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## STRICTLY PRIVATE & CONFIDENTIAL

22 February 2021

Ms Toni Korsanos  
 Chair, Crown Resorts Audit and Corporate Governance  
 Committee  
 Crown Resorts Limited  
 Barangaroo  
 Sydney, NSW 2000

Dear Ms Korsanos,

### Forensic Review and Controls Assessment

We refer to meeting(s) and other communications with Allens, representing Crown Resorts Limited (**Crown, you**) and thank you for asking Deloitte Financial Advisory Pty Ltd (Deloitte) to assist you with the abovementioned services.

This Letter and our standard terms and conditions (the **Terms**) which are enclosed with this Letter set out the basis on which we will provide our services to you. If not defined in this Letter, capitalised terms in this Letter have the meaning given to them in the Terms.

#### 1 Background

As set out in Crown's current proposed letter to the Independent Liquor and Gaming Authority (**ILGA**), you have asked us to conduct a review into specific transactional activity across Crown's Australian operations (the **Services**). The Services we will perform are described in more detail in section 4 below.

The purpose of the Services is to assist you in addressing specific suggestions made in the Bergin Report<sup>1</sup> as part of a broader pathway to render Crown Sydney and Crown Resort as a 'suitable'<sup>2</sup> Casino Licensee (the **Purpose**).

The suggestions to which our services are related are:

- conducting a full and wide-ranging forensic audit of Crown Resorts' and Crown Sydney's bank accounts to ensure that the criminal elements that the Commissioner found had infiltrated the accounts of Southbank Investments Pty Ltd (**Southbank**) and Riverbank Investments Pty Ltd (**Riverbank**) have not infiltrated any other accounts (p 569, para 16); and
- building strong barriers against criminal infiltration of Crown's bank accounts, with certification to the satisfaction of the Authority (p 569, para 15).

The scope of our engagement is limited to the matters set out in this Letter. If you wish to change the scope of our Services in any way, please provide us with written instructions as soon as possible.

<sup>1</sup> Statutory Report by (Hon) P.A. Bergin to the Independent Liquor & Gaming Authority, NSW dated 1 February 2021.

<sup>2</sup> As defined by the Casino Control Act 1992 (NSW)



We will report directly to the Crown Resorts Audit and Corporate Governance Committee, the Chair of which will be delegated responsibility for oversight of the engagement. Crown has appointed John Salomone, Chief Financial Controller of Crown Resorts, to act as a point of contact for Deloitte in the conduct of the Work.

## 2 Urgent work

We understand that you need us to help you urgently by starting work immediately, including before this Letter has been agreed between us. Where this happens, we will treat you as having accepted our engagement on the terms set out in this Letter if you continue to instruct us after you receive this letter. You agree to be bound by this Letter, until we agree to vary it.

## 3 Our team

This engagement will be led by Lisa Dobbin, a partner in the Forensic team, and will be supported by Mandy Green (Partner), Chris Cass (Specialist Leader), Caroline Roberts (Director) and Paul Curwell (Director) as well as other specialists from Deloitte.

From time to time we may need to utilise other partners and staff to assist us in providing our Services to you.

In the delivery of these professional services we may engage other Deloitte Australia entities or Deloitte Member Firms including specialists from the Deloitte US firm or the Extended Delivery Centre (**EDC**) to assist with certain aspects of this engagement. EDC refers to Deloitte Member Firms and their affiliates operating in India. Should we envisage the need to use our EDC team to deliver components of the engagement, we will agree their use with you prior to commencing that work.

We intend to engage Fred Curry, Principal and other specialist staff of the Deloitte Touche Tohmatsu member firm of Deloitte LLP (**Deloitte US**), to provide expert advisory support to this engagement. Fred has extensive global experience investigating and advising on AML/CTF related matters for casino and gaming clients.

We will at all times remain responsible for the work undertaken in the delivery of those services to you.

## 4 Our services

The scope of the work is detailed below. Please note this scope is indicative and certain elements of it may change depending on ongoing developments. Any changes to this scope will be agreed with you in advance.

The Services shall principally be provided in connection with patron deposit bank accounts (**Patron Accounts**) held in the names of the following Crown group legal entities and any other entities associated with Crown's Australian casino operations as advised by Crown (**Relevant Crown Entities**):

- Crown Melbourne Limited (**Crown Melbourne**)
- Burswood Nominees Limited (**Crown Perth**)
- Crown Sydney
- Riverbank
- Southbank

The final composition of the Relevant Crown Entities and Patron Accounts will be subject to review and confirmed by us as part of Phase 2 of our Work.



We will undertake our work in three phases. Phase 1 and 2 will commence in parallel, with Phase 3 to start at the conclusion of Phase 1. The scope of these Phases is set out below:

### **Phase 1: Controls Assessment of Patron Account Controls**

With specific regard to money laundering / terrorism financing (**ML/TF**) typologies/risks identified as part of work previously undertaken by Grant Thornton and Initialism with respect to the Southbank and Riverbank patron deposit accounts, assess the design effectiveness and the operating effectiveness of the Patron Account Controls, as applied to the Patron Accounts for each of the Relevant Crown Entities in so far as they held active Patron Accounts from 1 December 2020 to the date of commencement of our engagement. In this phase of the work, the Patron Account Controls specifically comprise:

- Controls over electronic funds transfers to and from the Patron Accounts;
- Controls over deposits into, and withdrawals of cash from the Patron Accounts; and
- Crown's current transaction monitoring (**TM**) program insofar as it is applied to the Patron Accounts.

This Phase 1 will be restricted to a review of the transactions through the Patron Accounts from 1 December 2020 to the date of commencement of our engagement.

### **Phase 2: Forensic Review**

In this phase of work we will:

- i) Conduct a review of all legal entities associated with Crown's Australian casino operations (as identified by you) to establish the nature and purpose of each legal entity. The objective of this review will be to identify whether additional legal entities may hold bank accounts that are or were capable of being used by patrons to deposit or withdraw funds during the three year period to the date of this engagement letter (**Relevant Period**). Any such legal entities would then be included as Relevant Crown Entities.
- ii) Conduct a sample-based review of all bank accounts held in Australia or overseas in the names of the Relevant Crown Entities to establish the nature and purpose of each account, the purpose of which will be to identify those the bank accounts held by the Relevant Crown Entities that are or were capable of being used by patrons to deposit or withdraw funds during the Relevant Period. Any bank accounts identified above and beyond those already known will be included as Patron Accounts; and
- iii) Conduct a review of the Patron Accounts and other internal and external data sources (as noted below) for the purpose of identifying transactions, patterns, or behaviours in the Patron C Accounts that are indicative of ML/TF typologies, based on relevant domestic and international regulatory guidance available at the time of the Forensic Review (rather than the time of the transactions). Typologies will include, but not be limited to, those identified in the work undertaken by Grant Thornton and Initialism.

Other data sources expected to be reviewed as part of the Forensic Review (and only in so far as they relate to identified activity in the Patron Accounts) are expected to include but not be limited to:

- SYCO (or equivalent system) records
- Patron file details (including Know Your Customer (**KYC**), CDD, ECDD, OCDD);
- Suspicious Matter Reporting (subject to Crown being able to share relevant details with Deloitte); and
- External source / public record databases (e.g. Worldcheck, Company Records, media reporting)

### **Phase 3 - Further Controls Assessment**

With regard to the observations of the Forensic Review in relation to specific ML/TF typologies and any transactions, patterns, or behaviours identified in the Patron Accounts as indicative of ML/TF, assess the design effectiveness and the operational effectiveness of a broader set of Crown's direct AML/CTF controls (**Relevant Controls**) in so far as they relate to the Patron Accounts. For this phase, the Relevant Controls will comprise:

- The Patron Account Controls (with respect only to ML/TF typologies or risks that are additional to those considered in Phase 1); and
- Customer Due Diligence, Ongoing Customer Due Diligence (including Crown's current Transaction Monitoring Program as applicable to the Patron Accounts) and Enhanced Customer Due Diligence.

Refer to **Appendix 1** for details of our approach to the delivery of each of these Phases.

### **Project Management**

We will establish a small project management team to support the efficient delivery of the Work. This will include the following:

- providing delivery oversight and co-ordination and reporting;
- centralising information requests and receipt of information, including governance over security protocols associated with information provided;
- coordination of stakeholder interviews and meetings
- scope management through maintaining a scope list, surfacing potential changes to scope; throughout the course of the engagement and ensuring ongoing review and governance around any changes in scope;
- identification of project risks and issues associated with but not limited to schedule, dependencies and resourcing to minimise delivery interruptions;
- preparation of any stakeholder reporting packs; and
- management of any update meetings for the Crown and Deloitte leadership teams to discuss our work, as required.

### ***Matters not included at this time***

This engagement is not intended to be an appointment of Lisa Dobbin or Mandy Green as an expert witness. This means that our Work may not:

- Comply with any regulatory rules relating to the appointment of an expert witness; or
- Be appropriate for the specific purposes of an expert witness appointment.

## **5 Our Work**

As a part of our Services, we will provide you with certain pieces of Work which may include both written and verbal reporting. Our Services may also include additional scope items arising during the preparation of our Work or consequential to that Work. Such additional scope items, where significant, will only be undertaken at your request.

For each phase:

- Deloitte will issue a report to Crown with its findings and recommendations;
- Crown will respond to Deloitte's recommendations and explain in writing the steps it intends to take to address the recommendations (**Crown's Response**); and
- Deloitte will review Crown's Response and confirm in writing whether the steps Crown intends to take to address Deloitte's recommendations will, if appropriately implemented, address Deloitte's recommendations.



Each of the reports for Phases 1 to 3 will include:

- a written methodology that formed the basis for the assessment;
- a written report outlining our observations and recommendations; and
- any supporting transactional analysis.

As part of our Work, we will provide a copy of our draft reports (which may be without any of our final observations and recommendations) for your review. If this occurs (and in each instance, only once), we will ask you to advise us as to whether or not the facts stated appear to be accurate, to the best of your knowledge, and whether or not there are any material matters not set out in the report which you believe would have a bearing on our report.

Throughout the delivery of our Work, Deloitte will share, on a periodic basis, with Crown:

- any transactions, patterns or behaviours Deloitte considers to be indicative of potential ML/TF typologies; and
- weaknesses in Relevant Crown Entities' controls.

This information will be shared solely to assist Relevant Crown Entities to comply with any reporting obligations under the Anti-Money Laundering and Counter-Terrorism Financing Program 2006 (Cth) and to make any necessary enhancements to any controls as soon as possible. To the extent the Relevant Crown Entities make enhancements to their controls in response, Deloitte will still note the historical weakness that was identified.

The Relevant Crown Entities will describe any enhancements that they have implemented during the delivery of our work in their response to Deloitte's report. Deloitte will not review any such enhancements as part of our work. This may be agreed to be undertaken as a separate scope of work at a later date.

Any Work we provide to you may be used only by you for the Purpose and in the manner described in the Terms.

We understand you are currently in discussions with the Independent Liquor & Gaming Authority, NSW (ILGA), AUSTRAC, VCGLR; and WA Racing, Gaming and Liquor; and that you wish for these parties to have access to any reports or other deliverables that we issue, and that we may be asked to join discussions between you and any of these parties relating to this matter. In order that we may permit these parties to have access to our report(s) and for us to conduct discussions that include them in respect of this engagement, you agree and accept that by doing so we are not extending our responsibilities beyond those responsibilities to you that we acknowledge in this Agreement. No other person or entity, other than Crown is entitled to rely, in any manner, or for any purpose, on our report(s). We do not accept or assume responsibility to anyone other than you for our work or for any reliance which may be placed on our Work by any party other than you.

We understand that you may want to invite us to meet with ILGA for the purposes of discussing our reports, if requested. Should any parties other than Crown, its external legal advisers and interested regulators and other agencies as outlined above seek access to any reports or other deliverables that we issue, you may only do so with our express written consent or otherwise as required by law. You agree you will not refer to Deloitte or this engagement in any media release or any statement made to the Australian Securities Exchange or in any investor or shareholder communication without our express written consent.

We may be subject to a subpoena or request to produce our files in relation to this engagement from someone else, including a regulator. Where the law allows it, we will tell you about any such request before we produce any files. However, our work in meeting these requests does not form part of the scope of work in relation to this engagement. Accordingly, you agree that you will indemnify us for any reasonable costs or expense we may incur in complying with any subpoena or request to produce



our files or to provide evidence in respect of our Work. This indemnity does not apply to the extent that such costs are paid by the party making the request.

The scope of Our Work does not extend to providing evidence or producing any documents in respect of the Services (except in response to a subpoena) unless Crown engage us specifically to do so. If we are asked to do these tasks this will be the subject of a separate engagement with Crown.

It will be impractical to obtain instructions on every aspect of our involvement in this matter and there will often be instances where we will have to use our discretion in determining the Work to be performed.

In accordance with our policies, we will destroy all files created by us seven years after the date of the final report. Upon completion of our Services we will retain, as part of our records, the draft reports provided to you.

## 6 Assumptions and limitations

We will provide our Work on the following assumptions and conditions. These are in addition to any assumptions or conditions which may be included in our Work:

- Our Services are intended to address the suggestions of the Bergin Report relating to the specific ML/TF activity observed in the Riverbank and Southbank accounts, and the extent to which similar or additional ML/TF activity may be observed in other Patron Accounts. Our Services will consider other patron-related activity only to the extent it is relevant to an investigation of potentially suspicious activity identified within the Patron Accounts.
- Our Services will not review other activity unrelated to the Patron Accounts, for example behaviour on the casino floor, transactional activity within Crown's internal gaming accounts, and how Crown more broadly manages the money laundering and terrorism financing risks associated with such activity.
- The proposed services are advisory in nature. Our Work will be conducted in accordance with *APES 215 Forensic Accounting Services* issued by the Accounting Professional and Ethical Standards Board and will not constitute an assurance engagement in accordance with Australian Standards on Review or Assurance Engagements or any form of audit under Australian Auditing Standards, and consequently no opinions, or conclusions intended to convey assurance under these standards, are expressed.
- Our work will be principally focused on patron-related transactional activity within Patron Accounts. We note that in order to arrive at a view of a patron's risk profile, we may need to consider additional information to form a holistic view, such as the patron's activity on the casino floor. You agree that we will be provided access to such additional information as is required to enable us to perform our Work.
- The Further Controls Assessment will be a targeted review of the current state of selected direct ML/TF controls specifically based on: (1) the vulnerabilities identified in the Bergin Report as having been associated with the Riverbank and Southbank bank accounts; and (2) any additional vulnerabilities identified by the Forensic Review. It will not include an end-to end assessment of the design effectiveness and the operating effectiveness of Crown's transaction monitoring program (other than as specified with respect to the Patron Accounts), or of any other controls which may form part of Crown's AML/CTF Program.
- It is assumed that Crown's automated transaction monitoring program (TMP) does not operate with respect to the Patron Accounts (i.e. bank accounts held with financial institutions). All monitoring of transactions in these accounts is undertaken outside of the scope of the automated TMP.

- It is understood that at least some of the Relevant Controls have been in operation for a limited time (since 1 December 2020). Operational effectiveness testing will therefore be performed only with respect to this limited timeframe.
- In addition, the scope of the Controls Assessment work will not include:
  - Any form of assessment of source system data quality and/or completeness
  - Any form of implementation or operationalisation of any outcomes of our Work
  - Designing or implementing AML/CTF policy, procedures, processes and controls to support the Crown AML/CTF program.
  - Any form of retrospective review of performance of Crown's transaction monitoring program or other controls. The Assessment will cover current processes, controls and procedures only.
- Our Work will be based on our interpretation of the requirements of the AML/CTF Act and AML/CTF Rules; in effect at the date the Review commences, as well as our experience in conducting similar work across a variety of organisations. This includes our interpretation of the threshold at or beyond which transactions may be reasonably suspected to be indicative of money laundering or terrorism financing typologies. Our Report will set out our methodology for making this determination.
- To fulfil our Work, we will need to rely on information gathered through public record and commercial database research. Although information gathered from public record sources and commercial databases is generally accepted to be accurate, we cannot guarantee its veracity; in particular, we cannot monitor the speed with which these public record and commercial database sources update their records. We can therefore accept no responsibility for, and do not warrant the accuracy or completeness of, any of the information provided by such sources.
- Our Work does not constitute legal advice. It is not binding on Independent Liquor & Gaming Authority (ILGA), AUSTRAC or other interested regulators or agencies and there is no representation, warranty, or guarantee that these parties will agree with our work.
- Our Work will be based on the information provided to us, which we will assume is true, correct and complete. Unless as otherwise stated within the scope of the Services, we will not be responsible for validating data provided by Crown for the purposes of Conducting Our Work.
- Our Work and any attendant costing are predicated on all documentation and access to personnel requested being available in a timely manner.
- The Services will be limited by the time available to us, the agreed scope, the Information available, the accessibility of Information sources and clarity or lack of clarity of your objectives.
- We reserve the right to revise any finding or recommendation in our Work if material information becomes known to us after the date our Work is issued.
- There are no undue complications or delays in providing the Services.
- We will not be responsible for providing evidence or producing any documents in respect of the Services (except in response to a subpoena) unless you engage us specifically to do so. If we are asked to do these tasks this will be the subject of a separate engagement with you.



- To the extent that there is any inconsistency between the limits and conditions in this Letter and our Work, then the limits in the Work will prevail.

## 7 Your responsibilities

In addition to the responsibilities which are described in the Terms, you shall use your best endeavours to comply with our reasonable requests, suggestions and directions for the efficient conduct of the engagement. In particular, you are responsible for the following activities:

- Timely provision of all data and documentation requested;
- A dedicated project manager or point of contact to facilitate meetings and interviews with Crown staff as required for the performance of the Work;
- Prioritised access to relevant Crown staff for the purposes of meetings, interviews as required for the performance of the Work;
- A dedicated point of contact to facilitate timely data/system access and extraction of information;
- Providing data extracts and/or access to source systems in agreed formats, without modification;
- Completeness and accuracy of all information provided;
- Agreeing an appropriate data transfer protocol to ensure the integrity and security of data is maintained throughout the duration of the engagement;
- Performing a review of our draft reports for any factual inaccuracies only and providing your response within a reasonable timeframe.
- Determining any actions that Crown may take in response to observations and/or recommendations made in our reports, and developing any necessary action plans to affect those actions;
- Preparing Crown's Response to our final reports

You acknowledge that our ability to deliver the Services is dependent on you meeting your responsibilities, as well as you providing us with instructions and making timely decisions.

## 8 Our Fees

### (a) Fees

Our fees will be charged according to the time our team spends on providing the Services at the rates set out below. The actual fees charged by us will reflect the seniority and expertise of the staff involved as well as factors such as the time spent on the Services and the complexity of the Services.

The hourly rates that will apply in providing the Services are as follows:

<b>Level</b>	<b>Hourly Rate (excluding GST) AU\$</b>
Partner	900
Principal / Specialist Leader	750
Director	650
Associate Director	550
Manager	500
Senior Analyst	400
Analyst	300
Graduate	200
Secretarial/Admin Support	100





These rates may change from time to time but are reviewed annually on 1 June. The new rates will apply from the date of the change.

Based on the details of the matter as currently known, it is not possible to provide a meaningful estimate of our Fees at this time.

In the interests of transparency, we have outlined below our estimated fees for the **first four weeks** of the project, which are expected to fall within the following ranges:

<b>Phase</b>	<b>Notes</b>	<b>Estimated fee range (excluding GST) (AU\$)</b>
Phase 1: Controls Assessment	1	\$80,000 - \$110,000
Phase 2: Forensic Review	2	\$480,000 - \$520,000
Phase 3: Further Controls Assessment	3	\$ -
Project Management (including engagement leadership and expert advisory)		\$100,000 - \$110,000
<b>Total Estimated Fees</b>		<b>\$660,000 - \$740,000</b>

**Note 1:** The estimate for the Phase 1 work represents total estimated fees for that phase, based on the assumption that the work can be completed within a four week timeframe.

**Note 2:** The estimate for the Forensic Review includes data preparation, management and analysis across all phases.

**Note 3:** The estimated fee does not include fees for Phase 3: Further Controls Assessment on the basis that it is not expected to have commenced before Week 4 of the overall project

As and when an assessment of the complexity of the engagement can be ascertained, we will seek to provide you with an estimate of our costs. In any event, we will agree a regular reporting process with you to ensure full transparency of the costs incurred by our team as part of this engagement.

The estimated fee does not include:

- Work conducted beyond Week 4 of the overall project
- Phase 3: Further Controls Assessment (see above)
- Any changes to the scope of the Work required to be undertaken which is caused by changes in the information provided, or the provision of new information not previously provided
- Additional Work outside the scope of Services set out at section 4
- Time spent and costs incurred if it is necessary for us to obtain our own legal advice and/or approach the court to seek directions.

Any fee estimate we provide may change for a number of reasons during the course of the assignment. When this occurs, we will notify you of the revised estimate and the reason/s for the revision.

Our Fees and payment of our Fees are not contingent on the final results and we do not warrant or predict the final results or developments in this matter.

### **(b) Expenses**

We will charge, at cost, all expenses we incur in providing the Services to you. The kinds of expenses we may incur on this matter include:

- Domestic travel (anticipated to be minimal, if at all)
- Public records – including Australian and overseas company registration and other similar sources (prices vary)
- Commercial Watch List database access fees (charged at AU\$14 per check)

### **(c) Billing**

Our invoices will be issued on a monthly basis and on completion of the engagement. Professional Fees calculated as described above, plus Expenses, and all relevant government charges, taxes or imposts (including GST) will be shown on our invoice. Our terms require payment within 14 days of receipt of an invoice.

## **9 Timing**

During the course of our Work we will agree certain timelines for reporting.

We understand the importance of this engagement to Crown and we will endeavour to complete our engagement in a timely manner.

We understand that you would like to be in a position to share with ILGA a progress update on Phase 1 on 15 March 2021, with the report produced in relation to Phase 1 on or around this date. We anticipate that we will be in a position to meet this timeframe, on the basis that all relevant data and documentation can be made available to Deloitte on 22 February 2021 in the form requested, and that Deloitte can meet with relevant control owners before 24 February 2021. This will also require Crown to provide its Response to the final report within 24-48 hours of receipt of it. Delays against these requirements will have a direct impact on our ability to meet your proposed timeline.

It is not possible at this stage to estimate a timeframe for the completion of the work to be performed under Phases 2 and 3. However, we will also provide to Crown Resorts a status update on Phases 2 and 3, which will include the anticipated timeframe for completion of these phases and any initial insights on the data reviewed. This update will be provided to Crown at the same time as the Phase 1 report.

We each acknowledge that:

- There is potential for business disruption resulting from the COVID-19 virus
- It is impossible to foresee how it will develop or the containment measures which may be imposed.

We therefore agree that all commitments as to timing in relation to our work are tentative only. This limitation prevails over any commitments as to timing in relation to our work made during the currency of the COVID-19 virus epidemic.

## **10 Terms and conditions**

In addition to the indemnity in clause 9.9 of the Terms, you agree to indemnify us against any Loss which we may suffer or incur in respect of any claim or action by a third party that arises as a result of the provision of the Services including as a result of any claim or action relating to defamation.



**11 Acceptance**

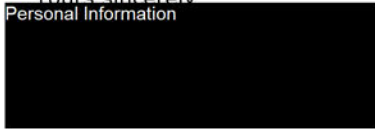
Please confirm that you agree to these terms by signing, dating and returning a copy of this letter to us. We will treat you as having accepted our engagement on the terms set out in this letter if you continue to jointly instruct us after you receive this letter.

Please contact the writer or Mandy Green if you would like to discuss this letter and the terms of engagement with us.

We look forward to working with you.

Yours sincerely

Personal Information



**Lisa Dobbin**

Partner

Deloitte Financial Advisory Pty Ltd

Crown Resorts Limited agrees to the terms of this Agreement. Signed for and on behalf of Crown Resorts Limited by its duly authorised representative:

Personal Information



**Signature**

*ANTONIA KORSIANOS*

**Name**

*Non Executive Director*

**Title**

*22 February 2021*

**Date**



## APPENDIX 1: Deloitte's Approach to the Services

Based on the scope of the Services outlined in Section 4 of this Letter, our expected approach to the Controls Assessment, Forensic Review, and Further Controls Assessment and our project management support is detailed below. The scope of the Services is indicative and certain elements of it may change depending on ongoing developments. Any Changes will be agreed with you in advance.

### Phase 1 - Controls Assessment

- i. *Project initiation, data gathering and data preparation*
  - a. Understand relevant Crown stakeholders (with accountability for performing and/or overseeing the controls) and initiate meetings to gain an understanding of the controls in scope for this phase (i.e. the bank account controls and transaction monitoring – together, the "**Patron Account Controls**")
  - b. Request and obtain any documentation including:
    - i. Previous reviews conducted i.e. Grant Thornton/Initialism
    - ii. Documented policies, procedures, processes and any management information reporting relevant to the Patron Account Controls
    - iii. Bank account data for the Patron Accounts for the period after which the Patron Account Controls were in effect (understood to be 1 December 2020)
  - c. Receive and process bank account data for the purposes of review and operational effectiveness testing
- ii. *Interviews/walkthroughs*
  - a. Conduct walkthroughs/interviews with relevant Crown stakeholders to gain an understanding of the Account Controls (including specifically the extent to which Crown's TMP has been applied to the relevant bank accounts associated with Crown Melbourne, Perth and Sydney and any other identified entities as noted in the scope of Phase 1) and identify what documentation is available for the Patron Account Controls and accounts.
- iii. *Design and operational effectiveness testing*
  - a. Assess the design effectiveness of the Patron Account Controls with respect to:
    - i. Extent to which they mitigate ML/TF typologies/risks identified as part of work previously undertaken by Grant Thornton and Initialism with respect to the Southbank and Riverbank patron deposit accounts.
    - ii. Overall design effectiveness e.g. documentation, accountabilities, resourcing, governance and oversight and maintenance.
  - b. Based on the documented (or as determined from walkthrough) develop a test plan for operational effectiveness testing of the Patron Account Controls, including the design of appropriate analytical queries for testing of the bank account data
  - c. Execute analytical queries
  - d. Assess the operational effectiveness of the Patron Account Controls pursuant to the test plan (expected to include assessment of any processes, including documentation, record keeping and QA/governance, as well as analysis of the bank account data to confirm application of controls).
- iv. *Reporting of findings and recommendations*
  - a. Prepare a draft report summarising the results of the review, recommended actions to address any findings and commentary on the Patron Account Controls relative to regulatory expectations and industry better practice.
  - b. Provide a draft report to Crown for review and to provide any factual clarifications prior to finalisation
  - c. Provide a final report to Crown summarising the results of the review, recommended actions to address any findings and commentary on Crown's Patron Account Controls relative to regulatory expectations and industry better practice.
  - d. Review Crown's response to our final report and document a response, including our assessment of the actions to be taken by Crown in response.

## Phase 2 - Forensic review

- i) *Preliminary assessment of Crown's legal entities and bank account*
  - a. Obtain a list from Crown of all legal entities and their domestic and international bank accounts associated with Crown's Australian casino operations. Based on this list and discussions with Crown representatives (yet to be identified), seek to establish understanding of the nature of purpose of each entity and bank account.
  - b. Where possible, verify (using external data sources) the completeness of the Crown entity list.
  - c. Document outcomes of review, including specific identification of all legal entities and bank accounts that are or were capable of being used by patrons to deposit or withdraw funds during the Relevant Period.
  - d. With respect to accounts not deemed to be capable of being used by patrons to deposit or withdraw funds during the Relevant Period, undertake a sample based review of the transactional activity within a non-statistical sample of these accounts (by category or grouping of nature and purpose) to test c
  - e. Document all legal entities and bank accounts identified as in scope for the purposes of the Forensic Review and Further Controls Assessment.
  
- ii) *Data identification and collection*
  - a. Gain an understanding of the systems and data landscape to identify what data is available that will be relevant to the Services.
  - b. Develop and agree with Crown a data and documentation exchange protocol.
  - c. Identify the data required to perform these Services and submit a written request to Crown for this information.
  - d. Upon receipt of the data, process this appropriately into Deloitte's secure systems to facilitate future analysis, including but not limited to, extracting data from PDF bank statements to facilitate analysis.
  - e. As the engagement continues, make ad hoc requests for further data on an 'as needs' basis to inform specific lines of inquiry.
  
- iii) *Preliminary data analysis and prioritisation*
  - a. Develop / document ML/TF typologies based on known 1) casino-related typologies, 2) the work conducted to date by Grant Thornton and Initialism, 3) contemporary domestic and international regulatory expectations and 4) our experience in conducting similar reviews.
  - b. Develop analytics-based screening tools incorporating above typologies to facilitate the preliminary analysis

Upon the completion of steps (i) to (iii) above:

- c. Using these tools, perform preliminary analysis and grouping of transactions, Crown patrons and remitters (where identified) identified from within the Patron Accounts dataset to understand the nature of the combined activity. This analysis will be informed by the bank account data and internal Crown systems (e.g. Crown's CRM system, 'SYCO' and / or Crown's General Ledger)
  - d. In parallel, consider conducting preliminary source and public record searches to inform identification or understanding of patrons or remitters identified.
  - e. Document initial outcomes of preliminary analysis, including preliminary identification of transactions, patterns, or behaviours of interest.
  - f. Refine ML/TF typologies based on preliminary analysis, and where necessary, update analytical techniques.
  - g. Where necessary, validate any elements or outcomes of preliminary analysis through discussions with representatives of Crown (yet to be identified) for the purposes of understanding the outcomes; and ultimately for prioritising the work to be performed in the following steps.
  - h. Document overall outcome of preliminary data analysis, including prioritised transactions / activity / behaviours for further review.
  - i. Assess any additional information (from either Crown Systems or externally) required to assist the further review and where applicable, request access to such data.
- iv) *Undertake a further review of selected activity on Patron Accounts*

- a. Based on prioritisation at (iii) (g) above; and following receipt of any additional information requested, perform additional analysis on prioritised transactions / activity / behaviours of interest, overlaying (using data visualisation techniques) internal Crown system data relevant to each set of transactions / activity / behaviour of interest.
  - i. Internal Crown system data includes
    - 1. SYCO (or equivalent system) records
    - 2. Patron file details (including Know Your Customer (KYC), CDD, ECDD, OCDD);
    - 3. Suspicious Matter Reporting (subject to Crown being able to share the details with Deloitte); and
    - 4. Any additional information sources identified through the course of our work as being of relevance
  - b. In conjunction with a) above; and where relevant, utilise external data sources to validate / augment any reviews.
    - i. External data sources may include:
      - 1. Worldcheck;
      - 2. Company Records (country-specific);
      - 3. Selected public media reporting;
      - 4. Any documented and publicly available regulatory guidance relevant to any activity / behaviour identified; and
      - 5. Any additional information sources identified through the course of our work as being of relevance
  - c. Document initial outcomes of further review and where necessary, validate any elements or outcomes through discussions with representatives of Crown (yet to be identified) for the purposes of fully understanding the outcomes;
  - d. Document identified transactions, patterns, or behaviours for purposes of reporting.
- v. *Reporting of findings and recommendations*
  - a. Prepare a draft report summarising the results of the Forensic Review
  - b. Provide a draft report to Crown for review and to provide any factual clarifications prior to finalisation
  - c. Provide a final report to Crown summarising the results of the Forensic review
  - d. Review Crown's response to our final report and document a response, including our assessment of the actions to be taken by Crown in response.

### Phase 3 – Further Controls Assessment

- i. *Phase initiation, data gathering and data preparation*
  - a. Understand relevant Crown stakeholders (with accountability for performing and/or overseeing the Relevant Controls) and initiate meetings to gain an understanding of the controls in scope for this phase (i.e. the Patron Account Due Controls from Phase 1, in addition to Customer Due Diligence and Enhanced Customer Due Diligence; together the "**Relevant Controls**")
  - b. Request and obtain any relevant documentation including:
    - i. Documented policies, procedures, processes, and any management information reporting relevant to the Relevant Controls
    - ii. (To the extent not already received for Phase 2) Bank account data for the Patron Accounts for the period after which the Patron Account Controls were in effect (understood to be 1 December 2020)
  - c. (To the extent not already received for Phase 2) Receive and process bank account data for the purposes of review and operational effectiveness testing
- ii. *Interviews/walkthroughs*
  - a. Conduct walkthroughs/interviews with relevant Crown stakeholders to gain an understanding of the Relevant Controls, to the extent not performed in Phase 1 and identify what documentation is available for the Relevant Controls and accounts.
- iii. *Design and operational effectiveness testing*
  - a. To the extent not performed in Phase 1, assess the design effectiveness of the Relevant Controls with respect to:
    - i. Extent to which they mitigate ML/TF typologies/risks identified as part of work previously undertaken by Grant Thornton and Initialism with respect to the Southbank and Riverbank patron deposit accounts.

- ii. Extent to which they mitigate any additional ML/TF typologies/risks identified in Phase 2.
    - iii. Overall design effectiveness e.g. documentation, accountabilities, resourcing, governance and oversight and maintenance.
  - b. To the extent not performed in Phase 1, and based on the documented (or as determined from walkthrough) develop a test plan for operational effectiveness testing of the Relevant Controls, including the design of appropriate analytical queries for testing of the bank account data.
  - c. To the extent not performed in Phase 1, assess the operational effectiveness of the Patron Account Controls pursuant to the test plan (expected to include assessment of any processes, including documentation, record keeping and QA/governance, as well as analysis of the bank account data to confirm application of controls).
- iv. *Reporting of findings and recommendations*
- a. Prepare a draft report summarising the results of the review, recommended actions to address any findings and commentary on the Relevant Controls relative to regulatory expectations and industry better practice.
  - b. Provide a draft report to Crown for review and to provide any factual clarifications prior to finalisation.
  - c. Provide a final report to Crown summarising the results of the review, recommended actions to address any findings and commentary on the Relevant Controls relative to regulatory expectations and industry better practice.
  - d. Review Crown's response to our final report and document a response, including our assessment of the actions to be taken by Crown in response.

#### **Project Management (including Engagement Leadership and Expert Advisory)**

- i. *Engagement Leadership*
  - a. Provide overall leadership and oversight of the engagement to ensure delivery against agreed objectives.
  - b. Meet at regular intervals with Crown senior stakeholders and points of contact to discuss progress and observations.
- ii. *Expert Advisory*
  - a. At appropriate junctures, provide SME input into project.
    - i. Providing supporting expertise to delivery teams on specific matters.
    - ii. Review of outputs of work at key points (e.g. as part of Preliminary data analysis and prioritisation and Further review stages of Forensic review)
    - iii. Attendance at specific Stakeholder forums for the purpose of providing expert commentary
- iii. *Establish overall project operating protocols*
  - a. In conjunction with identified representatives from Crown, establish project operating protocols including those relating to:
    - i. Request and provision of information
    - ii. Security and Confidentiality
    - iii. Scope Management
- iv. *Provide delivery oversight and co-ordination*
  - a. Establish rhythm and cadence for delivery, including escalation and reporting mechanisms
  - b. Log and track all information requests, interview or meeting requests, instances of scope change, critical risks, as well as other critical matters of escalation or decision making
  - c. Co-ordinate stakeholder interviews and meetings (including Stakeholder forums)
- v. *Reporting*
  - a. Co-ordinate and prepare stakeholder meeting packs
  - b. In conjunction workstream leads, define and develop draft Deloitte report(s)
  - c. Receive Crown response to draft Deloitte report(s)
  - d. Co-ordinate finalisation of Deloitte report(s)
  - e. Receive Crown response to Deloitte final report(s)
  - f. Document Deloitte commentary of Crown response