



Victorian Commission for
Gambling and Liquor Regulation

STATEMENT

STATEMENT IN MATTER OF: Crown Casino

PLACE: 12 Shelly Street, North Richmond, VIC

DATE: 06 February 2018

STATE: Victoria

COPY

NAME: Jerry XUAN [REDACTED]

ADDRESS: Known to VCGLR

TEL: [REDACTED]

OCCUPATION: Self Employed

STATES:

1. My full name is Jerry XUAN and I was previously employed at Crown Melbourne Casino as a 'Host' in the Mahogany Room, from 2009 to 2010.
2. In early 2009, I was introduced to Alfreed GOMEZ by my brother, who said that he had a job offer for me in Beijing.
3. After some discussions with GOMEZ, I commenced my employment as 'Director of International Sales – Beijing' at Crown Resort Pte Ltd in 2010, located at Room 3605, 36/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong. My primary area of coverage was North China to include Beijing. I was located in Beijing although the office was located in Hong Kong.
4. The purpose of my role was promote both Crown Melbourne and Crown Perth resorts for potential new and existing customers to visit and spend money at the resorts. I enjoyed this role as I am a

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people person and enjoy speaking with new and existing customers. I was able to contact customers through a database that was supplied to me by Crown Melbourne, through the Hong Kong office.

5. I promoted both Crown Melbourne and Crown Perth resorts by telling customers how great they were to visit, by speaking about the weather, the events and the great things to explore in Melbourne and Perth. Such as the Melbourne Cup, the Australian Open, the Perth Baccarat tournament, yachting or New Year's Eve.

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6. This also included the promotion both the Casinos at Crown Melbourne and Crown Perth.
7. There was about sixteen (16) sales staff at Crown Resort Pte Ltd.
8. When I first commenced my role in 2010, I reported to Maggie XING who was the then 'Senior Vice President – Chia & Taiwan'. XING left soon after I started, and was replaced by Lucent LIU, who then left and was replaced by Alfred GOMEZ in 2013.
9. My annual targets were very high and were set by GOMEZ, who was given them by Michael CHEN, the 'President of International Marketing', who got them from Jason O'CONNOR who in turn got them directly from Crown Senior Management.
10. CHEN set the salary bands and the increments for me and the other staff.
11. I didn't have a budget to carry out my role, but I carried a Crown company credit card which was in my name. I used this credit card to take customers and potential new customers out for dinners/coffees and meetings.
12. I didn't have an actual office or place to meet these customers and potential new customers, so I would meet them in coffee shops, hotels and other public places.

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13. New customers have to spend over \$10,000 to become either a member of Crown Melbourne or Crown Perth Casinos and existing customers have to spend over \$75,000 for them to start getting a commission from Crown.
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14. My salary was a base salary of \$120,000 with commission. The commission would have been about 5-10%, of which 80% would have been made up of existing customers and 20% made up of new customers.
15. I did receive some safety training by Crown in how to promote Crown Melbourne and Crown Perth resorts and remember that I was advised not to solely promote the Casinos at Melbourne and Perth, but to promote the resorts as a whole. I was told "don't sell gaming stuff to all the players. If people don't know gambling, don't sell to them.
16. I remember receiving two emails in relation to Money Laundering.
17. I do remember that GOMEZ, CHEN and other Crown Management were worried about the Chinese Police and Government monitoring what I and others were doing.
18. I also remember an American called Randy PHILIPS coming to Beijing in December 2015, who said that what we were doing was legal and that there was no risk associated with our activities.
19. It was also around this time that the lawyer Kenneth ZHOU trained me and other over the phone in relation to Chinese law.
20. I also remember being presence during two conference calls with a lawyer who advised that what I along with other staff were doing in China was legal. However I was warned not to meet with groups of customers or potential new customers and only to meet them on a one to one basis.

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This advice was in relation to the anti-gambling laws in China, which state that you must not promote gambling to groups of more than ten (10) people.

21. At no time did anyone in management tell me what I was doing was illegal, or that I was to be worried about it.

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22. When the Chinese Police arrested the 'South Koreans' in June 2015 for allegedly inciting Chinese people to gamble in their country, and the Chinese Government warned on state TV that they were targeting sales people from outside China who were promoting and organising gambling in China. I and other colleagues were nervous but Crown took no action.

23. I raised concerns with GOMEZ and CHEN, that I along with the other sales staff may be arrested.

24. CHEN told me and the others not to worry and just to continue on with our jobs. And that it had nothing to do with Crown.

25. In July 2015, one of my sales team called Benny XIONG was visited by the Chinese Police in Wuhan where he was questioned about his activities around promoting Crown resorts and promoting gambling.

26. Around this time, I also was spoken to by Chinese Police at my home about gambling. The Police told me, that someone had told them that I was organising gambling at my home. When I denied this, the Police said that maybe the information was made up. They didn't actually ask me what I did or if I worked for Crown.

27. CHEN told me and others not to worry and just to continue on with our jobs. CHEN made all announcements to staff when issues like this happened and advised how I and the other staff were to handle it.

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28. I along with the other staff continued on with our jobs until we were arrested in October 2016.
29. The police were waiting for me at the train station at my home. They arrested me as I got off the train. They brought me to the local Police station where they held me for over six (6) hours. At this point police from Beijing came and collected me from the local Police. They handcuffed me, took my phone and belongings off me and then took me back to Beijing. The police did not search my house.
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30. I was then conveyed to Shanghai detention centre, where I saw all my colleagues from Crown Resort Pte Ltd. These included O'CONNOR, GOMEZ and others. But CHEN was not there, as he was never arrested.
31. I recognised O'CONNOR as I had met him numerous times at various roadshows promoting Crown resorts.
32. When I was charged, the police said that we had broken Chinese law in relation to organising groups of over ten (10) person to gamble overseas. The Police said that this number was calculated over a year. Over case was referred to as case number: 19/10/2016.
33. I believe that I would have signed up over ten (10) new customers over twelve (12) months. And the whole sales team would have signed up 20-30 over twelve (12) months.
34. After my and others arrests, CHEN consulted the same lawyer who had given the advice about gambling laws in China. He said that we would be all ok, and told CHEN not to worry about it.
35. On Thursday 11 January 2018, I was shown a copy of email by Inspector BRYANT dated 25 March 2015, headed 'Update on China Policy' which showed the lawyer's advice.
36. The lawyer's advice was "Bullshit!" he was talking "Bullshit!"

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37. I call CHEN when the police came to my house, he said that he had consulted with the lawyer and it was ok and should be fine.
38. When I convicted of promoting/organising gambling in China, I spent nine (9) months in jail. Crown paid for all my legal fees and continued to pay my salary.
39. I believe the reason that I along with other were arrested, was that Crown was becoming too big in promoting Crown Casinos within China. There were over 100 people promoting overseas Casinos in China at that time, but we were the "Big Fish" and the Chinese Government wanted to make an example of Crown.
40. I am really annoyed that Management did not listen to my and other staffs concerns and the fact the Chinese Government had warned on state television and in other media outlets that our activities were being monitored. As I believe if they had, I and others would *not* have been arrested. I also believe someone within Crown did not pay the right Chinese official enough money, because if they had, no-one would have been arrested.
41. Given my conviction and my subsequent return to Australia in August 2017, I no longer work for Crown or in the Gaming industry, as I have had my Casino Special Employee licence taken off me by Crown.
42. In December 2017, I signed a settlement agreement with Crown, which has provided me with a monetary value, but precludes me from speaking to the public or the media in relation to my employment with Crown Resort Pte Ltd.

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Full Name and signature of Witness

PENGA XUAN

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I hereby acknowledge that this statement is true and correct and I make it in the belief that a person making a false statement in the circumstance is liable to the penalties of perjury.

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Full Name and signature of Witness

[Handwritten signature]

Full name and signature of Inspector

T.M BRYANT

Acknowledgement made and signature witnessed by me

at Richmond on 6/2/18 at 1035 AM.
(Place) (Date) (Time)

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T. BRYANT

Team Leader.

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