



Transaction Monitoring Inputs Review Proposal

August 2020



Background

Crown Resorts (Crown) has requested Initialism to submit a proposal to conduct an independent review of the data and information inputs used in its transaction monitoring program, which forms part of its AML/CTF Program.

Initialism has significant experience working with similar businesses in Australia and globally, supporting their AML/CTF compliance efforts and undertaking reviews on transaction/activity monitoring programs.

Nature of the Review

The purpose of the proposed reviews is to identify any opportunities to adjust, refine, and where appropriate enhance the data inputs used by Crown's to monitor customer activity undertaken in compliance with its on-going customer due diligence obligations to identify unusual behavior.

Scope of the Review

Initialism will conduct the review applying the following approach to the review:

1. Review of data and information inputs used as part of monitoring customer activity as part of the AML/CTF Program. This will include the nature of deposits and include banking and other data available to Crown.
2. Review of how data and information inputs are used as part of monitoring customer activity to identify unusual behavior.
3. The identification of opportunities to refine and adjust data and information inputs and their use as part of activity monitoring, through workshops and compliance and business engagement, where necessary.
4. Provide a written report outlining findings, recommendations, and options for refinement where necessary.

Limitations and Assumptions

The work covered by this proposal is not subject to assurance or standards defined and issued by the Australian Auditing and Assurance Standards Board. The report produced by us will not contain an opinion that is intended to convey such assurance.

The following is out of scope:

- Investigation or verification of the validity of any individual reporting decisions or specific subject matter relating to specific unusual transactions, case investigations, or suspicious matter reports;
- Any opinion on the present-day or future effectiveness of the general control structure in place; and
- Actual design and implementation work to remedy any identified gaps in the AML/CTF Program.

Deliverables

Initialism will provide a written report setting out the work undertaken, its findings together with suggested recommendations.

Fees

Our fees are calculated based on hourly rates for time spent, which are quoted in the table below **exclusive of GST**. The team for this engagement and our hourly rates are detailed below:

Hourly Rate (excl GST)	
Neil Jeans	\$325
Chris Pitt	\$300
Victoria Eccleston	\$300
John Waters	\$300

The above rates reflect a 25% discount to our standard daily rate, and based on our understanding of the above scope of work, we estimate our fees below.

Crown TMP Data Inputs Review	Days (7.5 HRS Per Day)	Estimated Fee [^] (excl GST)
	5 – 8.5	\$11,500 – \$16,250

We do not anticipate any additional costs. However, any additional disbursements such as additional travel, accommodation, and other expenses will be pre-agreed with you and charged as incurred.

Further work regarding fees will be undertaken at the final scoping phase when a more precise fee estimate can be provided.

Information

The review assumes that all relevant information and documents will be made available to Initialism to complete the review.

Timing

Initialism will work with Crown to set an appropriate timetable for this review.

The team

We propose the following team of AML/CTF professionals to complete the proposed review:

Team Member	Background
<p>Neil Jeans</p>	<p>Neil has a unique background in financial crime risk management, spanning 25 years. This includes working as a Stockbroker in the UK, within Law Enforcement agencies investigating financial crime, including domestic and international fraud and money laundering, and as a Financial Services Regulator, developing AML regulation and supervision techniques.</p> <p>He has also worked at senior levels managing AML, Sanctions and Anti-Bribery compliance across Europe, the US, Latin America, Asia, and Australia within three major European financial services companies and one of the major Australian banks.</p> <p>Neil has extensive experience in designing and implementing policy and controls to address AML/CFT compliance and since August 2012 has working as an independent consultant advising financial institutions in Australia and globally on AML/CTF, Sanctions and Anti-Bribery matters.</p> <p>In addition, Neil is member of the faculty and lectures as part of the International Compliance Association (ICA) Diploma of Applied Anti Money Laundering and Counter Terrorism Management, is a founding member of the SWIFT Sanction Advisory Group and has regularly attended the Private Sector Expert forum of the Financial Action Task Force (FATF).</p> <p>He was founding Joint-Chair of the Association of Certified Anti-Money Laundering Specialists (ACAMS) Australasian Chapter, and has been a member of the UK Joint Money Laundering Steering Group (JMLSG) Board.</p> <p>Since August 2011 Neil has been working as a consultant advising organisations in Australia and globally on AML/CTF matters, including a major global provider in financial crime risk management solutions, developing innovative solutions to address global challenges in the area of AML/CTF.</p> <p>Neil was appointed by AUSTRAC and the Australian Government Solicitor as the Expert Witness in the CBA case which resulted a \$700 million fine in 2018.</p> <p>Neil was also the AUSTRAC appointed External Auditor for Afterpay in 2019, and continues to work on AUSTRAC related enforcement and supervisory matters.</p>
<p>Chris Pitt</p>	<p>Chris' CIP/KYC, AML/CTF, Sanctions and Anti-Bribery and Corruption experience spans Australia, the UK, the US, and South Africa and he held multiple senior operational, as well as risk and compliance roles across a range of global and domestic banks.</p> <p>Chris headed up the KYC, AML/CTF, Sanctions and On-Boarding function for a global Investment Bank's Europe, Middle East, and Africa (EMEA) regions out of London and also covered the New York team's out of hours operations for an extended period.</p> <p>Over a five-year period, Chris was a senior member of the 2nd Line Financial Crime Risk team at a major Australian bank where he was pivotal in supporting the Head of Compliance in delivering changes to the AML/CTF Program during the introduction of the AML/CTF reforms in 2014. Chris also redesigned the bank's Politically Exposed Persons (PEP) Review Methodology which was rolled out bank wide and he was instrumental in maturing the Corporate & Institutional division's management of its financial crime risks.</p> <p>Whilst the Head of AML/CTF Compliance at a tier 2 Australian Bank, Chris designed and wrote the bank's customer risk assessment methodology, delivered the bank's ML/TF Risk Assessment, and provided expert advice and guidance to a large transformation project.</p> <p>Chris holds a bachelor's degree in Business Management and has the International Compliance Association's (ICA) Diploma of Applied Anti-Money Laundering and Counter-Terrorism Financing Management.</p>

<p>Victoria Eccleston</p>	<p>Vicki's experience spans consumer and commercial financial services and wealth management across a range of global and domestic financial institutions.</p> <p>Vicki was the Australian AML/CTF Compliance Officer and headed up the AML/CTF compliance and operational function across Australia and New Zealand for a well-known consumer lending business. She also worked in a senior AML/CTF compliance role for a large global organisation across consumer and commercial lending, supporting compliance with both local AML/CTF regulatory requirements as well as US Head Office policy requirements.</p> <p>Vicki was a member of the AML/CTF Compliance team at a major Australian bank where she was responsible for writing and maintaining the AML/CTF Program, specifically supporting the Personal/Retail Banking Division to implement and enhance controls in response to financial crime risk.</p> <p>Through her roles, Vicki has developed unique experience in AML/CTF obligations concerning acquisition and divestment, the selection and implementation of Transaction Monitoring and Watchlist Screening Systems, and the oversight and management of outsourced AML/CTF services. Having previously held operational roles, Vicki brings a pragmatic approach to AML/CTF controls designed to meet regulatory obligations and expectations.</p> <p>Vicki is CAMS certified, holds the International Compliance Association's International Diploma in Applied Anti-Money Laundering and Counter-Terrorism Financing Management, and has completed training in Implementing and Monitoring AML/CTF Programs. Vicki also has a bachelor's degree in Business (Banking & Finance).</p>
<p>John Waters</p>	<p>John has worked in financial services for over 40 years, working in senior operational roles and AML, Sanctions and Anti-Bribery compliance roles for two major Australian financial institutions.</p> <p>John's AML, Sanctions and Anti-Bribery experience spans Australia, the UK, the US, and Asia holding senior compliance and assurance roles for one of the major Australian banks.</p> <p>Heading up global sanctions compliance for a major financial institution here in Australia, John developed sanction compliance controls and governance processes across multiple businesses and jurisdictions.</p> <p>Whilst Senior Manager of AML/CFT Assurance at a major Australian Bank, John developed and implemented AML/CFT and TFS oversight and review methodologies and processes to provide assurance to the bank's senior management and board risk committee.</p> <p>John is also the chairman of a community bank offering the full range of financial products and services to retail customers in Victoria.</p> <p>John holds the International Compliance Association (ICA) Diploma of Applied Anti Money Laundering and Counter Terrorism Management, and since May 2013 has been working as an independent consultant advising financial institutions in Australia on AML/CFT, and Sanctions matters.</p>