

# S A T U R D A Y THE AGE I N D E P E N D E N T . A L W A Y S .



**PATTO BACK, ASHES TWIST**  
Six pacemen, surprise picks in 17-man squad  
**SPORT PAGE 58**



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



**RICHMOND ON THE RISE**  
Tigers topple Pies to move into the top four  
**SPORT PAGE 56**

**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

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**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





# links to Asian crime

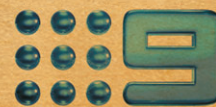
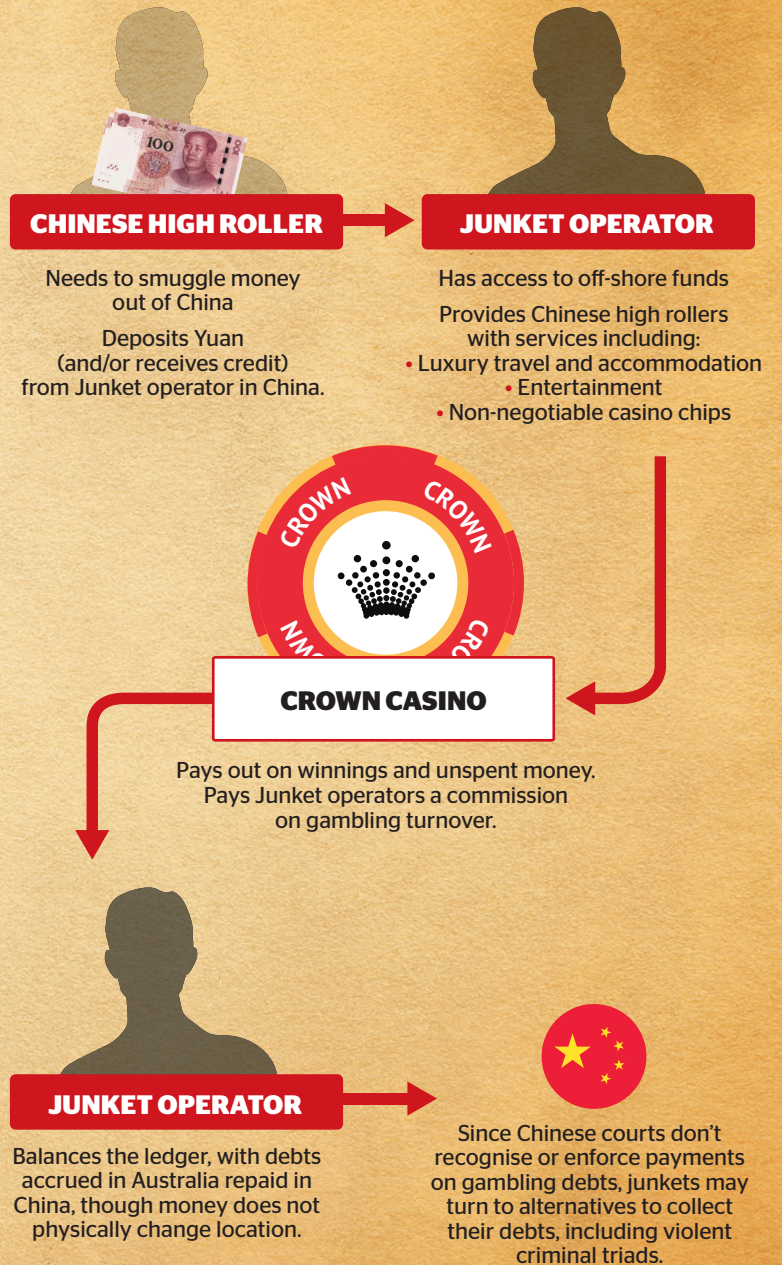


Former Crown employee Jenny Jiang being arrested in China in 2016

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 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.



# INSIGHT

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## Boris abroad

What does the new prime minister mean for Britain's foreign policy? **Nick Miller** investigates.

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## Naked City

**John Silvester** on "The Chef", who could be the most reluctant star of the royal commission into police informers.



## All on red

When Jenny Jiang was arrested in Shanghai, Crown's biggest gamble began to unravel. **Nick McKenzie, Nick Toscano** and **Grace Tobin** report.

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Jenny Jiang was relaxing in her apartment in suburban Shanghai when she heard a heavy knock on the door. It was close to midnight on October 13, 2016, and the travel booker at Australian casino and hotel group Crown Resorts was not expecting visitors. A male voice called through the door that a burst water pipe in her apartment was flooding her neighbour's unit.

Jiang opened the door to see four men and one woman wearing grim expressions. It was clear they weren't plumbers. Flashing cards identifying themselves as agents of China's secretive Ministry of Public Security, they hustled into her apartment.

The interrogation began immediately: What was her position at Crown? Did she have any work computers at home? Or phones? Or Crown documents?

They searched her home and placed the quietly spoken 36-year-old under arrest. Then they drove her to a police holding cell, where the questioning continued.

Jiang was Crown's administration and logistics officer. She arranged people's travel. She was not hands-on in the strategy of the James Packer-backed company to lure high-rolling gamblers from the Chinese mainland to Australia.

But she, along with 18 colleagues, had been caught up in a Chinese government crackdown on Crown's operations and was on her way to prison.

### 'WOW WORLD'

Six years earlier, when Jiang was first hired by Crown, she had never heard of Packer or the high rollers who deliver its casinos hundreds of millions of dollars in profits.

In fact, when she heard how much some of Crown's Chinese punters could gamble without pause in Melbourne and Perth, she thought she was mistaken.

These people, known in the gambling industry as "whales", could lose \$15 million in less than an hour and turn over \$1 billion in just a few trips.

Jiang felt as if she was peering into a parallel universe. She would later call it a "Wow world".

Crown Resorts has always insisted its activities in China are limited to marketing its hotel facilities, golf courses, sporting events and concerts – not its gambling. But as Jiang was being interrogated, it was evident her inquisitors suspected this was a lie.

They wanted to know the methods Crown used to lure high rollers to spend their millions in Australia. They believed Crown had been promoting gambling and paying sales staff large bonuses to lure high rollers to Crown's casinos in Melbourne and Perth.

Under Chinese law, both activities are illegal.

Jiang knew their suspicions were correct. But beyond that her knowledge was limited. As a self-protection mechanism, she had learnt early on not to open certain mail or pay any attention to who Crown was making deals with in China.

That ignorance was mirrored in Australia, where Chinese gambling laws are not well known.

But now, more than 18 months after the last Crown employee walked out of a Chinese jail, that great wall of secrecy is collapsing. A year-long investigation by *The Age* and *60 Minutes* spanning Australia, Hong Kong, mainland China and Macau – and drawing on dozens of sources including Crown insiders, government officials as well as court and business records – can reveal the truth about Crown's operations in China.

The investigation shows Crown was prepared to get into bed with junket operators backed by Asian organised crime syndicates called triads, including



the most powerful drug-trafficking syndicate in the world.

Serving and former government officials have revealed that the \$8.6 billion Melbourne-based gaming company has helped bring criminals through the nation's borders in a way that raises serious national security concerns.

In a statement, Crown Resorts said that as there was a class action by investors being pursued in relation to the detentions, it could not comment on specific allegations, though it denied any breach of Chinese law and has 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 after Crown's share price plunged in the wake of the arrests. 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.

Through a lawyer, James Packer said he "adamantly" insisted that he had "no ... knowledge" of the company's conduct in China that led to the prosecution of the company's employees.

He was not an executive or director of the company at the time of the arrests (he had resigned as chairman of Crown Resorts in August 2015, and as a board member in December that year). Packer had a "passive role" in events, according to his lawyer.

Crown's behaviour is detailed in confidential law enforcement and regulatory briefings from police across Australasia. Starting a decade ago, these briefings have got progressively more damning, raising questions about gaming regulators and state and federal security agencies, which are accused of being asleep at the wheel.

Jenny Jiang knew nothing of all this as she sat in her Shanghai jail cell with drug traffickers, prostitutes and pickpockets. Her only contact was with her husband, US-born businessman Jeff Sikkema. It came via a message read out to her by her lawyer. "Honey, I love you," it read. "I miss you. I'm doing everything to get you out soonest."

### MACAU, VICE CAPITAL

Crown's Chinese misadventure begins more than a decade earlier, with a journey that Packer took to Macau.

The territory at the mouth of the Pearl River has a reputation as the undisputed regional capital of opulence, vice and gambling.

Disembarking from the Hong Kong ferry at the entry terminal, travellers are greeted by skinny European women dressed in body-hugging red outfits holding signs advertising a Ferrari car exhibition at the City of Dreams casino complex that Crown once part-owned.

Macau's 38 casinos generate more than 80 per cent of the territory's revenue.

The gambling strip's back alleys are crammed with massage parlours and pawn shops displaying jewel-encrusted watches priced between \$50,000 and

# Gambling with gangsters

Jenny Jiang was jailed for breaking Chinese gaming laws, but even she didn't know the extent of Crown's operation, Nick McKenzie, Nick Toscano and Grace Tobin report.



The Studio City casino developed by Crown in Macau. Photo: Bloomberg

\$3 million. Former Royal Hong Kong Police intelligence chief Steve Vickers says Macau's pawn shops are among the means used to help Chinese mainlanders smuggle assets across the border.

China's capital flight laws prohibit anybody taking more than \$3000 out of the country per trip. But Vickers, now the chief executive of Hong Kong risk consultancy Steve Vickers and Associates, says three high-end watches carried on the wrists of a gambler's travelling companions, later pawned upon arrival in Macau for cash, can net hundreds of thousands of dollars. Vickers says Macau's money laundering networks have allowed "stunning sums of money to haemorrhage out of China".

Chairman Mao believed gambling to be one of society's three evils, alongside opium and prostitution. In 1950 he banned them from the mainland. In Macau, all three flourish, even after the

territory returned to Chinese rule in 1999.

When the Australian Crime Commission drew up a list of the 50 organised criminals doing the worst harm to Australia in the early 2000s, several of the most prolific drug traffickers and money launderers were operating out of the territory.

On the fringes of Macau's gambling industry, a specialist group of fixers grew up. Called "junkets", these syndicates did the difficult, sometimes-illegal work of organising gambling tours from the mainland to Macau. They could smuggle the money out or provide huge lines of credit on arrival.

Their customers are usually Chinese businessmen, politicians and local officials whose wealth has exploded in recent years.

The triads, which were already involved in extortion, human trafficking,

money laundering and drugs, quickly moved in. Some junkets are clean. But many proved an attractive way for people to get dirty money offshore. And when it came to enforcing gambling debts on the mainland – also illegal under Chinese law – the triads were willing to use their muscle to collect.

"You are not going to send the boy scouts around to collect debts," Vickers says. "These people are dangerous and they have the ability to track you down."

### JUNKETS, TRIADS AND CROWN'S CONNECTION

Packer entered the Macau market in 2004, when Crown formed a casino joint venture with Lawrence Ho. He was the son of the man who had helped pioneer the junket business, the debonair but ruthless octogenarian Stanley Ho.

A 2009 report by New Jersey gambling regulators noted "numerous

governmental and regulatory agencies have referenced Stanley Ho's associations with criminal enterprises, including permitting organised crime to operate and thrive within his casinos".

Ho senior denies the claims. Nevertheless, US and Australian casinos are prohibited by their local regulators from dealing with him because of these alleged connections.

For his part, Lawrence Ho has publicly distanced himself from his father and set himself up in competition. At the height of his relationship with Packer, the two men called each other "brother". They bonded over the stunning returns from their Asian casinos and their shared experience of being raised by a domineering father.

The relationship would eventually hit a rough patch but lasted long enough to give Crown a gateway into the Macau junket industry.

Jenny Jiang has never been to Macau and knows little about it save that the food is good and the hotels are luxurious. She knows nothing about triads and has never met anyone she would consider dangerous.

But working from her Crown home office in Shanghai, she became aware from around 2014 of a push by her employer to get more out of its Chinese staff. This involved instructing sales staff to embrace certain junket operators and to encourage them to think of Australia, not Macau, when arranging trips for high-roller clients.

Jiang, who is the first Crown employee arrested in 2016 to break silence, says sales staff were told to divide the Chinese gamblers Crown wanted into four categories: minnows, catfish, guppies and whales. To reel them in, staff could offer luxury gifts, free gambling cash known as "lucky money" and free use of private jets and hotel suites.

According to these sources, the biggest whales were offered help securing immigration to Australia, their children's schooling in Australia and property investments in Melbourne and Sydney.

The sources confirm Crown's sales staff were ordered to aggressively search out potential high rollers.

"High management kept pushing every sales [employee] to meet more customers, get more business," recalls Jiang. She says sales staff who didn't embrace the strategy were sacked.

Those that stayed on began to confide

untouched in Macau and Hong Kong, out of reach of Western investigators.

Meanwhile, they have devised ways to move the proceeds of drug trafficking out of Australia.

One channel was through a mild-mannered Melbourne financial adviser, Roy Moo. In 2012, a member of The Company and Moo struck an arrangement by which he would launder its cash to Hong Kong, although Moo denies knowing where the money came from. According to court records, Crown casino in Melbourne was central to this arrangement.

The deal relied entirely on the fact that Moo was licensed by Crown to work as a representative for an Asian junket operator. This enabled him to use Crown to wire funds to bank accounts overseas, purportedly as part of his junket high-roller gaming operation.

When federal police investigators questioned Moo in September 2013 about CCTV vision showing him passing bundles of \$50 notes from a plastic shopping bag to a Crown staff member, he explained that Crown offered its junkets a financial service with all the hallmarks of an underground banking operation.

The money totalled \$969,000 and was the proceeds of The Company's drug trafficking in Melbourne and Sydney.

The cash, said Moo in a record of interview released by a Victorian judge in April to *The Age* and *60 Minutes*, was mostly handed to him "in the lobby of Crown casino ... in a shopping bag

*'You are not going to send the boy scouts around to collect debts. These people are dangerous and they have the ability to track you down.'*

Steve Vickers, former Hong Kong police intelligence chief

in each other about the risks they were facing running the gauntlet of Chinese laws. "You are taking the risk, doing this job. And you don't know what'll happen the next day," Jiang says.

There were other risks, too. Even a superficial analysis suggests many of the junkets Crown was partnering with had dubious associations.

One, the Neptune group, was revealed by international news agency Reuters in 2010 as having verifiable financial connections with Cheung Chi-tai, an alleged leader of the Wo Hop To triad gang. Cheung was named as a "triad boss" during the 2009 trial of five people accused of plotting to murder a dealer at the Sands Macau casino.

But these criminal ties pale in comparison with some of Crown's other junket partners.

### 'THE COMPANY'

Before we travelled to Macau and Hong Kong for this story, several Australian police officers gave the same confidential warning: avoid approaching certain junket operators because, in the words of one, "on their own turf, they are dangerous and untouchable".

At the heart of the warning was a triad conglomerate called "The Company" and its associated junket operators.

"The Company" is an international drug trafficking and money laundering syndicate first identified by the FBI as part of a 1996 operation codenamed Sunblock. One former Australian Federal Police officer estimates this one syndicate has been responsible for up to 70 per cent of all drugs trafficked into Australia over the past two decades and has "done more damage to Australia than any other crime syndicate".

The AFP and the Australian Crime Commission periodically lop off the tentacles of its Australian operations but the big bosses of The Company remain

[which] would also contain a piece of paper with the account details" in Hong Kong where the money was to end up.

By his own account, this "black money" was given to Moo "because of his contacts at Crown casino, mutual trust, and [because] it was easier than using a bank".

Moo was jailed in late 2013, but it was a pyrrhic victory for police. Multiple regional law enforcement sources say it prompted The Company to then rely on its own, in-house junket, named after a Macau hot pot restaurant chain.

The Hot Pot junket was promptly licensed by Crown. For every dollar the junket arranged to be gambled over the casino's Australian tables, Crown would pay a commission.

Crown was effectively making payments to an organised crime syndicate. For The Company, it was a lucrative side venture alongside its main criminal enterprises.

In a single trip from China to Australia in August 2015 organised by the Hot Pot junket, several of the triad syndicate's key bosses flew on a private jet to Crown's Perth casino, regional law enforcement sources say.

Over a few days, they turned over \$800 million in high-roller rooms. A tax receipt sighted by *The Age* and *60 Minutes* reveals that the Hot Pot junket was paid \$232,000 in commissions by Crown for organising trips in the 2016 financial year.

According to official sources across the region, some of The Company's members and associates ultimately affiliated with Macau's biggest and most successful junket operator, SunCity. This coincided with a directive from a Crown senior manager to Crown's Chinese staff to also get close to SunCity.

Macau's largest junket was about to

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# Britannia on the brink

Iran is threatening to test Boris Johnson well before he's ready, writes **Nick Miller**.

At around 4pm on July 19, four fast boats from Iran's Revolutionary Guard surrounded a British-flagged oil tanker in the Strait of Hormuz. Masked gunmen in desert camouflage rappelled from a helicopter to the deck of the Stena Impero as British navy frigate HMS Montrose stormed towards the scene, too far away to do anything but issue stern warnings over the radio.

Iran intended the hijack as a tit-for-tat for the prior seizure of an Iranian tanker off Gibraltar, allegedly en route to Syria with oil supplies in violation of EU sanctions. But it has drawn Britain further into a fight it really doesn't want.

With a new government, new prime minister, new foreign secretary, new defence secretary and less than 100 days until Brexit, the last thing Boris Johnson's as-yet-barely-briefed squad needs is a sensitive diplomatic and military skirmish in the Middle East.

Although there are signs Iran wants to calm the situation, perhaps with a ship swap, Britain has already committed to a military response. And it threatens to – long before they're ready – test some of this government's fundamental beliefs about where they want to stand in the world. Are they Europeans or Team Trump? Are they interventionist and assertive, or soft power specialists? What does their much-touted slogan, "Global Britain", actually stand for when push comes to shove?

In a statement to the House of Commons on Monday then foreign secretary Jeremy Hunt, unaware (but perhaps suspecting) he had less than 48 hours to go in his job, made a surprise announcement.

"Because freedom of navigation is a vital interest of every nation, we will now seek to put together a European-led maritime protection mission to support safe passage of both crew and cargo in this vital region."

It was a surprise because the US had already proposed a multinational

maritime security force in the strait, to be called Operational Sentinel. The US Department of Defence said Sentinel would have "de-escalation" as a priority. But this sat uneasily alongside US President Donald Trump's "maximum pressure" campaign.

Hunt said the European mission "will not be part of the US maximum pressure policy on Iran, because we remain committed to preserving the Iran nuclear agreement".

He softened the blow by revealing HMS Montrose had received US logistical support, and they "will seek to co-ordinate any European efforts on freedom of navigation with anything the US does".

But the message was clear. The US was mildly toxic in this arena, and its allies wanted to keep their distance.

Hunt, of course, is now a mere backbencher. Johnson is PM.

Much has been made of the relationship between Trump and Johnson, not least by Trump himself,

*Johnson has been a vocal supporter of the Iran nuclear deal – the same one the US under Trump rejected.*

who embarrassed his host Theresa May last year by standing next to her in her own back garden and saying Johnson would make "a great prime minister". On Johnson's entry to Number 10, Trump claimed him as the "Britain Trump".

This prompted a torrent of Iranian media editorials calling Johnson "Trump's duplicate" and "Trump's body double". One Iranian newspaper published a picture with Johnson casting a Trump-shaped shadow, another had a cartoon of Trump patting his new British butler on the head.

There were immediate echoes of a previous transatlantic relationship with immense implications in the Gulf: that of George W. Bush and Tony Blair.

Neither Johnson nor his new Foreign

Secretary Dominic Raab made a significant public comment on international affairs in their first 24 hours in office.

Johnson has focused on domestic affairs and Brexit. During his first marathon Q&A in the Commons on Thursday he was asked about the navy (Britain is underpowered in the Gulf as fully half its diminished fleet is out of action). Johnson replied he had a "strong desire to increase [defence] spending, particularly on shipbuilding", then turned it into a question about trade.

Of course Johnson was foreign secretary for two years so there are clues as to where he stands (assuming, counter to the claims of some critics, that he consistently stands for anything).

In his 2016 speech to the Conservative Party conference he said it was "partly as a result of lack of Western self-confidence – political, military, economic – that in some material ways the world has got less safe, more dangerous".

He said "the message of Global Britain to the world" should be as "a campaigner for the values we believe in, a catalyst for change and reform and economic and political freedom".

Johnson has been a vocal supporter of the Iran nuclear deal – the same one the US under Trump has rejected – saying it was a "genuine achievement of diplomacy that has helped to make the world a safer place".

Raab has left a few breadcrumbs hinting at his instincts. In 2010 he said Britain should "strengthen the transatlantic alliance and co-operate with our European partners – but be tied to the hip of neither". He also argued for a practical foreign policy grounded in "tangible interests" rather than ideology – and again in 2011 said foreign policy should "put the national interest first".

After his promotion on Wednesday, he was asked about the Iran issue but did not want to say anything until his civil servants had briefed him.

A search of Hansard finds just one mention of Iran during Raab's entire parliamentary career, despite the fact

Iranian fast boats surround the British-flagged tanker Stena Impero in the Strait of Hormuz. Photo: AP

that before entering Parliament he spent six years at the Foreign Office as a lawyer working on the Middle East, war crimes and conflict resolution.

Edward Elliott, founder of the British Foreign Policy Group think tank, says the so-called "special" relationship between Britain and the US is "on shaky ground", damaged by the low opinion Britons have of Trump and Americans had of May.

"It will be really interesting to see what changes Boris Johnson brings about,"

## Gambling with gangsters: How it all went

From Page 31

become Crown's business partner. Chinese court documents obtained by *The Age* and *60 Minutes* hint at the extraordinary scale of Crown's Chinese high-roller operation.

In the 2016 financial year, Jenny Jiang's colleagues servicing just two Chinese cities – Shanghai and Wuhan – generated turnover of \$15 billion at Crown's Australian casinos.

Jiang says the figures were achieved via a *Wolf of Wall Street*-style approach by Crown, which promised its sales staff huge bonuses and trips to Las Vegas if they could lure high rollers to Australia.

Some sales staff (unlike administrative staff like Jiang, who recruited no gamblers) were paid via a percentage of the gambling turnover they generated. The court files reveal

that successful sellers could make \$365,000 per year, a huge amount in China.

All this was illegal and Crown, says Jiang, was effectively giving its staff incentives to break Chinese gambling laws on an industrial scale. Without the large bonuses and luxury holidays offered to sales staff, "they won't have the courage to keep doing this for years", she says.

In late 2016, Crown's staff were arrested en masse. It's not as if they hadn't been warned: months earlier, 15 Korean casino workers were arrested in China for promoting gambling.

After that 2015 warning, Jiang says, her colleagues were no longer nervous. They were scared.

Sources have confirmed Crown advised its Chinese staff to obtain foreign work visas to make it appear as



Lawrence Ho formed a bond with Crown's James Packer.

if they were not working in China. A senior manager, Michael Chen, who has since left Crown, assured staff that their company was in touch with its contacts in the Ministry of Public Security.

He told Chinese staff to meet

gamblers in smaller groups so as to fly under the radar.

Just before the police knocked on her door, Crown had briefed staff about what to do in the event of police raids. "They told us not to co-operate," Jiang says.

One week after the Crown arrests, Crown chairman Rob Rankin, a former investment banker, fronted the company's shareholders in Perth.

"We are proud over many years of this company's compliance track record," he said. "Now is not the time and the place to comment on the specifics of this particular incident ... but there will be a day when we should and will."

Even today, nearly two years after the final employee was released from jail, Crown has not provided a detailed statement about the incident, saying only that it had since overhauled its





Elliott says. “For Trump it’s very clear that he enjoys the personal relationship aspect [of international relations]. Any outward, public, visible gestures, even if they are more symbolic, are really important – and that’s something Boris Johnson seems to be very aware of.”

Elliott says a key priority for Britain is to find new international allies in security and trade. But getting too close to the US right now would require ditching a lot of principles.

Instead, he says, Britain might use the Iran opportunity to send a message to Europe, that they can get along and cooperate despite Brexit.

“It is important for the UK to be able to show leadership on the European front outside of Brexit, and security issues are one of the key areas for that.”

Thomas Raines, head of the Europe program at Chatham House, has noticed what he calls “shifting currents” in the Conservative Party, “with some

supportive of a harder-nosed, more interest-driven” foreign policy.

But just at the time Britain is cutting ties with Europe, it looks across the Atlantic and finds an agenda it is uncomfortable with, Raines says.

“There’s a fundamental disagreement on Iran policy between the US and Europe,” he says. “The UK has basically stayed on Europe’s side of that.”

There is a fear “that involvement with the US in the Gulf creates a risk of

escalation”, Raines says. “There is a very good close working relationship between the British and US military but it’s more about concerns about the political direction of the US [being] hawkish and aggressive.”

Iran is not the only issue where Britain has trouble aligning too closely with the US: there is also trade, Ukraine, Russia, China and climate change, in all of which the UK finds itself closer to Europe.

And Raines doesn’t predict a shift of policy to please Trump. “There’s quite a lot being made of Johnson and Trump being pally. But I’m struggling to think of anyone who has invested a lot in having a good relationship with Trump and got a lot out of it.”

May made an effort and was rewarded with Trump retweeting British far-right figures.

Raines says it’s hard to read which way Johnson will jump as PM.

“Was there a clear and distinctive ideological underpinning to what he did [as foreign secretary]? I don’t think so especially. It was similar to his [leadership] campaign – driven by optimism and a sense of British exceptionalism.”

The “Global Britain” idea “started as a slogan then people worked out the content afterwards. It was never clear what it meant,” Raines says.

It also conflicted with what the country was actually doing on immigration, on visa policy and international tax avoidance. “There’s a gap between rhetoric and reality.”

Raines expects a closer alignment between foreign policy and trade after Brexit. And he thinks there will be a push for a “harder-edged” foreign policy for Britain, where it will demand a bit more pro quo for its quid.

But Raines doubts we will learn much detail when Johnson turns up at the G7 in France next month.

There you’ll see the energetic, eccentric Johnson in action.

“He’ll want to show that Britain is here, Britain is back,” he says. “There will be some bilateral meeting between Boris and Trump that will capture attention. I think he’s less afraid of being seen to have a good relationship with Trump.”

“And there’s a danger because Trump is so unpredictable and combustible that you can imagine if that meeting doesn’t go well, suddenly you get a tweet saying ‘really disappointing meeting with Boris, very anti-US, what a loser. What a weak majority he has. Election coming soon. Vote Farage.’

“That relationship comes with a huge amount of volatility and peril.”

## wrong for Crown, and how the staff paid

presence in Asia – adopting a more “conservative” approach, winding back direct marketing efforts and more heavily relying on high rollers coming via third-party tour operators.

Crown has also said it was “pleased that all of our employees have now been released and reunited with their families and loved ones”.

### A HORRIBLE MEMORY

The jail cell where Jiang was taken after her arrest on October 13, 2016, housed 10 other prisoners.

“You have thieves, drug dealers, all kinds of different people,” she says.

There was a cold shower for use once a week and a shared toilet with no privacy. The lights were never switched off. She slept on the floor with a single blanket.

As Jiang recalls her time in jail, her eyes well with tears.

“That’s a really horrible memory. The

saddest thing is you couldn’t reach out to your family. You couldn’t hear your relatives’ voice and you don’t know how much they worry about you.”

She found sanctuary in notes smuggled in by her husband. And when, after four weeks, word reached her that she would be released on bail, she felt sheer relief. On her first night as a free woman, all she wanted was a hot shower and to lie on a real bed.

When she did, she found she couldn’t fall asleep: “For such a long time I just couldn’t sleep at night because I worry people are going to come to my house again and take me from my family.”

Jiang was released several months earlier than her other detained colleagues because she had not directly recruited gamblers. But the following year, in June 2017, she was still found guilty of gambling crimes along with the 18 other Crown employees. She recalls



Speaking out:  
Jenny Jiang.

being enveloped by shame, withdrawing from friends and feeling overcome with the stigma of the criminal stain on her record. She found herself apologising to her husband.

“Because you married me, you get a criminal wife. I felt really shamed about that.”

After the arrests, Crown closed down its China office. They offered Jiang a payout of \$60,000 on the condition that she stayed quiet. She refused to take the money. She says Crown offered jobs to employees with Australian passports but not its Chinese staff.

Two years after a Chinese court delivered the criminal verdicts against Jiang and Crown’s employees, she is getting her life back together. Still, she thinks of her arrest most days.

While its employees sat in jail, Crown worked behind the scenes with Australian officials to secure their

release. Packer, who has not held an executive position at Crown since 2012 and was not a director at the time, issued a statement saying he was “deeply concerned” for the workers’ welfare.

“Crown will do whatever it can to support our employees and their families at this difficult time,” he said.

He insists he had no knowledge of the details of the company’s business operations in China.

For her part, Jiang believes Crown placed profit before all else. She says the company treated its Chinese staff like a “used napkin you throw in the trash can”.

In May this year she watched from China as Packer sold half his stake in Crown to Lawrence Ho for \$1.76 billion. She has also watched the progress of Crown’s Barangaroo hotel and casino in Sydney, due to open in 2021.

Crucial to the success of this new casino will be high rollers from China.