

Confidential Investigation Report

Report regarding Ms Dan (Jane) Pan

1. On 19 July 2013 Ms Dan Pan (aka Ms Jane Pan) was granted a casino special employee licence, licence number [REDACTED] for a period of 10 years until 31 July 2023 under the *Casino Control Act 1991* (the Act)¹ (see **Tab 1**). This licence remains in force as it has not expired or been surrendered or cancelled in accordance with the Act².

Disciplinary grounds

2. The Act, at section 52 provides that if the Victorian Commission for Gambling and Liquor Regulation (the **Commission**) decides that there are grounds for disciplinary action against a licensee the Commission may take disciplinary action. The grounds for disciplinary action against a licensee, set out in section 52, include:
 - That the licensee has been convicted or found guilty of an offence arising out of or in connection with the employment of the licensee under the Act or the *Gambling Regulation Act 2003* (s.52 (1)(b)(ii)); or
 - That for any reason, the licensee is not a suitable person to be the holder of the licence (s.52(1)(f)).
3. The power of the VCGLR under s50(5) of the Act to take disciplinary action is delegated to the CEO, Director of Licensing and VPS 6 officers in Licensing³.

Criminal proceedings in China

4. The *Criminal Law of the People's Republic of China*, as quoted in the Judgement of the Shanghai Boashan District Court (the **Court**) (see **Tab 2A**), states⁴:

"Article 303 (1)

Whoever, for the purpose of profit, assembles a crowd to engage in gambling or makes gambling his profession shall be sentenced to fixed-term imprisonment of not more than three years, criminal detention or public surveillance, and shall also be fined."

"Article 25(1)

A joint crime refers to an intentional crime committed by two or more persons jointly."

5. For completeness, also please see attached an English translation of the Court judgement prepared by the Shanghai Interpreters' Association provided to the Commission by Ms Pan (see **Tab 2B**).
6. On 11 May 2005, the *Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Specific Application of the*

¹ See Statement by D Lusty dated 20 December 2018 and GLS printout for Ms Pan, Licence [REDACTED]

² See Statement by D Lusty dated 20 December 2018

³ See Delegations Register

⁴ From English translation by Professor Qin of Article 303 and Article 25 in the Court judgement.

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*Law in the Handling of Criminal Gambling Cases*⁵ (see **Tab 3**) was issued. It states, in part:

Article 1 the existence of any of the following circumstances for the purpose of profit shall be classified as "gathering people to engage in gambling" as stipulated by Article 303 of the Criminal Law:

- (1) *Organising more than three persons to gamble and to gain a cumulative benefit of 5,000RMB or more from the gambled money;*
- (2) *Organising more than three persons to gamble where the total gambling stake is 50,000 RMB or more;*
- (3) *Organising more than three persons to gamble where the total number of gambling participants is more than 20 persons;*
- (4) *Organising more than ten citizens of the People's Republic of China to gamble abroad and to extract a commission and referral fee in doing so.*

7. According to a legal article, "*Gaming in China: overview*" as at 1 November 2016, by Yap Wai-Ming, Morgan Lewis Stamford LLC (see **Tab 4A**), a person breaches the 2005 Interpretation in the following circumstances:

- Assembling more than three persons with intent to gamble, to engage in gambling and obtaining commission of a sum equal or more than RMB5,000.
- Assembling more than three persons to engage in gambling and the aggregate gambling exceeds RMB50,000.
- Assembling more than three persons to engage in gambling and the number of people involved in the gambling activities exceeding 20 persons.
- Organising more than ten Chinese citizens to engage in gambling activities overseas and obtaining a commission and/or introducer fee in return.

8. On 13 October 2016 Ms Pan was taken into custody by Chinese authorities and placed in criminal detention the following day and arrested on 18 November 2016⁶.

9. On 8 June 2017, an indictment was issued by the Shanghai Municipality Baoshan District People's Procuratorate (see **Tab 5A** English Translation by Mr R Crouch and **Tab 5B** English Translation by Shanghai Interpreters Association provided by Mr O'Connor.) The indictment contained the details of the charges against all 19 defendants, including Ms Pan. The indictment noted, amongst other things:

- Ms Pan held a bachelor degree
- She was a sales manager at Crown Group for the Shenzhen/Zhuhai region
- She was placed under criminal detention on 14 October 2016 on suspicion of having committed gambling offences
- Ms Pan was recruited in April 2013 by Crown Group
- Ms Pan was a member of the sales team for the South China region, along with another defendant. They organised large numbers of gamblers to visit

⁵ "*Gaming in China: overview*" as at 1 November 2016 by Yap Wai-Ming, Morgan Lewis Stamford LLC. This article is consistent with a news article published on 14 May 2005 by the Xinhua News Agency on <http://china.org.cn/english/government> (see **Tab 4B**)

⁶ See English translation by Professor Qin of Court judgement page 4

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Crown Group's casino for the purpose of gambling. For the period 1 July 2015 to 30 June 2016 the turnover target for South China was AUD \$4 Billion. The team achieved this target and Ms Pan gained a proportion of this with income over RMB1 million.

- The Procuratorate is of the opinion that the accused (including Ms Pan) have formed a gang motivated by monetary profit. They separately formed a series of teams to organise more than 10 Chinese citizens to visit Crown Group's casinos in order to gamble; they received payment for this.
- All such behaviour has contravened Article 303 Section 1 and Article 25, Section 1 of the Criminal Law of the People's Republic of China.

10. On 26 June 2017 Ms Pan was found by the Court to have contravened Article 303(1) and Article 25(1) of the *Criminal Law of the People's Republic of China* (see **Tab 2A** judgement). Ms Pan was sentenced to a term of imprisonment for 9 months, commencing from when she first entered criminal detention on 13 October 2016, and was fined 400,000 RMB (approximately AUD 78,000). Ms Pan's employer, Crown paid the fine⁷.

11. The Court judgement and records of the Department of Foreign Affairs and Trade (see **Tab 6⁸**) state that Ms Pan attended the hearing held by the Court and she did not contest the charge⁹. She was represented by legal counsel at the hearing¹⁰. Ms Pan and her lawyer separately provided brief comments to the Court saying her father was in China and she needed to take care of him. Ms Pan also said she hoped no deportation would be given by the court. She did not challenge the charges¹¹.

12. The judgment noted that the evidence in support of the charges included, witness testimonies, identification records, gamblers' transaction records, itineraries, employment contracts, performance plans, Crown Groups sales plans, profit targets, visa information, customer information and computer forensic findings produced by forensic identification institutions. In addition, the Court had statements from the defendants confessing to the facts of the crimes. (see pages 7 and 8, pages 10 – 12 of the Court Judgement)

13. In summary, the judgement of the Court (see **Tab 2A**) stated in part in relation to Ms Dan Pan that:

- Pan Dan formerly sales manager, Shenzhen, Zhuhai Region for Crown Group was taken into custody on 13 October 2016 on account of this case, placed in criminal detention on the following day, and arrested on 18 November 2016. (page 4)
- Ms Pan Dan was recruited by Crown Group in April 2013, and she and another defendant, were members of the sales team in China for the Southern China Region of Crown Group and she served as Sales Manager, Shenzhen, Zhuhai Region. She and the other defendant organised large

⁷ See Court Judgement page 15 and Crown ASX /press release dated 27 June 2017 (tab 8)

⁸ Provided by Crown

⁹ See DFAT records in email from DFAT to Crown dated 27 June 2017

¹⁰ See DFAT records in email from DFAT to Crown dated 27 June 2017; also see Court judgement page 4 where legal counsel are listed.

¹¹ See also Court Judgement at page 8

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numbers of gamblers to attend Crown Group's gambling establishments to gamble by methods described in the judgement, from which she also profited. (page 9)

- The turnover target for the Southern China Region was AUD \$4 billion from 1 July 2015 to 30 June 2016, in which the team realised more than AUD\$4 billion. Pan Dan received pro rata commissions for the annual period, earning income from the Group of more than 1,000,000 RMB. (page 9)
- The sales methods described in the judgement were "*These sales personnel organised large numbers of gamblers in China to travel and gamble at Crown Group's gambling establishments under favourable terms such as the inclusion of commission points, turnover rebates, and provided gambling credit, visa processing, airport pick-up, accommodation and other conveniences to gamblers, from which they also profited.*" (Page 8-9)
- The view of the Court is that the defendants, including Pan Dan, organised more than 10 citizens of China to gamble abroad and gained a benefit in doing so, the conduct of which constitutes gambling crimes, which shall be punished in accordance with the law. (page 12)
- The defendants, including Pan Dan, have truthfully confessed their crimes, and may be given more lenient punishments in accordance with the law. (page 12)

14. By letter dated 10 July 2017 Crown Melbourne Ltd (see **Tab 7**) notified the VCGLR that Ms Pan was convicted by the Court of contraventions of Article 303, Clause 1 and Article 25, Clause 1 of the *Criminal Law of the People's Republic of China* and was sentenced to a period of 9 months' imprisonment commencing on 13 October 2016. This notification was for the purposes of section 57 of the Act and noted that due to Ms Pan's incarceration she was not in a position to personally notify the VCGLR of her conviction.

15. Crown provided to the Commission the Crown Resorts Ltd ASX announcement dated 26 June 2017 (see **Tab 8**). The ASX announcement stated that Ms Pan was convicted of contravening Article 303, Clause 1 and Article 25, Clause 1 of the *Criminal Law of the People's Republic of China* by the Shanghai Baoshan District Court and fined RMB 400,000 and sentenced to 9 months' incarceration, with time in detention since 14 October 2016 to be taken into account.

16. Crown stated to the Commission in a presentation in August 2017 (see **Tab 9**) that it acted at all times in China in accordance with its legal advice on Article 303 and the related Joint Interpretation, which said in effect that an individual committed an offence against Article 303 if they:

- Organised 10 or more Chinese citizens to engage in group gambling; and
- Personally receiving a 'referral fee' or similar kind of reward¹².

17. The Commission has not received a copy of the legal advice provided to Crown. In correspondence¹³ to the Commission from MinterEllison dated 17 May 2018 Crown states that it was Crown's understanding that a foreign casino staff member should not organise a trip for 10 or more customers to visit their employer's casino (s) to

¹² Crown power point presentation to the VCGLR in August 2017

¹³ See MinterEllison letter dated 17 May 2018

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gamble. Crown further states that staff did not organise trips to Crown's Australian casinos of 10 or more patrons at a time, and did not receive commissions or kick-backs. (See **Tab 10**)

18. At interview, Ms Pan stated that she asked the Chinese authorities the question whether it was 10 or more citizens in a trip or 10 or more citizens accumulated in the whole of your life and the Chinese authorities' answer was 10 or more citizens accumulated in your lifetime. (p57, q385)(Tab 16)
19. Ms Pan was released from prison in July 2017 and she subsequently returned to Australia.

Employment with Crown

20. Ms Pan was employed by Crown Resort Pte Ltd (Hong Kong) (a subsidiary of Crown Melbourne Ltd) as an International Sales Manager based in Shenzhen, China. Her signed contract dated 8 March 2013 stated that she was employed from 11 April 2013 as the International Sales Manager – Shenzhen/Zhuhai, reporting to the Senior Vice President – China and Taiwan. (**Tab 11A unredacted** unsigned version of contract and **Tab 11B part redacted** signed version of contract). The contract states that Crown Resort Pte Ltd (Hong Kong) is a subsidiary of Crown Melbourne Ltd. The unsigned employment contract dated 8 March 2013 states that Ms Pan's salary was CNY410,00 per annum effective 2 April 2013¹⁴.
21. Ms Pan was a staff member in the International Marketing Division of the VIP Department of Crown. (see organisation chart in **Tab 12**)
22. Ms Pan's position description (**Tab 13**) states that the position of international sales manager is responsible for establishing and marketing the Crown VIP Gaming product. The position was also responsible for product promotion, business development and event hosting. It noted that varying strategies are to be developed and implemented to accommodate their expectations of gaming and entertainment to encourage long term loyalty and business growth. The duties included, amongst other things:
 - Taking direction from the Senior Vice President of International Business Development, partnering with the Senior Vice President of Domestic Marketing & other VIP Sales managers to identify and develop the potential business opportunities to ensure the VIP marketing objectives and outcomes are met;
 - Establishing a network of contacts willing to travel and experience Crown's entertainment offerings by ensuring the provision of professional and timely customer service to Crown customers;
 - In conjunction with Crown VIP, hosting VIP patrons at corporate or gaming functions as required;
 - Maintaining and being accountable for a budgeted expense account ensuring an acceptable return on investment to the Mahogany operation;
 - Building customer networks and relationships within identified cultures and to remain aware of up and coming cultural celebrations on which the Mahogany can capitalise through visitation and member recruitment.

¹⁴ Note the VCGLR has 2 contracts for Ms Pan – suggest both are attached?

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23. The Commission asked for information about the performance targets, remuneration and bonus plans offered to all staff in China, including Ms Pan. Crown provided the details of salary and bonus payments made to Ms Pan in the relevant period. The remuneration information provided by Crown shows that Ms Pan was paid as follows:

- Her contract of employment dated 8 April 2013 lists her annual salary of RMB 410,000 (see **Tab 11A**)
- The payslip for August 2017 (see **Tab 14**) and the payslips from June 2014 to June 2017 (**Tab 14**) shows that the annual salary and bonuses paid were as follows:

Start date	Annual salary	Bonus payments	Nature of bonus payment
2/4/13	RMB 410,000	RMB 68,969	FY 13 STIP - Sept 13
1/7/14	RMB 430,500	RMB 47,248	FY14 Qtr 4 new customer bonus – Aug 14
		RMB 85,262	FY14 sales bonus – Sept 14
		RMB 40,222	F15 Qtr 1 Bonus – Oct 14
		RMB 62,332	F15 Qtr 3 Bonus- Apr 15
1/7/15	RMB 443,415	RMB 47,417	FY15 Qtr 4 Bonus – Jul 15
		RMB 419,049	FY15 VIP Bonus (STIP)- Sept 15
		RMB 48,225	FY16 Qtr 1 bonus (Oct 15)
		RMB 81,961	FY16 Qtr 2 bonus (Jan 16)
		RMB 27,315	FY16 Qtr 3 bonus (Apr 16)
1/7/16	RMB 640,000 (Note: from 1.8.6 converted to HKD 786,461)	RMB 85,160	FY 16Qtr 4 Bonus
		RMB 410,496 (LTI RMB 85,618, STIP RMB 324,819)	FY16 VIP Bonus (LTI and STIP) – Sept 16
		RMB 26,747	FY17 Qtr 1 bonus – Oct 16

24. The total of salary and bonus payments for each financial year (based on the evidence summarised above) were as follows:

	FY13*	FY14	FY15	FY16	FY17#
Annual salary	410,000	410,000	430,500	443,415	640,000

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Bonus payments	68,969	132,510	569,020	653,157 ¹⁵	26,747
% Bonus	16%	32%	132%	147%	

Figures in RMB, *Started April 2013, #Note detained on 13 October 2016

25. The contract of employment noted that Ms Pan's remuneration would be reviewed on an annual basis. It also noted that the initial annual salary figure of CNY 410,000 included a cash salary component, superannuation, accommodation allowance and other salary sacrifice benefits and fringe benefits taxes.
26. The Commission has information, including letters to other employees, about the short-term bonus plans in place offering sales staff bonuses based on gambling turnover. The short term incentives (STIP) and long term incentive (LTI) bonuses paid to Ms Pan in the period have been included in the bonus payments set out above. At interview the Commission discussed with Ms Pan about her salary and the bonuses paid. See the references below.
27. In September 2017 Crown notified the Commission that Ms Pan ceased employment with Crown on 7 September 2017 and the reason was she had been made redundant¹⁶. Ms Pan was given a redundancy package (see her payslip for September 2017 **Tab 15**).
28. At interview on 7 March 2018 Ms Pan told the Commission investigators that in January 2018 she resumed working for Crown. She is currently employed as a Lifestyle Director at Crown Perth (p3, questions 11 – 16). She is assisting VIP patrons in relation to immigration, settling down in Australia, investments, and children's education requests (p61, q417)(**Tab 16**).

Interview with VCGLR

29. Ms Pan was interviewed by Commission inspectors on 7 March 2018 as part of the investigation into the circumstances leading to the imprisonment of 19 Crown staff in China (Transcript of Interview **Tab 16**). Mr J Preston, Crown Resorts Chief Legal Officer and Mr R Murphy, Crown Resorts legal counsel from Minter Ellison were present. Ms Pan was co-operative during the interview and provided relevant Chinese Court documents to the VCGLR after the interviews.
30. Set out below is relevant information Ms Pan provided during her interview with the Commission.
31. In relation to her location and duties of her employment with Crown she stated:
- She commenced working with Crown in 2013 (p7, q42- 43), having previously worked for Star Casino in International VIP Services (p5, q29)
 - In China, she was the International Sales Manager for Shenzhen and Zhuhai for Southern China (p6, q34)

¹⁵ Note the annual salary and bonus payments paid to Pan Dan for the FY2016 exceed RMB1,000,000 as found by the Court

¹⁶ Statement by D Lusty dated 20 December 2018

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- She commenced duties for Crown in China in April 2013 and reported to Mr S Aubory for about 6 months. She subsequently reported to Mr Gomez from 2013 to July 2015. From July 2015 to October 2016 Ms Pan reported to Mr Jack (Bing) Zhu, Regional Sales Vice President of Southern China (pp6 - 8, q36 - q59) .
- Ms Pan was a member of the regional China South team for Crown. Ms Pan was based in Shenzhen China. She was the only Crown employee responsible for Shenzhen, but there were other sales team members for China South. (p9 q63 – 65, p13, q93)
- Ms Pan did travel to other provinces, depending on the arrangement with the customer. Prior to travelling she obtained the permission of her supervisor by email. When she travelled she would take an iPad and event invitations, for example invitations to the Spring Racing Carnival and Crown Lucky Chase. (pp12 -13, q 92 – q97)
- She travelled to Hong Kong on average once a month for training and customer meetings (p9, q65).
- In China, her day to day activities were hosting and arranging meetings with customers, promoting Australian Crown Resorts, promoting events in Australia and establishing customer relations with existing customers. (p9, 66)
- The information about customers was in the Crown customer data base (Crown Force) and she received customer reports from existing customers. (p9, q67 – 68))
- When she joined Crown she received training in sales, HR introduction and training in gambling activities, such as baccarat, black jack and gambling turnover. There was also training in other products and services of Crown. (p10, q70 – 78)
- The commission and rebates for customers were settled in Australia when the settlements were done. If a customer asked questions about percentages, rebates and points she would make an introduction and explain the terms when meeting with the customer. (p14, q103 – 105)
- Ms Pan met customers in coffee shops, client's offices and at dinner. (p14, q106)
- In a year, she would have very roughly organised 30 customers to travel overseas (pp30 – 31, q223 -227)
- She never organised a group of 10 or more people in a group to go to Australia in one trip (p49, q324)

32. In relation to performance evaluation, targets and bonuses:

- The team performance target for China South in FY2016 was \$4.1 billion¹⁷ in gambling turnover. This applied to the sales force in 7 provinces. There was no individual target but a regional target. The main objective target was turnover. (p11 - 12, q80 – 89)
- Ms Pan had a yearly performance evaluation plan. It had a range of objectives, such as self- performance, leadership skills, cooperation and work skill. The financial objectives were given more weight than others. She met her financial objectives every year. Her objectives all related to the Chinese

¹⁷ The transcript of interview refers to \$4 million, however the recorded answer on the CDs of the interview with Ms Pan records Ms Pan stating 4 billion. (CD disc 1 at 21 mins and 50 secs)

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market. The bonus was based on targets. There were different percentage bonuses (15%, 30%, 50%, 100%) based on reaching the targets. Her target was based on her salary package. Her percentage bonus on her annual salary depended on if she exceeded the gambling turnover targets. There was a regional target and a larger area target, NE Asia (China and Taiwan). Staff had to achieve the larger area target to receive the regional bonus. (pp.15 -17, q110 – 127)

- They exceeded target each year. (p17, q129)
- Ms Pan's bonus was a different percentage each year. The bonus was double or more than double her salary. (pp.17 – 18 q132 – 136)
- It was not difficult to reach the targets. (p19, q142)
- In 2016 her bonus was 150% of her salary. (p52, q343- 345)

33. In relation to applying for a special employee licence under the Act:

- Ms Pan applied in March 2013. (p19, q149)
- She applied because she got the role as International Sales Manager in China and it's gaming related. (p19, q150)
- She obtained a licence because after meeting the customer and doing the sales in China, "we" would bring them back to Victoria to attend or join gaming activities (p32, q234)
- Ms Pan wishes to hold a casino special employee licence so that she has more space to develop in the casino and gaming industry and the hospitality industry (p21, q160 - 161)

34. In relation to pleading guilty to the charges:

- Ms Pan pleaded guilty to the charges (p57, q387)
- She pleaded guilty because she wanted to come back home early. Ms Pan was advised by her lawyer that the prosecution definition of more than 10 people was accumulated in your life, and the longer the time you spend to argue, the longer the process will be. It was a suggestion by her lawyer to plead guilty. (p57, q388)
- Crown Resorts paid for her lawyer (p59, q 396 – 398).
- Ms Pan was sentenced to 9 months in prison and Crown Resorts paid the fine of RMB 400,000 and she is not obligated to reimburse Crown Resorts (p55, q406 – 412)

35. In relation to the evidence gathering by Chinese police authorities in relation to the charges:

- After she was approached by the police in Shenzhen she went to the local police station and was interviewed (pp51 – 52, q347)
- Police interviewed her about her job duties and role, including the company structure, management structure, bonuses and customer names etc (p51, q340)
- Police interviewed her about her bonus in 2016, how much was her base and how the bonus matrix worked (pp51-21, q341)
- Chinese police took her mobile phone, and they requested to go to her apartment and get her laptops and other office materials, such as brochures. In the laptop was incentives for gamblers, including the international player matrix and invites to upcoming gambling tournaments (p53, q348 – 356)

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- Ms Pan had a few interviews by Chinese authorities in Shanghai (p54, q359)
- When interviewed the police showed her some photos of colleagues and customers, emails about the bonus plan, salary and bookings for customers. The emails were from her laptop for the financial year of 2016. (pp 54 – 55, q363 – 374)
- The police were only tracking the 2016 financial year. (p55, q 373)
- The Chinese authorities had interviews with customers, nine customers from her region. They had statements from the nine customers (p59, q400 – 403)

36. In relation to her knowledge of actions by Chinese authorities to enforce China's criminal gambling laws:

- She did not hear of the crackdown in relation to gambling and casinos trying to drum up interest from Chinese citizens to go abroad and gamble (p24, q182)
- She was aware of the South Korean casino staff being arrested from the news (p24, q184 – 186) and another conference call from Mr Chen (p37, q255)
- Ms Pan saw a video report on TV recorded by Korean casino staff about what they were doing for marketing. She saw the video clip on the internet. (p38, q 262, 263,264)
- Ms Pan was not aware her Crown colleague had been questioned by Chinese authorities on 10 July 2015 (pp38 - 39, q268 – 272, q277)
- Ms Pan was not aware of any other colleague being questioned by Chinese authorities (pp39 – 40, q279)
- Ms Pan does not recall seeing a CCTV news report on 14 October 2015 (p40 – 41, q287), but (after an extract was read to her by a Commission inspector) she recalls some similar news was reported (pp 41 - 42, q288). Later, after an interview break and at the request of Crown's legal adviser, Ms Pan stated that she hadn't read the particular CCTV news, but she read and heard other articles about the translation about Chinese laws and Article 303 – it was not organising 10 Chinese citizens to go overseas to gamble in one trip, not accumulated 10 players in whole (see pages 46 – 47)

37. In relation to the advice provided by Crown management to staff prior to October 2016:

- There was a conference call for new protocols after the South Koreans were arrested (p24, q187)
- Senior management held a conference call throughout the China South team, about new protocols when meeting customers, especially the numbers and getting material to post to China (p25, q188 – 195)
- Mr Chen organised the conference call (p26, q202) and he led the conference call (p27, q208)
- In relation to an email from Mr Chen in February 2015 providing a China update, she stated that the conference call was around the same time as the email (p26, q201) Mr Chen sent the email to her and advised staff if they have any questions to raise it at the conference call. Mr Chen also provided lawyer's numbers if the staff were having any problems or questions regarding the law (p27, q210) Mr Chen also provided a document headed "Reception procedures in case of a government investigation in China" (p28)

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- We were advised we don't have more than three Crown representatives attending the same meeting with a customer. Customer meetings or private functions with customer at home to be with less than total 10 guests, including Crown representatives, and we were advised not to organise more than 10 patrons to travel to Australia in one trip (p30, q219, q220). The reason this advice was given, on her understanding, was that according to Article 303 in China, was that 10 Chinese citizens to go overseas to gamble is illegal (p30, q221)
- The staff were advised to not carry many materials to mainland China (p31, q228). She carried some gaming related material, such as invitations to gaming events. In the past, they were advised not to give gaming related material to Chinese citizens in China (p31, q230)
- "Low key marketing" means having small groups for functions and meetings with customers and not giving gaming materials to Chinese customers (p35, q246)
- We weren't advised that we don't or avoid sending our customers text messages. She used an Australian mobile phone to contact customers (p36, q248 – 249)
- The conference call after the detention of the South Koreans was reviewing the protocols they received earlier in 2015 (p37, q257). WE were also reminded not to be involved in money laundering, because there were suggestions that Koreans were doing things beyond their normal duties (p37)
- We were advised not to bring electronic invitations by mobile phone or paper invitation, traditional invitations included in gaming material. (p42, q290)
- There was a suggestion that we're not to use mainland China phone, instead we all apply our Australian mobile phone number or Hong Kong or Macau mobile phone number to speak to customers if necessary. Ms Pan didn't because she already had an Australian mobile phone, so she did not follow the procedure applying to a new phone. (p42- 43, q 291). Her understanding of why this direction was given was that the Chinese phone or Chinese mobile phone will be controlled by the Chinese government and monitored by the Chinese government (p43, q293). The concern was the confidential materials of the company. (p43 – 44 q293 – 296)
- The new procedures about the telephones and not carrying gambling materials were introduced in 2015 (p45, q 301, 302)
- There were two staff conference calls in 2015, one in early 2015 and one around October or September 2015 (p47 – 48, q 307 – 311)
- In August 2016, in a meeting with Ms Pan's direct supervisor, Mr Zhu, she discussed the new protocols and of new "low key" marketing. The discussion was in a hotel lobby in Shenzhen. Her supervisor told her, his explanation was as long as we're not organising more than 10 people in a group. (p48 – 49, q314 – 232)
- She was never furnished with any legal material or interpretation of the law in relation to Article 303 (p63, q426)

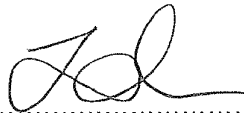
38. In relation to her questioning of Chinese authorities about Crown's interpretation of Article 303:

- Ms Pan stated that she asked the Chinese authorities the question whether it was 10 or more citizens in a trip or 10 or more citizens accumulated in the

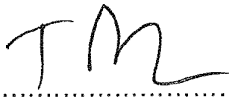
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whole of your life and the Chinese authorities answer was 10 or more citizens accumulated in your lifetime. (p57, q385)

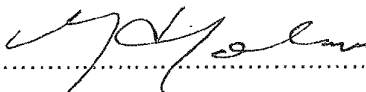
39. In relation to Crown's action in China, Ms Pan stated that she should have been told that Crown staff had been interviewed in China by Chinese authorities (p62, q421) and she should have been told that the Chinese authorities considered it 10 people in a lifetime to contravene Article 303 (p62 q422).
40. In relation to her suitability, Ms Pan considers she is suitable. The requirement for holding a casino licence is to comply with the law and legislation of gambling operations in Victoria, and she did not do anything wrong or breach the laws of Victoria. (p61, q420)
41. During the course of the interview, there was questioning about why Ms Pan held a casino special employee licence. Mr Josh Preston, Chief Legal officer for Crown Resorts, explained that the Crown compliance department decide which positions require a licence. He confirmed that Crown's policy position was that Ms Pan's role holds a casino special employee licence. (pages 32 – 34)

 4/3/19

Inspector Lindsey Hilliard

 4/3/19

Team Leader Tim Bryant

 4/3/19

Miriam Holmes, Special Counsel