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WARNER'S REDEMPTION
From public enemy No.1 to hope of the side
SPORT PAGE 58



WHAT MAKES A FATHER?
Should a sperm donor have legal rights over the children?
GOOD WEEKEND



COACHING BLUEPRINT
How David Teague has shaken up Carlton
SPORT PAGE 54

EXCLUSIVE Casino engaged triads embroiled in money laundering, human trafficking and drug running

CROWN'S LINKS TO ASIAN CRIME

Nick McKenzie, Nick Toscano and Grace Tobin

Casino and hotel operator Crown Resorts went into business with tour operators backed by Asia's most powerful organised crime syndicates as part of its program to attract Chinese high rollers to its casinos.

Crown, which is part-owned by one of Australia's richest men, James Packer, may also have exploited weaknesses in Australia's visa processes to fly VIP gamblers into Australia without sufficient vetting.

An investigation by *The Age*, *The Sydney Morning Herald* and *60 Minutes* can reveal that a criminal syndicate known as "The Company" used Crown-linked bank accounts and high-roller rooms to launder its funds, with Crown licensing and paying syndicate members to generate turnover in its Melbourne and Perth casinos.

Multiple sources claim Crown's desire to reap millions

Continued Page 10

Woman jailed was doing her job

Nick McKenzie, Grace Tobin and Nick Toscano

Jenny Jiang will live forever with the fallout of the four weeks she spent in a Chinese prison with drug dealers, pickpockets and prostitutes thanks to the actions of her employer – Australia's biggest casino company, Crown Resorts. Ms Jiang, pictured, who lives in Shanghai, now has a criminal record which she says in China is "a big issue". She is the first

Continued Page 10

CROWN UNMASKED Gambling with gangsters **INSIGHT PAGES 30-33**

PM vow on tech giants

The Morrison government has signalled it will not buckle to pressure from powerful digital giants and is committed to regulating Google and Facebook after the release of a landmark inquiry by Australia's consumer watchdog.

REPORT PAGE 6

'They must be held to account'

JOSH FRYDENBERG COMMENT PAGE 7

Gobbo client freed, seeking compensation

EXCLUSIVE

Tammy Mills

Faruk Orman realised he was free when he first tasted the crisp winter air.

He stood in the courtyard of the Supreme Court in Melbourne, its stone walls around him, and asked his lawyers if he was in some kind of internal custody area of the court.

No, it was a public area, they told

him. The people walking past were free, and so was he.

He looked up at the sky and took a breath. "Fresh, crystal air. That's what it was," he said, speaking to *The Age* in a hotel room yesterday afternoon.

The 37-year-old was yesterday acquitted of the 2002 gangland murder of Victor Peirce after what the Court of Appeal determined was a serious miscarriage of justice.

His is the first conviction overturned in what has become known as the Informer 3838 scandal. His case was so contaminated by the conduct of barrister-turned-police-informer Nicola Gobbo that after 12 years behind bars he was freed.

Mr Orman will now launch a multimillion-dollar compensation suit against Victoria Police, but as

Continued Page 3



Faruk Orman last night.

JOHN SILVESTER Page 4

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Crown casino's secret

Bad Company: The casino, the triad and the junkets

From Page 1

from the Chinese high-roller market led it to not only breach Chinese anti-gambling laws, but to partner with junket operators with links to drug traffickers, money launderers, human traffickers and Chinese government influence agents.

Junket operators are agents who specialise in marketing overseas casinos in China, recruiting high-stakes punters, arranging credit for them and, later, chasing bad debts.

Industry analysts, the US government and Australian law enforcement officials say some junkets are legitimate, but others are controlled by Asian organised crime groups known as triads.

The Company, an Asian organised crime conglomerate run by triad bosses, is estimated to have wreaked more harm in Australia over the last 30 years than any other drug importer, according to more than a dozen serving and former regional policing sources.

A federal police interview with one junket representative secretly working for The Company – Roy Moo – reveals he told investigators he was hired by The Company's Australian network "because of his contacts at Crown Casino", "mutual trust," and because laundering money through the casino was "easier than using a bank".

The 2013 interview was released to *The Age*, *Sydney Morning Herald* and *60 Minutes* in April by a Victorian judge. More recently, close ties between The Company and other Crown-licensed junkets have been confirmed by law enforcement sources.

For instance, a high-ranking Macau member of The Company, whom *The Age* and the *Herald* have elected not to name, has been directly licensed by Crown to operate in Australia as one of Crown's junkets. He was paid \$250,000 by Crown in 2016 in return for bringing high rollers to Australia.

In one trip in August 2015, this criminal identity flew into Crown Perth on a private jet with other Company members, including a notorious triad drug trafficker from Guangdong. The group turned over \$800 million in a single trip, according to multiple sources.

Crown's attempts to attract high rollers to its casinos in Melbourne



and Perth was the target of a sweeping Chinese government anti-corruption crackdown in October 2016 resulting in the arrest of 19 serving and former Crown employees in China.

Melbourne father-of-two Jason O'Connor – Crown's head of "international VIP" programs and one of its top executives – was among those convicted of promoting gambling, a criminal offence on mainland China where gambling is outlawed.

Sentenced to jail terms, O'Connor and two other employees were the last to be released from a Shanghai detention centre, in August 2017.

Mr Moo told police it was easier to move "black money" through Crown than a bank.

In a statement, Crown Resorts denied any breach of China law and said it had not been charged with an offence in China. It "refutes any suggestion that it knowingly exposed its staff to the risk of detention in China".

Law firm Maurice Blackburn lodged the class action against Crown after its share price plunged when the employees were detained in China.

In addition to its own marketing staff, Crown for years relied heavily on junket operators to promote its casinos to Chinese high rollers, arranging them lines of credit and, later, chasing bad debts. Such activities are illegal in China.

Complex financial transactions, organised by the junkets, allows high rollers to gamble with millions of dollars, even though it is illegal to take more than \$3000 off the Chinese mainland. Some of the junkets take advantage of this gambling money to launder their own funds or those of crime syndicates.

The Company's primary business is ice and cocaine trafficking but the Asia-based organisation has repeatedly exploited Crown's reliance on junket operators to launder drug funds through Crown bank accounts or high-roller rooms.

The Company's members have controlled or exerted significant influence over at least three Crown-licensed junkets operating in Australia but headquartered in Macau or Hong Kong.

The exploitation of Crown by The Company for money laundering was first exposed in 2013 when federal agents arrested a licensed Crown junket representative, Roy Moo, and demanded Crown hand over CCTV of his transactions.

The vision, obtained via court order, shows Mr Moo dumping bundles of cash from a plastic bag at a Crown cashier to wire via Crown's accounts to Hong Kong where it was collected by The Company's drug shipment operations manager. Regional law enforcement sources say it is likely the money was used to finance further drug trafficking into Australia.

The Crown junket operator Mr Moo told police it was easier to move "black money" through Crown than a bank. He was jailed by the Victorian Supreme Court for laundering almost \$1 million in funds for The Company.

But Mr Moo was quickly replaced by the other junkets controlled by the Company and which enable it and other triad groups to continue to launder cash through Crown, according to serving and former law enforcement officials from across the region.

On its relationships with junket operators and individuals, Crown's statement said, "Crown does not comment on its business operations with particular individuals or businesses," but that it has a comprehensive "anti-money laundering and counter-terrorism financing program in place, "which is subject to regulatory supervision by AUSTRAC".

James Packer committed to sell half his stake in Crown in May to Macau gaming magnate Lawrence Ho for \$1.76 billion. Through his lawyers, Mr Packer said last week he "adamantly" insisted he had no knowledge of the conduct of the company's operations in China.

Mr Packer, who has suffered from mental health issues, has not held an executive position at the company since 2012. He was chairman of Crown Resorts until August, 2015, and a board member until December that year. He played only a "passive role" at Crown, according to the lawyer's letter.

Crown's Barangaroo casino hotel project in Sydney is due to open in 2022 and will depend on the Chinese high-roller market for a substantial portion of its profits.



Roy Moo, a licensed Crown junket representative, caught on CCTV on his way to collect cash in a plastic bag.



Mr Moo dumps the bag-load of cash at a Crown cashier.



Money more

From Page 1

employee of James Packer's Crown Resorts to break ranks and talk about what happened to her and her colleagues in October, 2016.

She claims that after setting up offices across mainland China in 2010, Crown started to give huge incentives to its staff to break Chinese law and then abandoned them as authorities closed in.

Her claims about incentives are backed up in Chinese court documents, which describe how Crown's sales staff "obtained their respective incomes" as "commissions" to be paid out when their high-roller customers reached "appraisal targets" by gambling billions of dollars.

Her revelations are also significant because they raise fresh questions about the fitness of Crown to hold gaming licences, and

cast doubt over the corporate governance practices within the gaming company.

Ms Jiang, along with 18 colleagues, was arrested on October 13 and 14, 2016. They were held in custody and then convicted of breaching mainland Chinese laws that ban gambling and its promotion. This includes the luring of groups of high rollers to offshore casinos.

She also believes Crown's promise to bring revenue to the Australian government via its gaming operations led to the rubber stamping of visas for hundreds of Chinese nationals – vouched for by Crown – because they promised to gamble tens or hundreds of millions of dollars on single trips to its casinos in Melbourne or Perth.

She said Australian consulate offices in China helped Crown get fast-tracked visas, and rubber



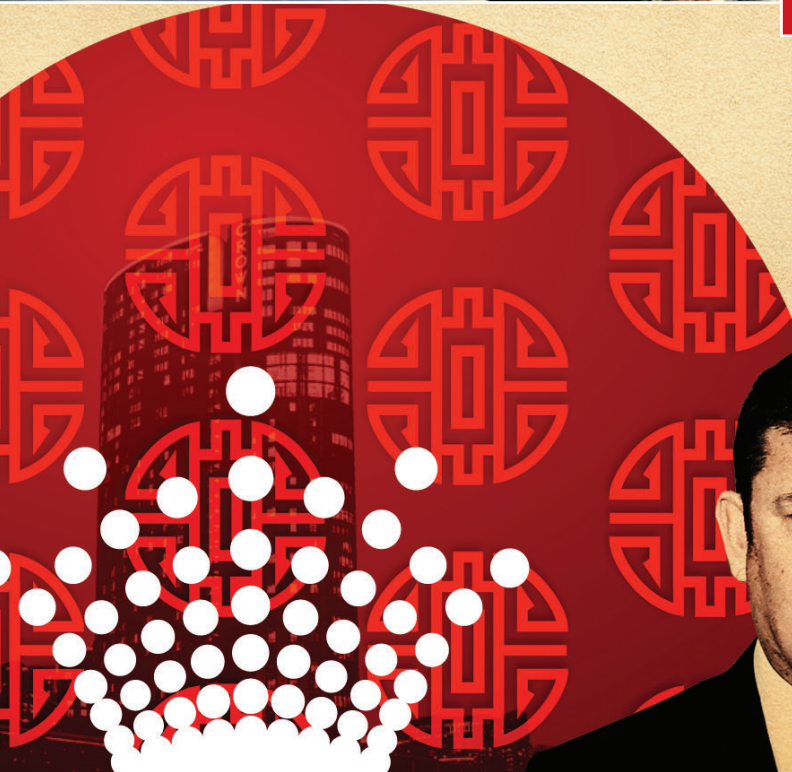
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links to Asian crime

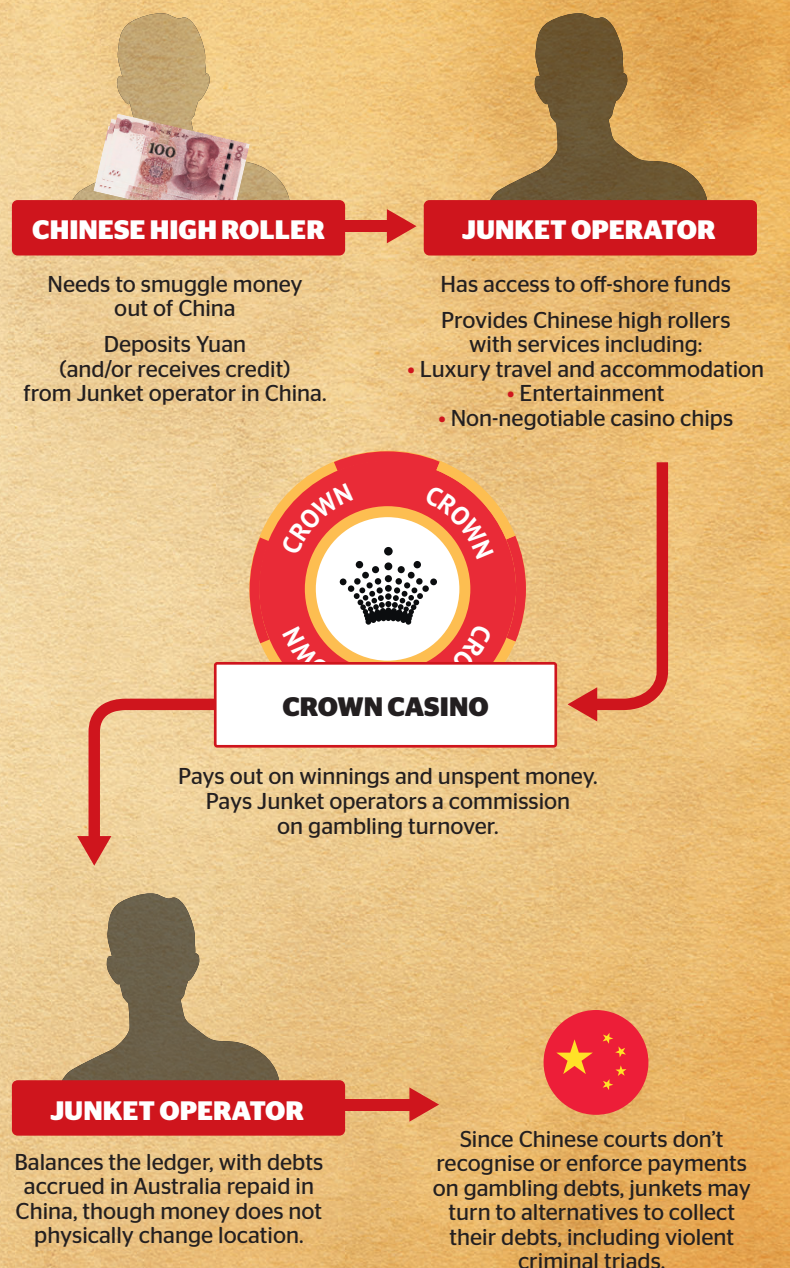


Former Crown employee Jenny Jiang being arrested in China in 2016

Through his lawyers, James Packer said he “adamantly” insisted he had no knowledge of the conduct of the company’s operations in China.



HOW IT WORKS



ON 60 MINUTES

Full interview with former Crown employee Jenny Jiang.
TOMORROW FROM 8.45PM

important than staff: jailed worker talks

stamped some applications.

When it all came tumbling down, Ms Jiang told a joint *Age*, *Sydney Morning Herald* and *60 Minutes* investigation that Crown regarded its staff like a “used napkin you throw in the trash can”.

“Money is way more important than the staff,” she said.

She refused a \$60,000 payment offer from Crown, which included a condition that she stay quiet. She is taking a significant risk in breaking her silence to tell the story of a police crackdown still cloaked in secrecy.

Ms Jiang’s exclusive interview — to be aired on *60 Minutes* on Sunday — comes amid separate revelations that Crown worked with tour operators backed by international organised crime syndicates, including a triad-controlled drug trafficking group.

In a statement, Crown Resorts said that it could not comment on

specific allegations, though it denied any breach of Chinese law and had not been charged with an offence in China. Crown “refutes any suggestion that it knowingly exposed its staff to the risk of detention in China”.

Law firm Maurice Blackburn has lodged a class action against Crown after its share price plunged when the Crown employees were detained. Crown is defending the action, which alleges the company knew or should have known about the risks.

On its relationships with junket operators and individuals, Crown’s statement said “Crown does not comment on its business operations with particular individuals or businesses”. However, it has a comprehensive “anti-money laundering and counter-terrorism financing program in place, “which is subject to regulatory supervision by AUSTRAC,” the statement said.

A lawyer for the casino’s most prominent shareholder, James Packer, said Mr Packer “adamantly” insisted that he had “no ... knowledge” of Crown’s conduct in China that led to the prosecution of its employees. He has not been an executive at the company since 2012 and resigned as

Crown regarded its staff like a “used napkin you throw in the trash can”.

Jenny Jiang, jailed former Crown employee

chairman of Crown Resorts in August, 2015, and as a board member in December that year. He had a “passive role” at Crown, according to the lawyer’s letter.

Mr Packer issued a statement at the time of the arrests saying he was “deeply concerned” for the workers’ welfare.

But Ms Jiang has accused Crown of not only disregarding Chinese law but also the welfare of its Chinese employees as senior managers offered sales staff huge bonuses to lure Chinese high-rollers to gamble at Crown’s Australian casinos.

Multiple internal sources said the biggest VIP gamblers were offered help securing immigration to Australia, their children’s schooling in Australia and property investments in Melbourne and Sydney.

She said this illegal behaviour was at the centre of Crown’s Chinese operation, which she helped administer between 2011 and 2017.

“High management kept pushing every sales [staff member] to meet

more customers, get more business,” recalls Jiang.

Staff who didn’t perform were sacked, according to Ms Jiang. And ultimately, when Chinese law enforcement caught up with them, they were detained, charged and convicted.

Ms Jiang said that even as it became likely Chinese police were closing in, Crown directed its Chinese sales staff to keep promoting gambling, but to do so “under the radar” and to refuse to assist police in the event they were raided.

Multiple sources have also confirmed that prior to the arrests, Crown told its Chinese staff to falsely claim to Chinese authorities they were not working for Crown in China but were working in other locations.

Crown has maintained it worked closely with Australian officials to free its employees.