

Gambling regulators zone in on Crown

Source: Australian Financial Review
Publication Date: July 30, 2019
Country: Australia
Source Type: Newspaper

7/30/19 Austl. Fin. Rev. 15

News

Copyright © 2019 Fairfax Information and Learning Company; All Rights Reserved.
Section: Companies and Markets
Max Mason and James Thomson

Australian gambling regulators will work together to further examine Crown Resort's links with junket operators who funnel Asian high rollers to its casinos, after allegations the junkets have links with Chinese criminal syndicates.

The NSW, Victoria and West Australia casino regulators confirmed they were reviewing the allegations of money-laundering of Asian criminal gangs via junket operators targeting Chinese high rollers who come to Crown's casinos in Australia.

"The NSW regulator will work with other Australian casino regulators to understand if any action should be taken in light of the allegations raised against Crown," a spokesman for Liquor & Gaming NSW said.

"Liquor & Gaming NSW continues to work with law enforcement agencies, including NSW Police and AUSTRAC, to ensure NSW casinos remain free of criminal influence."

The NSW government has strict rules around the operating of casino junkets, which came into effect in 2018. "Any junkets run by Crown Sydney will be subject to these controls. In NSW, people deemed to pose a risk of criminal influence on the operation of casinos are subject to strict banning orders," the Liquor & Gaming NSW spokesman said.

The allegations about the criminal links of junket operators used by Crown were aired on Nine's 60 Minutes program and in the group's newspapers The Age and The Sydney Morning Herald. Nine also publishes The Australian Financial Review.

Gaming and Wagering Commission of Western Australia chairman Duncan Ord said: "When any issues related to Casino regulation under our act are raised with the regulator they are investigated, as has happened in the past and will continue to do so."

Victorian Commission for Gambling and Liquor Regulation chief executive Catherine Myers said the regulator was considering the media reports into Crown's junket operations in China.

"The VCGLR conducts a wide range of regulatory activities as part of its ongoing regulation and monitoring of the casino operator. It can take a range of enforcement actions at any time if it considers it appropriate to do so," she said.

"The VCGLR has taken regulatory action against Crown with respect to junkets on a number of occasions."

Crown shares fell 3.2 per cent on Monday, wiping \$277.6 million off the value of the casino operator.

A spokesman for Crown said it "takes its legal and regulatory responsibilities very seriously" but a class action in relation to the detention of Crown staff in China and confidentiality agreements with regulators and its junket partners restricted its ability to comment further.

The spokeswoman said Crown had a comprehensive anti-money laundering and counter-terrorism financing program, which is supervised by AUSTRAC.

"Crown has a robust process for vetting junket operators with whom it deals and undertakes regular ongoing reviews of these operators in the light of new or additional information that comes to its attention."

Shares in Australia's other big casino operator, The Star Entertainment Group, fell 0.7 per cent to \$4.21 on Monday.

The company also uses junket operators to bring Asian gamblers to its properties in Sydney, Brisbane and on the Gold Coast.

A spokesman said The Star "constantly review our operations and work with the relevant authorities to ensure compliance in all aspects of our business".

--- INDEX REFERENCES ---

COMPANY: GREAT PANTHER MINING LTD; STAR ENTERTAINMENT GROUP LTD (THE)
NEWS SUBJECT: Crime (1CR87); Financial Fraud (1FI18); Fraud (1FR30); Regulatory Affairs (1RE51); Social Issues (1SO05)
INDUSTRY: Accounting Regulatory (1AC62); Casinos (1CA80); Entertainment (1EN08); Gaming Industry (1GA25)
REGION: Asia (1AS61); Australasia (1AU56); Australia (1AU55); New South Wales (1NE75); Oceania (1OC40); Queensland (1QU50)
LANGUAGE: English
OTHER INDEXING: (AUSTRAC) (Duncan Ord; Catherine Myers)
EDITION: First
WORD COUNT: 529