

Response to Request for Statement from Deloitte Touche Tohmatsu**Statement prepared by Murray Lachlan Lawson, Director, Risk Advisory on 16 April 2021****Question 1 - Briefly set out the professional qualifications of the person providing the statement.**

1. I am a Director within the Risk Culture & Ethics team which is a part of the Risk Advisory Practice of Deloitte Touche Tohmatsu (Deloitte), based in Sydney. I have been employed at Deloitte since February 2020.
2. Prior to this time, I was employed by FTI Consulting as a Managing Director within the Global Risk & Investigations Practice. I was employed with FTI for a total of five and a half years. In that time, I led investigations on behalf of clients in the financial services, resources and gaming sectors to assess the potential reputational and compliance risks associated with prospective or existing business partners and other third-parties. Prior to this role, I was employed with the Commonwealth Attorney-General's Department for a period of 10 years, where I conducted investigations and led teams in the collection and analysis of intelligence information related to threats to Australia's national security.

Question 2 - Annex a brief CV to the statement.

3. Please see my brief CV attached as Annex 1.

Question 27 - Describe the nature and scope of the Junkets Review.

4. The nature of the Junkets Review was an assessment of the current state of Crown's governance, reporting and due diligence frameworks in respect of the processes for assessing applications by prospective junket operators, the periodic assessment of existing junket operators and the decision-making about whether 'persons of interest' should be permitted to enter or play at Crown's casino or be on Crown's properties.
5. The review was intended to make recommendations in relation to the relevant decision-making frameworks in respect of junket operators and persons of interest, how these frameworks might be improved in making decisions reflecting Crown's risk appetite and the reporting to, and involvement of, Crown's board and board subcommittees in these processes.
6. The request for proposal setting out the matters to be reviewed has been provided to the Commission (Ref # DTT.001.0002.0154).

Question 28 - Attach a copy of the terms of engagement and any document setting out the instructions for the Junkets Review.

7. The request for proposal setting out the matters to be reviewed has been provided to the Commission (Ref # DTT.001.0002.0154).
8. The proposal submitted by Deloitte to Crown on 28 April 2020 has been provided to the Commission (REF # DTT.001.0002.0210).
9. The letter of engagement relating to the review has been provided to the Commission (Ref # DTT.001.0002.0212).



10. The terms and conditions under which the engagement was conducted have been provided to the Commission (Ref # DTT.001.0002.0211).

Question 29 - Describe the way in which Deloitte carried out the Junkets Review.

11. Deloitte approached this review in the following way:
- a. Met with Crown to confirm the scope and approach.
 - b. Requested key documents relating to the processes under review.
 - c. Reviewed the key documents and processes.
 - d. Conducted interviews with relevant stakeholders to obtain further information on the processes under review.
 - e. Assessed all information obtained, undertook additional research and formulated key findings.
 - f. Prepared a draft report on the findings and recommendations.
 - g. Provided a draft report to Crown for comment on factual accuracy and reviewed those comments.
 - h. Provided a final copy of the report to Crown.

Question 30 - Did Deloitte conduct any interviews with Crown staff or officers for the purpose of the Junkets Review? Identify the persons interviewed.

12. Deloitte conducted interviews with the following Crown staff for the purpose of the Junkets Review:
- a. Joshua Preston – Chief Legal Officer
 - b. Michelle Fielding – Group General Manager, Regulatory & Compliance
 - c. Mary Gioras – Manager, Credit Team
 - d. Craig Walsh – Executive Director, Security & Surveillance
 - e. Nick Stokes – Group General Manager, Anti-Money Laundering (AML)
 - f. Adam Sutherland – AML Manager
 - g. Anne Siegers – Group General Manager, Risk & Audit

Question 31 - Provide a summary of each interview. In particular, set out any problems identified by that staff member or officer concerning any junket due diligence or person of interest investigation undertaken by Crown.

Joshua Preston

13. During this meeting we discussed several aspects of the Junkets and Persons of Interest programs and his views on the current processes. The key matters discussed as I recall them were:
- a. Where responsibility for the due diligence relating to junket operators should be allocated within Crown.
 - b. The appropriate role of the board in the junket and POI decision-making and reporting processes.
 - c. How the junket due diligence process had developed the roles of various parts of the business, including the credit, AML and security and surveillance teams in the junket due diligence process.
 - d. Use of external investigation specialists in the junket due diligence process.



- e. How decisions about junket operators were informed and recorded in Crown's records and what is considered when making decisions about junket relationships.

14. A copy of the notes prepared following this meeting has been provided to the Commission (Ref # DTT.001.0002.0379).

Michelle Fielding

15. This meeting focussed on the role of the compliance area in the junkets and POI processes and Ms Fielding's views and on the current processes. The key matters discussed included:
- a. Difficulties in verifying potentially adverse information about junket operators that appears as rumours or vague media reporting.
 - b. The limited role of the compliance team in the junkets review process.
 - c. The development of the POI process over time and how decisions are made by the POI committee.
 - d. The compliance areas role in managing liaison with law enforcement, regulators and other government agencies.
 - e. Her views on how Crown's approach to junket operators had changed over time.

16. A copy of the notes prepared following this meeting has been provided to the Commission (Ref # DTT.001.0002.0380).

Mary Gioras

17. This interview was focussed on the junket due diligence procedures and how information is collected and collated during the process. Key matters discussed included:
- a. How the junket due diligence procedures had been developed and amended over time.
 - b. The information collected both from external sources and from Crown's internal information sources to be considered as part of the junket due diligence process.
 - c. The focus of due diligence and how information is recorded and collated into the summary provided to decision-makers within the process.
 - d. The external information sources regularly used by Crown as part of the due diligence process.
 - e. The procedures for reviewing the junket operators including updating due diligence information.
 - f. How staff undertaking due diligence processes are trained.

18. A copy of the notes prepared following this meeting has been provided to the Commission (Ref # DTT.001.0002.0381 0003).

Craig Walsh

19. This interview focussed on the role of the security and surveillance are of Crown and their involvement in the junket and POI processes. The key matters discussed included:
- a. The role of the security and surveillance teams in monitoring patrons and addressing potentially illegal activities including removing people from Crown's premises or denying them access.



- b. The role of the security and surveillance team in the junket due diligence process and the internal check conducted as part of the process.
- c. The checks conducted by security and surveillance on players visiting as part of the junket program.
- d. The POI committee process and the need to maintain a consistent approach to decision-making.
- e. The approach to liaison with law enforcement and other government agencies.

20. A copy of the notes prepared following this meeting has been provided to the Commission (Ref # DTT.001.0002.0382).

Nick Stokes & Adam Sutherland

21. This interview with Mr Stokes and Mr Sutherland related to their knowledge and views of the junket program and approval processes and the involvement of the AML team. The key matters discussed included:
- a. The developing role of the AML team in the junket program and proposed changes.
 - b. How junket operators and their representatives are considered under the AML program.
 - c. Changes to the resourcing of the AML team and analytical capability.
 - d. The adequacy of the due diligence processes in place in relation to junket operators.
 - e. Roles and accountabilities of the AML team as they related to the junket program.

22. A copy of the notes prepared following this meeting has been provided to the Commission (Ref # DTT.001.0002.0383).

Anne Siegers

23. This meeting was held to discuss her knowledge and views of the junket and POI processes and the role of the risk team in these processes.
- a. The key relationships and information sharing during the POI and junkets processes.
 - b. The risks identified in relation to the junket program and how processes to address these have changed over time.
 - c. Where responsibility for the junket due diligence process should sit within Crown.
 - d. The appropriate management of potentially sensitive information within the POI process.
 - e. The development of the POI committee process and the creation of the POI decision tool.
 - f. The role of the board in the POI process.

24. A copy of the notes prepared following this meeting has been provided to the Commission (Ref # DTT.001.0002.0384).

Question 32 - Identify the employees of Deloitte who worked, or are working, on the Junkets Review, and give a brief explanation of the roles and responsibilities of each person.

25. Victoria Whitaker – Lead Partner – Responsible for overseeing the delivery of the project, including reviewing all deliverables and ongoing oversight of project execution.



26. Murray Lawson – Director – Responsible for management of the project including reviewing the findings of the document review, conducting interviews and delivery of the draft report for partner review.
27. Lucy Holliday – Senior Consultant – Assisted with obtaining and reviewing documents as part of the review, developing interview plans, recording notes during interviews, and assisting with drafting the report.
28. Sid Maharaj – Quality Assurance Partner – reviewed the draft and final reports to ensure appropriate quality.

Question 33 - Describe the key findings, conclusions and recommendations of the Junkets Review.

29. The findings, conclusions and recommendations of the Junkets Review are set out in detail in our final report (Ref # DTT.001.0002.0170) which has been provided to the Commission.
30. With respect to the junket program, we found that the process for ensuring integrity of the junket operator program was primarily managed by Crown's Credit Team. We found that the process for assessing prospective junket relationships had evolved over time, beginning as a credit check to now incorporating increasingly robust controls and bringing in expertise and intelligence in other areas of the business. We noted the current processes do include critical review of the potential risks and the oversight and engagement of senior executives in the decision-making process.
31. We noted several areas where the processes would benefit from increased documentation and clarity of accountabilities. We recommended that Crown:
 - a. Obtain additional declarations from junket operators in relation to litigation history and financial status to inform the research undertaken.
 - b. Review the external data sources accessed and include additional risk and reputational focussed sources and the capacity to engage external investigation support.
 - c. Obtain details of authorised agents as part of the initial information obtained in relation to junket operators and subject these individuals to appropriate risk-based due diligence.
 - d. Provide formal open source research training to staff members conducting due diligence research.
 - e. Formalise the current protocols for trace checking with Crown's Security & Surveillance team and outline how these are considered in decision-making.
 - f. Clearly articulate the risk priorities and red-flags to be considered and align the view of risk with the broader risk management framework, via greater involvement of AML, Compliance and Security & Surveillance.
 - g. Update the due diligence summary sheet to reflect the risk issues investigated, the outcomes of research and review by all relevant areas. Crown should also ensure both the decision and rationale are recorded alongside the information upon which the decision was based.
 - h. Align the operating model for the new junket and the review processes with a clear three lines of defence model that articulates the roles and accountabilities of all relevant areas.
32. In relation to the person of interest process, we found the process had commenced as an informal review process, but had progressively developed over time. The process had recently undergone an internal review which resulted in a revised charter for the POI committee and the development of a Patron Decision Assessment form to provide additional structure to decision-making. At the time of the review, both documents were in draft stage. We noted this was a



positive initiative which would add consistency and transparency to the decisions made as part of the processes.

33. We recommended the following:
- a. The assumptions and priorities upon which the tool is based are clearly articulated, and the reliability of information sources is also considered.
 - b. All decisions made through the POI process should be recorded with the rationale clearly documented.
 - c. The information inputs that trigger the POI process should be captured within Crown's policy documentation.
 - d. Crown continue to strengthen processes for managing law enforcement requests.
 - e. Crown consider clearer definition of the escalation process to the Executive and Board and review the size and composition of the POI committee ensure it is able to effectively manage all matters, including those involving sensitive information shared by law enforcement.
34. Regarding the role of Crown's board and board subcommittees we found that the RMC remained the most appropriate forum for oversight of both the POI and Junket programs and processes. We recommended the board formally review and approve the operating model applied to both programs and agree to the specific risks to be assessed during decision-making.

Question 34 - Attach a copy of any interim or draft report of the Junket Review.

35. Substantive drafts of the report of the Junkets Review have been provided to the Commission as outlined below.
- a. Ref # DTT.003.0001 .2291 – Draft report sent for partner review.
 - b. Ref # DTT.003.0001 .0300 – Draft report following initial partner review.
 - c. Ref # DTT.003.0001 .2248 - Draft report addressing partner comments.
 - d. Ref # DTT.003.0001 .0339 – Draft report sent to quality assurance (QA) partner.
 - e. Ref # DTT.003.0001 .0275 – Draft report following QA review.
 - f. The draft report sent to Crown has been provided to the Commission (Ref # DTT.001.0002.0168).
 - g. The draft received with comments has been provided to the Commission (Ref # DTT.001.0002.0131).
 - h. Final report sent to Crown (Ref # DTT.001.0002.0170).
36. In addition to those mentioned above, a number of internal, but in my view not substantive, drafts were created during the formulation of the report. These have been provided to the Commission. Reference numbers as follows:
- a. DTT.010.0002.0010
 - b. DTT.010.0002.0011
 - c. DTT.010.0002.0012
 - d. DTT.010.0002.0013
 - e. DTT.010.0002.0014
 - f. DTT.010.0002.0015
 - g. DTT.010.0002.0016



Question 35 - Outline any presentation given to Crown in relation to the results of the Junkets Review or the Junkets Report.

37. On 09 July 2020, I held a video conference with Anne Siegers and Joshua Preston where we walked through the findings and the recommendations of the review.
38. On 20 July 2020, I held a video conference meeting with Ken Barton on 20 July 2020 at 1600hrs. During this meeting we discussed how the review had progressed. My recollection we briefly discussed the overall findings.
39. On 30 July 2020 I attended a further meeting with Mr Barton in which I provided a more detailed presentation of the findings and recommendations. To the best of my recollection, Mr Barton asked several questions about what processes should be revised in relation to the junket due diligence process and the key areas for improvement.
40. I was also asked to present a short briefing to Crown's board on 16 June 2020. This briefing related to the business model of junket operations. Neither the results of the Junket Review nor the Junkets Report was discussed. A copy of the presentation has been provided to the Commission (Ref # DTT.003.0002.2358).

Question 36 - Were the recommendations made in the Junkets Report implemented by Crown? If yes, describe any involvement of Deloitte in the implementation of the recommendations.

41. I am unsure about the status of all recommendations made. I received an email from Ken Barton on 25 August 2020 noting that Crown would look to implement the suggested actions. Through subsequent discussions with Anne Siegers, I am aware the POI decision assessment has been implemented.
42. To the best of my knowledge, Deloitte has not been involved in the implementation of the recommendations.



ANNEX 1 – Brief Curriculum Vitae for Murray Lachlan Lawson

Murray Lawson

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Experience

February 2020 – Current
Director, Risk Culture & Ethics / Deloitte, Sydney

February 2018 – January 2020
Managing Director, Risk & Investigations / FTI Consulting, Sydney

August 2014 – February 2018
Senior Director, Risk & Investigations / FTI Consulting, Sydney

Prior to joining FTI Consulting Murray was employed for 10 years with the Commonwealth Attorney-General's Department conducting investigations and leading teams in the collection and analysis of intelligence information relating to threats to Australia's national security.

Education

La Trobe University
Doctor of Philosophy (Psychology)

University of Sydney
Master of Business Administration

La Trobe University
Bachelor of Behavioural Science (Hons)

Charles Sturt University
Graduate Certificate in Terrorism, Safety & Security

Memberships & Professional training

Current
Certified Fraud Examiner
Licensed Private Inquiry Agent NSW
Certificate III in Investigations

Former
Certified Anti-Money Laundering Specialist

