



# Proposal for Minter Ellison

*Gaming and Casinos  
Global Risk and Investigations*

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*August 2019*





## Introduction

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Thank you for the opportunity to be of assistance to Minter Ellison and your client Crown Resorts (“Crown”).

You have requested FTI Consulting provide a proposal to assist you in providing legal advice to Crown regarding a review of the effectiveness and defensibility of its due diligence procedures, in relation to a number of Junket Operators and Premium Players (“the Targets”) with which it maintains relationships.

You have further requested that this proposal include two distinct phases of work:

1. Initial advice on the sources of information which should be consulted as part of a defensible and reasonable due diligence process into the Targets; and
2. A second phase of work, to be completed over a reasonable timeframe, to comprehensively review the backgrounds, credentials and pertinent connections of approximately 70 existing junket operators with whom Crown maintains ongoing relationships.

We are confident FTI Consulting is the right team to assist Minter Ellison and Crown in this important engagement. FTI has a wealth of experience undertaking similar engagements for gaming companies in the Asia-Pacific region and are market leaders in providing investigative services to help our clients assess and manage a range of reputational and compliance risks involved in their operations.

The following proposal provides our recommended approach to this potential engagement based on our experience in the sector and industry best practices in conducting due diligence. We have also included some representative case studies along with the professional biographies of the FTI team who would be involved in this project.

We would be very happy to discuss and refine our approach following your review and provide any further information you may require.

Kind Regards,



Murray Lawson PhD  
Managing Director  
Risk & Investigations



## Our Approach

## Phase One: Review of due diligence processes

### Risk Environment

- Junket operators include a broad range of businesses including professional companies, sole operators and illegal operators. Use of proxy directors and legal representatives is common particularly for those businesses seeking to avoid regulatory oversight in a number of regions.
- While there are some useful databases which can inform the assessment of the junket operators (“the Targets”) the availability and reliability of information differs across jurisdictions and a defensible due diligence needs to be tailored to the particular company or individual and region of operation.
- In our experience, the collation and analysis of this information is key to identifying potential red-flags for compliance and reputational concerns in addition to ensuring the correct information is collected.

### Investigative Due Diligence

Based on our experience in similar situations, we recommend a defensible due diligence process be based on the specific risk associated with each Target. Industry practice generally approaches due diligence investigations in two ways, as outlined below.

#### Level 1: Investigative Research

- English and local language searches of available media, social media and other online sources;
- Directorship and shareholding records;
- Litigation and regulatory enforcement notices;
- Gaming registration authorities;
- Exclusion & Rejection Lists maintained by gaming regulators;
- Searches of international sanctions listings and off-shore leaks databases.



#### Level 2: Investigative Research & Discreet Inquiries

- Level 1 research and discreet inquiries with knowledgeable sources in the relevant regions.
- Government and regulatory contacts;
- Peers, competitors, former customers;
- Academic contacts, journalists and industry contacts.

- We recommend conducting searches in the home jurisdiction of the Target and in other jurisdictions where it is reasonably assessed the Target operates.
- Due to regional differences in availability of information, it is difficult to provide a definitive list of the relevant sources.
- Similarity of names, particularly in the PRC, can require resolving large numbers of false positive results throughout the due diligence process.



## Phase One: Review of due diligence processes

### Our recommended approach

- While FTI can provide a list of the key sources used in similar engagements, we recommend conducting a review of the current processes and procedures being applied to the analysis of this information to ensure a defensible process is in place.
- FTI Consulting will work with Crown to conduct an initial review of current policies and procedures for conducting due diligence research into existing junket operators to identify areas where practices can be improved and strengthened.

We recommend this phase include:

1. Review of the sources of information currently being utilised by Crown in the due diligence process;
2. Review of the internal policies and procedures documentation including onboarding documentation, sample reports and periodic review processes;
3. Focussed interviews of key Crown staff involved in the process to assess practical implementation and any challenges; and
4. Reviewing record-keeping related to the due diligence process.

### Deliverable

FTI will prepare an report on our findings highlighting any gaps in information collected and highlighting any opportunities to strengthen the internal due diligence procedures currently in use.

Our report will also make any relevant recommendations to improve processes in line with current industry standards in the gaming sector based on our experience.

### Fees & Timing

We anticipate completing this review within 5-7 working days from commencement depending on access to documents and relevant contacts at Crown. We can provide an update on our high-level findings with 2-3 working days from commencement.

We would propose conducting this engagement according to on the following fee schedule and do not anticipate the fees for this phase would exceed AUD 25,000.

Classification	\$/hour(excl GST)
Senior Managing Director	580
Managing Director	500
Senior Director	450
Director	400
Senior Consultant	300
Consultant	180



## Phase Two: Review of existing operators

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### Our recommended approach

- We recommend applying a risk-based approach to the initial assessment of the approximately 70 Targets which we understand are predominantly located in Macau, Malaysia and Indonesia. This would include an initial assessment of the geographies involved, the value and history of the relationship with Crown and identification of those likely to pose the highest risk.
- FTI will then undertake Level 1 Investigative research into each of the Targets and produce a written report on our findings, highlighting any red-flags identified during our investigation.
- For those Targets identified as of continuing high-risk, FTI will work with you to assess potential avenues for conducting Level 2 discreet inquiries to obtain further information while balancing the confidentiality of those inquiries and the potential risks.
- Depending on your requirements, FTI can assist in providing ongoing investigations of new operators and support periodic reviews of the existing relationships.

### Deliverable

- FTI will prepare a written report on our findings for each target outlining the methodology applied, the sources consulted and the outcomes of the investigation.

### Deliverable

FTI will prepare a written report on our findings for each target outlining the methodology applied, the sources consulted and the outcomes of the investigation.

### Fees & Timing

Investigative research into the targets can generally be completed within 10-12 working days. Conducting level 2 inquiries would generally require 15-20 working days to complete depending on the complexity of the engagement and the regions involved.

Fees for a Level 1 investigation typically range between AUD 5,000-7,000 depending on the complexity of the Target structure and the number of regions in which they operate.

Fees associated with a Level 2 investigation would typically range between AUD 10,000 – 13,500, again depending on the level of complexity and the number of jurisdictions involved.

**Please Note:** We will provide a detailed price breakdown following review of the Targets and agree a **discounted fixed fee proposal** in writing before commencement.



## Our Experience



## Relevant Experience | Case Studies

### Casino and Gaming

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#### Confidential Client

Junket Operator Vetting, Macau

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For the past 8 years, FTI has provided independent screening of junket operators for a major Macau-based casino.

The screening program includes investigative research into operators being engaged for the first time and periodic review of ongoing relationships on either an annual or biannual review depending on the assessed risk profile.

In addition to a wide variety of gaming-specific exclusion database checks, the investigative research also includes targeted online profile analysis, reverse business interests checks (both onshore and off), involvement in litigation, political exposure and sanctions lists.

#### Confidential Client

Casino Operator, Macau

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FTI has conducted a range of internal investigations for a number of casino operators in Macau. These investigations have included:

- Investigations into allegations of money-laundering within the casino by several players;
- Investigation of illegal activities being conducted inside the venues operated by the client;
- In-depth due diligence into premium players at the casino;
- A major fraud investigation related to the construction of a new resort; and
- Tracing assets of debtors to the casino to assist in recovery action.





## Relevant Experience | Case Studies

### Casino and Gaming

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#### Confidential Client

Gaming Regulator, Asia-Pacific

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FTI was engaged by a gaming regulator to investigate the suitability of several applicants for licences to operate and a junket operator.

FTI conducted an overt investigation into the business including independent reviews of financial records, review of business practices and internal policies and procedures and assessment of risk-management practices.

In addition, FTI conducting a range of discreet inquiries and research into the track-record and reputation of the operators of the business and cross-referenced this with the information obtain via the overt review.

#### Confidential Client

Operator of Multiple Gaming Venues, Asia Pacific

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FTI was engaged by the Client to conduct in-depth due diligence into a proposed joint-venture partner prior to entering a relationship with them.

FTI conducted in-depth research into the history and track record of the company, management, directors and shareholders in several Asia-Pacific jurisdictions to identify potential reputational and compliance issues.

In addition, we conducted discreet inquiries into all owners and managers to assess any unreported concerns and conduct site- visits to several locations to verify assets and claims made by the potential partner.

We provided an in-depth analysis of the findings which was used by the Client to inform their negotiations with the partner.



## Our Experts

## Murray Lawson



### Managing Director

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#### About

Murray Lawson is a Managing Director in the Global Risk and Investigations practice of FTI Consulting based in Sydney.

Murray specialises in leading cross-border fraud, corruption and business intelligence investigations.

He has worked extensively with major corporate and financial institutions, banks and investment industry clients on assessing and managing issues related to reputational risk, fraud, corruption, human rights and shareholder activism. His work has included:

- Leading complex business intelligence, due diligence and know-your-customer investigations on behalf of financial institutions, gaming companies and major corporates
- Managing investigations into fraud, related-party transactions, hostile takeovers and conflicts of interest
- Conducting international asset tracing assignments in support of ongoing litigation and disputes
- Advising on due diligence procedures and conducting reviews of compliance with Australia's AML/CTF Act
- Assisting companies to identify potential risks within their value chains and advising on compliance with the incoming Modern Slavery Act

Prior to joining FTI Consulting, Murray worked in the national security community leading investigations of, cross-border money, terrorism laundering and trade sanctions breaches. He has worked closely with federal and state law enforcement in Australia, the US and UK on complex cross-border investigations and operations.

Murray has extensive experience in forensic interviewing, having trained numerous law enforcement and government investigators, and possesses extensive negotiation and crisis management skills.

He holds a Ph.D. in Psychology and an MBA. He is a Certified Fraud Examiner and a Certified Anti-Money Laundering Specialist.

#### Education

Ph.D in Psychology  
B.Sc in Behavioural Sciences  
MBA, University of Sydney

#### Certifications

Certified Fraud Examiner  
Certified Anti-Money Laundering Specialist  
Licensed Investigator

#### Associations

Australian Institute of Company Directors  
MBA, University of Sydney

## Artemis Niaros



### Director

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#### About

Artemis Niaros is a Director in the Risk and Investigations Practice of FTI Consulting. She is based in Melbourne, Australia.

Artemis specialises in complex cross-border investigations and investigative due diligence engagements. Her expertise includes complex asset traces, fraud investigations, and corporate intelligence.

Artemis assists clients to navigate a range of complex issues by gathering intelligence, which is produced by synthesising data from open source records with information obtained in the course of discreet interviews with trusted sources.

Her work in pre-transactional due diligence and know-your-customer assessments focuses on the identification of potential investment risks associated with a counterparty, revolving around integrity, reputation, political exposure and corruption risk.

Artemis supports legal teams and corporates to fill information gaps in the context of a dispute. She identifies undisclosed relationships between seemingly separate companies and people, ultimate beneficial ownership, conflicts of interest and assets that have been acquired with the proceeds of fraud.

Before joining FTI Consulting, Artemis managed investigations at a boutique corporate intelligence firm headquartered in Geneva, Switzerland. During her four-year tenure with the company, Artemis travelled to over 15 countries to conduct field work, including forensic and document reviews, interviews, and surveillance.

Artemis completed her Honours at Monash University, where she completed her thesis on post-conflict peacebuilding and democratisation.

In addition to English, Artemis speaks Greek, Italian as well as basic French.

#### Education

B. Arts (Hons.)  
D. Languages (Italian)

#### Certifications

Licensed Investigator  
(Victoria)  
Certificate IV  
(Government  
Investigations)

#### Associations

SwissCham Australia

## Greg Hallahan

### Education

Master of Psychology  
(1<sup>st</sup> Class Hons.),  
Edinburgh University,  
Scotland

### Professional Affiliations

Association of  
International  
Cybercrime and  
Forensic Examiners

Association of Certified  
Fraud Examiners

Business Continuity  
Institute

Association of Certified  
Systems Investigators



### Senior Managing Director

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Greg Hallahan is a senior managing director in the Risk Advisory & Investigations Practice of FTI Consulting in Hong Kong.

Prior to moving to Hong Kong at the start of 2013, Mr. Hallahan spent over a decade working in mainland China. In addition to developing a portfolio of clients across the region, Mr. Hallahan is experienced in:

- leading a wide variety of business intelligence, due diligence, KYS and corporate investigations throughout Asia Pacific. These engagements have stretched across a variety of industry sectors, in particular financial services, gaming, healthcare and manufacturing;
- conducting corporate investigations in relation to short seller reports, fraud, conflicts of interest and undisclosed third-party connections, politically exposed people, junket-related issues, theft of intellectual property, mass defections of staff, email scams etc.;
- managing complex assets tracing investigations across Asia and jurisdictions around the globe more broadly, often in support of litigation; and
- preparing both corporate governance and compliance strategies to assist clients respond to UK Bribery Act, FCPA and PRC regulations.

Mr. Hallahan is an expert on several large, high-profile Chinese multinational conglomerates. In addition, he is a regular speaker throughout the region on business intelligence, due diligence and investigation issues and has authored several articles on the same.

Mr. Hallahan started his career as an auditor with a global accountancy firm in the United Kingdom and has worked in Italy and the Czech Republic. He holds a MA in Psychology from Edinburgh University, Scotland. As well as his native English, he is conversant in Mandarin.

## Jason Liew

### Education

B.Sc., Economics and Management,  
University of London

Diploma in Economics,  
University of London

### Certifications

Certified Anti-Money  
Laundering Specialist

### Professional Associations

Association of Certified  
Fraud Examiner



### Senior Managing Director

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### About

Jason Liew is a Senior Managing Director in the Global Risk and Investigations practice of FTI Consulting and he is based in Singapore.

In this position, Mr. Liew is responsible for the project management of all investigative-related assignments, including business intelligence, due diligence, corporate investigation, as well as supply chain integrity and crisis management work undertaken by FTI Consulting in the 10 countries which constitute the ASEAN region.

Mr. Liew has extensive experience in conducting a wide range of investigative assignments, including fraud, business and due diligence investigations, litigation support, and FCPA investigations for a broad range of multinational clients, financial institutions, law firms and sovereign wealth funds.

Before joining FTI Consulting, Mr. Liew was a Senior Director and the Head of Business Intelligence and Investigations (Southeast Asia) for an international risk consultancy where he was instrumental in building up and training of the firm's Southeast Asia team and expanding its capabilities and resources.

Prior to that, he was an anti-money laundering and due diligence analyst at Citibank N.A., where he performed enhanced due diligence research and investigations in support of the bank's anti-money laundering and

reputational risk policies. Mr. Liew started his career as a consultant for an international risk consultancy based in Malaysia and Singapore.

Mr. Liew is fluent in English, Bahasa Malaysia, Bahasa Indonesia, and Chinese (Mandarin, Hokkien, Teochew, and Cantonese dialects).

## Andrés Gentry

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### Education

B.A. in Government,  
Bowdoin College

Master of Pacific  
International Affairs,  
University of California  
at San Diego



### Managing Director

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### About

Andrés Gentry is a Managing Director in the Global Risk & Investigations practice at FTI Consulting and he is based in Shanghai.

Andrés' experience includes investigative projects in the light manufacturing, software, education, financial services, and energy industries. In addition to his focus on China, Andrés has been involved in a broad range of investigative assignments across Russia and Southeast Asia.

Andrés has managed complex investigations dealing with conflicts of interest, related party transactions, and improper payments. He has managed large teams of forensic accountants, field investigators, and forensic technology professionals that were tasked with obtaining evidence of wrongdoing in challenging and sensitive circumstances.

Andrés has managed background and due diligence investigations, as well as conducted IP investigations dealing with counterfeit industrial products, product liability issues, and provided investigative support for litigation against IP infringers. He has also coordinated a large-scale 3<sup>rd</sup> party compliance program involving the investigation of 100s of sales agents and distributors across China.



## About FTI Consulting



# FTI Consulting: Experts with Impact

FTI Consulting is an independent global business advisory firm dedicated to helping organisations manage change, mitigate risk and resolve disputes. Due to our unique mix of **EXPERTISE, CULTURE, BREADTH OF SERVICES** and **INDUSTRY EXPERIENCE**, we have a tangible impact on our clients' most complex opportunities and challenges.

## Definitive Expertise

- Most experts on *Who's Who Legal: Consulting Experts*, *Law Business Research Ltd. (2016 - 2018)*
- #1 Global Risk & Investigations services provider, *The National Law Journal (2017)*
- #1 Restructuring Advisor, *The Deal (2007-2017)*
- #1 Crisis Management Services Firm, *National Law Journal (2017)*

## Comprehensive Services

- Financial
- Legal
- Operational
- Transactional
- Political & Regulatory
- Reputational

4,600+ Employees Worldwide	490+ SMDs	\$2.8B Market Cap. <sup>(1)</sup>
76 Cities		28 Countries
Advisor to 96 of the world's top 100 law firms	53 of Fortune Global 100 corporations are clients	Advisor to 8 of the world's top 10 bank holding companies

## A Culture That Delivers

- Practical in our communication and approach to outcomes
- Judicious in complex, multi-party situations
- Collaborative with clients and colleagues
- Professional in our commitment to work with the highest caliber

## Industry Experience

- |                            |                              |
|----------------------------|------------------------------|
| Aerospace & Defense        | Hospitality & Gaming         |
| Agriculture                | Insurance                    |
| Automotive                 | Mining & Mining Services     |
| Construction               | Public Sector                |
| Energy, Power & Products   | Real Estate & Infrastructure |
| Environmental              | Retail & Consumer Products   |
| Financial Institutions     | Telecom, Media & Technology  |
| Healthcare & Life Sciences | Transportation               |

## Definitive Expertise

**America's Best Management Consulting Firms list**

*Forbes*  
(2016 - 2018)

**Band 1 provider of Business Intelligence & Investigations – Asia Pacific**

*Chambers & Partners*  
(2019)

**Leader in Crisis Management Services Firms**

*National Law Journal*  
(2017 - 2018)

**Top Intellectual Property Litigation Consulting Services Provider**

*American Lawyer*  
(2016 - 2017)

**EMEA PR Consultancies of the Year**

SABRE Awards EMEA  
*Holmes Report* (2017)

**#1 Intellectual Property Litigation Consulting Services Provider**

2018 Best of the NLJ ALM  
*Media Properties*  
(2016 – 2018)

**Who's Who Legal: Arbitration Expert Firm of the Year**

*Law Business Research*  
(2015 – 2018)

**Global M&A Public Relations Firm of the Year**

M&A Atlas Awards  
*Global M&A Network*  
(2018)

**Legal Times: 2017 Best of Hall of Fame**

*ALM Media Properties*  
(2017)

**#1 Crisis Management Firm**

*The Deal*  
(2007 – 2018)

**#1 Cybersecurity Provider**

*Corporate Counsel*  
(2016 – 2017)



## Our Global Reach

With offices in every major financial center and every corner of the globe, we successfully serve our clients wherever challenges and opportunities arise.

### North America

#### Canada

Calgary  
Toronto  
Vancouver

#### United States

Annapolis	Oakland
Atlanta	Pasadena
Austin	Philadelphia
Baltimore	Phoenix
Boston	Pittsburgh
Brentwood	Portland
Charlotte	Princeton
Chicago	Rockville
Dallas	Roseland
Denver	San Francisco
Great Neck	Santa Barbara
Houston	Seattle
Indianapolis	Tucson
Los Angeles	Walnut Creek
McLean	Washington, D.C.
Miami	Wayne
New York	Winston-Salem

### Latin America

#### Argentina

Buenos Aires

#### Brazil

São Paulo

#### Caribbean

British Virgin Islands  
Cayman Islands

#### Colombia

Bogotá

#### Mexico

Mexico City

### Europe, Middle East, Africa

#### Belgium

Brussels

#### Denmark

Copenhagen

#### Finland

Helsinki

#### France

Paris

#### Germany

Berlin  
Düsseldorf  
Frankfurt  
Munich

#### Ireland

Dublin

#### Netherlands

The Hague

#### Qatar

Doha

#### South Africa

Cape Town  
Johannesburg

#### Spain

Madrid

#### United Arab Emirates

Abu Dhabi

Dubai

#### United Kingdom

London

Stirling

### Asia Pacific

#### Australia

Brisbane  
Melbourne  
Perth  
Sydney

#### China

Beijing  
Hong Kong  
Shanghai

#### India

Mumbai  
New Delhi

#### Indonesia

Jakarta

#### Japan

Tokyo

#### Korea

Seoul

#### Malaysia

Kuala Lumpur

#### Philippines <sup>1</sup>

Manila

#### Singapore

1. Affiliate



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