

# Victorian Inter-Church Gambling Taskforce

## Submission on Sixth Crown Casino Review

21 September 2017

Casino Review

Victorian Commission for Gambling and Liquor Regulation

GPO Box 1988

Melbourne VIC 3001

E-mail: casino.review@vcglr.vic.gov.au

The Victorian Inter-Church Gambling Task Force welcomes this opportunity to make a submission to the Sixth Review of the Casino Operator and Licence.

### Performance on Addressing Gambling Harm

The Taskforce has been very concerned about the lack of transparency of Crown Casino on its performance with regards to 'responsible gambling'. This makes it very difficult to assess Crown's claims that it "has consistently demonstrated its strong engagement and extensive commitment to delivering gaming responsibly."<sup>1</sup> It means it is impossible for any external party to assess how Crown performs against casinos in other jurisdictions globally and creates a perception that Crown's performance is not as good as it claims (on the basis that a body that was performing well would have no reason to hide its performance data and be willing to have it subjected to scrutiny). This impacts on Crown's social licence, as the Victorian community cannot have confidence that Crown Casino is not causing significant harm to some of the people who gamble in its facility and is not taking adequate action to prevent the harm or to assist those who have been harmed.

While Crown publishes significant amounts of data in its annual Corporate Social Responsibility Reports, Crown does not publish data on:

- The number of people accessing its Responsible Gaming Centre;
- The number of people referred to Gamblers' Help, financial counselling and other 'welfare' services;<sup>2</sup>
- The number of people that access Crown's psychologists;<sup>3</sup>
- The number of people accessing self-exclusion at Crown Casino and how many people have revoked their self-exclusion deeds;
- The number of people excluded by Crown Casino itself due to suffering gambling related harm;
- The number of family members and significant others who have accessed assistance;<sup>4</sup>
- The number of staff at Crown Casino who have gambling problems themselves and are assisted by Crown;
- Information about the number of people using the Crown Play Safe Limits and the performance of this system; and

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<sup>1</sup> Crown Resorts Limited, 'Corporate Social Responsibility Report 2016', 46.

<sup>2</sup> Crown Resorts Limited, 'Corporate Social Responsibility Report 2016', 46-47.

<sup>3</sup> Crown Resorts Limited, 'Corporate Social Responsibility Report 2016', 47.

<sup>4</sup> Crown Resorts Limited, 'Corporate Social Responsibility Report 2016', 47.

- The number of people accessing player activity statements and how frequently they do so.

Crown states that reviews and evaluations are conducted via:<sup>5</sup>

- Regular internal audits of the Responsible Gaming Framework;
- Regular reviews of Responsible Service of Gaming training and the Self-Exclusion Program;
- Through the Crown Resorts Responsible Gaming Board Committee, reports of global initiatives and programs; and
- The annual review of the Code submitted to the VCGLR.

None of these documents are made public.

By contrast to the secrecy with which Crown Casino operates with regards to addressing gambling related harm the Ontario Lottery and Gaming Corporation, which operates a number of casinos in Canada, reports:<sup>6</sup>

- Number of people referred to support services by staff;
- Number of people registered for self-exclusion;
- Number of people voluntarily re-entering gambling after self-exclusion;
- Number of detected breaches of self-exclusion;
- Number of people in self-exclusion supported by counsellors; and
- Number of people provided with information on self-exclusion by counselling staff.

The Ontario Lottery and Gaming Corporation produces an annual report giving longitudinal measurement of its activities to reduce gambling related harm.<sup>7</sup> This report includes data on:

- The level of awareness of people who are gambling of ways to reduce the risks of their gambling;
- The level of awareness of people gambling of help services and the self-exclusion program;
- Number of recorded interactions where employee suggested taking a break to a person gambling;
- Number of recorded interactions where employee directed a person gambling to a Responsible Gaming Resource Centre for more information;
- Number of recorded interactions where employees directed a person gambling to the Ontario Problem Gambling Helpline;
- Number of recorded interactions where employee directed a person gambling to the [knowyourlimit.ca](http://knowyourlimit.ca) website;
- Number of recorded interactions where employee provided a responsible gambling or problem gambling brochure to a person gambling;
- The proportion of people gambling on EGMs and at their casinos who hold false beliefs about how the forms of gambling work; and

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<sup>5</sup> Crown Resorts Limited, 'Corporate Social Responsibility Report 2016', 49.

<sup>6</sup> Ontario Lottery and Gaming Corporation, 'Corporate Social Responsibility Report 2015-2016', 29, [https://about.olg.ca/wp-content/uploads/sites/28/2017/08/7219\\_Ontario\\_Lottery\\_and\\_Gaming\\_Corporation\\_2015\\_16\\_CSR\\_Report\\_V08](https://about.olg.ca/wp-content/uploads/sites/28/2017/08/7219_Ontario_Lottery_and_Gaming_Corporation_2015_16_CSR_Report_V08)

<sup>7</sup> Ontario Lottery and Gaming Corporation, 'Responsible Gambling Metrics. Measuring Awareness and Outcomes', [https://d30a3gh9azo39m.cloudfront.net/wp-content/uploads/RG\\_Metrics\\_2014-15\\_8.5x11\\_EN\\_Final-accessible-by-Berman-Olson.pdf](https://d30a3gh9azo39m.cloudfront.net/wp-content/uploads/RG_Metrics_2014-15_8.5x11_EN_Final-accessible-by-Berman-Olson.pdf)

- The number of minors turned away at the entrance to the gambling premises.

The Taskforce notes that Crown is capable of providing this data, but appears to have only done so for the VCGLR during these periodic reviews, with data being provided on the number of people self-excluded, the number of revocations, the number of people accessing patron welfare, the number of people accessing other assistance, the number of people accessing counselling services, the number of people using the Play Safe Limits, the number of minors detected at Crown Casino and the number of detected breaches of self-exclusion orders in the fifth review of Crown Casino.<sup>8</sup>

The VCGLR should require Crown Casino to offer a Third Party Exclusion Program at the casino, in the same way it does at its Perth casino.<sup>9</sup>

Crown could also do much better at detecting signs a person might be being harmed by their gambling and intervening than their current list of observable signs of distress. For example, in New Zealand, Section 308 of the Gambling Act 2003 (NZ) requires all venues to implement a mechanism to identify people with gambling problems. Section 309 requires venue staff to speak to a person they suspect might have a gambling problem and offer assistance and access to the self-exclusion program. The New Zealand Government has provided resources for venues and venue staff to meet their legislative obligations at <http://gamblehostpack.choicenotchance.org.nz/>. This includes a resource book for staff which could be drawn on by Crown to improve their detection and staff intervention.<sup>10</sup>

### **Money-Laundering and Serious Crime at Crown**

The Taskforce has concerns over Crown's apparent performance in detecting money laundering and other criminal activities at the casino and the VCGLR should require more CCTV to be installed and require Crown to exclude any person where there is a reasonable suspicion they are engaged in serious crime at the casino, such as money laundering unless instructed by law enforcement agencies not to do so out of concerns of compromising an investigation.

For example, it was reported that between 2005 and 2013 Dan Bai Shun Jin, who is allegedly under investigation in Australia and the US for money-laundering activities, managed to turn over \$855 million at Crown Casino.<sup>11</sup> It is also claimed Mr Jin made more than \$140 million chip "buy-ins" at the casino since 2010 and had used multiple identity documents, including six Australian passports. Mr Jin claimed that he earned a base salary in China of \$US300,000 with bonuses and shares. This calls into question at what point did Crown Casino detect this suspicious activity and report it to AUSTRAC and how long did the activity go undetected or unreported. What did Crown do to check the source of the funds Mr Jin was gambling with?

Crown has been criticised in the media for hosting Wei Seng "Paul" Phua, a Malaysian gambling industry businessman with alleged links to the Asian crime syndicate 14K Triad.<sup>12</sup>

<sup>8</sup> Victorian Commission for Gambling and Liquor Reform, 'Fifth Review of the Casino Operator and Licence', June 2013, 89-90, 100, 106-108.

<sup>9</sup> Crown Resorts Limited, 'Corporate Social Responsibility Report 2016', 47.

<sup>10</sup> See

[https://gamblehostpack.choicenotchance.org.nz/sites/default/files/field/file\\_attachment/CNC0109%20CNC0059%20Gambling%20Host%20Responsibility%20Guidance.pdf](https://gamblehostpack.choicenotchance.org.nz/sites/default/files/field/file_attachment/CNC0109%20CNC0059%20Gambling%20Host%20Responsibility%20Guidance.pdf)

<sup>11</sup> Tom Cowie, 'Suspected Chinese-Australian money launderer gambled 'astronomical' \$850m at Crown Casino', *The Age*, 16 September 2016, <http://www.theage.com.au/victoria/suspected-chinese-australian-money-launderer-gambled-astronomical-850m-at-crown-casino-20160916-grhuvj.html>

<sup>12</sup> Chris Vedelago and Cameron Houston, 'Crown Casino haven for drug traffickers, 'a blot on the community'', *The Sunday Age*, 7 February 2016, <http://www.smh.com.au/business/crown-casino-haven-for-drug-traffickers-a-blot-on-the-community-20160206-gmnce7.html>

High roller Peter Tan Hoang was murdered in 2014 in the wake of an investigation into an international drug and money laundering syndicate that saw more than \$1 billion in suspect money pass through Crown casino over a 12-year period to 2012.<sup>13</sup> Mr Hoang was allowed to gamble under four different names, Pete Hoang, James Ho, John Ho and Patrick Lu, and received a perks, including overseas holidays, cash gifts of as much as \$100,000 and gambling “commissions” in the hundreds of thousands of dollars.<sup>14</sup> He had been banned from the Star casino in Sydney in 2001, so it is a significant question why Crown Casino welcomed him.<sup>15</sup> He was banned from Sydney’s Star Casino and Jupiter’s Casino in Brisbane in May 2012.<sup>16</sup> He had been able to purchase \$75 million of gambling chips at Crown Casino between 2000 and 2012.<sup>17</sup>

It has been alleged in the media that a significant amount of Crown’s gambling chips are being seized during drug trafficking investigations, presumably being used in money laundering activities.<sup>18</sup> Police raids on a major drug syndicate found at least \$600,000 in Crown casino chips where the funds used to obtain the chips were “derived from the sale of heroin”.<sup>19</sup>

In 2014, Victoria Police’s Operation Volante seized another \$600,000 in chips after smashing a 26-person drug ring.<sup>20</sup>

It was reported that in one case an offender was able to transfer \$300,000 into a Crown betting account in defiance of a court freezing order and had the sum converted to gambling chips, calling into serious question the effectiveness of Crown’s anti-money laundering detection systems.<sup>21</sup>

Australian Federal Police were able to obtain a seizure order against at Lamborghini Aventador coupé purchased by Ming Qing Wang through an account set up by Crown Casino.<sup>22</sup> The AFP acted on suspicion that the vehicle may have been bought using

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<sup>13</sup> Chris Vedelago and Cameron Houston, ‘Crown Casino haven for drug traffickers, ‘a blot on the community’, *The Sunday Age*, 7 February 2016, <http://www.smh.com.au/business/crown-casino-haven-for-drug-traffickers-a-blot-on-the-community-20160206-gmnce7.html> and Dylan Welch, ‘Drug trafficker and high roller Pete Tan Hoang laundered up to \$1 billion through Melbourne’s Crown Casino before being shot in the face’, *ABC News*, 12 December 2014.

<sup>14</sup> Dylan Welch, ‘Drug trafficker and high roller Pete Tan Hoang laundered up to \$1 billion through Melbourne’s Crown Casino before being shot in the face’, *ABC News*, 12 December 2014.

<sup>15</sup> Dylan Welch, ‘Drug trafficker and high roller Pete Tan Hoang laundered up to \$1 billion through Melbourne’s Crown Casino before being shot in the face’, *ABC News*, 12 December 2014.

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<sup>18</sup> Chris Vedelago and Cameron Houston, ‘Crown Casino haven for drug traffickers, ‘a blot on the community’, *The Sunday Age*, 7 February 2016, <http://www.smh.com.au/business/crown-casino-haven-for-drug-traffickers-a-blot-on-the-community-20160206-gmnce7.html>

<sup>19</sup> Chris Vedelago and Cameron Houston, ‘Crown Casino haven for drug traffickers, ‘a blot on the community’, *The Sunday Age*, 7 February 2016, <http://www.smh.com.au/business/crown-casino-haven-for-drug-traffickers-a-blot-on-the-community-20160206-gmnce7.html>

<sup>20</sup> Chris Vedelago and Cameron Houston, ‘Crown Casino haven for drug traffickers, ‘a blot on the community’, *The Sunday Age*, 7 February 2016, <http://www.smh.com.au/business/crown-casino-haven-for-drug-traffickers-a-blot-on-the-community-20160206-gmnce7.html>

<sup>21</sup> Chris Vedelago and Cameron Houston, ‘Crown Casino haven for drug traffickers, ‘a blot on the community’, *The Sunday Age*, 7 February 2016, <http://www.smh.com.au/business/crown-casino-haven-for-drug-traffickers-a-blot-on-the-community-20160206-gmnce7.html>

<sup>22</sup> Sarah Danckert, ‘The Chinese gamblers ploughing millions into Crown Casino’, *The Sydney Morning Herald*, 21 October 2016.

“proceeds or an instrument of the crimes of money laundering or tax avoidance occurring during gambling activity on casino junket tours” according to Supreme Court of Victoria Justice Rita Zammit.<sup>23</sup>

Crown Casino was criticised in February 2016 by Judge Michael McInerney for not taking adequate steps to prevent drug dealing at the casino.<sup>24</sup> The Judge was reported as saying:

*What type of security they institute I fail to understand, for this type of activity to be able to be taking place so freely at the casino. I make that remark in general because over the last week and a half nearly every case relevant to this 'syndicate' has involved dealings and exchange of monies at the casino.*

## **Bribery**

The Taskforce is concerned that Crown's Policy on Anti-Bribery and Corruption allows bribes to be paid under the facilitation payment defence of the Australian Criminal Code in exceptional circumstances with the approval of Crown's General Counsel.<sup>25</sup> The Taskforce is not aware of any countries Crown operates in where such bribes would be legal under the local law (while being able to call on the facilitation payment defence in Australian law). There is no public disclosure of how many bribes Crown has paid in line with its policy, if any at all, for how much and to whom for what purposes. Correspondence with the Commonwealth Attorney General's Department has indicated that the Commonwealth never checks if companies are complying with the requirements of the facilitation payment defence when they pay bribes to foreign officials. The VCGLR should investigate if Crown has paid any bribes under its policy. In any case, the VCGLR should ask Crown to adopt a policy of not paying bribes at all, in line with a growing proportion of the ASX 100. A survey of the ASX 100 at the end of 2015 by the Uniting Church found that 70 of the companies banned the payment of all bribes and do not allow for bribes to be paid under the facilitation payment defence.

As acknowledged by the VCGLR fifth review of Crown Casino, Crown has businesses in the UK and therefore is subject to the UK anti-bribery laws, which ban all bribes.<sup>26</sup> Thus, if Crown is paying bribes to foreign officials using the facilitation payment defence under the Australian Criminal Code, as allowed for by its policy, then it would be in breach of UK law and that is a serious probity issue that the VCGLR should investigate.

Dr Mark Zirnsak  
Chair  
Victorian Inter-Church Gambling Taskforce  
c/- 130 Little Collins Street  
Melbourne, Victoria, 3000  
Phone: (03) 9251 5265  
E-mail: mark.zirnsak@victas.uca.org.au

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<sup>23</sup> Sarah Danckert, 'The Chinese gamblers ploughing millions into Crown Casino', *The Sydney Morning Herald*, 21 October 2016.

<sup>24</sup> Chris Vedelago and Cameron Houston, 'Crown Casino haven for drug traffickers, 'a blot on the community'', *The Sunday Age*, 7 February 2016, <http://www.smh.com.au/business/crown-casino-haven-for-drug-traffickers-a-blot-on-the-community-20160206-gmnce7.html>

<sup>25</sup> <http://www.crownresorts.com.au/CrownResorts/files/6c/6c51b096-88ff-47a8-bbac-14d4a1f0032a.pdf>, see page 3.

<sup>26</sup> Victorian Commission for Gambling and Liquor Reform, 'Fifth Review of the Casino Operator and Licence', June 2013, 52.