

NewsRoom

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Section: News

Casinos face probe into organised crime links exclusive

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Australia's peak criminal intelligence agency has announced a sweeping investigation into organised crime in casinos amid revelations about **Crown Resorts'** dealings with **junket** operators with links to suspected Chinese crime bosses and foreign influence agents.

The chief of the Australian Criminal Intelligence Commission, Michael Phelan, told The Age yesterday that investigators across state and federal police and intelligence agencies have uncovered damning "insights into vulnerabilities ... within casinos located in Australia".

Mr Phelan announced his inquiry, known as the Targeting Criminal Wealth special investigation, is probing the operation of agents known as junkets, who are responsible for bringing high-roller clients to casinos, usually from offshore, to gamble. Mr Phelan did not name which operators were being examined, but his statement raises the possibility his investigation could include Crown's main domestic rival, Star Entertainment, which owns casinos in Sydney, Brisbane and the Gold Coast. The announcement comes as Crown Resorts' 11-person board launched an attack on an investigation by The Age, The Sydney Morning Herald and 60 Minutes in recent days, saying in a widely circulated advert that it was "deceitful," "unbalanced" and "sensationalised."

Crown said it had "a comprehensive anti-money laundering and counter-terrorism financing program" and "robust process" for vetting junket operators, through what the company said was a combination of probity, integrity and police checks. "Much was sought to be made ... of the conduct of 'Crown's junket operators'. In fact the junkets are not Crown's," Crown's board wrote. "They are independent operators who arrange for their customers to visit many **casinos** globally. **Crown** deals with **junkets** and their customers in essentially the same way as other international casinos."

Attorney-General Christian Porter told federal Parliament on Tuesday that the relationship between Crown and government agencies, including allegations of favourable visa processing in China, would be probed by the Australian Commission for Law Enforcement Integrity.

"It is assessed that the lack of transparency of casino junket operations, anonymity of participants and obscurity around beneficial ownership, source and distribution of junket funds provide opportunities for criminal exploitation," Mr Phelan said. He said his

agency and its "intelligence and regulatory partners are aware and actively addressing the significant risks of money laundering through casinos, particularly through casino junkets."

The ACIC is the most powerful and secretive law enforcement body in the nation and works with state and federal police, as well as spy agencies ASIO and ASIS, to counter high-level risks to Australia.

"The infrastructure supporting junket operations both internationally and within Australia provides opportunities for exploitation by serious and organised crime to conceal and legitimise criminal wealth," Mr Phelan said.

The "special investigation" announced by Mr Phelan comes as Crown played down the scandal that has exposed its partnerships with some junkets backed by suspected Chinese organised crime figures and Chinese Communist Party influence agents. Crown Casino in Melbourne is currently providing a high-roller room to a junket operator, SunCity, which has been linked to organised crime by Australian and Hong Kong authorities.

Mr Phelan revealed how his agency has already uncovered "underground banking systems" moving gambling funds out of China in breach of Chinese government laws preventing capital outflow.

He said this movement of funds was "also likely used to ... facilitate the concealment of criminal wealth".

This week, The Age, The Sydney Morning Herald and 60 Minutes have revealed how Tom Zhou, who has been one of Crown Melbourne's junket partners, is a wanted Interpol fugitive accused of major financial crime in China. Another, Simon Pan, owns a brothel that has been implicated in human trafficking.

The revelations also focused on Crown's ongoing relationship with the SunCity junket, which is believed to be a major focus of investigators across Australasia.

In his statement, Mr Phelan said "the structure of junket operations enables opaqueness around the source of beneficial ownership of funds ... and represents a significant money laundering risk.

In the junket environment, the difficulty in verifying beneficial ownership of junket funds is due primarily to the junket operator being the customer of the casino rather than the participants, in addition to the majority of junket operators and participants being non-Australian residents."

Mr Phelan also revealed that ACIC was working with overseas law enforcement and intelligence agencies to combat the problem.

"Given the international scale and cross-jurisdictional nature of the criminality under investigation, the ACIC will continue to work in co-operation with both international and domestic law enforcement and regulatory agencies," he said.

"It would not be appropriate to comment further on these activities at this time."

Yesterday Crown sought to place an advert in newspapers.

It insinuated - without basis - that a Crown whistleblower who exposed misconduct in China may have been paid for an interview. The whistleblower was not paid.

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