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COMPLIANCE_685964

24 March 2021

Mr Ross Kennedy
Chairperson
Victorian Commission for Liquor and Gambling Regulation
Level 3, 12 Shelley Street
RICHMOND VIC 3121

By email: Confidential

Dear Mr Kennedy

Crown – Significant Player Review

We refer to your letter dated 18 March 2021, querying whether Crown Melbourne Limited (**Crown**) has had regard to the Reports¹ in relation to Crown's Significant Player Review, and in particular, if Crown has considered the suitability of the patrons identified in those Reports to continue to be customers of Crown. In answer to your query, the scope and purpose of the analysis undertaken for the Reports differ to that of the Significant Player Review (the **SPR**). The observations contained in the Reports are being addressed by a process that is separate from the SPR.

The SPR is a due diligence initiative of the gaming business unit to identify individuals who may present an elevated level of risk to Crown given the volume of their transactions. The triggers for a customer becoming subject to the SPR are based on monthly and annual turnover.² The SPR is an ongoing review process which encompasses (among other things) analysis of:

- source of wealth, and its plausibility;
- adverse media;
- records of violence or improper conduct on Crown premises;
- Law Enforcement Agency or Australian Tax Office requests for information; and
- personal associations and affiliations.

¹ Namely, "Forensic Data Analysis for Crown Resorts Ltd" – Grant Thornton (CRL 743.001.003-0020) and "Review of Riverbank and Southbank bank accounts for Indications of Money Laundering", Initialism, 16 November 2020 (CRL.741.001.0666-0779), collectively the **Reports**.

² Different thresholds apply across Crown's Sydney, Melbourne and Perth properties, with those thresholds also varying on the basis of whether the patron is new or existing. Crown would be happy to provide these thresholds on request.



The process that Crown is undertaking to address the observations in the Reports is a historical 'lookback' of transactions in the Southbank and Riverbank bank accounts between July 2013 and December 2019 (the **Lookback**). The Lookback is ongoing and involves a historical transaction analysis to determine whether any retroactive reporting to AUSTRAC is required and any other necessary steps are to be taken in accordance with the AML/CTF Act, AML/CTF Rules and Crown's AML/CTF Program. To the extent suspicious matters are identified in the course of the Lookback, enhanced customer due diligence will be undertaken (which includes a requirement to consider whether to continue to have a business relationship with the patron).

While Crown acknowledges the ML/TF risks posed by the use of remitters, third party telegraphic transfers and cash deposits, these risks have been significantly mitigated by a new suite of policies that Crown has implemented over the last 12 months, which include the prohibition of:

- telegraphic transfers from company accounts, including all remitters;
- third party telegraphic transfers (subject to limited exceptions); and
- cash deposits.

For the reasons mentioned above, Crown does not deem it to be necessary to expand or amend the SPR to consider the suitability of patrons referred to in the Reports. To the extent such patrons reach the relevant SPR trigger thresholds, they will be, or will have been, subject to the SPR.

Please do not hesitate to contact me if you have any questions or concerns in relation to the SPR or the Lookback.

Yours sincerely

Confidential

Xavier Walsh
Chief Executive Officer
Crown Melbourne Limited