predecessor, the OGR, to approve junket operators and perform relevant probity checks. This is what was done in the case of Mr Moo.
2. Subsequently, in 2004, responsibility for approving entry into junket arrangements was transferred to Crown.
3. Over time, Crown's processes under relevant versions of the *Internal Control Statement – Junket and Premium Player Programmes (ICS)* (as endorsed by the VCGLR), and relevant legislation, continued to change and evolve. By way of example, Crown's processes have been impacted by:
  - (a) various amendments made to the *Financial Transaction Reports Act 1988* (Cth);
  - (b) the introduction of the AML/CTF Act in 2006;
  - (c) the introduction of Crown's AML/CTF Program, in November 2007, which incorporated heightened transaction monitoring program, risk assessment and reporting measures;
  - (d) regular changes made to the ICS's (as approved by the VCGLR from time to time), including changes in December 2006, August 2009, and December 2011; and

- (e) more recently, the amendments made in version 10.0 of the ICS in December 2015, including in particular clause 2.5.1.

Crown's current probity and due diligence process for new junket operations includes, among other things:

1. identification checks;
2. checks of other casino activity, including junket and personal limits;
3. Dow Jones (PEP screening);
4. Global Data checks and other external wealth reports (such as Wealth X);
5. DICJ link checks;
6. criminal records checks;
7. risk intelligence checks (e.g. Acuris risk intelligence, formerly C6);
8. personal and company searches;
9. other open sources searches (such as internet searches).

Crown also conducts regular reviews of its junket operators by reference to these sources.

Crown would welcome the opportunity to discuss these matters with the VCGLR in further detail, and to provide any further information which the VCGLR requires.

We trust that the information contained in this letter and the documents produced are sufficient to address the matters raised in your letter, but please let us know if anything further is required.

Yours faithfully  
**MinterEllison**



**Glen Ward**  
**Partner**

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