

RE: ILGA privileged - statement of Ken Barton [ME-ME.FID5565110]

From: Richard Murphy <Confidential>
To: Katherine Shamai <Confidential>
Cc: Alice Waterston <Confidential>
Date: Wed, 04 Nov 2020 16:44:44 +1100

No worries – thanks Katherine.

Kind regards,

Richard

Richard Murphy
 Partner

Confidential

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From: Katherine Shamai <Confidential>
Sent: Wednesday 4 November 2020 04:43 PM
To: Richard Murphy <Confidential>
Cc: Alice Waterston <Confidential>
Subject: RE: ILGA privileged - statement of Ken Barton [ME-ME.FID5565110]

Hi Richard

That's right; there are other typologies but the three we're testing are the priorities for now. I understand the intent is to complete the other typologies as the next phase of work.

Thanks

Kind regards
 Katherine

Katherine Shamai
 Partner - Risk Consulting

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From: Richard Murphy <Confidential>
Sent: Wednesday, 4 November 2020 4:41 PM
To: Katherine Shamai <Confidential>
Cc: Alice Waterston <Confidential>
Subject: RE: ILGA privileged - statement of Ken Barton [ME-ME.FID5565110]

Thanks Kathrine.

So to be clear:

Grant Thornton will report on the extent of:

- structured transaction aggregated into SYCO;
- other non-aggregated structured transactions; and
- other transactions with 3 potential money laundering typologies as identified by Neil Jeans.

Is that right?

Does Neil think there might be other additional typologies?

Many thanks,

Richard

Richard Murphy

Partner

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From: Katherine Shamai <[Confidential](mailto:Katherine.Shamai@grantthornton.com.au)>
Sent: Wednesday 4 November 2020 04:16 PM
To: Richard Murphy <[Confidential](mailto:Richard.Murphy@grantthornton.com.au)>
Cc: Alice Waterston <[Confidential](mailto:Alice.Waterston@grantthornton.com.au)>
Subject: RE: ILGA privileged - statement of Ken Barton [ME-ME.FID5565110]

Hi Richard

I agree that this is the overall scope of our work. Having said that, I just want to ensure that it's clear the first draft report for Riverbank and Southbank would only cover some of the potential money laundering typologies (i.e. the 3 agreed between Nick and Neil for this first round). Hope that makes sense?

Thanks!

Kind regards
 Katherine

Katherine Shamai
 Partner - Risk Consulting

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From: Richard Murphy <[Confidential](mailto:Richard.Murphy@grantthornton.com.au)>
Sent: Wednesday, 4 November 2020 2:44 PM
To: Katherine Shamai <[Confidential](mailto:Katherine.Shamai@grantthornton.com.au)>
Cc: Alice Waterston <[Confidential](mailto:Alice.Waterston@grantthornton.com.au)>
Subject: RE: ILGA privileged - statement of Ken Barton [ME-ME.FID5565110]

Also Katherine – are you happy with my description of your work, rather than Neil's? It is important in the Inquiry context because of the focus on aggregated (and non-aggregated) structured transactions.

Many thanks,

Richard

Richard Murphy
Partner

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From: Richard Murphy
Sent: Wednesday 4 November 2020 11:44 AM
To: 'Katherine Shamai' <Confidential>
Cc: Alice Waterston <Confidential>
Subject: RE: ILGA privileged - statement of Ken Barton [ME-ME.FID5565110]

Great – much appreciated Katherine.

Do you have the data on the dot point in my email which dropped out of Neil's?

- The report will also express the total dollar amounts of each of these categories as a percentage of the funds inputted to these accounts over the relevant period.

Many thanks,

Richard

Richard Murphy
Partner

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From: Katherine Shamai <Confidential>
Sent: Wednesday 4 November 2020 11:41 AM
To: Richard Murphy <Confidential> Neil Jeans <Confidential>
Cc: Alice Waterston <Confidential>
Subject: RE: ILGA privileged - statement of Ken Barton [ME-ME.FID5565110]

Hi Richard

I completely understand.

Let me see if I can find more resources to help and get it moving faster. I'll revert back shortly.

Kind regards
Katherine

Katherine Shamai
Partner - Risk Consulting

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From: Richard Murphy <Confidential>
Sent: Wednesday, 4 November 2020 11:21 AM
To: Katherine Shamai <Confidential>; Neil Jeans <Confidential>
Cc: Alice Waterston <Confidential>
Subject: RE: ILGA privileged - statement of Ken Barton [ME-ME.FID5565110]

Thanks Katherine – sorry about the timing pressure – it is due to the oppressive timetable imposed by the Inquiry.

Can I ask you to bring forward the Southbank date to COB Monday or is that just not feasible?

Many thanks,

Richard

Richard Murphy
 Partner

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From: Katherine Shamai <Confidential>
Sent: Wednesday 4 November 2020 11:17 AM
To: Richard Murphy <Confidential>; Neil Jeans <Confidential>
Cc: Alice Waterston <Confidential>
Subject: RE: ILGA privileged - statement of Ken Barton [ME-ME.FID5565110]

Hi Richard and Neil

I'm happy with Neil's changes. My comments regarding the timing of the reports - the Riverbank draft report will be ready by end of this week; however, the Southbank bank statements are taking some time to cleanse as there are more transactions and more statements. I think we would be in the position to provide the draft report on that Wed, 11 Nov.

Please let me know if you have any questions.

Thanks

Kind regards
 Katherine

Katherine Shamai
 Partner - Risk Consulting

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From: Richard Murphy <Confidential>
Sent: Wednesday, 4 November 2020 11:13 AM
To: Neil Jeans <Confidential>; Katherine Shamai <Confidential>
Cc: Alice Waterston <Confidential>
Subject: RE: ILGA privileged - statement of Ken Barton [ME-ME.FID5565110]

Thanks Neil. Did you mean Wednesday 11 November?

Kind regards,

Richard

—

Richard Murphy
Partner

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From: Neil Jeans <[Confidential](mailto:neil.jeans@initialism.com)>
Sent: Wednesday 4 November 2020 10:53 AM
To: Richard Murphy <[Confidential](mailto:richard.murphy@initialism.com)>; Katherine Shamai <[Confidential](mailto:katherine.shamai@initialism.com)>
Cc: Alice Waterston <[Confidential](mailto:alice.waterston@initialism.com)>
Subject: RE: ILGA privileged - statement of Ken Barton [ME-ME.FID5565110]

Hi Richard

From my perspective, the following are the agreed deliverables:

- Grant Thornton will report on the extent of:
 - incidents possible structuring based on Crown's initial typology of more than 2x Cash transactions totalling >\$10,000 within 72 hours
 - incident possible structuring based on other typologies as identified by Neil Jeans
 - other incidents regarding a non-structuring money laundering typology as identified by Neil Jeans.
- Grant Thornton's report is expected by COB on Friday 6 November – **needs to be confirmed by Katherine**
- Initialism's report will deal with:
 - the rationale for the typologies used for Grant Thornton's review;
 - whether any of possible structuring incidents identified by Grant Thornton could give rise to a suspicion as defined by Section 41 of the AML/CTF Act, including but not limited to:
 - whether there are any other indicators, apart from the structuring or other typology, which suggests that the funds identified were or were not proceeds of crime; and
 - whether the funds passed through the casino or were instead used for the payment of a debt to Crown or were lost to Crown in subsequent gaming activity.
 - whether any of other incidents identified by Grant Thornton could give rise to a suspicion as defined by Section 41 of the AML/CTF Act, including but not limited to:
 - whether there are indicators which suggests that the funds identified were or were not proceeds of crime; and
 - whether the funds passed through the casino or were instead used for the payment of a debt to Crown or were lost to Crown in subsequent gaming activity.
- Initialism's report is expected by COB Friday 11th November (**dependent on GT's work and the number of incidents identified**)

Happy to discuss

Best

Neil

Neil Jeans
Principal - Initialism Pty Ltd

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From: Richard Murphy <Confidential [REDACTED]>
Sent: Wednesday, 4 November 2020 10:19 AM
To: Neil Jeans <Confidential [REDACTED]>; Katherine Shamai <Confidential [REDACTED]>
Cc: Alice Waterston <Confidential [REDACTED]>
Subject: RE: ILGA privileged - statement of Ken Barton [ME-ME.FID5565110]

Hi Katherine and Neil

Our Senior Counsel needs to tell the Inquiry today about your proposed work product and timing.

I propose to instruct him that:

- Grant Thornton is reviewing the Riverbank and Southbank bank accounts.
- Grant Thornton will report on the extent of:
 - structured transaction aggregated into SYCO;
 - other non-aggregated structured transactions; and
 - other transactions with a potential money laundering typology as identified by Neil Jeans.
- The report will also express the total dollar amounts of each of these categories as a percentage of the funds inputted to these accounts over the relevant period.
- Initialism's report will deal with:
 - the recommendation of typologies for Grant Thornton's review;
 - whether there are any other indicators, apart from the structuring or other typology, which suggests that the funds identified were or were not proceeds of crime; and
 - whether the funds were 'laundered' through the casino or were instead used for the payment of a debt to Crown or were lost to Crown in subsequent gaming activity.
- Grant Thornton's report is expected by COB on Friday 6 November.
- Initialism's report is expected by COB Tuesday 10 November?

Could you please confirm that this is all correct.

If you would like to discuss any aspect, please give me a call.

Kind regards,

Richard

Richard Murphy
 Partner

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From: Richard Murphy
Sent: Wednesday 4 November 2020 10:06 AM
To: Neil Jeans <Confidential [REDACTED]>; Katherine Shamai <Confidential [REDACTED]>
Cc: Alice Waterston <Confidential [REDACTED]>
Subject: RE: ILGA privileged - statement of Ken Barton [ME-ME.FID5565110]

Hi Katherine and Neil.

I have dictated some other language for instructions to counsel which I will get to you shortly. Then perhaps we can discuss.

Kind regards,

Richard

Richard Murphy
Partner

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From: Alice Waterston

Sent: Wednesday 4 November 2020 09:46 AM

To: Neil Jeans <Confidential>; Katherine Shamai <Confidential>

Cc: Richard Murphy <Confidential>

Subject: ILGA privileged - statement of Ken Barton [ME-ME.FID5565110]

Hi Neil and Katherine

We are currently preparing a draft statement for Ken Barton to go to the Inquiry today regarding a range of matters, including the external consultant workstreams that Initialism and Grant Thornton are assisting with.

Could you please review the paragraphs below and confirm that they accurately represent the scope of your respective engagements?

Many thanks

Crown Resorts has instructed its solicitors, MinterEllison, to engage Grant Thornton to forensically analyse the bank account statements for Riverbank and Southbank for the period July 2013 to December 2019. Grant Thornton is being assisted in this review by Initialism. Initialism's retainer is a broad engagement to provide Crown Resorts with advice and support regarding AML/CTF matters as required and includes, but is not confined to, assisting Grant Thornton to conduct a forensic analysis of the Southbank and Riverbank accounts.

The forensic analysis of the Riverbank and Southbank accounts which Grant Thornton has been engaged to undertake with the assistance of Initialism includes:

- (a) *ingesting the Riverbank and Southbank account statements into Grant Thornton's data analytics platform;*
- (b) *defining parameters for identifying potential structuring within the data ingested, based on value of transactions, identity of the depositor, timing of transactions and the nature of transactions. Given Crown's internal review focused on the number of instances of potential structuring where aggregation occurred, Grant Thornton's review will assist to identify any further instances of potential structuring (as it will comprise the full set of potentially structured transactions, whether aggregated or not);*
- (c) *analysing the bank statement data to identify other typologies which may indicate other money laundering / terrorism financing risks (ie, other than structuring); and*
- (d) *preparing reports on factual findings from the data analysis undertaken.*

I am informed by MinterEllison and believe that the data ingestion process is complete, and that Grant Thornton is presently working with Initialism to define the parameters that will be used to perform the structuring analysis. The process of converting the bank statements into a form that can be forensically analysed has taken additional time due to the format of the bank statements and the level of information provided on the bank statements (which sometimes do not include the transaction type (whether cash, cheque or electronic transfer). Crown has been engaging directly with ANZ to obtain additional information for Grant Thornton in relation to certain transactions (including additional details in relation to the way in which funds were deposited) for the purposes of this review.

As I noted above, Crown's internal investigation sought to identify the extent to which there was aggregation in the SYCO system of potential structured deposits in the Riverbank and Southbank accounts. As part of its engagement, Initialism will use Grant Thornton's report to validate the findings of Crown's investigation into aggregation by cross-referencing the instances of potential structuring identified by Grant Thornton against SYCO records. Initialism will also review any instances of potential structuring identified by Grant Thornton's analysis that were not aggregated by Crown.

Alice Waterston
Lawyer

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