NOTICE OF FILING

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Form 17
Rule 8.05(1)(a)

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AMENDED STATEMENT OF CLAIM

FEDERAL COURT OF AUSTRALIA
DISTRICT REGISTRY: NEW SOUTH WALES
DIVISION: COMMERCIAL AND CORPORATIONS

NO NSD1814 OF 2024

CHIEF EXECUTIVE OFFICER OF THE AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE
APPLICANT

ENTAIN GROUP PTY LTD ACN 151 956 768
RESPONDENT

Filed on behalf of the Applicant, the Chief Executive Officer of the Australian Transaction Reports and Analysis Centre

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PARTIES

The Chief Executive Officer of AUSTRAC

1. The Applicant is the Chief Executive Officer (**CEO**) of the Australian Transaction Reports and Analysis Centre (**AUSTRAC**), an office established under s 211 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**Act**).

2. By reason of s 176(1) of the Act, the AUSTRAC CEO may apply for a civil penalty order made under s 175 of the Act.

Entain Group Pty Ltd

3. Between 16 December 2018 and 16 December 2024 (**Relevant Period**), Entain Group Pty Ltd (**Entain**):

    a. was a wholly owned subsidiary of Entain plc, a company incorporated in the Isle of Man and listed on the London Stock Exchange;

    b. was a company incorporated in and registered pursuant to the *Corporations Act 2001* (Cth) and capable of being sued;

    c. was a person within the meaning of s 5 of the Act;

    d. was a non-financier within the meaning of s 5 of the Act;

    e. carried on activities or business through a permanent establishment in Australia for the purposes of the Act; and

    f. was a reporting entity within the meaning of s 5 of the Act in that it was a person who provided the following designated services:

        ~~i. item 31, table 1 (as identified in paragraph 22 below);~~

        ~~ii. item 32, table 1 (as identified in paragraph 22 below);~~

        iii. item 1, table 3 (as identified in paragraph 23 below);

        iv. item 4, table 3 (as identified in paragraph 23 below);

        v. item 11, table 3 (as identified in paragraph 23 below); and

        vi. item 13, table 3 (as identified in paragraph 23 below).

DESIGNATED SERVICES

Background: overview of Entain's business

4. During the Relevant Period, Entain carried on a gambling business.

5. During the Relevant Period, Entain carried on a gambling business under the following brand names:

    a. Ladbrokes (in the period 16 December 2018 to 16 December 2024);

    b. Neds (in the period 1 May 2019 to 16 December 2024);

    c. Betstar (in the period 16 December 2018 to 22 February 2023); and

    d. Bookmaker.com.au (**Bookmaker**) (in the period 16 December 2018 to 22 February 2023).

Particulars

1. In April 2019, Ladbrokes Digital Australia Pty Ltd was renamed GVC Australia Pty Ltd (**GVC**).
2. GVC acquired Neds.com.au Pty Ltd (**Neds**) on 28 November 2018.
3. On 1 May 2019, Neds formally combined with GVC, in that customer accounts and contracts moved under GVC's sports bookmaker licence issued by the Northern Territory Racing Commission.
4. GVC was renamed Entain in December 2020.

6. During the Relevant Period, in the course of carrying on a gambling business, Entain:
   a. opened accounts (**betting accounts**) for persons (**customers**); and
   b. provided services to customers via the betting accounts (including the services pleaded in paragraph 10 below).

Particulars

1. As of 1 January 2019, Entain had 1,118,053 customers.
2. As of 1 January 2020, Entain had 1,270,230 customers.
3. As of 1 January 2021, Entain had 1,499,073 customers.
4. As of 1 January 2022, Entain had 1,722,670 customers.
5. As of 1 January 2023, Entain had 1,901,372 customers.
6. As of 1 January 2024, Entain had 1,979,072 customers.

7. During the Relevant Period, the customers for whom Entain opened betting accounts and to whom Entain provided services via the betting accounts included customers who were:
   a. individuals;
   b. non-natural persons;
   c. individuals using a pseudonym until 20 January 2023, as described at paragraph 182 below;
   d. groups of individuals in the name of a Punt Club Captain as described at paragraphs 147 to 151 below; and
   e. persons outside Australia as described at paragraphs 69 to 73 below.

8. During the Relevant Period, Entain was an online business, in that both the opening of betting accounts for customers and the provision of services to customers via the betting accounts occurred primarily through:
   a. the specific website of one of Entain's brands (collectively, **Website**); and/or
   b. the specific mobile application of one of Entain's brands (collectively, **Entain App**).

9. During the Relevant Period, Entain facilitated both the opening of betting accounts for customers and the provision of services to customers via the betting accounts,

including through the online methods pleaded in paragraph 8 above, on a continuous basis 24 hours a day, 7 days a week.

10. During the Relevant Period, Entain facilitated customers for whom it had opened betting accounts to:

    a. credit their betting account by depositing money with Entain through the Inward Payment Channels as pleaded in paragraph 11 below;

    b. use or apply money credited to their betting account to place a bet as pleaded in paragraph 12 below;

    c. credit their betting account with any winnings in respect of a bet as pleaded in paragraph 13 below;

    d. with respect to Punt Clubs, as described at paragraphs 147 to 151 below, transfer any winnings in respect of a bet, from a Member Club betting account to a member of the Punt Club (including a Club Captain):

        i. by debiting an amount of money from the Member Club betting account; and

        ii. crediting a corresponding amount of money to a betting account in the name of a member of the Punt Club (including a Club Captain);

    as pleaded at paragraph 15 below; and

    e. withdraw money by a debit from their betting account through the Outward Payment Channels as pleaded in paragraph 15 below.

11. During the Relevant Period, a person could deposit money with Entain to be credited to a betting account by:

    a. a transfer into an Entain bank account:

        i. facilitated by way of:

            A. electronic funds transfer (**EFT**) from an Australian bank account;

            B. EFT from an international bank account;

            C. BPAY offered through online banking; or

            D. the payment service provider known as Zepto (from 21 April 2021);

        ii. where:

            A. the person depositing the money provided a reference number and/or code referable to a betting account in the transfer instruction; and

            B. in the case of (i) (A) to (C) above, the reference number was used by Entain staff to manually credit the money to that betting account after the transfer cleared in Entain's bank account; or

            C. in the case of (i) (D) above, the money was automatically credited to that betting account once the transaction was reconciled in a float account with the customer's "Client ID";

b. a transfer into an Entain bank account initiated by the person through the Website or Entain App:

   i. by way of:

      A. debit card, including a debit card issued outside Australia;

      B. credit card, including a credit card issued outside Australia (until 10 June 2024);

      C. the payment service provider known as POLi (until September 2023); or

      D. e-wallets such as Apple Pay (from 6 September 2019) and Google Pay (from 28 March 2023);

   ii. where the money was automatically and/or immediately credited to a customer's betting account once the transaction was accepted through the Website or Entain App;

Particulars

1. Some of the deposits described at (b)(i)(A), (B) and (D) above were processed through payment gateways known as Braintree and Nuvola.

2. A payment gateway is technology that facilitates payments between financial institutions and online businesses.

c. a transfer into an Entain account initiated by the person through the Website or Entain App by way of PayPal where the money was automatically credited to a customer's betting account once the transaction was reconciled in a float account with the customer's "Client ID";

Particulars

1. Some of the deposits described at (c) above were processed through the payment gateway known as Braintree.

d. a cash deposit at a bank branch into an Entain bank account where:

   i. the person depositing the money provided the bank with a reference number referable to a betting account in the transfer instruction; and

   ii. the reference number was used by Entain staff to manually credit the money to that betting account after the transfer cleared in Entain's bank account;

(**Bank Branch Channel**)

e. a cash deposit at a Commonwealth Bank of Australia (**CBA**) ATM into an Entain bank account by a person who was a CBA customer where:

   i. the person depositing the money entered a reference number referable to a betting account in the transfer instruction; and

   ii. the reference number was used by Entain staff to manually credit the money to that betting account after the transfer cleared in Entain's bank account;

(**CBA ATM Channel**)

f. (from 7 September 2020 to 30 September 2023) a cash deposit made through a Banktech ATM where:

i. the person depositing the money used the Website or Entain App to generate a QR code referable to a Ladbrokes or Neds branded betting account;

ii. the person scanned the QR code on the Banktech ATM;

iii. the person made the cash deposit to be credited into an Entain bank account through the Banktech ATM; and

iv. the corresponding amount of money was credited to the betting account immediately;

(**Banktech ATM Channel**)

g. (until 3 June 2024) a cash or electronic deposit through a Cash-in Program operated or facilitated by one of various third party contractors, including newsagents, pubs, petrol stations, convenience stores, post offices and tobacconists (**Cash-in retail venues**), where:

i. the person depositing the money used the Website or Entain App to generate a QR code referable to a Ladbrokes or Neds branded betting account;

ii. the third party contractor scanned the QR code on an iPad with a Blueshyft App (see paragraph 118 below) (**Cash-in Terminal**);

iii. the third party contractor took the deposit from the person and confirmed the transaction through the Blueshyft App; and

iv. the corresponding amount of money was credited to the betting account immediately; and

v. Blueshyft deposited the money collected by all third party contractors into an Entain bank account bi-weekly;

(**Cash-in Terminal (retail venue) Channel**)

Particulars

1. Electronic deposits included deposits by way of debit card and credit card, including by way of e-wallets such as Apple Pay and Google Pay. It also included any other deposit method accepted by a merchant (**electronic deposits**).

h. (until 2 July 2024, and with management approval from 20 December 2022) a cash deposit through a Cash-in Terminal operated by an Entain Business Development Manager (**BDM**) employed or contracted by Entain to manage customers (see paragraphs 171 and 172 below), where:

i. the person depositing the money used the Website or Entain App to generate a QR code referable to a Ladbrokes or Neds branded betting account;

ii. the BDM scanned the QR code on a Cash-in Terminal;

iii. the BDM took the cash deposit from the person and confirmed the transaction through the Blueshyft App;

iv. the corresponding amount of money was credited to the betting account immediately; and

v. the money was deposited into an Entain bank account;

(**Cash-in Terminal (BDM) Channel**)

i. either:

i. (until 2 July 2024, and with management approval from 20 December 2022) a cash deposit directly to a person contracted as an exclusive affiliate with Entain (see paragraphs 136 to 139 below) (**Exclusive Affiliate**) or a BDM (see paragraphs 171 and 172 below), where:

A. the person depositing the money gave the cash deposit to the Exclusive Affiliate or BDM with details identifying the betting account to which the deposit was to be credited, without needing to be logged into a betting account;

B. the Exclusive Affiliate or BDM provided the details at (A) above to Entain's Agent Assist Team for approval for the deposit to be credited to the betting account (before the money was deposited into an Entain bank account);

C. once the Agent Assist Team approved the deposit, Entain credited the cash deposit to the betting account immediately; and

D. the Exclusive Affiliate or BDM deposited the cash into an Entain bank account; or

ii. a transfer facilitated by EFT or BPAY (see paragraph 11(a)(i) above) or through a bank branch (see paragraph 11(d) above) that was notified to an Exclusive Affiliate or a BDM, where:

A. the person depositing the money provided the Exclusive Affiliate or BDM with evidence of the deposit in the form of a receipt and details identifying the betting account to which the deposit was to be credited, without needing to be logged into a betting account;

B. the Exclusive Affiliate or BDM provided the details at (A) above to Entain's Agent Assist Team for approval for the deposit to be credited to the betting account (before the money was credited into an Entain bank account); and

C. once the Agent Assist Team approved the deposit, Entain credited the money to the betting account immediately;

(**Sight Unseen Channel**)

j. (until 1 January 2023) a voucher purchased by a person by way of cash or electronic deposit from one of various merchants within the Flexepin network

(**Flexepin Vouchers**), including newsagents, petrol stations, convenience stores and online, where:

i. a person logged into a betting account through the Website or Entain App;

ii. the person entered the code that appeared on the Flexepin Voucher;

iii. the corresponding amount of money (being an amount equivalent to the full value of the Flexepin Voucher) was credited to the betting account immediately; and

iv. the money was deposited into an Entain bank account;

Particulars

1. Flexepin Vouchers facilitated online shopping, including with Entain, until 1 January 2023.

k. (until 3 June 2024) a prepaid card (**Prepaid Card**) purchased by a person by way of cash or electronic deposit from a Cash-in retail venue, where:

i. a person logged into a betting account through the Website or Entain App;

ii. the person entered the code that appeared on the Prepaid Card;

iii. the corresponding amount of money (being an amount equivalent to the full value of the Prepaid Card) was credited to the betting account immediately; and

iv. the money was deposited into an Entain bank account;

l. a transfer of credit from an Entain branded reloadable Visa or Mastercard card (**Entain Card**) where that credit was funded by winnings from the customer's betting account;

m. (from May 2019 until 22 February 2022) a cash or electronic deposit onto a Neds cash Top-Up card, which allowed a person to deposit money into a Neds branded betting account in fixed $50 increments at a retail outlet supporting this function;

n. a debit card, or credit card (until 10 June 2024), via telephone, where the money deposited was automatically and/or immediately credited to the betting account;

o. cheque via a bank branch, where the cheque was matched to the name of a betting account and credited to that betting account once the cheque cleared and the money was credited to an Entain bank account;

p. with respect to a Member Club betting account with the social betting group Punt Club Pty Ltd (**Punt Club Pty Ltd**) (see paragraph 147ff below) by way of debit card, credit card (until 10 June 2024) or transfer from a betting account of a member of Punt Club Pty Ltd; and

q. with respect to a Member Club betting account with the social betting group The Great Tip Off Pty Ltd (**The Great Tip Off**) (see paragraph 147ff below) –

by way of EFT, debit card, POLi (until September 2023) or credit card (until 10 June 2024).

(**Inward Payment Channels**).

Particulars

1. Entain's Banktech ATM Channel, Cash-in Terminal (retail venue) Channel and Cash-in Terminal (BDM) Channel were recorded in transaction statements as "Blueshyft Cashin" or "Cashin Topup Deposit" during the Relevant Period.

2. Entain's Prepaid Cards were recorded in transaction statements as "Cashin", "Blueshyft Prepaid Card" or "Cashin Prepaid Deposit" during the Relevant Period.

12. During the Relevant Period, a customer could use or apply money credited to their betting account through the Inward Payment Channels to place a bet with Entain through each of its brands during the periods at paragraph 5 above, and on the receipt or acceptance of a bet, Entain would debit the customer's betting account in the amount of the bet.

13. During the Relevant Period, in the event that a customer placed and Entain received or accepted a bet through one of its brands during the periods at paragraph 5 above, and the bet was successful, Entain would pay out winnings in respect of the bet by crediting the customer's betting account in the amount of the winnings.

14. During the Relevant Period:

    a. using the Website or Entain App, a customer could give an instruction to Entain for the transfer or withdrawal of an amount of money from the "available balance" in their betting account; and

Particulars

1. An "available balance" was: (i) the balance of money in the betting account that had been turned over, namely, money that had been returned to the betting account after being used to bet; or (ii) money that had otherwise been approved by Entain for withdrawal prior to the money being turned over.

    b. a Club Captain of Punt Club Pty Ltd or The Great Tip Off could give an instruction to Entain for the transfer of an amount of money from the Member Club betting account, that amount of money being winnings of the Member Club.

15. During the Relevant Period:

    a. Entain could give effect to the instruction described at paragraph 14(a) above by debiting the customer's betting account and transferring the amount of money by:

        i. EFT from an Entain bank account to an Australian bank account;

        ii. EFT from an Entain bank account to an international bank account;

        iii. a transfer from an Entain bank account through the payment service provider known as Zepto (from 21 April 2021);

iv. a transfer to a PayPal account;

v. a cheque drawn from an Entain bank account;

vi. a transfer from an Entain betting account onto the customer's Entain Card;

Particulars

1. Money transferred to an Entain Card could be: (i) used to make purchases of goods and services; (ii) withdrawn from an ATM; or (iii) transferred back into a customer's betting account (see paragraph 11(l) above).

b. Entain could give effect to the instruction described at paragraph 14(b) above by debiting an amount of money from the Member Club betting account and crediting a corresponding amount of money to:

i. with respect to Punt Club Pty Ltd (see paragraph 147ff below):

A. the Club Captain's betting account; or

B. a member's betting account; and

Particulars

1. The Club Captain or the member could either withdraw the money through one of the Outward Payment Channels described at (a)(i) to (vi) above or use the money to place a bet.

ii. with respect to The Great Tip Off (see paragraph 147ff below), a member's betting account.

Particulars

1. The member could either withdraw the money through one of the Outward Payment Channels described at (a)(i) to (vi) above or use the money to place a bet.

(**Outward Payment Channels**).

~~**Table 1 of s 6 of the Act: financial services**~~

~~16. During the Relevant Period, on each occasion that Entain:~~

~~a. credited money to a customer's betting account through any of the Inward Payment Channels as pleaded in paragraph 11 above;~~

~~b. credited money to a customer's betting account as pleaded at paragraph 15(b) above; or~~

~~c. debited money from a customer's betting account through any of the Outward Payment Channels as pleaded in paragraph 15 above;~~

~~Entain gave effect to a remittance arrangement, being an arrangement for the transfer of money.~~

~~**Particulars**~~

~~1. Section 10(2) of the Act.~~

17. By reason of the matters in paragraphs 3 to 16 above, during the Relevant Period, Entain, in the capacity of a non-financier, carried on a business of giving effect to remittance arrangements.

18. During the Relevant Period, on each occasion that Entain credited money to a customer's betting account through any of the Inward Payment Channels or as pleaded at paragraph 15(b) above, Entain made money available, or arranged for money to be available, to the customer as a result of a transfer under a remittance arrangement.

19. On each occasion referred to in paragraph 18 above:

    a. the customer, as the person to whom money was ultimately transferred under the remittance arrangement, was the ultimate transferee entity within the meaning of s 10(3)(b) of the Act; and

    b. the remittance arrangement, as an arrangement under which Entain (as the person who made money available, or arranged for money to be made available, to the customer) was a non-financier, was a designated remittance arrangement within the meaning of s 10(1) of the Act.

Particulars

1. Section 10(3)(b) of the Act.

2. Section 10(1) of the Act.

20. During the Relevant Period, on each occasion that Entain debited a betting account for the transfer of money to a person through any of the Outward Payment Channels, Entain accepted an instruction from the customer for the transfer of money under a remittance arrangement.

21. On each occasion referred to in paragraph 20 above:

    a. the customer, as the person from whom an instruction was accepted for the transfer of money under the remittance arrangement, was the transferor entity within the meaning of s 10(3)(a) of the Act; and

    b. the remittance arrangement, as an arrangement under which Entain (as the person who accepted the instruction from the customer for the transfer of money) was a non-financier, was a designated remittance arrangement within the meaning of s 10(1) of the Act.

Particulars

1. Section 10(3)(a) of the Act.

2. Section 10(1) of the Act.

22. By reason of the matters in paragraphs 3 to 21 above, during the Relevant Period, Entain provided the following designated services to customers within the meaning of s 6 of the Act:

    a. item 31 of table 1: in the capacity of a non-financier carrying on a business of giving effect to remittance arrangements, accepted instructions from transferor entities, namely its customers, for the transfer of money under designated remittance arrangements; and

b. item 32 of table 1: in the capacity of a non-financier carrying on a business of giving effect to remittance arrangements, made money available, or arranged for it to be made available, to ultimate transferee entities, namely its customers, as a result of transfers under designated remittance arrangements.

Particulars

1. Entain provided designated services during the Relevant Period under the Ladbrokes brand from 16 December 2018.
2. Entain provided designated services during the Relevant Period under the Neds brand from 1 May 2019.
3. Entain provided designated services during the Relevant Period under the Betstar brand from 16 December 2018.
4. Entain provided designated services during the Relevant Period under the Bookmaker brand from 16 December 2018.

Table 3 of s 6 of the Act: gambling services

23. By reason of the matters in paragraphs 3 to 15 above, during the Relevant Period, Entain provided the following designated services to customers within the meaning of s 6 of the Act:

    a. item 1 of table 3: received or accepted bets placed or made by a person, namely the customer, where the service was provided in the course of Entain carrying on a gambling business;

    b. item 4 of table 3: paid out winnings in respect of bets, where the service was provided in the course of Entain carrying on a gambling business;

    c. item 11 of table 3: in its capacity, as an account provider, opened accounts, where:

        i. Entain provided item 1, table 3 services, namely receiving or accepting bets, and item 4, table 3 services, namely paying out winnings in respect of bets; and

        ii. the purpose, or one of the purposes, of the account was to facilitate the provision of item 1, table 3 services, namely receiving or accepting bets, and item 4, table 3 services, namely paying out winnings in respect of bets; and

        iii. the services were provided by Entain in the course of carrying on a gambling business; and

    d. item 13 of table 3: in its capacity, as an account provider for accounts, allowed transactions to be conducted in relation to the accounts, namely each of the transactions described at paragraph 10 above, where:

        i. Entain provided item 1, table 3 services, namely receiving or accepting bets, and item 4, table 3 services, namely paying out winnings in respect of bets; and

        ii. the purpose, or one of the purposes, of the accounts was to facilitate the provision of item 1, table 3 services, namely receiving or accepting

bets, and item 4, table 3 services, namely paying out winnings in respect of bets; and

iii. the services were provided by Entain in the course of carrying on a gambling business.

Particulars

1. Entain provided designated services during the Relevant Period under the Ladbrokes brand from 16 December 2018.
2. Entain provided designated services during the Relevant Period under the Neds brand from 1 May 2019.
3. Entain provided designated services during the Relevant Period under the Betstar brand from 16 December 2018.
4. Entain provided designated services during the Relevant Period under the Bookmaker brand from 16 December 2018.

MONEY LAUNDERING AND TERRORISM FINANCING RISKS REASONABLY FACED BY ENTAIN

24. During the Relevant Period, the provision of ~~table 1 and~~ table 3, s 6 designated services by Entain, as identified in paragraphs 22 and 23 above, involved a combination of the following matters and/or risks:

a. Entain facilitated the provision of designated services 24 hours a day, 7 days a week, through non-face-to-face channels through the Website and/or the Entain App.

Particulars

1. This created risks that persons unknown to Entain could access and use Entain's betting platform.

b. The identity and/or risk profile of a person opening a betting account through the Website or through the Entain App could not be known by Entain, consistently or reliably.

Particulars

1. This created a risk that persons could open a betting account, or multiple betting accounts, in a name that was not theirs.

c. The identity and/or risk profile of a person transacting on a betting account through the Website or through the Entain App could not be known by Entain, consistently or reliably.

Particulars

1. This created a risk that persons could transact on betting accounts, or multiple betting accounts, in a name that was not theirs.

d. Entain accepted cash deposits.

Particulars

1. Cash is highly transferrable. The identity of a person transferring or receiving a transfer of cash is not always recorded or known. The ownership of cash is accordingly less transparent than other forms of money. Proceeds of crime are often cash.

e. Third parties facilitated the acceptance of cash and other deposits on behalf of Entain, to be credited into betting accounts.

Particulars

1. Retail venues and Exclusive Affiliates contracted by or on behalf of Entain accepted cash and other deposits on behalf of Entain.

2. Paragraphs 114 to 146 below.

f. Entain facilitated deposits of money into betting accounts through vouchers and prepaid cards, where those vouchers and prepaid cards could be readily handed from person to person.

Particulars

1. Because vouchers and prepaid cards could be readily handed from one person to another, they facilitated the movement of money from one person to another in ways that could not readily traced.

2. Paragraphs 127 to 135 below.

g. Punt Clubs pooled money from different persons to be deposited into Entain betting accounts.

Particulars

1. The ownership of money pooled into betting accounts was not always transparent to Entain.

2. Paragraphs 147 to 170 below; see also paragraph 172(f).

h. By reason of (a) to (g) above, Entain accepted deposits of money to be credited into betting accounts in ways and in forms that could obscure the identity of the depositor or the source of money.

i. Money could be credited into betting accounts from funding sources outside of Australia.

Particulars

1. Paragraphs 11(a)(i)(B), (b) and (c) above.

2. Cross-border transfers of money can be harder to trace and recover.

j. Entain reasonably faced the risk that its customers included customers with gambling addictions or customers who were problem gamblers.

Particulars

1. There were higher risks that persons with gambling addictions or problem gamblers might access and use money that did not belong to them to obtain designated services from Entain.

k. Entain permitted and facilitated high value and high frequency transactions involving ~~table 1 and~~ table 3, s 6 designated services via the Website and/or the Entain App.

Particulars

1. Paragraphs 58 to 68 below.

l. High value and high frequency transactions amplified the factors and risks at (a) to (j) above.

25. By reason of the matters at paragraph 24 above, during the Relevant Period, Entain reasonably faced the risk that in providing designated services to a customer, it could be in receipt of:

a. money from unknown sources;

b. proceeds of crime;

c. money derived from credit card fraud;

d. money derived from scams and other fraud; and/or

e. money derived from contraventions of other Commonwealth, State or Territory laws, including but not limited to taxation laws.

26. By reason of the matters at paragraph 25 above, during the Relevant Period, Entain reasonably faced the risk that the provision by Entain of designated services could involve or facilitate money laundering or financing of terrorism.

THE ANTI-MONEY LAUNDERING/COUNTER-TERRORISM FINANCING PROGRAM

27. At all times during the Relevant Period, Entain was prohibited from commencing to provide a designated service to a customer if Entain had not adopted and did not maintain an anti-money laundering and counter-terrorism financing (**AML/CTF**) program as set out in s 84 of the Act.

Particulars

1. Sections 81, 83(1)(a) and 84 of the Act.

28. At all times during the Relevant Period, Entain was required to adopt and maintain an AML/CTF program which included a part (**Part A**) that:

a. had the primary purpose of identifying, mitigating and managing the risk Entain may reasonably face that the provision by Entain of designated services at or through a permanent establishment of Entain in Australia might (whether inadvertently or otherwise) involve or facilitate money laundering or financing of terrorism (**ML/TF Risk**); and

b. complied with the requirements specified in Chapters 8 and 15 of the *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No 1)* (Cth) (**Rules**).

Particulars

1. Sections 81, 83(1)(a), 84(1)(b)(i) and 84(2) of the Act, and r 8.1.2 of the Rules.

29. At all times during the Relevant Period, Entain was required by the Act to have an AML/CTF program which included a part (**Part B**) that:

a. had the sole or primary purpose of setting out the applicable customer identification procedures for the purposes of the application of the Act to customers of Entain; and

b. complied with the requirements of Chapter 4 of the Rules.

Particulars

1. Sections 81, 83(1)(a), 84(1)(b)(ii) and 84(3) of the Act.

ENTAIN'S "PART A PROGRAM"

30. During the Relevant Period, Entain had written documents that purported to be Part A of an AML/CTF program (**Entain's "Part A Program"**):

a. AML/CTF Program dated 25 January 2018;

b. AML/CTF Program dated 12 February 2019;

c. AML/CTF Program dated 9 March 2020;

d. AML/CTF Program dated 28 April 2020;

e. AML/CTF Program dated 13 August 2020;

f. AML/CTF Program dated 11 March 2021;

g. AML/CTF Program dated 29 July 2021;

h. AML/CTF Program dated 11 May 2022;

i. AML/CTF Program dated 15 December 2022; and

j. Part A AML/CTF Program dated 27 August 2024.

Particulars

1. Further to the particulars at paragraph 5 above, from early 2019 to 1 May 2019, Neds' Compliance Team was progressively integrated with Entain's Compliance Team. As part of the integration, from early 2019 to 1 May 2019, Neds began transitioning towards Entain's "AML/CTF Program" (in addition to operating under the Neds AML/CTF Program).

31. During the Relevant Period, Entain's "Part A Program" included or incorporated the following systems, controls, policies and/or procedures, as varied from time to time:

a. AML/CTF Policy;

b. AML/CTF Risk Assessment Register (**Entain's Risk Register**);

c. Customer Due Diligence Procedure (Know Your Customer);

d. Politically Exposed Persons (**PEP**) and Sanctions Procedure **(Entain's PEP Procedure**);

e. Ongoing Customer Due Diligence (Transaction Monitoring) Procedure;

f. Enhanced Customer Due Diligence Procedure (**Entain's "ECDD Program"**);

g. Suspicious Matter Reports Procedure;

h. Threshold Transaction Reports (**TTR**) Procedure;

i. AML/CTF Deposits and Withdrawals Procedure;

j. Racing, Sport and Novelty Event Integrity Policy;

k. Information Requests Procedure;

l. Affiliate Due Diligence Procedure;

m. AML/CTF Record-Keeping Procedure;

n. Governance, Risk and Compliance Framework;

o. Third Party Card Procedure;

p. Customer Business Account Use Procedure (from 17 April 2020);

q. Sight Unseen Procedure (from ~~27 July 2020~~ April 2020);

r. AML Training Manual (from 17 July 2022);

s. Geoblocking Policy and Prohibited Jurisdictions List (from 16 November 2022);

t. Identification Verification and Re-Verification Procedure (from 19 December 2023);

u. Unusual Activity Reports (**UAR**) Procedure (from 18 October 2023);

v. Grounds for Suspicion Guidance (from 18 October 2023);

w. AML Transaction Monitoring Program Guide (**TMP Guide**) (from 9 January 2024);

x. Source of Funds and Source of Wealth Procedure (from 13 March 2024);

y. ML/TF Risk Assessment Report (**2024 "ML/TF Risk Assessment" Report**) (from 20 August 2024);

z. ML/TF Risk Assessment Methodology (from 20 August 2024);

aa. ML/TF Risk Assessment Model (from 20 August 2024); and

bb. Employee Due Diligence Procedure (from 30 September 2024).

THE ASSESSMENT OF ML/TF RISKS

32. At all times during the Relevant Period, Entain was required, pursuant to r 8.1.3 of the Rules, when putting in place appropriate risk-based systems or controls for the purposes of Part A of its AML/CTF program, to have regard to the nature, size and complexity of Entain's business and the type of ML/TF Risk that it might reasonably face.

33. At all times during the Relevant Period, Entain was required, pursuant to r 8.1.4 of the Rules, in identifying its ML/FT Risk for the purposes of r 8.1.3 to consider the risk posed by:

a. its customer types, including any PEPs;

b. the types of designated services it provided;

c. the methods (or channels) by which it delivered designated services; and

d. the foreign jurisdictions with which it dealt.

34. At all times during the Relevant Period, Entain was required pursuant to rr 8.1.5(3) and (4) of the Rules to design Part A of its AML/CTF program to enable it to:

a. identify significant changes in ML/TF Risk for the purposes of Part A and Part B of its AML/CTF programs; and

b. recognise such changes in ML/TF Risk for the purposes of the requirements of Part A and Part B of its AML/CTF programs.

35. At all times during the Relevant Period, r 8.1.6 of the Rules required Part A of Entain's AML/CTF program to include a requirement that, in determining what was an appropriate risk-based procedure for inclusion in Part B of its AML/CTF program, Entain must have regard to the ML/TF Risk relevant to the provision of the designated service.

Entain's Risk Register

36. During the Relevant Period prior to 1 October 2020, Entain's Risk Register:

a. described "risks" in different tabs titled:

i. "General Risks"; and

ii. "Deposit and Withdrawal Method Risks";

Particulars

1. General Risks described a number of harms to the community, harms to Entain, compliance and other risks.

2. Deposit and Withdrawal Method Risks described some aspects of some of the Inward Payment Channels and Outward Payment Channels and some risks with respect to these channels.

b. set out a numerical rating for "Likelihood" and "Impact" and a "Score" with respect to each risk identified as General Risks;

Particulars

1. "Likelihood" and "Impact" could each be given a rating up to 5 as against specified criteria and the "Score" was determined according to a risk matrix.

c. described "Controls" and "Mitigating Actions" with respect to each of the risks identified as General Risks;

Particulars

1. The "Controls" and "Mitigating Actions" were variously described as "OCDD Procedure", "ECDD Procedure", "Deposits and Withdrawals Procedure", "Sight unseen & cash in approval & acknowledgment", "SMR Procedure", "Program", "Code of Conduct", "Training", amongst others.

d. described the Entain "Controls" and Non-Entain "Controls" that applied to each of the risks identified as Deposit and Withdrawal Method Risks; and

Particulars

1. Entain "Controls" were variously described as "CDD Procedure", "ECDD Procedure" amongst others and included some transaction limits (as pleaded at paragraph 60 and 62 below).

2. Non-Entain "Controls" were variously described as controls of financial institutions involved in each of the Inward Payment Channels and included some transaction limits (as pleaded at paragraph 60 and 62 below).

e. rated the "Residual Risk" of each risk identified as General Risks and Deposit and Withdrawal Method Risks as either "low", "low-medium" or "medium".

37. From 1 October 2020, Entain's Risk Register:

a. described "risks" in different tabs titled:

i. "General Risks";

ii. "Deposit and Withdrawal Method Risks"; and

iii. "Categorical Risks";

Particulars

1. General Risks described a number of harms to the community, harms to Entain, compliance and other risks. The "risk types" were variously described as "customers transacting with the proceeds of crime", "transacting with customers from high-risk jurisdictions", "improper third-party credit card use", "source of funds process criteria being insufficient" (from 2 July 2021), "allowing customers repeatedly displaying suspicious behaviour to continue to hold accounts" (from 2 July 2021), "insufficient personnel resources" (from 2 July 2021), "AML Program while compliant is not followed, or is inappropriate for our business" (from 2 July 2021) and "incorrect or missing data in reporting, including AML dashboard" (from 18 November 2021).

2. Deposit and Withdrawal Method Risks described some aspects of some of the Inward Payment Channels and Outward Payment Channels and some risks with respect to these channels.

3. Categorical Risks identified some "jurisdictional", "channel", "customer" and "product" risks.

b. set out a numerical rating for "Likelihood" and "Impact" and a "Score" with respect to each "initial" risk identified as General Risks (until 3 May 2022) and Categorical Risks;

Particulars

1. "Likelihood" and "Impact" could each be given a rating up to 5 as against specified criteria and the "Score" was determined according to a risk matrix.

c. set out a “Risk Tolerance” with respect to each “initial” risk identified as General Risks (until 3 May 2022) and Categorical Risks as either “low”, “low-medium” or “medium”;

d. described “Treatment Controls” and “Mitigating Actions” with respect to General Risks (until 3 May 2022) and Categorical Risks;

Particulars

1. For General Risks, “Treatment Controls/Mitigating Actions” were variously described as “OCDD Procedure”, “ECDD Procedure”, “Deposits and Withdrawals Procedure”, “Sight unseen & cash in approval & acknowledgement”, “SMR Procedure”, “Program”, “Code of Conduct”, “Training”, amongst others.

2. For Categorical Risks, “Treatment Controls/Mitigating Actions” were variously described as “AML Program”, “AML Policies”, “AML Procedures”, “Restricted Jurisdictions List”, amongst others.

e. set out a numerical rating for the “Likelihood”, “Impact” and “Residual Risk” score with respect to each “treated” risk identified as General Risks (until 3 May 2022), Categorical Risks and Deposit and Withdrawal Method Risks;

Particulars

1. “Likelihood” and “Impact” could each be given a rating up to 5 as against specified criteria and the “Score” was determined according to a risk matrix.

f. described the Entain “Controls” and Non-Entain “Controls” that applied to each of the risks identified as Deposit and Withdrawal Method Risks;

Particulars

1. Entain “Controls” were variously described as “CDD Procedure”, “ECDD Procedure” amongst others and included some transaction limits (as pleaded at paragraphs 60 and 62 below).

2. Non-Entain “Controls” were variously described as controls of financial institutions involved in some of the Inward Payment Channels and included some transaction limits (as pleaded at paragraph 60 below).

g. rated the “Residual Risk” of each risk identified as General Risks (until 3 May 2022), Categorical Risks and Deposit and Withdrawal Method Risks as either “low”, “low-medium” or “medium”; and

h. described “Treatment” and “Justification notes” with respect to General Risks and Categorical Risks.

38. Through the Entain Risk Register, and for the purposes of its “Part A Program”, during the Relevant Period, Entain purported to:

a. identify and assess the ML/TF Risks of providing designated services; and

b. list the “risk-based systems and controls” that it applied to the ML/TF Risks it had purported to “identify and assess”.

39. From 16 December 2018 to 14 December 2022, Entain's "Part A Program" stated that "its overall ML/TF Risk" relating to the provision of its designated services was low-to-medium.

40. From 15 December 2022 to 19 August 2024, Entain's "Part A Program" stated that "its overall ML/TF Risk" relating to the provision of its designated services was medium.

The 2024 "ML/TF Risk Assessment" Report

41. From about January to April 2023, Entain commenced using a platform licensed from an external provider (the **external platform**) that purported to assess the ML/TF Risks faced by Entain with respect to the provision of designated services.

42. The assessments generated by the external platform were intended by Entain to replace Entain's Risk Register.

43. On 20 August 2024, Entain's AML/CTF Compliance Officer approved the 2024 "ML/TF Risk Assessment" Report, which was intended to:

    a. record the outcome of Entain's "ML/TF risk assessment";

    b. form part of Entain's "AML/CTF compliance framework"; and

    c. be read in conjunction with Entain's "Part A Program", Entain's "Part B Program", Entain's "ML/TF Risk Assessment Methodology" and "Entain's ML/TF Risk Assessment Model".

44. The 2024 "ML/TF Risk Assessment" Report purported to:

    a. assess the inherent ML/TF Risks Entain faced with respect to the provision of designated services, having regard to the matters in r 8.1.4 of the Rules;

    b. perform an "initial indicative assessment" of the effectiveness of the "controls" for mitigating those inherent ML/TF Risks; and

    c. determine an "initial indicative residual ML/TF risk".

Particulars

1. The 2024 "ML/TF Risk Assessment" Report stated that the "effectiveness assessment in the Controls Library is currently indicative. As part of the AML uplift, a separate piece of work is being undertaken to formally document and assess [Entain's] AML/CTF controls".

2. It also stated, "in this risk assessment, the control effectiveness assessment is based on our knowledge of the organisation and current understanding of controls in place".

45. The 2024 "ML/TF Risk Assessment" Report:

    a. assessed the overall inherent ML/TF Risk of Entain's "customer types" as "medium" ML/TF Risk;

    b. rated "controls" to mitigate and manage the inherent ML/TF Risk of Entain's "customer types" as "moderately effective"; and

    c. determined the "overall initial indicative residual ML/TF risk" of Entain's "customer types" to be "low".

46. The 2024 “ML/TF Risk Assessment” Report:

a. assessed the overall inherent ML/TF Risk of Entain’s “product” or designated services as “medium” ML/TF Risk;

b. rated “controls” to mitigate and manage the inherent ML/TF Risk of Entain’s “product” or designated services as “moderately effective”; and

c. determined the “overall initial indicative residual ML/TF risk” of Entain’s “product” or designated services to be “low”.

47. The 2024 “ML/TF Risk Assessment” Report:

a. assessed the overall inherent ML/TF Risk of Entain’s “onboarding and servicing channels” as having a “high” inherent ML/TF Risk due to their “online non-face-to-face nature and our payment channels” as having a “medium” inherent ML/TF Risk;

b. stated that Entain had “decommissioned all high-risk payment channels”;

Particulars

1. According to the 2024 “ML/TF Risk Assessment” Report, the high-risk payment channels that were no longer operational (as at 20 August 2024) were “Blueshyft Prepaid Card [paragraph 11(k) above], Blueshyft Cash-in [paragraphs 11(g) and (h) above], POLi [paragraph 11(b)(i)(C) above] and Flexepin Voucher [paragraph 11(j) above]”.

c. rated “controls” to mitigate and manage the inherent ML/TF Risk of Entain’s “onboarding and servicing channels” as “moderately effective”; and

d. determined the “overall initial indicative residual ML/TF risk” of Entain’s “onboarding and servicing channels” to be “medium”.

48. The 2024 “ML/TF Risk Assessment” Report:

a. assessed the overall inherent ML/TF Risk of Entain’s “jurisdictions” as having a “low” inherent ML/TF Risk due to the “business and operations being located in Australia, providing services predominately to Australian individuals who are residents or citizens, and limited ability to receive international payments”;

b. rated “controls” to mitigate and manage the inherent ML/TF Risk of Entain’s “jurisdictions” as “moderately effective”; and

c. determined the “overall initial indicative residual ML/TF risk” of Entain’s ~~“onboarding and servicing channels”~~ “jurisdictions” to be “low”.

49. The 2024 “ML/TF Risk Assessment” Report concluded that the nature, size and complexity of Entain’s business did not impact the inherent ML/TF Risk faced by the business.

50. The 2024 “ML/TF Risk Assessment” Report determined that the “overall Entain indicative residual ML/TF risk rating” was “low”.

The deficiencies in Entain's ML/TF Risk assessments

51. The **inherent ML/TF Risks** that Entain reasonably faced with respect to the provision of designated services during the Relevant Period included the matters pleaded at paragraphs 24 to 26 above.

52. During the Relevant Period, Entain's Risk Register, as set out at paragraphs 36 to 38 above, did not:

    a. comprehensively identify or assess the ML/TF Risks reasonably faced by Entain with respect to the designated services provided by Entain, including because it did not comprehensively identify or assess:

        i. the inherent ML/TF Risks with respect to each of the designated services it provided to customers under ~~table 1 and~~ table 3, s 6 of the Act;

        ii. the inherent ML/TF Risks with respect to each channel through which each designated service was provided by Entain;

        iii. the inherent ML/TF Risks with respect to the customers and/or customer types receiving designated services provided by Entain; and/or

        iv. the inherent ML/TF Risks with respect to the foreign jurisdictions with which Entain dealt with respect to each designated service it provided;

    b. appropriately assess the "risks" it described because the risk criteria and the risk matrix were inadequate and not appropriately applied by Entain in its consideration of those "risks";

    c. set out appropriate risk-based systems and controls to be applied to each of the inherent ML/TF Risks reasonably faced by Entain with respect to the provision of designated services;

Particulars

1. The "Treatment Controls", "Mitigating Actions" and/or "Controls" listed in Entain's Risk Register did not include systems or controls that were directed towards or proportionate to all of the inherent ML/TF Risks Entain reasonably faced with respect to the provision of designated services.

2. Entain did not have appropriate risk-based systems and controls in its "Part A Program" to prevent the acceptance of cash deposits by Cash-in retail venues, Exclusive Affiliates and BDMs.

3. The risk-based systems and controls Entain should have included or incorporated into its "Part A Program" included the systems and controls at paragraphs 66, 77, 90, 124, 133 and 168 below.

    d. include any consideration or assessment of the effectiveness of the "Controls" and/or "Mitigating Actions" to be applied to each of the inherent ML/TF Risks with respect to the provision of designated services;

e. appropriately identify or assess the risk with respect to the provision of designated services that remained after "controls" were applied to inherent ML/TF Risk (**residual ML/TF Risk**); and

Particulars

1. Entain was unable to identify or assess residual ML/TF Risk because it did not comprehensively set out the systems or controls to be applied with respect to each of the inherent ML/TF Risks and because it did not consider or assess the effectiveness of any of its "Treatment Controls", "Mitigating Actions" and/or "Controls".

f. establish any reasonable basis for residual ML/TF Risks to be assessed or rated as either "low", "low-medium" or "medium".

53. Neither Entain's Risk Register, 2024 "ML/TF Risk Assessment" Report or the documents described at paragraph 43(c) above provided any reasonable basis for:

a. the "overall ML/TF Risk" relating to the provision of its designated services to be rated low-to-medium from 16 December 2018 to 14 December 2022; or

b. the "overall ML/TF Risk" relating to the provision of its designated services to be rated medium from 15 December 2022 to 19 August 2024.

54. The 2024 "ML/TF Risk Assessment" Report did not provide any reasonable basis for:

a. the inherent ML/TF Risk of "customer types" to be rated "medium";

b. the "controls" to mitigate and manage the inherent ML/TF Risk of Entain's "customer types" to be assessed as "moderately effective";

c. the residual ML/TF Risk of customer types to be rated "low";

d. the inherent ML/TF Risk of "product" or designated services to be rated "medium";

e. the "controls" to mitigate and manage the inherent ML/TF Risk of Entain's "product" or designated services to be assessed as "moderately effective";

f. the residual ML/TF Risk of "product" or designated services to be rated "low";

g. the inherent ML/TF Risk of Entain's "onboarding and servicing channels" to be rated "medium";

h. the "controls" to mitigate and manage the inherent ML/TF Risk of Entain's "onboarding and servicing channels" to be assessed as "moderately effective";

i. the residual ML/TF Risk of "onboarding and servicing channels" to be rated "medium";

j. the inherent ML/TF Risk of Entain's "jurisdictions" to be rated "low";

k. the "controls" to mitigate and manage the inherent ML/TF Risk of Entain's "jurisdictions" to be assessed as "moderately effective";

l. the residual ML/TF Risk of "jurisdictions" to be rated "low"; or

m. the "overall Entain indicative residual ML/TF risk rating" to be rated "low".

Particulars

1. Each of the inherent ML/TF Risks reasonably faced by Entain with respect to the matters in r 8.1.4 of the Rules were not adequately identified or assessed, having regard to the matters pleaded at paragraphs 24 to 25 above.

2. Entain's "controls" with respect to the matters in r 8.1.4 of the Rules were not adequately identified or assessed for their effectiveness in mitigating and managing each of the inherent ML/TF Risks reasonably faced by Entain. Accordingly, Entain had no basis to reliably assess residual ML/TF Risk.

55. During the Relevant Period, by reason of paragraphs 51 to 54 above, Entain's "Part A Program":

    a. did not include appropriate risk-based systems and controls to identify, mitigate and manage the ML/TF Risks that Entain reasonably faced with respect to the provision of designated services;

    b. did not include appropriate risk-based systems and controls that had regard to the nature, size and complexity of Entain's business and the type of ML/TF Risks it reasonably faced with respect to the provision of designated services;

    c. was not designed to identify significant changes in ML/TF Risk over time for the purposes of its "Part A Program" and "Part B Program"; and/or

    d. was not designed to recognise such changes in ML/TF Risk for the purposes of the requirements of its "Part A Program" and "Part B Program".

56. Prior to 27 August 2024, Entain's "Part A Program" did not include a requirement that, in determining what was an appropriate risk-based procedure for inclusion in its "Part B Program", Entain must have regard to the ML/TF Risk relevant to the provision of the designated service.

57. During the Relevant Period, by reason of the matters in paragraphs 55 and 56 above, Entain's "Part A Program" did not comply with:

    a. rr 8.1.3, 8.1.4, 8.1.5(3), 8.1.5(4) and 8.1.6 of the Rules and therefore did not comply with s 84(2)(c) of the Act; and/or

    b. s 84(2)(a) of the Act.

CONTROLS IN ENTAIN'S "PART A PROGRAM" ON DEPOSITS THROUGH INWARD PAYMENT CHANNELS AND WITHDRAWALS THROUGH OUTWARD PAYMENT CHANNELS

Limits on deposits of money into betting accounts

58. During the Relevant Period, one of the inherent ML/TF Risks reasonably faced by Entain related to the value of transactions involving designated services.

Particulars

1. Paragraphs ~~16 to~~ 23 and 24(k) and (l) above.

59. During the Relevant Period, Entain's "Part A Program" did not include or incorporate any limits on single deposits of money (**single transaction limits**) that could be credited to a customer's betting account by:

    a. a transfer into an Entain bank account facilitated by way of:

        i. EFT;

        ii. BPAY, prior to 1 December 2022;

    b. a transfer into an Entain bank account initiated by the person through the Website or Entain App by way of Apple Pay, prior to 11 February 2022;

    c. a cash deposit directly to an Exclusive Affiliate or BDM through the Sight Unseen Channel, prior to April 2020;

    d. a cash deposit through the Bank Branch Channel; or

    e. a deposit to a Member Club Betting account opened with Punt Club Pty Ltd by way of transfer from the customer's own betting account.

60. During the Relevant Period, Entain had single transaction limits on deposits of money that could be credited to a customer's betting account by:

    a. a transfer into an Entain bank account facilitated by:

        i. BPAY of $100,000 from 1 December 2022;

        ii. Zepto of $500,000;

    b. a transfer into an Entain bank account initiated by the person through the Website or Entain App by way of:

        i. debit card of $500,000;

        ii. credit card of $500,000;

        iii. Apple Pay of:

            A. $25,000 from 11 February 2022 to 7 March 2023;

            B. $100,000 from 8 March 2023;

        iv. Google Pay of $100,000;

        v. PayPal of:

            A. $10,000 until a date between 20 November 2019 and 12 February 2020;

            B. $12,500 from 13 February 2020 to 17 November 2020;

            C. $100,000 from 18 November 2020;

        vi. POLi of $100,000;

    c. a cash deposit through the CBA ATM Channel of $5,000;

    d. a cash deposit through the Banktech ATM Channel of:

        i. $1,000 until 28 April 2020;

        ii. $2,500 from 28 April 2020;

e. a cash or electronic deposit through the Cash-in Terminal (retail venue) Channel of:

   i. $1,000 until 28 April 2020;

   ii. $2,500 from 28 April 2020;

f. a cash deposit through the Cash-in Terminal (BDM) Channel operated by BDMs of:

   i. $1,000 until 30 March 2022;

   ii. $2,500 from 31 March 2022;

g. a cash deposit directly to an Exclusive Affiliate or BDM through the Sight Unseen Channel of:

   i. $10,000 from April 2020 to 21 November 2022;

   ii. $5,000 from 22 November 2022;

h. a Flexepin Voucher purchased by way of cash or electronic deposit of $500;

i. a Prepaid Card purchased by way of cash or electronic deposit of $1,000;

j. a transfer of credit from an Entain Card of:

   i. $2,500 until 28 April 2021 (for Ladbrokes, Betstar and Bookmaker branded Visa cards);

   ii. $5,000 from 29 March 2021 (for Ladbrokes, Betstar and Bookmaker branded Mastercards);

   iii. $3,000 from May 2019 until 28 January 2021 (for Neds branded Mastercards);

   iv. $5,000 from 29 January 2021 (for Neds branded Mastercards);

k. a cash or electronic deposit onto a Neds cash Top-Up card of $50;

l. a debit card or credit card via telephone of $500,000; or

m. a deposit to a Member Club Betting account opened with Punt Club Pty Ltd by way of transfer from the customer's own betting account.

61. During the Relevant Period, Entain's "Part A Program" did not include or incorporate any limits on deposits of money in a 24-hour period (**daily limits**) that could be credited to a customer's betting account by:

a. a transfer into an Entain bank account facilitated by:

   i. EFT;

   ii. BPAY;

   iii. Zepto;

b. a transfer into an Entain bank account initiated by the person through the Website or Entain App by way of:

   i. debit card;

   ii. credit card;

iii. Apple Pay;

iv. Google Pay;

v. PayPal;

c. a cash deposit through the Bank Branch Channel;

d. a cash deposit through the Banktech ATM Channel;

e. prior to April 2020, a cash or electronic deposit through the Cash-in Terminal (retail venue) Channel;

f. prior to April 2020, a cash deposit through the Cash-in Terminal (BDM) Channel operated by BDMs;

g. prior to April 2020, a cash deposit directly to an Exclusive Affiliate or BDM through the Sight Unseen Channel;

h. a Flexepin Voucher purchased by way of cash or electronic deposit; or

~~i. a transfer of credit from an Entain Card:~~

~~i. prior to 28 April 2021 (for Ladbrokes, Betstar and Bookmaker branded Visa cards);~~

~~ii. prior to 29 March 2021 (for Ladbrokes, Betstar and Bookmaker branded Mastercards); or~~

j. a deposit to a Member Club Betting account opened with Punt Club Pty Ltd by way of transfer from the customer's own betting account.

62. During the Relevant Period, Entain imposed daily limits on deposits of money that could be credited to a customer's betting account by:

a. a transfer into an Entain bank account initiated by the person through the Website or Entain App by way of POLi of:

i. $2,000,000 for Ladbrokes customers;

ii. $1,000,000 for Neds, Betstar and Bookmaker customers;

b. a cash deposit through the CBA ATM Channel of $5,000;

c. a cash or electronic deposit through the Cash-in Terminal (retail venue) Channel operated or facilitated by third party contractors of:

i. $10,000 from April 2020;

ii. $5,000 from November 2022;

d. a cash deposit through the Cash-in Terminal (BDM) Channel operated by BDMs who were either employed or contracted by Entain of:

i. $10,000 from April 2020;

ii. $5,000 from November 2022;

e. a cash deposit directly to an Exclusive Affiliate or BDM through the Sight Unseen Channel of:

i. $10,000 from April 2020 to November 2022;

ii. $5,000 from November 2022; or

(although a higher amount could be approved by an Entain officer)

f. a transfer of credit from an Entain Card of:

i. $5,000 ~~from~~ until 28 April 2021 (for Ladbrokes, Betstar and Bookmaker branded Visa cards);

ii. $5,000 from May 2019 (for Neds branded Mastercards);

iii. $5,000 from 29 March 2021 (for Ladbrokes, Betstar and Bookmaker branded Mastercards).

63. During the Relevant Period, Entain's "Part A Program" did not include or incorporate any limits on deposits of money during a 7-day period (**weekly limits**) that could be credited to a customer's betting account through the Inward Payment Channels.

64. During the Relevant Period, Entain's "Part A Program" did not include or incorporate any appropriate risk-based controls to stop or prevent transactions outside the limits identified at paragraphs 62(c) and (d) above.

65. During the Relevant Period, Entain's "Part A Program" did not include or incorporate any single transaction limits, daily limits or weekly limits on transfers of money made into Member Club betting accounts opened through Punt Club Pty Ltd.

66. During the Relevant Period, by reason of the ML/TF Risks identified in paragraphs 24 and 25 above, Entain should have included or incorporated into its "Part A Program":

a. risk-based single transaction limits on deposits through the Inward Payment Channels identified in paragraph 59 above;

b. lower risk-based single transaction limits on deposits through the Inward Payment Channels identified in paragraph 60 above, with the exception of paragraphs 60(b)(v)(A) and (B), (d), (e), (h), (i), (j) and (k) above;

c. risk-based daily limits on deposits through the Inward Payment Channels identified in paragraph 61 above;

d. lower risk-based daily limits on deposits through the Inward Payment Channels identified in paragraph 62 above, with the exception of paragraph 62(f) above;

e. risk-based weekly limits on deposits through the Inward Payment Channels; and

f. risk-based single transaction limits, daily limits and weekly limits on transfers of money made into Member Club betting accounts opened through Punt Club Pty Ltd.

67. During the Relevant Period, by reason of paragraphs 58 to 66 above, Entain's "Part A Program" did not include appropriate risk-based systems and controls that:

a. appropriately identified, mitigated and managed the ML/TF Risks that Entain reasonably faced with respect to the provision of designated services; and/or

b. had regard to the nature, size and complexity of Entain's business and the type of ML/TF Risks it reasonably faced with respect to the provision of designated services.

68. During the Relevant Period, by reason of the matters in paragraph 67 above, Entain's "Part A Program" did not comply with:

a. rr 8.1.3 and 8.1.4 of the Rules and s 84(2)(c) of the Act; and/or

b. s 84(2)(a) of the Act.

Controls on persons outside Australia receiving designated services

69. During the Relevant Period, one of the inherent ML/TF Risks reasonably faced by Entain related to the provision of designated services by Entain to persons outside Australia.

Particulars

1. Paragraphs ~~16 to~~ 23 and 24(a), (b), (c), and (i) above.

70. Prior to May 2021, Entain's policy was to permit the provision of designated services to customers outside Australia, unless they were in, or resident in, a country that was on Entain's list of "restricted jurisdictions" (**Restricted Jurisdictions List**) as set out at paragraph 80 below.

71. From May 2021, Entain's policy was that customers outside Australia or New Zealand were not permitted to open a betting account.

72. From May 2021, if a customer outside Australia or New Zealand had opened a betting account prior to May 2021 and completed identity verification, the customer could continue to transact on their betting account, including from outside Australia or New Zealand, provided they were not in a country on the Restricted Jurisdictions List.

73. From mid-2024, Entain's policy was that customers outside Australia were not permitted to open a betting account.

74. During the Relevant Period, Entain had some systems and controls that purported to prevent customers opening or transacting on betting accounts outside Australia, including:

a. terms and conditions for betting accounts which from May 2021 provided that a customer was not permitted to open an account unless they were a resident in either Australia or New Zealand, including a jurisdiction on the Restricted Jurisdictions List as identified in paragraph 84 below;

b. some processes to block persons identified by Entain as being associated with a jurisdiction outside Australia from accessing the betting platform, including a jurisdiction on the Restricted Jurisdictions List as identified in paragraph 84 below;

c. from March 2021, the use of a "Geo-Gate" on [redacted] which would request the user's location and which would prevent those Apps from functioning if the user did not grant location permission or if the user was determined to be outside of Australia or New Zealand, including a country on the Restricted Jurisdictions List as identified in paragraph 84 below;

d. additional systems and controls with respect to customers in or resident in a country on the Restricted Jurisdictions List as identified in paragraph 84 below.

75. During the Relevant Period, Entain had some systems and controls that purported to detect customers who opened or transacted on betting accounts outside Australia, including:

a. account opening forms that requested customers to provide a residential address;

b. identity verification controls which could have detected identity documents or customer addresses from a country outside Australia and/or New Zealand;

c. from 16 November 2022, a written geo-blocking policy; and

d. ad hoc review of IP addresses used to access betting accounts for the purposes of ongoing customer due diligence, which could have detected a customer accessing the Entain betting platform from outside Australia.

76. During the Relevant Period, Entain did not carry out an appropriate assessment of the ML/TF Risks it reasonably faced with respect to the provision of designated services by Entain to persons outside Australia.

Particulars

1. See paragraphs 52 to 55 above; see also paragraph 69.

77. During the Relevant Period, Entain's "Part A Program" did not include or incorporate appropriate risk-based controls to:

a. consistently detect customers outside Australia who opened and transacted on betting accounts and monitor their ML/TF Risks; and/or

b. reasonably and consistently give effect to the Entain policies at paragraphs 70 to 73 above because:

i. customer account opening forms and Entain's terms and conditions relied upon customer compliance;

ii. identity verification processes did not adequately mitigate or manage the risk that a betting account could be opened by a person outside Australia;

iii. Entain was unable to consistently or reliably identify international deposits from its bank account statements;

Particulars

1. Paragraphs 336 and 347(d) below.

2. International deposits also included deposits from a jurisdiction on the Restricted Jurisdictions List: see paragraphs 80 and 81 below.

iv. Entain was unable to prevent or consistently detect deposits into betting accounts through non-AU debit or credit cards, including through [redacted];

Particulars

1. Non-AU debit or credit cards also included those issued from a jurisdiction on the Restricted Jurisdictions List: see paragraphs 80 and 81 below.

v. prior to June 2019, Entain was unable to prevent or consistently detect international withdrawals from betting accounts to international bank accounts;

Particulars

1. International withdrawals also included withdrawals to a jurisdiction on the Restricted Jurisdictions List: see paragraphs 80 and 81 below.

vi. the identification and review of IP addresses used to access Entain's betting platform and betting accounts was primarily directed toward fraud or identification of duplicate accounts and was not capable of consistently detecting access from outside Australia;

vii. Entain did not have appropriate risk-based controls to detect and monitor the use of a VPN to access the Entain betting platform;

Particulars

1. This included VPN access from a jurisdiction on the Restricted Jurisdictions List: see paragraphs 80 and 81 below.

viii. prior to March 2021, there was no Geo-Gate on [redacted] and at no time did Entain have a Geo-Gate on Bookmaker or Betstar [redacted];

Particulars

1. This included using Geo-Gate to identify the use of the [redacted] in a jurisdiction on the Restricted Jurisdictions List: see paragraphs 80 and 81 below.

ix. from November 2022, the geo-blocking policy was not based on an assessment of the ML/TF Risks of the jurisdictions with which Entain dealt; and

x. for the reasons at paragraph 85 below, controls to prevent persons in or resident in a country on the Restricted Jurisdictions List were inadequate.

78. During the Relevant Period, by reason of paragraphs 69 to 77 above and 80 to 85 below, Entain's "Part A Program" did not include appropriate risk-based systems and controls that:

a. appropriately identified, mitigated and managed the ML/TF Risks that Entain reasonably faced with respect to the provision of designated services; and/or

b. had regard to the nature, size and complexity of Entain's business and the type of ML/TF Risks it reasonably faced with respect to the provision of designated services.

79. During the Relevant Period, by reason of the matters in paragraph 78 above, Entain's "Part A Program" did not comply with:

a. rr 8.1.3 and 8.1.4 of the Rules and s 84(2)(c) of the Act; and/or

b. s 84(2)(a) of the Act.

Controls on persons in restricted jurisdictions receiving designated services

80. During the Relevant Period, Entain maintained a list of restricted jurisdictions (**Restricted Jurisdictions List**).

81. The Restricted Jurisdictions List incorporated jurisdictions:

    a. on the Financial Action Task Force (**FATF**) High Risk and Other Monitored Jurisdictions List; and

    b. that Entain determined to be high-risk, or undesirable for commercial or regulatory reasons.

Particulars

1. As to (b) above, for example, Entain considered certain jurisdictions as undesirable for "commercial reasons" where "other Entain Group businesses were operating from the jurisdiction".

82. During the Relevant Period, it was Entain's policy that a person in or resident in a country on the Restricted Jurisdictions List was prohibited from:

    a. opening a betting account;

    b. depositing and withdrawing money into and from a betting account; and

    c. placing bets through a betting account.

83. During the Relevant Period, Entain considered that the provision of designated services to a person in or resident in a country on the Restricted Jurisdictions List presented an "unacceptable high ML/TF risk".

84. During the Relevant Period, Entain had some systems and controls to detect and/or prevent a person in or resident in a restricted jurisdiction from opening a betting account, depositing and withdrawing money into a betting account and placing bets, including:

    a. from 11 August 2019, excluding a restricted jurisdiction from the drop-down menu for a prospective customer's address in the account opening forms on the Website or Entain App;

    b. disabling betting accounts that were identified as containing a country code from a restricted jurisdiction;

    c. the terms and conditions of a betting account which provided that a customer was not permitted to open an account or transact on an account:

        i. from a restricted jurisdiction (until 24 May 2021); or

        ii. unless they were a resident in either Australia or New Zealand (from 25 May 2021).~~; or~~

        ~~iii. unless they were a resident in Australia (from July 2024).~~

        and annexed a copy of the Restricted Jurisdictions List;

    d. identity verification controls which could have detected identity documents or customer addresses from a country on the Restricted Jurisdictions List;

e. from time to time, maintaining and updating a list of IP addresses associated with countries on the Restricted Jurisdictions List; and

f. from time to time, blocking an IP address Entain had identified as being associated with a restricted jurisdiction from accessing the Entain betting platform or logging into a betting account.

85. The systems and controls identified in paragraph 84 above did not reasonably or consistently give effect to Entain's policy identified at paragraph 82 above because:

a. customer account opening forms and terms and conditions relied upon customer compliance;

b. identity verification processes did not adequately mitigate or manage the risk that an account could be opened by a person in or resident in a restricted jurisdiction; and

c. the blocking of IP addresses used to access Entain's betting platform and betting accounts was not capable of consistently detecting access from restricted jurisdictions.

Particulars

1. See also paragraph 77(b) above.

Controls on withdrawals of money from betting accounts

86. During the Relevant Period, cross-border transfers of money from a betting account involved ML/TF Risks.

Particulars

1. Cross-border transfers of money can be harder to trace and recover.

2. Paragraph~~s 16 to~~ 23 above.

87. During the Relevant Period, Entain's policy was that money could not be withdrawn from a betting account and sent to an international bank account by EFT without prior approval of an Entain officer.

88. The policy described in paragraph 87 above was not included or incorporated in the documents referred to at paragraphs 30 and 31 above.

Particulars

1. The requirement for prior approval was not documented in Entain's Deposit and Withdrawal Procedure.

89. Prior to June 2019, there were no controls to stop or prevent a withdrawal to an international bank account by EFT outside Australia, without prior approval of an Entain officer.

90. By reason of the ML/TF Risks identified in paragraphs 24 and 25 above, Entain should have at all times during the Relevant Period imposed a control to stop or prevent a withdrawal to an international bank account by EFT outside Australia, without prior approval of an Entain officer.

91. During the Relevant Period, by reason of paragraphs 86 to 90 above, Entain's "Part A Program" did not include appropriate risk-based systems and controls that:

a. appropriately identified, mitigated and managed the ML/TF Risks that Entain reasonably faced with respect to the provision of designated services; and/or

b. had regard to the nature, size and complexity of Entain's business and the type of ML/TF Risks it reasonably faced with respect to the provision of designated services.

92. During the Relevant Period, by reason of the matters in paragraph 91 above, Entain's "Part A Program" did not comply with:

a. rr 8.1.3 and 8.1.4 of the Rules and s 84(2)(c) of the Act; and/or

b. s 84(2)(a) of the Act.

Controls on debit and credit cards added to betting accounts

93. During the Relevant Period, there was no limit on the number of debit and/or credit cards that a customer could add to their betting account.

Particulars

1. The purpose of adding a debit or credit card to a betting account was to facilitate deposits from that card into that betting account: see paragraphs 11(b)(i)(A) and (B) above.

2. A deposit of money with Entain by way of debit card or credit card was automatically and/or immediately credited to the customer's betting account: see paragraph 11(b)(ii) above.

94. By reason of the ML/TF Risks identified in paragraphs 24 and 25 above, Entain should have at all times during the Relevant Period considered a limit on the number of debit and/or credit cards a customer could add to their betting account.

95. During the Relevant Period, by reason of paragraphs 93 and 94 above, Entain's "Part A Program" did not include appropriate risk-based systems and controls that:

a. appropriately identified, mitigated and managed the ML/TF Risks that Entain reasonably faced with respect to the provision of designated services; and/or

b. had regard to the nature, size and complexity of Entain's business and the type of ML/TF Risks it reasonably faced with respect to the provision of designated services.

96. During the Relevant Period, by reason of the matters in paragraph 95 above, Entain's "Part A Program" did not comply with:

a. rr 8.1.3 and 8.1.4 of the Rules and s 84(2)(c) of the Act; and/or

b. s 84(2)(a) of the Act.

Controls on third party deposits and withdrawals

97. During the Relevant Period, where:

a. a **third party deposit** had been credited to a betting account and was subsequently identified by Entain, Entain was required to apply its Deposits and Withdrawals Procedure, Third Party Card Procedure and/or Customer Business Accounts Use Procedure; and

Particulars

1. A third party deposit was a deposit that was made through a financial institution account in a name other than the name in which the betting account was held.

b. a **third party withdrawal** was identified by Entain, Entain was required to apply its "Deposits and Withdrawals Procedure".

Particulars

1. A third party withdrawal was a withdrawal that was made or requested to be made to a financial institution account in a name other than the name in which the betting account was held.

98. Entain's Deposits and Withdrawals Procedure provided that if a deposit or withdrawal was by or to a third party, the third party was subject to customer due diligence as follows:

a. for credit card deposits, a statutory declaration was required from the third party confirming that the third party consented to the use of their payment method; and

b. the third party was required to verify their identification (for example, by GreenID or manually by providing Entain with primary photographic identification).

99. From March 2020, the requirements at paragraphs 98(a) and (b) above could be waived by Entain's Director Client Services, Compliance Manager or (from 12 April 2022) AML/CTF Manager in the following circumstances:

a. the "third-party deposit source" was removed and the customer was advised not to use third party funding sources in the future;

b. the "third-party withdrawal account" was removed and the customer was advised not to use third party withdrawal accounts in the future; or

c. the value of the transaction presented "minimal ML/TF risk".

100. Entain was also required to apply its Third Party Card Procedure when it identified that a **third party card** was used to deposit money into a betting account.

Particulars

1. A third party card is a credit or debit card in the name of a person other than the person in whose name the betting account was held.

101. Prior to September 2019, Entain's Third Party Card Procedure provided that on identification of a third party card deposit, Entain was required to:

a. suspend the betting account;

b. obtain a statutory declaration from the "real card holder" confirming that the customer was authorised to use the third party card;

c. verify the third party cardholder's identity in accordance with Entain's "ID Verification Procedure" and "Credit Card Verification Procedure"; and

d. contact the third party cardholder to confirm:

i. the third party signed the statutory declaration;

ii. the third party permitted the use of their card to fund the Entain customer's betting account; and

iii. whether there was any "indication that the card holder may have been coerced" into permitting use of the third party card.

102. Following the completion of the steps at paragraph 101 above, Entain was required to lift the suspension on the customer's betting account, and the customer was permitted to use the third party card.

103. From September 2019, Entain's Third Party Card Procedure permitted discretion on the steps to be taken following Entain's identification of a transaction involving a third party card and provided some guidance as to the exercise of that discretion when:

a. the amount of the deposit was more or less than $50;

b. it was the first, second or third "offence"; and

c. there was a suspicion that the third party cardholder was:

i. depositing money into the betting account in an attempt to circumvent restrictions on their own account or disguise the true owner of the money;

ii. a minor; or

iii. a "self-excluded" person.

104. The Third Party Card Procedure from September 2019 provided that on identification of a third party card deposit, Entain was required to:

a. subject to (e) below, for third party card deposits under $50 (where it was "a first offence"):

i. remove the third party card from the betting account; and

ii. contact the customer (by phone, SMS or email) and "issue a warning";

b. subject to (e) below, for third party card deposits over $50, or under $50 (where it was not a "first offence"):

i. suspend the customer's betting account;

ii. contact the customer (by phone, SMS or email) and request a photocopy of the third party card from the customer and a copy of photo identification for the third party cardholder; and

iii. once (ii) above was provided by the customer, remove the third party card from the betting account and unsuspend the account (unless one of the of the matters in paragraph 103(c) above applied);

c. consider whether any of the matters in paragraph 103(c) above applied and if so:

i. "security lock" the customer's betting account; and

ii. consider referring the betting account to the Compliance Team;

d. refund any money deposited into the betting account by the third party card (where possible); and

e. for BDM Customers and VIP Customers, "discuss" the removal of the third party card with the BDM or VIP Manager only and the requirements at (a) to (d) above did not apply.

105. From April 2020, Entain was required to apply its Customer Business Accounts Use Procedure when it identified a deposit made from a "business" account. From April 2020, the Customer Business Accounts Use Procedure provided that on identification of a third party deposit from a business account Entain was required to:

a. "check" whether prior "approval" had been obtained by the customer to use a business account within the previous 3 months, in which case, no further action was required;

b. if prior "approval" had not been obtained, advise the customer that the deposit source must be removed unless:

i. the business name on the account was registered with ASIC and the customer was both a sole shareholder and director of the company; or

ii. the entity type was an "individual/sole trader".

105A. From March 2022, ~~and~~ the ~~procedure~~ Customer Business Accounts Use Procedure provided that on identification of a third party deposit from a business account Entain was required to:

a. refund any money deposited into the betting account through a business account (where possible); and

b. refer the betting account to the AML/CTF Team,

unless "prior approval" had been obtained by the customer to use a business account.

Particulars

1. A business account is a bank account, credit card or debit card, that is in the name of a business or has a business name attached to it.

106. Where the circumstances described in paragraph 105A applied and "prior approval" had been obtained by the customer to use a business account, the Customer Business Accounts Use Procedure required the AML/CTF Team to advise the customer that the deposit source must be removed unless:

a. the business name on the account was registered with ASIC and the customer was both a sole shareholder and director of the company; or

b. the entity type was an "individual/sole trader".

107. The requirements at paragraph 106 above could be waived by "compliance" or "legal" if the customer provided Entain "evidence that other individuals with interests in the business account are aware of/have approved the use of relevant funds".

108. During the Relevant Period, Entain's Terms and Conditions required Entain customers to keep their betting account details secure and not allow a third party to

access or use their account, including to make deposits or placing bets into an account.

109. By reason of the ML/TF Risks identified in paragraphs 24 and 25 above, Entain should have at all times during the Relevant Period included appropriate risk-based systems and controls in its "Part A Program" to prevent and/or detect third party deposits and withdrawals to and from betting accounts.

110. At no time during the Relevant Period did Entain carry out an appropriate assessment of the ML/TF Risks it reasonably faced with respect to the provision of designated services by Entain involving third party deposits and withdrawals through the Inward and Outward Payment Channels.

Particulars

1. See paragraphs 52 to 55 above.
2. For example, the risks that third parties could deposit money through the Banktech ATM Channel, the Cash-in Terminal (retail venue) Channel, the Cash-in Terminal (BDM) Channel and Sight Unseen Channel were not adequately considered and assessed.

111. During the Relevant Period, Entain's Deposit and Withdrawal Procedure, Third Party Card Procedure and Customer Business Accounts Use Procedure were not appropriate risk-based systems and controls to identify, mitigate and manage the ML/TF Risks reasonably faced with respect to third party deposits and withdrawals through the Inward and Outward Payment Channels:

a. Entain's detective controls to identify third party cards were inadequate in circumstances where:

   i. third party cards were "normally identified" through the Credit Card Mismatches Report, which relied on information provided by the customer;

   ii. the Credit Card Mismatches Report was reviewed by the Fraud Team and Payments Team, but not by the AML Team;

   iii. there was no procedure to escalate a customer appearing on the Credit Card Mismatches Report to the AML Team;

Particulars

1. See paragraph 304 below.

b. Entain's detective controls to identify third party bank accounts were inadequate in circumstances where:

   i. the Bank Account Mismatch Report was reviewed by the Fraud Team and Payments Team, but not by the AML Team;

   ii. there was no procedure to escalate a customer appearing on the Bank Account Mismatch Report to the AML Team;

Particulars

1. See paragraph 302 below.

c. Entain was unable to detect third party deposits made through any of the following Inward Payment Channels:

i. Cash-in Terminal (retail venue) Channel;

ii. Cash-in Terminal (BDM) Channel;

iii. Sight Unseen Channel;

iv. Banktech ATM Channel; or

v. CBA ATM Channel;

Particulars

1. See paragraphs 124(a) and (b) and 320 below.

d. Entain was unable to detect whether a Flexepin Voucher or Prepaid Card used to deposit money into a betting account was purchased by a third party;

Particulars

1. See paragraphs 133(a) and (b) and 321 below.

e. the Deposit and Withdrawal Procedure permitted a broad discretion to accept and facilitate third party deposits and withdrawals into betting accounts, which limited the application of the Third Party Card Procedure;

f. for BDM Customers and VIP Customers, the requirement to only "discuss" the removal of the third party card with the BDM or VIP Manager was inadequate;

Particulars

1. See paragraphs 175 to 177 below.

g. there was no ML/TF risk-based guidance as to:

i. what transactions would present "minimal ML/TF risk" for the purpose of dispensing with the requirements at paragraphs 98(a) and (b) above; and

ii. the circumstances in which a betting account should be suspended and/or closed following the detection of one or more third party deposits or withdrawals;

h. Entain's Terms and Conditions were not an appropriate control because they relied on customer compliance and could not be verified or enforced;

i. prior to September 2019, there was no process to refund or return a third party deposit, including by way of credit card; and

j. by reason of the broad discretion to permit third party deposits and the deficiencies in detective controls to identify third party deposits into betting accounts, from September 2019, the process to return third party deposits had limited application.

112. During the Relevant Period, by reason of paragraphs 97 to 111 above, Entain's "Part A Program":

a. did not include appropriate risk-based systems and controls to identify, mitigate and manage the ML/TF Risks that Entain reasonably faced with respect to the provision of designated services;

b. did not include appropriate risk-based systems and controls that had regard to the nature, size and complexity of Entain's business and the type of ML/TF Risks it reasonably faced with respect to the provision of designated services;

c. was not designed to identify significant changes in ML/TF Risk over time for the purposes of its "Part A Program" and "Part B Program"; and/or

d. was not designed to recognise such changes in ML/TF Risk for the purposes of the requirements of its "Part A Program" and "Part B Program".

113. During the Relevant Period, by reason of the matters in paragraph 112 above, Entain's "Part A Program" did not comply with:

a. rr 8.1.3 and 8.1.4of the Rules and therefore did not comply with s 84(2)(c) of the Act; and/or

b. s 84(2)(a) of the Act.

APPLICATION OF ENTAIN'S "PART A PROGRAM" TO THE PROVISION OF DESIGNATED SERVICES THROUGH THIRD PARTIES

114. At all times during the Relevant Period, unless otherwise provided in the Act or the Rules, r 8.1.7 of the Rules required Part A of Entain's AML/CTF program to apply to all areas of its business that were involved in the provision of a designated service, including in relation to any function carried out by a third party.

115. During the Relevant Period, one of the inherent ML/TF Risks Entain reasonably faced with respect to the provision of designated services related to the acceptance of cash and other deposits by third parties on behalf of Entain, to be credited into betting accounts.

Particulars

1. Paragraph 24(e) above; see also paragraphs 11(g), (i), (j) and (m).

Cash-in retail venues

116. During the Relevant Period until 3 June 2024, Entain provided ~~item 32, table 1, s 6 and~~ item 13, table 3, s 6 designated services to customers through the Cash-in Terminal (retail venue) Channel.

Particulars

1. This channel is described at paragraph 11(g) above.
2. In 2019, $11,519,591.45 was deposited into betting accounts through the Cash-in Terminal (retail venue) Channel.
3. In 2020, $41,791,962.00 was deposited into betting accounts through the Cash-in Terminal (retail venue) Channel.
4. In 2021, $44,541,180.00 was deposited into betting accounts through the Cash-in Terminal (retail venue) Channel.

5. In 2022, $37,385,471.00 was deposited into betting accounts through the Cash-in Terminal (retail venue) Channel.

6. In 2023, $33,691,317.00 was deposited into betting accounts through the Cash-in Terminal (retail venue) Channel.

7. From 1 January 2024 to 28 August 2024, $13,505,429.00 was deposited into betting accounts through the Cash-in Terminal (retail venue) Channel.

117. The provision of designated services identified at paragraph 116 above involved ML/TF Risks.

Particulars

1. Paragraphs 24(d) and (e) above; see also paragraph 115.

2. By reason of the matters at paragraphs 119 to 123 below and in the absence of systems and controls, such as those described at paragraph 124 below, Entain did not have adequate visibility over the identity of persons depositing money through the Cash-in Terminal (retail venue) Channel.

118. During the Relevant Period, Entain had a contract with Blueshyft Pty Ltd (**Blueshyft**) to issue Cash-in Terminals in the form of an iPad to Cash-in retail venues (the **Blueshyft contract**).

119. During the Relevant period, Blueshyft would:

a. periodically collect customer deposits from Cash-in retail venues; and

b. deposit or transfer the aggregated value of these customer deposits into an Entain bank account.

120. During the Relevant Period, Entain did not enter into any contract, agreement or arrangement with any Cash-in retail venue in relation to their use of the Cash-in Terminal to accept deposits of money on behalf of Entain.

121. During the Relevant Period, the Blueshyft contract provided that Blueshyft must not supply a Cash-in Terminal unless the retail venue agreed to certain matters, including that:

a. the retail venue would collect all deposits through the Cash-in Terminal on behalf of Entain;

b. the retail venue would not collect single deposits over the single transaction limits described at paragraph 60(e) above; and

c. the retail venue would comply with all applicable laws, including the Act.

122. The Blueshyft contract did not:

a. specify what steps a retail venue was required to take to “comply” with the Act; and

b. require persons operating Cash-in Terminals at retail venues to undergo any training on AML/CTF.

Particulars

1. Rule 8.1.7 of the Rules.

123. At no time during the Relevant Period did Entain carry out an appropriate assessment of the ML/TF Risks it reasonably faced with respect to the provision of designated services through the Cash-in Terminal (retail venue) Channel.

Particulars

1. See paragraphs 52 and 55 above.

124. During the Relevant Period, neither Entain's "Part A Program" nor the Blueshyft contract included or incorporated appropriate risk-based systems and controls to identify, mitigate and manage the ML/TF Risks reasonably faced with respect to the provision of designated services through the Cash-in Terminal (retail venue) Channel, including appropriate risk-based systems and controls to:

a. enable or facilitate the collection or verification of the name of each person who deposited money into a betting account through the Cash-in Terminal (retail venue) Channel;

b. ensure that the person depositing money into a betting account through the Cash-in Terminal (retail venue) Channel was the same person as the person in whose name the betting account was held;

Particulars

1. See paragraphs 111(c)(i) above and 320(a) below.

c. enable or facilitate the making of a record of the form of the deposit of money (cash or electronic deposit) into a betting account through the Cash-in Terminal (retail venue) Channel;

d. ensure that Cash-in retail venues refused to process deposits that exceeded the daily limit;

Particulars

1. Daily limits were not coded into Cash-in Terminals to prevent deposits above the limit from being processed.

2. See paragraph 64 above.

e. place appropriate risk-based daily and weekly limits on deposits through the Cash-in Terminal (retail venue) Channel;

Particulars

1. See paragraphs 66(c) to (e) above.

f. ensure that Cash-in retail venues and/or Blueshyft identified and reported to Entain any matter that might reasonably be suspicious for the purposes of s 41 of the Act, which imposed and imposes on Entain an obligation to report suspicious matters to the AUSTRAC CEO; and

g. prior to 5 September 2023, take any steps to ensure that owners or employees of Cash-in retail venues could not deposit money into a betting

account in their name through the Cash-in Terminal that they operated on behalf of Entain.

Particulars

1. In September 2023, Entain directed Blueshyft to take steps to ensure owners or employees of Cash-in retail venues could not deposit money into a betting account in their name through the Cash-in Terminal that they operated on behalf of Entain.

125. During the Relevant Period, by reason of paragraphs 116 to 124 above, Entain's "Part A Program" did not include appropriate risk-based systems and controls that:

a. appropriately identified, mitigated and managed the ML/TF Risks that Entain reasonably faced with respect to the provision of designated services through the Cash-in Terminal (retail venue) Channel;

b. had regard to the nature, size and complexity of Entain's business and the type of ML/TF Risks it reasonably faced with respect to the provision of designated services through the Cash-in Terminal (retail venue) Channel; and/or

c. applied to all areas of its business that were involved in the provision of a designated service, including in relation to any function carried out by a third party, being Blueshyft and/or the Cash-in retail venue.

126. During the Relevant Period, by reason of the matters in paragraph 125 above, Entain's "Part A Program" did not comply with:

a. rr 8.1.3, 8.1.4 and/or 8.1.7 of the Rules and s 84(2)(c) of the Act; and/or

b. s 84(2)(a) of the Act.

Flexepin Vouchers

127. During the Relevant Period until 1 January 2023, Entain provided ~~item 32, table 1, s 6 and~~ item 13, table 3, s 6 designated services to customers through Flexepin Vouchers.

Particulars

1. This channel is described at paragraph 11(j) above.
2. In 2019, $3,646,040.00 was deposited into betting accounts by way of Flexepin Vouchers.
3. In 2020, $5,743,270.00 was deposited into betting accounts by way of Flexepin Vouchers.
4. In 2021, $7,222,100.00 was deposited into betting accounts by way of Flexepin Vouchers.
5. In 2022, $8,476,040.00 was deposited into betting accounts by way of Flexepin Vouchers.
6. In 2023, $15,410.00 was deposited into betting accounts by way of Flexepin Vouchers.

128. The provision of designated services identified at paragraph 127 above involved ML/TF Risks.

Particulars

1. Paragraphs 24(d) to (f) above; see also paragraph 115.
2. In the absence of systems and controls, such as those described at paragraph 133 below, Entain did not have any visibility over the identity of persons depositing money by way of Flexepin Vouchers.

129. During the Relevant Period:

a. Entain had a contract with Flexewallet Pty Ltd (**Flexewallet**) that facilitated the deposit money into betting accounts through Flexepin Vouchers (the **Flexewallet contract**);

b. Flexepin Vouchers could be purchased by any member of the public; and

c. Flexepin Vouchers were not issued in the name of a person, and the purchaser's name was not recorded against the voucher.

130. Entain terminated the Flexewallet contract on 2 January 2023.

131. From 2 January 2023, Entain no longer accepted deposits to be credited into betting accounts via Flexepin Vouchers due to:

a. the potential compliance/fraud risk that "was not worth the commercial benefit" Entain received from allowing Flexepin deposits; and

b. concerns related to the anonymity of the person who could purchase a Flexepin Voucher.

Particulars

1. On 14 September 2022 Entain's Chief Executive Officer and Chief Financial Officer accepted a recommendation by Entain's General Counsel that Entain should no longer accept deposits of money into betting accounts through Flexepin Vouchers for the reasons at (a) and (b) above.

132. At no time during the Relevant Period did Entain carry out an appropriate assessment of the ML/TF Risk it reasonably faced with respect to the provision of designated services through Flexepin Vouchers.

Particulars

1. See paragraphs 52 and 55 above.

133. During the Relevant Period, neither Entain's "Part A Program" nor the Flexewallet contract included or incorporated appropriate risk-based systems and controls to identify, mitigate and manage the ML/TF Risks reasonably faced with respect to the provision of designated services through Flexepin Vouchers, including appropriate risk-based systems and controls to:

a. enable or facilitate the collection or verification of the name of each person who purchased a Flexepin Voucher through a retail venue or retail website;

b. record the form of the funds (cash or electronic deposit) used to purchase Flexepin Vouchers;

c. place appropriate risk-based daily and weekly limits on deposits through Flexepin Vouchers; and

Particulars

1. See paragraphs 66(c) and (e) above.

d. ensure retail venues identified and reported to Entain any matter that might reasonably be suspicious for the purposes of s 41 of the Act, which imposed and imposes on Entain an obligation to report suspicious matters to the AUSTRAC CEO.

134. During the Relevant Period, by reason of paragraphs 127 to 133 above, Entain's "Part A Program" did not include appropriate risk-based systems and controls that:

a. appropriately identified, mitigated and managed the ML/TF Risks that Entain reasonably faced with respect to the provision of designated services through Flexepin Vouchers;

b. had regard to the nature, size and complexity of Entain's business and the type of ML/TF Risks it reasonably faced with respect to the provision of designated services through Flexepin Vouchers; and/or

c. applied to all areas of its business that were involved in the provision of a designated service, including in relation to any function carried out by a third party, being third parties involved in the sale of Flexepin Vouchers.

135. During the Relevant Period, by reason of the matters in paragraph 134 above, Entain's "Part A Program" did not comply with:

a. rr 8.1.3, 8.1.4 and/or 8.1.7 of the Rules and s 84(2)(c) of the Act; and/or

b. s 84(2)(a) of the Act.

Exclusive Affiliates

136. During the Relevant Period, Entain engaged persons (both natural and non-natural) known as "affiliates".

137. During the Relevant Period, Affiliates were:

a. responsible for promoting Entain brands through online advertising on affiliate websites, offline marketing, social networking, or any other media, and generating new customers for Entain;

b. paid a monthly commission based on a percentage of net revenue Entain received from the betting accounts of customers they referred to Entain (**Affiliate Customers**), which was calculated by reference to losses recorded on Affiliate Customers' betting accounts; and

c. paid a "cost per acquisition" incentive, which was typically an upfront fixed payment for each referral, or a certain number of referrals within tiers or over a certain threshold.

138. During the Relevant Period, some affiliates were referred to by Entain as Exclusive Affiliates.

139. In addition to the matters at paragraph 137 above, Exclusive Affiliates:

a. exclusively marketed Entain's brands; and

b. could deposit money into betting accounts of their Affiliate Customers by way of cash through the Sight Unseen Channel.

Particulars

1. This channel is described at paragraph 11(i)(i) above.

140. During the Relevant Period until 2 July 2024, Entain provided ~~item 32, table 1, s 6 and~~ item 13, table 3, s 6 designated services to customers through Exclusive Affiliates.

Particulars

1. During the Relevant Period, Entain's Risk Register stated that Entain had 10 Exclusive Affiliates.

2. Entain sometimes referred to Exclusive Affiliates as "contractor BDMs" or "independent contractor BDMs".

141. During the Relevant Period, the provision of designated services by Entain to Affiliate Customers involved ML/TF Risks because:

a. the payment by Entain of a commission to Exclusive Affiliates incentivised Exclusive Affiliates to encourage Affiliate Customers to transact on their betting accounts; and

Particulars

1. Paragraphs 24(k) and (l) above.

b. Exclusive Affiliates could accept cash from Affiliate Customers for credit into a betting account through the Sight Unseen Channel.

Particulars

1. Paragraphs 24(d) and (e) above; see also paragraphs 66(b) to (e) and 115.

142. During the Relevant Period, the ML/TF Risks at paragraph 141 above were amplified because:

a. prior to 11 March 2021, Exclusive Affiliates were involved in ongoing customer due diligence, including all communications between Entain and the Affiliate Customer and the collection of source of wealth/source of funds information, with respect to any Affiliate Customer who was assigned to them;

b. the commission paid to Exclusive Affiliates created a conflict of interest with respect to the application of ongoing customer due diligence to Affiliate Customers, including enhanced customer due diligence; and

c. the conflict of interest created a risk that the systems and controls in Entain's "Part A Program" would not be applied appropriately or impartially to Affiliate Customers.

143. At no time during the Relevant Period did Entain carry out an assessment of the ML/TF Risks it reasonably faced with respect to the provision of designated services to customers through Exclusive Affiliates.

Particulars

1. See paragraphs 52 to 55 above; see also paragraph 141 above.

144. During the Relevant Period, Entain's "Part A Program" did not include appropriate risk-based systems and controls to identify, mitigate and manage the ML/TF Risks identified at paragraphs 141 and 142 above.

145. During the Relevant Period, by reason of paragraphs 136 to 144 above, Entain's "Part A Program" did not include appropriate risk-based systems and controls that:

a. appropriately identified, mitigated and managed the ML/TF Risks that Entain reasonably faced with respect to the provision of designated services through Exclusive Affiliates;

b. had regard to the nature, size and complexity of Entain's business and the type of ML/TF Risks it reasonably faced with respect to the provision of designated services through Exclusive Affiliates; and/or

c. applied to all areas of its business that were involved in the provision of a designated service, including in relation to any function carried out by a third party, being Exclusive Affiliates.

146. During the Relevant Period, by reason of the matters in paragraph 145 above, Entain's "Part A Program" did not comply with:

a. rr 8.1.3, 8.1.4 and/or 8.1.7 of the Rules and s 84(2)(c) of the Act; and/or

b. s 84(2)(a) of the Act.

Punt Club Affiliates

147. During the Relevant Period, Entain provided ~~item 32, table 1, s 6 and~~ item 13, table 3, s 6 designated services to customers through Punt Club Pty Ltd and The Great Tip Off (**Punt Club Affiliates**).

148. The provision of designated services identified at paragraph 147 above involved ML/TF Risks.

Particulars

1. One of the inherent ML/TF Risks reasonably faced by Entain with respect to the provision of designated services related to the pooling of money by or through affiliate punt clubs: paragraph 24(f) above.

2. In the absence of systems and controls, such as those described at paragraph 168 below, Entain did not have adequate visibility over the identity of persons depositing and withdrawing money through Member Club betting accounts.

149. During the Relevant Period, a person was required to have a Ladbrokes branded betting account opened in their name in order to be eligible to join an affiliate punt club program (**Member Club**), as either:

a. a Club Captain of a Member Club betting account; or

b. a member.

150. During the Relevant Period, Club Captains could create a Member Club by:

a. filling in their personal details on Punt Club Pty Ltd's or The Great Tip Off's website (after which they were re-directed to the Ladbrokes website);

b. completing the account opening process on the Ladbrokes website; and

c. logging into their own Ladbrokes betting account with Entain (which would then be linked with the Member Club), and, if approved, a separate Member Club betting account was opened by Entain.

151. During the Relevant Period, customers could join a Member Club by:

a. filling in their personal details on Punt Club Pty Ltd's or The Great Tip Off's website; and

b. opening or linking their individual Ladbrokes betting account with Entain to the Member Club betting account.

Deposits to a Member Club betting account opened through Punt Club Pty Ltd

152. During the Relevant Period, members could deposit money into a Member Club betting account opened through Punt Club Pty Ltd as follows:

a. by either:

i. transfer from the customer's own betting account; or

ii. debit card, or credit card (until 10 June 2024);

b. Entain credited the deposit to the Member Club betting account; and

c. Punt Club Pty Ltd did not take receipt of deposits of money from members as part of this process.

Deposits to a Member Club betting account opened through The Great Tip Off

153. During the Relevant Period, members could deposit money into a Member Club betting account opened through The Great Tip Off as follows:

a. by EFT, debit card, POLi (until September 2023) or credit card (until 10 June 2024) in equal shares;

b. Entain credited the deposit to the Member Club betting account;

c. The Great Tip Off took receipt of deposits of money from members as part of this process; and

d. The Great Tip Off transferred an aggregate amount of members' deposits to an Entain bank account periodically, with an application programming interface (API) providing details of the individual transfers to Entain's systems so that they could be allocated to a "Club Kitty Account"/Member Club betting account.

Particulars

1. A Club Kitty Account is described at paragraph 156 below.

Withdrawals from a Member Club betting account opened through Punt Club Pty Ltd

154. During the Relevant Period money was withdrawn from a Member Club betting account opened through Punt Club Pty Ltd as follows:

a. The Club Captain for the Member Club would select a withdrawal option to either cause a transfer to:

i. the Club Captain's betting account; or

ii. each member's betting account, where it could be withdrawn.

b. In the case of (a)(i) and (ii) above, if a member did not agree to the transfer to the Club Captain, their share would not be withdrawn and it remained in the member's equity position in the Member Club betting account pool of money.

c. In the case of (a)(ii) above, if members agreed, members received their respective share of disbursements into their own betting accounts.

Withdrawals from a Member Club betting account opened through The Great Tip Off

155. During the Relevant Period, money was withdrawn from a Member Club betting account opened through The Great Tip Off as follows:

a. members agreed on a withdrawal (proposed by the Club Captain or "manager") in equal shares; and

b. the money was transferred to each member's betting account.

The Club Kitty Account

156. During the Relevant Period, Entain maintained a ledger or database on its systems known as a **"Club Kitty Account"**, which recorded:

a. member deposits (which were recorded in the Club Kitty Account and not the Member Club betting account);

b. transfers from the Club Kitty Account to the Member Club betting account (namely, funds for betting);

c. disbursements of winnings from the Member Club betting account to the Club Kitty Account; and

d. transfers or withdrawals from the Club Kitty Account to the member's own betting account.

157. Entain maintained a Club Kitty Account during the Relevant Period for Punt Club Pty Ltd.

158. Entain maintained a Club Kitty Account from at least August 2019 for The Great Tip Off.

The contractual arrangements with Punt Club Pty Ltd and The Great Tip Off and Member Club Betting Accounts

159. During the Relevant Period, Entain had a contract with Punt Club Pty Ltd to facilitate the operation of affiliate punt clubs.

160. During the Relevant Period, Punt Club Pty Ltd had:

a. 2,865 Member Club betting accounts as of 1 January 2019;

b. 5,136 Member Club betting accounts as of 1 January 2020;

c. 9,429 Member Club betting accounts as of 1 January 2021;

d. 7,238 Member Club betting accounts as of 1 January 2022;

e. 7,334 Member Club betting accounts as of 1 January 2023; and

f. 8,218 Member Club betting accounts as of 1 January 2024.

161. As of 30 September 2024:

a. the total lifetime aggregate deposits credited to Member Club betting accounts opened with Punt Club Pty Ltd totalled $94,809,641.43;

b. the total lifetime aggregate turnover on Member Club betting accounts opened with Punt Club Pty Ltd totalled $50,619,830.77; and

c. the total lifetime aggregate withdrawals debited to Member Club betting accounts opened with Punt Club Pty Ltd totalled $91,529,206.25.

162. During the Relevant Period, Entain had a contract with The Great Tip Off to facilitate the operation of affiliate punt clubs.

163. During the Relevant Period, The Great Tip Off had:

a. 1,683 Member Club betting accounts as of 1 January 2019;

b. 2,749 Member Club betting accounts as of 1 January 2020;

c. 3,431 Member Club betting accounts as of 1 January 2021;

d. 3,471 Member Club betting accounts as of 1 January 2022;

e. 3,623 Member Club betting accounts as of 1 January 2023; and

f. 3,753 Member Club betting accounts as of 1 January 2024.

164. As of 30 September 2024:

a. the total lifetime aggregate deposits credited to Member Club betting accounts opened with The Great Tip Off totalled $10,099,767.16;

b. the total lifetime aggregate turnover on Member Club betting accounts opened with The Great Tip Off totalled $10,963,288.52; and

c. the total lifetime aggregate withdrawals debited to Member Club betting accounts opened with The Great Tip Off totalled $8,337,002.33.

Deficiencies in risk assessments and risk-based systems and controls

165. During the Relevant Period, Entain's Risk Register set out the following ML/TF Risks with respect to Punt Club Affiliates:

a. customers transferring funds between betting accounts and Member Club betting accounts (with a residual risk rating of "low"); and

b. (from 23 December 2020) because punt clubs operate as a "group of people" there is "less visibility around who is a member and who is responsible for the funds in the account", which increases risks around KYC and fraud in the instances that members "might go rogue etc" (with a residual risk rating of "low" to "medium").

166. On 1 December 2023, Entain conducted a "Punt Club Product Risk Assessment" which concluded that:

a. the inherent risk of Punt Club Pty Ltd was "medium";

b. the "controls" were deficient, including transaction monitoring;

c. the residual risk was "medium" due to anonymity, third party involvement, overseas jurisdictional usage and other risk factors;

d. prior to 22 February 2023, Punt Club Pty Ltd did not block IP addresses from outside Australia and New Zealand;

e. although all betting activity was monitored by Entain, "no red flags were monitored for"; and

f. Entain had no documented escalation process for Punt Club Pty Ltd to alert Entain of any unusual behaviour.

Particulars

1. The "Punt Club Product Risk Assessment" was conducted by Entain's "Financial Crime Risk" Team.

167. At no time during the Relevant Period did Entain carry out an appropriate or comprehensive assessment of the ML/TF Risks reasonably faced by Entain with respect to the provision of designated services facilitated through Punt Club Pty Limited and The Great Tip Off.

Particulars

1. The inherent ML/TF Risks included those at paragraph 24(g) above.

168. During the Relevant Period, neither Entain's "Part A Program" nor the Punt Club Pty Ltd and The Great Tip Off contracts included or incorporated appropriate risk-based systems, controls and procedures to identify, mitigate and manage the ML/TF Risks reasonably faced with respect to the provision of designated services, including appropriate risk-based systems, controls and procedures to:

a. enable, prior to 1 October 2021, the verification of the name, date of birth and/or residential address of each person who was a member of a Member Club with Punt Club Pty Ltd;

Particulars

1. In March 2021, the General Counsel and Compliance Manager of Entain were advised that Entain may have allowed a customer under 18 years of age to join a Member Club operated by Punt Club Pty Ltd and receive payment of winnings.

b. prior to November 2019, maintain records of the name of each person who was a member of a Member Club with Punt Club Pty Ltd or The Great Tip Off;

c. place appropriate risk-based transaction, daily and weekly limits on deposits into Member Club betting account open with Punt Club Pty Ltd and The Great Tip Off;

Particulars

1. See paragraph 66(f) above.

d. prior to 12 September 2022, prevent withdrawals of funds from Member Club betting accounts open with Punt Club Pty Ltd prior to funds being turned over;

e. ensure that Entain was able to apply its transaction monitoring program with respect to designated services provided to a punt club member in accordance with the requirements of rr 15.4, 15.5, 15.6 and 15.7 of the Rules;

f. ensure that appropriate due diligence was conducted with respect to:

i. Punt Club Pty Ltd;

ii. The Great Tip Off; and

iii. Club Captains of all Punt Club Affiliates; and

g. ensure that Entain identified and reported to the AUSTRAC CEO any matter that might be suspicious in accordance with the requirements of s 41(1), (2) and (3) of the Act.

169. During the Relevant Period, by reason of paragraphs 147 to 168 above, Entain's "Part A Program" did not include appropriate risk-based systems and controls that:

a. appropriately identified, mitigated and managed the ML/TF Risks that Entain reasonably faced with respect to the provision of designated services through Punt Club Affiliates;

b. had regard to the nature, size and complexity of Entain's business and the type of ML/TF Risks it reasonably faced with respect to the provision of designated services through Punt Club Affiliates; and/or

c. applied to all areas of its business that were involved in the provision of a designated service, including in relation to any function carried out by a third party, being Punt Club Affiliates.

170. During the Relevant Period, by reason of the matters in paragraph 169 above, Entain's "Part A Program" did not comply with:

a. rr 8.1.3, 8.1.4 and/or 8.1.7 of the Rules and s 84(2)(c) of the Act; and/or

b. s 84(2)(a) of the Act.

APPLICATION OF ENTAIN'S "PART A PROGRAM" TO BUSINESS DEVELOPMENT MANAGERS AND VIP MANAGERS

171. During the Relevant Period until 2 July 2024, Entain provided ~~item 32, table 1, s 6 and~~ item 13, table 3, s 6 designated services to customers through business development managers (**BDMs**).

172. During the Relevant Period:

a. BDMs were employees or contractors of Entain.

b. BDMs were responsible for generating new customers for Entain, managing their assigned customers and encouraging the uptake of new products by their assigned customers.

c. BDMs were also responsible for planning and organising sponsored or hosted events for customers.

d. Entain could assign a BDM to a customer (a **BDM Customer**) at its discretion.

Particulars

1. Entain's practice was to assign a BDM to high value customers.

e. BDM Customers could deposit money into their betting account by way of cash through the Cash-in Terminal (BDM) Channel and Sight Unseen Channel.

Particulars

1. These channels are described at paragraphs 11(h) and (i)(i) above.

f. Until May 2022, a BDM Customer could request a BDM to open a BDM Punt Club betting account, which was a betting account opened in the name of a "Club Captain" (the BDM Customer) to which multiple individual club "members" could then contribute.

g. BDMs received a commission calculated by reference to net revenue (revenue after deduction of amounts such as customer winnings and reversed transactions) in relation to customers linked to the BDM's unique tracking code.

h. BDMs employed by Entain were also remunerated by reference to a base salary.

173. During the Relevant Period, Entain employed VIP Managers (also referred to as "Account Managers").

174. During the Relevant Period:

a. VIP Managers were responsible for providing personal account management services to Entain's high value customers (**VIP Customers**), which included providing special offers and promotions and eligibility for event and hospitality invitations.

b. VIP Managers were assigned to customers who did not have a BDM but who were considered to be of high value to Entain due to their level of engagement, bet frequency and/or high stake bets.

c. From 16 December 2018 until July 2020, VIP Managers would oversee approximately 250 customers each and were remunerated based on an agreed salary and bonuses.

d. From July 2020, VIP Managers were also entitled to a commission calculated by reference to net revenue (revenue after deduction of amounts such as customer winnings and reversed transactions) in relation to customers of each VIP Manager.

175. During the Relevant Period, the provision of designated services by Entain to BDM Customers and/or VIP Customers involved ML/TF Risks because:

a. the payment by Entain of a commission to BDMs and VIP Managers incentivised BDMs and VIP Managers to encourage BDM Customers and VIP Customers to transact on their betting accounts;

Particulars

1. Paragraphs 24(k) and (l) above; see also paragraph 115.

b. BDMs could accept cash from BDM Customers for credit into a betting account through the Cash-in Terminal (BDM) Channel and Sight Unseen Channel;

Particulars

1. Paragraph 24(d) above; see also paragraphs 66(b) to (e).

c. BDM Customers generally transacted on their betting accounts at amounts of money that were at a higher level than average Entain customers;

d. as Entain's most valuable customers, VIP Customers transacted on their betting accounts at amounts of money that were at a higher level than average Entain customers;

Particulars

1. The average annual deposits, withdrawals and losses during the Relevant Period are set out in Schedule A.

2. The average deposit size and withdrawal size during the Relevant Period are set out in Schedule B.

e. some BDM Customers were permitted to open and transact on a betting account in a pseudonym; and

f. BDMs could open BDM Punt Club betting accounts.

Particulars

1. Paragraph 172(f) above.

176. During the Relevant Period, the ML/TF Risks at paragraph 175 above were amplified because:

a. BDMs and VIP Managers were involved in ongoing customer due diligence, including all communications between Entain and the customer and the collection of source of wealth/source of funds information, with respect to the customers that were assigned to them;

b. the commission paid to BDMs and VIP Managers (from July 2020) created a conflict of interest with respect to the application of ongoing customer due diligence to BDM Customers and VIP Customers, including enhanced customer due diligence;

c. BDMs had financial incentives to open multiple BDM Punt Club betting accounts; and

d. the conflict of interest created a risk that the systems and controls in Entain's "Part A Program" would not be applied appropriately or impartially to BDM Customers and VIP Customers.

177. During the Relevant Period, Entain's "Part A Program" applied less robust systems and controls to BDM Customers and/or VIP Customers because:

a. with approval, BDM Customers and/or VIP Customers were permitted to use third party funding sources to deposit money into their betting account, for example:

i. a third party joint card or business card;

ii. a third party PayPal account;

iii. PayID (via Zepto) in the name of a third party; and

iv. a third party POLi account;

Particulars

1. A third party is a person other than the person in whose name the betting account is held.

2. See paragraphs 302(f), 304(g), 306(e), 310(d)(i), 312(d) and 313(d)(i) below.

b. BDM Customers could be excluded from pre-authorisation – a requirement for customers who had used a new credit or debit card to deposit money in their betting account;

c. from January 2023, pre-existing BDM Customers were excluded from Entain's 3DS verification requirement on the basis that:

i. BDM Customers would be inherently more likely to trigger the requirement due to their transaction levels generally being of higher value than Entain's non-BDM Customers; and

ii. BDM Customers were already personally known to a BDM;

Particulars

1. 3DS is an authentication method that provides an additional layer of authentication for transactions.

d. while Entain's Payments Team was required to manually approve withdrawals to betting accounts over $[redacted] throughout the entire Relevant Period, BDM Customers and VIP Customers were excluded from this requirement, and from August 2023, the Payments Team was only required to manually approve withdrawals to betting accounts by BDM Customers and VIP Customers above $[redacted];

e. Entain could not prevent BDMs from accepting cash from customers over the applicable deposit limits because it did not have appropriate controls to ensure cash deposits were not accepted outside the limits identified at paragraphs 60(g) and 62(d) and (e) above;

f. with respect to BDM Punt Clubs:

i. there was no limit on the number of BDM Punt Club betting accounts for which a BDM could open for a BDM Customer;

ii. Entain did not know and could not know the identity of members in a BDM Punt Club because:

A. prior to 21 March 2021, Entain maintained no central record the BDM Punt Club betting accounts it had opened or the members of the BDM Punt Clubs; and

B. from 21 March 2021, Entain maintained a central register of the BDM Punt Club betting accounts it had opened, which recorded the name in which that BDM Punt Club betting account was held and the name of the relevant BDM, Entain maintained no record (on the register or elsewhere) of the members of each BDM Punt Club.

iii. Entain permitted third party deposits into BDM Punt Club betting accounts; and

iv. although Entain's AML/CTF Deposits and Withdrawal Procedure was amended in March 2020 to require the identification and verification of third party deposits into and withdrawals from a BDM Punt Club betting account, there was no process to ensure this occurred and the Club Captain would make deposits on behalf of the members.

178. At no time during the Relevant Period did Entain carry out an assessment of the ML/TF Risks it reasonably faced with respect to the provision of designated services to BDM Customers and VIP Customers.

Particulars

1. See paragraphs 52 to 55 above; see also paragraph 175.

179. During the Relevant Period, Entain's "Part A Program" did not include appropriate risk-based systems or controls to identify, mitigate and manage the ML/TF Risks with respect to the provision of designated services to BDM Customers and VIP Customers.

180. During the Relevant Period, by reason of paragraphs 171 to 179 above, Entain's "Part A Program" did not include appropriate risk-based systems and controls that:

a. appropriately identified, mitigated and managed the ML/TF Risks that Entain reasonably faced with respect to the provision of designated services to BDM Customers and VIP Customers; and/or

b. had regard to the nature, size and complexity of Entain's business and the type of ML/TF Risks it reasonably faced with respect to the provision of designated services to BDM Customers and VIP Customers.

181. During the Relevant Period, by reason of the matters in paragraph 180 above, Entain's "Part A Program" did not comply with:

a. rr 8.1.3 and 8.1.4 of the Rules and s 84(2)(c) of the Act; and/or

b. s 84(2)(a) of the Act.

THE PROVISION OF DESIGNATED SERVICES TO CUSTOMERS IN PSEUDONYMS

182. During the Relevant Period until 20 January 2023:

a. Entain opened, at its discretion, betting accounts for customers in pseudonyms (**Pseudonym Accounts**) where it understood a customer wanted to "protect their privacy";

Particulars

1. Item 11, table 3, s 6 designated services.

b. Entain permitted customers to conduct transactions in a pseudonym on Pseudonym Accounts;

Particulars

1. Items 1, 4 and 13, table 3, s 6 designated services

c. Entain made and kept records of transactions on Pseudonym Accounts in the pseudonym and not in the customer's true name;

d. Entain permitted deposits of money through Inward Payment Channels to be credited to Pseudonym Accounts by persons whose names were not the same as the pseudonym in which the Pseudonym Accounts were held;

Particulars

~~1. Item 32, table 1, s 6 designated services.~~

1. Item 13, table 3, s 6 designated services.

e. Entain permitted withdrawals of money through Outward Payment Channels to be debited from Pseudonym Accounts by persons whose names were not the same as the pseudonym in which the Pseudonym Accounts were held; and

Particulars

~~1. Item 31, table 1, s 6 designated services.~~

1. Item 13, table 3, s 6 designated services.

f. Entain maintained a register that recorded the true name of, and pseudonym for, each customer for whom it opened a Pseudonym Account (the **Pseudonym Register**).

Particulars

1. Entain opened and operated Ladbrokes, Betstar and Bookmaker branded betting accounts in pseudonyms at all times during the Relevant Period until 20 January 2023.

2. Entain opened and operated Neds branded betting accounts in pseudonyms from 1 May 2019 to 20 January 2023, and continued to

operate Neds branded betting accounts that had been opened in pseudonyms prior to 1 May 2019 until 20 January 2023.

183. During the Relevant Period:

a. if Entain opened a Pseudonym Account prior to 11 March 2021, the account was rated low ML/TF Risk by default;

b. if Entain opened a Pseudonym Account between 11 March 2021 and 20 January 2023, the account was rated high ML/TF Risk;

c. until 20 January 2023, Entain's "TMP", as described at paragraph 252 below, reported on transactions on Pseudonym Accounts in the pseudonym and not in the customer's true name; and

d. until 20 January 2023:

i. persons in Entain's AML Team could have reviewed the Pseudonym Register when conducting enhanced customer due diligence on a customer to compare the activity recorded on the Pseudonym Account against any other betting accounts held by that customer in their true name; but

ii. Entain did not have written procedures or controls to reliably ensure Entain's AML team:

A. would be aware the customer was transacting in a pseudonym; and

B. would review a customer's transactions across all betting accounts they held, including in a pseudonym.

Particulars

1. Entain's obligations with respect to enhanced customer due diligence are described in paragraphs 354 to 356 below.

2. The criteria and escalation processes in Entain's "Part A Program" for conducting enhanced customer due diligence identified and escalated betting accounts rather than customers: see paragraph 365(g) below.

184. The provision of designated services to a person under a pseudonym through a Pseudonym Account:

a. involved higher ML/TF risks by reason that the customer did not want to transact in their true name or was wiling to transact in a name other than their own;

b. involved the creation of false and/or misleading records by Entain relating to:

i. the names of betting accounts; and

ii. the persons conducting transactions on betting accounts;

c. by reason of (b) above, obscured and/or risked obscuring the customer's identity, including to:

i. regulators, such as AUSTRAC;

ii. law enforcement; and

iii. Entain employees and contractors, including those employees and contractors involved in carrying out procedures under Entain's "Part A Program";

Particulars

1. See also paragraph 397(p) below.

d. inhibited the application of Entain's "Part A Program" by reason of the matters at paragraphs 183 and (c) above; and

e. involved heightened risks that persons other than the true customer listed in the Pseudonym Register would be transacting on the Pseudonym Account, including by depositing and withdrawing money.

185. The provision of designated services to a person under a pseudonym through a Pseudonym Account involved and/or created high ML/TF Risks for the reasons at paragraph 184 above.

186. During the Relevant Period, by reason of paragraphs 182 to 185 above, Entain's "Part A Program" did not include appropriate risk-based systems and controls that:

a. appropriately identified, mitigated and managed the ML/TF Risks that Entain reasonably faced with respect to the provision of designated services to customers who opened a betting account in the name of a pseudonym; and/or

b. had regard to the nature, size and complexity of Entain's business and the type of ML/TF Risks it reasonably faced with respect to the provision of designated services to customers who opened a betting account in the name of a pseudonym.

187. During the Relevant Period, by reason of the matters in paragraph 186 above, Entain's "Part A Program" did not comply with:

a. rr 8.1.3 and 8.1.4 of the Rules and s 84(2)(c) of the Act; and/or

b. s 84(2)(a) of the Act.

ONGOING CUSTOMER DUE DILIGENCE – ENTAIN'S "PART A PROGRAM"

188. At all times during the Relevant Period, Entain's "Part A Program" was required to include risk-based systems, controls and procedures to:

a. identify, mitigate and manage the ML/TF Risks with respect to customers; and

b. carry out ongoing customer due diligence (**OCDD**) including by way of:

i. the collection, verification, updating, review and analysis of KYC information;

ii. transaction monitoring; and

iii. the application of enhanced customer due diligence (**ECDD**) when required (see paragraph 355 below).

Particulars

1. Rules 8.1.3, 8.1.4, 8.1.5, 15.2 to 15.11 of the Rules.

Customer risk and risk ratings

189. At all times during the Relevant Period, rr 8.1.5(3) and (4) of the Rules required Part A of Entain's AML/CTF program to be designed to enable Entain to:

a. identify significant changes in ML/TF Risk for the purposes of Part A and Part B of its AML/CTF program, including:

i. risks identified by consideration of the factors in r 8.1.4 of the Rules; and

ii. risks arising from changes in the nature of the business relationship, control structure, or beneficial ownership of its customers; and

b. recognise such changes in ML/TF Risk for the purposes of the requirements of Part A and Part B of its AML/CTF program.

Particulars

1. Also see rr 8.1.3 and 8.1.4 of the Rules.

190. During the Relevant Period, Entain's "Part A Program" included some procedures to assign a customer or a customer's betting account with a rating of the risk that the provision of designated services to the customer or with respect to the betting account might involve or facilitate money laundering (**Customer Risk Ratings**).

Particulars

1. A Customer Risk Rating could be expressed as low by default, low, medium or high.

191. Prior to 27 August 2024, Entain did not give consideration to assigning or reviewing a Customer's Risk Rating for the purposes of its "Part A Program" unless the customer was escalated for ECDD in accordance with Entain's "ECDD Program".

192. Prior to 11 March 2021:

a. it was Entain's practice that, unless escalated in accordance with Entain's "ECDD Program", a customer's betting account was "not risk rated"; but

b. this practice was not documented in any of the material which made up Entain's "Part A Program" as set out in paragraphs 30 and 31 above.

193. From March 2021 to 26 August 2024, Entain's "Part A Program" provided that, unless identified as medium or high ML/TF Risk at onboarding in accordance with the "ECDD Program", a customer's betting account was not rated but treated as "low ML/TF Risk by default".

Customer Risk Rating criteria prior to October 2023

194. Prior to 11 March 2021, Entain's "Part A Program" did not specify any criteria for a customer's betting account to be rated as low ML/TF Risk.

195. From 11 March 2021 to October 2023, Entain's "ECDD Program" provided that betting accounts were "to be flagged" as "low ML/TF Risk" in the following circumstances:

a. all new customers immediately upon sign up, except for:

i. new betting accounts for customers that resided outside of Australia or New Zealand (until 5 September 2021);

ii. customers who were identified as PEPs (as defined in r 1.2.1 of the Rules);

iii. new betting accounts for customers who were also Affiliates or known to be former Affiliates for one of Entain's Australian brands;

iv. new betting accounts for customers who were known to be former employees of Entain or its related entities; or

v. new betting accounts for customers who had made a request to Entain to be listed under a pseudonym (until February 2023);

b. where ECDD was performed on a customer and they no longer met the criteria in paragraphs 196 and 197 below for a medium or high ML/TF Risk customer; or

c. where source of wealth/source of funds forms had been returned and the customer no longer met the criteria in paragraphs 196 and 197 below for a medium or high ML/TF Risk customer.

196. During the Relevant Period until October 2023, Entain's "ECDD Program" provided that betting accounts were "to be flagged" as "medium ML/TF Risk" in the following circumstances:

a. new betting accounts for customers that resided outside of Australia or New Zealand (from 11 March 2021 until 5 September 2021);

b. the customer's deposits or gambling losses were $25,000 (until 8 March 2020) or (from 9 March 2020) $30,000 or more in a week, or (from 6 September 2021) between $30,000 and $49,999 in a week, as identified through an AML Transaction Monitoring Report, and:

i. the customer's betting/transacting activity did not match their customer profile based on the information Entain knew about them;

ii. where the customer's source of funds and/or source of wealth was unknown; or

iii. the customer was suspected of being linked to criminal activities or there was a suspicion that the customer's funds were the proceeds of crime;

Particulars

1. Entain's AML Transaction Monitoring Reports are identified at paragraphs 256, 279, 287(b), (c), (d) and 329 below.

c. a bet or transaction was suggestive of an integrity risk to a race, sporting event or other event otherwise known as "a betting plunge";

d. the customer's deposits through the "Cash-in Facility" were $5,000 or more per day or $10,000 or more per week, where:

i. the customer's betting/transacting activity did not match their customer profile based on the information Entain knew about them; or

ii. the customer's source of wealth/source of funds was unknown;

Particulars

1. Entain's "Cash-in Facility" was a reference in Entain's documents to deposits made through Entain's Cash-in Terminal (retail venue) Channel, Cash-in Terminal (BDM) Channel, Banktech ATM Channel or by way of Prepaid Card.

e. accounts where a suspicious matter report (**SMR**) had been lodged and otherwise were not flagged as high ML/TF Risk (set out in paragraph 197 below); or

f. accounts that had been previously flagged as high ML/TF Risk but:

i. had no longer met the criteria for that rating (until 8 March 2020);

ii. from 9 March 2020, had not met the criteria for that rating for 6 months; or

iii. from 11 March 2021, had not met the criteria for that rating for the previous 6 months or more;

g. from 9 March 2020, a betting account that displayed a number of AML red flags as defined in Entain's "ECDD Program" (Entain's **AML Red Flags**), but did not meet the criteria of a high ML/TF Risk account;

h. from 10 August 2020, betting accounts for domestic PEPs where transacting patterns were low value or consistent with the account holder's source of wealth/source of funds; or

i. from 6 September 2021, betting accounts for ex-employees or Affiliates where ECDD had been conducted, and:

i. it was determined the account holder's activity did not suggest any increase of ML/TF Risk; or

ii. it was determined the account holder's knowledge of the business was no longer relevant or was not substantial enough to pose an increase of ML/TF Risk.

197. In the Relevant Period until October 2023, Entain's "ECDD Program" provided that betting accounts were "to be flagged" as "high ML/TF Risk" in the following circumstances:

a. the customer's deposits or gambling losses were $50,000 or more in a week, and:

i. the customer's betting/transacting activity did not match their customer profile based on the information Entain knew about them;

ii. where the customer's source of wealth/source of funds was unknown; or

iii. the customer was suspected of being linked to criminal activities or there was a suspicion that the customer's funds were the proceeds of crime;

b. a customer's betting account was in the name of a foreign PEP or international organisation PEP;

c. a customer's betting account was in the name of a domestic PEP where:

i. the customer's betting/transacting activity did not match their customer profile based on the information Entain knew about them; or

ii. the customer's source of wealth or source of funds was unknown;

d. the customer's deposits through the "Cash-in Facility" were $10,000 or more per day or $20,000 or more per week where:

i. the customer's betting/transacting activity did not match their customer profile based on the information Entain knew about them; or

ii. the customer's source of wealth or source of funds was unknown; or

Particulars

1. Entain's "Cash-in Facility" was a reference in Entain's documents to deposits made through Entain's Cash-in Terminal (retail venue) Channel, Cash-in Terminal (BDM) Channel, Banktech ATM Channel or by way of Prepaid Card.

e. from 11 March 2021, new betting accounts:

i. for customers who were Affiliates or known former Affiliates for one of Entain's brands;

ii. for customers who were known former employees of Entain or a related entity; or

iii. that were opened under a pseudonym (until February 2023).

Customer Risk Rating criteria between October 2023 and 26 August 2024

198. Entain's "ECDD Program" was amended on 31 October 2023 to delete the criteria for Customer Risk Ratings of "low", "medium" and "high" ML/TF Risk.

199. From 9 January 2024, Entain's TMP Guide provided that a customer must be categorised as "high risk" if any of the below mandatory triggers were met:

a. submission of an SMR;

b. foreign PEP;

c. domestic high-risk PEP;

d. adverse media involving financial crime;

e. adverse media involving terrorism offences;

f. law enforcement requests, integrity requests if the request is related to a particular person/targeting a small group of individuals with related activity;

g. confirmed match against a Sanctions List; and

h. customers who had linked bank accounts in high-risk overseas jurisdictions.

200. From 9 January 2024, Entain's TMP Guide also provided that if the customer did not meet any of the triggers in paragraph 199 above, Entain could rate the customer as

"low" or "medium" risk at their discretion, as long as the ECDD record outlined the reason for changing or keeping the current risk rating.

201. Entain's TMP Guide did not include any reference to criteria for Customer Risk Ratings of "low" or "medium".

202. It was not until 27 August 2024 that new criteria for "medium" and "high" Customer Risk Ratings were included in Entain's "Part A Program".

203. Between 31 October 2023 and 26 August 2024, there were no criteria in Entain's "Part A Program" for "low" or "medium" Customer Risk Ratings.

Customer Risk Rating criteria from 27 August 2024

204. From 27 August 2024, Entain's "Part A Program" provided that as part of a customer's onboarding process and throughout the life of a customer's relationship with Entain, all customers would be rated "low ML/TF Risk" unless one or more of the "medium ML/TF Risk" or "high ML/TF Risk" indicators in paragraphs 206 and 207 below had been identified.

205. From 27 August 2024, there were no criteria in Entain's "Part A Program" for "low" Customer Risk Ratings.

206. From 27 August 2024, Entain's "Part A Program" provided that a customer was to be rated "medium ML/TF Risk" if identified as:

    a. having a "relevant criminal record" for an offence that occurred more than 5 years ago;

    b. having a positive match to adverse media in relation to conduct that occurred or allegedly occurred more than 5 years ago;

    c. a positively identified domestic or international organisation PEP that had been risk rated as "medium risk" in accordance with Entain's "PEP Risk Rating Process";

    d. having indications of links to the racing and/or wagering industry (ie, ownership of racehorses/greyhounds, possessing a racing portfolio, credible links to persons associated with the racing and wagering industry etc);

    e. a former employee of Entain or one of Entain's brands;

    f. an Affiliate or former Affiliate of one of Entain's brands; or

    g. previously having a high ML/TF Risk rating according to the "Entain Customer Level ML/TF Risk Assessment", and after having annual ECDD performed, the AML/CTF Compliance Officer approved the downgrade of the customer's risk rating to medium ML/TF Risk.

207. From 27 August 2024, Entain's "Part A Program" provided that any one of the following scenarios must result in a customer being rated "high ML/TF Risk":

    a. subsequent to the application of any of Entain's other appropriate risk-based systems and controls, it was determined that the ML/TF Risk was high;

    b. the customer was identified to have a "relevant criminal record" for an offence that occurred or allegedly occurred within the last 5 years;

c. the customer was identified to have a positive match to adverse media that occurred within the last 5 years;

d. it was determined that the customer was a positively identified domestic or international organisation PEP that had been risk rated as "high risk" in accordance with Entain's "PEP Risk Rating Process";

e. it was determined that the customer was a foreign PEP or where beneficial owners or controllers had been positively identified as a foreign PEP;

f. all non-individual customers;

g. the customer was subject to an SMR obligation and it had been determined that Entain would retain the customer; or

h. previously having been risk rated as not "high risk" according to the "Entain Customer Level ML/TF Risk Assessment", the AML/CTF Compliance Officer approved the upgrade of the customer's risk rating to high ML/TF Risk.

The deficiencies in Customer Risk Ratings and the assessment of customer ML/TF Risk

The Customer Risk Rating criteria in Entain's "Part A Program"

208. During the Relevant Period, Entain's "Part A Program" did not include appropriate risk-based systems and controls to consistently identify and escalate customers who were required to be rated as "medium ML/TF Risk" according to Entain's "ECDD Program" (see paragraphs 196 and 206 above) because:

a. There were no processes to consistently detect customers outside Australia who opened betting accounts.

Particulars

1. See paragraph 77 above.

b. There were no processes to consistently detect and escalate a customer whose weekly deposits or gambling losses were at the levels pleaded at paragraph 196(b) above across each of Entain's Inward Payment Channels.

Particulars

1. Entain's High Value Transaction Report applied to a betting account and not a customer.

2. Entain's High Value Transaction Report did not detect all deposits or losses that were $25,000 or more, $30,000 or more or between $30,000 and $49,000 in a week.

c. Prior to August 2021, there were no processes to consistently detect and escalate a customer with respect to their risk rating where their deposits through Entain's "Cash-in Facility" were $5,000 or more per day or $10,000 or more per week.

d. From August 2021, there were some processes to detect and escalate a customer with respect to their risk rating where their deposits through Entain's "Cash-in Facility" were $5,000 or more per day or $10,000 or more per week,

but these processes could not consistently or comprehensively detect such customers.

Particulars

1. From August 2021, transactions on some betting accounts would be detected by Entain's Potential Cash Based Activity Report which produced reports for a number of Entain's cash-based or potentially cash-based Inward Payment Channels including deposits through the Cash-in Terminal (retail venue) Channel, Cash-in Terminal (BDM) Channel, Banktech ATM Channel, by way of Prepaid Card, by way of Flexepin Voucher and through the Bank Branch Channel.

2. Entain's Potential Cash Based Activity Report applied to a betting account and not a customer. Further, this report did not apply to cash deposits accepted by Exclusive Affiliates or BDMs under Entain's Sight Unseen Channel.

e. From 27 August 2024, there were no written procedures in Entain's "Part A Program" explaining what a "relevant criminal record" was or guidance for detecting or escalating new customers who met that criteria.

209. During the Relevant Period, Entain's "Part A Program" did not include appropriate risk-based systems and controls to consistently identify and escalate customers who were required to be rated as "high ML/TF Risk" according to Entain's "ECDD Program" (see paragraphs 197 and 207 above) because:

a. There were no processes to consistently detect and escalate customers whose deposits to or gambling losses from a betting account were $50,000 or more in a week (see paragraph 197(a) above) across each of Entain's Inward Payment Channels.

Particulars

1. Entain's High Value Transaction Report applied to a betting account and not a customer.

2. Entain's High Value Transaction Report did not detect all deposits or losses that were $50,000 or more in a week.

b. Prior to August 2021, there were no processes to consistently detect and escalate customers whose deposits to a betting account through Entain's "Cash-in Facility" were $10,000 or more per day or $20,000 or more per week.

c. From August 2021, there were some processes to detect and escalate a customer for a risk rating where their deposits through Entain's "Cash-in Facility" were $10,000 or more per day or $20,000 or more per week, but these processes could not consistently or comprehensively detect such customers.

Particulars

1. From August 2021, transactions on some betting accounts would be detected by Entain's Potential Cash Based Activity Report which produced reports for a number of Entain's cash-based or potentially cash-based Inward Payment Channels including deposits through the

Cash-in Terminal (retail venue) Channel, Cash-in Terminal (BDM) Channel, Banktech ATM Channel, by way of Prepaid Card, by way of Flexepin Voucher and through the Bank Branch Channel.

2. Entain's Potential Cash Based Activity Report applied to a betting account and not a customer. Further, this report did not apply to cash deposits accepted by Exclusive Affiliates or BDMs under Entain's Sight Unseen Channel.

d. There were no processes to consistently detect and escalate customers, or beneficial owners of customers who were foreign PEPs for the reasons at paragraph 225 below.

e. From March 2021, there were no written procedures for detecting or escalating new customers who were Affiliates or former Affiliates; or customers related to Affiliates.

f. From 9 January 2024, there were no processes to consistently detect and escalate a customer who had linked a bank account from a high-risk overseas jurisdiction to their betting account.

g. From 27 August 2024, there were no written procedures in Entain's "Part A Program" explaining what a "relevant criminal record" was or guidance for detecting or escalating new customers who met that criteria.

Identification and escalation of customers who should have been rated above low ML/TF Risk

210. During the Relevant Period, Entain's "Part A Program" did not include appropriate risk-based systems and controls to consistently identify and escalate customers who indicated higher ML/TF Risk and who should have been considered for a Customer Risk Rating above low because:

a. Entain did not carry out an appropriate assessment of the ML/TF Risks it reasonably faced with respect to customer types.

Particulars

1. See paragraphs 52 to 55 above.

b. There were no processes at any time during the Relevant Period to detect and escalate customers whose deposits, withdrawals or losses across one or more betting accounts were materially above average.

Particulars

1. The average annual deposits, withdrawals and losses during the Relevant Period are set out in Schedule A.

2. The average deposit size and withdrawal size during the Relevant Period are set out in Schedule B.

c. Prior to 31 October 2023, the quantitative transaction thresholds (weekly deposits or losses) in Entain's "ECDD Program" for rating a customer's betting account either medium or high ML/TF Risk were not derived from an ML/TF Risk assessment.

d. Prior to 31 October 2023, the quantitative transaction thresholds (weekly deposits or losses) in paragraphs 196(b) and 197(a) above for rating a customer's betting account either medium or high ML/TF Risk were significantly higher than the average annual deposits or losses at Schedule A below.

Particulars

1. The quantitative threshold for medium risk was either $25,000, $30,000 or between $30,000 and $49,999 in deposits or losses per week during the Relevant Period (which would amount to either $1.3 million, $1.56 million or between $1.56 million and $2.6 million per annum).

2. The quantitative threshold for high-risk was $50,000 deposits or losses per week (which would amount to $2.6 million per annum).

e. Prior to 31 October 2023, Entain's quantitative transaction thresholds in paragraphs 196(b) and (d) and 197(a) and (d) above were insufficient on their own to require medium or high ML/TF Risk ratings.

Particulars

1. A medium or high ML/TF Risk rating would be required only if, in addition, the customer's betting or transactional activity did not match what Entain knew about the customer's profile, source of wealth or source of funds was unknown, the customer was suspected of being linked to criminal activity, or there was a suspicion that the customer's funds were proceeds of crime.

f. Prior to 31 October 2023, where a customer was suspected of being linked to criminal activity or there was a suspicion that the customer's funds were proceeds of crime, the "ECDD Program" did not require the customer to be rated high ML/TF Risk.

g. Between 31 October 2023 and 26 August 2024, there were no criteria for risk rating customers in Entain's "Part A Program" including its "ECDD Program", with the exception of the mandatory "high" risk triggers in Entain's TMP Guide from 9 January 2024.

h. From 27 August 2024, the criteria for risk rating customers did not include any quantitative transaction thresholds as an indicator of a risk rating above low.

i. From 27 August 2024, the criteria for risk rating customers either medium or high if the customer had a "relevant criminal record":

   i. depended on when the offence (or for high-risk, alleged offence) occurred, notwithstanding the seriousness or relevance of the offence to ML/TF Risk (see paragraphs 206(a) and 207(b) above); and

   ii. were not accompanied by any guidance as to how to determine whether a customer's criminal record was "relevant".

j. During the Relevant Period, there were no systems and controls to screen customers for adverse media.

k. During the Relevant Period, there were no processes to consistently detect and escalate customers, or beneficial owners of customers who were PEPs for the reasons at paragraph 225 below.

l. During the Relevant Period, the processes to identify and assign a risk rating to a customer receiving designated services from outside Australia (and New Zealand) were deficient in the following respects:

i. By default, customers outside Australia (and New Zealand) were not risk rated until March 2021.

ii. From 11 March 2021 until 5 September 2021, new betting accounts for customers that resided outside of Australia (and New Zealand) were not risk rated on account opening unless the customer was otherwise identified and escalated for ECDD.

iii. From 6 September 2021, there was no requirement under Entain's "Part A Program" including its "ECDD Program" to risk rate customers who resided outside of Australia (and New Zealand) above low on account opening.

iv. There was no guidance as to how the risk of betting accounts opened from different jurisdictions should be assessed, including guidance as to the jurisdictions in which new accounts were to be rated as high ML/TF Risk.

v. At no time did Entain's "Part A Program" include appropriate risk-based controls to detect and escalate customers opening and transacting on betting accounts from outside Australia because:

A. there was no appropriate risk-based monitoring of customers accessing Entain's gambling platforms outside Australia to open or transact on betting accounts; and

B. there was no appropriate risk-based monitoring of customers accessing Entain's gambling platforms in restricted jurisdictions to open or transact on betting accounts.

Particulars

1. In or about September 2023, Entain senior management were advised that 1.25% of Entain's customers were located in countries outside of Australia, which had risk ratings from Restricted/Extreme through to Low.

2. As of 1 January 2023, 1.25% of Entain's customers comprised approximately 23,767 customers (from a total of 1,901,372 customers).

3. As of 1 January 2024, 1.25% of Entain's customers comprised approximately 24,738 customers (from a total of 1,979,072 customers).

m. During the Relevant Period, by reason of the matters in paragraphs 253 to 353 below, the transaction monitoring program did not include appropriate risk-based controls to detect and escalate customers whose transactional activity indicated ML/TF Risks above low.

n. Prior to 27 August 2024, Entain's "ECDD Program" required a betting account, not a customer, to be assigned a risk rating and as such Entain did not have

regard to the full range of ML/TF Risks of customers with multiple betting accounts.

o. During the Relevant Period, Entain's "Part A Program" did not include appropriate risk-based controls to detect and escalate customers who were members of Punt Clubs whose transactional activity involving Member Club betting accounts indicated ML/TF Risks above low.

p. During the Relevant Period, Entain's "Part A Program" did not include any written procedures or guidance as to whom a customer should be escalated in order to be risk-rated.

211. During the Relevant Period, by reason of the deficiencies in paragraphs 208 to 210 above, Entain underestimated the number of customers who were high ML/TF Risk.

Particulars

1. On about 30 August 2022, Entain's senior management were advised that the top 2% of Entain customers in Australia brought in 65% of revenue and that Entain needed to reduce its reliance on "high value cohorts".

2. In or about July 2023, Entain's senior management were advised that: (i) inputs for factors relating to the assessment of the number of high-risk customers were likely to be understated given the limitations with Entain's customer risk assessment methodology; (ii) under the approach to risk-rating customers as at July 2023, unless a customer was identified as medium or high ML/TF Risk at onboarding (in accordance with the "ECDD Program"), the customer would have been rated low ML/TF Risk; and (iii) accordingly, customers could only be rated high or medium ML/TF Risk as a result of their transaction activity.

212. During the Relevant Period, by reason of paragraphs 208 to 211 above, Entain's "Part A Program":

a. did not include appropriate risk-based systems and controls to identify, mitigate and manage the ML/TF Risks that Entain reasonably faced with respect to the provision of designated services;

b. did not include appropriate risk-based systems and controls that had regard to the nature, size and complexity of Entain's business and the type of ML/TF Risks it reasonably faced with respect to the provision of designated services;

c. was not designed to identify significant changes in ML/TF Risk over time for the purposes of its "Part A Program" and "Part B Program"; and/or

d. was not designed to recognise such changes in ML/TF Risk for the purposes of the requirements of its "Part A Program" and "Part B Program".

213. During the Relevant Period, by reason of the matters in paragraph 212 above Entain's "Part A Program" did not comply with:

a. rr 8.1.3, 8.1.4, 8.1.5(3) and 8.1.5(4) of the Rules and therefore did not comply with s 84(2)(c) of the Act; and/or

b. s 84(2)(a) of the Act.

Politically Exposed Persons (PEP) screening

214. At all times during the Relevant Period, Entain was required by rr 8.1.3 and 8.1.4(1) of the Rules to consider the ML/TF Risks posed by customers or beneficial owners of customers who were PEPs when putting in place appropriate risk-based systems, controls and procedures in Part A of its AML/CTF program.

215. During the Relevant Period, Entain had a PEP Procedure.

216. Prior to 12 February 2019, Entain's PEP Procedure provided that all customers who had opened a betting account were screened against PEP lists by an external provider (**PEP screening**) on the day or day after the account was opened.

217. Between 12 February 2019 and 11 March 2021, Entain's PEP Procedure:

a. did not require daily PEP screening with respect to all new customers who had opened a betting account;

b. stated that Entain "conducts searches and checks to determine if a customer is a PEP" during the ECDD process; and

c. stated that the searches and checks pleaded at (b) above "may also involve general internet searches and/or washing the customer against PEP lists maintained by Equifax and/or Accuity (via Global Screening)".

218. From 11 March 2021, Entain's PEP Procedure provided that Entain was to carry out PEP screening:

a. for all new customers on or about the day they opened a betting account, to be completed "promptly after account opening"; and

b. for all customers, on a regular basis, being at least once a year.

Particulars

1. In 2020, Entain's senior management received a number of reports advising that PEP screening was inadequate and that deficiencies had not been remediated.

219. It was not until May 2021 that Entain started to implement PEP screening using external providers to conduct screening for all new customers on or about the day they opened a betting account.

220. From May 2021 to September 2023, Entain had an undocumented practice of conducting an annual wash of all customers who had opened a betting account in the last 12 months as against PEP lists maintained by an external provider (**annual PEP wash**).

221. Entain customers who opened a betting account between 12 February 2019 and May 2021 were not subject to PEP screening.

222. In 2023, Entain did not conduct an annual PEP wash with respect to all customers who had opened an account in the last 12 months.

223. From September 2023, Entain's PEP Procedure required:

a. screening to be completed within 3 business days of account opening; and

b. all betting account holders to be re-screened at least annually.

224. The first annual PEP wash after the September 2023 amendments to Entain's PEP Procedure were made:

a. commenced in August 2024;

b. covered customers that would have been subject to the 2023 annual wash (including those customers who had opened betting accounts between 12 February 2019 and May 2021);

c. was a one-off PEP wash of Entain's entire customer database; and

d. was scheduled to be completed by January 2025.

225. During the Relevant Period, Entain did not include appropriate risk-based systems, controls or procedures in its "Part A Program" to identify customers or beneficial owners of customers who were PEPs because:

a. Entain was unable to have a complete view of which of its customers were PEPs until January 2025 at the earliest.

b. At no time had Entain PEP screened beneficial owners of customers.

c. Prior to 12 February 2019, Entain carried out PEP screening only at the time betting accounts were opened.

d. Entain did not conduct any PEP screening of its customers between 12 February 2019 and May 2021.

e. The processes for identifying PEPs between 12 February 2019 and May 2021 during ECDD were inadequate and did not involve PEP screening.

Particulars

1. Notwithstanding paragraph 217(b) above, Entain did not conduct any PEP screening of its customers between 12 February 2019 and May 2021.

f. While PEP screening was re-introduced in May 2021, since May 2021, Entain's "Part A Program" has not included processes to reliably and consistently carry out PEP screening of customers.

g. Prior to August 2023, Entain did not screen for customers who were relatives or close associates of PEPs.

h. At all times, due to systems limitations, Entain was unable to differentiate between the three sub-categories of PEPs – being domestic, foreign and international organisation PEPs.

Source of wealth and source of funds

226. During the Relevant Period, r 8.1.5(1) of the Rules required Part A of Entain's AML/CTF program to be designed to enable Entain to understand the nature and purpose of the business relationship with its customer types, including, as appropriate, the collection of information relevant to that understanding.

227. During the Relevant Period, Entain was required to have appropriate risk-based systems and controls in its Part A program to:

a. determine in what circumstances further KYC information or beneficial owner information should be collected or verified in respect of customers or beneficial owners of customers to enable the review and update of KYC information and beneficial owner information for OCDD purposes, by reason of r 15.2 of the Rules;

b. undertake reasonable measures to keep, update and review the documents, data or information collected under the applicable customer identification procedure (particularly in relation to high-risk customers) and the beneficial owner identification requirements specified in Chapter 4 of the Rules, by reason of r 15.3 of the Rules;

c. for the purposes of its "ECDD Program" (as pleaded at paragraph 355 below and as required by r 15.10 of the Rules), undertake measures appropriate to the circumstances of a customer or beneficial owner of a customer, including relevantly measures to:

i. clarify or update KYC information already collected from the customer;

ii. verify or re-verify KYC information in accordance with the customer identification program;

iii. obtain any further KYC information including, where appropriate, taking reasonable measures to identify the source of a customer's or beneficial owner's wealth and the source of the customer's or beneficial owner's funds; and

iv. undertake more detailed analysis of the customer's or beneficial owner's KYC information including, where appropriate, taking reasonable measures to identify the source of the customer's or beneficial owner's wealth and the source of the customer's or beneficial owner's funds.

Particulars

1. **KYC** information means "know your customer information" as defined in r 1.2.1 of the Rules.

2. Beneficial owner is defined in r 1.2.1 of the Rules and, in relation to a person who is a customer of Entain, means an individual who ultimately owns or controls (directly or indirectly) the customer.

228. Pursuant to r 1.2.1 of the Rules, KYC information in relation to a customer who is an individual included:

a. the customer's occupation or business activities;

b. the income or assets available to the customer;

c. the customer's financial position; and

d. the customer's source of funds including the origin of funds or the beneficial ownership of funds.

(collectively referred to as **source of wealth/source of funds information**).

229. During the Relevant Period:

a. Entain's "ECDD Program" contained procedures relating to a customer's source of wealth/source of funds for the purposes of the requirements in rr 15.2, 15.3 and 15.10 of the Rules; and

b. from March 2024, the Source of Funds and Source of Wealth Procedure supplemented the "ECDD Program" with respect to source of wealth/source of funds.

Particulars

1. Paragraph 358 below.

16 December 2018 to 10 March 2021

230. Between 16 December 2018 and 10 March 2021, Entain's "ECDD Program":

a. defined ECDD as meaning the process for understanding more about the customer, and in particular, whether their betting and transacting history matched their profile, occupation and income level, source of funds, and source of wealth;

b. defined source of funds as the type of funds that the customer was transacting with, such as regular income and winnings from other bookmakers;

c. defined source of wealth as assets from which a customer may have derived their wealth from;

d. made high level provision for when ECDD should be conducted and how "ECDD information" (in general) should be collected;

e. provided that the objective of making contact with a customer was to collect their "ECDD information" to ascertain the customer's occupation and source of wealth/source of funds;

f. provided that the information could be collected by a range of methods, including:

i. directly from the customer;

ii. (from 12 February 2019) by "washing" the betting account holder details against PEP and/or Sanctions Lists;

Particulars

1. See paragraphs 214 to 225 above.

2. Entain did not conduct any PEP screening of its customers between 12 February 2019 and May 2021 and has not been capable of reliably and consistently PEP screening customers since May 2021: see paragraphs 225(d) and (f) above.

iii. from other areas of the business (ie Responsible Gambling Team or Fraud Team (until 12 February 2019));

iv. from the customer's BDM, VIP Manager or Exclusive Affiliate who manages the customer relationship who may have a relationship with the customer or interact with the customer; and/or

v. from internet searches, company searches and property searches; and

g. provided that the information that may be collected from or about a customer during the ECDD process included:

i. occupation and "approximate income level" (the latter was permitted to be estimated based upon knowledge of the occupation and/or employer or by searching "Seek" or (from 9 March 2020) internet-based resources);

ii. source of wealth/source of funds information; and/or

iii. expected business activity with Entain (where an Exclusive Affiliate knew a customer's betting activity at another bookmaker or the customer advised the Exclusive Affiliate that they intended to bet less or more in future).

11 March 2021 to 5 September 2021

231. On 11 March 2021, Entain's "ECDD Program" was amended to include or incorporate a "Source of Funds/Wealth Request Form" (**SOF Form**) and procedure (the **March 2021 procedure**).

232. The March 2021 procedure was in effect until 5 September 2021.

233. The March 2021 procedure required the SOF Form to be sent to a customer when either:

a. a "Stage 1" trigger or circumstance arose, in which case Entain would email the customer a **Stage 1 SOF Form**; or

b. a "Stage 2" trigger or circumstance arose, in which case Entain would email the customer a **Stage 2 SOF Form**.

234. The Stage 1 and 2 SOF Forms were to be completed by the customer and returned to Entain.

235. The March 2021 procedure stated that the **Stage 1 process** was for the collection of "basic" source of wealth/source of funds information from a customer whose activity was "not yet 'high-risk'".

236. Under the March 2021 procedure, the Stage 1 process was triggered with respect to a customer where:

a. two SMRs were lodged for the customer in any rolling 12-month period across any Entain betting account, where each matter reported on related to suspicions surrounding or inability to determine a customer's source of wealth/source of funds;

b. the customer appeared on the High Value Transaction Report, as described at paragraph 280 below, with deposits to the betting account exceeding $50,000 for the period covered by the report;

c. the customer appeared on a High Value Transaction Report three times over the course of a 12-month period;

d. the customer appeared on a "Cash-in" or Flexepin Report, as described at paragraphs 261, 263, 265 and 267 below, 3 times in a month for depositing either $10,000 in one week or $5,000 in one day;

e. the customer appeared on any AML Transaction Monitoring Report and had lost $150,000 or more over the last 24-month period in respect of their betting account under review;

f. the customer deposited $30,000 more than their previous week's withdrawals in a 24-hour period as referred to at paragraph 282 below; or

g. the AML/CTF Compliance Officer, Compliance Manager or AML Team Leader otherwise considered it to be appropriate.

237. On 31 March 2021, the March 2021 procedure was amended such that the requirement to send a SOF Form to a customer was only triggered if:

a. the criterion in paragraph 236(a) above was met; or

b. where Entain had "not been able to either obtain or verify information" regarding the customer's source of wealth/source of funds and one of the criterion in paragraphs 236(b) to (g) above was met.

238. The March 2021 procedure did not make it mandatory for the customer to complete the Stage 1 SOF Form, nor return it to Entain.

Particulars

1. The March 2021 procedure stated "no further follow up will occur for the Stage 1 form".

239. The March 2021 procedure stated that the **Stage 2 process** was for a "more comprehensive" collection of source of wealth/source of funds information from a customer.

240. Under the March 2021 procedure, the Stage 2 process was triggered with respect to a customer where:

a. four SMRs had been lodged for the customer in any rolling 12-month period across any Entain betting account, where each matter reported on related to suspicions surrounding or inability to determine the customer's source of wealth/source of funds;

b. the customer was a "high risk" customer, and:

i. the customer appeared on the High Value Transaction Report 6 times over the course of a 12-month period; or

ii. the customer appeared on any AML Transaction Monitoring Report and:

A. had lost $300,000 or more over the last 12-month period in respect of their betting account under review; or

B. had lost $500,000 or more in respect of their betting account under review on a lifetime basis;

c. the customer deposited $60,000 more than their previous week's withdrawals in a 24-hour period; or

d. the AML/CTF Compliance Officer, Compliance Manager or AML Team Leader otherwise considered it to be appropriate.

241. On 31 March 2021, the March 2021 procedure was amended such that:

a. the requirement to send a SOF Form to a customer was only triggered if:

i. the criterion in paragraphs 240(a) or (d) above was met; or

ii. where Entain had "not been able to either obtain or verify information" regarding the customer's source of wealth/source of funds and one of the criterion in paragraph 240(b) above was met; and

b. the criterion at paragraph 240(c) above was removed.

242. Prior to 31 March 2021, the March 2021 procedure provided that if the requested information had not been provided by the customer within 28 days from the date that the Stage 2 SOF Form was sent to the customer, the customer's betting account was to be suspended, unless and until:

a. the form was completed and returned by the customer;

b. the customer's source of wealth/source of funds was otherwise verified or determined (through the customer or otherwise); or

c. it was deemed to be acceptable by the AML/CTF Compliance Officer, Compliance Manager or AML Team Manager.

243. On 31 March 2021, the March 2021 procedure was amended such that if the requested information had not been provided by the customer within 28 days or was insufficient to substantiate the customer's spend and/or source of wealth/source of funds, the betting account/customer would be referred to the AML/CTF Compliance Officer, Compliance Manager, or AML Team Manager for review to determine whether the account should be suspended from further betting or what other appropriate action needed to be taken.

244. The March 2021 procedure provided that if a customer returned a Stage 2 SOF Form but failed to satisfactorily provide the requested information, the customer was to be referred to management (being the AML/CTF Compliance Officer, Compliance Manager or AML Team Leader, and members of the executive committee as appropriate) for consideration of closure of their betting account.

From 6 September 2021

245. The process to collect source of wealth/source of funds information contained in Entain's "ECDD Program" was amended at various times from 6 September 2021 (the **6 September 2021 procedure**).

246. The 6 September 2021 procedure:

a. replaced the Stage 1 and Stage 2 Forms with a templated email or online form (**SOF Online Form**) to be sent to the customer where a requirement identified in (c) below arose;

b. provided that the source of wealth/source of funds process was to be primarily carried out through the use of the templated emails and online forms but could be collected through other means (including phone calls) where it was appropriate for that customer, "for example in the case of a managed client or where an account manager may prefer to discuss the process with the client directly";

c. required source of wealth/source of funds information to be collected to substantiate a customer's "spend" if:

   i. Entain had not been able to either obtain or substantiate information regarding the customer's source of wealth/source of funds relating to the spend on their betting account(s);

   ii. the customer was a "high risk" customer;

   iii. the customer:

      A. had made $100,000 or more deposits in the last 6 months; or

      B. the customer appeared 3 times or more in the last 6 months on any AML Transaction Monitoring Report and met the criteria of that report for review;

   iv. from 13 March 2024:

      A. the customer was a confirmed PEP; or

      B. the customer had spent outside of their provided source of wealth/source of funds documents; or

   v. the AML/CTF Compliance Officer, Compliance Manager or AML Team Leader otherwise considered it to be appropriate;

d. provided that when the customer had previously satisfied the source of wealth/source of funds collection process (whether by providing sufficient information, or where the assessed risk was accepted by management), a subsequent source of wealth/source of funds collection process could begin if:

   i. the customer met one of the requirements in paragraph 246(c) above;

   ii. the customer had not already been involved with this process in the last 6 months or, from 12 April 2022, within the last 12 months (or any other time relevant to conditions imposed by management during their review of the customer);

   iii. the spend on the customer's betting account could not be (or was no longer able to be) substantiated by the customer's source of wealth/source of funds after taking into account all known ECDD information; and

   iv. the AML Team considered (i), (ii) or (iii) above presented a new risk that required review;

e. prior to February 2023, provided that any subsequent source of wealth/source of funds collection process should be conducted by performing further ECDD on the customer and/or contacting the customer (rather than sending the customer the SOF Online Form);

f. prior to February 2023, provided that if the customer did not provide the requested information within 28 days or if the information was insufficient to substantiate the customer's spend, the customer was to be referred to:

   i. the AML/CTF Compliance Officer, Compliance Manager and AML Team Manager; or

ii. from 12 April 2022, the AML/CTF Compliance Officer, AML/CTF Manager and AML/CTF Assistant Manager;

g. from February 2023, provided that if the customer did not provide the requested information within 14 days or if the information was insufficient to substantiate the customer's spend, the customer was to be referred to the AML/CTF Compliance Officer (or the AML/CTF Senior Manager in their absence);

h. provided that where a customer was presented to management for review in accordance with (f) or (g) above, management would review and assess "the risk" and make a decision to:

i. continue the relationship, "that is accepting the risk (as they assess it), with or without conditions";

ii. impose conditions which may include enhanced additional monitoring and more frequent review of the customer; or

iii. exit the relationship with the customer, either through closure or suspension of their betting account(s);

i. from 13 March 2024, provided that if the requested source of wealth/source of funds information had not been provided, the customer's betting account would be suspended:

i. for "non-managed customers" – within 14 days;

ii. for "managed" or "high net worth" customers – within 28 days to allow Entain more time to follow up on the requested information;

j. from 13 March 2024, provided that "as part of the source of wealth/source of funds process":

i. betting accounts held by "non-managed" customers that had been suspended for 6 months or more were to be closed;

ii. betting accounts for "managed" customers were to be contacted by VIP Managers or BDMs after having been suspended for 6 months and given 2 weeks to re-engage prior to the closure of the account;

k. from 13 March 2024, provided that with respect to a possible decision to close a customer's betting account:

i. a recommendation to cease the relationship with a customer and initiate the off-boarding process was to be made to the "FCR", AML/CTF Compliance Officer or their delegate for their review;

ii. the recommendation was then to be circulated to the General Counsel; and

iii. it was up to the discretion of the General Counsel, the Entain Board or "AMLCO SteerCo" as to whether to maintain or cease the customer relationship, "relevant to Entain's risk appetite";

l. from 27 August 2024, made some provision for the consideration of source of wealth/source of funds information when the customer had deposited $[redacted] or more over the last 12 months and:

i. the customer was determined to be "high ML/TF Risk";

ii. the customer was a "high ML/TF Risk" domestic PEP;

iii. the customer was an international organisation PEP; or

iv. an SMR had been submitted to the AUSTRAC CEO in relation to the customer;

m. provided that if any of the criteria in (l) above was met, Entain was required to take reasonable measures to determine whether:

i. the nature and origin of the customer's source of funds supporting their deposit, wagering, and/or withdrawal activity was plausible and appropriate; and

ii. the customer's and beneficial owner's source of wealth was plausible in supporting the customer's deposit, wagering and/or withdrawal activity; and

n. from 27 August 2024, provided that if the customer (or each beneficial owner of the customer) was positively identified as a foreign PEP, Entain was required to undertake a more detailed analysis of the customer's KYC information and each beneficial owner's information, including, where appropriate, to take reasonable measures to identify:

i. the source of the customer's and each beneficial owner's wealth; and

ii. the source of the customer's and each beneficial owner's funds.

The deficiencies in Entain's source of wealth/source of funds procedures

247. Prior to 11 March 2021, Entain's "Part A Program" did not have appropriate risk-based systems, controls or procedures to collect, verify, review, update, clarify or analyse source of wealth/source of funds information with respect to a customer because it:

a. did not identify any risk-based circumstances or criteria where the collection of source of wealth/source of funds information was either mandatory or should be considered;

b. made no specific provision for the collection and verification of source of wealth/source of funds information where the customer was a foreign PEP, high ML/TF Risk domestic PEP or international organisation PEP;

c. did not require the collection and verification of source of wealth/source of funds information from a foreign PEP;

d. did not identify the Entain officer responsible for the collection of a customer's source of wealth/source of funds information;

e. did not provide adequate guidance on how to identify source of wealth/source of funds that might be derived from the proceeds of crime;

f. did not provide adequate guidance on how to identify higher ML/TF Risks related to a customer's claimed or known source of wealth/source of funds;

g. did not provide adequate guidance on the type of source of wealth/source of funds information that should be obtained on a risk-basis and in what circumstances;

h. did not provide adequate guidance on the reasonable measures that should be undertaken to identify source of wealth/source of funds information;

i. did not specify any procedure to verify source of wealth/source of funds information;

j. permitted a customer's source of wealth/source of funds to be approximated based on assumptions relating to occupations that were not tested or verified as against the circumstances of the relevant customer;

k. did not specify any procedure for the review and update of a customer's source of wealth/source of funds information;

l. did not specify any procedure for a more detailed analysis of a customer's source of wealth/source of funds information;

m. did not specify any procedure to consider whether there was a reasonable basis to be satisfied that a customer's transactional activity (depositing, betting and withdrawing) was consistent with or supported by their claimed or known source of wealth/source of funds; and/or

n. did not provide any escalation procedure, or provide guidance on the consequences with respect to a customer (such as suspension or closure of their betting account), if:

    i. the customer failed or refused to provide their source of wealth/source of funds information;

    ii. the customer provided false or misleading information in response to a request by Entain for source of wealth/source of funds information;

    iii. the customer's BDM, VIP Manager or Exclusive Affiliate failed or refused to request source of wealth/source of funds information from the customers they managed;

    iv. the source of wealth/source of funds information could not be verified or confirmed by Entain;

    v. the source of wealth/source of funds information was not consistent with or supported by the customer's transactional activity on their betting account(s);

    vi. Entain formed concerns or suspicions that the customer's source of wealth/source of funds information might be derived from the proceeds of crime; or

    vii. there were higher ML/TF Risks related to a customer's claimed or known source of wealth/source of funds.

248. From 11 March 2021, Entain's "Part A Program" did not have appropriate risk-based systems, controls or procedures to collect, verify, review, update, clarify or analyse

source of wealth/source of funds information with respect to a customer for the following reasons:

Collection and verification

a. The triggers for sending the SOF Form (Stage 1 and Stage 2 SOF Forms) (between 11 March 2021 and 5 September 2021) and the SOF Online Form (templated email or online form) (from 6 September 2021) to customers were not:

   i. set by reference to any assessment of ML/TF Risk; and

   ii. appropriately risk-based having regard to the ML/TF Risks reasonably faced by Entain with respect to the provision of designated services.

b. The transaction-based triggers for sending the SOF Form at paragraphs 236(b) to (f) and 240(b) and (c) above (between 11 March 2021 and 5 September 2021) and the SOF Online Form to customers at paragraph 246(c)(iii) above (from 6 September 2021):

   i. were set too high and well-above average values for betting account deposits, losses or withdrawals as set out in Schedules A and B;

   ii. relied on transaction monitoring reports that were not capable of detecting all ML/TF Risks reasonably faced by Entain: see paragraph 352 below; and

   iii. were set by reference to transactions on betting accounts and not transactions of a customer across all betting accounts.

c. With respect to the procedure from 11 March 2021 to 5 September 2021 specifically:

   i. multiple SMRs relating to suspicions about a customer's source of wealth/source of funds could be lodged within a 12-month period before a trigger arose requiring the Stage 1 or Stage 2 SOF Form to be sent to the customer;

   ii. there was no requirement to send a customer the Stage 1 or Stage 2 SOF Form where the customer or their beneficial owner was a foreign PEP, high ML/TF Risk domestic PEP or international organisation PEP;

   iii. Entain's PEP Procedure did not require the collection and verification of source of wealth/source of funds information from a foreign PEP;

   iv. it was not mandatory for a customer to complete the SOF Form at the Stage 1 process;

   v. Stage 1 triggers as set out in paragraph 236 above included higher ML/TF Risk scenarios where verification of a customer's source of wealth/source of funds should have been mandatory;

   vi. the AML/CTF Compliance Officer, Compliance Manager or AML Team Manager had a broad discretion to dispense with the requirement to suspend a customer's betting account if a Stage 2 SOF Form was not completed by the customer within 28 days;

vii. the procedure provided no appropriate risk-based guidance as to the circumstances in which it would be acceptable, by reference to ML/TF Risk, to dispense with the collection and verification of the customer's source of wealth/source of funds information; and

viii. BDMs were permitted to:

A. liaise with their customers about the Stage 2 process "in any way that suits their client", and

B. provide their customers with "guidance in completing the process".

Particulars

1. See paragraphs 175 to 177 above.

d. Prior to 13 March 2024, source of wealth/source of funds inquiries could be conducted by a customer's BDM or VIP Manager who managed the customer relationship.

Particulars

1. See paragraphs 175 to 177 above.

e. The guidance on the measures that should be undertaken to verify source of wealth/source of funds information was inadequate, having regard to the ML/TF Risks Entain reasonably faced.

f. Entain's "ECDD Program" permitted Entain to estimate a customer's income based upon knowledge of the customer's claimed occupation and/or employer or by conducting internet-based searches, including on Seek (until 30 October 2023).

g. There was no requirement to verify source of wealth/source of funds, or for additional source of wealth/source of funds information to be collected and verified, including where:

i. Entain became aware of adverse media relating to the customer;

ii. the customer was known or suspected to be engaged in or associated with criminal activity;

iii. concerns or suspicions arose that the customer may be dealing with proceeds of crime; or

iv. concerns or suspicions arose that the customer may be engaging in money laundering.

Review, update, clarification and analysis

h. There was no criteria or guidance on how or when to review, clarify or analyse a customer's source of wealth/source of funds information.

Particulars

1. For example, there was no guidance on how to: (i) assess or analyse whether there was a reasonable basis to be satisfied that a customer's transactional activity (depositing, betting and withdrawing) was

consistent with or supported by their claimed or known source of wealth/source of funds; (ii) identify whether source of wealth/source of funds information might be derived from the proceeds of crime; or (iii) identify higher ML/TF Risks related to a customer's claimed or known source of wealth/source of funds.

i. There were no procedures for the periodic review and update of a customer's source of wealth/source of funds information.

j. There was no process or procedure to record the information obtained from the Stage 1 and Stage 2 SOF Forms (between 11 March 2021 and 5 September 2021) in the customer's due diligence records.

ECDD measures and escalation

k. The procedures did not provide any escalation procedure, or provide guidance on the consequences with respect to a customer (such as suspension or closure of their betting account), if:

i. the customer failed or refused to provide their source of wealth/source of funds information;

ii. the customer provided false or misleading information in response to a request by Entain for source of wealth/source of funds information;

iii. the source of wealth/source of funds information could not be verified;

iv. the source of wealth/source of funds information was not supported by or consistent with the customer's transactional activity on their betting account(s);

v. Entain formed concerns or suspicions that the customer's source of wealth/source of funds information might be derived from the proceeds of crime;

vi. there were higher ML/TF Risks related to a customer's claimed or known source of wealth/source of funds; or

vii. prior to 13 March 2024, the customer's BDM or VIP Manager failed or refused to request source of wealth/source of funds information from the customers whom they managed.

l. There was no procedure for determining whether particular transactions should have been processed in circumstances where there were concerns or suspicions as to the customer's source of wealth/source of funds.

Particulars

1. For example, there were no procedures as to whether a deposit of money into an Entain bank account to be credited to a betting account should have been returned where there were concerns or suspicions as to a customer's source of wealth/source of funds.

m. At no time did Entain's "ECDD Program" or PEP Procedure include appropriate procedures to collect and verify source of wealth/source of funds information where the customer or the customer's beneficial owner was a

foreign PEP, high ML/TF Risk domestic PEP or international organisation PEP:

i. Prior to 13 March 2024, there was no provision requiring the collection and verification of source of wealth/source of funds information where the customer was a foreign PEP, high ML/TF Risk domestic PEP or international organisation PEP.

ii. From 12 April 2022 to 24 August 2023, the PEP Procedure required the SOF Online Form to be sent to a foreign PEP.

iii. The process at (ii) above:

A. was not reflected in Entain's "ECDD Program";

B. did not clearly refer to the online form process that had been in place since September 2021;

C. accordingly, could not ensure the consistent collection of source of wealth/source of funds information with respect to customers or their beneficial owners who were foreign PEPs;

D. did not establish a procedure that mandated the foreign PEP to complete and return the SOF Online Form; and

E. did not establish a procedure requiring verification of the foreign PEP's source of wealth/source of funds.

iv. From 6 September 2021 to April 2022, and from ~~24~~ 25 August 2023, there was no requirement in the PEP Procedure for the collection and verification of source of wealth/source of funds information for customers or beneficial owners who were foreign PEPs.

v. By reason of the matters at paragraph 225 above, Entain was unable to consistently identify and escalate customers or beneficial owners who were foreign PEPs.

n. Prior to 13 March 2024, Entain's "ECDD Program" did not require a customer's betting account to be suspended if the customer failed or refused to provide the requested information and the AML Team and/or management had discretion as to the action to be taken if information was not provided and could choose to do no more than "regularly monitor the account".

249. During the Relevant Period, by reason of paragraphs 247 to 248 above, Entain's "Part A Program":

a. did not include appropriate risk-based systems and controls to identify, mitigate and manage the ML/TF Risks that Entain reasonably faced with respect to the provision of designated services;

b. did not include appropriate risk-based systems and controls that had regard to the nature, size and complexity of Entain's business and the type of ML/TF Risks it reasonably faced with respect to the provision of designated services;

c. was not designed to understand the nature and purpose of the business relationship with Entain's customer types, including, as appropriate, the collection of information relevant to that understanding;

d. was not designed to identify significant changes in ML/TF Risk over time for the purposes of its "Part A Program" and "Part B Program";

e. was not designed to recognise such changes in ML/TF Risk for the purposes of the requirements of its "Part A Program" and "Part B Program";

f. did not enable Entain to determine in what circumstances further KYC information or beneficial owner information should have been collected or verified in respect of customers or beneficial owners of customers to enable the review and update of KYC information and beneficial owner information for OCDD purposes; and/or

g. did not enable Entain to undertake reasonable measures to keep, update and review the documents, data or information collected under the applicable customer identification procedure (particularly in relation to high-risk customers) and the beneficial owner identification requirements specified in Chapter 4 of the Rules.

250. During the Relevant Period, by reason of the matters in paragraph 249 above, Entain's "Part A Program" did not comply with:

a. rr 8.1.3, 8.1.4, 8.1.5(1), 8.1.5(3), 8.1.5(4), 15.2, 15.3 and 15.10 of the Rules and therefore did not comply with s 84(2)(c) of the Act; and/or

b. s 84(2)(a) of the Act.

Transaction monitoring

251. At all times during the Relevant Period, Entain was required, pursuant to rr 15.4 to 15.7 of the Rules, to have a transaction monitoring program in Part A of its AML/CTF program that:

a. included appropriate risk-based systems and controls to monitor the transactions of customers;

b. had the purpose of identifying, having regard to ML/TF Risk, any transaction that appeared to be suspicious within the terms of s 41 of the Act; and

c. had regard to complex, unusual large transactions and unusual patterns of transactions, which had no apparent economic or visible lawful purpose.

252. During the Relevant Period, Entain included a "transaction monitoring program" (**Entain's "TMP"**) in its "Part A Program" that comprised of:

a. exceptions-based reports listed in Entain's Ongoing Customer Due Diligence (Transaction Monitoring) Procedure:

i. the exceptions-based reports are identified in paragraphs 256, 279, 287, 298 and 329 below;

ii. the exceptions-based reports were circulated by email to Entain employee email addresses or a group email known as the "AML

Mailbox" as an attachment in XLS format or within the body of the email, or were generated in real time on a live dashboard; and

iii. the exceptions-based reports were manually reviewed by an Entain officer in the AML Team or an Entain officer in the Fraud, Payments or Security Team; and

b. ad-hoc referrals of customers and/or transactions between the Trading Team, Client Risk Team, Client Services Team, Fraud Team, Responsible Gambling Team, and Legal Team.

No ML/TF Risk assessment

253. During the Relevant Period, Entain did not carry out an appropriate assessment of the ML/TF Risks it reasonably faced with respect to the provision of designated services.

Particulars

1. See paragraphs 52 to 55 above.

254. By reason of paragraph 253 above, during the Relevant Period, Entain's "TMP":

a. was not aligned to the ML/TF Risks reasonably faced by Entain with respect to the provision of designated services; and

b. was not capable of detecting all ML/TF Risks reasonably faced by Entain at paragraphs 24 and 25 above.

Cash deposits

255. The deposit of cash into an Entain bank account for credit to a betting account involved ML/TF Risks by reason of the matters pleaded at paragraphs 24(d) and (e) above.

Particulars

1. The Inward Payment Channels that accepted cash deposits were: the Bank Branch Channel (see paragraph 11(d) above), the CBA ATM Channel (see paragraph 11(e) above), the Banktech ATM Channel (see (see paragraph 11(f) above), the Cash-in Terminal (retail venue) Channel (see paragraph 11(g) above), the Cash-in Terminal (BDM) Channel (see paragraph 11(h) above), the Sight Unseen Channel (see paragraph 11(i)(i) above), Flexepin Vouchers (see paragraph 11(j) above), Prepaid Cards (see paragraph 11(k) above) and Neds Cash Top-Up Cards (see paragraph 11(m) above).

256. During the Relevant Period, Entain's "TMP" included a number of exceptions-based reports that related to cash transactions on betting accounts:

a. (until February 2022) the Cash In Suspicious Report;

b. (from April 2020 to October 2024) the Flexepin and Cashin Use Report;

c. (from March 2020 to February 2022) the Flexepin Report;

d. (from October 2020 to October 2024) the Sight Unseen Deposits Report;

e. (from February 2021) the Cash In ATM Activity Report;

f. (from May 2021 to October 2024) the Cash In Location Report;

g. (from August 2021) the Potential Cash Based Activity Report; and

h. (from September 2023) the "Deposits with GTE [redacted] from Sight Unseen or Blueshyft Cashin or Blueshyft Prepaid Card" Report.

257. During the Relevant Period, Entain's "TMP" did not include appropriate risk-based systems and controls to detect and monitor cash deposits through the CBA ATM Channel.

258. Prior to March 2020, Entain's "TMP" did not include any processes to detect cash deposits made through Flexepin Vouchers.

259. Prior to May 2021, Entain's "TMP" did not include any processes to monitor the locations of deposits made through a Cash-in Terminal, a Banktech ATM or a Prepaid Card.

260. Prior to October 2020, Entain's "TMP" did not include any processes to monitor cash deposits made directly to an Exclusive Affiliate or BDM through the Sight Unseen Channel.

261. Until February 2022, the Cash In Suspicious Report in Entain's "TMP" purported to identify potential cash-based deposits into betting accounts over a certain number for the previous day (1 or 2 or more) or the previous 7 days (3 or more) through the Cash-in Terminal (retail venue) channel, Cash-in Terminal (BDM) Channel or by way of Prepaid Card.

262. During the Relevant Period, the Cash In Suspicious Report:

a. relied on data inputs that were not capable of distinguishing between deposits made by cash or electronic deposit unless the Inward Payment Channel was exclusively cash-based;

b. did not include any data inputs relating to deposits of cash made directly to an Exclusive Affiliate or BDM through the Sight Unseen Channel;

c. aggregated the total number of deposits against each betting account across one day and one week;

d. did not include or was not accompanied by any criteria or guidance for reviewing the report once it was generated; and

e. was not subject to any written requirement in Entain's "Part A Program" to escalate customers who appeared on this report for OCDD.

263. From August 2021, the Potential Cash Based Activity Report in Entain's "TMP" purported to identify potential cash-based deposits into betting accounts over $[redacted] or more for the previous day, or $[redacted] or more for the previous 7 days, or [redacted] or more deposits for the previous 7 days through the Cash-in Terminal (retail venue) channel, Cash-in Terminal (BDM) Channel, Banktech ATM Channel, Bank Branch Channel, by way of Prepaid Card or by way of Flexepin Voucher.

264. During the Relevant Period, the Potential Cash Based Activity Report:

a. relied on data inputs that were not capable of distinguishing between deposits made by cash or electronic deposit unless the Inward Payment Channel was exclusively cash-based;

b. aggregated the total value and number of deposits against each betting account across one day and one week;

c. did not include any data inputs relating to deposits of cash made directly to an Exclusive Affiliate or BDM through the Sight Unseen Channel;

d. prior to July 2022, did not include or was not accompanied by any criteria or guidance for reviewing the report once it was generated;

e. prior to July 2022, was not subject to any written requirement in Entain's "Part A Program" to escalate customers who appeared on this report for OCDD; and

f. from July 2022, was subject to a requirement in Entain's "Part A Program" to complete ECDD for betting accounts that appeared on this report only if:

i. the account was new; or

ii. ECDD had not been completed in over 6 months.

265. From April 2020 to October 2024, the Flexepin and Cashin Use Report in Entain's "TMP" purported to identify the top 10 betting accounts that deposited money through the Cash-in-Terminal (retail venue) Channel, Cash-in Terminal (BDM) Channel, Banktech ATM Channel and by way of Prepaid Card across one week, and by way of Flexepin Voucher across one week (prior to February 2021) or across one month (prior to March 2023).

266. During the Relevant Period, the Flexepin and Cashin Use Report:

a. relied on data inputs that were not capable of distinguishing between deposits made by cash or electronic deposit unless the Inward Payment Channel was exclusively cash-based;

b. did not include any information on when the Prepaid Card or Flexepin Voucher was purchased;

c. did not include or was not accompanied by any criteria or guidance for reviewing the report once it was generated; and

d. was not subject to any written requirement in Entain's "Part A Program" to escalate customers who appeared on this report for OCDD.

267. From March 2020 to February 2022, the Flexepin Report in Entain's "TMP" purported to identify betting accounts that received 2 or more Flexepin Voucher deposits in the previous day, and 3 or more Flexepin Voucher deposits in the previous 7 days.

268. During the Relevant Period, the Flexepin Report:

a. relied on data inputs that were not capable of distinguishing between the use of cash or electronic deposit to purchase the Flexepin Voucher;

b. did not include any information on when the Flexepin Voucher was purchased;

c. did not include or was not accompanied by any criteria or guidance for reviewing the report once it was generated; and

d. was not subject to any written requirement in Entain's "Part A Program" to escalate customers who appeared on this report for OCDD.

269. From October 2020 to October 2024, the Sight Unseen Deposits Report in Entain's "TMP" purported to identify cash deposits made directly to an Exclusive Affiliate or BDM through the Sight Unseen Channel, together with EFT or bank branch deposits processed via an Exclusive Affiliate or BDM.

270. During the Relevant Period, the Sight Unseen Deposits Report:

    a. prior to July 2022, did not include or was not accompanied by any criteria or guidance for reviewing the report once it was generated;

    b. prior to July 2022, was not subject to any requirement in Entain's "Part A Program" to escalate customers who appeared on this report for OCDD; and

    c. from July 2022, was not subject to any requirement in Entain's "Part A Program" to escalate customers who appeared on this report for ECDD, unless the customer deposited:

        i. $[redacted] or more cash in a day;

        ii. $[redacted] or more cash in a week; or

        iii. [redacted] or more individual cash deposits in a week.

271. From February 2021, the Cash-in ATM Activity Report in Entain's "TMP" purported to identify deposits into betting accounts made by a customer through the Banktech ATM Channel for the previous week.

272. During the Relevant Period, the Cash In ATM Activity Report:

    a. aggregated the total number of deposits against each betting account across one week;

    b. prior to July 2022, did not include or was not accompanied by any criteria or guidance for reviewing the report once it was generated;

    c. prior to July 2022, was not subject to any requirement in Entain's "Part A Program" to escalate customers who appeared on this report for OCDD; and

    d. from July 2022, was subject to a requirement in Entain's "Part A Program" to complete ECDD for betting accounts that appeared on this report only if:

        i. the account was new; or

        ii. ECDD had not been completed in over 6 months.

273. From May 2021 to October 2024, the Cash In Location Report in Entain's "TMP" purported to identify the number and value of total deposits at each Cash-in retail venue (name and address) by each betting account, being deposits through the Cash-in Terminal (retail venue) Channel, Cash-in Terminal (BDM) Channel, Banktech ATM Channel or by Prepaid Card, for the previous month.

274. During the Relevant Period, the Cash In Location Report:

    a. relied on data inputs that were not capable of distinguishing between the use of cash or electronic deposit unless the Inward Payment Channel was exclusively cash-based;

    b. aggregated the total value and number of deposits against each betting account across one month;

c. was generated monthly and prior to January 2024 only reviewed on an ad hoc basis "as required";

d. prior to January 2024, did not include or was not accompanied by criteria or guidance for when or how to review the report once it was generated;

e. prior to January 2024, was not subject to any requirement in Entain's "Part A Program" to escalate customers who appeared on this report for OCDD; and

f. from January 2024, was subject to a requirement in Entain's "Part A Program" to escalate customers who appeared on this report for "review and an assessment" only if the customer had deposited $4,000 or more in a month.

275. From September 2023, the "Deposits with GTE [redacted] from Sight Unseen or Blueshyft Cashin or Blueshyft Prepaid Card" Report purported to identify customers who had made at least one deposit of $[redacted] or more for the previous day through the Sight Unseen Channel, Cash-in Terminal (retail venue) Channel, Cash-in Terminal (BDM) Channel or by Prepaid Card.

276. During the Relevant Period, the "Deposits with GTE [redacted] from Sight Unseen or Blueshyft Cashin or Blueshyft Prepaid Card" Report:

a. was designed to ensure threshold transaction reporting; and

b. prior to January 2024, did not include or was not accompanied by criteria or guidance for when or how to review the report once it was generated.

277. By reason of the matters at paragraphs 255 to 276 above, Entain's "TMP" did not include appropriate risk-based systems and controls to detect unusual or suspicious cash deposits to betting accounts.

Unusually large deposits and withdrawals

278. Large deposits into and withdrawals from a betting account involved ML/TF Risks by reason of the matters pleaded at paragraphs 24 and 25 above.

279. During the Relevant Period, Entain's "TMP" included a number of exceptions-based reports that purported to identify large deposits into and withdrawals from betting accounts:

a. the High Value Transaction Report;

b. (from March 2021 to September 2021) the AML High Deposits Clients Report; and

c. (from March 2023) the Deposit Method Report.

280. During the Relevant Period, the High Value Transaction Report in Entain's "TMP":

a. purported to identify (prior to January 2021) the top 30 or (from January 2021) the top 45 ranked betting accounts by value of aggregated weekly deposits;

b. purported to identify (prior to January 2021) the top 30 or (from January 2021) the top 45 ranked betting accounts by value of aggregated weekly losses (Net Gross Revenue or **NGR**);

c. purported to identify (from January 2021) the top 30 ranked betting accounts by value of aggregated weekly withdrawals;

d. purported to identify (prior to January 2021) the top 30 ranked betting accounts by value of aggregated weekly turnover; and

e. was subject to a requirement in Entain's "Part A Program" to complete ECDD for betting accounts that appeared on this report only if:

i. (from 16 December 2018 to 8 March 2020) the betting account was listed in the top 10 accounts in the report and ECDD had not been completed within the previous 3 months;

ii. (from 9 March 2020 to 10 March 2021) the betting account was listed in the top 30 accounts in the report and ECDD had not been completed within the previous 3 months;

iii. (from 11 March 2021) ECDD had not been completed in within the previous 6 months; and/or

iv. (from July 2022) the account was new.

281. During the Relevant Period, the High Value Transaction Report did not adequately identify unusually large deposits into or withdrawals from betting accounts because:

a. it was limited, arbitrarily, to the top 30 or 45 ranked betting accounts, rather than by reference to criteria inherent to the value of transactions on betting accounts;

b. the deposits component of the report:

i. aggregated weekly deposits per betting account, which ranged from millions of dollars to tens of thousands of dollars;

ii. was not capable of detecting deposits that were significantly higher than average deposits;

Particulars

1. The average annual deposits during the Relevant Period are set out in Schedule A.

2. The average deposit size during the Relevant Period is set out in Schedule B.

iii. aggregated deposits, account by account, on a weekly basis and did not detect single high value deposits or large deposits across more than one betting account held by a customer; and

iv. was not capable of consistently detecting deposits that were $50,000 or more in a week, or $25,000 or $30,000 or more in a week, or between $30,000 and $49,999 in a week, for the purpose of risk rating a customer medium or high ML/TF Risk in accordance with Entain's "ECDD Program" as amended from time to time.

Particulars

1. Paragraphs 196(b) and 197(a) above.

c. the withdrawals component of the report:

i. aggregated weekly withdrawals per betting account, which ranged from millions of dollars to tens of thousands of dollars;

ii. was not capable of detecting withdrawals that were significantly higher than average withdrawals; and

Particulars

1. The average annual withdrawals during the Relevant Period are set out in Schedule A.

2. The average withdrawal size during the Relevant Period is set out in Schedule B.

iii. aggregated withdrawals, account by account, on a weekly basis and did not detect single high withdrawals or large withdrawals across more than one betting account held by a customer.

282. From March 2021 to September 2021, the AML High Deposits Clients Report in Entain's "TMP":

a. purported to identify betting accounts with deposits in a 24-hour period exceeding withdrawals over the previous week by more than $30,000;

b. but was in use only for 7 months for the purposes of Entain's source of wealth/source of funds process between March and September 2021.

Particulars

1. Paragraphs 231 to 244 above.

283. From March 2023, the Deposit Method Report in Entain's "TMP":

a. purported to identify customers who made 2 deposits using the same method for the previous month within the following ranges:

i. Credit Cards: $[redacted]

ii. Apple Pay: $[redacted]

iii. Google Pay: $[redacted]

iv. PayPal: $[redacted]

v. Entain Card: $[redacted] or

vi. "Nuvola" Credit Cards: $[redacted]

b. was designed to detect customers depositing just below maximum deposit thresholds but was not an appropriate quantitative threshold for AML/CTF purposes;

c. prior to 9 January 2024, did not include or was not accompanied by any criteria or guidance for reviewing the report once it was generated;

d. prior to 9 January 2024, was not subject to any requirement in Entain's "Part A Program" to escalate customers who appeared on this report for OCDD; and

e. from 9 January 2024, was subject to a requirement in Entain's "Part A Program" to escalate customers that appeared on this report to the AML Senior Analysts and AML Team Lead.

284. During the Relevant Period, by reason of the matters at paragraphs 278 to 283 above, Entain's "TMP" did not include appropriate risk-based systems and controls to detect unusually large deposits into and withdrawals from betting accounts.

Patterns of unusual deposits, bets and withdrawals

285. Transactions on betting accounts that involved:

a. significant increases or escalations in the amount of money that a customer deposited into and/or withdrew from their betting account;

b. patterns of large and regular deposits on an ongoing basis accompanied temporally by patterns of large and regular withdrawals on an ongoing basis;

c. deposits and withdrawals with high frequency;

d. deposits that regularly failed or were declined;

e. bets with short odds; and

f. a large number of bets between a short period of time,

had indicia of higher ML/TF Risks.

Particulars

1. See paragraphs 24 and 25 above.

2. For example, these transactions may have indicated behaviour or a change in behaviour inconsistent with the customer's source of wealth/source of funds or may have indicated behaviour inconsistent with recreational gambling.

286. During the Relevant Period, Entain's "TMP" did not include appropriate risk-based systems and controls to detect transactions on betting accounts that had the indicia described at paragraphs 285(a) to (c) above.

287. During the Relevant Period, Entain's "TMP" included a number of exceptions-based reports that purported to detect or related to potential activity or transactions that had the indicia described at paragraphs 285(d) to (f) above:

a. the Declined Deposits Report;

b. the Short Priced Favourites Report;

c. (from April 2020) the Cashout and Withdrawal Report; and

d. (from October 2020) the Cashout Prior to Event Start Report.

288. During the Relevant Period, the Declined Deposits Report in Entain's "TMP" purported to identify rejected deposits for the previous day exceeding $[redacted] in total.

289. During the Relevant Period, the Declined Deposits Report:

a. was not run automatically or as a matter of course;

b. if run (from a self-service portal), was to be reviewed by the Fraud Team and Payments Team, but not by the AML Team; and

c. did not include a procedure to escalate a customer appearing on the report to the AML Team.

290. During the Relevant Period, the Short Priced Favourites Report in Entain's "TMP" purported to list betting accounts that had placed bets on average odds of $[redacted] or less with a certain amount of withdrawals and turnover.

291. During the Relevant Period, the Short Priced Favourites Report:

a. prior to July 2022, did not include or was not accompanied by any criteria or guidance for reviewing the report once it was generated;

b. prior to July 2022, was not subject to any requirement in Entain's "Part A Program" to escalate customers who appeared on this report for OCDD; and

c. from July 2022, was subject to a requirement in Entain's "Part A Program" to complete ECDD for betting accounts that appeared on this report only if:

i. the account was new; or

ii. ECDD had not been completed in over 6 months.

292. From April 2020, the Cashout and Withdrawal Report in Entain's "TMP" purported to identify accounts cashing out and withdrawing multiple bets in 24 hours.

293. During the Relevant Period, the Cashout and Withdrawal Report:

a. prior to July 2022, did not include or was not accompanied by any criteria or guidance for reviewing the report once it was generated;

b. prior to July 2022, was not subject to any requirement in Entain's "Part A Program" to escalate customers who appeared on this report for OCDD; and

c. from July 2022, was not subject to a requirement in Entain's "Part A Program" to escalate betting accounts that appeared on this report for ECDD unless "suspicions" were formed with the customer's transacting behaviour.

294. From October 2020, the Cashout Prior to Event Start Report in Entain's "TMP" purported to identify accounts that used cash out prior to an event starting, where bets met certain criteria.

295. During the Relevant Period, the Cashout Prior to Event Start Report:

a. prior to July 2022, did not include or was not accompanied by any criteria or guidance for reviewing the report once it was generated;

b. prior to July 2022, was not subject to any requirement in Entain's "Part A Program" to escalate customers who appeared on this report for OCDD; and

c. from July 2022, was not subject to a requirement in Entain's "Part A Program" to escalate betting accounts that appeared on this report for ECDD unless "suspicions" were formed with the customer's transacting behaviour.

296. During the Relevant Period, for the reasons at paragraphs 285 to 295 above, Entain's "TMP" did not include appropriate risk-based systems and controls to detect

transactions on betting accounts that involved the matters pleaded at paragraph 285 above.

Transactions by third parties

297. Entain reasonably faced higher ML/TF Risks with respect to the provision of designated services where there was a risk that transactions on a betting account were being conducted by, or were being conducted for the benefit of, a person (a **third party**) who was not the person in whose name the betting account was held.

Particulars

1. Paragraphs 24(b) and (c) above.

298. During the Relevant Period, Entain's "TMP" included a number of exceptions-based reports that purported to detect or related to potential activity or transactions by a third party:

a. (from May 2019) the Bank Account Mismatch Report;

b. (from December 2018) the Credit Card Mismatches Report;

c. (from May 2020) the Credit Cards Readded Report;

d. (from May 2019) the Duplicate Card Report;

e. (from May 2019) the PayPal Account Added Report;

f. (from April 2021) the PayID Mismatch Report;

g. (until September 2023) the POLi Report; and

h. the Multiple Card Report.

299. Prior to May 2019, Entain's "TMP" did not include any process to detect EFT withdrawals potentially involving third parties.

300. Prior to May 2019, Entain's "TMP" did not include any process to detect PayPal deposits or withdrawals potentially involving third parties.

301. From May 2019, the Bank Account Mismatch Report in Entain's "TMP" purported to identify customers who added a new bank account number to their betting account to facilitate withdrawals where the name of the bank account added did not match the name in which the betting account was held.

Particulars

1. The purpose of adding a bank account to a betting account was to facilitate withdrawals to that bank account.

302. During the Relevant Period, the Bank Account Mismatch Report:

a. relied on information provided to Entain by the customer, including the name in which the added bank account was held, where:

i. the name in which the added bank account was held was entered by the customer into a free text box on the Website or Entain App; and

ii. Entain could not verify that the bank account number added to the betting account was held in the name of the person entered by the customer into the free text box;

b. was reviewed by the Fraud Team and Payments Team, but not by the AML Team;

c. did not include a procedure to escalate a customer appearing on the report to the AML Team;

d. prior to August 2019, was reviewed "on demand" only;

e. prior to August 2023, did not include or was not accompanied by written guidance for reviewing the report once it was generated; and

f. did not require the removal of a bank account that had been added to a betting account in a third party name for BDM Customers or VIP Customers, but instead only required the BDM or VIP Manager to notify the customer of Entain's policies against third party accounts.

303. From December 2018, the Credit Card Mismatches Report in Entain's "TMP" purported to identify customers who added a credit card to their betting account where the name of the credit card did not match the name in which the betting account was held.

Particulars

1. The purpose of adding a credit card to a betting account was to facilitate deposits into that betting account.

304. During the Relevant Period, the Credit Card Mismatches Report:

a. relied on information provided to Entain by the customer, including the name in which the added credit card was held where:

i. the name in which the added credit card was held was entered by the customer into a free text box on the Website or App; and

ii. Entain could not verify that the credit card added to the betting account was held in the name of the person entered by the customer into the free text box;

b. did not apply to debit cards;

c. was reviewed by the Fraud Team and Payments Team, but not by the AML Team;

d. did not include a procedure to escalate a customer appearing on the report to the AML Team;

e. prior to August 2019, was reviewed only "on demand";

f. prior to August 2019, did not include or was not accompanied by written guidance for reviewing the report once it was generated; and

g. did not require the removal of a credit card in the name of a third party that had been added to a betting account for BDM Customers or VIP Customers, but instead only required the BDM or VIP Manager to notify the customer of Entain's policies against third party cards.

305. From May 2020, the Credit Cards Readded Report in Entain's "TMP" purported to identify customers who re-added a credit card to their betting account that had

previously been removed from the betting account (either by the customer directly or by Entain).

306. During the Relevant Period, the Credit Cards Readded Report:

a. did not apply to debit cards;

b. was reviewed by the Fraud Team and Payments Team, but not by the AML Team;

c. did not include a procedure to escalate a customer appearing on the report to the AML Team;

d. prior to December 2021, did not include or was not accompanied by written guidance for reviewing the report once it was generated; and

e. was not actioned if the customer identified on the report was a BDM Customer and the customer had been given approval to use a business card or third party card from a joint account.

307. From May 2019, the Duplicate Card Report in Entain's "TMP" purported to identify customers who added a credit card (BIN and last 4 digits and expiry) to a betting account where the customer had previously added the same credit card to a different betting account (inter and intra brand).

308. During the Relevant Period, the Duplicate Card Report:

a. did not apply to debit cards;

b. was reviewed by the Fraud Team and Payments Team, but not by the AML Team;

c. did not include a procedure to escalate a customer appearing on the report to the AML Team; and

d. prior to November 2021, did not include or was not accompanied by written guidance for reviewing the report once it was generated.

309. From May 2019, the PayPal Account Added Report in Entain's "TMP" purported to identify betting accounts where the name of the PayPal account added did not match the name of the customer in which the betting account was held.

310. During the Relevant Period, the PayPal Account Added Report:

a. was reviewed by the Fraud Team and Payments Team, but not by the AML Team;

b. did not include a procedure to escalate a customer appearing on the report to the AML Team;

c. prior to December 2021, did not include or was not accompanied by written guidance for reviewing the report once it was generated; and

d. was not actioned if:

i. the customer identified on the report was a BDM Customer (and prior approval was given to use a third party PayPal account); or

ii. the PayPal account "appeared" to be a joint account.

311. From April 2021, the PayID Mismatch Report in Entain's "TMP" purported to identify betting accounts where the name of the account that deposited (through Zepto) money into the betting account did not match the name of the customer in which the betting account was held.

312. During the Relevant Period, the PayID Mismatch Report:

    a. was reviewed by the Fraud Team and Payments Team, but not by the AML Team;

    b. did not include a procedure to escalate a customer appearing on the report to the AML Team;

    c. prior to December 2021, did not include or was not accompanied by written guidance for reviewing the report once it was generated; and

    d. was not actioned if the customer identified on the report was a BDM Customer (and prior approval was given to use a third party PayID).

313. Until September 2023, the POLi Report in Entain's "TMP" purported to identify:

    a. when the name of the POLi depositor did not match the name in which the betting account was held; and

    b. where a bank account used to make a POLi deposit had been previously used to make a POLi deposit on a different betting account.

314. During the Relevant Period, the POLi Report:

    a. was reviewed by the Fraud Team and Payments Team, but not by the AML Team;

    b. did not include a procedure to escalate a customer appearing on the report to the AML Team;

    c. prior to December 2021, did not include or was not accompanied by written guidance for reviewing the report once it was generated; and

    d. was not actioned if:

        i. the customer identified on the report was a BDM Customer (and prior approval was given to use a third party POLi account); or

        ii. the POLi account appeared to be in "the name of a spouse/partner and/or not suspicious".

315. During the Relevant Period, the Multiple Card Report in Entain's "TMP" purported to identify recently opened betting accounts that had added multiple debit or credit cards.

316. During the Relevant Period, the Multiple Card Report:

    a. was not run automatically or as a matter of course;

    b. if run (from a self-service portal), was to be reviewed by the Fraud Team and Payments Team, but not by the AML Team; and

    c. did not include, or was not accompanied by, a procedure to escalate a customer appearing on the report to the AML Team.

317. None of the reports at paragraphs 303 to 308 and 315 above identified debit or credit cards used on betting accounts facilitated through [redacted]:

a. Entain did not have adequate data or records to identify the source account for deposits through [redacted].

b. Over the Relevant Period, [redacted] were Entain's fastest growing payment channels for deposits into betting accounts.

Particulars

1. In 2019, Entain recorded total deposits of $2,887,447.74 through [redacted].
2. In 2020, Entain recorded total deposits of $32,553,255.10 through [redacted].
3. In 2021, Entain recorded total deposits of $112,088,617.69 through [redacted].
4. In 2022, Entain recorded total deposits of $216,915,138.95 through [redacted].
5. In 2023, Entain recorded total deposits of $314,610,748.80 through [redacted].
6. In 2023, Entain recorded total deposits of $5,687,345.86 through [redacted].
7. From 1 January 2024 to 18 July 2024, Entain recorded total deposits of $193,148,269.30 through [redacted].
8. From 1 January 2024 to 18 July 2024, Entain recorded total deposits of $6,099,931.55 through [redacted].

318. During the Relevant Period, Entain's Payments Team manually reviewed each EFT and BPAY deposit appearing in Entain's bank accounts for the purpose of identifying deposits to be credited to a customer's betting account.

319. During the Relevant Period, there was inadequate information in Entain's bank account transactional records for Entain to reliably detect EFT and BPAY deposits made by a person who was not the betting account holder.

320. During the Relevant Period, there were no processes in Entain's "TMP" to collect, verify or record the name of the person depositing money to be credited into a betting account through the:

a. Cash-in Terminal (retail venue) Channel;

b. Cash-in Terminal (BDM) Channel;

c. Sight Unseen Channel;

d. Banktech ATM Channel; or

e. CBA ATM Channel.

321. During the Relevant Period, there were no processes in Entain's "TMP" to collect, verify or record the name of the person purchasing a:

a. Flexepin Voucher; or

b. Prepaid Card.

322. During the Relevant Period, there were inadequate processes in Entain's "TMP" to detect multiple persons transacting on the same betting account.

Particulars

1. While Entain had some "device-matching" processes, these were not used as part of a detective transaction monitoring process.

2. See also paragraphs 302 to 317 above.

323. By reason of the matters at paragraphs 297 to 322 above, during the Relevant Period, Entain's "TMP" did not include appropriate risk-based systems, controls or procedures to detect activity or transactions on a betting account by, or for the benefit of, a potential third party.

Transactions by a customer across multiple betting accounts – inter and intra brand

324. During the Relevant Period, Entain's policy was that a customer was permitted to have open one betting account only under each Entain brand as identified at paragraph 5 above.

Particulars

1. Entain's Terms of Conditions as amended from time to time during the Relevant Period.

325. The policy described in paragraph 324 above was not included or incorporated in the documents referred to at paragraphs 30 and 31 above.

326. During the Relevant Period, Entain's "TMP" applied to a betting account and not a customer.

327. By reason of the matters at paragraphs 277, 284, 296, 323 and 326 above, during the Relevant Period, Entain's "TMP" was not capable of detecting:

a. unusual cash deposits by a customer across multiple betting accounts in their name;

b. unusually large deposits and withdrawals by a customer across multiple betting accounts in their name;

c. unusual patterns in transactions by a customer across multiple betting accounts in their name; and

d. the risk of transactions across multiple betting accounts in a customer's name by or for the benefit of possible third parties.

Deposits into betting accounts from a foreign jurisdiction or from a country on the Restricted Jurisdictions List

328. The deposit of money into a betting account from a jurisdiction outside Australia involved the higher ML/TF Risks pleaded at paragraph 24(i) above.

329. During the Relevant Period, Entain's "TMP" included a number of exceptions-based reports that purported to detect potential deposits from foreign jurisdictions:

a. (from April 2023) the Non-AU Credit Cards Linked to Clients Report; and

b. (from August 2021) the Cheque and International Deposits Report.

330. During the Relevant Period, Entain's "TMP" did not include any systems, controls or procedures to detect non-Australian or New Zealand debit cards added to a betting account.

331. Prior to April 2023, Entain's "TMP" did not include any systems, controls or procedures to detect non-Australian or New Zealand credit cards added to a betting account.

332. From April 2023, the Non-AU Credit Cards Linked to Clients Report in Entain's "TMP" purported to identify customers who had added a non-Australian or New Zealand credit card to their betting account.

333. During the Relevant Period, the Non-AU Credit Cards Linked to Clients Report:

a. was only generated weekly;

b. did not apply to debit cards;

c. did not include data inputs from Bookmaker or Betstar branded betting accounts;

d. was not capable of consistently or reliably detecting the non-Australian or New Zealand country from which a credit card was issued;

e. was not capable of consistently or reliably detecting the non-Australian or New Zealand bank by which the credit card was issued;

f. prior to 9 January 2024, did not include and was not accompanied by any criteria or guidance for reviewing the report once it was generated; and

g. prior to 9 January 2024, was not subject to any requirement in Entain's "Part A Program" to escalate customers who appeared on this report for OCDD.

334. Prior to August 2021, Entain's "TMP" did not include any systems, controls or procedures to detect international EFT deposits.

335. From August 2021, the Cheque and International Deposits Report in Entain's "TMP" purported to identify all customers making deposits by cheque or international EFT deposits.

336. During the Relevant Period, the Cheque and International Deposits Report:

a. relied on manual data entry by staff in Entain's Payments Team monitoring EFT deposits;

b. aggregated the total number of deposits against each betting account across one week;

c. by reason of (b) above, did not distinguish between deposits (if any) from different jurisdictions;

d. was incapable of consistently or reliably detecting international deposits in circumstances where:

i. Entain's transaction statements from 2 out of its 3 banks did not include any features indicating an international deposit; and

ii. Entain's transaction statements from its other bank did not consistently identify international wire transfers;

e. prior to July 2022, did not include or was not accompanied by any criteria or guidance for reviewing the report once it was generated; and

f. prior to July 2022, was not subject to any requirement in Entain's "Part A Program" to escalate customers who appeared on this report for customer due diligence, including ECDD.

337. The report identified at paragraph 332 did not identify debit or credit cards used on betting accounts facilitated through [redacted].

338. None of the reports at paragraphs 332 to 336 above identified international deposits made through [redacted].

339. During the Relevant Period, for the reasons at paragraphs 328 to 338 above, Entain's "TMP" did not include appropriate risk-based systems and controls to detect deposits into betting accounts from a jurisdiction outside Australia.

The "TMP" applied to pseudonyms

340. During the Relevant Period, where a betting account was opened in a pseudonym, Entain's "TMP" reported on transactions in those pseudonyms and not in the customer's name.

The "TMP" did not apply to Punt Club Affiliates

341. Punt Clubs involved the ML/TF Risks pleaded at paragraph 24(f) above.

342. During the Relevant Period, Entain's "TMP" did not apply to Member Club betting accounts opened through Entain's Punt Club Affiliates, including:

a. member deposits made to Member Club betting accounts; and

b. member withdrawals made from Member Club betting accounts; or

Particulars

1. The 2023 Punt Club Pty Ltd Risk Assessment found that Entain's transaction monitoring of Punt Club Pty Ltd was deficient.

343. During the Relevant Period, Entain's "TMP" did not include appropriate risk-based procedures to detect unusual patterns of transactions on BDM Punt Clubs, including with respect to the transactions by different members.

Particulars

1. Entain had no record of the members of BDM Punt Clubs and was unable to identify them.

344. During the Relevant Period, for the reasons at paragraphs 341 to 343 above, Entain's "TMP" did not include appropriate risk-based systems and controls to monitor transactions on:

a. Member Club betting accounts for Affiliate Punt Clubs; or

b. BDM Punt Club betting accounts.

Transaction monitoring processes were not appropriate for a business the nature, size and complexity of Entain

345. During the Relevant Period, the transaction monitoring processes described at paragraphs 253 to 344 above were not appropriate for a business the nature, size and complexity of Entain, having regard to the type of ML/TF Risks it reasonably faced:

a. During the Relevant Period, Entain processed large volumes of transactions on a large number of betting accounts for a large number of customers.

b. During the Relevant Period, Entain's "TMP" should have had a broader suite of automated rules-based alerts, generated from infractions of enterprise-wide transaction data and based on carefully scoped analytics coverage.

c. At no time did Entain have an automated enterprise-wide end-to-end automated transaction monitoring program with monitoring rules that covered all transactions on betting accounts and, where appropriate, customer risk profiles.

d. Entain's exception-based "TMP" reports involved single-sourced single-dimension queries.

e. Ad-hoc manual monitoring of single transactions on a betting account that relied upon the observations of Entain staff was not capable of detecting patterns of unusual or suspicious transactions over time or across multiple accounts.

f. Entain's "TMP" did not include appropriate assurance processes.

The "TMP" did not include adequate written procedures and guidance for the review and escalation of unusual transactions

346. From 9 January 2024, Entain's TMP Guide listed a number of "AML Red Flags" that purported to assist in "alert assessments":

a. "use of multiple deposit/withdrawal methods (Cashin, Card, Paypal)";

b. "quick turnover of funds within a short period of time (turning over once and withdrawing)";

c. "targeting short odds markets (under $[redacted])";

d. "withdrawing to a different source to where the deposit came from";

e. "use of the cash-out feature to quickly turnover funds";

f. "changes to betting behaviour (increased deposits frequency and value, changes in market behaviour, average bet value increase)";

g. "ECDD does not align with the customers spend";

h. "betting on markets where there is potential insider knowledge or integrity concerns";

i. "multiple deposits for the maximum amount accepted through cash-based deposit methods (ie, Cashin, Prepaid Card)"; and

j. “deposits occurring over consecutive days at various retails locations and/or a notable distance from the customer’s known location (i.e., deposits conducted in different states on the same day)”.

347. During the Relevant Period, there were inadequate written procedures and guidance in Entain’s “Part A Program” because:

a. prior to July 2022, there was no written guidance for the review and escalation of customers identified in the exceptions-based reports for which the AML Team was responsible;

Particulars

1. Paragraphs 256, 279, 287(b), (c), (d) and 329 above.

b. the guidance in the AML Training Manual from July 2022 was inadequate for the reasons in paragraph 350 below;

c. the guidance in the TMP Guide from January 2024 was inadequate because Entain did not carry out any appropriate assessment of the ML/TF Risks it reasonably faced during the Relevant Period, and as a consequence the TMP Guide was inherently deficient;

Particulars

1. See paragraphs 52 to 55 above.

d. there was no guidance to assist the Payments Team to identify and escalate unusual transactions when manually reviewing Entain bank accounts (for EFT and BPAY transactions) and crediting betting accounts; and

e. there was no guidance to assist the Client Services Team, Security Team or Fraud Team to identify and escalate unusual transactions to the AML Team.

Inadequate AML/CTF training

348. At all times during the Relevant Period, r 8.2.1 of the Rules required Part A of Entain’s AML/CTF program to include an AML/CTF risk awareness training program that was designed to enable Entain employees to understand:

a. the obligations of Entain under the Act and Rules;

b. the consequences of non-compliance with the Act and Rules;

c. the type of ML/TF Risk that Entain might face and the potential consequences of such risk; and

d. those processes and procedures provided for by Entain’s AML/CTF program that were relevant to the work carried out by the employee.

349. From July 2022, Entain’s “Part A Program” included an AML Training Manual which provided some guidance on “AML-related processes” including the review of the exceptions-based reports identified at paragraph 252(a) above.

Particulars

1. The guidance included some “AML/CTF Red Flags”.

350. Entain did not carry out any appropriate assessment of the ML/TF Risks it reasonably faced during the Relevant Period, and as a consequence the AML/CTF risk

awareness training for Entain employees on ML/TF Risks (including the AML Training Manual) was inherently deficient.

Particulars

1. See paragraphs 52 to 55 above.

351. In the absence of appropriate AML/CTF risk awareness training, Entain employees were unable to consistently detect or escalate unusual or suspicious matters for the purposes of Entain's "TMP", including for the purposes of ad-hoc referral processes.

Particulars

1. Paragraph 252(b) above.

The deficiencies in Entain's "TMP"

352. During the Relevant Period, by reason of the matters at paragraphs 253 to 351 above, Entain's "Part A Program":

a. did not include appropriate risk-based systems and controls to identify, mitigate and manage the ML/TF Risks that Entain reasonably faced with respect to the provision of designated services;

b. did not include appropriate risk-based systems and controls that had regard to the nature, size and complexity of Entain's business and the type of ML/TF Risks it reasonably faced with respect to the provision of designated services;

c. was not designed to enable Entain to understand the nature and purpose of the business relationship with its customer types, including, as appropriate, the collection of information relevant to that understanding;

d. did not include appropriate risk-based systems and controls to monitor the transactions of customers;

e. was not capable of having the purpose, having regard to ML/TF Risk, of identifying transactions that appeared suspicious for the purposes of s 41 of the Act; and/or

f. did not have appropriate regard to complex, unusual large transactions and unusual patterns of transactions which have no apparent economic or visible lawful purpose.

353. During the Relevant Period, by reason of the matters in paragraph 352 above, Entain's "Part A Program" did not comply with:

a. rr 8.1.3, 8.1.4, 8.1.5(1), 8.2, 15.4, 15.5, 15.6 and 15.7 of the Rules and therefore did not comply with s 84(2)(c) of the Act; and/or

b. s 84(2)(a) of the Act.

Enhanced customer due diligence

354. At all times during the Relevant Period, Part A of Entain's AML/CTF program was required, pursuant to r 15.8 of the Rules, to have an enhanced customer due diligence program (**ECDD Program**).

355. At all times during the Relevant Period, Entain was required by r 15.9 of the Rules to apply its "ECDD Program" to a customer when:

a. it determined under its risk-based systems and controls that the ML/TF Risk was high;

b. a designated service was being provided to a customer who was or who had a beneficial owner who was, a foreign PEP;

c. a suspicion had arisen for the purposes of s 41 of the AML/CTF Act; or

d. Entain was entering into or proposing to enter into a transaction and a party to the transaction was physically present in, or was a corporation incorporated in, a prescribed foreign country.

356. At all times during the Relevant Period, Entain was required to include in its "ECDD Program" appropriate risk-based systems and controls, so that, in cases where one or more of the circumstances in r 15.9 of the Rules arose, it would undertake measures (**ECDD measures**) appropriate to those circumstances with respect to the customer or beneficial owner of the customer and the provision of designated services to the customer, including relevantly measures to:

a. seek information from the customer or third party sources in order to:

i. clarify or update KYC information already collected from the customer;

ii. obtain any further KYC information or beneficial owner information, including, where appropriate, by taking reasonable measures to identify the source of a customer's and each beneficial owner's wealth and the source of the customer's and each beneficial owner's funds;

b. undertake more detailed analysis of the customer's or beneficial owner's KYC information and beneficial owner information, including where appropriate by taking reasonable measures to identify the source of the customer's or beneficial owner's wealth and the source of the customer's or beneficial owner's funds;

c. verify or re-verify KYC information in accordance with the customer identification program;

d. verify or re-verify beneficial owner information in accordance with the beneficial owner identification requirements specified in Chapter 4 of the Rules;

e. undertake more detailed analysis and monitoring of the customer's transactions – both past and future, including, but not limited to:

i. the purpose, reasons for, or nature of specific transactions; or

ii. the expected nature and level of transaction behaviour, including future transactions;

f. seek senior management approval for:

i. continuing a business relationship with a customer;

ii. whether a designated service should continue to be provided to the customer;

g. consider whether a transaction or particular transactions should be processed.

357. At all times during the Relevant Period, where an obligation arose to apply ECDD to a customer or a beneficial owner of a customer either of whom was a foreign PEP in addition to other appropriate measures prescribed by r 15.10, Entain was required by r 15.11 of the Rules to undertake the measures identified at paragraphs 356(b) and (f) above.

358. During the Relevant Period, Entain included an "ECDD Program" in its "Part A Program" titled Enhanced Customer Due Diligence Procedure (**Entain's** "**ECDD Program**").

When must ECDD be applied?

359. From 16 December 2018 to 30 October 2023, Entain's "ECDD Program" provided that ECDD should be applied to a customer when:

a. the customer's betting account was:

i. (from 16 December 2018 to 8 March 2020) listed in the top 10 accounts in the High Value Transaction Report and ECDD had not been completed within the previous 3 months;

ii. (from 9 March 2020 to 10 March 2021) listed in the top 30 accounts in the High Value Transaction Report and ECDD had not been completed within the previous 3 months;

iii. (from 11 March 2021) listed in the High Value Transaction Report and ECDD had not been completed within the previous 6 months; and/or

iv. (from July 2022) listed in the High Value Transaction Report and the account was new.

b. from 12 February 2019, there was a possibility that the customer's betting account was no longer of low ML/TF Risk (as detected during transaction monitoring or otherwise);

c. the customer was identified as a PEP (domestic, foreign or international organisation);

d. contact was made by law enforcement with respect to a customer with an open betting account (or, from 1 February 2023, a customer with a suspended or closed account that could be reopened without notification to the AML Team) and the request stated that the customer had committed or was suspected of a criminal offence;

e. transactions on the customer's betting account through the "Cash-in Facility" were $5,000 or more per day or $10,000 or more per week;

f. prior to 1 February 2023, an SMR was to be lodged with respect to a customer's betting account (unless the account was to be closed, for example due to fraud);

g. from 1 February 2023, an SMR was to be lodged with respect to a customer's betting account;

h. where the customer's betting account was flagged as "high ML/TF Risk" (as described at paragraph 197 above) and:

i. prior to 11 March 2021, ECDD had not been conducted within the last 3 months;

ii. from 11 March 2021, ECDD had not been conducted within the last 6 months; and

iii. further, from 12 April 2022 to January 2023, "where a customer was 'high ML/TF Risk' solely due to their position as a current or former Affiliate or former employee of Entain (and due to the large number of customers in this category) the conduct and scope of ECDD was to be determined in a way which gave priority to the situations in (a) to (g) above, and the higher risk subset of customers within this category itself".

i. from 9 March 2020 to 10 March 2021, when reviewing a customer due to a responsible gaming (**RSG**) concern (where Entain identified multiple or a repetition of "RSG Red Flags");

j. from 31 March 2021, where a customer met a trigger for a Stage 2 SOF Form and where ECDD had not yet been completed; or

Particulars

1. Paragraphs 239 to 241 above.

k. from 6 September 2021, where a customer met a trigger for a SOF Online Form and where ECDD had not yet been completed.

Particulars

1. Paragraphs 245 and 246 above.

360. During the Relevant Period, Entain's "ECDD Program" provided that a customer's risk rating was to be reviewed after ECDD was undertaken.

361. From 31 October 2023, Entain's "ECDD Program" provided that ECDD must be applied to a customer when:

a. Entain determined the customer was high risk or was considering changing the customer's risk rating, whether to increase or decrease, for AML/CTF purposes;

b. the customer was a potential or confirmed PEP (or an entity that had a beneficial owner who was a foreign PEP);

c. the customer appeared on a Sanctions List (which Entain defined in its PEP Procedure as "a list of suspected terrorists" or other sanctioned persons/entities), whether they were an individual or non-individual;

d. an "unusual activity report" was prepared to determine whether an SMR should be lodged under s 41 of the Act;

e. Entain was planning on sending or receiving a transaction from a party that was physically present or incorporated in a prescribed foreign country;

f. Entain received a law enforcement request;

g. Entain received an integrity request in relation to:

i. from 31 October 2023 to 12 March 2024 – a particular person(s) or a specific event;

ii. from 13 March 2024 – a particular person(s) or targeting a small group of individuals with related activity;

h. Entain identified a "positive match" to an "adverse media alert" in accordance with the "Adverse Media Matrix";

i. Entain determined the customer was a former employee or Affiliate; and

j. Entain determined the customer was a non-individual.

362. In addition to the procedures at paragraphs 359 to 361 above, from 22 January 2024, Entain's "ECDD Program" included a streamlined version of the ECDD process called "**ECDD Lite**".

Particulars

1. ECDD Lite was described as a condensed assessment of the customer's risk profile based on recent information.

363. ECDD Lite was required when:

a. it had been 1 to 6 months "since the last ECDD was completed"; and

b. a circumstance at paragraph 361 above occurred.

364. Entain's "ECDD Program" provided that ECDD Lite was not to be applied in relation to a customer when a circumstance at paragraph 361 above occurred and it had been over 6 months since ECDD was conducted.

The failure to escalate customers for ECDD

365. During the Relevant Period, Entain's "Part A Program" did not include appropriate risk-based systems and controls to identify, escalate and assess customers who were high ML/TF Risk for ECDD because:

a. Entain did not carry out an appropriate assessment of the ML/TF Risks it reasonably faced with respect to customer types and therefore did not and could not identify those customers who should have been determined high ML/TF Risk.

Particulars

1. See paragraphs 52 to 55 above.

b. The "Part A Program" did not include appropriate risk-based systems, controls and procedures to identify, escalate and risk rate a customer who may not have been low ML/TF Risk for the reasons at paragraph 210 above.

c. The criteria for escalating a customer for ECDD as identified at paragraphs 359 or 361 above did not adequately or consistently identify all high ML/TF Risk customers who should have been escalated for ECDD.

d. Customers whose betting accounts appeared on the High Value Transaction Report were exempted from ECDD, including where:

i. (from 16 December 2018 to 8 March 2020) the betting account was not listed in the top 10 accounts in the report;

ii. (from 16 December 2018 to 8 March 2020) when the betting account was listed in the top 10 accounts in the report and ECDD had been completed within the previous 3 months;

iii. (from 9 March 2020 to 10 March 2021) the betting account was not listed in the top 30 accounts in the report;

iv. (from 9 March 2020 to 10 March 2021) the betting account was listed in the top 30 accounts in the report and ECDD had been completed within the previous 3 months; and

v. (from 11 March 2021) ECDD had been completed within the previous 6 months.

e. Further to (d) above, the High Value Transaction Report was not capable of detecting deposits that were significantly higher than average deposits.

Particulars

1. See paragraph 281(b)(ii) above.

f. In any case, the "Part A Program" did not include appropriate risk-based systems, controls and procedures to consistently identify and escalate a customer who met a criterion at paragraphs 359 or 361 above.

Particulars

1. Entain's "TMP" did not adequately identify and escalate customers whose risk profile included one of more of the relevant transactional features at paragraphs 359 or 361 above.

g. The criteria and escalation processes in Entain's "Part A Program" for conducting ECDD identified and escalated betting accounts rather than customers.

Particulars

1. Entain's "Part A Program" could not consistently identify and escalate customers whose risk profile and transactional activity across multiple betting accounts involved higher ML/TF Risks.

h. Although Entain had an "Adverse Media Risk Matrix" from 31 October 2023, it did not conduct adverse media screening of customers during the Relevant Period.

i. Entain's "Part A Program" did not include appropriate risk-based systems, controls and procedures to identify and escalate members of Affiliate Punt Clubs.

Particulars

1. Entain conducted ECDD on Affiliate Punt Club Captains, not members of Affiliate Punt Clubs.

j. Entain's "Part A Program" did not include appropriate risk-based systems, controls and procedures to identify and escalate members of BDM Punt Clubs.

Particulars

1. Entain had no record of the members of BDM Punt Clubs and was unable to identify them.

k. The "Part A Program" did not include appropriate risk-based systems, controls and procedures to escalate customers who:

i. were non-natural persons; or

ii. had a beneficial owner.

366. Entain's "Part A Program" did not include appropriate risk-based systems, controls and procedures to identify and escalate a customer who was or may have been a foreign PEP for the reasons at paragraph 225 above.

ECDD reviews on an ongoing basis

367. At all times during the Relevant Period, Entain was required by the Act and Rules to include appropriate systems and controls to apply ECDD measures to customers falling within rr 15.9(1) to (2) of the Rules, on an ongoing basis and at regular intervals, on a risk-basis.

Particulars

1. Sections 36, 84(2)(a) and (c) of the Act; and rr 8.1.3, 8.1.4, 8.1.5, 15.9 and 15.10 of the Rules.

368. From March 2021 to 30 October 2023, Entain's "ECDD Program" included a requirement for high-risk customers to be reviewed "on at least a six-monthly basis" to consider whether the ML/TF Risk rating should be increased or decreased, and what further action was required.

369. However, in practice, during the Relevant Period, the process identified at paragraph 368 above was not carried out.

370. During the Relevant Period, Entain's "Part A Program" did not include appropriate risk-based systems, controls and procedures to consistently apply ECDD on an ongoing basis to a customer who was or should have been rated high ML/TF Risk because:

a. Prior to 29 April 2019, Entain was unable to generate a list of all customers rated high ML/TF Risk and was therefore unable to carry out monthly reviews.

b. ECDD was not required to be conducted if a customer appeared on one of Entain's AML Transaction Monitoring Reports and ECDD had been conducted in the prior 6 months.

Particulars

1. If a customer had been the subject of an SMR in the previous 6 months, and the activity the subject of the SMR was continuing, ECDD did not occur.

371. During the Relevant Period, Entain's "Part A Program" did not include appropriate risk-based systems, controls and procedures to apply ECDD on an ongoing basis to a customer who was or may have been a foreign PEP:

a. PEP screening was inadequate for the reasons at paragraph 225 above.

b. There were no systems, controls or procedures to maintain and generate lists of customers who were foreign PEPs and to apply regular risk-based ECDD to these customers.

c. From May 2019, Entain produced a monthly "Confirmed and Potential PEP" Report that included the name of the customer, a flag that stated "Yes" if the customer placed a bet within the reporting period, and the total amount deposited within the reporting period but:

   i. There was no guidance or criteria for Entain staff with respect to the review of the "Confirmed and Potential PEP" Report until July 2022, when Entain's AML Training Manual was introduced.

   ii. There was no guidance or criteria for Entain staff for the escalation of a customer who was a foreign PEP for ECDD if that customer appeared on the "Confirmed and Potential PEP" Report.

What ECDD measures must be applied

Procedures prior to 31 October 2023

372. Prior to 1 February 2023, Entain's "ECDD Program" described the ECDD process as meaning the process for understanding more about the customer, and in particular, whether their betting and transacting history matched their profile, occupation and income level, source of funds and source of wealth.

373. From 9 March 2020 to 30 October 2023, Entain's "ECDD Program" listed a number of "AML Red Flags" as amended from time to time that purported to assist in the review or analysis of the customer during ECDD including:

a. "customer doesn't seem to be who they say they are, or what they say and their ID information doesn't match";

b. "changes in the customer's betting, depositing or withdrawing patterns that seem suspicious, strange or out of character";

c. "if the customer is depositing, withdrawing or betting unusually large amounts – especially if the customer is new or unknown to the business".

d. "where the customer's occupation and income can't be confirmed and/or is inconsistent with their betting/depositing/withdrawing";

e. "customer is located within or transacting via a high-risk jurisdiction (eg. North Korea) or a restricted jurisdiction";

f. "if you come across public information about a customer that indicates they are involved in money laundering, terrorism, organized crime, or have previously committed a crime or been involved in an integrity investigation"; and

g. "betting by a group of people that may be deemed to be related by shared identifiers including IP address or 'device fingerprint'".

374. Entain's "AML/CTF Red Flags" were also listed in the AML Training Manual from 17 July 2022.

Particulars

1. Paragraph 349 above.

375. Prior to 31 October 2023, Entain's "ECDD Program" provided that the following types of information could be collected from or about a customer during the ECDD process:

a. (from 16 December 2018 to 5 September 2021), re-verification of the customer's identification using full name, date of birth and residential address;

b. occupation and approximate income level;

c. source of funds;

d. source of wealth;

e. review of the customer's PEP status;

f. expected business activity, for example, Entain "knows the customer's betting activity at another bookmaker or the customer advises they intend to bet less or more in the future";

g. (from 9 March 2020), information relating to adverse media or publicised information about the customer; and/or

h. (from 9 March 2020), any other commentary about the customer that could assist in substantiating their level of spend.

376. As described at paragraphs 189 to 207 above, Entain's "ECDD Program" included criteria for "flagging" or rating customers as having low, medium or high ML/TF Risk.

Procedures from 31 October 2023

377. From 31 October 2023, Entain's "ECDD Program" stated that ECDD consisted of four main pillars:

a. collecting additional information from various sources (for example, via third party or external sources, from the customer themselves – via a BDM or an VIP Manager if the customer is managed, or via Entain's own systems);

b. undertaking a more detailed analysis of customer information and transactions;

c. verifying or re-verifying customer information; and

d. mitigating and managing the ML/TF Risk presented (for example, senior management reporting to provide a recommendation as to the ongoing relationship with the customer).

378. From 31 October 2023, Entain's "ECDD Program" stated that the procedures applied to "AML Analysts" and stated that when conducting ECDD, AML Analysts must:

a. assess the information of the customer profile to evaluate their risk level;

b. assess the transactional behaviour to identify any unusual activity; and

c. complete the ECDD template in accordance with the 21 steps (or 20 steps from 29 November 2023) set out in Entain's "ECDD Program".

379. The 20-21 steps required the AML Analyst to conduct numerous actions, including:

a. search the customer name and username to identify if they held multiple betting accounts;

b. provide the customer's occupation or nature of business;

c. list related parties, including the customer's own betting accounts under other brands, related parties in previous SMR and more;

d. provide the name of each beneficial owner;

e. detail source of funds;

f. Google searches;

g. social media searches;

h. searches on external service provider databases, including adverse media which needed to be assessed as against the "Adverse Media Matrix";

Particulars

1. The "ECDD Program" defined the steps to be undertaken as Google searches and a Dow Jones search (until 28 November 2023).

i. review transactional activity;

j. detail expected transactional activity; and

k. summarise previous AML reviews, including SMRs, law enforcement requests and referrals from "BDMs/SG/Fraud".

380. From 31 October 2023, Entain's "ECDD Program" identified a number of "AML Red Flags", including those identified in paragraph 373 above that purported to assist in the review or analysis of the customer.

381. Entain's "AML/CTF Red Flags" were also listed in:

a. the AML Training Manual from 17 July 2022; and

b. the TMP Guide from 9 January 2024.

Particulars

1. Paragraphs 346 and 349 above.

382. From 31 October 2023, Entain's "ECDD Program" provided that senior management approval was mandatory in the following circumstances:

a. the customer was a foreign PEP;

b. the customer was a high-risk domestic or international organisation PEP;

c. findings of ECDD required further oversight from the "FCR"/AML/CTF Compliance Officer to manage the risk presented;

d. the customer had 3 SMRs completed in a period to be determined (12 months or 5 per lifetime);

e. there were adverse media findings that aligned with guidance in the "Adverse Media Risk Matrix";

f. the customer was outside of Entain's risk appetite and required permission to be exited;

g. the customer appeared on a Sanctions List;

h. with respect to non-individuals, for approval and completion of KYC to required standards; and

i. with respect to Affiliates, for approval of KYC.

383. From 31 October 2023, as described at paragraphs 198 to 203 above, there were no criteria in Entain's "Part A Program" for "low" or "medium" Customer Risk Ratings.

384. From 27 August 2024, Entain's "Part A Program" provided for a range of ECDD measures to be carried out with respect to customers who were escalated for ECDD, including:

a. clarifying and/or updating the customer's and/or each beneficial owner's KYC information;

b. undertaking a more detailed analysis of the customer's deposits, betting, and/or withdrawal activity over the last 12 months;

c. seeking senior management approval to continue the business relationship with the customer or continue providing designated services to the customer; and

d. taking reasonable measures to identify the customer's and each beneficial owner's source of wealth/source of funds.

385. With respect to customers who Entain escalated for ECDD during the Relevant Period, Entain's "Part A Program" did not include appropriate risk-based systems and controls to apply measures appropriate to the circumstances of the customer because:

a. Entain's "ECDD Program" did not include appropriate risk-based systems, controls or procedures to collect, verify, review, clarify, update or analyse information relating to customers' source of wealth or source of funds and KYC information as prescribed by rr 15.10(1) and (2) of the Rules for the reasons at paragraphs 247 and 248 above.

b. Entain's "ECDD Program" did not include appropriate risk-based systems, controls or procedures to collect, verify, review, clarify, update or analyse KYC information relating to the destination of funds for withdrawals from betting accounts as prescribed by rr 15.10(1), (2) and (5) of the Rules.

Particulars

1. The definition of KYC information in relation to a customer who was an individual in r 1.2.1 of the Rules included the beneficiaries of transactions being facilitated by the reporting entity on behalf of the customer including the destination of funds.

c. Entain's "ECDD Program" did not include adequate guidance on how to undertake more detailed analysis and monitoring of customers' transactions including, but not limited to the purpose, reasons for, or nature of specific

transactions, or the expected nature and level of transactional behaviour, including future transactions as prescribed by r 15.10(5) of the Rules.

d. Prior to 31 October 2023, Entain's "ECDD Program" did not include guidance on when to seek senior management approval for continuing a business relationship with a customer and for whether a designated service should continue to be provided to the customer as required by r 15.10(6) of the Rules.

e. From 31 October 2023, Entain's "ECDD Program" only required a detailed analysis of customer information and transactions for the 6 months prior to the date of ECDD.

f. Entain "ECDD Program" did not include appropriate risk-based systems, controls or procedures to consider whether a transaction or particular transactions should be processed as required by r 15.10(7) of the Rules.

g. The criteria and guidance for reviewing, assessing and analysing a customer's risk profile were inadequate.

h. Entain's "ECDD Program" did not include appropriate systems, controls and procedures to carry out ECDD measures on members of Affiliate Punt Clubs.

Particulars

1. ECDD was conducted on individual Affiliate Punt Club Captains only.
2. Any ECDD outcomes would be recorded as against the Club Captain's Member Club betting account only.

i. During the Relevant Period, Entain was unable to apply any ECDD measures to members of BDM Punt Clubs.

Particulars

1. Entain did not know who the members of BDM Punt Clubs were.

j. Prior to 9 March 2020, there was no requirement in Entain's "Part A Program" to conduct adverse media searches with respect to customers, including when a customer was escalated for ECDD as required by rr 15.10(1), (2) and (5) of the Rules.

Particulars

1. Manual searches were conducted for adverse media if a customer was escalated for ECDD.

k. From 9 March 2020 to 30 October 2023, there was no risk-based guidance or criteria with respect to the collection and analysis of information relating to adverse media with respect to customers.

l. Prior to 31 October 2023, Entain's "ECDD Program" did not include written procedures requiring the review of transactions made by customers across multiple betting accounts when carrying out ECDD measures as required by r 15.10(5) of the Rules.

Particulars

1. From 31 October 2023, one of the ECDD "steps" included searching Entain's information systems for the purpose of identifying if the customer held multiple betting accounts.

m. From 22 January 2024, ECDD Lite, as identified at paragraphs 363 and 364 above:

i. may not have been appropriate in all circumstances for high ML/TF Risk customers who had been subject to ECDD within a prior 6-month period; and

ii. did not involve appropriate measures, as set out in r 15.10 of the Rules, for customers who had met one of the circumstances in paragraph 361 above.

n. Prior to 27 August 2024, where a customer was escalated to senior management, there was no criteria or guidance as to the circumstances in which a customer would be outside Entain's ML/TF Risk appetite.

Foreign politically exposed persons

386. At all times during the Relevant Period, r 15.11 of the Rules required Entain to undertake the measures in rr 15.10(2) and (6) if the customer or their beneficial owner was a foreign PEP, in addition to any other appropriate measures in r 15.10.

387. Prior to 27 August 2024, Entain's "Part A Program" did not include a system, control or procedure to undertake the measures in rr 15.10(2) and (6) of the Rules if the customer or their beneficial owner was a foreign PEP, in addition to any other appropriate measures in r 15.10.

Particulars

1. Paragraph 225 above.

The deficiencies in Entain's "ECDD Program"

388. During the Relevant Period, by reason of the matters at paragraphs 359 to 387 above, Entain's "Part A Program":

a. did not include appropriate risk-based systems and controls to identify, mitigate and manage the ML/TF Risks that Entain reasonably faced with respect to the provision of designated services;

b. did not include appropriate risk-based systems and controls that had regard to the nature, size and complexity of Entain's business and the type of ML/TF Risks it reasonably faced with respect to the provision of designated services;

c. did not include appropriate risk-based systems to apply ECDD when a circumstance prescribed by r 15.9 of the Rules arose;

d. did not include appropriate risk-based systems and controls so that, in cases where one or more of the circumstances in r 15.9 of the Rules arose, Entain would undertake measures appropriate to those circumstances, including a range of the measures in rr 15.10(1) to (7); and/or

e. did not require Entain to undertake the measures in rr 15.10(2) and 15.10(6) of the Rules if the circumstances in r 15.9(2) arose, in addition to any other appropriate measures in r 15.10.

389. During the Relevant Period, by reason of the matters in paragraph 388 above, Entain's "Part A Program" did not comply with:

a. rr 8.1.3, 8.1.4, 15.9, 15.10, and 15.11 of the Rules and therefore did not comply with s 84(2)(c) of the Act; and/or

b. s 84(2)(a) of the Act.

SYSTEMS AND CONTROLS IN ENTAIN'S "PART A PROGRAM" TO ENSURE COMPLIANCE WITH SUSPICIOUS MATTER REPORTING

390. At all times during the Relevant Period, Entain was required by r 8.9.1(2) of the Rules to include in Part A of its AML/CTF program appropriate systems and controls that were designed to ensure compliance with Entain's reporting obligations, including the reporting obligations under s 41 of the Act.

391. At all times during the Relevant Period, an SMR obligation arose for Entain under s 41 of the Act when:

a. it commenced to provide, or proposed to provide, a designated service to a customer (the **relevant time**); and

b. either:

i. at the relevant time or a later time, Entain suspected on reasonable grounds that the customer was not the person they claimed to be; or

ii. at the relevant time or a later time, Entain suspected on reasonable grounds that information that it had concerning the provision, or prospective provision, of the service:

A. may be relevant to investigation of, or prosecution of a person for, an evasion, or an attempted evasion, of a taxation law; or

B. may be relevant to investigation of, or prosecution of a person for, an evasion, or an attempted evasion, of a law of a State or Territory that deals with taxation; or

C. may be relevant to investigation of, or prosecution of a person for, an offence against a law of the Commonwealth or of a State or Territory; or

D. may be of assistance in the enforcement of the *Proceeds of Crime Act 2002* (Cth) or regulations under that Act; or

E. may be of assistance in the enforcement of a law of a State or Territory that corresponds to the *Proceeds of Crime Act 2002* (Cth) or regulations under that Act.

392. Where an SMR obligation arose in relation to a matter at paragraph 391 above, s 41(2) of the Act required Entain to give the AUSTRAC CEO a report about the matter within 3 business days after the day on which it formed the relevant suspicion.

393. During the Relevant Period, Entain's "Part A Program" included a "Suspicious Matter Reports Procedure" that purported to apply to all employees and contractors of Entain.

394. During the Relevant Period, the "Suspicious Matter Reports Procedure" provided a "non-exhaustive list of the types of transactions (or attempted transactions)" that were required to be reported to the AUSTRAC CEO including:

a. a betting account or transaction where there was a suspicion of terrorism financing;

b. a betting account opened or attempted to be opened, or a transaction or attempted transaction by, anyone flagged on the Sanctions List;

c. bets or transactions suggestive of an integrity risk to a race, sporting event or other event;

d. betting accounts or transactions involving fraud or attempted fraud;

e. betting accounts or transactions involving a beneficial owner other than the customer;

f. requests from a customer for winnings or account funds to be paid to a betting account in a country other than the customer's country of residence;

g. a request from a customer fora withdrawal of funds from their account without turning them over and without a logical explanation;

h. a customer withdrew or attempted to withdraw funds from their betting account after making only low-risk bets;

i. betting accounts or transactions where the customer's betting/transacting activity did not match their customer profile based on the information known about them, where the deposits or gambling losses were $50,000 or more in a week;

j. betting accounts or transactions where the customer's source of funds was unknown, where the account deposits or gambling losses were $50,000 or more in a week and, from 14 April 2020, the customer's source of funds could not be substantiated;

k. betting accounts or transactions that were suspected to be linked to criminal activities or the proceeds of crime;

l. transactions through the "Cash-in Facility" or Prepaid Cards in excess of $5,000 per day or (from 12 April 2022) $10,000 per day or $10,000 per week or (from 12 April 2022) $20,000 per week, which was inconsistent with the customer's profile or where the source of funds/source of wealth was unknown; and

m. a "bribe or attempted bribe".

395. From 9 March 2020, the "Suspicious Matter Reports Procedure" provided that if a customer met the criteria for the reporting of an SMR at paragraph 394 above, and an SMR had been lodged in the last 30 days, a new SMR was not required to be lodged unless:

a. the criteria for the SMR was different to the previously lodged SMR; or

b. the criteria for the SMR was the same, but the monetary value had increased by at least 10%.

396. During the Relevant Period, where an Entain employee or contractor identified a matter that might be suspicious by reference to paragraphs 394 and 395 above, they were required to email or contact the AML Team or the Compliance Team to provide a brief summary of why the matter was considered suspicious.

Particulars

1. Some Entain documents referred to these emails as an "unusual activity report".

397. The procedures in Entain's "Part A Program", including those described at paragraphs 394 to 396 above, did not include appropriate systems and controls to consistently identify, escalate and report unusual or suspicious activity because:

a. Entain did not conduct an appropriate ML/TF Risk assessment with respect to designated services and it consequently was unable to consistently identify unusual or suspicious activity;

Particulars

1. See paragraphs 52 to 55 above.

b. the criteria with respect to SMR reporting at paragraph 394 above was not based on an assessment of the ML/TF Risks Entain reasonably faced with respect to the provision of designated services;

c. the processes for identifying, escalating and risk rating customers who were high ML/TF Risk were inadequate;

Particulars

1. Paragraphs 209 to 211 above.

d. the lack of appropriate risk-based processes to understand a customer's source of wealth and source of funds limited Entain's ability to understand a customer's transactional activity and to determine whether any particular activity was unusual;

Particulars

1. Paragraphs 247 and 248 above.

e. the deficiencies in Entain's "TMP" meant that Entain was unable to consistently identify suspicious activity within the meaning of s 41 of the Act, having regard to unusual patterns of transactions, which had no apparent economic or visible lawful purpose;

Particulars

1. Paragraphs 253, 254, 277, 284, 296, 323, 339, 343 and 351 above.

f. workflows for identifying suspicious matters were reliant upon discretional judgment by Entain employees and contractors as against insufficiently detailed criteria;

g. Entain employees were not given adequate AML/CTF risk awareness training;

Particulars

1. Paragraph 348 above.

h. the processes for identifying, escalating and reporting suspicious matters with respect to customers managed by BDMs or VIP Managers were not appropriate;

Particulars

1. Paragraphs 175 to 177 above.

i. the processes for identifying, escalating and reporting suspicious matters with respect to customers managed by Exclusive Affiliates were not appropriate;

Particulars

1. Paragraphs 141 and 142 above.

j. the processes for identifying, escalating and reporting suspicious matters with respect to the provision of designated services through Cash-in retail venues using Cash-in Terminals were inadequate;

Particulars

1. Paragraph 124 above.

k. the processes for identifying, escalating and reporting suspicious matters with respect to the provision of designated services through Flexepin Vouchers were inadequate;

Particulars

1. Paragraph 133 above.

l. if a customer had been the subject of an SMR in the previous 6 months, and the activity the subject of the SMR was continuing, further ECDD was not required under Entain's "Part A Program" which inhibited the identification and reporting of ongoing suspicious activity;

Particulars

1. See, for example, paragraphs 264(f)(ii), 272(d)(ii), 291(c)(ii) 365(d), 363 and 385(m) above.

m. from 9 March 2020, where an SMR had been given to the AUSTRAC CEO within the last 30 days with respect to a customer, the procedure did not require Entain to report a further or ongoing suspicion it had formed for the purposes of s 41(1)(f) of the Act with respect to the provision of a designated service to the customer;

n. Entain was unable to identify and report unusual or suspicious matters relating to Affiliate Punt Clubs;

Particulars

1. Paragraph 168(g) above.

o. Entain was unable to identify and report unusual or suspicious matters relating to BDM Punt Clubs;

Particulars

1. Paragraph 177(f) above.

p. Entain's "Part A Program" did not include appropriate controls to ensure that SMRs would not be reported to the AUSTRAC CEO in the name of a pseudonym; and

q. Entain's "Part A Program" did not include procedures to carry out assurance on suspicious matter reporting.

398. During the Relevant Period, by reason of the matters in paragraph 397 above, Entain's "Part A Program" did not comply with r 8.9.1(2) of the Rules and therefore did not comply with s 84(2)(c) of the Act.

OVERSIGHT OF ENTAIN'S "PART A PROGRAM"

399. At all times during the Relevant Period, Entain was required pursuant to r 8.4.1 of the Rules to have a Part A program that was approved by its governing board and senior management and that was subject to ongoing oversight by its board and senior management.

400. During the Relevant Period, Entain's Executive Committee, Risk Committee and Compliance Committee considered matters relating to Entain's "Part A Program".

401. The membership of each of the Executive Committee, Risk Committee and Compliance Committee comprised both directors and senior management.

402. During the Relevant Period, by reason of the matters in paragraphs 57, 68, 79, 92, 96, 113, 126, 135, 146, 170, 181, 187, 213, 250, 353, 389 and 398 above, Entain's board and senior management could not and did not exercise ongoing oversight of Entain's "Part A Program".

403. During the Relevant Period, by reason of the matters in paragraph 402 above, Entain did not comply with r 8.4.1 of the Rules and therefore did not comply with s 84(2)(c) of the Act.

404. During the Relevant Period, by reason of the matters in paragraphs 402 and 403 above, Entain's "Part A Program" did not comply with s 84(2)(a) of the Act.

ENTAIN'S "PART B PROGRAM" – THE APPLICABLE CUSTOMER IDENTIFICATION PROCEDURE

405. At all times during the Relevant Period, Entain had written documents that purported to be Part B of an AML/CTF program (**Entain's "Part B Program"**):

a. AML/CTF Program dated 25 January 2018;

b. AML/CTF Program dated 12 February 2019;

c. AML/CTF Program dated 9 March 2020;

d. AML/CTF Program dated 28 April 2020;

e. AML/CTF Program dated 13 August 2020;

f. AML/CTF Program dated 11 March 2021;

g. AML/CTF Program dated 29 July 2021;

h. AML/CTF Program dated 11 May 2022;

i. AML/CTF Program dated 15 December 2022;

j. Customer Due Diligence Procedure (Know Your Customer) as varied from time to time; and

k. Part B AML/CTF Program dated 29 August 2024.

406. At all times during the Relevant Period, Part B of Entain's AML/CTF program was required to comply with Part 4.2 of the Rules with respect to customers of Entain that were individuals.

Appropriate risk-based systems and controls

407. At all times during the Relevant Period, Part B of Entain's AML/CTF program was required, by r 4.2.2 of the Rules, to include appropriate risk-based systems and controls that were designed to enable Entain to be reasonably satisfied, where a customer was an individual, that the customer was the individual that he or she claimed to be.

408. At all times during the Relevant Period, Part B of Entain's AML/CTF program was required, by r 4.2.3 of the Rules, to include a procedure for Entain to collect, at a minimum, the following KYC information about an individual:

a. the customer's full name;

b. the customer's date of birth; and

c. the customer's residential address

(**minimum KYC collection**).

409. At all times during the Relevant Period, Part B of Entain's AML/CTF program was required, by r 4.2.5 of the Rules, to include appropriate risk-based systems and controls for Entain to determine whether, in addition to the KYC information referred to in r 4.2.3, any other KYC information would be collected about a customer.

410. At all times during the Relevant Period, Part B of Entain's AML/CTF program was required, by r 4.2.6 of the Rules, to include appropriate risk-based systems and controls to verify, at a minimum, the following KYC information about a customer:

a. the customer's full name; and

b. either:

i. the customer's date of birth; or

ii. the customer's residential address

(**minimum KYC verification**).

411. At all times during the Relevant Period, Part B of Entain's AML/CTF program was required, by r 4.2.7 of the Rules, to require that the verification of information collected about a customer be based on:

a. reliable and independent documentation;

b. reliable and independent electronic data; or

c. a combination of (a) and (b) above.

412. At all times during the Relevant Period, Part B of Entain's AML/CTF program was required, by r 4.2.8 of the Rules, to include appropriate risk-based systems and controls for Entain to determine whether, in addition to the KYC information referred to in r 4.2.6, any other KYC information collected about the customer should be verified from reliable and independent documentation, reliable and independent electronic data, or a combination of the two.

413. During the Relevant Period, Entain's "Part B Program" provided for an applicable customer identification procedure that purported to carry out the minimum KYC collection and the minimum KYC verification only.

414. During the Relevant Period, Entain's "Part B Program" did not include appropriate risk-based controls for Entain to determine whether:

a. in addition to the KYC information referred to in r 4.2.3 of the Rules, any other KYC information would be collected about a customer; and

b. in addition to the KYC information referred to in r 4.2.6 of the Rules, any other KYC information collected about the customer should be verified from reliable and independent documentation, reliable and independent electronic data, or a combination of the two.

415. By reason of paragraph 414 above, Entain's "Part B Program" did not comply with the requirements of rr 4.2.5 and 4.2.8 of the Rules during the Relevant Period and therefore did not comply with s 84(3)(b) of the Act.

Reliable and independent electronic data from at least two separate data sources

416. At all times during the Relevant Period, where the relationship with a customer was of medium or lower ML/TF Risk, Entain was taken to meet the requirements of rr 4.2.6, 4.2.7, 4.2.8 and 4.10.1 of the Rules if its "Part B Program" required it to verify the KYC information prescribed by r 4.2.6 through the use of "reliable and independent electronic data" from at least two separate data sources.

Particulars

1. Rules 4.2.12, 4.2.13(2), 4.10.2(1) and 4.2.14 of the Rules.

416A. At all times during the Relevant Period:

a. Entain's "Part B Program" provided for an applicable customer identification procedure for customers who were medium or lower ML/TF Risk only.

b. Entain's "Part B Program" purported to include a safe harbour procedure based on a combination of document-based and electronic-based verification within the meaning of rr 4.2.10 to 4.2.14 of the Rules.

c. Entain's "Part B Program" did not include any verification procedure (other than the safe harbour procedure referred to at (b) above) for the purposes of rr 4.2.6 to 4.2.8.

Particulars

1. Sections 4 and 5 of Entain's Customer Due Diligence Procedure (Know Your Customer) as varied from time to time.

416B. At all times during the Relevant Period, by reason of paragraph 416A above, Entain's "Part B Program" was required to comply with rr 4.2.13(1), 4.2.13(2) and r 4.2.14 of the Rules if Entain was to rely on r 4.2.13 of the Rules.

417. In so far as Entain's "Part B Program" provided for the verification of KYC information collected about a customer by means of ~~reliable and independent~~ electronic data~~, by reason of r 4.2.14 of the Rules,~~ it was required to comply with the requirements specified in r 4.10.2 of the Rules.

Particulars

1. Rule 4.10.1 of the Rules.

418. During the Relevant Period, Entain's "Part B Program" was required, by r 4.10.2(1) of the Rules, to include appropriate risk-based systems and controls for Entain to determine:

a. whether the electronic data was reliable and independent, taking into account the following factors:

i. the accuracy of the data;

ii. how secure the data is;

iii. how the data is kept up-to-date;

iv. how comprehensive the data is (for example, by reference to the range of persons included in the data and the period over which the data has been collected);

v. whether the data has been verified from a reliable and independent source;

vi. whether the data is maintained by a government body or pursuant to legislation; and

vii. whether the electronic data can be additionally authenticated;

b. what reliable and independent electronic data the reporting entity will use for the purpose of verification;

c. the reporting entity's pre-defined tolerance levels for matches and errors; and

d. whether, and how, to confirm KYC information collected about a customer by independently initiating contact with the person that the customer claims to be.

419. During the Relevant Period, Entain's "Part B Program" purported to provide that if a customer failed electronic-based verification, Entain was to use documentation-based verification instead. ~~for the verification of KYC information collected about a customer by means of reliable and independent documentation, reliable and independent electronic data, or a combination of both.~~

420. To the extent Entain verified KYC information of a customer by way of electronic data, ~~D~~during the Relevant Period until 29 August 2024, Entain's "Part B Program" did not require Entain to verify the KYC information prescribed by r 4.2.6 of the Rules through the use of ~~"reliable and independent~~ electronic data~~"~~ from at least two separate data sources.

Particulars

1. Rule 4.2.14 of the Rules.

420A. By reason of paragraph 420 above, during the Relevant Period, Entain could not be taken, for the purposes of r 4.2.13, to meet the requirements of rr 4.2.3 to 4.2.8 and 4.10.1 of the Rules.

420B. During the Relevant Period until 29 August 2024, the electronic-based verification procedure in Entain's "Part B Program" was not based on reliable electronic data because, in the absence of a procedure to verify KYC information from two separate data sources, the electronic data relied upon to verify KYC information could not be consistently accurate, up-to-date, and/or comprehensive.

421. By reason of the matters at paragraphs ~~415 and 420~~ 416A, 416B, 420A and 420B above, Entain's "Part B Program" did not comply with rr 4.2.6~~,~~ and 4.2.7~~,~~. ~~4.2.8, 4.2.12 and 4.2.14~~ of the Rules with respect to customers whose ML/TF Risk was medium or lower and therefore did not comply with s 84(3)(b) of the Act.

CONTRAVENTIONS OF SECTION 81 OF THE ACT

422. During the Relevant Period, by reason of the matters in paragraphs 57, 68, 79, 92, 96, 113, 126, 135, 146, 170, 181, 187, 213, 250, 353, 389, 398, 403 and 404 above, Entain:

a. did not adopt and maintain an AML/CTF program within the meaning of s 83(1)(a) and compliant with s 84(2) of the Act;

b. commenced providing designated services as set out in paragraphs 22 and 23 above to customers where it had not adopted and maintained an AML/CTF program; and

c. by reason of (a) and (b) above, contravened s 81(1) of the Act on each occasion that it commenced to provide a designated service to a customer from 16 December 2018 to 16 December 2024.

423. During the Relevant Period, by reason of the matters in paragraph 421 above, Entain:

a. did not adopt and maintain an AML/CTF program within the meaning of s 83(1)(a) and compliant with s 84(3) of the Act;

b. commenced providing designated services as set out in paragraphs 22 and 23 above to customers where it had not adopted and maintained an AML/CTF program; and

c. by reason of (a) and (b) above, contravened s 81(1) of the Act on each occasion that it commenced to provide a designated service to a customer from 16 December 2018 to 16 December 2024.

ENTAIN CUSTOMERS

Introduction to Scheduled Customers

424. In respect of each person appearing in Row A of a schedule attached to this statement of claim (a **Scheduled Customer**):

a. Entain opened or acquired a betting account (**account**) for the Scheduled Customer, the purpose or one of the purposes of which was to facilitate the provision of particular gambling services;

Particulars

1. Row A of each schedule identifies the Scheduled Customer by name.

2. Row B of each schedule identifies: (i) each account opened or acquired for the Scheduled Customer (some persons had more than one account); (ii) the date on which each account was opened; (iii) for each account acquired, the date on which the account was acquired and/or the date on which the account was moved under Entain's sports bookmaker licence issued by the Northern Territory Racing and Wagering Commission (**sports bookmaker licence**); (iv) the username/user ID attached to each account; and (v) the date on which each account was suspended or closed.

b. between the date on which each account was opened or, in the case of an account that was acquired, moved under Entain's sports bookmaker licence and the date on which each account was suspended or closed, Entain allowed transactions to be conducted in relation to the account;

Particulars

1. Row C of each schedule identifies the dollar value of relevant transactional activity for each account over the lifetime of the account, including lifetime deposits of money into the account, lifetime turnover on each account and lifetime withdrawals of money from each account.

2. Row C also identifies how much of that transactional activity occurred on and from the first day of the Relevant Period or, in the case of an account that was acquired during the Relevant Period, the day on which the account was moved under Entain's sports bookmaker licence.

c. without limiting paragraph 424(b) above, between the date on which each account was opened or, in the case of an account that was acquired, moved under Entain's sports bookmaker licence and the date on which each account was suspended or closed, Entain accepted deposits of money that were credited to the account;

Particulars

1. The means by which Entain accepted deposits of money that were credited to accounts (Inward Payment Channels) are identified in paragraph 11 above. For convenience, when referring to a deposit of money that was accepted by Entain and credited to an account, each schedule ordinarily refers simply to a "deposit into the account".

2. Row C of each schedule identifies the dollar value of relevant transactional activity for each account over the lifetime of the account, including lifetime deposits of money into the account, lifetime turnover on each account and lifetime withdrawals of money from each account.

3. Row C also identifies how much of that transactional activity occurred on and from the first day of the Relevant Period or, in the case of an account

that was acquired during the Relevant Period, the day on which the account was moved under Entain's sports bookmaker licence.

d. without limiting paragraph 424(b) above, between the date on which each account was opened or, in the case of an account that was acquired, moved under Entain's sports bookmaker licence and the date on which each account was suspended or closed, Entain received and accepted bets made by the Scheduled Customer and paid out winnings in respect of such bets;

Particulars

1. Row C of each schedule identifies the dollar value of relevant transactional activity for each account over the lifetime of the account, including lifetime deposits of money into the account, lifetime turnover on each account and lifetime withdrawals of money from each account.

2. Row C also identifies how much of that transactional activity occurred on and from the first day of the Relevant Period or, in the case of an account that was acquired during the Relevant Period, the day on which the account was moved under Entain's sports bookmaker licence.

e. without limiting paragraph 424(b) above, between the date on which each account was opened or, in the case of an account that was acquired, moved under Entain's sports bookmaker licence and the date on which each account was suspended or closed, Entain accepted instructions for and processed withdrawals of money from the account;

Particulars

1. The means by which Entain accepted instructions for and processed withdrawals of money from accounts (Outward Payment Channels) are identified in paragraph 15 above. For convenience, when referring to a withdrawal of money from an account that Entain accepted instructions for and processed, each schedule ordinarily refers simply to a "withdrawal from the account".

2. Row C of each schedule identifies the dollar value of relevant transactional activity for each account over the lifetime of the account, including lifetime deposits of money into the account, lifetime turnover on each account and lifetime withdrawals of money from each account.

3. Row C also identifies how much of that transactional activity occurred on and from the first day of the Relevant Period or, in the case of an account that was acquired during the Relevant Period, the day on which the account was moved under Entain's sports bookmaker licence.

~~425. By reason of the matters pleaded in paragraph 424 above, Entain provided each Scheduled Customer with designated services within the meaning of table 1, s 6 of the Act during the Relevant Period.~~

~~**Particulars**~~

~~1. Inward remittances: item 32, table 1, s 6 of the Act.~~

~~2. Outward remittances: item 31, table 1, s 6 of the Act.~~

426. By reason of the matters pleaded in paragraph 424 above, Entain provided each Scheduled Customer with designated services within the meaning of table 3, s 6 of the Act during the Relevant Period.

Particulars

1. For accounts opened during the Relevant Period, opened account: item 11, table 3, s 6 of the Act.
2. Allowed transactions in relation to account: item 13, table 3, s 6 of the Act (including by accepting deposits of money that were credited to accounts and accepting instructions for and processing withdrawals of money from accounts).
3. Received or accepted bets: items 1 and 13, table 3, s 6 of the Act.
4. Paid out winnings in respect of bets: item 4, table 3, s 6 of the Act.

Obligation to monitor each Scheduled Customer

427. At all times from the date an account was first opened or, in the case of an account that was acquired, moved under Entain's sports bookmaker licence for a Scheduled Customer until the date that all accounts that had been opened or acquired and moved for the Scheduled Customer were closed, Entain was required to monitor the Scheduled Customer, on an ongoing basis, with a view to identifying and mitigating and managing the risk Entain may reasonably have faced that the provision by Entain of the designated services referred to in paragraph~~s 425 and~~ 426 above might have involved or facilitated money laundering or financing of terrorism and to do so in accordance with the Rules (**ML/TF Risk**).

Particulars

1. Section 36(1) of the Act and rr 8.1.1-8.1.5 and Chapter 15 of the Rules.

428. At all times from the date an account was first opened or, in the case of an account that was acquired, moved under Entain's sports bookmaker licence for a Scheduled Customer until the date that all accounts that had been opened or acquired and moved for the Scheduled Customer were closed, Entain was required, as part of the obligation pleaded in paragraph 427 above to monitor the Scheduled Customer and the provision of designated services to the Scheduled Customer, to apply Entain's "ECDD Program" to the Scheduled Customer and the provision of designated services to the Scheduled Customer when there was an ECDD trigger pursuant to r 15.9 of the Rules.

Particulars

1. Section 36(1) of the Act and rr 8.1.1-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules.
2. Under the Rules, there was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules.
3. Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Act.

4. Under the Rules, application of Entain's "ECDD Program" required Entain to undertake measures appropriate to the circumstances: r 15.10 of the Rules.

429. At all times from the date there was an ECDD trigger for the Scheduled Customer pursuant to r 15.9 of the Rules, Entain's obligation identified in paragraph 428 above existed on an ongoing basis unless and until the matters and circumstances leading to or creating the ECDD trigger had resolved or had been appropriately mitigated and managed.

Particulars

1. The particulars to paragraph 428 are repeated.

Matters indicative of high ML/TF Risk in relation to each Scheduled Customer

430. On and from the date in the Relevant Period identified in Row D of each schedule, there was at least one matter that indicated that Entain faced high ML/TF Risk in relation to the Scheduled Customer and the provision of designated services to the Scheduled Customer.

431. Row E of each schedule identifies each particular matter indicative of high ML/TF Risk that existed in relation to the Scheduled Customer and the provision of designated services to the Scheduled Customer.

432. The date on and from which Entain knew or ought to have known about each particular matter indicative of high ML/TF Risk that existed in relation to the Scheduled Customer and the provision of designated services to the Scheduled Customer is either:

a. in the case of a matter that emerged or came to exist in the period prior to the Relevant Period — the first day of the Relevant Period; or

b. in the case of a matter that emerged or came to exist during the Relevant Period — the date identified in Row E.

Failure to monitor each Scheduled Customer

Systemic failure

433. On and from the date identified in Row F1 of each schedule, Entain did not monitor the Scheduled Customer and the provision of designated services to the Scheduled Customer as required by s 36(1) of the Act (as pleaded in paragraphs 427 to 429 above) because:

a. Entain's "Part A Program" did not include appropriate risk-based systems and controls to consistently identify and escalate customers, including the Scheduled Customer, who indicated higher ML/TF Risk and who should have been considered for a customer risk rating above low; and/or

Particulars

1. See paragraph 210 above.

b. Entain's "Part A Program" did not include a transaction monitoring program which had appropriate risk-based systems and controls to monitor the transactions of its customers, including the Scheduled Customer; and/or

Particulars

1. See paragraphs 251 to 353 above.

c. Entain's "Part A Program" did not include appropriate risk-based systems and controls to enable Entain to determine in what circumstances further KYC information, and especially source of wealth/source of funds information, should be collected, verified, reviewed or updated for its customers, including the Scheduled Customer~~.~~; and/or

Particulars

1. See paragraphs 226 to 250 above.

d. Entain did not monitor the Scheduled Customer and the provision of designated services to the Scheduled Customer as required by s 36(1) of the Act (as pleaded in paragraph 427 above), for the reasons identified in Row G; and/or

e. Entain did not monitor the Scheduled Customer and the provision of designated services to the Scheduled Customer as required by s 36(1) of the Act (as pleaded in paragraph 427 above), because it did not undertake measures appropriate to the circumstances when it was required to apply Entain's "ECDD Program" (as pleaded in paragraphs 428 and 429 above), for the reasons identified in Row G.

Ongoing customer due diligence failure

434. In the alternative to paragraph 433 above, ~~O~~on and from the date identified in Row F2 of each schedule, Entain did not monitor the Scheduled Customer and the provision of designated services to the Scheduled Customer as required by s 36(1) of the Act (as pleaded in paragraph 427 above), for the reasons identified in Row G.

Enhanced customer due diligence failure

435. In the alternative to paragraphs 433 and 434 above, ~~O~~on and from the date identified in Row F3 of each schedule, Entain did not monitor the Scheduled Customer and the provision of designated services to the Scheduled Customer as required by s 36(1) of the Act (as pleaded in paragraph 427 above), because it did not undertake measures appropriate to the circumstances when it was required to apply Entain's "ECDD Program" (as pleaded in paragraphs 428 and 429 above), for the reasons identified in Row G.

Contraventions of section 36 in relation to each Scheduled Customer

436. By reason of the matters pleaded from paragraphs 424 and 426 to 435 above and each schedule, on and from the dates identified in Row F of each schedule, Entain:

a. did not monitor each Scheduled Customer in relation to the provision of designated services with a view to identifying and mitigating and managing the ML/TF Risk it reasonably faced; and

b. did not do so in accordance with the Rules.

Particulars

1. Section 36(1) of the Act and rr 8.1.1-8.1.5 and Chapter 15 of the Rules.

437. By reason of the matters pleaded in paragraph 436 above and each schedule, Entain contravened s 36(1) of the Act with respect to each Scheduled Customer on each occasion that it provided a designated service to the Scheduled Customer on and from each date identified in ~~Row F~~ Row F1 of each schedule.

Particulars

1. Section 36(1) of the Act is a civil penalty provision: see s 36(2) of the Act.

437A. In the alternative to paragraph 437 above, by reason of the matters pleaded in paragraph 436 above and each schedule, Entain contravened s 36(1) of the Act with respect to each Scheduled Customer on each occasion that it provided a designated service to the Scheduled Customer on and from each date identified in Row F2 of each schedule.

437B. Further in the alternative to paragraphs 437 and 437A above, by reason of the matters pleaded in paragraph 436 above and each schedule, Entain contravened s 36(1) of the Act with respect to each Scheduled Customer on each occasion that it provided a designated service to the Scheduled Customer on and from each date identified in Row F3 of each schedule.

438. Further in the alternative to paragraphs 437, 437A and 437B above, ~~In the alternative to paragraph 437 above,~~ by reason of the matters pleaded in paragraph 436 above and each schedule, Entain contravened s 36(1) of the Act with respect to each Scheduled Customer on each day from each date identified in Row F1 of each schedule.

439. Further in the alternative to paragraphs 437, 437A, 437B and 438 above, by reason of the matters pleaded in paragraph 436 above and each schedule, Entain contravened s 36(1) of the Act with respect to each Scheduled Customer on each day from each date identified in Row F2 of each schedule.

440. Further in the alternative to paragraphs 437, 437A, 437B, 438 and 439 above, by reason of the matters pleaded in paragraph 436 above and each schedule, Entain contravened s 36(1) of the Act with respect to each Scheduled Customer on each day from each date identified in Row F3 of each schedule.

Particulars

1. Section 36(1) of the Act is a civil penalty provision: see s 36(2) of the Act.

Date: ~~17 March 2025~~ 19 August 2025

Signed by Sonja Marsic

Solicitor for the Applicant

This pleading was prepared by Kate Morgan SC, Radhika Withana and Joe Edwards of counsel and Sonja Marsic, Partner, Norton Rose Fulbright. The amendments to this pleading were prepared by Kate Morgan SC and Kunal Sharma of counsel and Sonja Marsic, Partner, Norton Rose Fulbright.

Certificate of lawyer

I Sonja Marsic certify to the Court that, in relation to the statement of claim filed on behalf of the Applicant, the factual and legal material available to me at present provides a proper basis for each allegation in the pleading.

Date: ~~17 March 2025~~ 19 August 2025

Signed by Sonja Marsic

Lawyer for the Applicant

SCHEDULE A – average annual deposits, withdrawals, and losses

Calendar year	Average annual deposits per depositor	Average annual withdrawals per withdrawer	Average annual losses per active account
2019	$2,813.24	$3,731.81	Unknown
2020	$3,633.60	$4,545.58	$1,372.37
2021	$3,951.63	$5,036.48	$1,234.85
2022	$5,022.20	$6,327.11	$1,783.00
2023	$4,588.51	$5,518.61	Unknown

SCHEDULE B – average deposit size and withdrawal size

Calendar year	Average deposit	Average withdrawal
2019	$108.60	$420.83
2020	$97.84	$426.54
2021	$95.00	$448.72
2022	$98.65	$448.93
2023	$92.09	$398.26

SCHEDULE 1: [redacted]

A: customer		[redacted]
B: account(s)	**B1**	**First Account (Ladbrokes)** • [redacted] • Opened date: 20 March 2016 • Closed date: 18 May 2021
	B2	**Second Account (Neds)** • [redacted] • Opened date: 8 January 2019 (the account was opened by an entity that Entain had acquired on 28 November 2018, but the account had not been moved under Entain's sports bookmaker licence) • Licence transfer date: 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Closed date: 18 May 2021
	B3	**Third Account (Betstar)** • [redacted] • Opened date: 9 February 2020 • Suspended date: 14 February 2020
	B4	**Fourth Account (Bookmaker)** • [redacted] • Opened date: 9 June 2021 • Closed date: 11 June 2021
C: summary of transactional activity by account	**C1**	**First Account (Ladbrokes)** • Lifetime deposits: $10,345,193.64, approximately $8,872,063.64 of which was during the Relevant Period • Lifetime turnover: $48,806,256.59, approximately $44,021,532.43 of which was during the Relevant Period • Lifetime withdrawals: $6,437,108.60, approximately $5,832,531.60 of which was during the Relevant Period
	C2	**Second Account (Neds)**

		• Lifetime deposits: $1,477,575.00, $1,176,935.00 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime turnover: $5,915,331.51, $4,719,857.03 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime withdrawals: $1,828,435.00, $1,699,435.00 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence)	
	C3	**Third Account (Betstar)** • Lifetime deposits: $19,350.00, all of which was during the Relevant Period • Lifetime turnover: $42,900.02, all of which was during the Relevant Period • Lifetime withdrawals: $0 (nothing)	
	C4	**Fourth Account (Bookmaker)** • Lifetime deposits: $1,260.00, all of which was during the Relevant Period • Lifetime turnover: $3,634.00, all of which was during the Relevant Period • Lifetime withdrawals: $0 (nothing)	
D: date in Relevant Period on and from which matters indicative of high ML/TF Risk existed		16 December 2018	
E: list of matters indicative of high ML/TF Risk	**E1**	Prior to the Relevant Period, [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences — specifically, it was reported that [redacted] together with [redacted] had been charged with 10 offences, each relating to [redacted] a [redacted], shooting, robbery and being part of a criminal gang in an attempt to recover $[redacted] from a drug deal.	Particulars: • Information about the charges was available in media and/or other public sources from no later than [redacted] 2008. • This information indicated that the charges were laid against [redacted] in around [redacted] 2008. • Entain was aware of this information from at least 23 October 2018, during a time when [redacted] had an open account with Entain — specifically, the First Account (Ladbrokes): see **Row B1** above.

	E2	Prior to the Relevant Period, [redacted] together with [redacted] was convicted of serious criminal offences — specifically, [redacted] was convicted of [redacted] offences which occurred in connection with an attempt to recover $[redacted] from a drug deal and sentenced to a term of imprisonment of 8 years and 9 months (which was subsequently reduced to 7 years on appeal).	• Information about [redacted] convictions was available from public sources from [redacted]. • This information indicated that [redacted] – Had a criminal history, including an offence of conspiracy to steal for which he had been given a good behaviour bond. – Pleaded guilty to 2 counts brought under s [redacted] of the *Crimes Act 1900* (NSW), of [redacted] (the offence commonly known as [redacted]). – At first instance, in [redacted], was sentenced by the District Court of NSW to a term of imprisonment of approximately 8 years and 9 months with a non-parole period of 6 years. – On appeal, in [redacted], was re-sentenced by the NSW Court of Criminal Appeal to a term of imprisonment of 7 years with a non-parole period of 5 years. • Information about the subject matter of the charges that led to [redacted] conviction was available from public sources from no later than [redacted] 2008: see **Row E1** above. • On 5 July 2022, Entain recorded information relating to the [redacted] appeal in [redacted] due diligence records, after [redacted] accounts had been closed and after [redacted] had ceased as an Affiliate.
	E3	At all times in the period prior to the Relevant Period, [redacted] deposited and withdrew unusually large amounts of money into and from the First Account (Ladbrokes).	Particulars: • In 2016, [redacted] deposited $682,600.00 into the First Account (Ladbrokes) and withdrew $363,500.00 from the First Account (Ladbrokes). • On 13 December 2016, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] which listed the “offence type” as “proceeds of crime” and “reasons for suspicion” as “suspicious behaviour”. The

			"grounds for suspicion" were further stated to be that [redacted] had been making large deposits into his First Account (Ladbrokes). • In 2017, [redacted] deposited $196,470.00 into the First Account (Ladbrokes) and withdrew $116,077.00 from the First Account (Ladbrokes). • In 2018, [redacted] deposited $594,060.00 into the First Account (Ladbrokes) and withdrew $125,000.00 from the First Account (Ladbrokes). In 2018, the majority of funds deposited into the First Account (Ladbrokes) ($518,020.00) were deposited in October and November 2018. • The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E4	In the period prior to the Relevant Period (specifically, from October or November 2018), there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the First Account (Ladbrokes), amounting to an unusual pattern of transactions.	Particulars: • From January to September 2018, [redacted] deposited $76,040.00 into the First Account (Ladbrokes) (an average of $8,448.89 per month for this period). • From October to November 2018, [redacted] deposited $518,020.00 into the First Account (Ladbrokes) (an average of $259,010.00 per month, which amounted to an increase of almost 2966% on the monthly average for January to September 2018). • From January to September 2018, [redacted] withdrew $51,000.00 from the First Account (Ladbrokes) (an average of $5,666.67 per month for this period). • From October to November 2018, [redacted] withdrew $74,000.00 from the First Account (Ladbrokes) (an average of $37,000.00 per month, which amounted to an increase of approximately 553% on the monthly average for January to September 2018).

			• The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E5	From 23 October 2018, and at all times during the Relevant Period, Entain had information indicating that there was a risk that [redacted] source of wealth/source of funds was the proceeds of crime.	Particulars: • In [redacted], [redacted] was convicted of serious criminal offences — specifically, [redacted] was convicted of [redacted] a [redacted] at a [redacted] at gunpoint to [redacted] him about the location of another man who owed [redacted] $[redacted] from a drug deal: see **Rows E1** and **E2** above. • On 23 October 2018, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] which listed the "offence type" as "proceeds of crime" and "reasons for suspicion" as "inconsistent with customer profile", "suspicious behaviour" and "unusually large transfer". The "grounds for suspicion" were further stated to be that: (i) since opening the First Account (Ladbrokes), [redacted] had deposited $1,143,810.00 into that account; (ii) Entain was unable to confirm [redacted] occupation or source of wealth; (iii) Entain had identified open source media stating that [redacted] had been charged with [redacted] a [redacted] at gunpoint and [redacted] him about where to find a man who owed [redacted] $[redacted] from a drug deal, as well as being part of a criminal gang; and (iv) as a result of these charges, Entain believed that the money [redacted] was depositing into his First Account (Ladbrokes) was potentially the proceeds of crime. • In the period prior to the Relevant Period, Entain gave the AUSTRAC CEO a further 3 SMRs pursuant to s 41 of the Act in relation to [redacted] on 13 November 2018; 20 November 2018 and 27 November 2018. In these SMRs, the "offence type" was listed as "proceeds of crime"

			and the "reasons for suspicion" was listed as either "inconsistent with customer profile" or both "inconsistent with customer profile" and "suspicious behaviour". The "grounds for suspicion" further stated that [redacted] charges had led Entain to believe that [redacted] could be caught up in criminal activity and that the funds being deposited into his First Account (Ladbrokes) were possible proceeds of crime. • Over the Relevant Period, Entain gave the AUSTRAC CEO at least 32 further SMRs pursuant to s 41 of the Act in relation to [redacted] in which it acknowledged that it had been unable to confirm [redacted] source of wealth/source of funds and/or that [redacted] transactional activity (depositing, betting and withdrawing) was not consistent with [redacted] source of wealth/source of funds and/or the "profile" established for [redacted] on 5 July 2019; 9 July 2019; 25 July 2019; 31 July 2019; 5 August 2019; 23 August 2019; 4 September 2019; 11 September 2019; 16 September 2019; 23 September 2019; 30 September 2019; 9 October 2019; 14 October 2019; 23 October 2019; 28 October 2019; 28 November 2019; 23 December 2019; 13 January 2020; 20 January 2020; 29 January 2020; 11 March 2020; 26 March 2020; 22 April 2020; 13 August 2020; 18 August 2020; 2 October 2020; 4 January 2021; 16 February 2021; 16 March 2021; 5 July 2021; 7 July 2021 and 14 March 2023. • In the SMR dated 5 July 2019, Entain listed the "offence type" as "proceeds of crime". • In each of the SMRs submitted on and from 9 July 2019, Entain listed the "offence type" as "money laundering".
	E6	At all times during the Relevant Period, [redacted] deposited and withdrew unusually large amounts of money into and from his accounts.	Particulars: • While the amounts deposited and withdrawn during the Relevant Period were at all times unusually large, there

			were significant increases/escalations in each of calendar years 2019, 2020 and 2021: see **Rows E9**, **E12** and **E20–E21** below. • From 16 December 2018 to 30 April 2019: – [redacted] deposited $81,300.00 into the First Account (Ladbrokes) (all of which was deposited in April 2019). – In addition, [redacted] deposited $300,640.00 into the Second Account (Neds) (an average of approximately $66,808.89 per month for this period): see **Row E12** below (this was prior to the account being moved under Entain's sports bookmaker licence). [redacted] deposits across both accounts in this period thus totalled $381,940.00. – [redacted] withdrew $40,000.00 from the First Account (Ladbrokes) (all of which was withdrawn in April 2019). – In addition, [redacted] withdrew $129,000.00 from the Second Account (Neds) (an average of approximately $28,666.67 per month for this period): see **Row E12** below (this was prior to the account being moved under Entain's sports bookmaker licence). [redacted] withdrawals across both accounts in this period thus totalled $169,000.00. • From 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence) to December 2019: – [redacted] deposited $3,287,455.00 into the First Account (Ladbrokes) (an average of $410,931.88 per month for this period) and $505,950.00 into the Second Account (Neds) (an average of $63,243.75 per month for this period), for a total of $3,793,405.00 in deposits (an average of $474,175.63 per month across all accounts). – [redacted] withdrew $1,784,000.00 from the First Account (Ladbrokes) (an average of $223,000.00 per month for

			this period) and $811,335.00 from the Second Account (Neds) (an average of $101,416.88 per month for this period), for a total of $2,595,335.00 in withdrawals (an average of $324,416.88 per month across all accounts). – [redacted] was listed in Entain's High Value Transaction Report on at least 21 occasions. – [redacted] deposited $50,000.00 or more in a week (across all accounts) on 22 occasions. – [redacted] deposited $10,000.00 or more in a day (across all accounts) on 104 occasions. – [redacted] withdrew $50,000.00 or more in a week (across all accounts) on 12 occasions. – [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 32 occasions. • In 2020: – [redacted] deposited $4,078,923.64 into the First Account (Ladbrokes) (an average of $339,910.30 per month), $516,160.00 into the Second Account (Neds) (an average of $43,013.33 per month) and $19,350.00 into the Third Account (Betstar) (all of which was deposited in February 2020), for a total of $4,614,433.64 in deposits (an average of $384,536.14 per month across all accounts). – [redacted] withdrew $3,297,440.00 from the First Account (Ladbrokes) (an average of $274,786.67 per month), $472,500.00 from the Second Account (Neds) (an average of $39,375.00 per month), and $0 (nothing) from the Third Account (Betstar), for a total of $3,769,940.00 in withdrawals (an average of $314,161.67 per month across all accounts). – [redacted] was listed in Entain's High Value Transaction Report on at least 33 occasions.

			– [redacted] deposited $50,000.00 or more in a week (across all accounts) on 29 occasions. – [redacted] deposited $10,000.00 or more in a day (across all accounts) on 138 occasions. – [redacted] withdrew $50,000.00 or more in a week (across all accounts) on 21 occasions. – [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 54 occasions. • From January to May 2021: – [redacted] deposited $1,424,385.00 into the First Account (Ladbrokes) (an average of $284,877.00 per month for this period) and $154,825.00 into the Second Account (Neds) (an average of $30,965.00 per month for this period), for a total of $1,579,210.00 in deposits (an average of $315,842.00 per month across all accounts). – [redacted] withdrew $711,091.60 from the First Account (Ladbrokes) (an average of $142,218.32 per month for this period) and $415,600.00 from the Second Account (Neds) (an average of $83,120.00 per month for this period), for a total of $1,126,691.60 in withdrawals (an average of $225,338.32 per month across all accounts). – [redacted] was listed in Entain's High Value Transaction Report on at least 17 occasions. – [redacted] was listed in Entain's AML High Deposit Clients Report on at least 2 occasions. – [redacted] deposited $50,000.00 or more in a week (across all accounts) on 14 occasions. – [redacted] deposited $10,000.00 or more in a day (across all accounts) on 57 occasions. – [redacted] withdrew $50,000.00 or more in a week (across all accounts) on 8 occasions.

			– [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 14 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E7	At all times during the Relevant Period, Entain did not have sufficient information about [redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that the transactional activity on [redacted] accounts (depositing, betting and withdrawing) was consistent with or supported by [redacted] source of wealth/source of funds.	Particulars: • While the information that Entain had about [redacted] source of wealth/source of funds changed over time, at no time during the Relevant Period was it sufficient. • Entain could have obtained information about [redacted] source of wealth/source of funds from (at least) public/external sources and [redacted] himself. • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from public/external sources and/or [redacted] it did not obtain sufficient information: – From October 2018, Entain had information indicating that there was a risk that [redacted] source wealth/source of funds was derived from criminal activity: see **Rows E1**, **E2** and **E5** above. – By no later than 5 July 2019, Entain obtained information from [redacted] that he owned haulage trucks, had drivers, and managed and owned numerous businesses, but did not obtain, confirm or verify information about the capacity of those businesses to support the transactional activity on [redacted] accounts (for example, account statements, other information about revenue/profitability, etc.).

			– By no later than 12 July 2019, Entain obtained information from [redacted] that his haulage business was named [redacted], and that he had sold that business and had since been working as a "middle man" in construction companies to assist them with obtaining development approvals, but it did not confirm or verify any information about this “work” or its capacity to support the transactional activity on his accounts (for example, annual income). – By no later than 11 August 2020, Entain obtained information from [redacted] that: (i) he was the General Manager of a trucking business called [redacted]; (ii) he had sold [redacted] a year ago; (iii) he had investment properties and was involved in property development when opportunities arose; and (iv) in some years he could make $2,000,000.00. However, Entain never confirmed or verified any of this information. – Entain never obtained copies of any of [redacted] bank statements from [redacted] to verify information he provided on 11 August 2020 about his source of wealth/source of funds, including that he (at least partly) funded his accounts with: (i) savings (of an unknown amount); (ii) the proceeds of the sale of his business [redacted] (on 1 April 2021 [redacted] advised Entain that he received $400,000.00 profit from the sale; although this information was never subsequently verified); (iii) returns from property developments ($100,000.00 to $200,000.00 per development) in which he was a “silent” partner; (iv) rental income from investment properties (of an unknown amount); and (v) the sale of his properties. – From 11 August 2020, the only credible information that Entain had about a lawful source of wealth/source of

			funds with respect to [redacted] was the commissions Entain paid [redacted] as its Affiliate: see **Row E16** below. – To the extent that [redacted] responded to the formal source of wealth/source of funds inquiry process commenced from 17 March 2021, [redacted] claims about his source of wealth/source of funds (namely, that his that annual employment income was between $200,000.00 and $499,999.00, his annual income from gambling winnings was between $200,000.00 and $499,999.00, his savings had been entirely depleted to $0, he had sold 2 properties in 2016 and 2018, he had sold his [redacted] business which amounted to a profit of approximately $400,000.00, and he had sold a vehicle for $450,000.00) were not supported by any documentation. – On 24 March 2021, Entain recorded in [redacted] due diligence records that the source of wealth/source of funds information responses [redacted] had provided to Entain were "nowhere near close enough" to substantiate his lifetime spend by that date. – On 31 March 2021, Entain recorded in [redacted] due diligence records that [redacted] sale of his properties could account for approximately $1,670,000.00 of his spend on his accounts, but did not verify this information. • Over the Relevant Period, Entain gave the AUSTRAC CEO at least 32 SMRs pursuant to s 41 of the Act in relation to [redacted] in which it acknowledged that it had been unable to confirm [redacted] source of wealth/source of funds and/or that [redacted] transactional activity (depositing, betting and withdrawing) was not consistent with [redacted] source of wealth/source of funds and/or the "profile" established for [redacted] on 5 July 2019; 9 July 2019; 25 July 2019; 31 July 2019; 5 August 2019; 23 August 2019;

			4 September 2019; 11 September 2019; 16 September 2019; 23 September 2019; 30 September 2019; 9 October 2019; 14 October 2019; 23 October 2019; 28 October 2019; 28 November 2019; 23 December 2019; 13 January 2020; 20 January 2020; 29 January 2020; 11 March 2020; 26 March 2020; 22 April 2020; 13 August 2020; 18 August 2020; 2 October 2020; 4 January 2021; 16 February 2021; 16 March 2021; 5 July 2021; 7 July 2021 and 14 March 2023.
	E8	During the Relevant Period, [redacted] First Account (Ladbrokes) was linked to multiple unexpired credit/debit cards.	Particulars: • From 16 December 2018 to June 2019, [redacted] First Account (Ladbrokes) was linked to up to 5 unexpired credit/debit cards. • From July 2019 to December 2019, [redacted] First Account (Ladbrokes) was linked to up to 6 unexpired credit/debit cards. • From January 2020 to February 2020, [redacted] First Account (Ladbrokes) was linked to up to 7 unexpired credit/debit cards. • In March 2020, [redacted] First Account (Ladbrokes) was linked to up to 6 unexpired credit/debit cards. • In April 2020, [redacted] First Account (Ladbrokes) was linked to up to 7 unexpired credit/debit cards. • From May 2020 to July 2020, [redacted] First Account (Ladbrokes) was linked to up to 6 unexpired credit/debit cards. • From August 2020 to November 2020, [redacted] First Account (Ladbrokes) was linked to up to 5 unexpired credit/debit cards.

			• From December 2020 to March 2021, [redacted] First Account (Ladbrokes) was linked to up to 6 unexpired credit/debit cards. • From April 2021 until the account was closed, [redacted] First Account (Ladbrokes) was linked to up to 7 unexpired credit/debit cards.
	E9	In 2019, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his First Account (Ladbrokes), amounting to an unusual pattern of transactions.	Particulars: • In 2018, [redacted] deposited $594,060.00 into his First Account (Ladbrokes) (an average of $49,505.00 per month). • In 2019, [redacted] deposited $3,368,755.00 into his First Account (Ladbrokes) (an average of $280,729.58 per month), which amounted to an increase of approximately 467% on the monthly average for 2018. • In 2018, [redacted] withdrew $125,000.00 from his First Account (Ladbrokes) (an average of $10,416.67 per month). • In 2019, [redacted] withdrew $1,824,000.00 from his First Account (Ladbrokes) (an average of $152,000.00 per month), which amounted to an increase of approximately 1359% on the monthly average for 2018. • The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E10	From 21 April 2019, Entain had information indicating that [redacted] had breached the terms and conditions that Entain applied to its accounts — specifically, [redacted] accessed, operated or used or attempted to access, operate or use accounts of other customers.	Particulars: • Actual or attempted access, operation or use of customer accounts by third parties, such as a third party funding an account, was contrary to the terms and conditions cll 7.4, 8.1, 10.1(e) to (h), (j) and (p), 10.2(a), 15.2(a) and 29.1(f) that Entain applied to its accounts.

			• In 2019, [redacted] accessed, operated or used or attempted to access, operate or use accounts that belonged to 5 other customers, all of whom were [redacted] Affiliate Customers. [redacted] *account* • On around 21 April 2019, Entain recorded in [redacted] due diligence records that [redacted] had given money to [redacted] to bet with due to [redacted] exceeding the deposit limit on his own account, and that [redacted] had received a warning that this was not allowed and had since stopped. (The limit was self-imposed, by [redacted] consistent with Entain's responsible gaming obligations). • From around 14 May 2019, [redacted] was an Affiliate Customer of [redacted] • On around 28 May 2019, Entain recorded in [redacted] due diligence records that: (i) [redacted] was potentially using [redacted] account "again"; (ii) [redacted] account might need to be closed if he had breached Entain's terms and conditions as he had been given a prior warning; (iii) Entain had contacted [redacted] BDM, [redacted], who told Entain that [redacted] had attempted to contact him and so he felt "it was definitely [redacted] accessing and using the account, wanting bonus bets for his activity" (and therefore was not [redacted]); and (iv) Entain had been unable to find any discrepancies in IP addresses or devices. • On 28 May 2019, Entain's AML Compliance Officer stated in an instant chat message to Entain's Compliance Manager regarding [redacted] suspected use of [redacted] account that [redacted] BDM, [redacted], had told the AML Compliance Officer not to contact [redacted] and [redacted] and "upset" them as they were "great client's [sic]".

			• From around the date [redacted] opened his Ladbrokes account (8 April 2019), Entain's records indicate that [redacted] and [redacted] were: (i) assigned the same BDM, [redacted]: see **Row G7** below; and (ii) [redacted] [redacted] *account and* [redacted] [redacted] *account* • From around the date [redacted] opened her Ladbrokes account (10 May 2019), [redacted] was an Affiliate Customer of [redacted] • From around the date [redacted] opened her Ladbrokes account (26 May 2019), [redacted] was an Affiliate Customer of [redacted] • On 26 June 2019, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] that stated, among other things, [redacted] may be operating accounts in other people's names to launder money or evade tax, specifically: – Cash had been deposited by [redacted] into the accounts of [redacted] [redacted] and [redacted] including deposits that were made at the same bank branch. – [redacted] and [redacted] were both Affiliate Customers of [redacted] – Entain conducted an account check with [redacted] bank who confirmed that [redacted] had received multiple deposits from [redacted] – Entain identified a device match between the accounts of [redacted] and [redacted] but not [redacted] – The betting behaviour on the accounts of [redacted] and [redacted] did not match their profile, but closely matched the betting behaviour of [redacted]

			• On 10 October 2019, Entain gave the AUSTRAC CEO a further SMR pursuant to s 41 of the Act in relation to [redacted] that stated, among other things, [redacted] may be operating and funding multiple accounts in other people's names, specifically: – On 5 October 2019, [redacted] First Account (Ladbrokes) was closed to "take a break", which was a self-imposed closure. – Entain suspected [redacted] was operating [redacted] account to circumvent the "take a break" on his account as well as to pick-up commission (in his capacity as an Affiliate: see **Row E16** below) for the use of the account. • On account closure (on 19 November 2024), [redacted] had recorded lifetime deposits of $40,000 across both her Ladbrokes account and Neds account: SMR dated 13 December 2024. • On account closure (on 20 November 2024), [redacted] had recorded lifetime deposits of $167,480.00: SMR dated 17 December 2024. [redacted] *account* • From around the date [redacted] opened her Ladbrokes account (21 August 2019), [redacted] was an Affiliate Customer of [redacted] • On 27 August 2019, Entain recorded in [redacted] due diligence records that a total of $10,000.00 was deposited into her account by [redacted] within 6 days of opening her account. The deposits were made through Entain's Sight Unseen Channel. • The Sight Unseen Channel: – A customer could make a deposit via the Sight Unseen Channel by: (i) directly giving cash to a BDM or Exclusive Affiliate; or (ii) a transfer facilitated by EFT or

			through a bank branch that was notified to a BDM or Exclusive Affiliate. – The Sight Unseen Channel was known by Entain to be a potentially cash-based deposit method. – Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • At no time during the Relevant Period were Entain's Affiliates permitted to accept cash under Entain's Sight Unseen Channel. [redacted] *account* • From around the date [redacted] opened his Ladbrokes account (19 May 2019), [redacted] was an Affiliate Customer of [redacted] • On 17 October 2019, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] that stated, among other things, [redacted] may be operating and funding multiple accounts in other people's names, specifically: – Entain phoned [redacted] who confirmed that [redacted] (who was his cousin) used his account during the week ending 13 October 2019. – Entain suspected [redacted] may be operating and funding multiple accounts in other people's names to pick-up commission on those accounts (in his capacity as an Affiliate: see **Row E16** below), and Entain had lodged multiple SMRs about [redacted] profile not matching the large sums of money that he deposited on a weekly basis. • In 2020, [redacted] accessed, operated or used or attempted to access, operate or use accounts that belonged to 2 other customers, both of whom were [redacted] Affiliate Customers. On 24 May 2020, Entain identified a device

			match between [redacted] Neds account and [redacted] Second Account (Neds) — specifically, the device last used by [redacted] to login to his Second Account (Neds) was used to login to [redacted] Neds account on 16 May 2020, as well as to login to and deposit into [redacted] Ladbrokes account. [redacted] *account* • From around the date [redacted] opened his Ladbrokes account (19 August 2019), [redacted] was an Affiliate Customer of [redacted] • On 20 May 2020, Entain identified a device match between [redacted] Ladbrokes account and [redacted] First Account (Ladbrokes), that [redacted] had received a recent large transfer from someone with the same first name as [redacted] and that it seemed "pretty clear" [redacted] was betting on [redacted] Ladbrokes account, and that Entain decided to complete a bet check. • On 21 May 2020, Entain closed [redacted] account following a bet check over the phone as it was not satisfied that the bet check was completed by [redacted] as he sounded very similar to [redacted] (based on a recent call recording with [redacted] • In 2021 and 2023, Entain conducted investigations into whether [redacted] accessed operated or used or attempted to access, operate or use accounts that belonged to at least 4 other customers. During these investigations, Entain obtained CCTV footage of [redacted] depositing money into 4 other customers' ([redacted]) accounts at a retail cash-in venue, 2 of whom were Affiliate Customers of [redacted] • Entain's suspicions with respect to [redacted] third party account use in 2021 were recorded in SMRs given to the

			AUSTRAC CEO pursuant to s 41 of the Act on 5 July 2021 and 7 July 2021. • During the Relevant Period, there were no risk-based processes in Entain's "Part A Program" or "TMP" to proactively detect multiple persons transacting on the same betting account: see paragraph 322 above.
	E11	From 1 May 2019, [redacted] Second Account (Neds) was linked to multiple unexpired credit/debit cards.	Particulars: • In May 2019 (when the Second Account (Neds) was moved under Entain's sports bookmaker licence), [redacted] Second Account (Neds) was linked to up to 2 unexpired credit/debit cards. • In June 2019, [redacted] Second Account (Neds) was linked to up to 3 unexpired credit/debit cards. • From August 2019 to July 2020, [redacted] Second Account (Neds) was linked to up to 4 unexpired credit/debit cards. • From August 2020 to November 2020, [redacted] Second Account (Neds) was linked to up to 3 unexpired credit/debit cards. • From December 2020 to January 2021, [redacted] Second Account (Neds) was linked to up to 4 unexpired credit/debit cards. • In February 2021, [redacted] Second Account (Neds) was linked to up to 3 unexpired credit/debit cards. • From March 2021 until the account was closed, [redacted] Second Account (Neds) was linked to up to 4 unexpired credit/debit cards.
	E12	From no later than 1 May 2019, Entain had information that, from March 2019, there had been a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into	Particulars: • The Second Account (Neds) was opened on 8 January 2019 by an entity that Entain had recently acquired and, following a process of integration in early 2019, Entain moved the Second Account (Neds) under its sports bookmaker licence on 1 May 2019.

		and withdrew from his Second Account (Neds), amounting to an unusual pattern of transactions.	• From no later than 1 May 2019, Entain had access to all relevant transaction data for the Second Account (Neds), including data concerning deposits/withdrawals. • From January to February 2019, [redacted] deposited $24,400.00 into his Second Account (Neds) (an average of $12,200.00 per month). • From March to September 2019, [redacted] deposited $767,190.00 into his Second Account (Neds) (an average of $109,598.57 per month), which amounted to an increase of approximately 798% on the monthly average for January and February 2019. • From March to September 2019, [redacted] withdrew $940,335.00 from his Second Account (Neds) (an average of $134,333.57 per month), which was significant, as prior to this [redacted] had never withdrawn funds from his Second Account (Neds). • The amounts of money being deposited and withdrawn by [redacted] on his Second Account (Neds) from March 2019 were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E13	At all times from no later than 1 May 2019, [redacted] deposited and withdrew money into and from his accounts with high frequency.	Particulars: • From 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence) to December 2019: – [redacted] made approximately 1,028 approved deposits (across all accounts) (an average of approximately 128 per month or 32 per week). – [redacted] made approximately 44 approved withdrawals (across all accounts) (an average of approximately 5–6 per month or 1–2 per week). • In 2020:

			– [redacted] made approximately 1,169 approved deposits (across all accounts) (an average of approximately 97 per month or 22 per week). – [redacted] made approximately 88 approved withdrawals (across all accounts) (an average of approximately 7 per month or almost 2 per week). • From January 2021 to June 2021: – [redacted] made approximately 644 approved deposits (across all accounts) (an average of approximately 107 per month or almost 25 per week). – [redacted] made approximately 33 approved withdrawals (across all accounts) (an average of almost 6 per month or 1 per week).
	E14	From no later than 1 May 2019, Entain had information that, from March 2019, deposits that [redacted] had attempted to make into the Second Account (Neds) had regularly failed, amounting to an unusual pattern of transactions.	Particulars: • Entain acquired the Second Account (Neds) on 28 November 2018 and, following a process of integration in early 2019, moved the Second Account (Neds) under its sports bookmaker licence on 1 May 2019. • From no later than 1 May 2019, Entain had access to all relevant transaction data for the Second Account (Neds), including data concerning "rejected" deposits. • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • From March to April 2019, 19 deposits that [redacted] attempted to make into the Second Account (Neds) by Braintree credit card (amounting to $34,350.00) were recorded as "rejected" in his transaction statements.
	E15	From 11 May 2019 and at all times until May 2021, multiple deposits that [redacted] attempted	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed

		to make into his accounts failed, amounting to an unusual pattern of transactions.	by virtue of being declined or rejected by the relevant bank or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • From 11 May 2019 to 11 May 2021, 258 deposits that [redacted] attempted to make into his accounts by PayPal, Braintree Apple Pay, Braintree credit card, credit card or POLi (amounting to $1,061,335.00) were recorded as "rejected" or "declined" in his transaction statements. • Of the 258 "rejected" or "declined" deposits: – From 11 May to December 2019, 101 were recorded on the First Account (Ladbrokes) (amounting to $348,890.00) and 39 were recorded on the Second Account (Neds) (amounting to $218,900.00), for a total of 140 rejected deposits recorded across all accounts (amounting to $556,190.00). – In 2020, 22 were recorded on the First Account (Ladbrokes) (amounting to $113,240.00) and 7 were recorded on the Second Account (Neds) (amounting to $19,055.00), for a total of 29 rejected deposits recorded across all accounts (amounting to $132,295.00). – In 2021, 71 were recorded on the First Account (Ladbrokes) (amounting to $273,745.00), 18 were recorded on the Second Account (Neds) (amounting to $27,355.00), for a total of 89 rejected deposits recorded across all accounts (amounting to $301,100.00).
	E16	From 14 May 2019 until 9 August 2021, [redacted] was an Affiliate of Entain — which was a matter that elevated the ML/TF Risks in	Particulars: • During the Relevant Period, affiliates were contracted by Entain to promote Entain brands (principally through online

		relation to [redacted] and the provision of designated services to [redacted]	advertising on affiliate websites, offline marketing, social networking, etc) and introduce new customers to Entain brands. • Affiliates were paid a monthly commission based on a percentage of net revenue received from Entain according to Affiliate Customer activity, where the Affiliate Customer was linked to the affiliate by a unique tracking code. • The monthly commission was based on losses incurred by customers that had opened an account through an affiliate's unique tracking code. • From March 2021, Entain's "ECDD Procedure" provided that accounts of affiliates or known former affiliates of one of Entain's brands were "to be flagged" as "High" ML/TF Risk. • On 14 May 2019, [redacted] became an Affiliate under Entain's Ladbrokes Affiliate Program and was assigned a 30% commission. • At the time [redacted] became an Affiliate under Entain's Ladbrokes Affiliate Program, Entain had: (i) given the AUSTRAC CEO 5 SMRs pursuant to s 41 of the Act in relation to [redacted] and (ii) rated [redacted] First Account (Ladbrokes) as "High" ML/TF Risk. • On 25 July 2019, [redacted] became an Affiliate under Entain's Neds Affiliate Program and was assigned a 30% commission. • At the time [redacted] became an Affiliate under Entain's Neds Affiliate Program, Entain had: (i) given the AUSTRAC CEO 8 SMRs pursuant to s 41 of the Act (including an SMR reported on 25 July 2019) and 7 TTRs pursuant to s 43 of the Act in relation to [redacted] and (ii) rated [redacted] First Account (Ladbrokes) as "High" ML/TF Risk. • By 23 June 2021, [redacted] had approximately 151 Affiliate Customers (across approximately 165 accounts) and at

			least 7 were rated “High” ML/TF Risk during the Relevant Period. • While an Affiliate, [redacted] received commissions of: – $238,318.29 in 2019; – $159,966.12 in 2020; and – $251,147.36 in 2021; for a total commission of $649,431.77. • From 8 August 2019, Entain increased [redacted] commission under the Neds Affiliate Program from 30% to 35%. • From 15 August 2019, Entain increased [redacted] commission under the Ladbrokes Affiliate Program from 30% to 35%. • On and from 11 March 2021, Entain’s “Affiliate Due Diligence Procedure” (paragraph 3.6) prohibited Entain’s Affiliates from having more than one affiliate account in their name (or a related entity name) unless approved by the Chief Digital Officer or Chief Executive Officer. • It was not until 9 July 2021 that Entain’s CEO instructed Entain’s General Counsel/AML/CTF Officer to terminate the affiliate agreements it had with [redacted] by giving 30 days’ notice, resulting in the affiliate agreements with [redacted] ceasing from 9 August 2021. • Entain’s records state that the decision to terminate [redacted] affiliate agreement was due to [redacted] operating accounts fraudulently, and his unknown/unsubstantiated source of wealth/source of funds. • Entain incentivised [redacted] (a high risk customer, whose source of wealth/source of funds Entain suspected to be proceeds of crime) to introduce new customers to Entain. • Further, [redacted] could view transactional activity on his Affiliate Customers’ accounts, including because Entain

			enabled Affiliate Customer names to display on [redacted] "affiliate activity report". [redacted] ability to use Affiliate Customer accounts for his own purposes was facilitated by having access to these transactional activity records. This in turn heightened the risk of [redacted] transacting through third party accounts. This magnified the ML/TF Risks faced with respect to [redacted]
	E17	At all times from 14 May 2019, [redacted] had Affiliate Customers who had been charged with and/or convicted of serious criminal offences — which was a matter that increased the ML/TF Risks in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The fact that a number of [redacted] Affiliate Customers had been charged with and/or convicted of serious criminal offences was indicative of high ML/TF Risks in relation to [redacted] particularly with respect to his source of wealth/source of funds and the risk that [redacted] was transacting through other customer's accounts: see **Row E5** above. • Further, from 21 April 2019, Entain had information indicating that [redacted] breached the terms and conditions that Entain applied to its accounts — specifically, [redacted] accessed, operated or used or attempted to access, operate or use other customers' accounts, the majority of whom were [redacted] Affiliate Customers: see **Row E10** above. [redacted] • [redacted] became an Affiliate Customer of [redacted] from around 14 May 2019. • In July 2009, [redacted] pleaded guilty to being an accessory to a crime and received a 12-month suspended jail sentence. • Information about the subject matter of [redacted] guilty pleas was available from public sources from no later than [redacted] July 2009. • In 2013, [redacted] was arrested and charged with drug offences.

			• Information about the subject matter of the charges that led to [redacted] arrest was available from public sources from no later than [redacted] May 2013. • Entain was aware of this information by no later than October 2019. Entain's due diligence records for [redacted] dated 24 March 2020 noted that there was no concrete evidence to confirm that [redacted] was the subject of the publicly available information. • On 7 May 2021, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] • On 4 August 2021, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] that stated, among other things, that (i) he was associated with [redacted] (ii) in the week ending 1 August 2021, [redacted] deposited $508,000.00 that Entain was unable to substantiate through ECDD findings; and (iii) information provided by a bank indicated that [redacted] Ladbrokes account was funded by a large deposit made into his bank account from inside a branch. [redacted] • [redacted] became an Affiliate Customer of [redacted] on around 14 May 2019. • [redacted] had an extensive criminal history that commenced in 2007 and involved drug offences, unlawful possession of a weapon and at least 2 custodial sentences. • Information about the subject matter of the charges that led to some of [redacted] arrests and sentences was available from public sources from no later than [redacted] July 2022. Information that indicated that [redacted] had a "serious problem with gambling" was publicly available from [redacted] September 2023.

			• From 13 December 2019, [redacted] ML/TF Risk was increased from “Low” to “Medium”. [redacted] • [redacted] became an Affiliate Customer of [redacted] on around 14 May 2019. • A person with same name as [redacted] was arrested for possession of drugs in 2014. • Information about the arrest was publicly available from no later than [redacted] September 2015. • Entain gave the AUSTRAC CEO 3 SMRs pursuant to s 41 of the Act in relation to [redacted] on 10 October 2019, 1 July 2020 and 3 November 2020. [redacted] • [redacted] opened a Ladbrokes account and became an Affiliate Customer of [redacted] on 31 October 2019. • In September 2019, [redacted] pleaded guilty to affray and assault occasioning actual bodily harm. • Information about the subject matter of the guilty pleas was available from public sources from no later than [redacted] October 2010. [redacted] • [redacted] became an Affiliate Customer of [redacted] on around 15 March 2020. • In March 2020, [redacted] was arrested and charged with offences related to the supply and possession of prohibited drugs. • Information about the subject matter of the charges that led to [redacted] arrest was available from public sources from no later than [redacted] March 2020. At this time, information was also available that indicated [redacted] had been sentenced for similar offences in 2019.

	E18	From at least June 2019, [redacted] deposited money into the accounts of his Affiliate Customers by way of cash — which was a matter that increased the ML/TF Risks in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • [redacted] deposited cash through the Sight Unseen Channel into the accounts of his Affiliate Customers during a time in which he had been rated "High" ML/TF Risk in relation to at least one of his accounts: • Unlike Exclusive Affiliates, at no time during the Relevant Period were Affiliates permitted to deposit money into the betting accounts of their Affiliate Customers. • Entain gave the AUSTRAC CEO at least 2 SMRs pursuant to s 41 of the Act during the Relevant Period in relation to [redacted] depositing cash into the accounts of his Affiliate Customers: – On 26 June 2019, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] Affiliate Customer, [redacted] that stated, among other things, that [redacted] may be operating accounts in other people's names to launder money or evade tax and that cash had been deposited by [redacted] into the accounts of [redacted] [redacted] and [redacted] including deposits that were made at the same bank branch. – On 12 July 2019, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] Affiliate Customer, [redacted], that stated, among other things that: (i) [redacted] had deposited $10,000.00 in cash on 12 July 2019 through [redacted] via the Sight Unseen Channel; (ii) Entain suspected the cash was proceeds of crime; and (iii) most cash deposits were made through [redacted] and were broken down into smaller amounts but deposited minutes apart in an effort to avoid reporting obligations. • On 7 October 2019, following a deposit made by [redacted] with respect to one of his Affiliate Customers, Entain's

			Compliance Manager stated in an email to Entain's General Manager of Client Services (copying Entain's General Counsel) that he "thought we had discussed with [redacted] we weren't doing sight unseens for him?"
	E19	In June 2019, approximately 1 month after [redacted] became an Affiliate of Entain, there was a material change in [redacted] depositing patterns — specifically, [redacted] began depositing unusually large amounts of cash, in unusual patterns, into his First Account (Ladbrokes).	Particulars: • From the date on which the First Account (Ladbrokes) was opened (20 March 2016) to 5 June 2019, [redacted] made no deposits into the account via cash-based deposit methods. • [redacted] made his first deposit through the Sight Unseen Channel into the First Account (Ladbrokes) on 6 June 2019. • From 6 June 2019 to 31 August 2019, [redacted] deposited a total of at least $189,600.00 into his First Account (Ladbrokes) by cash at a bank branch through the Sight Unseen Channel, specifically: – In June 2019, [redacted] deposited $55,000.00 into his First Account (Ladbrokes) by cash at a bank branch through the Sight Unseen Channel across 10 transactions. – In July 2019, [redacted] deposited $114,950.00 into his First Account (Ladbrokes) by cash at a bank branch through the Sight Unseen Channel across 17 transactions. – In August 2019, [redacted] deposited at least $19,650.00 into his First Account (Ladbrokes) by cash at a bank branch through the Sight Unseen Channel. • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • In the period from June to August 2019, Entain gave the AUSTRAC CEO 10 TTRs pursuant to s 43 of the Act for a total of $100,000.00 in cash deposits made by [redacted] into his First Account (Ladbrokes).

			• In the period from June to August 2019, Entain gave the AUSTRAC CEO 3 SMRs pursuant to s 41 of the Act in relation to, among other things, cash deposits [redacted] made through the Sight Unseen Channel, specifically: – On 26 June 2019, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to 8 cash deposits totalling $45,000.00 made by [redacted] at bank branches from 6 June 2019 to 18 June 2019. The "grounds for suspicion" stated that prior to this, [redacted] had never deposited via the Sight Unseen Channel. – On 9 July 2019, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to 4 separate cash deposits totalling $9,950.00 which [redacted] made at the same bank branch. The "grounds for suspicion" stated that [redacted] generally deposited $10,000.00 at a time and that Entain suspected he deposited just under that amount and in increments to avoid the reporting threshold. – On 5 August 2019, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to $9,700.00 in cash deposited at an ATM by [redacted] across 2 transactions made up of 50 $100 notes and 47 $100 notes. The "grounds for suspicion" further stated that: (i) [redacted] deposited large sums of cash frequently; (ii) the amount he had in his possession on a regular basis seemed suspicious; (iii) Entain had been unable to confirm his employment; and (iv) [redacted] may be attempting to avoid the reporting threshold for deposits of $10,000 or more in physical currency.
	E20	In 2020, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from	Particulars: • In 2020, from January to April and from August to November, there were significant increases/escalations in the amount of money [redacted] deposited into and withdrew from his First Account (Ladbrokes).

		his First Account (Ladbrokes), amounting to an unusual pattern of transactions.	• From November to December 2019, [redacted] deposited $226,575.00 into his First Account (Ladbrokes) (an average of $113,287.50 per month). • From January to April 2020, [redacted] deposited $2,737,425.00 into his First Account (Ladbrokes) (an average of $684,356.25 per month), which amounted to an increase of approximately 504% on the monthly average for November to December 2019. • From November to December 2019, [redacted] withdrew $61,000.00 from his First Account (Ladbrokes) (an average of $30,500.00 per month). • From January to April 2020, [redacted] withdrew $1,883,200.00 from his First Account (Ladbrokes) (an average of $470,800.00 per month), which amounted to an increase of approximately 1,444% on the monthly average for November to December 2019. • From May to July 2020, [redacted] deposited $91,920.00 into his First Account (Ladbrokes) (an average of $30,640.00 per month). • From August to November 2020, [redacted] deposited $1,192,678.64 into his First Account (Ladbrokes) (an average of $298,169.66 per month), which amounted to an increase of approximately 873% on the monthly average for May to July 2020. • From May to July 2020, [redacted] made no withdrawals from his First Account (Ladbrokes). • From August to November 2020, [redacted] withdrew $1,334,240.00 from his First Account (Ladbrokes) (an average of $333,560.00 per month), which was a significant increase after a 3-month period of no withdrawals from the account. • The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual

			deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E21	In 2021, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his First Account (Ladbrokes), amounting to an unusual pattern of transactions.	Particulars: • In 2021, from February to May, there was a significant increase/escalation in the amount of money [redacted] deposited into and withdrew from his First Account (Ladbrokes). • From December 2020 to January 2021, [redacted] deposited $154,940.00 into his First Account (Ladbrokes) (an average of $77,470.00 per month). • From February to May 2021, [redacted] deposited $1,326,345.00 into his First Account (Ladbrokes) (an average of $331,586.25 per month), which amounted to an increase of approximately 328% on the monthly average for December 2020 to January 2021. • From December 2020 to January 2021, [redacted] withdrew $179,500.00 from his First Account (Ladbrokes) (an average of $89,750.00 per month). • From February to May 2021, [redacted] withdrew $611,591.60 from his First Account (Ladbrokes) (an average of $152,897.90 per month), which amounted to an increase of approximately 70% on the monthly average for December 2020 to January 2021. • The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
F: dates on and from which monitoring failures existed and	**F1**	16 December 2018	Particulars: • See paragraph 433 above.
	F2	16 December 2018	Particulars: • See **Row G** below, especially **Rows G1–G7**.

contraventions of s 36 occurred	**F3**	16 December 2018	Particulars: • See **Row G** below, especially **Rows G8–G13**.
G: list of particular monitoring failures	**G1**	At no time during the Relevant Period did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in **Row E** above.
	G2	Without limiting **Row G1**, at no time during the Relevant Period did Entain appropriately consider, mitigate and manage the ML/TF Risks associated with [redacted] and the provision of designated services to [redacted] by reason of his role as an Affiliate at the same time he was a customer of Entain.	Particulars: • From March 2021, Entain's "ECDD Procedure" provided that accounts of affiliates or known former affiliates for one of Entain's brands were "to be flagged" as "High" ML/TF Risk. • At all times during the Relevant Period, Entain's "Affiliate Due Diligence Procedure" (paragraphs 3.3, 3.4 and 3.5) required the Affiliate Manager to undertake a general search in Google about the Affiliate, to retain records of the background checks undertaken, and to report any adverse findings to Entain's Legal Team for review for decision as to whether the Affiliate posed an unacceptable risk to commence or continue working with Entain as an Affiliate. • On 14 May 2019, [redacted] became an Affiliate under Entain's Ladbrokes Affiliate Program and was assigned a 30% commission. • At the time [redacted] became an Affiliate under Entain's Ladbrokes Affiliate Program, Entain had: (i) given the AUSTRAC CEO 5 SMRs pursuant to s 41 of the Act in relation to [redacted] and (ii) rated [redacted] First Account (Ladbrokes) as "High" ML/TF Risk. • On 25 July 2019, [redacted] became an Affiliate under Entain's Neds Affiliate Program and was assigned a 30% commission.

			• At the time [redacted] became an Affiliate under Entain's Neds Affiliate Program, Entain had: (i) given the AUSTRAC CEO 8 SMRs (including an SMR reported on 25 July 2019) pursuant to s 41 of the Act and 7 TTRs pursuant to s 43 of the Act in relation to [redacted] and (ii) rated [redacted] First Account (Ladbrokes) as "High" ML/TF Risk. • [redacted] due diligence records do not disclose that any adequate consideration was given to: – [redacted] serious criminal history prior to and during the time in which [redacted] was an Affiliate of Entain — specifically, his convictions for [redacted] a [redacted] at a [redacted] at gunpoint to [redacted] him about the location of another man who owed him and [redacted] $[redacted] from a drug deal: see **Rows E1** and **E2** above. – [redacted] link/connection to Affiliate Customers who had been charged with and/or convicted of serious criminal offences: see **Row E17** above. – The ML/TF Risks associated with [redacted] depositing cash into the accounts of his Affiliate Customers via the Sight Unseen Channel: see **Row E18** above. • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • While Entain identified that [redacted] was accessing, operating or using or attempting to access, operate or use the accounts of other customers, including his Affiliate Customers, in at least 5 SMRs given to the AUSTRAC CEO pursuant to s 41 of the Act from June 2019, Entain did not mitigate and manage the ML/TF Risk that existed by undertaking measures that were appropriate to the issue: see **Row E10** above.

	G3	Without limiting **Row G1**, at no time during the Relevant Period did Entain appropriately consider, mitigate and manage the ML/TF Risks associated with [redacted] and the provision of designated services to [redacted] by reason of his cash-based deposit methods.	Particulars: • From around June 2019 to August 2019, [redacted] used a cash-based deposit method, namely the Sight Unseen Channel, to deposit large amounts of money into his First Account (Ladbrokes): see **Row E19** above. • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • In the period from June to August 2019, Entain gave the AUSTRAC CEO 10 TTRs pursuant to s 43 of the Act for a total of $100,000.00 in cash deposits made by [redacted] into his First Account (Ladbrokes). • While Entain identified [redacted] high value and unusual patterns of use of cash-based deposit methods (via the Sight Unseen Channel) in due diligence records in June 2019, and again on 9 July 2019 and 5 August 2019 when Entain reported these deposits in SMRs given to the AUSTRAC CEO pursuant to s 41 of the Act, Entain did not mitigate and manage the ML/TF Risk that existed by undertaking measures that were appropriate to the issue. • In the SMRs given to the AUSTRAC CEO pursuant to s 41 of the Act, Entain listed the "offence type" as "money laundering" and the "grounds of suspicion" recorded that, as a result of [redacted] cash deposits into First Account (Ladbrokes) across multiple transactions, Entain suspected [redacted] may have been attempting to avoid a reporting threshold.
	G4	Without limiting **Row G1**, from 13 November 2018 Entain rated [redacted] "High" ML/TF Risk in relation to at least one of his accounts with Entain.	Particulars: • [redacted] was rated "High" ML/TF Risk in relation to at least one of his accounts with Entain at all times from 13 November 2018 to 7 July 2021 (after all his accounts were closed).

			• [redacted] was rated "High" ML/TF Risk in relation to his First Account (Ladbrokes) on 13 November 2018 according to an SMR Entain gave the AUSTRAC CEO pursuant to s 41 of the Act on that date, although [redacted] due diligence records did not reflect his "High" ML/TF Risk rating until 20 November 2018. • On 1 May 2019, following a process of integration in early 2019, the ~~Fifth~~ Second Account (Neds) was moved under Entain's sports bookmaker licence (the account had been acquired on 28 November 2018). • Between 1 May 2019 and 27 August 2019, Entain did not rate [redacted] in relation to the Second Account (Neds) (ie, the risk rating was "Unrated"). • [redacted] was rated "High" ML/TF Risk in relation to his Second Account (Neds) on and from 28 August 2019, by which time he was onboarded as an Affiliate of Entain. • [redacted] due diligence records do not disclose that any consideration was given to rating [redacted] "High" ML/TF Risk in relation to his Second Account (Neds) in the period following 1 May 2019, notwithstanding that [redacted] had recently been rated "High" in relation to his First Account (Ladbrokes) and notwithstanding significant transactional activity on the First Account (Ladbrokes) in the period leading up to 1 May 2019 and in the period immediately thereafter: see **Rows E6** and **E12** above. • A "High" ML/TF Risk rating was appropriate for [redacted] in relation to his Second Account (Neds) from 1 May 2019: see **Rows E1–E19** above. • [redacted] was rated "High" ML/TF Risk in relation to his Third Account (Betstar) on and from 16 October 2020. • [redacted] was rated "High" ML/TF Risk in relation to his Fourth Account (Bookmaker) on and from an unknown date.

			• On 7 July 2021, the risk ratings for all of [redacted] accounts were adjusted to "Low" as the accounts had been permanently closed. • There was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules. • The measures that Entain was required to undertake in relation to [redacted] as a result of determining that the ML/TF Risk in relation to [redacted] was high included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules.
	G5	Without limiting **Row G1**, Entain onboarded [redacted] as an Affiliate on 14 May 2019, notwithstanding that Entain had rated [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes) on and from 13 November 2018.	Particulars • On 14 May 2019, [redacted] became an Affiliate under Entain's Ladbrokes Affiliate Program and was assigned a 30% commission. • At the time [redacted] became an Affiliate under Entain's Ladbrokes Affiliate Program, Entain had given the AUSTRAC CEO 5 SMRs pursuant to s 41 of the Act in relation to [redacted] and he was rated "High" ML/TF Risk.
	G6	Without limiting **Row G1**, at no time in the Relevant Period during which [redacted] have 4 accounts open with Entain did Entain appropriately monitor [redacted] on a holistic basis, as a customer, across all of his accounts.	Particulars: • Section 36(1)(a) of the Act required Entain to monitor its customers, not its accounts. • At all times in the Relevant Period during which [redacted] had 4 open accounts with Entain, Entain assessed and rated ML/TF Risk in relation to [redacted] on an account-by-account basis rather than on a customer basis. • Entain did not regularly and on an ongoing basis review and analyse the total amounts that [redacted] was depositing, betting and/or withdrawing across all of his accounts. • Entain's failure to regularly and on an ongoing basis review and analyse the total amounts that [redacted] was depositing, betting and/or withdrawing across all of his accounts

			impaired its capacity to meet its monitoring obligations under the Act and the Rules, including because: – It impaired Entain's capacity to assess whether any of the reporting conditions in s 41 of the Act were satisfied (for example, whether transactional activity crossed relevant monetary thresholds). – It impaired Entain's capacity to determine whether [redacted] identified or claimed sources of wealth/sources of funds supported or could support the transactional activity on [redacted] accounts. • It impaired Entain's capacity to assess whether [redacted] transactional activity and methods could appropriately be described as "recreational".
	G7	Without limiting **Row G1**, at all times from the date on which [redacted] First Account (Ladbrokes) was open, [redacted] was assigned a BDM.	Particulars: • From around the date [redacted] opened his First Account (Ladbrokes) he was assigned a BDM, [redacted]. • The decision to onboard [redacted] as an Affiliate in 2019 was made by his BDM [redacted] around the same time as when: – [redacted] made a large loss of $260,000.00 on his First Account (Ladbrokes) from which his BDM derived a benefit due to his entitlement to be paid a commission from Entain. – There was a significant increase/escalation in deposits and withdrawals into and from [redacted] First Account (Ladbrokes) and Second Account (Neds) in 2019: see **Rows E9** and **E12** above. – [redacted] was rated "High" ML/TF Risk in relation to his First Account (Ladbrokes). – Entain had given the AUSTRAC CEO multiple SMRs pursuant to s 41 of the Act in relation to [redacted] including in relation to [redacted] unknown source of wealth/source of funds and large and unusual deposits

			which Entain suspected may have been the proceeds of crime: see **Rows E5** and **E7** above. – Entain had given the AUSTRAC CEO multiple TTRs pursuant to s 43 of the Act in relation to large and unusual cash deposits into [redacted] First Account (Ladbrokes): see **Row E19** above. • A BDM received a commission for deposits made by a customer that they managed, which resulted in a conflict of interest and created a risk that the systems and controls in Entain's "Part A Program" would not be applied appropriately or impartially to [redacted] see paragraphs 171–172 and 175–176 above.
	G8	Without limiting **Row G1**, at no time from the date on which ECDD was triggered (specifically, from 16 December 2018) did Entain undertake ECDD measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] on an ongoing basis, from that time.	Particulars: • Entain was under an obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, at all times from the date on which there was an ECDD trigger: see paragraphs 428–429 above. • There were multiple ECDD triggers in the period prior to the Relevant Period: – Entain gave the AUSTRAC CEO 5 SMRs pursuant to s 41 of the Act in relation to [redacted] on 13 December 2016; 23 October 2018; 13 November 2018; 20 November 2018; and 27 November 2018. – Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. – Further, at all times from 13 November 2018 to 6 July 2021, Entain rated [redacted] "High" ML/TF Risk in relation to one or more of his accounts. – Under the Rules, there was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules.

			• There were multiple ECDD triggers during the Relevant Period: – Entain gave the AUSTRAC CEO 32 SMRs pursuant to s 41 of the Act in relation to [redacted] on 5 July 2019; 9 July 2019; 25 July 2019; 31 July 2019; 5 August 2019; 23 August 2019; 4 September 2019; 11 September 2019; 16 September 2019; 23 September 2019; 30 September 2019; 9 October 2019; 14 October 2019; 23 October 2019; 28 October 2019; 28 November 2019; 23 December 2019; 13 January 2020; 20 January 2020; 29 January 2020; 11 March 2020; 26 March 2020; 22 April 2020; 13 August 2020; 18 August 2020; 2 October 2020; 4 January 2021; 16 February 2021; 16 March 2021; 5 July 2021; 7 July 2021 and 14 March 2023. – Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. – Further, at all times from 13 November 2018 to 6 July 2021, Entain rated [redacted] "High" ML/TF Risk in relation to one or more of his accounts. – Under the Rules, there was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules. • As a result of the above ECDD triggers, Entain was under an obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, at all times from (i) the start of the Relevant Period (as a result of the ECDD triggers in the period prior to the Relevant Period); and (ii) 5 July 2019 (as a result of the SMR given to the AUSTRAC CEO on that date). • The measures that Entain was required to undertake in relation to [redacted] as a result of forming a suspicion for the purposes of s 41 of the Act and/or determining that the

			ML/TF Risk in relation to [redacted] was high included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules. • The measures that were required were measures appropriate to a person reasonably suspected of proceeds of crime and/or money laundering offences and/or other offences against the laws of Australia, as per the 34 SMRs (31 during the Relevant Period) that Entain gave the AUSTRAC CEO pursuant to s 41 of the Act in relation to [redacted]
	G9	Without limiting **Row G1** or **Row G8**, at no time from 16 December 2018 did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, across all accounts, including the level of transactional behaviour and the purpose, reasons for or nature of the transactional behaviour.	Particulars: • This was a measure appropriate to the circumstances that existed from 16 December 2018: see r 15.10(5) of the Rules. • At all times during the Relevant Period, [redacted] transactional activity involved high value and high frequency deposits and withdrawals into and from his accounts with Entain, with significant increases/escalations in each of calendar years 2019, 2020 and 2021: see **Rows E6**, **E9**, **E12–E13** and **E20–E21** above. This occurred against a background of unusually large deposits and withdrawals on [redacted] First Account (Ladbrokes) in the period prior to the Relevant Period (see **Row E3** above) and unusually large deposits and withdrawals on [redacted] Second Account (Neds) in the period prior to that account being moved under Entain's sports bookmaker licence: see **Row E12** above. • [redacted] was regularly listed in Entain's High Value Transaction Report from May 2019, demonstrating that Entain identified that he deposited large amounts of money into his accounts from this time, but Entain did not undertake any measures to mitigate and manage the ML/TF Risk indicated by this transactional behaviour.

			• There were significant increases/escalations in the amounts deposited and withdrawn into and from [redacted] accounts in each of calendar years 2019, 2020 and 2021: see **Rows E9**, **E12** and **E20–E21** above. • [redacted] transactional activity was unusual in other respects, including a pattern of failed deposits: see **Rows E14** and **E15** above. • [redacted] transactional activity was not appropriately monitored on a holistic basis across all of his accounts, which (among other things) impaired Entain's capacity to identify and consider the implications of the true volume of money flowing into and out of [redacted] accounts: see **Row G6** above. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, especially the "cycling" of high value and high frequency deposits with high value and high frequency withdrawals, and the cash-based transactional activity, had indicia of money laundering or dealings with the proceeds of crime.
	G10	Without limiting **Row G1** or **Row G8**, at no time from 16 December 2018 did Entain: a) appropriately obtain from [redacted] or otherwise take reasonable measures to identify, information about [redacted] source of wealth/source of funds; b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds; c) appropriately verify or confirm information it had about [redacted] source of wealth/source of funds; or	Particulars: • These were measures appropriate to the circumstances that existed from 16 December 2018: see rr 15.10(1)(a), 15.10(1)(c), 15.10(2) and 15.10(3) of the Rules. • At all times during the Relevant Period, [redacted] transactional activity involved high value and high frequency deposits and withdrawals into and from his accounts, with significant increases/escalations in each of calendar years 2019, 2020 and 2021: see **Rows E6**, **E9**, **E12–E13** and **E20–E21** above. • [redacted] was regularly listed in Entain's High Value Transaction Report from May 2019, demonstrating that Entain identified that he deposited large amounts of money

		d) appropriately consider the ML/TF Risks relating to [redacted] sources of wealth/sources of funds.	into his accounts from this time, but Entain did not undertake any measures to mitigate and manage the ML/TF Risk indicated by this transactional behaviour. • [redacted] transactional activity was unusual in other respects, including a pattern of failed deposits: see **Rows E14** and **E15** above. • [redacted] transactional activity was not appropriately monitored on a holistic basis across all of his accounts, which (among other things) impaired Entain's capacity to identify and consider the implications of the true volume of money flowing into and out of [redacted] accounts: see **Row G6** above. • In terms of the sufficiency of the information that Entain had about [redacted] source of wealth/source of funds, and the sufficiency of the measures taken by Entain with respect to that information: see **Row E7** above**.** • Without limiting **Row E7** above: – From 23 October 2018, and at all times during the Relevant Period, Entain had information indicating that there was a risk that [redacted] source of wealth/source of funds was the proceeds of crime. – Entain had no verified information that supported [redacted] central claim about his source of wealth/source of funds (ie, he had funded his account from savings, the sale of real property, property investments and the sale of a business). • Further, a major source of [redacted] claimed source of wealth/source of funds was from the commissions he received from Entain as an Affiliate in circumstances where Entain had information indicating that [redacted] had accessed, operated or used or attempted to access, operate or use other customers' accounts (including accounts of his Affiliate Customers, several of whom had

			been charged with and/or convicted of serious criminal offences): see **Rows E10**, **E16–E18** above.
	G11	Without limiting **Row G1** or **Row G8**, at no time from 16 December 2018 did Entain seek from [redacted] or otherwise take reasonable measures to clarify, the nature and purpose of [redacted] ongoing business relationship with Entain.	Particulars: • This was a measure appropriate to the circumstances that existed from 16 December 2018: see r 15.10(1)(d) of the Rules. • At all times prior to the Relevant Period [redacted] deposited and withdrew unusually large amounts of money into and from his First Account (Ladbrokes): see **Row E3** above. • At all times during the Relevant Period, [redacted] transactional activity involved high value and high frequency deposits and withdrawals into and from his accounts with Entain, with significant increases/escalations in each of calendar years 2019, 2020 and 2021: see **Rows E6**, **E9**, **E12–E13** and **E20–E21** above. He had multiple open accounts from 1 May 2019: see **Rows B** and **G6** above. • The need to clarify the nature and purpose of [redacted] ongoing business relationship with Entain arose especially from: – Entain's suspicions that [redacted] source of wealth/source of funds were the proceeds of crime: see **Row E7** above. – Entain's suspicions in 2019, 2020 and 2021 that [redacted] had accessed, operated or used or attempted to access, operate or use other customers' accounts, the majority of whom were [redacted] Affiliate Customers: see **Row E10** above. • [redacted] due diligence records do not disclose any broader analysis of [redacted] network of Affiliate Customers nor indicate that [redacted] was appropriately reviewed or subject to more detailed analysis over time in respect of his network of Affiliate Customers: see **Row E16** above.

			• [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, especially the "cycling" of high value and high frequency deposits with high value and high frequency withdrawals, and the cash-based transactional activity, had indicia of money laundering or dealings with the proceeds of crime.
	G12	Without limiting **Row G1** or **Row G8**, at no time from 16 December 2018 was [redacted] appropriately escalated to and/or considered by Entain's senior management, including for the purpose of determining whether to continue a business relationship with him.	Particulars: • This was a measure appropriate to the circumstances that existed from 16 December 2018: see r 15.10(6) of the Rules. • To the extent that [redacted] was escalated to senior management, the escalation was not done with sufficient promptness: – [redacted] was not escalated to senior management until around 28 May 2019 (via instant message), in the context of Entain's suspicions that [redacted] was operating [redacted] account. – By this date, Entain had formed a suspicion 7 months earlier that [redacted] source of wealth/source of funds was the proceeds of crime. • Escalation to and/or consideration by senior management was appropriate in, and at regular intervals during, the whole of the Relevant Period. • To the extent that [redacted] was considered by senior management, the consideration was not appropriate, including because: – While [redacted] was escalated to senior management on 20 June 2019 following lodgement of an SMR pursuant to s 41 of the Act, [redacted] due diligence records do not disclose any consideration by or decision of senior management about whether to continue the business relationship with [redacted] This was notwithstanding

			[redacted] being escalated to senior management because: (i) Entain had formed a suspicion that [redacted] was operating accounts in other people's names to launder money and/or evade tax; and (ii) a link to open source media with respect to [redacted] involvement in criminal activity relating to "collection of drug money and [redacted]" was provided to Entain's General Counsel. – Despite Entain identifying in late-May 2020 that [redacted] had operated or likely operated 2 of his Affiliate Customers' accounts ([redacted]) and escalating the matter to, among others, Entain's General Manager of Client Services and Entain's General Counsel (see **Row E10** above), [redacted] due diligence records do not record any consideration of or decision by senior management about whether to continue the business relationship with [redacted] in light of the matters indicative of high ML/TF Risk that existed at that time. – On 24 April 2020, when the BDM, who managed both [redacted] and [redacted] (an Affiliate Customer of [redacted]), [redacted], raised a query with senior management indicating that [redacted] was monitoring [redacted] betting activity, [redacted] records do not disclose that senior management appropriately considered the ML/TF Risks associated with the connection/link between [redacted] and [redacted]. – Despite Entain contacting [redacted] in August 2020 about his source of wealth/source of funds and obtaining an ASIC company search for a business [redacted] claimed he had sold, which information senior management was involved in reviewing, [redacted] due diligence records do not disclose any consideration by or decision of senior management about whether to continue the business relationship with [redacted] (including his Affiliate status) in

			light of the matters indicative of high ML/TF Risk that existed at that time. – On 6 July 2021, Entain's General Counsel emailed Entain's CEO about [redacted] top clients, one of whom was [redacted], however [redacted] records do not disclose that senior management appropriately considered the ML/TF Risks associated with the connection/link between [redacted] and [redacted]. – Senior management decided on 17 May 2021 that [redacted] accounts would have been suspended had he not already placed them on "take-a-break". This decision did not disclose any appropriate consideration of whether to continue the business relationship with [redacted] (including as an Affiliate of Entain). Despite [redacted] due diligence records stating that the decision was made by "Exco", no deliberations in relation to [redacted] were recorded in any minutes of the meetings of Exco, or of Entain's Compliance Committee on 29 April 2021 or later on 27 July 2021 (at which "Exco" was present). – Entain's due diligence records for [redacted] disclose no consideration by senior management (until 23 June 2021) of whether it was appropriate for [redacted] to be an Affiliate of Entain, by which time [redacted] had approximately 148 Affiliate Customers (across approximately 165 accounts), of whom at least 7 customers had been rated "High" ML/TF Risk. – A senior management decision to terminate [redacted] affiliate agreement was not made until 6 July 2021 and was without immediate effect.
	G13	Without limiting **Row G1** or **Row G8**, at no time during the Relevant Period was there a reasonable basis for Entain to continue a business relationship with [redacted]	Particulars: • [redacted] due diligence records do not indicate that any consideration was given to suspending or closing [redacted] accounts at any point prior to May 2021, notwithstanding

			the matters indicative of high ML/TF Risk pleaded in **Row E** above. • At no time during the Relevant Period was there a reasonable basis for Entain to conclude that the ML/TF Risks posed by the provision of designated services to [redacted] were acceptable in circumstances where from 23 October 2018 Entain suspected that [redacted] source of wealth/source of funds was the proceeds of crime. Further, during the Relevant Period: – From June 2019, [redacted] breached Entain's terms and conditions for his accounts due to operating other customers' accounts. – Entain did not obtain, confirm or verify [redacted] legitimate source of wealth/source of funds, with the exception of his Affiliate commissions. • At no time was there a reasonable basis for Entain to conclude that the ML/TF Risks posed by [redacted] affiliate agreement were acceptable: – Entain did not terminate [redacted] affiliate agreement on 17 May 2021 when senior management decided it would have suspended [redacted] First Account (Ladbrokes) and Second Account (Neds) had [redacted] not already put these accounts on "take-a-break". – Prior to 23 June 2021, Entain's senior management gave no consideration as to whether it was appropriate for Entain to continue the business relationship with [redacted] as an Affiliate. • On 7 July 2021, Entain terminated [redacted] affiliate agreement by giving 30 days' notice, effective 9 August 2021, being almost 3 months after Entain's decision on 17 May 2021 to suspend [redacted] accounts.

SCHEDULE 2: [redacted]

A: customer		[redacted]
B: account(s)	**B1**	**First Account (Bookmaker)** • [redacted] • Opened date: 19 November 2016 • Closed date: 1 January 2017
	B2	**Second Account (Ladbrokes)** • [redacted] • Opened date: 29 December 2016 • Closed date: 18 July 2018
	B3	**Third Account (Neds)** • [redacted] • Opened date: 17 November 2017 (the account was opened by an entity that Entain later acquired) • Acquired date: 28 November 2018 (the date on which Entain acquired the entity that opened the account and the account itself) • Licence transfer date: 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Closed date: 5 October 2022
	B4	**Fourth Account (Betstar)** • [redacted] • Opened date: 15 July 2021 • Closed date: 5 October 2022
C. summary of transactional activity by account	**C1**	**First Account (Bookmaker)** • Lifetime deposits: $300.00, none of which was during the Relevant Period • Lifetime turnover: $600.00, none of which was during the Relevant Period • Lifetime withdrawals: $0 (nothing)
	C2	**Second Account (Ladbrokes)**

		• Lifetime deposits: $6,100.00, none of which was during the Relevant Period • Lifetime turnover: $5,882.74, none of which was during the Relevant Period • Lifetime withdrawals: $1,500.00, none of which was during the Relevant Period	
	C3	**Third Account (Neds)** • Lifetime deposits: $18,273,634.00, approximately $16,472,890.00 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime turnover: exceeding $57,328,173.87, approximately $52,070,813.26 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime withdrawals: $13,658,453.25, approximately $12,492,253.25 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence)	
	C4	**Fourth Account (Betstar)** • Lifetime deposits: $62,700.00, all of which was during the Relevant Period • Lifetime turnover: $109,155.00, all of which was during the Relevant Period • Lifetime withdrawals: $0 (nothing)	
D: date in the Relevant Period on and from which matters indicative of high ML/TF Risk existed		1 May 2019	
E: list of matters indicative of high ML/TF Risk	**E1**	In the period prior to the Relevant Period (specifically, from January 2017), Entain had information indicating that [redacted] had attempted to engage in fraudulent conduct — specifically, Entain had information indicating that [redacted] had made a false claim that his First Account (Bookmaker) and Second Account (Ladbrokes) had been created and transacted on without his knowledge.	Particulars: • On 5 January 2017, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act. • In the SMR, Entain reported that: – [redacted] had claimed that his First Account (Bookmaker) and Second Account (Ladbrokes) had been created and transacted on without his knowledge, but Entain had information indicating that this was not the case. In particular, Entain had information indicating that [redacted] claim that his mobile device, debit card and credit card

			had been stolen and used to open and fund the account was false. – Entain believed that [redacted] was "intentionally trying to defraud his bank and Ladbrokes/ Bookmaker". – The offence type was "Offence against Commonwealth/State/Territory" and the reasons for suspicion included "credit card fraud", "internet fraud" and "suspicious behaviour".
	E2	From no later than 1 May 2019, Entain had information that, at all times in the period during which the Third Account (Neds) had been open, [redacted] had deposited and withdrawn unusually large amounts of money into and from the Third Account (Neds).	Particulars: ● Entain acquired the Third Account (Neds) on 28 November 2018 and, following a process of integration in early 2019, moved the Third Account (Neds) under its sports bookmaker licence on 1 May 2019. ● From no later than 1 May 2019, Entain had access to all relevant transaction data for the Third Account (Neds), including data concerning deposits/withdrawals. ● From 17 November 2017 (when the Third Account (Neds) was opened) to 30 April 2019: – [redacted] deposited approximately $1,800,744.00 into the Third Account (Neds) (an average of approximately $100,041.33 per month). – [redacted] withdrew approximately $1,166,200.00 from the Third Account (Neds) (an average of approximately $64,788.89 per month). ● A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] on his Third Account (Neds) in the period during which the account was open (but not under Entain's sports bookmaker licence) were materially above average total

			annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E3	From no later than 1 May 2019, Entain had information that, from January 2018, [redacted] Third Account (Neds) had been linked to multiple unexpired credit/debit cards.	Particulars: • Entain acquired the Third Account (Neds) on 28 November 2018 and, following a process of integration in early 2019, moved the Third Account (Neds) under its sports bookmaker licence on 1 May 2019. • From no later than 1 May 2019, Entain had access to all customer/KYC information and all relevant transaction data for the Third Account (Neds), including data concerning linked credit/debit cards. • From January 2018, [redacted] Third Account (Neds) had been linked to up to 3 unexpired credit/debit cards. • From February 2018, [redacted] Third Account (Neds) had been linked to up to 4 and then up to 5 unexpired credit/debit cards (the increase to 4 occurred on 9 February and the increase to 5 occurred on 11 February). • From March 2018, [redacted] Third Account (Neds) had been linked to up to 6 unexpired credit/debit cards. • From September 2018, [redacted] Third Account (Neds) had been linked to up to 7 unexpired credit/debit cards. • From April 2019, [redacted] Third Account (Neds) had been linked to up to 8 unexpired credit/debit cards. • Some of the credit/debit cards had been linked to [redacted] Third Account (Neds) in quick succession: for example, 5 credit/debit cards were linked in the period from 1 January 2018 to 20 March 2018.
	E4	From no later than 1 May 2019, Entain had information that, from June 2018, there had been a material change in [redacted] depositing and withdrawing patterns on the Third Account (Neds) — specifically, Entain had information	Particulars: • Entain acquired the Third Account (Neds) on 28 November 2018 and, following a process of integration in early 2019, moved the Third Account (Neds) under its sports bookmaker licence on 1 May 2019.

		that there had been a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the Third Account (Neds), amounting to an unusual pattern of transactions.	• From no later than 1 May 2019, Entain had access to all relevant transaction data for the Third Account (Neds), including data concerning deposits/withdrawals. • From November 2017 (when the Third Account (Neds) was opened) to May 2018: – [redacted] deposited $470,117.00 into the Third Account (Neds) (an average of $67,159.57 per month). – [redacted] withdrew $285,000.00 from the Third Account (Neds) (an average of $40,714.29 per month). • From June 2018 to 30 April 2019 (the day before the Third Account (Neds) was moved under Entain's sports bookmaker licence): – [redacted] deposited $1,330,627.00 into the Third Account (Neds) (an average of $120,966.09 per month, which amounted to an increase of approximately 80% on the monthly average for November 2017 to May 2018). – [redacted] withdrew $881,200.00 from the Third Account (Neds) (an average of $80,109.09 per month, which amounted to an increase of approximately 97% on the monthly average for November 2017 to May 2018). • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] on his Third Account (Neds) from June 2018 were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E5	At all times from 1 May 2019, [redacted] deposited and withdrew unusually large amounts of money into and from the Third Account (Neds).	Particulars: • While the amounts of money deposited and withdrawn from 1 May 2019 were at all times unusually large, there were

			significant increases/escalations in each of calendar years 2020, 2021 and 2022: see **Rows E10**, **E12** and **E15** below. • From 1 May 2019 (the date on which the Third Account (Neds) was moved under Entain's sports bookmaker licence) to December 2019: – [redacted] deposited $857,864.00 into the Third Account (Neds) (an average of $107,233.00 per month). – [redacted] withdrew $499,700.00 from the Third Account (Neds) (an average of $62,462.50 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 8 occasions. – [redacted] deposited $50,000.00 or more in a week into the Third Account (Neds) on 2 occasions. – [redacted] deposited $10,000.00 or more in a day into the Third Account (Neds) on 6 occasions. – [redacted] withdrew $10,000.00 or more in a day from the Third Account (Neds) on 15 occasions. • In 2020: – [redacted] deposited $2,719,522.00 into the Third Account (Neds) (an average of $226,626.83 per month). – [redacted] withdrew $1,847,500.00 from the Third Account (Neds) (an average of $153,958.33 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 31 occasions. – [redacted] deposited $50,000.00 or more in a week into the Third Account (Neds) on 24 occasions. – [redacted] withdrew $50,000.00 or more in a week from the Third Account (Neds) on 13 occasions. – [redacted] deposited $10,000.00 or more in a day into the Third Account (Neds) on 100 occasions.

			– [redacted] withdrew $10,000.00 or more in a day from the Third Account (Neds) on 75 occasions. • In 2021: – [redacted] deposited $4,327,071.00 into the Third Account (Neds) (an average of $360,589.25 per month). – [redacted] withdrew $3,840,900.00 from the Third Account (Neds) (an average of $320,075.00 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 36 occasions. – [redacted] deposited $50,000.00 or more in a week into the Third Account (Neds) on 30 occasions. – [redacted] withdrew $50,000.00 or more in a week from the Third Account (Neds) on 21 occasions. – [redacted] deposited $10,000.00 or more in a day into the Third Account (Neds) on 119 occasions. – [redacted] withdrew $10,000.00 or more in a day from the Third Account (Neds) on 102 occasions. – In July 2021, [redacted] also deposited $62,700.00 into the Fourth Account (Betstar). • From January to September 2022: – [redacted] deposited $8,568,433.00 into the Third Account (Neds) (an average of $952,048.11 per month). – [redacted] withdrew $6,304,153.25 from the Third Account (Neds) (an average of $700,461.47 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 36 occasions. – [redacted] deposited $50,000 or more in a week into the Third Account (Neds) on 35 occasions. – [redacted] withdrew $50,000 or more in a week from the Third Account (Neds) on 30 occasions.

			– [redacted] deposited $10,000 or more in a day into the Third Account (Neds) on 165 occasions. – [redacted] withdrew $10,000 or more in a day from the Third Account (Neds) on 128 occasions. ● A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E6	At all times from 1 May 2019, [redacted] deposited and withdrew money into and from the Third Account (Neds) with high frequency.	Particulars: ● From 1 May 2019 (the date on which the Third Account (Neds) was moved under Entain's sports bookmaker licence) to December 2019: – [redacted] made approximately ~~1,861~~ 1,862 approved deposits to the Third Account (Neds) (an average of approximately 233 per month or 53 per week). – [redacted] made approximately 119 approved withdrawals from the Third Account (Neds) (an average of approximately 15 per month or 3 per week). ● In 2020: – [redacted] made approximately 2,543 approved deposits to the Third Account (Neds) (an average of approximately 212 per month or 49 per week). – [redacted] made approximately 356 approved withdrawals from the Third Account (Neds) (an average of approximately 30 per month or 7 per week).

			• In 2021: – [redacted] made approximately 2,205 approved deposits to the Third Account (Neds) (an average of approximately 184 per month or 42 per week). – [redacted] made approximately 401 approved withdrawals from the Third Account (Neds) (an average of approximately 33 per month or 8 per week). • In 2022: – [redacted] made approximately 3928 approved deposits to the Third Account (Neds) (an average of approximately 327 per month or 76 per week). – [redacted] made approximately 705 approved withdrawals from the Third Account (Neds) (an average of approximately 59 per month or 14 per week).
	E7	From 1 May 2019, [redacted] Third Account (Neds) was linked to multiple unexpired credit/debit cards.	Particulars: • From May 2019, [redacted] Third Account (Neds) was linked to up to 8 unexpired credit/debit cards. • From June 2019, [redacted] Third Account (Neds) was linked to up to 9 unexpired credit/debit cards. • From November 2020, [redacted] Third Account (Neds) was linked to up to 8 unexpired credit/debit cards. • From April 2021, [redacted] Third Account (Neds) was linked to up to 6 unexpired credit/debit cards. • From October 2021, [redacted] Third Account (Neds) was linked to up to 5 unexpired credit/debit cards. • From November 2021, [redacted] Third Account (Neds) was linked to up to 4 unexpired credit/debit cards. • From March 2022, [redacted] Third Account (Neds) was linked to up to 3 unexpired credit/debit cards. • From April 2022, [redacted] Third Account (Neds) was linked to up to 5 unexpired credit/debit cards.

			• From May 2022, [redacted] Third Account (Neds) was linked to up to 4 unexpired credit/debit cards. • Some of the credit/debit cards were linked to [redacted] Third Account (Neds) in quick succession: for example, 3 credit/debit cards were linked in the period from 1 to 16 April 2022.
	E8	At all times from 1 May 2019, Entain did not have sufficient information about [redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that the transactional activity on the Third Account (Neds) (depositing, betting and withdrawing) was consistent with or supported by [redacted] source of wealth/source of funds.	Particulars: • While the information that Entain had about [redacted] source of wealth/source of funds changed over time, at no time from 1 May 2019 was it sufficient to reach the necessary satisfaction. • Entain could have obtained information about [redacted] source of wealth/source of funds from (at least) public/external sources and [redacted] himself. • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from public/external sources and [redacted] it did not do so with sufficient promptness: – Prior to 11 June 2019, Entain obtained no substantive information about [redacted] source of wealth/source of funds from public/external sources. – Prior to the third quarter of 2019, Entain obtained no substantive information about [redacted] source of wealth/source of funds from [redacted] – Prior to 22 March 2021, Entain did not commence any formal source of wealth/source of funds inquiry process with [redacted] ([redacted] then refused to provide the information that Entain requested, which was itself a matter indicative of high ML/TF Risk: see **Row E13** below). – Prior to 19 August 2022, Entain did not recommence any formal source of wealth/source of funds inquiry process with [redacted] ([redacted] then refused to provide the information that Entain requested, which was itself a

			matter indicative of high ML/TF Risk: see **Row E16** below). • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from public/external sources and [redacted] it did not obtain sufficient information to reach the necessary satisfaction: – Entain obtained information indicating that [redacted] owned a residential property at Robina in Queensland, but did not obtain information about the capacity of this ownership to support transactional activity on the Third Account (Neds) (for example, whether the property was encumbered by mortgage, etc). – Entain obtained information indicating that [redacted] owned or had an interest in various [redacted] businesses in South-East Queensland, but did not obtain (let alone confirm or verify) basic information about the success of the businesses or their capacity to support transactional activity on the Third Account (Neds) (for example, account statements, other information about revenue/profitability, information about leasing arrangements for business premises, information about other expenses, etc). – Information from public/external sources was frequently out of date by the time it was obtained and/or not appropriately updated (for example, an article in the Gold Coast Bulletin dated [redacted] about ownership of a [redacted] was relied upon as "current" for several years; the currency of social media posts was not ascertained; the registration status of companies with which [redacted] was believed to be associated was not checked or re-checked; etc). – Information from public/external sources that was both available and relevant to [redacted] source of wealth/source of funds was not identified with sufficient promptness or

			at all (for example, on [redacted], the Gold Coast Bulletin reported that the liquidator of [redacted], which traded under a business name associated with [redacted] had found that [redacted] had been made from the company and that its bank accounts had been [redacted] prior to liquidation, but Entain did not identify this until 16 December 2020). – Information from [redacted] or [redacted] Account Manager/VIP Manager was not confirmed or verified (for example, claims by [redacted] Account Manager/VIP Manager on 21 April 2020 that [redacted] was a "whealer a dealer" (sic) who "makes good money from the [redacted]" and was "killing it in sales due to the [corona] virus" were never substantiated by obtaining account statements or similar; a claim by [redacted] on 2 June 2020 that he owned [redacted] "franchises" around the Gold Coast/Queensland was never substantiated by obtaining the names of franchisees, copies of franchise agreements, etc; and so forth). • From 1 May 2019, Entain gave the AUSTRAC CEO at least 9 SMRs pursuant to s 41 of the Act in which it acknowledged a question about whether the transactional activity on the Third Account (Neds) (depositing, betting and withdrawing) was consistent with or supported by [redacted] source of wealth/source of funds and/or the "profile" established for [redacted] on 17 September 2020; 17 December 2020; 18 May 2021; 28 July 2021; 8 November 2021; 10 December 2021; 26 August 2022; 20 September 2022; and 2 December 2022.
	E9	From May 2019, there was unusual betting activity on [redacted] Third Account (Neds).	Particulars: • The unusual betting activity included unusual betting activity in relation to [redacted] between: (i) April to December 2021; and (ii) September 2021 to September 2022.

			• Beginning in September 2022, Entain received a number of inquiries from a [redacted] integrity body and a law enforcement agency in relation to [redacted] betting activity: see **Rows E17–E19** below. The inquiries from the [redacted] integrity body related to specific time periods in 2021 and 2021–2022 and the inquiry from the law enforcement agency related to the entire period during which [redacted] had an open account with Entain. • In and from [redacted], [redacted] was the subject of adverse media reporting in media/public sources in connection with gambling integrity issues: see **Row E20** below. The adverse media reporting related to charges brought by a [redacted] integrity body concerning conduct in specific periods in 2021–2022.
	E10	In 2020 (especially from about April 2020), there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a further significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the Third Account (Neds), amounting to an unusual pattern of transactions.	Particulars: • In 2019, [redacted] deposited $1,420,264.00 into the Third Account (Neds) (an average of $118,355.33 per month). Of this, $857,864.00 (approximately 60%) was deposited on and from 1 May 2019 (the date on which the Third Account (Neds) was moved under Entain's sports bookmaker licence) (an average of $107,233.00 per month for this period). • In 2020, [redacted] deposited $2,719,522.00 into the Third Account (Neds) (an average of $226,626.83 per month, which amounted to an increase of approximately 91% on the monthly average for 2019 as a whole). • In 2019, [redacted] withdrew $853,400.00 from the Third Account (Neds) (an average of $71,116.67 per month). Of this, $499,700.00 was withdrawn on and from 1 May 2019 (the date on which the Third Account (Neds) was moved under Entain's sports bookmaker licence) (an average of $62,462.50 per month for this period).

			• In 2020, [redacted] withdrew $1,847,500.00 from the Third Account (Neds) (an average of $153,958.33 per month, which amounted to an increase of approximately 116% on the monthly average for 2019 as a whole). • The increase/escalation in deposits commenced especially from April 2020, with particularly large deposits in July 2020 ($377,760.00) and November 2020 ($414,290.00). • The increase/escalation in withdrawals commenced especially from July 2020, with particularly large withdrawals in August 2020 ($292,000.00) and November 2020 ($350,000.00). • In 2020: – [redacted] was listed in Entain's High Value Transaction Report on at least 31 occasions. – [redacted] deposited $50,000.00 or more in a week into the Third Account (Neds) on 24 occasions. – [redacted] withdrew $50,000.00 or more in a week from the Third Account (Neds) on 13 occasions. – [redacted] deposited $10,000.00 or more in a day into the Third Account (Neds) on 100 occasions. – [redacted] withdrew $10,000.00 or more in a day from the Third Account (Neds) on 75 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.

	E11	Without limiting **Row E9**, from September 2020 to May 2021, there was a material change in [redacted] betting patterns — specifically, [redacted] cashed out his bets on multiple occasions, amounting to an unusual pattern of transactions.	Particulars: • From September 2020 to May 2021, [redacted] was listed in Entain's Cashout and Withdrawal Report on 6 occasions, on each occasion for having cashed out between 4 and 16 bets within a short period after placing the bets. • Early cashout is a means by which a customer can mitigate losses and/or turnover money without risking a loss or larger loss (turned over money can then be withdrawn).
	E12	In 2021 (especially from about April 2021), there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a further significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the Third Account (Neds), amounting to an unusual pattern of transactions.	Particulars: • In 2020, [redacted] deposited $2,719,522.00 into the Third Account (Neds) (an average of $226,626.83 per month). • In 2021, [redacted] deposited $4,327,071.00 into the Third Account (Neds) (an average of $360,589.25 per month, which amounted to an increase of approximately 59% on the monthly average for 2020). • In 2020, [redacted] withdrew $1,847,500.00 from the Third Account (Neds) (an average of $153,958.33 per month). • In 2021, [redacted] withdrew $3,840,900.00 from the Third Account (Neds) (an average of $320,075.00 per month, which amounted to an increase of approximately 107% on the monthly average for 2020). • The increase/escalation in deposits commenced especially from April 2021, with particularly large deposits in April 2021 ($438,305.00), June 2021 ($429,585.00), July 2021 ($856,100.00), November 2021 ($478,318.00) and December 2021 ($792,341.00). • The increase/escalation in withdrawals commenced especially from April 2021, with particularly large withdrawals in April 2021 ($448,000.00), June 2021 ($531,000.00), July 2021 ($906,000.00) and December 2021 ($727,000.00).

			• In 2021: – [redacted] was listed in Entain's High Value Transaction Report on at least 36 occasions. – [redacted] deposited $50,000.00 or more in a week into the Third Account (Neds) on 30 occasions. – [redacted] withdrew $50,000.00 or more in a week from the Third Account (Neds) on 21 occasions. – [redacted] deposited $10,000.00 or more in a day into the Third Account (Neds) on 119 occasions. – [redacted] withdrew $10,000.00 or more in a day from the Third Account (Neds) on 102 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E13	From March to May 2021, [redacted] refused to provide information about his source of wealth/source of funds that was requested by Entain as part of a formal source of wealth/source of funds inquiry process.	Particulars: • On 22 March 2021: – [redacted] transactional activity triggered a formal source of wealth/source of funds inquiry process, requiring a Stage 2 SOF Form sent to [redacted] – Entain called [redacted] to advise him that the SOF Form would be sent, but [redacted] said he did not have an email address, that the email address linked to his Third Account (Neds) was inactive and that he would refuse to fill out any form. • On 23 March 2021: – Entain sent the SOF Form to [redacted] with a $2,000.00 cash bonus for completion.

			– [redacted] Account Manager/VIP Manager advised that he had spoken to [redacted] and [redacted] was "unlikely to complete the form". • On 6 April 2021, Entain sent a follow-up email to [redacted] about the SOF Form. • In April–May 2021, [redacted] was escalated to senior management for possible suspension of the Third Account (Neds) in light of his refusal to complete the SOF Form, but senior management did not suspend the Third Account (Neds) or otherwise take action to secure completion of the SOF Form. • [redacted] never completed the SOF Form.
	E14	By no later than March 2021, Entain had information indicating that [redacted] had not provided it with complete and up-to-date contact information.	Particulars: • On 10 January 2020, Entain recorded in [redacted] due diligence records that there was to be "no email contact" with [redacted] and that he was to be contacted by phone only. • On 17 November 2020, Entain recorded in [redacted] due diligence records that a Detective Desk search of [redacted] email returned no matches. • On 22 March 2021, Entain recorded in [redacted] due diligence records that [redacted] had stated during a call that he did not have an email address and that the email address linked to his Third Account (Neds) was inactive. • On 22 August 2022, Entain recorded in [redacted] due diligence records that [redacted] email address "pinged" at [redacted] Dandenong, VIC 3175, which appeared to be a used car shop, the ownership of which was unknown.
	E15	In 2022, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a further significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the	Particulars: • In 2021, [redacted] deposited $4,327,071.00 into the Third Account (Neds) (an average of $360,589.25 per month). • From January to September 2022, [redacted] deposited $8,568,433.00 into the Third Account (Neds) (an average

		Third Account (Neds), amounting to an unusual pattern of transactions.	of $952,048.11 per month, which amounted to an increase of approximately 164% on the monthly average for 2021). • In 2021, [redacted] withdrew $3,840,900.00 from the Third Account (Neds) (an average of $320,075.00 per month). • From January to September 2022, [redacted] withdrew $6,304,153.25 from the Third Account (Neds) (an average of $700,461.47 per month, which amounted to an increase of approximately 118% on the monthly average for 2021). • The increase/escalation in deposits commenced especially from January 2022, with particularly large deposits in May 2022 ($2,049,417.00), June 2022 ($986,768.00), August 2022 ($1,158,652.00) and September 2022 ($1,051,564.00). • The increase/escalation in withdrawals commenced especially from January 2022, with particularly large withdrawals in May 2022 ($1,223,500.00), August 2022 ($849,500.00) and September 2022 ($722,000.25). • In 2022: – [redacted] was listed in Entain's High Value Transaction Report on at least 36 occasions. – [redacted] deposited $50,000.00 or more in a week into the Third Account (Neds) on 35 occasions. – [redacted] withdrew $50,000.00 or more in a week from the Third Account (Neds) on 30 occasions. – [redacted] deposited $10,000.00 or more in a day into the Third Account (Neds) on 165 occasions. – [redacted] withdrew $10,000.00 or more in a day from the Third Account (Neds) on 128 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk.

			The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E16	From August to September 2022, [redacted] refused to provide information about his source of wealth/source of funds that was requested by Entain as part of a formal source of wealth/source of funds inquiry process.	Particulars: • On 19 August 2022: – [redacted] transactional activity triggered a formal source of wealth/source of funds inquiry process, requiring an SOF Form to be sent to [redacted] – Entain called [redacted] to advise him that the SOF Form would be sent, but [redacted] hung up. – Entain sent the SOF Form to [redacted] with a $1,000.00 cash bonus for completion. • Between 24 August and 15 September 2022, Entain made a number of attempts to call [redacted] regarding the SOF Form, but [redacted] did not answer or respond to voicemail messages. • On 16 September 2022, Entain suspended [redacted] Third Account (Neds) for failure to provide the information about his source of wealth/source of funds requested by Entain. • [redacted] never completed the SOF Form.
	E17	In September 2022, a gambling integrity body made an integrity inquiry with Entain about [redacted] — specifically, [redacted] made an inquiry about [redacted] betting activity for a 12-month period.	Particulars: • On 29 September 2022, [redacted] sought [redacted] "full 12 month betting statement", for provision to the [redacted]. • While the integrity inquiry was made after [redacted] Third Account (Neds) was suspended on 16 September 2022, the fact of the inquiry is indicative of the need for Entain to have reviewed or undertaken detailed analysis of [redacted] transactional activity (including betting) prior to the suspension: see **Row E9** above.

	E18	In December 2022, a gambling integrity body made an integrity inquiry with Entain about [redacted] — specifically, [redacted] made an inquiry about [redacted] betting activity for a 9-month period.	Particulars: • On 9 December 2022, [redacted] sought [redacted] "betting records" for the period 1 April 2021 to 31 December 2021, for provision to the [redacted]. • While the integrity inquiry was made after [redacted] Third Account (Neds) was closed on 5 October 2022, the fact of the inquiry is indicative of the need for Entain to have reviewed or undertaken detailed analysis of [redacted] transactional activity (including betting) prior to the closure: see **Row E9** above.
	E19	In May 2023, a law enforcement agency made a law enforcement inquiry with Entain about [redacted] — specifically, the [redacted] made an inquiry about [redacted] betting activity for the entire period during which [redacted] had open accounts with Entain.	Particulars: • On 26 May 2023, the [redacted] sought: (i) account information for any account used, registered and/or operated by [redacted] (ii) records of all bets, losses and wins on all accounts; and (iii) any information of addresses, phone numbers or cards linked to all accounts. • While the law enforcement inquiry was made after [redacted] Third Account (Neds) was closed on 5 October 2022, the fact of the inquiry is indicative of the need for Entain to have reviewed or undertaken detailed analysis of [redacted] transactional activity (including betting) and information about his source of wealth/source of funds prior to the closure: see **Row E9** above.
	E20	In and from [redacted], [redacted] was the subject of adverse reporting in media/public sources in connection with gambling integrity issues — specifically, it was reported that [redacted] had been charged and then disqualified in relation to [redacted].	Particulars: • Information about the charges was available in media and/or public sources from no later than [redacted] • Information about the disqualification was available in media and/or public sources from no later than [redacted] • While information about the charges and disqualification was published after [redacted] Third Account (Neds) was

			closed on 5 October 2022, the fact of the charges and disqualification is indicative of the need for Entain to have reviewed or undertaken detailed analysis of [redacted] transactional activity (including betting) prior to the closure: see **Rows E8–E9** above.
	E21	In and from [redacted], [redacted] was the subject of adverse reporting in media/public sources in connection with — specifically, it was reported that police had charged [redacted] with one count each of extortion, possessing dangerous drugs and possessing a knife in a public place.	Particulars: • Information about the charges was available in media and/or public sources from no later than [redacted] • The extortion charge related to trying to extort $[redacted] from a [redacted]. • While information about the charges was published after [redacted] Third Account (Neds) was closed on 5 October 2022, the fact of the charges is indicative of the need for Entain to have reviewed or undertaken detailed analysis of [redacted] transactional activity (including betting) and information about his source of wealth/source of funds prior to the closure: see **Rows E8–E9** above.
F: dates on and from which monitoring failures existed and contraventions of s 36 occurred	**F1**	1 May 2019	Particulars: • See paragraph 433 above.
	F2	1 May 2019	Particulars: • See **Row G** below, especially **Rows G1–G4**.
	F3	17 September 2020	Particulars: • See **Row G** below, especially **Rows G5–G12**.
G: list of particular monitoring failures	**G1**	At no time from 1 May 2019 did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in **Row E** above.
	G2	Without limiting **Row G1**, at no time from 1 May 2019 until 17 December 2020 did Entain	Particulars: • On 1 May 2019, following a process of integration in early 2019, the Third Account (Neds) was moved under Entain's

		rate [redacted] "High" ML/TF Risk in relation to his Third Account (Neds).	sports bookmaker licence (the account had been acquired on 28 November 2018). • Between 1 May 2019 and 10 June 2019, Entain did not rate [redacted] in relation to the account (ie, the risk rating was "Unrated"). • [redacted] due diligence records do not disclose that any consideration was given to rating [redacted] in relation to his Third Account (Neds), either at any level or at all, at the time the account was moved under Entain's sports bookmaker licence, notwithstanding evidence of fraudulent conduct in relation to his First Account (Bookmaker) and Second Account (Ladbrokes): see **Row E1** above. • On 11 June 2019, Entain rated [redacted] "Low" ML/TF Risk in relation to his Third Account (Neds) (ie, the risk rating was adjusted from "Unrated" to "Low"). • On 19 May 2020, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Third Account (Neds) (ie, the risk rating was adjusted from "Low" to "Medium"). • On 17 December 2020, Entain rated [redacted] "High" ML/TF Risk in relation to his Third Account (Neds) (ie, the risk rating was adjusted from "Medium" to "High"). • A "High" ML/TF Risk rating was appropriate for [redacted] in relation to his Third Account (Neds) prior to 17 December 2020: see **Rows E1–E11** above, and especially **Rows E2–E7** and **E10** concerning [redacted] consistently large and frequent transactions mainly by credit/debit card. • If [redacted] had been rated "High" ML/TF Risk prior to 17 December 2020, Entain would have been required to apply the ECDD Program from that time: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules.

	G3	Without limiting **Row G1**, at all times from 17 January 2022 until 10 October 2022, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Third Account (Neds).	Particulars: • At all times from 17 December 2020 to 16 January 2022, Entain rated [redacted] "High" ML/TF Risk in relation to his Third Account (Neds). • On 17 January 2022, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Third Account (Neds) (ie, the risk rating was adjusted from "High" to "Medium"). • The decision on 17 January 2022 was made after looking at "account statistics" and a "review" with "upper management", on the basis that: (i) [redacted] earnings/income "appeared" to be "substantial" because his [redacted] shops "appear[ed] quite successful"; and (ii) [redacted] "betting behaviour" was "recreational". • The decision on 17 January 2022 was not appropriately reviewed or revised prior to the closure of [redacted] Third Account (Neds) on 5 October 2022. • A "High" ML/TF Risk rating was appropriate for [redacted] in relation to his Third Account (Neds) at all times from 17 January 2022: see **Rows E1–E16** above, and especially **Rows E8**, **E13** and **E15** concerning the significant increase/escalation in the amount of money that [redacted] deposited and withdrew in 2022, against a background of insufficient information about [redacted] source of wealth/source of funds.
	G4	Without limiting **Row G1**, at all times from 1 May 2019, [redacted] was assigned an Account Manager/VIP Manager.	Particulars: • At all times from 1 May 2019, [redacted] was assigned [redacted] as his Account Manager/VIP Manager. • During the Relevant Period, including from 1 May 2019, Account Managers/VIP Managers were assigned to customers who were considered to be of high value to Entain due to their level of engagement, bet frequency and/or are higher staking transactional activity.

			• From July 2020, an Account Manager/VIP Manager received a commission for deposits made by a customer that they managed, which resulted in a conflict of interest and created a risk that the systems and controls in Entain's "Part A Program" would not be applied appropriately or impartially to [redacted] see paragraphs 173–176 above. • This risk manifested in various ways in the period from 1 May 2019, including (but not limited to) the following: – information about [redacted] source of wealth/source of funds from the Account Manager/VIP Manager was not confirmed or verified, notwithstanding that it was vague and unsatisfactory (for example, claims by [redacted] Account Manager/VIP Manager on 21 April 2020 that [redacted] was a "whealer a dealer" (sic) who "makes good money from the [redacted]" and was "killing it in sales due to the [corona] virus"). – In November 2022, [redacted] lawyers alleged that the Account Manager/VIP Manager provided [redacted] with deposit matches and bonus bets in exchange for cash payments and free products from [redacted] business; that the Account Manager/VIP Manager and [redacted] met regularly in person; and that the Account Manager/VIP Manager was aware of responsible gambling concerns in relation to [redacted] – In December 2022, the Account Manager/VIP Manager admitted that he had been offered and accepted cash payments from [redacted] which he understood were in exchange for bet suggestions or "tips". – On 2 December 2022, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act, in which it reported (among other things) that the Account Manager/VIP Manager had been "exited" from Entain for "serious misconduct" and that the transfer of cash payments from

			[redacted] to the Account Manager/VIP Manager may have been “a type of or attempted bribe”.
	G5	Without limiting **Row G1**, at no time from the date on which ECDD was triggered (specifically, from 17 September 2020) did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] on an ongoing basis, from that time.	Particulars: • Entain was under an obligation to apply the ECDD Program on an ongoing basis from the date on which there was an ECDD trigger: see paragraphs 428–429 above. • On 17 September 2020, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] • After 17 September 2020, Entain gave the AUSTRAC CEO 8 further SMRs pursuant to s 41 of the Act in relation to [redacted] on 17 December 2020; 18 May 2021; 28 July 2021; 8 November 2021; 10 December 2021; 26 August 2022; 20 September 2022; and 2 December 2022. • Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. • Further, at all times from 17 December 2020 to 17 January 2022, [redacted] was rated “High” ML/TF Risk in relation to the Third Account (Neds). • Under the Rules, there was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules. • As a result of the above ECDD triggers, and in light of the continuing nature of the matters pleaded in **Row E** above, Entain was under an obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, at all times from 17 September 2020. • Entain’s obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, existed notwithstanding the inappropriate change in [redacted] risk rating on 17 January 2022: see **Row G3** above.

			• The measures that Entain was required to undertake in relation to [redacted] as a result of forming a suspicion for the purposes of s 41 of the Act and/or determining that the ML/TF Risk in relation to [redacted] was high included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules. • The measures that were required were measures appropriate to a person reasonably suspected of money laundering offences, as per the 9 SMRs that Entain gave the AUSTRAC CEO pursuant to s 41 in relation to [redacted]
	G6	Without limiting **Row G1** or **Row G5**, at no time from September 2020 did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, including the level of transactional behaviour and the purpose, reasons for or nature of the transactional behaviour.	Particulars: • This was a measure appropriate to the circumstances that existed from September 2020: see r 15.10(5) of the Rules. • At all times from 1 May 2019, including at all times from September 2020, [redacted] transactional activity involved high value and high frequency deposits and withdrawals into and from his Third Account (Neds), with significant increases/escalations in each of calendar years 2020, 2021 and 2022 (against the background of a significant increase/escalation in 2018): see **Rows E2**, **E4**, **E5**, **E6**, **E10**, **E12** and **E15** above. • From 1 May 2019, including from September 2020, [redacted] Third Account (Neds) was linked to multiple unexpired credit/debit cards: see **Row E7** above; see also **Row E3** concerning credit/debit card linkages prior to 1 May 2019. • At times from 1 May 2019, including from September 2020, [redacted] transactional activity was unusual in other respects: see **Rows E9** and **E11** above. • [redacted] was regularly listed in Entain's High Value Transaction Report from 11 June 2019, demonstrating that Entain identified that he deposited large amounts of money into his Third Account (Neds) from this time, but Entain did

			not undertake any measures to mitigate and manage the ML/TF Risk indicated by this transactional behaviour. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods could appropriately be described as "recreational" (Entain's assessments in this respect were conclusory and focussed wholly or primarily on betting activity, rather than transactional activity as a whole). • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his deposits could appropriately be described as "reinvestments" of previously withdrawn money (Entain's assessments in this respect were circular and conclusory). • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, and especially the "cycling" of high value and high frequency deposits with high value and high frequency withdrawals, had indicia of money laundering or dealings with the proceeds of crime.
	G7	Without limiting **Row G1** or **Row G5**, at no time from September 2020 did Entain: a) appropriately obtain from [redacted] or otherwise take reasonable measures to identify, information about [redacted] source of wealth/source of funds; b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds; c) appropriately verify or confirm information it had about [redacted] source of wealth/source of funds; or	Particulars: • These were measures appropriate to the circumstances that existed from September 2020: see rr 15.10(1)(a), 15.10(1)(c), 15.10(2) and 15.10(3) of the Rules. • At all times from 1 May 2019, including at all times from September 2020, [redacted] transactional activity involved high value and high frequency deposits and withdrawals into and from his Third Account (Neds), with significant increases/escalations in each of calendar years 2020, 2021 and 2022 (against the background of a significant increase/escalation in 2018): see **Rows E2**, **E4**, **E5**, **E6**, **E10**, **E12** and **E15** above.

		d) appropriately consider the ML/TF Risks relating to [redacted] source of wealth/source of funds.	• From 1 May 2019, including from September 2020, [redacted] Third Account (Neds) was linked to multiple unexpired credit/debit cards: see **Row E7** above; see also **Row E3** concerning credit/debit card linkages prior to 1 May 2019. • At times from 1 May 2019, including from September 2020, [redacted] transactional activity was unusual in other respects: see **Rows E9** and **E11** above. • In terms of the sufficiency of the information that Entain had about [redacted] source of wealth/source of funds, and the sufficiency of the measures taken by Entain with respect to that information, see **Rows E8**, **E13** and **E16** above. • Without limiting **Rows E8**, **E13** and **E16** above: – At no time from 1 May 2019, including from September 2020, did Entain obtain (let alone confirm or verify) basic information about the success of the businesses that [redacted] was alleged to own or have an interest in or their capacity to support transactional activity on the Third Account (Neds) (for example, account statements, other information about revenue/profitability, information about leasing arrangements for business premises, information about other expenses, etc) – From no later than March 2021 onwards, Entain accepted [redacted] refusal to provide information about his source of wealth/source of funds that was requested by Entain during a formal source of wealth/source of funds inquiry process. – From March 2021 to the date that the Third Account (Neds) was suspended, [redacted] deposited $12,622,594.00 (an average of $664,347.05 per month) and withdrew $9,924,053.25 (an average of $522,318,59 per month). – From August to September 2022, Entain accepted [redacted] refusal to provide information about his source of wealth/source of funds that was requested by Entain

			during a further formal source of wealth/source of funds inquiry process. – In August and September 2022, prior to the date that the Third Account (Neds) was suspended, [redacted] deposited $2,210,216.00 and withdrew $1,571.500.25.
	G8	Without limiting **Row G1** or **Row G5**, at no time from September 2020 did Entain seek from [redacted] or otherwise take reasonable measures to clarify, the nature and purpose of [redacted] ongoing business relationship with Entain.	Particulars: • This was a measure appropriate to the circumstances that existed from September 2020: see r 15.10(1)(d) of the Rules. • At all times from 1 May 2019, including at all times from September 2020, [redacted] transactional activity involved high value and high frequency deposits and withdrawals into and from his Third Account (Neds), with significant increases/escalations in each of calendar years 2020, 2021 and 2022 (against the background of a significant increase/escalation in 2018): see **Rows E2**, **E4**, **E5**, **E6**, **E10**, **E12** and **E15** above. • From 1 May 2019, including from September 2020, [redacted] Third Account (Neds) was linked to multiple unexpired credit/debit cards: see **Row E7** above; see also **Row E3** concerning credit/debit card linkages prior to 1 May 2019. • At times from 1 May 2019, including from September 2020, [redacted] transactional activity was unusual in other respects: see **Rows E9** and **E11** above. • In monitoring [redacted] Entain frequently determined that [redacted] transactional activity was or "appeared" to be "recreational", but the determinations did not reflect the totality of available information (they were focussed wholly or primarily on betting activity, rather than transactional activity as a whole) and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time.

			• In monitoring [redacted] on multiple occasions, Entain determined that [redacted] deposits were or appeared to be "reinvestments" of previously withdrawn money, but the determinations did not reflect the totality of available information (or any information gaps, such as information about source of wealth/source of funds) and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, and especially the "cycling" of high value and high frequency deposits with high value and high frequency withdrawals, had indicia of money laundering or dealings with the proceeds of crime.
	G9	Without limiting **Row G1** or **Row G5**, at no time from September 2020 until September 2022 was [redacted] appropriately escalated to and/or considered by Entain's senior management, including for the purpose of determining whether to continue a business relationship with him.	Particulars: • This was a measure appropriate to the circumstances that existed from September 2020: see r 15.10(6) of the Rules. • To the extent that [redacted] was escalated to senior management, the escalation was not done with sufficient promptness: – [redacted] was not escalated to senior management until April–May 2021, in the context of [redacted] refusal to provide information about his source of wealth/source of funds that was requested by Entain during a formal source of wealth/source of funds inquiry process. – Escalation to senior management was appropriate in, and at regular intervals from, September 2020 (and indeed earlier).

			• To the extent that [redacted] was considered by senior management, the consideration was not appropriate, including because: – When senior management considered [redacted] on 17 May 2021, in the context of [redacted] refusal to provide information about his source of wealth/source of funds that was requested during a formal source of wealth/source of funds inquiry process, it accepted his refusal and concluded that Entain had sufficient information and that [redacted] betting activity "appeared" to be "recreational". – When "upper" management considered [redacted] on or around 17 January 2022, it made a decision to adjust [redacted] risk rating from "High" to "Medium": see **Row G3** above. – Senior management did not suspend [redacted] Third Account (Neds) until 16 September 2022. – Senior management did not close [redacted] Third Account (Neds) until 5 October 2022.
	G10	Without limiting **Row G1** or **Row G5**, on 15 July 2021, Entain opened a new and additional account for [redacted]	Particulars: • On 15 July 2021, Entain opened the Fourth Account (Betstar) for [redacted] see **Row B4** above. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether and why it was appropriate to open a new and additional account for [redacted] against the background of the matters indicative of high ML/TF Risk pleaded in **Row E** above.
	G11	Without limiting **Row G1** or **Row G5**, at no time from September 2020 until 16 September 2022 did Entain suspend [redacted] Third Account (Neds) on its own initiative.	Particulars: • The Third Account (Neds) was suspended on 16 September 2022.

			• At no time between September 2020 and 16 September 2022 (the date of suspension) did Entain suspend [redacted] Third Account (Neds) on its own initiative. • Suspension of the Third Account (Neds) was appropriate from no later than the period March to May 2021, when [redacted] refused to provide information about his source of wealth/source of funds that was requested by Entain during a formal source of wealth/source of funds inquiry process (against the background of the other matters indicative of high ML/TF Risk pleaded in **Row E** above, especially continuing high value and high frequency deposits and withdrawals).
	G12	Without limiting **Row G1** or **Row G5**, at no time from September 2020 did Entain close [redacted] Third Account (Neds) on its own initiative.	Particulars: • The Third Account was closed on 5 October 2022 at the request of [redacted] rather than on the initiative of Entain ([redacted] "self-exclusion" request was preceded by correspondence from his lawyer). • At no time from September 2020 did Entain suspend [redacted] Third Account (Neds) on its own initiative. • Closure (or at least consideration of closure) of the Third Account (Neds) was appropriate from no later than the period March to May 2021, when [redacted] refused to provide information about his source of wealth/source of funds that was requested by Entain during a formal source of wealth/source of funds inquiry process ((against the background of the other matters indicative of high ML/TF Risk pleaded in **Row E** above, especially continuing high value and high frequency deposits and withdrawals).

SCHEDULE 3: [redacted]

A: customer		[redacted] also holding 1 account in the pseudonym [redacted]
B: account(s)	**B1**	**First Account (Ladbrokes)** • [redacted] • Opened date: 9 August 2014 • Closed date: 28 January 2017
	B2	**Second Account (Ladbrokes)** • [redacted] • Opened date: 12 July 2016 • Closed date: 17 April 2018
	B3	**Third Account (Ladbrokes)** • [redacted] • Opened date: 1 November 2017 • Suspended date: 26 June 2023
	B4	**Fourth Account (Ladbrokes)** • [redacted] • Opened date: 3 March 2018 • Closed date: 3 March 2018
	B5	**Fifth Account (Neds)** • [redacted] • Opened date: 14 March 2018 (the account was opened by an entity that Entain later acquired) • Acquired date: 28 November 2018 (the date on which Entain acquired the entity that opened the account and the account itself) • Licence transfer date: 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Closed date: 28 January 2022
	C1	**First Account (Ladbrokes)**

C: summary of transactional activity by account		• Lifetime deposits: $907,384.00, none of which was during the Relevant Period • Lifetime turnover: $5,890,419.49, none of which was during the Relevant Period • Lifetime withdrawals: $192,868.24, none of which was during the Relevant Period
	C2	**Second Account (Ladbrokes)** • Lifetime deposits: $519,117.00, none of which was during the Relevant Period • Lifetime turnover: $2,432,063.33, none of which was during the Relevant Period • Lifetime withdrawals: $149,921.01, none of which was during the Relevant Period
	C3	**Third Account (Ladbrokes)** • Lifetime deposits: $4,581,249.08, approximately $4,413,182.08 of which was during the Relevant Period • Lifetime turnover: $8,309,091.59, approximately $7,559,136.31 of which was during the Relevant Period • Lifetime withdrawals: $4,259,158.32, approximately $4,189,890.82 of which was during the Relevant Period
	C4	**Fourth Account (Ladbrokes)** • Lifetime deposits: nil • Lifetime turnover: nil • Lifetime withdrawals: nil
	C5	**Fifth Account (Neds)** • Lifetime deposits: $3,021,356.31, $2,629,544.31 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime turnover: $10,050,770.64, $8,174,595.63 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime withdrawals: $1,948,894.55, $1,736,419.02 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence)
D: date in Relevant Period on and from which matters indicative of high ML/TF Risk existed		16 December 2018

E: list of matters indicative of high ML/TF Risk	**E1**	At all times prior to the Relevant Period, [redacted] deposited and withdrew unusually large amounts of money into and from his accounts.	Particulars: • From August to December 2014: – [redacted] deposited $134,522.00 into the First Account (Ladbrokes) (an average of $26,904.40 per month for this period). – [redacted] withdrew $62,206.28 from the First Account (Ladbrokes) (an average of $12,441.26 per month for this period). • In 2015: – [redacted] deposited $537,474.00 into the First Account (Ladbrokes) (an average of $44,789.50 per month). – [redacted] withdrew $130,661.96 from the First Account (Ladbrokes) (an average of $10,888.50 per month). • In 2016: – [redacted] deposited $235,388.00 into the First Account (Ladbrokes) (an average of $19,615.67 per month) and $314,283.00 into the Second Account (Ladbrokes) (an average of $26,190.25 per month), for a total of $549,671.00 in deposits across both accounts. – [redacted] withdrew $110,327.01 from the Second Account (Ladbrokes) (an average of $9,193.92 per month). • In 2017: – [redacted] deposited $204,834.00 into the Second Account (Ladbrokes) (an average of $17,069.50 per month) and $23,440.00 into the Third Account (Ladbrokes) (an average of $1,953.33 per month), for a total of $228,274.00 in deposits across both accounts. – [redacted] withdrew $39,594.00 from the Second Account (Ladbrokes) (an average of $3,299.50 per month) and $11,625.00 from the Third Account (Ladbrokes) (an

			average of $968.75 per month), for a total of $51,219.00 in withdrawals across both accounts. • In 2018 as a whole (including the approximately 2 weeks of 2018 within the Relevant Period): – [redacted] deposited $148,227.00 into the Third Account (Ladbrokes) (an average of $12,352.25 per month). – In addition, from August–December 2018, [redacted] deposited $138,782.00 into the Fifth Account (Neds) (an average of $27,756.40 per month for this period): see **Row E8** below (this was prior to the account being acquired and moved under Entain's sports bookmaker licence). [redacted] deposits across both accounts in 2018 thus totalled $287,009.00. – [redacted] withdrew $70,642.50 from the Third Account (Ladbrokes) (an average of $5,886.88 per month). – In addition, from August–December 2018, [redacted] withdrew $78,666.86 from the Fifth Account (Neds) (an average of $15,733.37 per month for this period): see **Row E8** below (this was prior to the account being acquired and moved under Entain's sports bookmaker licence). [redacted] withdrawals across both accounts in 2018 thus totalled $149,309.36. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.

	E2	In the period prior the Relevant Period and at a time when [redacted] had an open account with Entain, [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences — [redacted], possessing ammunition without authority and unlawful possession of restricted drugs by the [redacted].	Particulars: • Information about the charges was available in media and/or other public sources from no later than [redacted] 2017. • This information indicated that the charges were laid in [redacted] 2017. • Information about the subject matter of the charges was available in media and/or other public sources in the period prior to the charges being laid, from no later than [redacted] 2017.
	E3	In the period prior to the Relevant Period and at a time when [redacted] had an open account with Entain, [redacted] breached the terms and conditions that Entain applied to its accounts — specifically: a) [redacted] opened and transacted on more than 1 Ladbrokes account during the same period of time; and b) [redacted] attempted to open a new Ladbrokes account during the same period that 2 other Ladbrokes accounts were open.	Particulars: • On 9 August 2016, [redacted] transacted on the First Account (Ladbrokes) and Second Account (Ladbrokes) at the same time. • During the period from 1 November 2017 to 28 March 2018, [redacted] transacted on the Second Account (Ladbrokes) and Third Account (Ladbrokes) at the same time. • On 3 March 2018, while the Second Account (Ladbrokes) and Third Account (Ladbrokes) were open, [redacted] attempted to open the Fourth Account (Ladbrokes) (the account was opened but closed the same day). • See the terms and conditions [cll 8.6–8.7] applied by Entain to its accounts.
	E4	In the period prior to the Relevant Period (specifically, from February 2018), deposits that [redacted] attempted to make into the Third Account (Ladbrokes) regularly failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not

			run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • From February–November 2018, 16 deposits that [redacted] attempted to make into the Third Account (Ladbrokes) by credit card or POLi were recorded as "rejected" in his transaction statements (amounting to $6,470.00).
	E5	At all times during the Relevant Period, [redacted] deposited and withdrew unusually large amounts of money into and from his accounts.	Particulars: • While the amounts of money deposited and withdrawn during the Relevant Period were at all times unusually large, there were significant increases/escalations in each of calendar years 2019, 2021 and 2022: see **Rows E11**, **E16** and **E18** below. • From 16 December 2018 to 30 April 2019: – [redacted] deposited $12,900.00 into the Third Account (Ladbrokes) (an average of approximately $2,866.66 per month for this period). – In addition, [redacted] deposited $278,090.00 into the Fifth Account (Neds) (an average of approximately $61,797.78 per month for this period): see **Row E8** below (this was prior to the account being moved under Entain's sports bookmaker licence). [redacted] deposits across both accounts in this period thus totalled $290,990.00. – [redacted] withdrew $20,615.00 into the Third Account (Ladbrokes) (an average of approximately $4,581.11 per month for this period). – In addition, [redacted] withdrew $164,808.67 from the Fifth Account (Neds) (an average of approximately $36,624.15 per month for this period): see **Row E8** below (this was prior to the account being moved under Entain's sports bookmaker licence). [redacted]

			withdrawals across both accounts in this period thus totalled $185,423.67. • From 1 May 2019 (the date on which the Fifth Account (Neds) was moved under Entain's sports bookmaker licence) to December 2019: – [redacted] deposited $555,319.56 into the Fifth Account (Neds) (an average of $69,414.95 per month for this period). – [redacted] withdrew $388,427.50 from the Fifth Account (Neds) (an average of $48,553.44 per month for this period). – [redacted] was listed in Entain's High Value Transaction Report on at least 5 occasions. – [redacted] deposited $10,000.00 or more in a day on 6 occasions. – [redacted] withdrew $50,000.00 or more in a week on 1 occasion. – [redacted] withdrew $10,000.00 or more in a day on 9 occasions. • In 2020: – [redacted] deposited $811,938.55 into the Fifth Account (Neds) (an average of $67,661.55 per month). – [redacted] withdrew $392,224.52 from the Fifth Account (Neds) (an average of $32,685.38 per month). – [redacted] deposited $10,000.00 or more in a day on 5 occasions. – [redacted] withdrew $10,000.00 or more in a day on 4 occasions. • In 2021: – [redacted] deposited $1,176,066.20 into the Fifth Account (Neds) (an average of $98,005.52 per month).

			– [redacted] withdrew $887,646.00 from the Fifth Account (Neds) (an average of $73,970.50 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 5 occasions. – [redacted] deposited $50,000.00 or more in a week on 3 occasions. – [redacted] deposited $10,000.00 or more in a day on 22 occasions. – [redacted] withdrew $50,000.00 or more in a week day on 1 occasion. – [redacted] withdrew $10,000.00 or more in a day day on 14 occasions. • In 2022: – [redacted] deposited $86,220.00 into the Fifth Account (Neds) (an average of $7,185.00 per month) and $2,316,536.27 into the Third Account (Ladbrokes) (an average of $193,044.69 per month). – [redacted] withdrew $68,121.00 from the Fifth Account (Neds) (an average of $5,676.75 per month) and $2,158,079.82 from the Third Account (Ladbrokes) (an average of $179,839.99 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 12 occasions. – [redacted] deposited $50,000.00 or more in a week (across all accounts) on 15 occasions. – [redacted] deposited $10,000.00 or more in a day (across all accounts) on 66 occasions. – [redacted] withdrew $50,000.00 or more in a week (across all accounts) on 15 occasions. – [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 59 occasions.

			• From January to June 2023: – [redacted] deposited $2,079,375.81 into the Third Account (Ladbrokes) (an average of $346,562.64 per month for this period). – [redacted] withdrew $1,997,996.00 from the Third Account (Ladbrokes) (an average of $332,999.33 per month for this period). – [redacted] was listed in Entain's High Value Transaction Report on at least 22 occasions. – [redacted] deposited $50,000.00 or more in a week on 22 occasions. – [redacted] deposited $10,000.00 or more in a day on 65 occasions. – [redacted] withdrew $50,000.00 or more in a week on 20 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E6	At all times during the Relevant Period, Entain did not have sufficient information about [redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that the transactional activity on [redacted] accounts (depositing, betting and withdrawing) was consistent with or supported by his source of wealth/source of funds.	Particulars: • While the information that Entain had about [redacted] source of wealth/source of funds changed over time, at no time during the Relevant Period was it sufficient to reach the necessary satisfaction. • Entain could have obtained information about [redacted] source of wealth/source of funds from (at least) public/external sources and [redacted] himself.

			• To the extent that Entain obtained information about [redacted] source of wealth/source of funds from public/external sources and [redacted] it did not do so with sufficient promptness: – Prior to 2 April 2019, Entain obtained no substantive information about [redacted] source of wealth/source of funds from publicly available sources. – Prior to June 2023, when Entain commenced a formal source of wealth/source of funds inquiry process with [redacted] Entain obtained no substantive information about [redacted] source of wealth/source of funds from [redacted] himself (by this time, [redacted] had deposited many millions of dollars into his various accounts). • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from public/external sources and [redacted] it did not obtain sufficient information to reach the necessary satisfaction: – By no later than 2 April 2019, Entain obtained information that [redacted] was a [redacted] and that the address listed on his Third Account (Ladbrokes) was a business address. – By no later than 14 June 2019, Entain obtained information that [redacted] did not own the property where he resided. – From June 2019 to June 2023, Entain obtained no additional substantive information about [redacted] source of wealth/source of funds from publicly available sources (although searches concerning the above information about his profession, property ownership, etc were repeated and an ABN search was conducted). – At all times during the period June 2019 to June 2023, Entain was aware that [redacted] was the subject of

			adverse reporting in media/public sources in connection with serious criminal offences: see **Row E7** below. – From 9 June 2023, Entain commenced a more formal source of wealth/source of funds process with [redacted] – [redacted] initially did not respond to Entain's inquiry about his source of wealth/source of funds, which resulted in the suspension of the Third Account (Ladbrokes). – [redacted] ultimately provided a partial response to Entain's inquiry about his source of wealth/source of funds, but did not provide all the information that Entain requested, which resulted in the suspension of the Third Account (Ladbrokes) being maintained. • As at 28 August 2024, the Third Account (Ladbrokes) remained suspended but had not been closed.
	E7	In and from [redacted] 2019, [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences — specifically, it was reported that [redacted] had been committed to stand trial on charges of [redacted] money laundering and [redacted]	Particulars: • Information about the charges was available in media and/or other public sources from no later than [redacted] 2019. • This information indicated that: (a) [redacted] had faced 2 separate committal hearings in the [redacted]; (b) the first hearing related to charges of [redacted] and charges of money laundering; and (c) the second hearing related to charges of [redacted] • Entain was aware of this information by no later than 2 April 2019.
	E8	From no later than 1 May 2019, Entain had information that, from August 2018, there had been a material change in [redacted] depositing and withdrawing patterns on the Fifth Account (Neds) — specifically, Entain had	Particulars: • Entain acquired the Fifth Account (Neds) on 28 November 2018 and, following a process of integration

		information that there had been a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the Fifth Account (Neds), amounting to an unusual pattern of transactions.	in early 2019, moved the Fifth Account (Neds) under its sports bookmaker licence on 1 May 2019. • From no later than 1 May 2019, Entain had access to all relevant transaction data for the Fifth Account (Neds), including data concerning deposits/withdrawals. • From March 2018 (when the Fifth Account (Neds) was opened) to July 2018: – [redacted] deposited $0 (nothing) into the Fifth Account (Neds). – [redacted] withdrew $0 (nothing from the Fifth Account (Neds). • From August 2018 to 30 April 2019: – [redacted] deposited $391,812.00 into the Fifth Account (Neds) (an average of $43,534.67 per month). – [redacted] withdrew $212,475.53 from the Fifth Account (Neds) (an average of $23,608.39 per month). • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] on his Fifth Account (Neds) from August 2018 were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E9	From no later than 1 May 2019, Entain had information that, from September 2018, deposits that [redacted] had attempted to make into the Fifth Account (Neds) had regularly failed, amounting to an unusual pattern of transactions.	Particulars: • Entain acquired the Fifth Account (Neds) on 28 November 2018 and, following a process of integration in early 2019, moved the Fifth Account (Neds) under its sports bookmaker licence on 1 May 2019.

			• From no later than 1 May 2019, Entain had access to all relevant transaction data for the Fifth Account (Neds), including data concerning "rejected" deposits. • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • From 20 September 2018 to 27 April 2019, 43 deposits that [redacted] attempted to make into the ~~Third~~ Fifth Account ~~(Ladbrokes)~~ (Neds) by Braintree credit card, POLi or SecurePay (amounting to $27,640.00) were recorded as "rejected" in his transaction statements.
	E10	From 1 May 2019 until 28 January 2022, [redacted] was permitted to operate the account with a pseudonym.	Particulars: • The Fifth Account (Neds) was opened on 14 March 2018 by an entity that Entain later acquired. • The Fifth Account (Neds) was opened in the pseudonym [redacted]. • After being acquired by Entain, and following a process of integration in early 2019, the Fifth Account (Neds) was moved under Entain's sports bookmaker licence on 1 May 2019. • The Fifth Account (Neds) remained open until 28 January 2022. It was 1 of 2 accounts that [redacted] transacted on in the Relevant Period (including from 1 May 2019). • At all times from 1 May 2019 until 28 January 2022, [redacted] was permitted to operate the Fifth Account (Neds) with the pseudonym. • The purpose of permitting operation of the Fifth Account (Neds) with a pseudonym was to afford the customer some level of "privacy" or "anonymity".

			• While Entain held a record of the legal name of a customer holding an account in a pseudonym, the systems and controls in its "Part A Program" applying to accounts applied to the pseudonym: see paragraph 340 above; see also paragraphs 182–187. • From March 2021, Entain's "ECDD Procedure" provided that new betting accounts for customers who made a request to Entain to be listed in Entain's betting platform under a pseudonym were to to be "flagged" as "High" ML/TF Risk.
	E11	From 1 May 2019, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the Fifth Account (Neds), amounting to an unusual pattern of transactions.	Particulars: • From August 2018 (when [redacted] began to make deposits into the Fifth Account (Neds)) until 30 April 2019, [redacted] deposited $391,812.00 into the Fifth Account (Neds) (an average of $43,534.67 per month). Entain knew or ought to have known this from no later than 1 May 2019: see **Row E8** above. • From 1 May 2019 (the date on which the Fifth Account (Neds) was moved under Entain's sports bookmaker licence) to December 2019, [redacted] deposited $555,319.56 into the Fifth Account (Neds) (an average of $69,414.95 per month, which amounted to an increase of approximately 59% on the monthly average for August 2018 to 30 April 2019). • From August 2018 (when [redacted] began to make withdrawals from the Fifth Account (Neds)) until 30 April 2019, [redacted] withdrew $212,475.53 from the Fifth Account (Neds) (an average of $23,608.39 per month). Entain knew or ought to have known this from no later than 1 May 2019: see **Row E8** above. • From 1 May 2019 (the date on which the Fifth Account (Neds) was moved under Entain's sports bookmaker licence) to December 2019, [redacted] withdrew $388,427.50

			from the Fifth Account (Neds) (an average of $48,553.44 per month for this period, which amounted to an increase of approximately 106% on the monthly average for August 2018 to 30 April 2019). ● From 1 May 2019 (the date on which the Fifth Account (Neds) was moved under Entain's sports bookmaker licence) to December 2019: – [redacted] was listed in Entain's High Value Transaction Report on at least 5 occasions. – [redacted] deposited $10,000.00 or more in a day on 6 occasions. – [redacted] withdrew $50,000.00 or more in a week on 1 occasion. – [redacted] withdrew $10,000.00 or more in a day on 9 occasions. ● A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E12	From 1 May 2019 and at all times until June 2023, deposits that [redacted] attempted to make into his accounts regularly failed, amounting to an unusual pattern of transactions.	Particulars: ● Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. ● While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no

			procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • From 1 May 2019 (the date on which the Fifth Account (Neds) was moved under Entain's sports bookmaker licence) to 31 December 2019, ~~132~~ 131 deposits that [redacted] attempted to make into the Fifth Account (Neds) or Third Account (Ladbrokes) by Braintree credit card were recorded as "rejected" in his transaction statements (amounting to $93,906.53), with 26 "rejected" deposits in August 2019 (amounting to $16,245.00), 43 "rejected" deposits in September 2019 (amounting to $29,789.02) and 32 "rejected" deposits in October 2019 (amounting to $20,750.00). • In 2020, 49 deposits that [redacted] attempted to make into the Fifth Account (Neds) by Braintree credit card were recorded as "rejected" in his transaction statements (amounting to $22,070.00), with 15 "rejected" deposits in August 2020 (amounting to $5,090.00). • In 2021 and January 2022, 45 deposits that [redacted] attempted to make into the Fifth Account (Neds) by Braintree credit card were recorded as "rejected" in his transaction statements (amounting to $31,280.00), with 22 "rejected" deposits in December 2021 (amounting to $20,150.00). • From February to December 2022, 36 deposits that [redacted] attempted to make into the Third Account (Ladbrokes) by Braintree credit card were recorded as "rejected" in his transaction statements (amounting to $28,420.00). • From January to June 2023, 39 deposits that [redacted] attempted to make into the Third Account (Ladbrokes) by Braintree credit card were recorded as "rejected" in his transaction statements (amounting to $24,900.00), with 12 "rejected" deposits in January 2023 (amounting to

			$9,600.00) and 16 “rejected” deposits in May 2023 (amounting to $7,350.00).
	E13	In and from [redacted] 2019, [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences — specifically, it was reported that [redacted] had been formally indicted on charges of [redacted], money laundering and [redacted].	Particulars: • Information about the charges was available in media and/or other public sources from no later than [redacted] 2019. • Entain was aware of this information by no later than [redacted] 2019, when it gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act which listed the”offence type” as “money laundering” and the “reason for suspicion” as “suspected/known criminal” and “unusually large transfer”.
	E14	In April 2020, a gambling integrity body made an integrity inquiry with Entain about [redacted] — specifically, the [redacted] made an inquiry about [redacted] betting on a race at [redacted].	Particulars: • The integrity inquiry sought details of the amount wagered, number of individual bets and amount of winnings paid to [redacted] in relation to “[redacted] Race 3” on [redacted] 2019.
	E15	By December 2020, Entain had information indicating that [redacted] had provided false or incorrect KYC information — specifically, Entain had information indicating that the email address that [redacted] had provided for the Fifth Account (Neds) was “fake”.	Particulars: • On 17 December 2020, Entain recorded in [redacted] due diligence records in respect of the Fifth Account (Neds) that a Detective Desk search returned no results for the email address provided by [redacted] and that the email adress was a “fake” email address. • The provision of false information in connection with an account was contrary to the terms and conditions [cll 7.4, 7.6, 10.1(h) and 10.2(a)] applied by Entain to its accounts.
	E16	In 2021, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a further significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from	Particulars: • In 2020, [redacted] deposited $811,938.55 into the Fifth Account (Neds) (an average of $67,661.55 per month). • In 2021, [redacted] deposited $1,176,066.20 into the Fifth Account (Neds) (an average of $98,005.52 per month,

		the Fifth Account (Neds), amounting to an unusual pattern of transactions.	which amounted to an increase of approximately 45% on the monthly average for 2020). • In 2020, [redacted] withdrew $392,224.52 from the Fifth Account (Neds) (an average of $32,685.38 per month). • In 2021, [redacted] withdrew $887,646.00 from the Fifth Account (Neds) (an average of $73,970.50 per month, which amounted to an increase of approximately 126% on the monthly average for 2021). • In 2021: – [redacted] was listed in Entain's High Value Transaction Report on at least 5 occasions. – [redacted] deposited $50,000.00 or more in a week on 3 occasions. – [redacted] deposited $10,000.00 or more in a day on 22 occasions. – [redacted] withdrew $50,000.00 or more in a week on 1 occasion. – [redacted] withdrew $10,000.00 or more in a day on 14 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E17	From January 2022, there was a material change in [redacted] depositing and withdrawing patterns — specifically, [redacted] transactional activity (depositing, betting and withdrawing) shifted from the Fifth Account	Particulars: • The Fifth Account (Neds) was closed on 28 January 2022 (the closure was apparently initiated by [redacted]). • [redacted] due diligence records do not disclose whether any consideration was given to closing the Third Account

		(Neds) to the Third Account (Ladbrokes), following the closure of the Fifth Account (Neds).	(Ladbrokes) at the same time that the Fifth Account (Neds) was closed.
	E18	In 2022 (especially from August 2022), there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a further significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the Third Account (Ladbrokes) as compared to the Fifth Account (Ladbrokes), amounting to an unusual pattern of transactions.	Particulars: • In 2021, [redacted] deposited $1,176,066.20 into the Fifth Account (Neds) (an average of $98,005.52 per month). • In 2022, [redacted] deposited $2,316,536.27 into the Third Account (Ladbrokes) (an average of $193,044.69 per month, which amounted to an increase of approximately 97% on the monthly average for 2021 for the Fifth Account (Neds)). • In 2021, [redacted] withdrew $887,646.00 from the Fifth Account (Neds) (an average of $73,970.50 per month). • In 2022, [redacted] withdrew $2,158,079.82 from the Third Account (Ladbrokes) (an average of $179,839.99 per month, which amounted to an increase of approximately 143% on the monthly average for 2021 for the Fifth Account (Neds)). • The acceleration in deposits and withdrawals was especially noticeable from August 2022: – From January to August 2022, [redacted] total monthly deposits into the Third Account (Ladbrokes) averaged $117,314.97 and total monthly withdrawals from the Third Account (Ladbrokes) averaged $107,970.98. – From September to December 2022, [redacted] total monthly deposits into the Third Account (Ladbrokes) averaged $344,504.13 and total monthly withdrawals from the Third Account (Ladbrokes) averaged $323,578.00. • In 2022: – [redacted] was listed in Entain's High Value Transaction Report on at least 12 occasions.

			– [redacted] deposited $50,000.00 or more in a week on 15 occasions. – [redacted] deposited $10,000.00 or more in a day on 66 occasions. – [redacted] withdrew $50,000.00 or more in a week on 15 occasions. – [redacted] withdrew $10,000.00 or more in a day on 59 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E19	In and from [redacted] 2022, [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences — specifically, it was reported that, while money laundering charges against [redacted] had been dropped, [redacted] was still facing a trial on [redacted] charges.	Particulars: • Information about the charges was available in media and/or other public sources from no later than [redacted] 2022. • Entain was aware of this information by no later than [redacted] 2022.
	E20	In and from [redacted] 2023, [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences — specifically, it was reported that the trial concerning the [redacted] charges brought against [redacted] had had to be [redacted] of the charges, but that the charges had not been dropped.	Particulars: • Information about the charges was available in media and/or other public sources from no later than [redacted] 2023.

	E21	In and from [redacted] 2023, [redacted] was the subject of adverse reporting in media/public sources in connection with a [redacted] claim — specifically, it was reported that [redacted] was being sued by a [redacted], [redacted], for $[redacted].	Particulars: • Information about the [redacted] claim was available in media and/or other public sources from no later than [redacted] 2023. • Some of the same media articles reported that [redacted] was still facing [redacted]. • Entain was aware of this information by no later than [redacted] 2023.
	E22	In and from [redacted] 2024, [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences — specifically, it was reported that [redacted] faced a [redacted] in relation to the [redacted] for which he was committed in 2017.	Particulars: • Information about the charges was available in media and/or other public sources from no later than [redacted] 2024.
	E23	In and from [redacted] 2024, [redacted] was the subject of adverse reporting in media/public sources in connection with a [redacted] claim and [redacted] — specifically, it was reported that [redacted] had failed to appear at an enforcement hearing concerning his failure to pay $[redacted] to a [redacted], [redacted], and that [redacted] lawyer had advised the Court that [redacted] had filed an [redacted] on [redacted] 2024.	Particulars: • Information about the [redacted] claim and [redacted] application was available in media and/or other public sources from no later than [redacted] 2024. • The same media article reported that [redacted] was still facing a criminal trial in [redacted]. • The [redacted] found [redacted] liable to pay [redacted] $[redacted] on [redacted] 2024.
F: dates on and from which monitoring failures existed and	**F1**	16 December 2018	Particulars: • See paragraph 433 above.
	F2	16 December 2018	Particulars: • See **Row G** below, especially **Rows G1–G2** and **G6**.

contraventions of s 36 occurred	**F3**	2 April 2019	Particulars: • See **Row G** below, especially **Rows G7–G15**; see also **Rows G3–G5**.
G: list of particular monitoring failures	**G1**	At no time during the Relevant Period did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in **Row E** above.
	G2	Without limiting **Row G1**, at no time from the start of the Relevant Period until 2 April 2019 did Entain rate [redacted] "High" ML/TF Risk in relation to his Third Account (Ladbrokes).	Particulars: • On 2 April 2019, Entain rated [redacted] "High" ML/TF Risk in relation to his Third Account (Ladbrokes). On the same date, Entain also rated [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes) and his Second Account (Ladbrokes), but these accounts were not open at the time. • A "High" ML/TF Risk rating was appropriate for [redacted] in relation to his Third Account (Ladbrokes) prior to 2 April 2019, and certainly by no later than the start of the Relevant Period: see **Rows E1–E7** above. • If [redacted] had been rated "High" ML/TF Risk prior to 2 April 2019, Entain would have been required to apply the ECDD Program: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules.
	G3	Without limiting **Row G1**, at no time in the Relevant Period during which [redacted] had 2 open accounts with Entain did Entain appropriately monitor [redacted] on a holistic basis, as a customer, across all of his accounts.	Particulars: • Section 36(1)(a) of the Act required Entain to monitor its customers, not its accounts. • At all times in the Relevant Period during which [redacted] had 2 open accounts with Entain, Entain identified, assessed and rated ML/TF Risk in relation to [redacted] on an account-by-account basis rather than a customer basis.

			• This impaired Entain's capacity to assess the total amounts that [redacted] was depositing, betting and/or withdrawing across all of his accounts and, consequently, its capacity to assess whether his identified or claimed sources of wealth/sources of funds supported or could support this transactional activity. • This also impaired Entain's capacity to assess whether [redacted] transactional activity and methods could appropriately be described as "recreational".
	G4	Without limiting **Row G1**, at no time from 1 May 2019 until 14 June 2019 did Entain rate [redacted] "High" ML/TF Risk in relation to his Fifth Account (Neds).	Particulars: • On 2 April 2019, Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes accounts, including his Third Account (Ladbrokes). • On 1 May 2019, following a process of integration in early 2019, the Fifth Account (Neds) was moved under Entain's sports bookmaker licence (the account had been acquired on 28 November 2018). • Between 1 May 2019 and 14 June 2019, Entain did not rate [redacted] in relation to the Fifth Account (Neds) (ie, the risk rating was "Unrated"). • On 14 June 2019, Entain rated [redacted] "High" ML/TF Risk in relation to his Fifth Account (Neds). • [redacted] due diligence records do not disclose that any consideration was given to rating [redacted] "High" ML/TF Risk in relation to his Fifth Account (Neds) in the period following 1 May 2019, notwithstanding that [redacted] had recently been rated "High" in relation to his Ladbrokes accounts (see **Row G2** above) and notwithstanding significant transactional activity on the Fifth Account (Neds) in the period leading up to 1 May 2019 and in the period immediately thereafter: see **Rows E8** and **E11** above. • A "High" ML/TF Risk rating was appropriate for [redacted] in relation to his Fifth Account (Neds) from 1 May 2019: see

			Rows E1–E12 above, especially **Rows E5–E11**; see also **Row G3** above. • If [redacted] had been rated "High" ML/TF Risk at all times from 1 May 2019, Entain would have been required to apply the ECDD Program: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules.
	G5	Without limiting **Row G1**, at no time after [redacted] 2019 did Entain give the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • On [redacted] 2019, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] The SMR listed the "offence type" as "money laundering" and the "reason for suspicion" as "suspected/known criminal" and "unusually large transfer". The SMR also provided a link to a news article reporting that [redacted] had been formally indicted on charges of [redacted], money laundering and [redacted]. • While certain of the charges against [redacted] were dropped in the period after [redacted] 2019, other charges were not and remain on foot. • At all times from [redacted] 2019, [redacted] continued to deposit and withdraw unusually large amounts of money into and from his accounts: see **Row E5** above. • In the period after [redacted] 2019, there were significant increases/escalations in the amounts deposited and withdrawn into and from [redacted] accounts in 2021 and 2022: see **Rows E11**, **E16** and **E18** above. • Other matters indicative of high ML/TF Risk continued or emerged in the period after [redacted] 2019: see generally **Row E** above. • Notwithstanding the above, Entain did not give the AUSTRAC CEO a single further SMR in relation to [redacted]

	G6	Without limiting **Row G1**, from March 2018 and during the Relevant Period, [redacted] was assigned a BDM.	Particulars: • On and from 14 March 2018, [redacted] was assigned a corporate BDM, [redacted] with the representative [redacted]. • A BDM received a commission for deposits made by a customer that they managed, which resulted in a conflict of interest and created a risk that the systems and controls in Entain's "Part A Program" would not be applied appropriately or impartially to [redacted] see paragraphs 171–172 and 175–176 above.
	G7	Without limiting **Row G1**, at no time from the date on which ECDD was triggered (specifically, from 2 April 2019) did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] on an ongoing basis, from that time.	Particulars: • Entain was under an obligation to apply the ECDD Program on an ongoing basis from the date on which there was an ECDD trigger: see paragraphs 428–429 above. • [redacted] was rated "High" risk in relation to at least 1 of his accounts at all times on and from 2 April 2019: – [redacted] was rated "High" risk in relation to his Ladbrokes accounts, including the Third Account (Ladbrokes), on and from 2 April 2019. – [redacted] was rated "High" risk in relation to his Fifth Account (Neds) on and from 14 June 2019. – On 15 July 2022, the risk rating for [redacted] Fifth Account (Neds) was adjusted to "Low" as the account had been permanently closed, but the risk rating for [redacted] Third Account (Ladbrokes) remained "High" after this date. • Under the Rules, there was an ECDD trigger when Entain determined under its risk-based systems and controls that the ML/TF Risk was high: r 15.9(1) of the Rules. • Further, on [redacted] 2019, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted]

			• Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. • As a result of the above ECDD triggers, and in light of the continuing nature of the matters pleaded in **Row E** above, Entain was under an obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, at all times from 2 April 2019. • Entain's obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, existed notwithstanding the failure to give the AUSTRAC CEO further SMRs pursuant to s 41 of the Act: see **Row G5** above. • The measures that Entain was required to undertake in relation to [redacted] as a result of determining that the ML/TF Risk in relation to [redacted] was high and/or forming a suspicion for the purposes of s 41 of the Act included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules. • The measures that were required were measures appropriate to a person reasonably suspected of money laundering offences, as per the SMR that Entain gave the AUSTRAC CEO pursuant to s 41 in relation to [redacted]
	G8	Without limiting **Row G1** or **Row G7**, at no time from April 2019 did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, across all accounts, including the level of transactional behaviour and the purpose, reasons for or nature of the transactional behaviour.	Particulars: • This was a measure appropriate to the circumstances that existed from April 2019: see r 15.10(5) of the Rules. • At all times during the Relevant Period, including at all times from April 2019, [redacted] deposited and withdrew unusually large amounts of money into and from his accounts: see **Row E5** above. This occurred against a background of unusually large deposits and withdrawals on [redacted] Ladbrokes accounts in the period prior to the Relevant Period (see **Row E1** above) and unusually large

			deposits and withdrawals on [redacted] Fifth Account (Neds) in the period prior to that account being moved under Entain's sports bookmaker licence: see **Row E8** above. • There were significant increases/escalations in the amounts deposited into and withdrawn from [redacted] accounts in each of calendar years 2019, 2021 and 2022: see **Rows E11**, **E16** and **E18** above. • [redacted] transactional behaviour was unusual in other respects, including a pattern of failed deposits: see **Row E12** above. • [redacted] was regularly listed in Entain's High Value Transaction Report from June 2019, demonstrating that Entain identified that he deposited large amounts of money into his accounts from this time, but Entain did not undertake any measures to mitigate and manage the ML/TF Risk indicated by this transactional behaviour. • [redacted] transactional activity was not appropriately monitored on a holistic basis across all of his accounts, taking into account all of the matters indicative of high ML/TF Risk that related to his transactions. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods could appropriately be described as "recreational" (Entain's assessments in this respect were conclusory and focussed wholly or primarily on betting activity, rather than transactional activity as a whole). • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, especially the "cycling" of high value deposits with high value withdrawals, had

			indicia of money laundering or dealings with the proceeds of crime.
	G9	Without limiting **Row G1** or **Row G7**, at no time from April 2019 until June 2023 did Entain: a) appropriately obtain from [redacted], or otherwise take reasonable measures to identify, information about [redacted] source of wealth/source of funds; b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds; or c) appropriately verify information it had about [redacted] source of wealth/source of funds.	Particulars: • These were measures appropriate to the circumstances that existed from April 2019: see rr 15.10(1)(a), 15.10(1)(c), 15.10(2) and 15.10(3) of the Rules. • At all times during the Relevant Period, including at all times from April 2019, [redacted] deposited and withdrew unusually large amounts of money into and from his accounts: see **Row E5** above. This occurred against a background of unusually large deposits and withdrawals on [redacted] Ladbrokes accounts in the period prior to the Relevant Period (see **Row E1** above) and unusually large deposits and withdrawals on [redacted] Fifth Account (Neds) in the period prior to that account being moved under Entain's sports bookmaker licence: see **Row E8** above. • There were significant increases/escalations in the amounts deposited into and withdrawn from [redacted] accounts in each of calendar years 2019, 2021 and 2022: see **Rows E11**, **E16** and **E18** above. • From 1 May 2019, Entain knew or ought to have known that deposits made by [redacted] into his accounts by Braintree credit card regularly failed, indicating that deposits were being declined or rejected by Braintree: see **Row E12** above. The failed deposits from 1 May 2019 occurred against a history of failed deposits: see **Rows E4** and **E9** above. • From at least [redacted], Entain knew that [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences, including [redacted], money laundering and [redacted]: see **Rows E2** and **E7** above; see also **Rows E13**, **E19** and **E20**.

			• From at least December 2020, Entain had information indicating that [redacted] had provided false or incorrect KYC information (a "fake" email address): see **Row E15** above. • In terms of the sufficiency of the information that Entain had about [redacted] source of wealth/source of funds, and the sufficiency of the measures taken by Entain with respect to that information: see **Row E6** above. • Without limiting **Row E6** above: – From at least 2 April 2019, Entain knew that [redacted] was a [redacted], but assumed rather than confirmed or verified that this explained that [redacted] source of wealth/source of funds was consistent with the transactional activity on his accounts. – Entain did not make any appropriate inquiry about [redacted] source of wealth/source of funds with [redacted] himself until June 2023 (by this time, [redacted] had deposited many millions of dollars into his various accounts). – [redacted] due diligence records do not disclose that any consideration was given to the impact of the serious criminal charges brought against [redacted] on his capacity to [redacted] or his earning capacity more generally until 5 December 2023.
	G10	Without limiting **Row G1** or **Row G7**, at no time from April 2019 did Entain seek from [redacted], or otherwise take reasonable measures to clarify, the nature and purpose of [redacted] ongoing business relationship with Entain.	Particulars: • This was a measure appropriate to the circumstances that existed from April 2019: see r 15.10(1)(d) of the Rules. • At all times prior to and during the Relevant Period, including at all times from April 2019, [redacted] deposited and withdrew unusually large amounts of money into and from his accounts, with the amounts increasing/escalating significantly over time: see **Rows E1**, **E5**, **E8**, **E11**, **E16** and **E18** above. He had multiple open accounts from 1 May 2019: see **Rows B** and **G3** above.

			• The need to clarify the nature and purpose of [redacted] ongoing business relationship with Entain arose especially from the fact that his unusual transactional activity had occurred, and was occurring, at a time when he was facing charges for serious criminal offences (including money laundering): see especially **Rows E2**, **E7** and **E13** above. • In monitoring [redacted] Entain frequently determined that [redacted] transactional activity was or "appeared" to be "recreational", but the determinations did not reflect the totality of available information: they were focussed wholly or primarily on betting activity, rather than transactional activity as a whole, and did not address the relevance of the adverse media reporting about serious criminal charges. Further, the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, especially the "cycling" of high value deposits with high value withdrawals, had indicia of money laundering or dealings with the proceeds of crime.
	G11	Without limiting **Row G1** or **Row G7**, at no time from April 2019 until June 2023 was [redacted] appropriately escalated to and/or considered by Entain's senior management, including for the purpose of determining whether to continue a business relationship with him.	Particulars: • This was a measure appropriate to the circumstances that existed from April 2019: see r 15.10(6) of the Rules. • Escalation to and/or consideration by senior management was appropriate in, and at regular intervals from, April 2019, including: (i) in and from September 2019; (ii) in and from December 2020; (iii) in and from January 2022; and (iv) in and from August/September 2022. • In relation specifically to continuation of the business relationship with [redacted]

			– The Fifth Account (Neds) was closed on 28 January 2022 at the request of [redacted] rather than on the initiative of Entain. – [redacted] due diligence records do not disclose whether any consideration was given to closing the Third Account (Ladbrokes) at the same time that the Fifth Account (Neds) was closed. • [redacted] due diligence records indicate that senior management reviewed [redacted] in relation to the Third Account (Ladbrokes) in December 2022 to January 2023, but do not disclose the purpose or outcome of the review.
	G12	Without limiting **Row G1** or **Row G7**, at no time from May 2019 did Entain suspend the Fifth Account (Neds) on its own initiative.	Particulars: • The Fifth Account (Neds) was closed on 28 January 2022 at the request of [redacted] rather than on the initiative of Entain. • At no time between 1 May 2019 (the date on which the Fifth Account (Neds) was moved under Entain's sports bookmaker licence) and 28 January 2022 (the date of closure) did Entain suspend the Fifth Account (Neds) on its own initiative. • Suspension (or at least consideration of suspension) was appropriate at multiple points from 1 May 2019, especially as [redacted] unusually high deposits and withdrawals continued and indeed escalated, against a backdrop of serious criminal issues: see **Rows E5**, **E8**, **E11** and **E16** above; see also **Rows E2**, **E7** and **E13**.
	G13	Without limiting **Row G1** or **Row G7**, at no time from April 2019 until 26 June 2023 did Entain suspend the Third Account (Ladbrokes) on its own initiative.	Particulars: • The Third Account (Ladbrokes) was suspended on 26 June 2023 and, as at 28 August 2024, remained suspended (it had not been closed).

			• At no time between April 2019 and 26 June 2023 did Entain suspend the Third Account (Ladbrokes) on its own initiative. • Suspension (or at least consideration of suspension) was appropriate at multiple points from April 2019, especially as [redacted] transactional activity shifted from the Fifth Account (Neds) to the Third Account (Ladbrokes) and rapidly and significantly increased/escalated, against a backdrop of serious criminal issues: see **Rows E17–E18** above; see also **Rows E2**, **E7**, **E13** and **E19–E20**.
	G14	Without limiting **Row G1** or **Row G7**, at no time from May 2019 did Entain close the Fifth Account (Neds) on its own initiative.	Particulars: • The Fifth Account (Neds) was closed on 28 January 2022 at the request of [redacted] rather than on the initiative of Entain. • Closure (or at least consideration of closure) was appropriate at multiple points from May 2019, especially as [redacted] unusually high deposits and withdrawals continued and indeed escalated, against a backdrop of serious criminal issues: see **Rows E5**, **E8**, **E11** and **E16** above; see also **Rows E2**, **E7** and **E13**.
	G15	Without limiting **Row G1** or **Row G7**, at no time from April 2019 until at least 28 August 2024 did Entain close the Third Account (Ladbrokes) on its own intiative.	Particulars: • The Third Account (Ladbrokes) was suspended on 26 June 2023 and, as at 28 August 2024, remained suspended (it had not been closed). • It is unknown whether Entain has closed the Third Account (Ladbrokes) in the period since 28 August 2024. • Closure (or at least consideration of closure) was appropriate at multiple points from April 2019, including in the light of more recent adverse media reporting about [redacted]

SCHEDULE 4: [redacted]

A: customer		[redacted]	
B: account(s)		**Ladbrokes Account** • [redacted] • Opened date: 19 May 2016 • Closed date: 15 December 2022	
C. summary of transactional activity by account		**Ladbrokes Account** • Lifetime deposits: $1,389,487.24, approximately $1,079,921.24 of which was during the Relevant Period • Lifetime turnover: $3,835,842.91, approximately $2,985,260.85 of which was during the Relevant Period • Lifetime withdrawals: $989,344.48, approximately $747,519.45 of which was during the Relevant Period	
D: date in Relevant Period on and from which matters indicative of high ML/TF Risk existed		16 December 2018	
E: list of matters indicative of high ML/TF Risk	**E1**	Prior to the Relevant Period (specifically, at all times from January 2017), [redacted] deposited and withdrew unusually large amounts of money into and from his Ladbrokes Account.	Particulars: • While the amounts of money deposited into and withdrawn from the Ladbrokes Account from January 2017 were at all times unusually large, there was a significant increase/escalation in calendar year 2018: see **Row E4** below. • In 2017: – [redacted] deposited $97,826.00 into his Ladbrokes Account (an average of $8,152.17 per month). – [redacted] withdrew $72,016.01 from his Ladbrokes Account (an average of $6,001.33 per month).

			• In 2018 (including the approximately 2 weeks of 2018 that occurred in the Relevant Period): – [redacted] deposited $219,593.00 into his Ladbrokes Account (an average of $18,299.41 per month). – [redacted] withdrew $164,664.02 from his Ladbrokes Account (an average of $13,722.00 per month). – [redacted] deposited $10,000 or more in a day on 3 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] in 2017–2018 were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E2	At all times prior to the Relevant Period, the primary methods that [redacted] used to deposit money into his Ladbrokes Account were potentially cash-based deposit methods.	Particulars: • The potentially cash-based deposit methods that [redacted] used were the Blueshyft Cash-in Terminal (retail venue) Channel (**Blueshyft Cash-in**) and the Prepaid Card Channel (**Prepaid Card**), although Blueshyft Cash-in was by far [redacted] preferred deposit method. • Deposits via Blueshyft Cash-in: – A customer could make a deposit via Blueshyft Cash-in by: (i) nominating a deposit amount on the Entain app/website, thereby generating a QR code; (ii) presenting the QR code at a participating merchant; and (iii) paying the merchant the nominated deposit amount by any means that the merchant accepted, including cash, which would then be credited to the customer's account.

			– Blueshyft Cash-in was known by Entain to be a potentially cash-based deposit method. – Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • Deposits via Prepaid Card: – A customer could make a deposit by Prepaid Card by: (i) purchasing a Prepaid Card that was pre-loaded with an amount that could be deposited into an account; (ii) paying the merchant the nominated deposit amount by any means that the merchant accepted, including cash; and (iii) redeeming the value on the Prepaid Card by entering a code into the customer's account on the Entain App/website. – Prepaid Card was known by Entain to be a potentially cash-based deposit method. – Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • Between the date that the Ladbrokes Account was opened and 15 December 2018: – [redacted] deposited $309,566.00 into his Ladbrokes Account across 699 transactions. – Of the $310,566.00 that [redacted] deposited, $282,720.00 (approximately 91%) was deposited via potentially cash-based methods. – Of the $281,720.00 that [redacted] deposited via potentially cash-based deposit methods: (i) $241,650.00 was deposited via Blueshyft Cash-in (approximately 86%); and (ii) $40,070.00 was deposited via Prepaid Card. • In the period prior to the Relevant Period, Entain gave the AUSTRAC CEO 9 SMRs pursuant to s 41 of the Act in

			relation to [redacted] in which it reported that [redacted] made deposits via potentially cash-based deposit methods: on 15 November 2017; 30 January 2018; 27 April 2018; 1 June 2018; 6 August 2018; 28 August 2018; 10 September 2018; 17 September 2018; and 10 October 2018. • In these SMRs, the "offence type" was listed variously as "proceeds of crime", "tax evasion" or "money laundering" and the "reason for suspicion" was listed variously as "unusually large cash transaction" and/or "unusual use/exchange of cash". • In the period prior to the Relevant Period, Entain gave the AUSTRAC CEO 1 TTR pursuant to s 43 of the Act in relation to a cash deposit of $13,980.00 made by [redacted] on 27 April 2018.
	E3	In the period prior to the Relevant Period, Entain had information indicating that there were higher ML/TF Risks related to [redacted] primary deposit method — specifically, Entain had information indicating that, when making deposits to his Ladbrokes Account via Blueshyft Cash-in, [redacted] used a Cash-in Terminal located at [redacted], a newsagency which [redacted] owned and where he worked.	Particulars: • At all relevant times, both prior to and during the Relevant Period, Entain had the capacity to know the physical location of any Cash-in Terminal used to make deposits to a customer's account via Blueshyft Cash-in. • On 19 May 2016, when [redacted] opened his Ladbrokes Account, Entain obtained information that his email address was [redacted] • By no later than 15 November 2017, Entain suspected that [redacted] worked at [redacted] (this matter was reported to the AUSTRAC CEO in an SMR pursuant to s 41 of the Act). • By no later than 27 April 2018, Entain suspected that [redacted] worked at or "could possibly own" [redacted] (this matter was reported to the AUSTRAC CEO in an SMR pursuant to s 41 of the Act). • By no later than 6 August 2018, Entain identified that [redacted] was using a Cash-in Terminal located at [redacted]

			[redacted], where he worked or which he owned, to make deposits to his Ladbrokes Account (this matter was reported to the AUSTRAC CEO in an SMR pursuant to s 41 of the Act). • By no later than 28 August 2018, Entain obtained information that [redacted] was the director of [redacted] trading as [redacted] (this matter was reported to the AUSTRAC CEO in an SMR pursuant to s 41 of the Act). • By no later than 8 January 2019, Entain obtained information that [redacted] was the "director/owner" of [redacted] trading as [redacted] (this matter was reported to the AUSTRAC CEO in an SMR pursuant to s 41 of the Act).
	E4	Prior to the Relevant Period (specifically, in 2018), there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his Ladbrokes Account, amounting to an unusual pattern of transactions.	Particulars: • In 2017, [redacted] deposited $97,826.00 into his Ladbrokes Account (an average of $8,152.17 per month). • In 2018 (including the approximately 2 weeks of 2018 that occurred in the Relevant Period), [redacted] deposited $219,593.00 into his Ladbrokes Account (an average of $18,299.42 per month, which amounted to an increase of 124% on the monthly average for 2017). • In 2017, [redacted] withdrew $72,016.01 from his Ladbrokes Account (an average of $6,001.33 per month). • In 2018 (including the approximately 2 weeks of 2018 that occurred in the Relevant Period), [redacted] withdrew $164,664.01 from his Ladbrokes Account (an average of $13,722.00 per month, which amounted to an increase of 128% on the monthly average for 2017). • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk.

			The amounts of money being deposited and withdrawn by [redacted] in 2018 were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E5	At all times during the Relevant Period, [redacted] deposited and withdrew unusually large amounts of money into and from his Ladbrokes Account.	Particulars: • While the amounts of money deposited and withdrawn during the Relevant Period were at all times unusually large, there was a significant increase/escalation in deposits in calendar year 2019 and in withdrawals in calendar year 2021: see **Rows E10** and **E14** below. • From 16–31 December 2018: – [redacted] deposited $22,513.00 into his Ladbrokes Account. – [redacted] withdrew $12,203.00 from his Ladbrokes Account. • In 2019: – [redacted] deposited $334,615.00 into his Ladbrokes Account (an average of $27,884.58 per month). – [redacted] withdrew $180,267.01 from his Ladbrokes Account (an average of $15,022.25 per month). – [redacted] deposited $10,000 or more in a day on 6 occasions. • In 2020: – [redacted] deposited $225,356.00 into his Ladbrokes Account (an average of $18,779.67 per month). – [redacted] withdrew $153,909.00 from his Ladbrokes Account (an average of $12,825.75 per month). • In 2021: – [redacted] deposited $233,630.00 into his Ladbrokes Account (an average of $19,469.17 per month).

			– [redacted] withdrew $202,399.00 from his Ladbrokes Account (an average of $16,866.58 per month). • In 2022: – [redacted] deposited $263,807.24 into his Ladbrokes Account (an average of $21,983.94 per month). – [redacted] withdrew $198,741.44 from his Ladbrokes Account (an average of $16,561.79 per month). – [redacted] deposited $10,000 or more in a day on 2 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E6	At all times during the Relevant Period, the primary methods that [redacted] used to deposit money into his Ladbrokes Account were potentially cash-based deposit methods.	Particulars: • The potentially cash-based deposit methods that [redacted] used were Blueshyft Cash-in and Prepaid Card: see **Row E2** above. • Between 16 December 2018 and 15 December 2022 (when the Ladbrokes Account was closed): – [redacted] deposited $947,660.00 into the Ladbrokes Account via potentially cash-based deposit methods (which amounted to approximately 88% of the $1,078,921.24 that [redacted] deposited). – Blueshyft Cash-in was by far [redacted] preferred deposit method: of the $947,660.00 deposited via potentially cash-based deposit methods over this period, $916,860.00 was deposited via Blueshyft Cash-in (approximately 97%).

			• From 16–31 December 2018: – [redacted] deposited $17,800.00 into his Ladbrokes Account via potentially cash-based deposit methods (which amounted to approximately 78% of the $22,513.00 that [redacted] deposited during this period). • In 2019: – [redacted] deposited $290,000.00 into his Ladbrokes Account via potentially cash-based deposit methods (which amounted to approximately 87% of the $334,615.00 that [redacted] deposited during this period). – [redacted] was listed on one of Entain's transaction monitoring reports directed towards detecting potentially cash-based deposits on at least 3 occasions. • In 2020: – [redacted] deposited $208,290.00 into his Ladbrokes Account via potentially cash-based deposit methods (which amounted to approximately 92% of the $225,356.00 that [redacted] deposited during this period). – [redacted] was listed on one of Entain's transaction monitoring reports directed towards detecting potentially cash-based deposits on at least 17 occasions. • In 2021: – [redacted] deposited $210,720.00 into his Ladbrokes Account via potentially cash-based deposit methods (which amounted to approximately 90% of the $233,630.00 that [redacted] deposited during this period). – [redacted] was listed on one of Entain's transaction monitoring reports directed towards detecting potentially cash-based deposits on at least 17 occasions.

			• In 2022: – [redacted] deposited $220,850.00 into his Ladbrokes Account via potentially cash-based deposit methods (which amounted to approximately 84% of the $263,807.24 that [redacted] deposited during this period). – [redacted] was listed on one of Entain's transaction monitoring reports directed towards detecting potentially cash-based deposits on at least 20 occasions. • During the Relevant Period, Entain gave the AUSTRAC CEO 14 SMRs pursuant to s 41 of the Act in relation to [redacted] in which it reported that [redacted] made deposits via potentially cash-based deposit methods: on 8 January 2019; 19 March 2019; 2 April 2019; 26 April 2019; 8 May 2019; 4 December 2019; 6 January 2020; 10 February 2020; 11 March 2020; 15 April 2020; 22 June 2020; 31 August 2020; 14 October 2020; and 19 April 2021. • In these SMRs, the "offence type" was listed variously as "tax evasion" or "money laundering" and the "reason for suspicion" was listed variously as "unusually large cash transaction", "unusual use/exchange of cash" and/or "suspicious behaviour". • At least 9 of these SMRs stated expressly that Entain had formed a suspicion that [redacted] may have been attempting to avoid tax obligations or a reporting threshold: on 4 December 2019; 6 January 2020; 10 February 2020; 11 March 2020; 15 April 2020; 22 June 2020; 31 August 2020; 14 October 2020; and 19 April 2020. • During the Relevant Period, Entain gave the AUSTRAC CEO 4 TTRs pursuant to s 43 of the Act in relation to cash deposits made by [redacted]

	E7	At all times during the Relevant Period, Entain had information indicating that there were higher ML/TF Risks related to [redacted] primary deposit method — specifically, Entain had information indicating that, when making deposits to his Ladbrokes Account via Blueshyft Cash-in, [redacted] used a Cash-in Terminal located at [redacted], a newsagency which [redacted] owned and where he worked.	Particulars: • At all relevant times both prior to and during the Relevant Period, Entain had the capacity to know the physical location of any Cash-in Terminal used to make deposits to a customer's account via Blueshyft Cash-in. • On 19 May 2016, when [redacted] opened his Ladbrokes Account, Entain obtained information that his email address was [redacted]. • By no later than 15 November 2017, Entain suspected that [redacted] worked at [redacted] (this matter was reported to the AUSTRAC CEO in an SMR pursuant to s 41 of the Act). • By no later than 27 April 2018, Entain suspected that [redacted] worked at or "could possibly own" [redacted] (this matter was reported to the AUSTRAC CEO in an SMR pursuant to s 41 of the Act). • By no later than 6 August 2018, Entain identified that [redacted] was using a Cash-in Terminal located at [redacted], where he worked or which he owned, to make deposits to his Ladbrokes Account (this matter was reported to the AUSTRAC CEO in an SMR pursuant to s 41 of the Act). • By no later than 28 August 2018, Entain obtained information that [redacted] was the director of [redacted] trading as [redacted] (this matter was reported to the AUSTRAC CEO in an SMR pursuant to s 41 of the Act). • By no later than 8 January 2019, Entain obtained information that [redacted] was the "director/owner" of [redacted] trading as [redacted] (this matter was reported to the AUSTRAC CEO in an SMR pursuant to s 41 of the Act).

			• Over the Relevant Period, Entain gave the AUSTRAC CEO at least 14 SMRs pursuant to s 41 of the Act in which it stated in the "grounds for suspicion" that [redacted] was the director and/or owner of the business at which deposits were made into his Ladbrokes Account: on 8 January 2019; 19 March 2019; 2 April 2019; 26 April 2019; 8 May 2019; 4 December 2019; 6 January 2020; 10 February 2020; 11 March 2020; 15 April 2020; 22 June 2020; 31 August 2020; 14 October 2020; and 19 April 2020. • In these SMRs, the "offence type" was listed variously as "tax evasion" or "money laundering" and the "reason for suspicion" was listed variously as "unusually large cash transaction", "unusual use/exchange of cash" and/or "suspicious behaviour". • At least 9 of these SMRs stated expressly that Entain had formed a suspicion that [redacted] may have been attempting to avoid tax obligations or a reporting threshold: on 4 December 2019; 6 January 2020; 10 February 2020; 11 March 2020; 15 April 2020; 22 June 2020; 31 August 2020; 14 October 2020; and 19 April 2020. • On 15 December 2022, following a meeting between AUSTRAC and Entain, the Entain Board endorsed the giving of a direction "to participating venues that owners and employees of the venue … not [be] permitted to use the Cash-In [P]rogram for their individual wagering accounts", although that decision was not implemented until 5 September 2023. • Entain did not discontinue its "Newsagency Marketing Agreement" with [redacted] (ie, the agreement under which [redacted] participated in the Cash-in Program and a Cash-in Terminal was located at [redacted]) until May 2024.
	E8	At all times during the Relevant Period, Entain did not have sufficient information about	Particulars:

		[redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that the transactional activity on [redacted] Ladbrokes Account (depositing, betting and withdrawing) was consistent with or supported by his source of wealth/source of funds.	• While the information that Entain had about [redacted] source of wealth/source of funds changed over time, at no time during the Relevant Period was it sufficient to reach the necessary satisfaction. • Entain could have obtained information about [redacted] source of wealth/source of funds from (at least) public/external sources and [redacted] himself. • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from [redacted] himself, it did not do so with sufficient promptness: – Entain obtained no substantive information about [redacted] source of wealth/source of funds from [redacted] until it commenced a formal source of wealth/source of funds inquiry process. – The formal source of wealth/source of funds inquiry process was not commenced until 14 September 2021 (by this time, [redacted] had deposited over $1,031,760.00 into his Ladbrokes Account). – [redacted] due diligence records disclose that Entain recognised that a formal source of wealth/source of funds inquiry process should have been commenced earlier, certainly by no later than 16 April 2021. • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from public/external sources and/or [redacted] it did not obtain sufficient information to reach the necessary satisfaction: – By no later than 15 November 2017, Entain suspected that [redacted] "worked" at [redacted], but it did not until much later obtain (let alone confirm or verify) any information about this work or its capacity to support the transactional activity on the Ladbrokes Account (for example, annual income).

			– By no later than 28 August 2018, Entain obtained information indicating that [redacted] was a director of [redacted] trading as [redacted] but it did not until much later obtain (let alone confirm or verify) basic information about the success or the business or its capacity to support the transactional activity on the Ladbrokes Account (for example, account statements, other information about revenue/profitability, etc). – Entain obtained information on 19 March 2019 indicating that the residential property linked to [redacted] Ladbrokes Account was owned by [redacted] and was valued at approximately $415,000.00, but never obtained information indicating that the property was owned by [redacted] himself (for example, a title search) and, in any event, never obtained information about the capacity of any ownership to support the transactional activity on the Ladbrokes Account. – From March 2019 to September 2021, Entain obtained no additional substantive information about [redacted] source of wealth/source of funds from publicly available sources (although searches concerning the above information were re-done). • To the extent that [redacted] responded to the formal source of wealth/source of funds inquiry process commenced from 14 September 2021, [redacted] claims about his source of wealth/source of funds (namely, that his annual employment income was between $50,000.00 and $100,000.00, his annual income from gambling winnings was between $1,000.00 and $49,999.00, his existing savings were $30,000.00 and his annual savings were between $1,000.00 and $49,999.00, and that he spent an average of 21-30% of his income on gambling per month)

			were inconsistent with the transactional activity on his Ladbrokes Account.
	E9	At all times from January 2019 until May 2024, [redacted] received commissions from Entain for participating in the Cash-in Program in accordance with a "Newsagency Marketing Agreement" agreed between Entain and [redacted].	Particulars: • The "Newsagency Marketing Agreement" agreed between Entain and [redacted] was the agreement under which [redacted] participated in the Cash-in Program and a Cash-in Terminal was located at [redacted]. • From January 2019 to April 2024, [redacted] received $3,200.00 (ex GST) in commissions from Entain in accordance with the "Newsagency Marketing Agreement".
	E10	In 2019, there was a material change in [redacted] depositing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into his Ladbrokes Account, amounting to an unusual pattern of transactions.	Particulars: • In 2018 (including the approximately 2 weeks of 2018 that occurred in the Relevant Period), [redacted] deposited $219,593.00 into his Ladbrokes Account (an average of $18,299.42 per month). • In 2019, [redacted] deposited $334,615.00 into his Ladbrokes Account (an average of $27,884.58 per month, which amounted to an increase of approximately 52% on the monthly average for 2018). • In 2019: – [redacted] was listed in one of Entain's transaction monitoring reports directed towards detecting potentially cash-based deposits on at least 3 occasions. – [redacted] deposited $10,000.00 or more in a week using potentially cash-based deposit methods on 10 occasions. – [redacted] deposited $5,000.00 or more in a day using potentially cash-based deposit methods on 21 occasions.

			– [redacted] withdrew $5,000.00 or more in a day using potentially cash-based withdrawal methods on 2 occasions. • While 2019 did not witness an equivalent increase/escalation in [redacted] withdrawals from the Ladbrokes Account, his withdrawals in 2019 were nevertheless at all times high: see **Row E5** above. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above. • Entain was aware at the time that [redacted] transactional activity was not consistent with the transactional activity of an average gambler and involved heightened ML/TF Risk. On 3 December 2019, two Entain representatives exchanged instant messages regarding [redacted] transaction activity which stated (among other things): – There were numerous deposits into the Ladbrokes Account made seconds apart on 1 December 2019. – [redacted] newsagency would be paid a commission from Blueshyft. – [redacted] had made "*267k in ATM withdrawals*". – The transactional activity "*definitely looks like some good time money laundering to me*".
	E11	From January to May 2019, [redacted] engaged in at least 3 transactions that were "threshold transactions" within the meaning of the Act.	Particulars: • A "threshold transaction" is (among other things) a "transaction involving the transfer of physical currency,

			where the total amount of physical currency transferred is not less than $10,000": see s 5 of the Act. • A reporting entity must give the AUSTRAC CEO a threshold transaction report (**TTR**) if the provision of a designated service to a customer involves a threshold transaction: see s 43 of the Act. • Between 10 January 2019 and 3 May 2019, Entain gave the AUSTRAC CEO 3 TTRs pursuant to s 43 of the Act in relation to cash deposits made by [redacted] • Entain gave the AUSTRAC CEO a further TTR pursuant to s 43 of the Act on 14 June 2022.
	E12	On 19 August 2019, a gambling integrity body made an integrity inquiry with Entain about [redacted]	Particulars: • The integrity inquiry requested an address, date of birth and 6 month account history for 5 Ladbrokes accountholders including [redacted]
	E13	From no later than 4 December 2019, Entain had information indicating that there were higher ML/TF Risks related to [redacted] withdrawal activity — specifically, Entain had information that the majority of the money withdrawn from his Ladbrokes Account to his Entain Card was subsequently withdrawn from ATMs as cash.	Particulars: • At all times during the Relevant Period, the almost exclusive withdrawal method that [redacted] used to withdraw money from his Ladbrokes Account was the Entain Card. • Between 16 December 2018 (the first day of the Relevant Period) and 15 December 2022 (when the Ladbrokes Account was closed): – [redacted] withdrew $747,519.45 from his Ladbrokes Account across 1105 transactions. – Of the $747,519.45 that [redacted] withdrew, approximately 99.8% was withdrawn via the Entain Card. • The Entain Card: – A customer could obtain an Entain Card by making an application to Entain.

			– A customer could withdraw money from their account to their Entain Card by instructing Entain to debit money from their account and transfer it to the Entain Card. – Once money had been transferred to the Entain Card, the customer could withdraw cash at an ATM or use the card to make purchases (or deposit money back into their account). – The Entain Card was known by Entain to be a potentially cash-based withdrawal method. – Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. – At all relevant times, Entain could access an Entain Card holder's statements. • On 4 December 2019, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted]. In the "grounds for suspicion", Entain reported that [redacted] withdrew funds from his Ladbrokes Account to his Entain Card and that he had subsequently withdrawn approximately $267,000.00 "*in cash*" from the Entain Card. • Up to the end of 4 December 2019, [redacted] had withdrawn $417,670.04 from his Ladbrokes Account to his Entain Card. Accordingly, the approximately $267,000.00 that [redacted] had withdrawn in cash from the Entain Card up to that date represented 63% of the total amount that [redacted] had withdrawn from his Ladbrokes Account to his Entain Card.
	E14	In 2021, there was a material change in [redacted] withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] withdrew from his Ladbrokes	Particulars: • In 2020, [redacted] withdrew $153,909.00 from the Ladbrokes Account (an average of $12,825.75 per month). • In 2021, [redacted] withdrew $202,399.00 from the Ladbrokes Account (an average of $16,866.58 per month,

		Account, amounting to an unusual pattern of transactions.	which amounted to an increase of approximately 31% on the monthly average for 2020). • While 2021 did not witness an equivalent increase/escalation in [redacted] deposits into the Ladbrokes Account, his deposits in 2021 were nevertheless at all times high: see **Row E5** above. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
F: dates on and from which monitoring failures existed and contraventions of s 36 occurred	**F1**	16 December 2018	Particulars: • See paragraph 433 above.
	F2	16 December 2018	Particulars: • See **Row G** below, especially **Rows G1–G5**.
	F3	16 December 2018 or, in the alternative, 8 January 2019	Particulars: • See **Row G** below, especially **Rows G6–G12**.
G: list of particular monitoring failures	**G1**	At no time during the Relevant Period did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in **Row E** above.
	G2	Without limiting **Row G1**, at no time during the Relevant Period did Entain mitigate and manage the ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] by reason of:	Particulars: • At all times during the Relevant Period (and indeed prior to the Relevant Period), the primary methods that [redacted] used to deposit money into his Ladbrokes Account were

		a) his high value and high frequency use of potentially cash-based deposit methods; and/or b) his high value and high frequency use of potentially cash-based deposit methods combined with high value and high frequency use of the Entain Card and subsequent withdrawal of cash from ATMs.	potentially cash-based deposit methods: see **Rows E5–E6** above, read with **Rows E1–E2**. • At all times during the Relevant Period, the almost exclusive withdrawal method that [redacted] used to withdraw money from the Ladbrokes Account was a potentially cash-based withdrawal method (the Entain Card), and at all times from December 2019, Entain was aware that [redacted] frequently used his Entain Card for ATM withdrawals (Entain could have been aware of this earlier, if it had accessed the Entain Card statements): see **Row E13** above. • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • While Entain identified [redacted] high value and high frequency use of potentially cash-based deposit methods by no later than 15 November 2017, when it reported the issue to the AUSTRAC CEO, Entain did not mitigate and manage the ML/TF Risk that existed by undertaking measures that were appropriate to the issue. • While Entain identified [redacted] high value and high frequency use of the Entain Card and subsequent withdrawal of cash from ATMs by no later than 4 December 2019, when it reported the issue to the AUSTRAC CEO, Entain did not mitigate and manage the ML/TF Risk that existed by undertaking measures that were appropriate to the issue. • In particular, Entain never sought an explanation from [redacted] about his use of potentially cash-based deposit methods and/or his use of the Entain Card combined with subsequent ATM withdrawals.

	G3	Without limiting **Row G1**, at no time during the Relevant Period did Entain mitigate and manage the ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] by reason of the fact that the high value and high frequency deposits that he made to his Ladbrokes Account were made primarily by using a Cash-in Terminal located at [redacted] a newsagency which [redacted] owned and where he worked.	Particulars: • At all times during the Relevant Period (and indeed prior to the Relevant Period), Entain had information that: (i) [redacted] deposits were made primarily by using a Cash-in Terminal located at [redacted]; and (ii) [redacted] worked at and indeed owned [redacted]: see **Rows E2–E3** and **E6–E7** above. • Entain did not take any appropriate action to mitigate and manage the obvious ML/TF Risk that existed (or the related risk of other criminal offences, such as tax evasion) until 15 September 2022, after the matter was raised by AUSTRAC.
	G4	Without limiting **Row G1**, at no time from the start of the Relevant Period until 4 December 2019 did Entain rate [redacted] "High" ML/TF Risk in relation to the Ladbrokes Account.	Particulars: • On 19 May 2016, when the Ladbrokes Account was opened, Entain did not rate [redacted] in relation to the account (ie, the risk rating was "Unrated"). • On 15 November 2017, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Ladbrokes Account (ie, the risk rating was adjusted from "Unrated" to "Medium"). • On 24 April 2018, Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account (ie, the risk rating was adjusted from "Medium" to "High"). • On 10 October 2018, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Ladbrokes Account (ie, the risk rating was adjusted from "High" to "Medium"). • On 4 December 2019, Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account (ie, the risk rating was adjusted from "Medium" to "High"). • A "High" ML/TF Risk rating for [redacted] was appropriate prior to 4 December 2019 and indeed at all times from the start of the Relevant Period: see especially **Rows E1–E8** above.

			• If [redacted] had been rated "High" ML/TF Risk prior to 4 December 2019, Entain would have been required to apply the ECDD Program from that time: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules. However, Entain was required to apply the ECDD Program from the start of the Relevant Period, or at least from January 2019, for other reasons: see **Row G6** below.
	G5	Without limiting **Row G1**, at all times from 16 September 2021 until the closure of the Ladbrokes Account, Entain rated [redacted] "Medium" ML/TF Risk in relation to the account.	Particulars: • At all times from 4 December 2019 to 15 September 2021, Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account. • On 16 September 2021, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Ladbrokes Account (ie, the risk rating was adjusted from "High" to "Medium"). • The decision on 16 September 2021 was made with the involvement of senior management. • The decision on 16 September 2021 was made on the basis of information provided by [redacted] in response to the formal source of wealth/source of funds inquiry process commenced from 14 September 2021, but that information did not support a reduction in the risk rating: see **Row E8** above and **Row G8** below. • A "High" ML/TF Risk rating was appropriate in relation to [redacted] Ladbrokes Account at all times from 16 September 2021: see **Rows E1–E14** above. • The decision on 16 September 2021 was not appropriately reviewed or revised prior to the closure of [redacted] Ladbrokes Account on 15 December 2022. • In the period from 16 September 2021 to the closure of [redacted] Ladbrokes Account, [redacted] deposited $351,027.24 into the account (predominantly via the Cash-

			in Terminal located where he worked) and withdrew $273,440.44 from the account.
	G6	Without limiting **Row G1**, at no time from the date on which ECDD was triggered (specifically, from 16 December 2018 or, in the alternative, from 8 January 2019) did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] on an ongoing basis, from that time.	Particulars: • Entain was under an obligation to apply the ECDD Program on an ongoing basis from the date on which there was an ECDD trigger: see paragraphs 428–429 above. • There were multiple ECDD triggers in the period prior to the Relevant Period, including in the period immediately prior to the start of the Relevant Period: – Entain gave the AUSTRAC CEO 9 SMRs pursuant to s 41 of the Act in relation to [redacted] on 15 November 2017; 30 January 2018; 27 April 2018; 1 June 2018; 6 August 2018; 28 August 2018; 10 September 2018; 17 September 2018; and 10 October 2018. – Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. – Further, at all times from 24 April 2018 to 10 October 2018, Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account. – Under the Rules, there was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules. • There were multiple ECDD triggers during the Relevant Period: – Entain gave the AUSTRAC CEO 14 SMRs pursuant to s 41 of the Act in relation to [redacted] on 8 January 2019; 19 March 2019; 2 April 2019; 26 April 2019; 8 May 2019; 4 December 2019; 6 January 2020; 10 February 2020; 11 March 2020;

			15 April 2020; 22 June 2020; 31 August 2020; 14 October 2020; and 19 April 2021. – Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. – Further, at all times from 4 December 2019 to 16 September 2021, Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account. – Under the Rules, there was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules. • As a result of the above ECDD triggers (both in the period prior to and during the Relevant Period), and in light of the continuing nature of the matters pleaded in **Row E** above, Entain was under an obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, at all times from: (i) the start of the Relevant Period (as a result of the ECDD triggers in the period prior to the Relevant Period); or in the alternative (ii) 8 January 2019 (as a result of the SMR given to the AUSTRAC CEO on that date). • The measures that Entain was required to undertake in relation to [redacted] as a result of forming a suspicion for the purposes of s 41 of the Act and/or determining that the ML/TF Risk in relation to [redacted] was high included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules. • The measures that were required were measures appropriate to a person reasonably suspected of proceeds of crime/money laundering and/or tax evasion offences, as per the 23 SMRs that Entain gave the AUSTRAC CEO pursuant to s 41 in relation to [redacted]

	G7	Without limiting **Row G1** or **Row G6**, at no time from the date on which ECDD was triggered (as per **Row G6** above) did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, including the level of transactional behaviour and the purpose, reasons for or nature of the transactional behaviour.	Particulars: • This was a measure appropriate to the circumstances that existed from the date on which ECDD was triggered (as per **Row G6** above): see r 15.10(5) of the Rules. • At all times during the Relevant Period, including at all times from January 2019, [redacted] deposited and withdrew unusually large amounts of money into and from his Ladbrokes Account, with a significant increase/escalation in deposits in calendar year 2019 and in withdrawals in calendar year 2021: see **Rows E5**, **E10** and **E14** above. • At all times during the Relevant Period, including at all times from January 2019, [redacted] transactional activity involved high value and high frequency use of potentially cash-based deposit methods, including some threshold transactions, combined with high value and high frequency use of the Entain Card and subsequent ATM withdrawals: see **Rows E6**, **E11** and **E13** above. • At all times during the Relevant Period, including at all times from January 2019, Entain had information that [redacted] transactional activity was especially unusual in that deposits were primarily made using a Cash-in Terminal located at the business that he owned/worked at: see **Row E7** above; see also **Row E9** in relation to the payment of commission. • [redacted] due diligence records do not disclose that it undertook any appropriate review, analysis or other consideration of [redacted] transactional activity, especially: (i) the high value and high frequency of deposits; (ii) the potentially cash-based nature of the deposits; and/or (iii) the fact that the deposits were primarily made using a Cash-in Terminal located at the business that he owned/worked at.

			• [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods could appropriately be described as "recreational" (Entain's assessments in this respect were conclusory and focussed wholly or primarily on betting activity, rather than transactional activity as a whole). • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, especially the "cycling" of high value and high frequency deposits with high value and high frequency withdrawals, and the cash-based or potentially cash-based transactional activity, had indicia of money laundering, dealings with the proceeds of crime and/or tax evasion.
	G8	Without limiting **Row G1** or **Row G6**, at no time from the date on which ECDD was triggered (as per **Row G6** above) did Entain: a) appropriately obtain from [redacted] or otherwise take reasonable measures to identify, information about [redacted] source of wealth/source of funds; b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds; c) appropriately verify information it had about [redacted] source of wealth/source of funds; or d) appropriately consider the ML/TF Risks relating to [redacted] known sources of wealth/sources of funds.	Particulars: • These were measures appropriate to the circumstances that existed from the date on which ECDD was triggered (as per **Row G6** above): see rr 15.10(1)(a), 15.10(1)(c), 15.10(2) and 15.10(3) of the Rules. • At all times during the Relevant Period, including at all times from January 2019, [redacted] transactional activity involved high value deposits and withdrawals into and from his Ladbrokes Account, with significant increases/escalations in particular periods, and heavy use of potentially cash-based deposit and withdrawal methods: see **Rows E5**, **E6**, **E10**, **E11**, **E13** and **E14** above. • In terms of the sufficiency of the information that Entain had about [redacted] source of wealth/source of funds, and the sufficiency of the measures taken by Entain with respect to that information, see **Row E8** above. • Without limiting **Row E8** above:

			– At no time prior to or during the Relevant Period, including at no time from January 2019, did Entain obtain (let alone confirm or verify) basic information about the success of [redacted] trading as [redacted] (of which [redacted] was the director and sole shareholder) or its capacity to support transactional activity on his Ladbrokes Account (for example, account statements, other information about revenue/profitability, information about leasing arrangements for business premises, information about other expenses, etc). – Entain did not make any appropriate inquiry about [redacted] source of wealth/source of funds with [redacted] until September 2021. – From no later than 15 September 2021, Entain had a reasonable basis to be satisfied that the transactional activity on [redacted] Ladbrokes Account (depositing, betting and withdrawing) was not consistent with or supported by his source of wealth/source of funds (from no later than this date, Entain knew that [redacted] had an annual income of between $50,000.00 and $100,000.00 and annual savings of between $1,000.00 and $49,000.00). – From October 2021 to December 2022, [redacted] deposited a further $331,627.24 into his Ladbrokes Account. – From October 2021 to December 2022, [redacted] withdrew a further $261,240.44 from his Ladbrokes Account. – At all times during the Relevant Period, Entain knew that [redacted] was the owner of the retail venue at which he was depositing money via a Cash-In Terminal. – Cash deposits using a Cash-in Terminal located at the business that [redacted] owned/worked at carried

			heightened ML/TF Risks. While the SMRs lodged by Entain with the AUSTRAC CEO from 15 November 2017 to 19 April 2021 recognised these heightened ML/TF Risks, Entain failed to take appropriate steps to mitigate and manage them, including earlier consideration of the closure of his Ladbrokes Account.
	G9	Without limiting **Row G1** or **Row G6**, at no time from the date on which ECDD was triggered (as per **Row G6** above) did Entain seek from [redacted] or otherwise take reasonable measures to clarify, the nature and purpose of [redacted] ongoing business relationship with Entain.	Particulars: • This was a measure appropriate to the circumstances that existed from the date on which ECDD was triggered (as per **Row G6** above): see r 15.10(1)(d) of the Rules. • At all times during the Relevant Period, including at all times from January 2019, [redacted] transactional activity involved high value deposits and withdrawals into and from his Ladbrokes Account, with significant increases/escalations in particular periods, and heavy use of potentially cash-based deposit and withdrawal methods: see **Rows E5**, **E6**, **E10**, **E11**, **E13** and **E14** above. • The need to clarify the nature and purpose of [redacted] ongoing business relationship with Entain arose especially from [redacted] heavy use of a Cash-in Terminal located at the business that he owned/worked at: see **Rows E7** and **E9** above. • In monitoring [redacted] Entain frequently determined that [redacted] transactional activity was or "appeared" to be "recreational", but the determinations did not reflect the totality of available information (they were focussed wholly or primarily on betting activity, rather than transactional activity as a whole) and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time.

			• In monitoring [redacted] Entain frequently determined that [redacted] deposits were or appeared to be "reinvestments" of previously withdrawn money, but the determinations did not reflect the totality of available information (or any information gaps, such as information about source of wealth/source of funds) and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, and especially the "cycling" of high value deposits with high value withdrawals, and the cash-based or potentially cash-based transactional activity, had indicia of money laundering, dealings with the proceeds of crime and/or tax evasion.
	G10	Without limiting **Row G1** or **Row G6**, at no time from the date on which ECDD was triggered (as per **Row G6** above) until December 2022 was [redacted] appropriately escalated to and/or considered by Entain's senior management, including for the purpose of determining whether to continue a business relationship with him.	Particulars: • This was a measure appropriate to the circumstances that existed from the date on which ECDD was triggered (as per **Row G6** above): see r 15.10(6) of the Rules. • Escalation to and/or consideration by senior management was appropriate in, and at regular intervals during, the whole of the Relevant Period, including at various points from January 2019, such as: – on and from 8 January 2019; – on and from 19 March 2019; – on and from 2 April 2019; – on and from 26 April 2019; – on and from 8 May 2019; – in and from August 2019; – on and from 4 December 2019; – on and from 6 January 2020;

			– on and from 10 February 2020; – on and from 11 March 2020; – on and from 15 April 2020; – on and from 22 June 2020; – on and from 31 August 2020; – on and from 14 October 2020; – on and from 19 April 2021; and – in and from September 2021. • The only occasion on which [redacted] was considered by senior management prior to the closure of his Ladbrokes Account (see below) was on 16 September 2021 and resulted in an inappropriate decision to reduce [redacted] risk rating in relation to his account from "High" to "Medium": see **Row G5** above. • At all times during the Relevant Period, including at all times from January 2019, Entain was aware of the heightened ML/TF Risk associated with [redacted] potentially cash-based deposits through the Cash-in Terminal located at the business that he owned/worked at: see **Row E7** above; see also **Row E3**. However, the Ladbrokes Account was not closed until 15 December 2022 due to the "*risk [it] pose[d] to [Entain] which was pointed out by AUSTRAC in [its] investigations*". • AUSTRAC first drew its concerns to Entain on 25 November 2022 concerning newsagent owners and employees using Cash-in Terminals at the venues they owned/worked at to fund their own betting accounts where there are risks: (i) relating to the use of cash; and (ii) in connection with another business where it could involve tax evasion or fraud.

	G11	Without limiting **Row G1** or **Row G6**, at no time from the date on which ECDD was triggered (as per **Row G6** above) did Entain suspend [redacted] Ladbrokes Account on its own initiative.	Particulars: • The Ladbrokes Account was closed on 15 December 2022 after concerns were raised by AUSTRAC on 25 November 2022. • At no time between the date on which ECDD was triggered (as per **Row G6** above) and 15 December 2022 (the date of closure) did Entain suspend [redacted] Ladbrokes Account on its own initiative. • [redacted] due diligence records do not indicate that any consideration was given to suspending the Ladbrokes Account at any point prior to concerns being raised by AUSTRAC, notwithstanding the matters indicative of high ML/TF Risk pleaded in **Row E** above. • Suspension of the Ladbrokes Account (or at least consideration of suspension) was appropriate at multiple points from January 2019: see generally **Row E** above.
	G12	Without limiting **Row G1** or **Row G6**, at no time from the date on which ECDD was triggered (as per **Row G6** above) until 15 December 2022 did Entain close the Ladbrokes Account on its own initiative.	Particulars: • The Ladbrokes Account was closed on 15 December 2022 after concerns were raised by AUSTRAC. • At no time between the date on which ECDD was triggered (as per **Row G6** above) and 15 December 2022 (the date of closure) did Entain close [redacted] Ladbrokes Account on its own initiative. • Closure of the Ladbrokes Account (or at least consideration of closure) was appropriate at multiple points from January 2019: see generally **Row E** above.

SCHEDULE 5: [redacted]

A: customer		[redacted] [redacted]	
B: account(s)		**Ladbrokes Account (opened in the pseudonym** [redacted]**)** • [redacted] • Opened date: [redacted] 2018 • Closed date: [redacted] 2020	
C: summary of transactional activity by account		**Ladbrokes Account** • Lifetime deposits: $2,208,525.00, approximately $662,330.00 of which was during the Relevant Period • Lifetime turnover: $18,022,425.00, approximately $8,364,396.00 of which was during the Relevant Period • Lifetime withdrawals: $1,450,015.00, approximately $377,000.00 of which was during the Relevant Period	
D: date in Relevant Period on and from which matters indicative of high ML/TF Risk existed		16 December 2018	
E: list of matters indicative of high ML/TF Risk	**E1**	At all times prior to the Relevant Period, [redacted] deposited and withdrew unusually large amounts of money into and from his Ladbrokes Account.	Particulars: • From [redacted] to 15 December 2018, [redacted] deposited $1,546,195.00 into his Ladbrokes Account (an average of approximately $243,309.87 per month for this period). • From [redacted] to 15 December 2018, [redacted] withdrew $1,073,015.00 from his Ladbrokes Account (an average of approximately $195,667.44 per month for this period). • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits

			and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E2	From [redacted] 2018 until the closure of his Ladbrokes Account, [redacted] was permitted to operate an account with a pseudonym.	Particulars: • [redacted] Ladbrokes Account was opened on [redacted] 2018 and remained open until [redacted] 2020. It was the only account that [redacted] transacted on in the Relevant Period. • [redacted] Ladbrokes Account was opened in a pseudonym [redacted]. • The purpose of a pseudonym was to afford the customer some level of "privacy" or "anonymity" and specifically to prevent former [redacted] employees working at Ladbrokes from having knowledge of the account, given [redacted] had previously been a customer of [redacted]. • While Entain held a record of the legal name of a customer holding an account in a pseudonym, the systems and controls in its "Part A Program" applying to accounts applied to the pseudonym: see paragraph 340 above; see also paragraphs 182–187. • From March 2021, Entain's "ECDD Procedure" provided that new betting accounts for customers who made a request to Entain to be listed in Entain's betting platform under a pseudonym were to "to be flagged" as "High" ML/TF Risk. • On 25 September 2018, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] pseudonym, [redacted]. The SMR listed the "offence type" as "person/agent is not who they claim to be" and "reasons for suspicion" as "unusually large transfer". The "grounds for suspicion" were further stated to be that [redacted], being [redacted] pseudonym, had recorded a high level of deposits and losses and that Entain had been advised that he was a [redacted].

	E3	In the period prior to the Relevant Period (specifically, from August 2018), there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his Ladbrokes Account, amounting to an unusual pattern of transactions.	Particulars: • From June to July 2018, [redacted] deposited $137,760.00 into his Ladbrokes Account (an average of $68,880.00 per month for this period). • From August to 15 December 2018, [redacted] deposited $1,408,435.00 into his Ladbrokes Account (an average of approximately $314,111.40 per month for this period). • Particularly large deposits were made in August 2018 ($359,740.00) and September 2018 ($889,935.00). • The increase in percentage terms in the average monthly deposit in the period August to 15 December 2018 as compared to the period June to July 2018 was approximately 356%. • In July 2018, [redacted] withdrew $15,000.00 from his Ladbrokes Account. • From August to 15 December 2018, [redacted] withdrew $1,058,015.00 from his Ladbrokes Account (an average of approximately $235,960.18 per month for this period). • Particularly large withdrawals were made in September 2018 ($498,000.00). • The increase in percentage terms in the average monthly withdrawal in the period August to 15 December 2018 as compared to July 2018 was approximately 1473%. • From August to 15 December 2018: – [redacted] was listed in Entain's High Value Transaction Report on at least 3 occasions. – [redacted] deposited $50,000.00 or more in a week on 7 occasions (for weeks ending in this period). – [redacted] deposited $10,000.00 or more in a day on 23 occasions.

			– [redacted] withdrew $50,000.00 or more in a week on 6 occasions (for weeks ending in this period). – [redacted] withdrew $10,000.00 or more in a day on 14 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E4	At all times during the Relevant Period, [redacted] deposited unusually large amounts of money into his Ladbrokes Account.	Particulars: • While the amounts deposited during the Relevant Period were at all times unusually large, there was a significant increase/escalation in the amounts deposited to his Ladbrokes Account in February 2020: see **Row E9** below. • From 16 December 2018 to 31 December 2018, [redacted] deposited $66,490.00 into his Ladbrokes Account. • In 2019: – [redacted] was listed in Entain's High Value Transaction Report on at least 2 occasions. – [redacted] deposited $317,420.00 into his Ladbrokes Account (an average of $26,451.67 per month). – [redacted] deposited $50,000.00 or more in a week on 2 occasions. – [redacted] deposited $10,000.00 or more in a day on 6 occasions. • From January 2020 to March 2020: – [redacted] deposited $278,420.00 into his Ladbrokes Account (an average of $92,806.67 per month for this period).

			– [redacted] was listed in Entain's High Value Transaction Report on at least 6 occasions. – [redacted] deposited $50,000.00 or more in a week on 2 occasions. – [redacted] deposited $10,000.00 or more in a day on 12 occasions. • The amounts of money being deposited by [redacted] were materially above average total annual deposits for Entain's customers in the Relevant Period: see Schedule A above.
	E5	During the Relevant Period, (specifically, from 16 December 2018 to January 2019 and from January 2020 to March 2020) [redacted] withdrew unusually large amounts of money from his Ladbrokes Account.	Particulars: • While the amounts withdrawn during the Relevant Period were unusually large from 16 December 2018 to January 2019 and from January 2020 to March 2020, there were significant increases/escalations in the amounts withdrawn from his Ladbrokes Account from January 2020: see **Row E8** below. • From 16 December 2018 to January 2019: – [redacted] withdrew $46,000.00 from his Ladbrokes Account (an average of $23,000.00 per month in this period). – [redacted] withdrew $10,000.00 or more in a day on 2 occasions. • From January 2020 to March 2020: – [redacted] withdrew $331,000.00 from his Ladbrokes Account (an average of $110,333.33 per month for this period). – [redacted] was listed in Entain's High Value Transaction Report on at least 6 occasions. – [redacted] withdrew $50,000.00 or more in a week on 2 occasions. – [redacted] withdrew $10,000.00 or more in a day on 4 occasions.

			• The amounts of money being withdrawn by [redacted] were materially above average total annual withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E6	At all times during the Relevant Period, Entain did not have sufficient information about [redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that the transactional activity on [redacted] Ladbrokes Account (depositing, betting and withdrawing) was consistent with or supported by his source of wealth/source of funds.	Particulars: • While the information that Entain had about [redacted] source of wealth/source of funds changed over time, at no time during the Relevant Period was it sufficient. • Entain could have obtained information about [redacted] source of wealth/source of funds from (at least) public/external sources and [redacted] himself. • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from public/external sources and/or [redacted] BDM, it did not obtain sufficient information: – Information obtained from [redacted] BDM was not confirmed or verified (for example, claims by [redacted] BDM on [redacted] 2018 that [redacted] was "gambling within his means" and had "no issues" were never substantiated by obtaining bank account statements or similar). – In particular, Entain obtained information from [redacted] BDM on [redacted] 2018 that [redacted] was the [redacted], but this information was not confirmed or verified (either with [redacted] or otherwise) and, on [redacted] 2019, Entain obtained information through open source searches that [redacted] was instead the [redacted]. – Entain never verified whether [redacted] was in fact a [redacted]. Rather, Entain, assumed that [redacted] earning capacity could be substantial, noting in [redacted] due diligence records that

			the average base salary of a [redacted] was $130,000.00 and that bonuses could be lucrative. – Information available from public sources suggested that the role of [redacted] was held by [redacted], being [redacted] pseudonym. – From October 2019 to the date [redacted] Ladbrokes Account was closed, Entain obtained no additional substantive information about [redacted] source of wealth/source of funds from publicly available sources or any information from [redacted] himself.
	E7	By [redacted] 2019, Entain knew that information it had identified about [redacted] source of wealth/source of funds (provided by [redacted] BDM) was false or incorrect — specifically, Entain knew that [redacted] was not the [redacted] but instead a [redacted].	Particulars: • On [redacted] 2018, Entain recorded in [redacted] customer due diligence records that he was the [redacted] "as advised by BDM [redacted]". • On [redacted] 2019, Entain recorded in [redacted] customer due diligence records that it was "not correct" that [redacted] was the [redacted], but that he was instead a [redacted] according to information available from public sources. • Information available from public sources suggests that the role of [redacted] was held by [redacted], being [redacted] pseudonym.
	E8	In 2020 (specifically, from January to March 2020), there was a material change in [redacted] withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] withdrew from his Ladbrokes Account, amounting to an unusual pattern of transactions.	Particulars: • From February to December 2019, [redacted] did not make any withdrawals from his Ladbrokes Account. • From January to March 2020, [redacted] withdrew $331,000.00 from his Ladbrokes Account (an average of $110,333.33 per month for this period). • From January to March 2020:

			– [redacted] was listed in Entain's High Value Transaction Report on at least 6 occasions. – [redacted] withdrew $50,000.00 or more in a week on 2 occasions. – [redacted] withdrew $10,000.00 or more in a day on 4 occasions. • The amounts of money being withdrawn by [redacted] were materially above average total annual withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E9	In 2020 (specifically, in February 2020), there was a material change in [redacted] depositing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into his Ladbrokes Account, amounting to an unusual pattern of transactions.	Particulars: • In 2019, [redacted] deposited $317,420.00 into his Ladbrokes Account (an average of $26,451.67 per month). • In 2020, [redacted] deposited $278,420.00 into his Ladbrokes Account (an average of $92,806.67 per month, which amounted to an increase of approximately 251% on the monthly average for 2019). • Of the $278,420.00 [redacted] deposited to his Ladbrokes Account in 2020, $212,300.00 was deposited in February 2020 (which amounted to an increase of approximately 703% compared to the monthly average for 2019). • From January 2020 to March 2020: – [redacted] was listed in Entain's High Value Transaction Report on at least 6 occasions, including on 3 occasions in February 2020. – [redacted] deposited $50,000.00 or more in a week on 2 occasions, on both occasions for deposits made solely in February 2020. – [redacted] deposited $10,000.00 or more in a day on 12 occasions, including on 7 occasions in February 2020.

			• The amounts of money being deposited by [redacted] in February 2020 were materially above average total annual deposits for Entain's customers in the Relevant Period: see Schedule A above.
	E10	In mid-2020, [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences — [redacted].	Particulars: • Information about the charges was available in media and/or other public sources from no later than [redacted] 2020. • This information indicated that: – [redacted] had lost over $[redacted] million with several online betting agencies. – The source of the funds and how they were obtained by [redacted] were the subject of a [redacted] investigation. – [redacted] annual income at the time was around $130,000.00. – [redacted], offered bonus bets for him to become a Ladbrokes customer, and [redacted] by setting up the account in a different name (being [redacted]) and without him providing identification. – [redacted] disclosed to the representative that: (i) his account with [redacted] had been frozen; (ii) [redacted] never read or signed up to Ladbrokes' terms and conditions; and (iii) [redacted] was never asked for identification or proof of income.
	E11	In January 2021, a law enforcement agency made an inquiry with Entain about [redacted]	Particulars: • The nature of the inquiry was not disclosed in Entain's Compliance Information Requests Register.
	E12	In [redacted] 2021, Entain was notified that [redacted] had been declared bankrupt.	Particulars: • On [redacted] 2021, Entain received a notification that [redacted] had been declared bankrupt on [redacted].

	E13	In [redacted] 2021, [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences — [redacted] counts of dishonestly obtaining a financial advantage by deception and [redacted] of knowingly dealing with the proceeds of crime.	Particulars: • Information about the charges was available in media and/or other public sources from no later than [redacted] 2021.
	E14	In mid-2021, [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences — [redacted].	Particulars: • Information about the ban was available in public sources from no later than [redacted] 2021.
	E15	In [redacted] 2023, [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences — [redacted] dishonestly obtaining a financial advantage by deception [redacted], and sentenced him to an aggregate term of imprisonment of [redacted], with a non-parole period of [redacted].	Particulars: • Information about the conviction was available in public sources from no later than [redacted] 2023. • This open source information indicated that: – [redacted] crimes involved frauds of significant sums of money ranging between $[redacted] $[redacted] and occurred in the period from [redacted]. – The total amount of his individual frauds was $[redacted] (being the amount of [redacted] received from [redacted]). – [redacted] account was closed in [redacted].

			– [redacted] – [redacted] – In the period from June 2014 to March 2020, [redacted] total loss to Ladbrokes and Sportsbet was in an amount of $4,418,353.08. • Relevantly, the [redacted] found: – [redacted] see **Row E1** above. – [redacted] see **Row E1** above. – [redacted] see **Rows E1**, **E4** and **E5** above. – [redacted]

			[redacted] see **Rows E1**, **E4** and **E5** above. – [redacted] see **Rows E1**, **E3**, **E4** and **E5** above. – [redacted]: see **Row E1** above. – [redacted] see **Rows E1**, **E4** and **E5** above. – [redacted] see **Rows E4**, **E5** and **E8** above. – [redacted] see **Row E4** above.

			– [redacted] see **Rows E4**, **E5**, **E8** and **E9** above. – [redacted] see **Rows E4**, **E5**, **E8** and **E9** above. – [redacted] see **Rows E4**, **E5**, **E8** and **E9** above.
	E16	In mid-2024, [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences — [redacted]	Particulars: • Information about the decision was available in public sources from no later than [redacted] 2024.
F: dates on and from which monitoring failures existed and contraventions of s 36 occurred	**F1**	16 December 2018	Particulars: • See paragraph 433 above.
	F2	16 December 2018	Particulars: • See **Row G** below, especially **Rows G1–G3**.
	F3	24 December 2018	Particulars: • See **Row G** below, especially **Rows G4–G9**.

G: list of particular monitoring failures	**G1**	At no time during the Relevant Period did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in **Row E** above.
	G2	Without limiting **Row G1**, at no time did Entain rate [redacted] "High" ML/TF Risk.	Particulars: • [redacted] Ladbrokes Account was rated "Not Rated" from [redacted] 2018 until 26 June 2018. • [redacted] Ladbrokes Account was rated "Low" risk from 26 June 2018 until 25 February 2020. • [redacted] Ladbrokes Account was rated "Medium" risk from 25 February 2020 until [redacted] 2020. • On [redacted] 2020, the risk rating for [redacted] Ladbrokes Account was adjusted to "Low" as the account had been permanently self-excluded. • A "High" ML/TF Risk rating was appropriate at all times during the Relevant Period: see **Row E** above. • If [redacted] had been rated "High" ML/TF Risk during the Relevant Period, Entain would have been required to apply the ECDD Program: s 36(1) of the Act and rr 8.1.3–8.1.5 and Chapter 15 (especially rr 15.8–15.11) of the Rules.
	G3	Without limiting **Row G1**, from June 2018 until the closure of his Ladbrokes Account, [redacted] was assigned a BDM.	Particulars: • In around June 2018, [redacted] introduced [redacted] to Entain. • From [redacted] 2018, [redacted] was assigned [redacted] as his BDM. • The BDM remained [redacted] BDM until the closure of his Ladbrokes Account on [redacted] 2020. • A BDM received a commission for deposits made by a customer that they managed, which resulted in a conflict of interest and created a risk that the systems and controls in

			Entain's "Part A Program" would not be applied appropriately or impartially to [redacted] see paragraphs 171–172 and 175–176 above. • This risk manifested in various ways during the period in which [redacted] had an open account with Entain, including (but not limited to) the fact that (i) [redacted] BDM provided unreliable information in relation to [redacted] source of wealth/source of funds; and (ii) [redacted] BDM advised [redacted] that his Ladbrokes Account could be opened in the name of a pseudonym.
	G4	Without limiting **Row G1**, at no time from the date on which ECDD was triggered (specifically, from 24 December 2018) did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] on an ongoing basis, from that time.	Particulars: • Between 17 and 23 December 2018, [redacted] deposited more than $50,000.00 into his Ladbrokes Account — specifically, $61,090.00 was deposited in this period. • Under Entain's "ECDD Procedure", a customer's account was to be flagged as High ML/TF Risk when the customer's deposits were $50,000.00 or more in a week and: – the customer's betting/transacting activity did not match their customer profile based on the information Entain knew about them; or – the customer's source of wealth/source of funds were unknown; or – the customer was suspected of being linked to criminal activities or there was a suspicion that the customer's funds were the proceeds of crime: see paragraph 197(a) above. • [redacted] should have been rated "High" ML/TF Risk on or about 24 December 2018 and Entain should have been required to apply the ECDD Program from that time: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules. • Entain was under an obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, at

			all times from the date on which there was an ECDD trigger: see paragraphs 428–429 above. • Further, prior to the Relevant Period, on 25 September 2018, Entain had given the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] pseudonym, [redacted]. • Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. • The measures that Entain was required to undertake in relation to [redacted] as a result of forming a suspicion for the purposes of s 41 of the Act and/or determining that the ML/TF Risk in relation to [redacted] was high included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules.
	G5	Without limiting **Row G1** or **Row G4**, at no time from 24 December 2018 did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, including the level of transactional behaviour and the purpose, reasons for or nature of the transactional behaviour.	Particulars: • This was a measure appropriate to the circumstances that existed from 24 December 2018: see r 15.10(5) of the Rules. • At all times during the Relevant Period, [redacted] deposited unusually large amounts of money into his Ladbrokes Account: see **Row E4** above. • During the Relevant Period, from 16 December 2018 to January 2019 and from January to March 2020, [redacted] withdrew unusually large amounts of money from his Ladbrokes Account: see **Row E5** above. • There were significant increases/escalations in the amounts withdrawn from his Ladbrokes Account from January 2020 and deposited to his Ladbrokes Account in February 2020: see **Rows E8–E9** above. • [redacted] was listed in Entain's High Value Transaction Report on 8 occasions from 6 October 2019, demonstrating that

			Entain identified that he deposited large amounts of money into his Ladbrokes Account from this time, but Entain did not undertake any measures to mitigate and manage the ML/TF Risk indicated by this transactional behaviour. • By reason of the deficiencies in Entain's "Part A Program" at no time during the Relevant Period did Entain determine that [redacted] was high ML/TF Risk or give an SMR to the AUSTRAC CEO.
	G6	Without limiting **Row G1** or **Row G4**, at no time from 24 December 2018 did Entain: a) appropriately obtain from [redacted] or otherwise take reasonable measures to identify, information about [redacted] source of wealth/source of funds; or b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds; c) appropriately verify information it had about [redacted] source of wealth/source of funds; or d) appropriately consider the ML/TF Risks relating to [redacted] sources of wealth/sources of funds.	Particulars: • These were measures appropriate to the circumstances that existed from 24 December 2018: see rr 15.10(1)(a), 15.10(1)(c), 15.10(2) and 15.10(3) of the Rules. • At all times during the Relevant Period, [redacted] transactional activity involved high value deposits into his Ladbrokes Account, with significant increases/escalations in particular periods: see **Rows E4** and **E9** above. • During the Relevant Period, from 16 December 2018 to January 2019 and January to March 2020, [redacted] transactional activity involved high value withdrawals from his Ladbrokes Account, with significant increases/escalations in particular periods: see **Rows E5** and **E8** above. • From at least 21 September 2018, Entain knew that [redacted] had previously recorded large losses at [redacted]. • In terms of the sufficiency of the information that Entain had about [redacted] source of wealth/source of funds, and the sufficiency of the measures taken by Entain with respect to that information: see **Row E6** above. • Without limiting **Row E6** above: – At no time during the Relevant Period did Entain make any inquiry with [redacted] about his source of wealth/source of funds.

			– From at least [redacted] 2019, Entain knew that the information provided by [redacted] BDM with respect to [redacted] source of wealth/source of funds was false or incorrect — specifically, Entain knew that [redacted] was not [redacted]. – Entain knew that someone with the same name as [redacted] was [redacted], but assumed rather than confirmed or verified that: (i) this was the same person as [redacted] (ii) the earning capacity of a [redacted] according to open source explained that [redacted] source of wealth/source of funds was consistent with the transactional activity on his accounts. – [redacted] – [redacted]
	G7	Without limiting **Row G1** or **Row G4**, at no time from 24 December 2018 did Entain seek from [redacted] or otherwise take reasonable measures to clarify, the nature and purpose of [redacted] ongoing business relationship with Entain.	Particulars: • This was a measure appropriate to the circumstances that existed from 24 December 2018: see r 15.10(1)(d) of the Rules. • [redacted] due diligence records do not record any consideration by Entain of the nature and purpose of [redacted] ongoing business relationship with it.
	G8	Without limiting **Row G1** or **Row G4**, at no time from 24 December 2018 was [redacted] appropriately escalated to and/or considered by Entain's senior management, including for the purpose of determining whether to continue a business relationship with him.	Particulars: • This was a measure appropriate to the circumstances that existed from 24 December 2018: see r 15.10(6) of the Rules.

			• Escalation and/or consideration by senior management was appropriate in, and at regular intervals from 24 December 2018, including: – in and from October 2019; – in and from February 2020. • [redacted] due diligence records do not record any consideration given by Entain to escalating [redacted] Ladbrokes Account to its senior management.
	G9	Without limiting **Row G1** or **Row G4**, at no time from 24 December 2018 did Entain close [redacted] Ladbrokes Account on its own initiative.	Particulars: • [redacted] Ladbrokes Account was closed on [redacted] 2020 at his request. • Entain noted in its due diligence records that [redacted] had been permanently self-excluded. • Closure of [redacted] Ladbrokes Account (or at least consideration of closure) was appropriate at multiple points from 24 December 2018 due to [redacted] transactional activity that involved high value deposits into his Ladbrokes Account and as Entain had not confirmed or verified [redacted] source of wealth/source of funds.

SCHEDULE 6: [redacted]

A: customer		[redacted]	
B: account(s)	**B1**	**First Account (Ladbrokes)** • [redacted] • Opened date: 6 November 2018 • Closed date: 28 February 2022	
	B2	**Second Account (Neds)** • [redacted] • Opened date: 27 July 2019 • Closed date: 28 February 2022	
C: summary of transactional activity by account	**C1**	**First Account (Ladbrokes)** • Lifetime deposits: $5,975,465.14, approximately $5,973,565.14 of which was during the Relevant Period • Lifetime turnover: $17,924,820.28, approximately $17,915,477.60 of which was during the Relevant Period • Lifetime withdrawals: $4,820,430.44, approximately $4,813,429.61 was during the Relevant Period	
	C2	**Second Account (Neds)** • Lifetime deposits: $1,402,702.02, all of which was during the Relevant Period • Lifetime turnover: $4,424,039.94, all of which was during the Relevant Period • Lifetime withdrawals: $1,076,194.90, all of which was during the Relevant Period	
D: date in Relevant Period on and from which matters indicative of high ML/TF Risk existed		16 December 2018	
E: list of matters indicative of high ML/TF Risk	**E1**	In the period prior to the Relevant Period (specifically, in November 2018), money was deposited into [redacted] First Account	Particulars: • In November 2018 (and at all times during the Relevant Period), third party deposits were prohibited by the

		(Ladbrokes) in breach of the terms and conditions that Entain applied to its accounts — specifically, money was deposited into the First Account (Ladbrokes) using a third party funding source.	standard terms and conditions that Entain applied to its accounts: cl 10.1(e) / cl 11.1(e) (from 27 September 2023) of Entain's Terms and Conditions. • On 6 November 2018, 2 deposits totalling $1,900.00 were made by PayPal, and the only PayPal account linked to [redacted] First Account (Ladbrokes) was in the name of [redacted] (the deposits were "accepted" by Entain). • The email address associated with the PayPal account linked to [redacted] First Account (Ladbrokes) and used to make the deposits on 6 November 2018 was different to the email address Entain reported as belonging to [redacted] in SMRs it gave to the AUSTRAC CEO pursuant to s 41 of the Act: see SMRs dated 27 August 2019; 11 September 2019; 12 December 2019; 18 March 2020; 15 April 2020; 26 May 2020; 20 October 2020; 28 January 2021; 3 September 2021; 11 October 2021; 12 October 2021. • [redacted] opened a Ladbrokes account on 6 November 2018 (the same day as [redacted] opened the First Account (Ladbrokes)), with a different date of birth and mobile phone number to [redacted]
	E2	In April 2019, there were attempts to deposit money into [redacted] First Account (Ladbrokes) in breach of the terms and conditions that Entain applied to its accounts — specifically, there were attempts to deposit money into the First Account (Ladbrokes) using a third party funding source.	Particulars: • At all times during the Relevant Period, third party deposits were prohibited by the standard terms and conditions that Entain applied to its accounts: cl 10.1(e) / cl 11.1(e) (from 27 September 2023) of Entain's Terms and Conditions. • On 7 April 2019, 3 deposits totalling $3,000.00 were attempted to be made from a PayPal account, and the only PayPal account linked to [redacted] First Account (Ladbrokes) was in the name of [redacted] (the deposits were "rejected" by Entain). • The email address associated with the PayPal account linked to [redacted] First Account (Ladbrokes) and used to

			make the attempted deposits on 7 April 2019 was different to the email address Entain reported as belonging to [redacted] in SMRs it gave to the AUSTRAC CEO pursuant to s 41 of the Act: see SMRs dated 27 August 2019; 11 September 2019; 12 December 2019; 18 March 2020; 15 April 2020; 26 May 2020; 20 October 2020; 28 January 2021; 3 September 2021; 11 October 2021; 12 October 2021. • [redacted] opened a Ladbrokes account on 6 November 2018 (the same day as [redacted] opened the First Account (Ladbrokes)), with a different date of birth and mobile phone number to [redacted]
	E3	From around 14 May 2019 until 9 August 2021, [redacted] was an Affiliate Customer of a person [redacted] in respect of whom matters indicative of high ML/TF Risk existed.	Particulars: • During the Relevant Period, Affiliates were contracted by Entain to promote Entain brands (principally through online advertising on Affiliate websites, offline marketing, social networking, etc) and introduce new customers to Entain brands. • Affiliates were paid a monthly commission based on a percentage of net revenue received from Entain according to Affiliate Customer activity, where the Affiliate Customer was linked to the Affiliate by a unique tracking code. • Depending on the transactional activity of their Affiliate Customers, Affiliates could make a significant amount of money by virtue of the monthly commission paid by Entain. • [redacted] was an Affiliate Customer of [redacted] in respect of the First Account (Ladbrokes) from around 14 May 2019. • [redacted] was an Affiliate Customer of [redacted] in respect of the Second Account (Neds) from 27 July 2019. • Entain noted that [redacted] was an Affiliate Customer of [redacted] ("links to [redacted]") by no later than 13 June 2019, when the matter was mentioned in [redacted] due diligence records (the very first due diligence record created in

			respect of [redacted]). • Entain noted that [redacted] "has links to [redacted] who we have previously reported on" in the first SMR that it gave to the AUSTRAC CEO pursuant to s 41 of the Act in relation to [redacted] • For the matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] see the **schedule for** [redacted] • Without limiting the schedule for [redacted] – From about 21 April 2019, Entain had information indicating that [redacted] had accessed, operated or used (or attempted to access, operate or use) the accounts of other persons, including his Affiliate Customers. – By no later than [redacted]: (i) Entain was aware that [redacted] had been charged with serious criminal offences, including [redacted] a [redacted] at gunpoint to [redacted] the [redacted] about where to find a man who owed [redacted] money from a drug deal; (ii) Entain had formed a suspicion that the money being deposited into [redacted] accounts could potentially be the proceeds of crime; and (iii) Entain had given the AUSTRAC CEO 5 SMRs pursuant to s 41 of the Act in relation to [redacted] – By no later than 24 April 2020, Entain was aware through a BDM who managed both [redacted] and [redacted] that [redacted] was monitoring [redacted] betting activity. – By no later than 11 June 2021, Entain had closed all of [redacted] accounts due to ML/TF Risk (although [redacted] remained an Affiliate). – By no later than 6 July 2021, Entain was aware that [redacted] was one of [redacted] "top 10 clients" in respect of both his First Account (Ladbrokes) and his Second Account (Neds). – By no later than 12 October 2021, Entain was aware

			that at least 6 other persons who were Affiliate Customers of [redacted] with whom [redacted] had some association, were persons in respect of whom matters indicative of high ML/TF Risk existed: see further **Rows E18–E19** below.
	E4	In 2019 (specifically, from May 2019), there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the First Account (Ladbrokes), amounting to an unusual pattern of transactions.	Particulars: • Deposits: – In November 2018, $1,900.00 was deposited into the First Account (Ladbrokes) (the deposit was made from a third party source: see **Row E1** above). – From December 2018 to April 2019, [redacted] deposited $0 (nothing) into the First Account (Ladbrokes) (there were attempts to deposit $3,000.00 in this period from a third party source, but the deposits were "rejected": see **Row E2** above). – From May to December 2019, [redacted] deposited $1,281,500.00 into the First Account (Ladbrokes) (an average of $160,187.50 per month). • Withdrawals: – In November 2018, [redacted] withdrew $7,000.83 from the First Account (Ladbrokes). – From December 2018 to April 2019, [redacted] withdrew $0 (nothing) from the First Account (Ladbrokes). – From May to December 2019, [redacted] withdrew $762,365.61 from the First Account (Ladbrokes) (an average of $95,295.70 per month). • The sudden increase/escalation in deposits commenced from May 2019, with particularly large deposits in July 2019 ($179,000.00), September 2019 ($287,500.00) and November 2019 ($221,350.00). • The sudden increase/escalation in withdrawals commenced from May 2019, with particularly large

			withdrawals in August 2019 ($113,500.00), September 2019 ($105,000.00) and October 2019 ($193,000.00). • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E5	At all times from mid-2019, [redacted] deposited and withdrew unusually large amounts of money into and from his accounts.	Particulars: • The deposit and withdrawal of unusually large amounts of money commenced in May 2019 for the First Account (Ladbrokes) and July 2019 for the Second Account (Neds) (the latter was only opened on 27 July 2019: see **Row B2** above). • While the amounts of money deposited into and withdrawn from the First Account (Ladbrokes) and the Second Account (Neds) were at all times unusually large, there were significant increases/escalations in particular periods, such as March to May 2020, March 2021, May 2021, August to September 2021 and December 2021 to January 2022: see **Rows E11**, **E13**, **E16**, **E17** and **E20** below. • While the amounts of money deposited into and withdrawn from the Second Account (Neds) were smaller than the amounts deposited into and withdrawn from the First Account (Ladbrokes), they were nevertheless at all times unusually large and there was a significant increase/escalation from 2020 to 2021: see **Row E12** below. • From mid-2019 to the end of 2019: – [redacted] deposited $1,281,500.00 into the First Account (Ladbrokes) from May to December 2019 (an average of

			$160,187.50 per month for this period) and $155,000.00 into the Second Account (Neds) from July to December 2019 (an average of $25,833.33 per month for this period), for a total of $1,436,500.00 in deposits. – [redacted] withdrew $762,365.61 from the First Account (Ladbrokes) from May to December 2019 (an average of $95,295.70 per month for this period) and withdrew $50,000.00 from the Second Account (Neds) from July to December 2019 (an average of $8,333.33 per month for this period), for a total of $812,365.61 in withdrawals. – [redacted] was listed in Entain's High Value Transaction Report on at least 10 occasions. – [redacted] deposited $50,000.00 or more in a week (across all accounts) on 10 occasions. – [redacted] deposited $10,000.00 or more in a day (across all accounts) on 67 occasions. – [redacted] withdrew $50,000.00 or more in a week (across all accounts) on 5 occasions. – [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 30 occasions. • In 2020: – [redacted] deposited $2,145,456.00 into the First Account (Ladbrokes) (an average of $178,788.00 per month) and $309,697.00 into the Second Account (Neds) (an average of $25,808.08 per month), for a total of $2,455,153.00 in deposits (an average of $204,596.08 per month across both accounts). – [redacted] withdrew $2,008,000.00 from the First Account (Ladbrokes) (an average of $167,333.33 per month) and $245,750.00 from the Second Account (Neds) (an average of $20,479.17 per month), for a total of $2,253,750.00 in withdrawals (an average of $187,812.50 per month across both accounts).

			– [redacted] was listed in Entain's High Value Transaction Report on at least 22 occasions. – [redacted] deposited $50,000.00 or more in a week (across all accounts) on 17 occasions. – [redacted] deposited $10,000.00 or more in a day (across all accounts) on 96 occasions. – [redacted] withdrew $50,000.00 or more in a week (across all accounts) on 20 occasions. – [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 71 occasions. • In 2021: – [redacted] deposited $2,097,619.14 into the First Account (Ladbrokes) (an average of $174,801.60 per month) and $870,505.02 into the Second Account (Neds) (an average of $72,542.09 per month), for a total of $2,968,124.16 in deposits (an average of $247,343.68 per month across both accounts). – [redacted] withdrew $1,757,064.00 from the First Account (Ladbrokes) (an average of $146,422.00 per month) and $595,444.90 from the Second Account (Neds) (an average of $49,620.41 per month), for a total of $2,352,508.90 in withdrawals (an average of $196,042.41 per month across both accounts). – [redacted] was listed in Entain's High Value Transaction Report on at least 27 occasions. – [redacted] deposited $50,000.00 or more in a week (across all accounts) on 23 occasions. – [redacted] deposited $10,000.00 or more in a day (across all accounts) on 109 occasions. – [redacted] withdrew $50,000.00 or more in a week (across all accounts) on 22 occasions. – [redacted] withdrew $10,000.00 or more in a day (across

			all accounts) on 72 occasions. • In January to February 2022: – [redacted] deposited $448,990.00 into the First Account (Ladbrokes) (an average of $224,495.00 per month) and $67,500.00 into the Second Account (Neds) (an average of $33,750.00 per month), for a total of $516,490.00 in deposits (an average of $258,245.00 per month across both accounts). – [redacted] withdrew $286,000.00 from the First Account (Ladbrokes) (an average of $143,000.00 per month) and $185,000.00 from the Second Account (Neds) (an average of $92,500.00 per month), for a total of $471,000.00 in withdrawals (an average of $235,500.00 per month across both accounts). – [redacted] was listed in Entain's High Value Transaction Report on at least 5 occasions. – [redacted] deposited $50,000.00 or more in a week (across all accounts) on 4 occasions. – [redacted] deposited $10,000.00 or more in a day (across all accounts) on 12 occasions. – [redacted] withdrew $50,000.00 or more in a week (across all accounts) on 5 occasions. – [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 10 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.

	E6	At all times from mid-2019, [redacted] deposited and withdrew money into and from his accounts with high frequency.	Particulars: • From mid-2019 to the end of 2019: – [redacted] made approximately 290 approved deposits (across all accounts) (an average of approximately 41 per month or 9 per week). – [redacted] made approximately ~~30~~ 32 approved withdrawals (across all accounts) (an average of approximately 4 per month or 1 per week). • In 2020: – [redacted] made approximately 1,347 approved deposits (across all accounts) (an average ofapproximately 112 per month or 25 per week). – [redacted] made approximately 99 approved withdrawals (across all accounts) (an average of approximately 8 per month or 2 per week). • In 2021: – [redacted] made approximately 1,164 approved deposits (across all accounts) (an average of approximately 97 per month or 22 per week). – [redacted] made approximately 92 approved withdrawals (across all accounts) (an average of approximately 7 per month or 1–2 per week). • In January to February 2022: – [redacted] made approximately 130 approved deposits (across all accounts) (an average of approximately 65 per month or 16 per week). – [redacted] made approximately 14 approved withdrawals (across all accounts) (an average of approximately 7 per month or 1–2 per week).
	E7	By no later than June 2019, Entain had information indicating that there was a risk that [redacted] was not the sole operator/user of his	Particulars: • On 26 June 2019, Entain gave the AUSTRAC CEO an

		accounts — specifically, Entain had information indicating that [redacted] Affiliate [redacted] was operating the accounts of other persons, including some of his Affiliate Customers.	SMR pursuant to s 41 of the Act that reported, among other things, that [redacted] may have been operating other people's accounts (or accounts in other people's names) to launder money or evade tax (these people included some of his Affiliate Customers). • Entain gave the AUSTRAC CEO further SMRs to similar effect at later dates: for example, on 10 October 2019 and 17 October 2019. • The due diligence records of other customers indicate that Entain began to form suspicions about whether [redacted] had accessed, operated or used (or attempted to access, operate or use) the accounts of other persons, including some of his Affiliate Customers, from about 21 April 2019.
	E8	At all times: a) during the Relevant Period; or b) in the alternative, from mid-2019; Entain did not have sufficient information about [redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that the transactional activity on [redacted] accounts (depositing, betting and withdrawing) was consistent with or supported by [redacted] source of wealth/source of funds.	Particulars: • While the information that Entain had about [redacted] source of wealth/source of funds changed over time, at no time during the Relevant Period was it sufficient to reach the necessary satisfaction. • Entain could have obtained information about [redacted] source of wealth/source of funds from (at least) public/external sources and [redacted] himself. • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from [redacted] it did not do so with sufficient promptness: – Prior to 18 September 2019, Entain obtained no substantive information about [redacted] source of wealth/source of funds from [redacted] (by this time, [redacted] had deposited over $532,500.00 into his accounts over about 4 months). – Prior to 16 March 2021, Entain did not commence any formal source of wealth/source of funds inquiry process with [redacted] (by this time, [redacted] had deposited over $4,175,962.00 over about 2 years).

			• To the extent that Entain obtained information about [redacted] source of wealth/source of funds from public/external sources and/or [redacted] it did not obtain sufficient information to reach the necessary satisfaction: – Entain obtained information indicating that the residential property linked to [redacted] accounts was owned by someone with the same surname as [redacted] but never obtained information indicating that the property was owned by [redacted] himself (for example, a title search). – [redacted] claimed to be a director or owner of [redacted] (a family business), but ASIC searches confirmed that this was false or incorrect (provision of false or incorrect information about source of wealth/source of funds was itself a matter indicative of high ML/TF Risk: see **Row E9** below). – Entain obtained information indicating that [redacted] was "involved" with [redacted] (a family business), but never confirmed or verified what that involvement was (for example, employment relationship or otherwise) or obtained, confirmed or verified information about the capacity of that involvement to support the transactional activity on [redacted] accounts (for example, when Entain obtained a payslip on 5 April 2021, the per annum income did not match [redacted] claimed income or otherwise support his transactional activity). – Entain obtained information indicating that [redacted] was a director of and 50% shareholder in [redacted] (a property development business), but did not obtain (let alone confirm or verify) basic information about the success of the business or its capacity to support the transactional activity on [redacted] accounts (for example, account statements, other information about

			revenue/profitability, etc). – When Entain commenced a formal source of wealth/source of funds inquiry process with [redacted] from 16 March 2021, [redacted] failed to provide all of the information that Entain requested (failure to provide information was itself a matter indicative of high ML/TF Risk: see **Row E14** below). – To the extent that [redacted] responded to the formal source of wealth/source of funds inquiry process commenced from 16 March 2021: (i) [redacted] claim about employment income was not supported by appropriate documentation (ie, it was supported by a single screenshot); (ii) [redacted] claims about income from investments/dividends, income from "gambling winnings" and substantial "savings" were not supported by any documentation at all; and (iii) a claim that [redacted] made about annual income of "$200,000-499,999" in "gambling winnings" in the form of cash was itself a matter indicative of high ML/TF Risk: see **Row E15** below. • Over the Relevant Period, Entain gave the AUSTRAC CEO at least 7 SMRs pursuant to s 41 of the Act in which it acknowledged questions about whether the transactional activity on the [redacted] accounts (depositing, betting and withdrawing) was consistent with [redacted] source of wealth/source of funds and/or the "profile" established for [redacted] on 11 September 2019; 12 December 2019; 18 March 2020; 15 April 2020; 26 May 2020; 29 October 2020; and 28 January 2021. • In the same period, Entain gave the AUSTRAC CEO at least 4 further SMRs pursuant to s 41 of the Act.
	E9	By June 2019, Entain had information indicating that [redacted] had provided it with false or incorrect information about his source	Particulars: • On 13 June 2019, Entain recorded in [redacted] due

		of wealth/source of funds — specifically, Entain had information indicating that he was not the director of a company for which he claimed to be director.	diligence records that an ASIC search disproved a claim made by [redacted] on LinkedIn that he was a director of [redacted] (a family business). • On or about 18 September 2019, [redacted] reiterated the claim that he was an owner of [redacted] directly to Entain. • Neither ASIC searches nor any other searches ever showed that [redacted] was a director or "owner" of [redacted].
	E10	From September 2019 to December 2021, multiple deposits that [redacted] attempted to make into his accounts failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • Between 3 September 2019 and 28 December 2021, 48 deposits that [redacted] attempted to make into his accounts by Braintree credit card or POLi (amounting to $164,096.00) were recorded as "rejected" in his transaction statements. • Of the 48 "rejected" deposits: – 2 (amounting to $7,500.00) were recorded in 2019. – 15 (amounting to $27,546.00) were recorded in 2020. – 31 (amounting to $129,050.00) were recorded in 2021.
	E11	From March to May 2020, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was	Particulars: • Deposits: – In calendar year 2020, [redacted] deposited an average of

		a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his accounts.	$204,596.08 per month across both accounts. – In the period March to May 2020, [redacted] deposited an average of $446,315.00 per month across both accounts, which was approximately 118% higher than the monthly average across both accounts for 2020 as a whole. – Approximately 55% of the $2,455,153.00 deposited into [redacted] accounts in 2020 was deposited in the period March to May 2020. • Withdrawals: – In calendar year 2020, [redacted] withdrew an average of $187,812.50 per month across both accounts. – In the period March to May 2020, [redacted] withdrew an average of $341,500.00 per month across both accounts, which was approximately 81% higher than the monthly average across both accounts for 2020 as a whole. – Approximately 51% of the $2,008,000.00 withdrawn from [redacted] accounts in 2020 was withdrawn in the period March to May 2020. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E12	In 2021, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from	Particulars: • In 2020, [redacted] deposited $309,697.00 into the Second Account (Neds) (an average of $25,808.08 per month). • In 2021, [redacted] deposited $870,505.02 into the Second

		his Second Account (Neds), amounting to an unusual pattern of transactions.	Account (Neds) (an average of $72,542.09 per month, which amounted to an increase of approximately 181% on the monthly average for 2020). • In 2020, [redacted] withdrew $245,750.00 from the Second Account (Neds) (an average of $20,479.17 per month). • In 2021, [redacted] withdrew $595,444.90 from the Second Account (Neds) (an average of $49,620.41 per month, which amounted to an increase of approximately 142% on the monthly average for 2020). • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E13	In March 2021, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his accounts.	Particulars: • In calendar year 2021, [redacted] deposited an average of $247,343.68 per month across both accounts. • In March 2021, [redacted] deposited $328,399.00 across both accounts, which was approximately 32% higher than the monthly average across both accounts for 2021 as a whole. • In calendar year 2021, [redacted] withdrew an average of $196,042.41 per month across both accounts. • In March 2021, [redacted] withdrew $352,564.00 across both accounts, which was approximately 79% higher than the monthly average across both accounts for 2021 as a whole. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing

			basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E14	From March to August 2021, [redacted] failed to provide information about his source of wealth/source of funds that was requested by Entain as part of a formal source of wealth/source of funds inquiry process.	Particulars: • On 15 March 2021, [redacted] transactional activity triggered a formal source of wealth/source of funds inquiry process, requiring an SOF Form to be sent to [redacted] • On 16 March 2021, Entain sent the SOF Form to [redacted] • On 5 April 2021, after [redacted] had failed to complete the SOF Form, Entain re-sent the SOF Form, with a $1,000.00 cash bonus for completion. • On 5 April 2021, [redacted] completed the SOF Form but did not provide any appropriate supporting documentation for claimed income from either investments/dividends or gambling winnings (for example, bank statements). • On 6 April 2021, Entain requested bank statements from [redacted] (the request was made orally and in writing). • On 29 April 2021, after [redacted] had failed to provide any bank statements, Entain made a further request of the customer for bank statements (the request was made orally). • On 25 June 2021, after [redacted] had failed to provide any bank statements, Entain made a further request for bank statements (the request was made orally). • In August 2021, [redacted] was escalated to senior management in relation to source of wealth/source of funds concerns, but senior management decided to accept the limited information that [redacted] had provided and did not suspend [redacted] accounts or otherwise take action to

			secure provision of bank statements. • [redacted] never provided any bank statements to Entain.
	E15	From April 2021, Entain had information indicating that there were higher ML/TF Risks related to [redacted] claimed sources of wealth/sources of funds — specifically, Entain had information that a major source of [redacted] claimed wealth/funds was gambling winnings from casinos "in the way of cash".	Particulars: • On 5 April 2021, [redacted] responded to Entain's formal source of wealth/source of funds inquiry process by claiming (among other things) that a source of his wealth/funds was gambling winnings. • On 6 April 2021, in response to a follow-up request from Entain, [redacted] claimed that the "majority of [the] winnings are from the casino in the way of cash" and that "it is around $250K for the last 12 months". • On 21 July 2021, [redacted] claimed that his estimated annual income from gambling winnings was "$200,000–$499,999". • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash.
	E16	In May 2021, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his accounts.	Particulars: • In calendar year 2021, [redacted] deposited an average of $247,343.68 per month across both accounts. • In May 2021, [redacted] deposited $318,506.44 across both accounts, which was approximately 28% higher than the monthly average across both accounts for 2021 as a whole. • In calendar year 2021, [redacted] withdrew an average of $196,042.41 per month across both accounts. • In May 2021, [redacted] withdrew $269,500.00 across both accounts, which was approximately 37% higher than the monthly average across both accounts for 2021 as a whole. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing

			basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E17	From August to September 2021, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his accounts.	Particulars: • In calendar year 2021, [redacted] deposited an average of $247,343.68 per month across both accounts. • In the period August to September 2021, [redacted] deposited an average of $423,700.00 per month across both accounts, which was approximately 71% higher than the monthly average across both accounts for 2021 as a whole. • In calendar year 2021, [redacted] withdrew an average of $196,042.41 per month across both accounts. • In the period August to September 2021, [redacted] withdrew an average of $272,500.00 per month across both accounts, which was approximately 39% higher than the monthly average across both accounts for 2021 as a whole. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E18	From September/October 2021, Entain had information indicating that [redacted] had engaged in suspicious betting activity with a number of other Entain customers raising	Particulars: • On 3 September 2021, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in which it reported that [redacted] and 4 other Entain customers (2 of whom had

		integrity concerns.	been Affiliate Customers of [redacted]) had engaged in suspicious betting activity connected with a tennis match on the ATP Challenger Tour (the offence type was listed as "Offence against Commonwealth/State/Territory" and the reason for suspicion was listed as "integrity"). • On 11 October 2021, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in which it reported that [redacted] and 2 other Entain customers (both of whom had been Affiliate Customers of [redacted]) had engaged in suspicious betting activity connected with a tennis match on the ATP Tour (the offence type was listed as "Offence against Commonwealth/State/Territory" and the reason for suspicion was listed as "integrity"). • On 12 October 2021, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in which it reported that [redacted] and four other Entain customers (all of whom had been Affiliate Customers of [redacted]) had engaged in suspicious betting activity connected with a football match in the Div III Israeli Football League (the offence type was listed as "Offence against Commonwealth/State/Territory" and the reason for suspicion was listed as "integrity").
	E19	In September 2021, a law enforcement agency made a law enforcement inquiry with Entain about [redacted] — specifically, the [redacted] made an inquiry related to the betting activity of [redacted] and a number of other Entain customers.	Particulars: • On 21 September 2021, a law enforcement agency [redacted] sought information about the betting activity of [redacted] and four other Entain customers (three of whom had been Affiliate Customers of [redacted]) in relation to a tennis match on the ATP Challenger Tour (a different tennis match to the match that was the subject of the SMR dated 3 September 2021).
	E20	From December 2021 to January 2022, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into	Particulars: • In the period January 2021 to February 2022, [redacted] deposited an average of $248,901.01 per month across both accounts.

		and withdrew from his accounts.	• In the period December 2021 to January 2022, [redacted] deposited an average of $390,370.00 per month across both accounts, which was approximately 56% higher than the monthly average across both accounts for the period January 2021 to February 2022 as a whole. • In the period January 2021 to February 2022, [redacted] withdrew an average of $201,679.21 per month across both accounts. • In the period December 2021 to January 2022, [redacted] withdrew an average of $369,250.00 per month across both accounts, which was approximately 83% higher than the monthly average across both accounts for the period January 2021 to February 2022 as a whole. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
F: dates on and from which monitoring failures existed and contraventions of s 36 occurred	**F1**	16 December 2018	Particulars: • See paragraph 433 above.
	F2	16 December 2018	Particulars: • See **Row G** below, especially **Rows G1–G8**.
	F3	27 August 2019	Particulars: • See **Row G** below, especially **Rows G9–G15**.
G: list of particular monitoring failures	**G1**	At no time during the Relevant Period did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in

		designated services to [redacted]	**Row E** above.
	G2	Without limiting **Row G1**, at no time from May 2019 did Entain appropriately consider, mitigate and manage the ML/TF risks associated with [redacted] and the provision of designated services to [redacted] by virtue of his connection or link to his Affiliate [redacted]	Particulars: • Entain knew or ought to have known that [redacted] was an Affiliate Customer of [redacted] from about 19 May 2019 when he became an Affiliate Customer in respect of the First Account (Ladbrokes). • Entain noted that [redacted] was an Affiliate Customer of [redacted] ("links to [redacted]") by no later than 13 June 2019, when the matter was mentioned in [redacted] due diligence records (the very first due diligence record created in respect of [redacted]). • The fact that [redacted] had "links to [redacted]" was one of the reasons that Entain increased [redacted] ML/TF Risk rating from "Unrated" to "Medium" on 13 June 2019. • Entain noted that [redacted] "has links to [redacted] who we have previously reported on" in the SMR that it gave to the AUSTRAC CEO in relation to [redacted] on 27 August 2019. • The fact that [redacted] was "connected to [redacted]" was one of the reasons that Entain gave the AUSTRAC CEO an SMR in relation to [redacted] on 27 August 2019. • Entain noted [redacted] link/connection to [redacted] in due diligence records made on 19 September 2019 and 11 November 2019. • The fact that [redacted] was "affiliated with [redacted]" was one of the reasons that Entain increased [redacted] ML/TF Risk rating from "Medium" to "High" on 11 November 2019. • Notwithstanding the above, [redacted] due diligence records do not disclose that any further or any appropriate consideration of [redacted] link/connection to [redacted] occurred after 11 November 2019, nor any mitigation or management of the ML/TF Risks associated with this link/connection.

			• In particular, [redacted] due diligence records do not disclose that any or any appropriate consideration was given to the risk that [redacted] may have been operating/using [redacted] accounts after April 2019, in circumstances where Entain had information indicating that this was occurring in respect of other Entain customers who were part of [redacted] Affiliate Customer network: see **Rows E3** and **E7** above.
	G3	Without limiting **Row G1**, at no time during the period in which [redacted] had two open accounts with Entain did Entain appropriately monitor [redacted] on a holistic basis, as a customer, across both of his accounts.	Particulars: • Section 36(1)(a) of the Act required Entain to monitor its customers, not its accounts. • At all times during the period in which [redacted] had two open accounts with Entain, Entain identified, assessed and rated ML/TF Risk in relation to [redacted] on an account-by-account basis rather than a customer basis. • Entain did not regularly and on an ongoing basis review and analyse the total amounts that [redacted] was depositing, betting and/or withdrawing across both of his accounts. • Entain's failure to regularly and on an ongoing basis review and analyse the total amounts that [redacted] was depositing, betting and/or withdrawing across both of his accounts impaired its capacity to meet its monitoring obligations under the Act and the Rules, including because: – It impaired Entain's capacity to assess whether any of the reporting conditions in s 41 of the Act were satisfied (for example, whether transactional activity crossed relevant monetary thresholds). – It impaired Entain's capacity to determine whether [redacted] identified or claimed sources of wealth/sources of funds supported or could support the transactional activity on [redacted] accounts. – It impaired Entain's capacity to assess whether

			[redacted] transactional activity and methods could appropriately be described as "recreational".
	G4	Without limiting **Row G1**, at no time from the start of the Relevant Period until 28 August 2019 did Entain rate [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes).	Particulars: • On 6 November 2018, when the First Account (Ladbrokes) was opened, Entain did not rate [redacted] in relation to the account (ie, the risk rating was "Unrated"). • [redacted] due diligence records do not disclose that any consideration was given to rating [redacted] in relation to his First Account (Ladbrokes), either at any level or at all, until 13 June 2019. • On 13 June 2019, Entain rated [redacted] "Medium" ML/TF Risk in relation to his First Account (Ladbrokes) (ie, the risk rating was adjusted from "Unrated" to "Medium"). • On 28 August 2019, Entain rated [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes) (ie, the risk rating was adjusted from "Medium" to "High"). • A "High" ML/TF Risk rating was appropriate in relation to [redacted] First Account (Ladbrokes) prior to 28 August 2019: see **Rows E1–E9** above, especially **Rows E4–E5** concerning the significant increase/escalation in the amount of money that [redacted] deposited and withdrew from May 2019. • In the period from the start of May 2019 up to 28 August 2019, [redacted] deposited $507,500.00 into the First Account (Ladbrokes) and withdrew $230,700.65 from the First Account (Ladbrokes). • If [redacted] had been rated "High" ML/TF Risk prior to 28 August 2019, Entain would have been required to apply the ECDD Program from that time: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules.
	G5	Without limiting **Row G1**, at all times from	Particulars:

		19 September 2019 to 11 November 2019, Entain rated [redacted] "Medium" ML/TF Risk in relation to his First Account (Ladbrokes).	• At all times from 28 August 2019 to 19 September 2019, Entain rated [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes). • On 19 September 2019, Entain rated [redacted] "Medium" ML/TF Risk in relation to his First Account (Ladbrokes) (ie, the risk rating was adjusted from "High" to "Medium"). • The decision on 19 September 2019 was made with the involvement of senior management. • The decision on 19 September 2019 was made on the basis of information provided by [redacted] during an "RSG" (responsible gaming) call, in which [redacted] claimed to be an owner of [redacted] (a family business) and a "property developer" or "in property development". • A "High" ML/TF Risk rating was appropriate in relation to [redacted] First Account (Ladbrokes) at all times from 19 September 2019 to 11 November 2019: see **Rows E1–E10** above. • In particular, at 19 September 2019, Entain had information indicating that [redacted] claim to be a director or owner of [redacted] was false or incorrect and no information confirming or verifying his claim to be a "property developer" or involved "in property development": see **Rows E8–E9** above. • In the period from 19 September 2019 up to 11 November 2019, [redacted] deposited $373,350.00 into the First Account (Ladbrokes) and withdrew $259,000.00 from the First Account (Ladbrokes). ([redacted] also deposited and withdrew money from the Second Account (Neds) during this period).
	G6	Without limiting **Row G1**, at all times from 6 August 2021 to 3 March 2022, Entain rated [redacted] "Medium" ML/TF Risk in relation to his First Account (Ladbrokes).	Particulars: • At all times from 19 September 2019 to 11 November 2019, Entain rated [redacted] "Medium" ML/TF

			Risk in relation to his First Account (Ladbrokes). • At all times from 11 November 2019 to 6 August 2021, Entain rated [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes). • On 6 August 2021, Entain rated [redacted] "Medium" ML/TF Risk in relation to his First Account (Ladbrokes) (ie, the risk rating was adjusted from "High" to "Medium"). • The decision on 6 August 2021 was made by senior management. • The decision on 6 August 2021 was made on the basis of information provided by [redacted] in his response to an SOF Form ("income brackets provided by the client in the survey"), notwithstanding that this information was supported by no or no appropriate documentation; that [redacted] had failed to provide information that was requested by Entain; and that there were higher ML/TF Risks related to at least one of [redacted] claimed sources of wealth/sources of funds: see **Rows E8**, **E14** and **E15** above. • The decision on 6 August 2021 was not appropriately reviewed or revised prior to the closure of [redacted] First Account (Ladbrokes) on 28 February 2022. • A "High" ML/TF Risk rating was appropriate in relation to [redacted] First Account (Ladbrokes) at all times from 6 August 2021: see **Rows E1–E20** above, especially **Rows E8**, **E14–E15** and **E17–E20**. • In the period from 6 August 2021 to 28 February 2022 when the First Account (Ladbrokes) was closed, [redacted] deposited $1,510,901.70 into the First Account (Ladbrokes) and withdrew $1,136,000.00 from the First Account (Ladbrokes). ([redacted] also deposited and withdrew money from the Second Account (Neds) during this period).
	G7	Without limiting **Row G1**, at all times during the	Particulars:

		period in which the Second Account (Neds) was open, Entain rated [redacted] less than "High" ML/TF Risk in relation to the account.	• On 27 July 2019, when the Second Account (Neds) was opened, Entain did not rate [redacted] in relation to the account (ie, the risk rating was "Unrated"). • [redacted] due diligence records do not disclose that any consideration was given to rating [redacted] in relation to his Second Account (Neds), either at any level or at all, until 19 September 2019. • On 19 September 2019, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Second Account (Neds) (ie, the risk rating was adjusted from "Unrated" to "Medium"). • At no time during the period in which the Second Account (Neds) was open did Entain rate [redacted] "High" ML/TF Risk in relation to the account (except due to a temporary "error" on 17 March 2021, which was promptly "corrected"). • A "High" ML/TF Risk rating was appropriate in relation to [redacted] Second Account (Neds) at all times from September 2019, in view of the matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] see **Rows E1–E20** above, especially **Row E12** concerning the significant increase/escalation in the amount of money that [redacted] deposited and withdrew into and from the Second Account (Neds) in 2021 compared to 2020; see also **Row G3** above in relation to Entain's obligation to monitor [redacted] as a customer.
	G8	Without limiting **Row G1**, at all times from 15 May 2019, [redacted] was assigned a BDM.	Particulars: • On 15 May 2019, [redacted] was assigned a BDM, [redacted]. • The assignment of a BDM to [redacted] occurred at the same time as the sudden and significant increase/escalation in deposits and withdrawals into and from [redacted] First Account (Ladbrokes): see **Row E4** above. • A BDM received a commission for deposits made by a

			customer that they managed, which resulted in a conflict of interest and created a risk that the systems and controls in Entain's "Part A Program" would not be applied appropriately or impartially to [redacted] see paragraphs 171–172 and 175–176 above.
	G9	Without limiting **Row G1**, at no time from the date on which ECDD was triggered (specifically, from 27 August 2019) did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] on an ongoing basis, from that time.	Particulars: • Entain was under an obligation to apply the ECDD Program on an ongoing basis from the date on which there was an ECDD trigger: see paragraphs 428–429 above. • On 27 August 2019, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] • After 27 August 2019, Entain gave the AUSTRAC CEO 10 further SMRs pursuant to s 41 of the Act in relation to [redacted] on 11 September 2019; 12 December 2019; 18 March 2020; 15 April 2020; 26 May 2020; 29 October 2020; 28 January 2021; 3 September 2021; 11 October 2021; and 12 October 2021. • Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. • Further, at all times from 28 August 2019 to 18 September 2019 and 11 November 2019 to 5 August 2021, [redacted] was rated "High" ML/TF Risk in relation to his First Account (Ladbrokes). • Under the Rules, there was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules. • As a result of the above ECDD triggers, and in light of the continuing nature of the matters pleaded in **Row E** above, Entain was under an obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, at all times from 27 August 2019.

			• Entain's obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, existed notwithstanding the inappropriate changes in [redacted] risk rating in relation to the First Account (Ladbrokes) on 11 September 2019 and 6 August 2021 (see **Rows G5–G6** above) and notwithstanding the inappropriate rating in relation to the Second Account (Neds): see **Row G7** above. • The measures that Entain was required to undertake in relation to [redacted] as a result of forming a suspicion for the purposes of s 41 of the Act and/or determining that the ML/TF Risk in relation to [redacted] was high included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules. • The measures that were required were measures appropriate to a person reasonably suspected of money laundering offences and/or other offences against the laws of Australia, as per the 11 SMRs that Entain gave the AUSTRAC CEO pursuant to s 41 in relation to [redacted]
	G10	Without limiting **Row G1** or **Row G9**, at no time from August 2019 did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, including the level of transactional behaviour and the purpose, reasons for or nature of the transactional behaviour.	Particulars: • This was a measure appropriate to the circumstances that existed from August 2019: see r 15.10(5) of the Rules. • At all times from mid-2019, including at all times from August 2019, [redacted] transactional activity involved high value and high frequency deposits and withdrawals into and from his accounts, with significant increases/escalations in particular periods: see **Rows E4–E6**, **E11–E13**, **E16–E17** and **E20** above. • [redacted] transactional activity was unusual in other respects, including a pattern of failed deposits (from September 2019: see **Row E10** above) and suspicious betting (from September 2021: see **Rows E18–E19** above). • [redacted] was regularly listed in Entain's High Value

			Transaction Report from mid-2019, demonstrating that Entain identified that he deposited large amounts of money into his accounts from this time, but Entain did not undertake any measures to mitigate and manage the ML/TF Risk indicated by this transactional behaviour. • [redacted] transactional activity was not appropriately monitored on a holistic basis across both of his accounts, which (among other things) impaired Entain's capacity to identify and consider the implications of the true volume of money flowing into and out of [redacted] accounts: see **Row G3** above. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods could appropriately be described as "recreational", especially in the period after September 2021 when suspicions of suspicious betting arose (Entain's assessments in this respect were conclusory and focussed wholly or primarily on betting activity, rather than transactional activity as a whole). • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his deposits could appropriately be described as "reinvestments" of previously withdrawn money (Entain's assessments in this respect were circular and conclusory). • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, and especially the "cycling" of high value and high frequency deposits with high value and high frequency withdrawals, had indicia of money laundering or dealings with the proceeds of crime.
	G11	Without limiting **Row G1** or **Row G9**, at no time from August 2019 did Entain: a) appropriately obtain from [redacted] or	Particulars: • These were measures appropriate to the circumstances that existed from August 2019: see rr 15.10(1)(a),

		otherwise take reasonable measures to identify, information about [redacted] source of wealth/source of funds; b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds; c) appropriately verify or confirm information it had about [redacted] source of wealth/source of funds; or d) appropriately consider the ML/TF Risks relating to [redacted] claimed sources of wealth/sources of funds.	15.10(1)(c), 15.10(2) and 15.10(3) of the Rules. • At all times from mid-2019, including at all times from August 2019, [redacted] transactional activity involved high value and high frequency deposits and withdrawals into and from his accounts, with significant increases/escalations in particular periods: see **Rows E4–E6**, **E11–E13**, **E16–E17** and **E20** above. • [redacted] transactional activity was unusual in other respects, including a pattern of failed deposits from September 2019 (which indicated that deposits were being declined or rejected by the relevant bank or payment service provider: see **Row E10** above) and suspicious betting from September 2021: see **Rows E18–E19** above. • [redacted] transactional activity was not appropriately monitored on a holistic basis across both of his accounts, which (among other things) impaired Entain's capacity to identify and consider the implications of the true volume of money flowing into and out of [redacted] accounts: see **Row G3** above. • In terms of the sufficiency of the information that Entain had about [redacted] source of wealth/source of funds, and the sufficiency of the measures taken by Entain with respect to that information: see **Rows E8–E9** and **E14–E15** above. • Without limiting **Rows E8–E9** and **E14–E15** above: – Neither ASIC searches nor any other searches ever supported [redacted] central claim about his source of wealth/source of funds (ie, that he was a director or owner of [redacted]). – At no time during the Relevant Period, including from August 2019, did Entain obtain (let alone confirm or verify) any or any appropriate documentation to support [redacted] claimed sources of wealth/sources of funds. – A major source of [redacted] claimed wealth/funds was

			gambling winnings from casinos "in the way of cash" (cash carries heightened ML/TF Risk).
	G12	Without limiting **Row G1** or **Row G9**, at no time from August 2019 did Entain seek from [redacted] or otherwise take reasonable measures to clarify, the nature and purpose of [redacted] ongoing business relationship with Entain.	Particulars: • This was a measure appropriate to the circumstances that existed from August 2019: see r 15.10(1)(d) of the Rules. • At all times from mid-2019, including at all times from August 2019, [redacted] transactional activity involved high value and high frequency deposits and withdrawals into and from his accounts, with significant increases/escalations in particular periods: see **Rows E4–E6**, **E11–E13**, **E16–E17** and **E20** above. • [redacted] transactional activity was unusual in other respects, including a pattern of failed deposits (from September 2019: see **Row E10** above) and suspicious betting (from September 2021: see **Rows E18–E19** above). • [redacted] transactional activity was not appropriately monitored on a holistic basis across both of his accounts, which (among other things) impaired Entain's capacity to identify and consider the implications of the true volume of money flowing into and out of [redacted] accounts: see **Row G3** above. • In monitoring [redacted] Entain frequently determined that [redacted] transactional activity was or "appeared" to be "recreational", but the determinations did not reflect the totality of available information (they were focussed wholly or primarily on betting activity, rather than transactional activity as a whole) and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time. • In monitoring [redacted] Entain frequently determined that [redacted] deposits were or appeared to be "reinvestments"

			of previously withdrawn money, but the determinations did not reflect the totality of available information (or any information gaps, such as information about source of wealth/source of funds) and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, and especially the "cycling" of high value and high frequency deposits with high value and high frequency withdrawals, had indicia of money laundering or dealings with the proceeds of crime.
	G13	Without limiting **Row G1** or **Row G9**, at no time from August 2019 was [redacted] appropriately escalated to and/or considered by Entain's senior management, including for the purpose of determining whether to continue a business relationship with him.	Particulars: • This was a measure appropriate to the circumstances that existed from August 2019: see r 15.10(6) of the Rules. • To the extent that [redacted] was considered by senior management, the consideration was not appropriate, including because: – The decision on 19 September 2019, in which senior management was involved, to decrease [redacted] ML/TF Risk rating from "High" to "Medium" was not appropriate in light of the matters indicative of high ML/TF Risk that existed at that time: see **Row G5** above. – On 24 April 2020, when the BDM who managed both [redacted] and his Affiliate [redacted] raised a query with senior management indicating that [redacted] was monitoring [redacted] betting activity, [redacted] records do not disclose that senior management appropriately considered the ML/TF Risks associated with the connection/link between [redacted] and [redacted] – On 6 July 2021, when Entain's General Counsel emailed

			Entain's CEO about [redacted] top clients, one of whom was [redacted] records do not disclose that senior management appropriately considered the ML/TF Risks associated with the connection/link between [redacted] and [redacted] – The decision by senior management on 6 August 2021 to decrease [redacted] ML/TF Risk rating from "High" to "Medium" was not appropriate in light of the matters indicative of high ML/TF Risk that existed at that time: see **Row G6** above.
	G14	Without limiting **Row G1** or **Row G9**, at no time from August 2019 did Entain suspend any of [redacted] accounts on its own initiative.	Particulars: • On or around 29-30 March 2021, [redacted] First Account (Ladbrokes) was briefly suspended at his request (or the request of his BDM). • Aside from the above, neither of [redacted] accounts was ever suspended. • Suspension of [redacted] accounts (or at least consideration of suspension) was appropriate at multiple points from August 2019, especially after the formal source of wealth/source of funds inquiry process initiated in March 2021 failed to yield any or any appropriate documentation to support [redacted] claimed sources of wealth/sources of funds.
	G15	Without limiting **Row G1** or **Row G9**, at no time from August 2019 did Entain close [redacted] accounts on its own initiative.	Particulars: • [redacted] accounts were closed on 28 February 2022 at his request. • Closure of [redacted] accounts (or at least consideration of closure) was appropriate at multiple points from August 2019, especially after the formal source of wealth/source of funds inquiry process initiated in March 2021 failed to yield any or any appropriate documentation to support [redacted] claimed sources of wealth/sources of funds.

SCHEDULE 7: [redacted]

A: customer		[redacted]	
B: account(s)	**B1**	**First Account (Ladbrokes)** • [redacted] • Opened date: 23 October 2015 • Closed date: 28 September 2021	
	B2	**Second Account (Neds)** • [redacted] • Opened date: 20 October 2019 • Closed date: 25 October 2022	
C. summary of transactional activity by account	**C1**	**First Account (Ladbrokes)** • Lifetime deposits: $5,187,238.27, approximately $3,574,306.33 of which was during the Relevant Period • Lifetime turnover: $20,110,310.65, approximately $12,834,150.43 of which was during the Relevant Period • Lifetime withdrawals: $3,458,596.52, approximately $~~2~~2,637,256.51 of which was during the Relevant Period	
	C2	**Second Account (Neds)** • Lifetime deposits: $46,000.00, all of which was during the Relevant Period • Lifetime turnover: $72,350.00, all of which was during the Relevant Period • Lifetime withdrawals: nil	
D: date in Relevant Period on and from which matters indicative of high ML/TF Risk existed		16 December 2018	
E: list of matters indicative of high ML/TF Risk	**E1**	In the period prior to the Relevant Period, there was adverse reporting about a person with the same name as [redacted] in media/public	Particulars: • Information about the charges was available in media and/or other public sources from no later than

		sources in connection with serious criminal offences — specifically, there was reporting that a person with the same name as [redacted] along with over 20 people who were all part of a global trafficking network, were arrested and charged with serious Commonwealth drug offences in [redacted], and convicted and sentenced in [redacted].	[redacted] and remained available after [redacted] first became a customer of Entain in October 2015 and thereafter. • Information about the conviction was available in media and/or other public sources from no later than [redacted] and remained available after [redacted] first became a customer of Entain in October 2015 and thereafter.
	E2	In the period prior to the Relevant Period (specifically, from July 2016), there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the First Account (Ladbrokes), amounting to an unusual pattern of transactions.	Particulars: • Prior to July 2016, [redacted] deposits into the First Account (Ladbrokes) were relatively modest: – From October to December 2015, [redacted] deposited $2,000.00 into the First Account (Ladbrokes). – From January to June 2016, [redacted] deposited $3,700.00 into the First Account (Ladbrokes) (all of which was deposited in June 2016). • From July to December 2016, [redacted] deposited $779,831.02 into the First Account (Ladbrokes) (an average of $129,971.84 per month for this period). • Particularly large deposits were made in July 2016 ($488,780.02) and September 2016 ($138,164.00). • Prior to July 2016, [redacted] withdrawals from the First Account (Ladbrokes) were relatively modest: – From October to December 2015, [redacted] did not make any withdrawals from the First Account (Ladbrokes). – From January to June 2016, [redacted] withdrew $6,900.00 from the First Account (Ladbrokes) (all of which was withdrawn in June 2016). • From July to December 2016, [redacted] withdrew $467,500.00 from the First Account (Ladbrokes) (an average of $77,916.67 per month for this period).

			• Particularly large withdrawals were made in July 2016 ($304,000.00) and September 2016 ($88,500.00). • In 2017 and 2018, [redacted] continued to deposit and withdraw unusually large amounts of money into and from the First Account (Ladbrokes), consistent with the unusual pattern of transactions that commenced in July 2016: – In 2017, [redacted] deposited $455,556.00 into the First Account (Ladbrokes) (an average of $37,963.00 per month) and withdrew $152,540.00 from the First Account (Ladbrokes) (an average of $12,711.67 per month). – In 2018 as a whole (including the approximately 2 weeks of 2018 in the Relevant Period), [redacted] deposited $384,654.92 into the First Account (Ladbrokes) (an average of $32,054.58 per month) and withdrew $195,400.00 from the First Account (Ladbrokes) (an average of $16,283.33 per month). • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E3	At all times during the Relevant Period, [redacted] deposited and withdrew unusually large amounts of money into and from his accounts (primarily his First Account (Ladbrokes)).	Particulars: • While the amounts of money deposited and withdrawn during the Relevant Period were at all times unusually large, there were significant increases/escalations in each of calendar years 2019 and 2020 (with an especially significant increase/escalation in November 2020): see **Rows E5** and **E8** below.

			• From 16 to 31 December 2018, [redacted] deposited $12,810.00 into the First Account (Ladbrokes) and withdrew $1,000.00 from the First Account (Ladbrokes). • In 2019: – [redacted] deposited $745,789.90 into the First Account (Ladbrokes) (an average of $62,149.16 per month). – [redacted] withdrew $364,000.00 from the First Account (Ladbrokes) (an average of $30,333.33 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 2 occasions. – [redacted] deposited $50,000.00 or more in a week on 2 occasions. – [redacted] deposited $10,000.00 or more in a day on 11 occasions. – [redacted] withdrew $50,000.00 or more in a week on 2 occasions. – [redacted] withdrew $10,000.00 or more in a day on 7 occasions. • In 2020: – [redacted] deposited $2,228,773.00 into the First Account (Ladbrokes) (an average of $185,731.05 per month). – [redacted] withdrew $1,868,153.52 from the First Account (Ladbrokes) (an average of $155,679.46 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 10 occasions. – [redacted] deposited $50,000.00 or more in a week on 8 occasions. – [redacted] deposited $10,000.00 or more in a day on 43 occasions. – [redacted] withdrew $50,000.00 or more in a week on 7 occasions.

			– [redacted] withdrew $10,000.00 or more in a day on 41 occasions. • From January to September 2021: – [redacted] deposited $586,933.80 into the First Account (Ladbrokes) (an average of $65,214.87 per month). – [redacted] withdrew $404,102.99 from the First Account (Ladbrokes) (an average of $44,900.33 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 4 occasions. – [redacted] deposited $50,000.00 or more in a week on 2 occasions. – [redacted] deposited $10,000.00 or more in a day on 7 occasions. – [redacted] withdrew $50,000.00 or more in a week on 2 occasions. – [redacted] withdrew $10,000.00 or more in a day on 16 occasions. • In November 2021, [redacted] deposited $46,000.00 into the Second Account (Neds). • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E4	At all times during the Relevant Period, Entain did not have sufficient information about [redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that the	Particulars: • While the information that Entain had about [redacted] source of wealth/source of funds changed over time, at no time during the Relevant Period was it sufficient to reach the necessary satisfaction.

		transactional activity on [redacted] accounts (depositing, betting and withdrawing) was consistent with or supported by his source of wealth/source of funds.	• Entain could have obtained information about [redacted] source of wealth/source of funds from (at least) public/external sources and [redacted] himself. • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from [redacted] himself, it did not do so with sufficient promptness: – Entain obtained no substantive information about [redacted] source of wealth/source of funds from [redacted] until it commenced a formal source of wealth/source of funds inquiry process. – The formal source of wealth/source of funds inquiry process was not commenced until 25 August 2021 (by this time, [redacted] had deposited over $4,924,084.47). • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from public/external sources and/or [redacted] it did not obtain sufficient information to reach the necessary satisfaction: – Prior to commencing a formal source of wealth/source of funds process with [redacted] from 25 August 2021, Entain never identified (let alone confirmed or verified) that [redacted] owned a business or was employed. – In particular, Entain obtained information from [redacted] BDM on 29 May 2018 that [redacted] owned 2 car yards in Sydney, but this information was not confirmed or verified (either with [redacted] or otherwise), and while [redacted] subsequently advised that he was ordinarily a car salesman, he also advised that he did not own the car yard at which he worked and was in any event presently unemployed. – Further, while Entain identified on 29 May 2018 that a Facebook page with the same name as [redacted] linked to a website for [redacted] it did not confirm or verify that the Facebook page was [redacted]

			nor his involvement with [redacted] (for example, employment relationship or otherwise), and later identified that the Facebook page was not [redacted] and that [redacted] was not a director of [redacted] – Entain obtained information indicating that the residential property linked to [redacted] First Account (Ladbrokes) was owned by someone with the same surname as [redacted] but did not confirm or verify that the property was owned by [redacted] himself (for example, a title search), nor obtain information about the capacity of any ownership (if established) to support transactional activity on the First Account (Ladbrokes). – By no later than 25 August 2021, Entain knew that the [redacted] bank account from which all deposits were being made to [redacted] First Account (Ladbrokes) was primarily funded by cash deposits and Centrelink payments (the funding of the bank account by cash deposits was itself a matter indicative of high ML/TF Risk: see **Row E12** below). – When Entain commenced a formal source of wealth/source of funds inquiry process with [redacted] from 25 August 2021, [redacted] failed to provide all of the information that Entain requested (failure to provide information was itself a matter indicative of high ML/TF Risk: see **Row E13** below). – To the extent that [redacted] responded to the formal source of wealth/source of funds inquiry process commenced from 25 August 2021: (i) [redacted] claims were not supported by any documentation; (ii) [redacted] claim that he was unemployed, and his estimated annual income from his regular employment and from gambling winnings were each between $1,000.00 and $49,999.00, was inconsistent with the transactional

			activity on the First Account (Ladbrokes); and (iii) [redacted] further claims that he was unable to work due to COVID and was consequently receiving Job Keeper payments were inconsistent with the transactional activity on the First Account (Ladbrokes). • Over the Relevant Period, Entain gave the AUSTRAC CEO at least 4 SMRs pursuant to s 41 of the Act in which it acknowledged questions about [redacted] source of wealth/source of funds and/or that it had been unable to confirm [redacted] source of wealth/source of funds: on 27 August 2019; 2 December 2020; 30 December 2020; and 25 August 2021.
	E5	In 2019, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the First Account (Ladbrokes), amounting to an unusual pattern of transactions.	Particulars: • In 2018, [redacted] deposited $384,654.92 into the First Account (Ladbrokes) (an average of $32,054.58 per month). • In 2019, [redacted] deposited $745,789.90 into the First Account (Ladbrokes) (an average of $62,149.16 per month, which amounted to an increase of approximately 94% on the monthly average for 2018). • In 2018, [redacted] withdrew $195,400.00 from the First Account (Ladbrokes) (an average of $16,283.33 per month). • In 2019, [redacted] withdrew $364,000.00 from the First Account (Ladbrokes) (an average of $30,333.33 per month, which amounted to an increase of approximately 86% on the monthly average for 2018). • In 2019: – [redacted] was listed in Entain's High Value Transaction Report on at least 2 occasions. – [redacted] deposited $50,000.00 or more in a week on 2 occasions.

			– [redacted] deposited $10,000.00 or more in a day on 11 occasions. – [redacted] withdrew $50,000.00 or more in a week on 2 occasions. – [redacted] withdrew $10,000.00 or more in a day on 7 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E6	From August 2019 until September 2021, deposits that [redacted] attempted to make into his First Account (Ladbrokes) regularly failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • While the number and value of deposits that were recorded as "rejected" in [redacted] transaction statements was at all times unusually large, there was a significant increase/escalation in 2020: see **Row E9** below. • In 2019, 61 deposits that [redacted] attempted to make into the First Account (Ladbrokes) by Braintree credit card (amounting to approximately $110,470.00) were recorded as "rejected" in his transaction statements.

			• In 2020, 123 deposits that [redacted] attempted to make into the First Account (Ladbrokes) by Braintree credit card (amounting to approximately $377,064.00) were recorded as "rejected" in his transaction statements. • From January to September 2021, 32 deposits that [redacted] attempted to make into the First Account (Ladbrokes) by Braintree credit card (amounting to approximately $34,545.00) were recorded as "rejected" in his transaction statements.
	E7	From at least 23 August 2019, [redacted] deposited money into the First Account (Ladbrokes) in breach of the terms and conditions that Entain applied to its accounts — specifically, [redacted] used a credit card in the name of a third party to deposit money into the First Account (Ladbrokes).	Particulars: • At all times during the Relevant Period, third party deposits were prohibited by the standard terms and conditions that Entain applied to its accounts: cl 10.1(e) of Entain's Terms of Use. • On 23 August 2019, Entain recorded in [redacted] due diligence records in respect of the First Account (Ladbrokes) that a card used by [redacted] was under the name [redacted] which [redacted] advised was his partner. Entain recorded that a search of [redacted] returned no further details. • The use of a third party card without further due diligence was contrary to Entain's AML/CTF Deposits and Withdrawals Procedure and Third Party Card Procedure. • Entain's AML/CTF Deposits and Withdrawals Procedure required Entain, upon discovery of a third party deposit or withdrawal method, to obtain a statutory declaration from the third party confirming that the third party consented to the use of their payment method (for credit card deposits only) and verification of the third party's identity. • Entain's Third Party Card Procedure required the following: – Where a third party card was identified on an account that was managed by a BDM, Entain's Compliance team

			was to contact the BDM and discuss the removal of the third party card. ([redacted] was managed by a BDM.) – Where a third party card was used to deposit to an account and there was a suspicion that the third party cardholder was attempting to circumvent restrictions on their own account, disguise the true owner of the funds, was a minor, self-excluded, had already been requested not to use third party cards, or there was a significant financial risk to Entain, Entain's Compliance Team was to (among other things) securely lock the account and request that the third party complete a statutory declaration and provide identification. – Where a third party card was used to deposit to an account for more than $50.00 and there was no such suspicion, Entain's Compliance Team was to (among other things) suspend the account and request a copy of the front and back of the third party card, and photo identification for the third party cardholder.
	E8	In 2020 (especially in November 2020), there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a further significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the First Account (Ladbrokes), amounting to a large and unusual pattern of transactions.	Particulars: • In 2019, [redacted] deposited $745,789.90 into the First Account (Ladbrokes) (an average of $62,149.16 per month). • In 2020, [redacted] deposited $2,228,772.63 into the First Account (Ladbrokes) (an average of $185,731.05 per month, which amounted to an increase of approximately 199% on the monthly average for 2019). • In 2019, [redacted] withdrew $364,000.00 from the First Account (Ladbrokes) (an average of $30,333.33 per month). • In 2020, [redacted] withdrew $1,868,153.52 from the First Account (Ladbrokes) (an average of $155,679.46 per month, which amounted to an increase of approximately 413% on the monthly average for 2019).

			• There was a particularly significant increase/escalation in deposits and withdrawals in November 2020. In that month: – [redacted] deposited $1,307,413.00 into the First Account (Ladbrokes). – [redacted] withdrew $1,358,767.80 from the First Account (Ladbrokes). • In 2020: – [redacted] was listed in Entain's High Value Transaction Report on at least 10 occasions. – [redacted] deposited $50,000.00 or more in a week on 8 occasions. – [redacted] deposited $10,000.00 or more in a day on 43 occasions. – [redacted] withdrew $50,000.00 or more in a week on 7 occasions. – [redacted] withdrew $10,000.00 or more in a day on 41 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E9	In 2020, there was a material change in [redacted] depositing patterns — specifically, there was a significant increase/escalation in the number and value of failed deposits into [redacted] First Account (Ladbrokes), amounting to an unusual pattern of transactions.	Particulars: • See generally **Row E6** above. • In 2019, 61 deposits that [redacted] attempted to make into the First Account (Ladbrokes) by Braintree credit card (amounting to approximately $110,470.00) were recorded as "rejected" in his transaction statements.

			• In 2020, 123 deposits that [redacted] attempted to make into the First Account (Ladbrokes) by Braintree credit card (amounting to approximately $377,064.00) were recorded as "rejected" in his transaction statements. • In percentage terms, the value of "rejected" deposits increased by approximately 241% from 2019 to 2020.
	E10	In [redacted], a person with the same name as [redacted] was the subject of adverse comment by a public body in connection with serious criminal offences — specifically, a person with the same name as [redacted] was named by the Royal Commission into the Management of Police Informants as a subject of an investigation potentially affected by a police informant's conduct as a person charged as part of a drug-trafficking syndicate in [redacted] to [redacted].	Particulars: • Information about the person's involvement was available in public sources from no later than [redacted].
	E11	By 29 December 2020, Entain had information indicating that another reporting entity had taken action against [redacted] in respect of transactional activity connected to the transactional activity on [redacted] First Account (Ladbrokes) — specifically, Entain had information that the [redacted] had closed [redacted] bank account due to the large amounts of money deposited from the bank account into the First Account (Ladbrokes).	Particulars: • The [redacted] is a reporting entity within the meaning of the Act: see s 5. • On 29 December 2020, Entain recorded in [redacted] due diligence records in respect of the First Account (Ladbrokes) that [redacted] BDM had advised that [redacted] bank account had been closed due to the large amounts of money deposited from the bank account into the First Account (Ladbrokes). • On 30 December 2020, Entain gave the AUSTRAC CEO an SMR in relation to [redacted] pursuant to s 41 of the Act, which reported that the [redacted] had closed the bank account that [redacted] held with it due to the amount of money he had deposited to Ladbrokes.

	E12	By no later than 25 August 2021, Entain had information indicating that there were higher ML/TF Risks related to [redacted] sources of wealth/sources of funds — specifically, Entain had information indicating that that [redacted] bank account from which all deposits were being made into [redacted] First Account (Ladbrokes) was primarily funded by cash deposits and Centrelink payments.	Particulars: • On 25 August 2021, Entain recorded in [redacted] due diligence records in respect of the First Account (Ladbrokes) that [redacted] bank account, which was at that time the sole funding method, was primarily funded by cash deposits and Centrelink payments. • This information was provided by [redacted], another reporting entity under the Act: see s 5. • On 25 August 2021, Entain gave the AUSTRAC CEO an SMR in relation to [redacted] pursuant to s 41 of the Act, which listed the "offence type" as "money laundering" and "reasons for suspicion" as "suspicious behaviour". The "grounds for suspicion" were further stated to be that: (i) [redacted] currently funded the First Account (Ladbrokes) using a [redacted] bank card; (ii) a member of Entain's security team contacted [redacted] to gain further understanding of his source of funds; (iii) [redacted] advised that his bank account was primarily being funded by cash ATM deposits and Centrelink payments; and (iv) there was a concern surrounding the funding of his account and also a question as to whether [redacted] was entitled to receive Centrelink payments given he was in a position to spend large amounts of money on gambling. • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash.
	E13	From August to September 2021, [redacted] refused to provide information about his source of wealth/source of funds that was requested by Entain as part of a formal source of wealth/source of funds inquiry process.	Particulars: • On 25 August 2021: – Information obtained by Entain that [redacted] bank account was primarily being funded by cash ATM deposits and Centrelink payments triggered a formal source of wealth/source of funds inquiry process, requiring a Stage 2 SOF Form to be sent to [redacted]

			– [redacted] BDM advised that he would prefer to send the email/SOF Form to [redacted] himself. • On 8 September 2021, Entain followed up with [redacted] BDM in relation to completion of the SOF Form. • On 20 September 2021: – Entain again followed up with [redacted] BDM in relation to completion of the SOF Form. – [redacted] only partially completed the SOF Form and failed to provide any documentation to confirm or verify the responses provided. – [redacted] provided additional information during a subsequent phone call with Entain, but did not provide any documentation to confirm or verify the responses provided as requested in the SOF Form.
	E14	In November 2021, there was a material change in [redacted] depositing and betting patterns — specifically, [redacted] transactional activity (depositing and betting) shifted from the First Account (Ladbrokes) to the Second Account (Neds), following the closure of First Account (Ladbrokes).	Particulars: • The First Account (Ladbrokes) was suspended on 28 September 2021 due to the source of wealth/source of funds information provided by [redacted] being inconsistent with transactional activity on the account. The First Account (Ladbrokes) was subsequently closed on the same day at [redacted] request. • At no time prior to November 2021 were any deposits made to or bets placed through the Second Account (Neds). • In November 2021, [redacted] deposited $46,000.00 into the Second Account (Neds). • In November 2021, [redacted] turned over $72,350.00 through the Second Account (Neds). • [redacted] due diligence records do not indicate that any consideration was given to suspending or closing the Second Account (Neds) at the same time that the First Account (Ladbrokes) was suspended and closed.

F: dates on and from which monitoring failures existed and contraventions of s 36 occurred	**F1**	16 December 2018	Particulars: • See paragraph 433 above.
	F2	16 December 2018	Particulars: • See **Row G** below, especially **Rows G1–G3**.
	F3	27 August 2019	Particulars: • See **Row G** below, especially **Rows G4–G14**.
G: list of particular monitoring failures	**G1**	At no time during the Relevant Period did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in **Row E** above.
	G2	Without limiting **Row G1**, at no time from the start of the Relevant Period until 27 August 2019 did Entain rate [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes).	Particulars: • On 23 October 2015, when the First Account (Ladbrokes) was opened, Entain did not rate [redacted] in relation to the account (ie, the risk rating was "Unrated"). • On 29 May 2018, Entain rated [redacted] "Low" ML/TF Risk in relation to the First Account (Ladbrokes) (ie, the risk rating was adjusted from "Unrated" to "Low"). • On and from 27 August 2019, Entain rated [redacted] "High" ML/TF Risk in relation to the First Account (Ladbrokes) (ie, the risk rating was adjusted from "Low" to "High"). • A "High" ML/TF Risk rating was appropriate prior to 27 August 2019: see **Rows E1–E7** above, especially **Rows E3–E4**. • In addition to the matters pleaded in **Row E** above: in the period prior to the Relevant Period (specifically, on 15 July 2016), Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in which it reported that it reasonably suspected [redacted] of the "offence type" of "proceeds of crime".

			• If [redacted] had been rated "High" ML/TF Risk prior to 27 August 2019, Entain would have been required to apply the ECDD program from that time: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules.
	G3	Without limiting **Row G1**, at all times from August 2016 until the closure of both of his accounts, [redacted] was assigned a BDM.	Particulars: • On 3 August 2016, [redacted] was assigned a BDM, [redacted]. • The BDM remained [redacted] BDM at all times until the closure of the Second Account (Neds) on 25 October 2022. • A BDM received a commission for deposits made by a customer that they managed, which resulted in a conflict of interest and created a risk that the systems and controls in Entain's "Part A Program" would not be applied appropriately or impartially to [redacted] see paragraphs 171–172 and 175–176 above. • This risk manifested in various ways during the period in which [redacted] had an open account with Entain, including (but not limited to) the fact that [redacted] BDM provided very limited and unreliable information in relation to [redacted] source of wealth/source of funds. For example, [redacted] due diligence records disclose that, by no later than 9 March 2020, Entain considered that there may be a need "to discuss whether we can trust [the BDM's] word as a source of wealth to cover the amount invested".
	G4	Without limiting **Row G1**, at no time from the date on which ECDD was triggered (specifically, from 27 August 2019) did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] on an ongoing basis, from that time.	Particulars: • Entain was under an obligation to apply the ECDD program on an ongoing basis from the date on which there was an ECDD trigger: see paragraphs 428–429 above. • In the period prior to the Relevant Period, on 15 July 2016, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted]

			• After 15 July 2016, Entain gave the AUSTRAC CEO 4 further SMRs pursuant to s 41 of the Act in relation to [redacted] on 27 August 2019; 2 December 2020; 30 December 2020; and 25 August 2021. • Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. • Further, at all relevant times from 27 August 2019, Entain rated [redacted] "High" ML/TF Risk in relation to the First Account (Ladbrokes). • Under the Rules, there was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules. • As a result of the above ECDD triggers, and in light of the continuing nature of the matters pleaded in **Row E** above, Entain was under an obligation to apply the ECDD program, on an ongoing basis and at regular intervals, at all times from 27 August 2019. • The measures that Entain was required to undertake in relation to [redacted] as a result of forming a suspicion for the purposes of s 41 of the Act and/or determining that the ML/TF Risk in relation to [redacted] was high included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules. • The measures that were required were measures appropriate to a person reasonably suspected of proceeds of crime/money laundering offences, as per the 5 SMRs that Entain gave the AUSTRAC CEO pursuant to s 41 in relation to [redacted]
	G5	Without limiting **Row G1** or **Row G4**, at no time from August 2019 did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, including the level of	Particulars: • This was a measure appropriate to the circumstances that existed from August 2019: see r 15.10(5) of the Rules.

		transactional behaviour and the purpose, reasons for or nature of the transactional behaviour.	• At all times during the Relevant Period, including at all times from August 2019, [redacted] deposited and withdrew unusually large amounts of money into and from his accounts, against a background of unusually large deposits and withdrawals in the period prior to the Relevant Period: see **Row E3** above, read with **Row E2**. • There were significant increases/escalations in the amounts deposited into and withdrawn from [redacted] First Account (Ladbrokes) in each of calendar years 2019 and 2020 (especially in November 2020): see **Rows E5** and **E8** above. • [redacted] transactional activity was unusual in other respects, including: (i) a pattern of failed deposits that escalated over time (see **Rows E6** and **E9** above); and (ii) and the making of deposits in breach of the terms and conditions that Entain applied to its accounts (third party deposits: see **Row E7** above). • A person with the same name as [redacted] was the subject of adverse reporting in media/public sources, and/or adverse comment by a public body, in connection with serious criminal offences (although [redacted] due diligence records do not disclose that Entain ever identified this): see **Rows E1** and **E10** above. • Entain was on notice of actions taken by, or information held by, other reporting entities that was relevant to the high ML/TF Risk that existed in relation to [redacted] including the fact that [redacted] relevant bank account was primarily funded by cash deposits and Centrelink payments (cash carries heightened ML/TF Risk): see **Rows E11–E12** above. • [redacted] was regularly listed in Entain's High Value Transaction Report from August 2019, demonstrating that Entain identified that he deposited large amounts of money into his accounts from this time, but Entain did not

			undertake any measures to mitigate and manage the ML/TF Risk indicated by this transactional behaviour. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods could appropriately be described as "recreational" (Entain's assessments in this respect were conclusory and focussed wholly or primarily on betting activity, rather than transactional activity as a whole). • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his deposits could appropriately be described as "reinvestments" of previously withdrawn money (Entain's assessments in this respect were circular and conclusory). • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, especially the "cycling" of high value deposits with high value withdrawals, had indicia of money laundering or dealings with the proceeds of crime.
	G6	Without limiting **Row G1** or **Row G4**, at no time from August 2019 until August 2021 did Entain: a) appropriately obtain from [redacted] or otherwise take reasonable measures to identify, information about [redacted] source of wealth/source of funds; b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds; c) appropriately verify or confirm information it had about [redacted] source of wealth/source of funds; or	Particulars: • These were measures appropriate to the circumstances that existed from August 2019: see rr 15.10(1)(a), 15.10(1)(c), 15.10(2) and 15.10(3) of the Rules. • At all times during the Relevant Period (as well as times in the period prior to the Relevant Period), [redacted] transactional activity involved high value deposits and withdrawals into and from his accounts, with significant increases/escalations in particular periods: see **Rows E2**, **E3**, **E5**, and **E8** above. • [redacted] transactional activity was unusual in other respects, including: (i) a pattern of failed deposits that escalated over time (see **Rows E6** and **E9** above); and (ii)

		d) appropriately consider the ML/TF Risks relating to [redacted] sources of wealth/sources of funds.	and the making of deposits in breach of the terms and conditions that Entain applied to its accounts (third party deposits: see **Row E7** above). • A person with the same name as [redacted] was the subject of adverse reporting in media/public sources, and/or adverse comment by a public body, in connection with serious criminal offences (although [redacted] due diligence records do not disclose that Entain ever identified this): see **Rows E1** and **E10** above. • Entain was on notice of actions taken by, or information held by, other reporting entities that was relevant to the high ML/TF Risk that existed in relation to [redacted] including the fact that [redacted] relevant bank account was primarily funded by cash deposits and Centrelink payments (cash carries heightened ML/TF Risk): see **Rows E11–E12** above. • In terms of the sufficiency of the information that Entain had about [redacted] source of wealth/source of funds, and the sufficiency of the measures taken by Entain with respect to that information, see **Row E4** above read with **Rows E12–E13**. • Without limiting **Rows E4**, **E12** and **E13** above: – Inquiries with [redacted] at no time prior to August 2021 did Entain make any appropriate inquiry about [redacted] source of wealth/source of funds with [redacted] himself. When an inquiry was initiated, [redacted] at first refused to participate and later provided inadequate information. – Other sources of information: at no time prior to August 2021 was information obtained otherwise than from [redacted] appropriately confirmed or verified. – At no time did Entain identify, confirm or verify any source of wealth/source of funds consistent with [redacted] transactional activity on his accounts.

	G7	Without limiting **Row G1** or **Row G4**, at no time from August 2019 did Entain seek from [redacted] or otherwise take reasonable measures to clarify, the nature and purpose of [redacted] ongoing business relationship with Entain.	Particulars: • This was a measure appropriate to the circumstances that existed from August 2019: see r 15.10(1)(d) of the Rules. • At all times during the Relevant Period (as well as times in the period prior to the Relevant Period), [redacted] transactional activity involved high value deposits and withdrawals into and from his accounts, with significant increases/escalations in particular periods: see **Rows E2**, **E3**, **E5**, and **E8** above. • [redacted] transactional activity was unusual in other respects, including: (i) a pattern of failed deposits that escalated over time (see **Rows E6** and **E9** above); and (ii) and the making of deposits in breach of the terms and conditions that Entain applied to its accounts (third party deposits: see **Row E7** above). • A person with the same name as [redacted] was the subject of adverse reporting in media/public sources, and/or adverse comment by a public body, in connection with serious criminal offences (although [redacted] due diligence records do not disclose that Entain ever identified this): see **Rows E1** and **E10** above. • Entain was on notice of actions taken by, or information held by, other reporting entities that was relevant to the high ML/TF Risk that existed in relation to [redacted] including the fact that [redacted] relevant bank account was primarily funded by cash deposits and Centrelink payments (cash carries heightened ML/TF Risk): see **Rows E11–E12** above. • In monitoring [redacted] on multiple occasions, Entain determined that [redacted] transactional activity was or "appeared" to be "recreational", but the determinations did not reflect the totality of available information (they were focussed wholly or primarily on betting activity, rather than

			transactional activity as a whole) and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time. • In monitoring [redacted] on multiple occasions, Entain determined that [redacted] deposits were or appeared to be "reinvestments" of previously withdrawn money, but the determinations did not reflect the totality of available information (or any information gaps, such as information about source of wealth/source of funds) and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, especially the "cycling" of high value deposits with high value withdrawals, had indicia of money laundering or dealings with the proceeds of crime.
	G8	Without limiting **Row G1** or **Row G4**, at no time from August 2019 until September 2021 was [redacted] appropriately escalated to and/or considered by Entain's senior management, including for the purpose of determining whether to continue a business relationship with him.	Particulars: • This was a measure appropriate to the circumstances that existed from August 2019: see r 15.10(6) of the Rules. • Escalation to and/or consideration by senior management was appropriate in, and at regular intervals from, August 2019, including: (i) in and from November to December 2020; and (ii) in and from August 2021. • [redacted] due diligence records indicate that [redacted] was not elevated to and/or considered by senior management until 20 September 2021. • A review of [redacted] First Account (Ladbrokes) by senior management occurred on 28 September 2021. • [redacted] First Account (Ladbrokes) was suspended and then closed on 28 September 2021.

			• [redacted] due diligence records do not indicate that any consideration was given to suspending or closing the Second Account (Neds) at the same time that the First Account (Ladbrokes) was suspended and closed.
	G9	Without limiting **Row G1** or **Row G4**, at no time from August 2019 did Entain appropriately respond to [redacted] use of a credit card in the name of a third party to deposit money into the First Account (Ladbrokes).	Particulars: • See **Row E7** above. • At no point from 23 August 2019 did Entain comply with its AML/CTF Deposits and Withdrawals Procedure or Third Party Card Procedure. • At no point from 23 August 2019 did Entain undertake any other measure to secure [redacted] compliance with the terms and conditions that Entain applied to its accounts in relation to third party deposits.
	G10	Without limiting **Row G1** or **Row G4**, at no time from August 2019 until September 2021 did Entain suspend [redacted] First Account (Ladbrokes) on its own initiative.	Particulars: • The First Account (Ladbrokes) was suspended on 28 September 2021 due to the source of wealth/source of funds information provided by [redacted] being inconsistent with transactional activity on the account. The First Account (Ladbrokes) was subsequently closed on the same day at [redacted] request. • At no time between August 2019 and 28 September 2021 (the date of suspension/closure) did Entain suspend [redacted] First Account (Ladbrokes) on its own initiative. • Suspension (or at least consideration of suspension) was appropriate at multiple points from August 2019: see especially **Rows E5–E12** above.
	G11	Without limiting **Row G1** or **Row G4**, at no time from August 2019 until September 2021 did Entain close [redacted] First Account (Ladbrokes) on its own initiative.	Particulars: • The First Account (Ladbrokes) was suspended on 28 September 2021 due to the source of wealth/source of funds information provided by [redacted] being inconsistent with transactional activity on the account. The First Account

			(Ladbrokes) was subsequently closed on the same day at [redacted] request. • At no time between August 2019 and 28 September 2021 (the date of suspension/closure) did Entain close [redacted] First Account (Ladbrokes) on its own initiative. • Closure (or at least consideration of closure) was appropriate at multiple points from August 2019: see especially **Rows E5–E12** above.
	G12	Without limiting **Row G1** or **Row G4**, on 20 October 2019, Entain opened a new and additional account for [redacted]	Particulars: • On 20 October 2019, Entain opened the Second Account (Neds) for [redacted] see **Row B2** above. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether and why it was appropriate to open a new and additional account for [redacted] against the background of the matters indicative of high ML/TF Risk pleaded in **Row E** above. • While [redacted] did not engage in any transactional activity (depositing, betting and withdrawing) on the Second Account (Neds) for a substantial period of time after the opening of the account, large amounts of money were deposited into the Second Account (Neds) in November 2021 and then bet: see **Row E14** above.
	G13	Without limiting **Row G1** or **Row G4**, at no time from September 2021 until 30 November 2021 did Entain consider suspension or closure of the Second Account (Neds).	Particulars: • The First Account (Ladbrokes) was suspended on 28 September 2021 due to the source of wealth/source of funds information provided by [redacted] being inconsistent with transactional activity on the account. The First Account (Ladbrokes) was subsequently closed on the same day at [redacted] request. • [redacted] due diligence records do not indicate that any consideration was given to suspending or closing the Second Account (Neds) at the same time that the First

			Account (Ladbrokes) was suspended and closed, notwithstanding the background of the matters indicative of high ML/TF Risk pleaded in **Row E** above. • Large amounts of money were deposited into the Second Account (Neds) in November 2021 and then bet: see **Row E14** above.
	G14	Without limiting **Row G1** or **Row G4**, at no time from September 2021 did Entain close the Second Account (Neds) on its own initiative.	Particulars: • The Second Account (Neds) was suspended on 30 November 2021 and remains suspended (but still open).

SCHEDULE 8: [redacted]

A: customer		[redacted]
B: account(s)	**B1**	**First Account (Bookmaker)** • [redacted] • Opened date: 13 December 2012 (the account was opened by an entity that Entain later acquired) • Acquired date: 6 September 2013 (the date on which Entain acquired the entity that opened the account and the account itself) • Licence transfer date: not relevant • Closed date: 22 December 2013
	B2	**Second Account (Neds)** • [redacted] • Opened date: 6 October 2017 (the account was opened by an entity that Entain later acquired) • Acquired date: 28 November 2018 (the date on which Entain acquired the entity that opened the account and the account itself) • Licence transfer date: 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Closed date: 14 September 2023
	B3	**Third Account (Ladbrokes)** • [redacted] • Opened date: 29 March 2023 • Closed date: 14 September 2023
C: summary of transactional activity by account	**C1**	**First Account (Bookmaker)** • Lifetime deposits: $313,337.00, approximately $172,257.00 of which was from 6 September 2013 (the date on which the account was acquired) but none of which was during the Relevant Period • Lifetime turnover: $1,130,570.70, approximately $868,104.25 of which was from 6 September 2013 (the date on which the account was acquired) but none of which was during the Relevant Period • Lifetime withdrawals: $314,656.01, approximately $289,026.83 of which was from 6 September 2013 (the date on which the account was acquired) but none of which was during the Relevant Period

	C2	**Second Account (Neds)** • Lifetime deposits: $2,886,725.35, $2,727,684.44 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime turnover: $6,867,507.86, $6,415,247.68 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime withdrawals: $2,565,243.11, $2,422,165.17 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence)	
	C3	**Third Account (Ladbrokes)** • Lifetime deposits: $338,967.22, all of which was during the Relevant Period • Lifetime turnover: $500,843.20, all of which was during the Relevant Period • Lifetime withdrawals: $353,632.03, all of which was during the Relevant Period	
D: date in the Relevant Period on and from which matters indicative of high ML/TF Risk existed		1 May 2019	
E: list of matters indicative of high ML/TF Risk	**E1**	From no later than 1 May 2019, there was adverse reporting about [redacted] available in media/public sources in connection with serious criminal offences — specifically, there was reporting that [redacted] had been charged with unlawful possession and supply of a prohibited drug ([redacted] $[redacted]) by [redacted]	Particulars: • Entain acquired the Second Account (Neds) on 28 November 2018 and, following a process of integration in early 2019, moved the Second Account (Neds) under its sports bookmaker licence on 1 May 2019. • From no later than 1 May 2019, Entain had access to all KYC information for the Second Account (Neds) (including, for example, [redacted] name, date or birth and residential address) and all relevant transaction data for the Second Account (Neds). • Accordingly, from no later than 1 May 2019: – Entain knew or ought to have known that [redacted] (as the account holder for the Second Account (Neds)) had

			previously held another account with Entain on which there had been unusual transactional activity (the First Account (Bookmaker)): see **Row E2** below. – Entain knew or ought to have known that there had been unusual transactional activity on the account that it had acquired and moved under its sports bookmaker licence (the Second Account (Neds)): see **Rows E3–E4** below. • Information about the charges against [redacted] was available in media and/or other public sources from no later than [redacted] and remained available after [redacted] first became a customer of Entain (upon the acquisition of the First Account (Bookmaker) in 2013 and when he later became a customer of Entain again in 2018–2019 (upon the acquisition of the Second Account (Neds)). • This information indicated that the charges were laid in [redacted] • Entain was aware of this information by no later than 24 January 2020, when it gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act which: (i) contained a link to a news article about the charges; (ii) listed the "offence type" as "money laundering"; and (iii) listed the "reason for suspicion" as "inconsistent with customer profile" and "unusually large transfer".
	E2	From no later than 1 May 2019, Entain had information that, from December 2012 to December 2013, [redacted] had had an account with Entain (the First Account (Bookmaker)) into which he had deposited and from which he had withdrawn unusually large amounts of money.	Particulars: • Entain acquired the Second Account (Neds) on 28 November 2018 and, following a process of integration in early 2019, moved the Second Account (Neds) under its sports bookmaker licence on 1 May 2019. • From no later than 1 May 2019, Entain had access to all KYC information for the Second Account (Neds) (including, for example, [redacted] name, date or birth and residential

			address) and all relevant transaction data for the Second Account (Neds). • Accordingly, from no later than 1 May 2019, Entain knew or ought to have known that [redacted] (as the account holder for the Second Account (Neds)) had previously held another account with Entain into which he had deposited and from which he had withdrawn unusually large amounts of money (the First Account (Bookmaker)). • The First Account (Bookmaker) was opened by an entity other than Entain on 12 December 2012 and acquired by Entain on 6 September 2013. • From no later than 6 September 2013, Entain had access to all relevant transaction data for the First Account (Bookmaker), including data concerning deposits/withdrawals. • In the period from 13 December 2012 to 22 December 2013 (the period in which the First Account (Bookmaker) was open): – [redacted] deposited $313,337.00 into the First Account (Bookmaker) (an average of $26,111.41 per month). Of this, approximately $172,257.00 (or 55%) was deposited in the period after Entain acquired the First Account (Bookmaker). – [redacted] withdrew $314,656.01 from the First Account (Bookmaker) (an average of $26,221.33 per month). Of this, approximately $289,026.83 (or 92%) was withdrawn in the period after Entain acquired the First Account (Bookmaker). • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by

			[redacted] on his First Account (Bookmaker) in 2012–2013 were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E3	From no later than 1 May 2019, Entain had information that, from June 2018, there had been a material change in [redacted] depositing and withdrawing patterns on the Second Account (Neds) — specifically, Entain had information that there had been a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the Second Account (Neds), amounting to an unusual pattern of transactions.	Particulars: • Entain acquired the Second Account (Neds) on 28 November 2018 and, following a process of integration in early 2019, moved the Second Account (Neds) under its sports bookmaker licence on 1 May 2019. • From no later than 1 May 2019, Entain had access to all relevant transaction data for the Second Account (Neds), including data concerning deposits/withdrawals. • From October 2017 (when the Second Account (Neds) was opened) to May 2018: – [redacted] deposited $0 (nothing) into the Second Account (Neds). – [redacted] withdrew $0 (nothing) from the Second Account. • From June 2018 to 30 April 2019: – [redacted] deposited $159,040.91 into the Second Account (Neds) (an average of approximately $14,458.26 per month, with particularly large deposits in June 2018 ($49,525.00) and November 2018 ($21,645.74)). – [redacted] withdrew $143,077.94 from the Second Account (Neds) (an average of approximately $13,007.09 per month, with particularly large withdrawals in June 2018 ($46,805.00), July 2018 ($29,690.70) and August 2018 ($21,720.00)). • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by

			[redacted] on his Second Account (Neds) from June 2018 were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E4	From no later than 1 May 2019, Entain had information that, from November 2018, deposits that [redacted] had attempted to make into the Second Account (Neds) by Braintree credit card had regularly failed, amounting to an unusual pattern of transactions.	Particulars: • Entain acquired the Second Account (Neds) on 28 November 2018 and, following a process of integration in early 2019, moved the Second Account (Neds) under its sports bookmaker licence on 1 May 2019. • From no later than 1 May 2019, Entain had access to all relevant transaction data for the Second Account (Neds), including data concerning "rejected" deposits. • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • From 11 November 2018 to 23 April 2019, 26 deposits that [redacted] attempted to make into the Second Account (Neds) by Braintree credit card (amounting to $3,555.00) were recorded as "rejected" in his transaction statements.
	E5	At all times from 1 May 2019, [redacted] deposited and withdrew unusually large amounts of money into and from the Second Account (Neds).	Particulars: • While the amounts of money deposited into and withdrawn from the Second Account (Neds) from 1 May 2019 were at all times unusually large, there was a significant increase/escalation in calendar year 2020: see **Row E10** below. • From 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence) to December 2019: – [redacted] deposited $191,607.21 into the Second Account (Neds) (an average of $23,950.90 per month for this period).

			– [redacted] withdrew $140,193.01 from the Second Account (Neds) (an average of $17,524.13 per month for this period). – [redacted] deposited $10,000.00 or more in a day into his Second Account (Neds) on 2 occasions. – [redacted] withdrew $10,000.00 or more in a day from his Second Account (Neds) on 3 occasions. • In 2020: – [redacted] deposited $835,196.57 into the Second Account (Neds) (an average of $69,599.71 per month. – [redacted] withdrew $738,267.81 from the Second Account (Neds) (an average of $61,522.32 per month). – [redacted] was listed in Entain's High Value Transaction Report in relation to his Second Account (Neds) on at least 4 occasions. – [redacted] deposited $50,000.00 or more in a week into his Second Account (Neds) on 1 occasion. – [redacted] deposited $10,000.00 or more in a day into his Second Account (Neds) on 12 occasions. – [redacted] withdrew $10,000.00 or more in a day from his Second Account (Neds) on 25 occasions. • In 2021: – [redacted] deposited $695,230.45 into the Second Account (Neds) (an average of $57,935.87 per month). – [redacted] withdrew $615,142.00 from the Second Account (Neds) (an average of $51,261.83 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 1 occasion. – [redacted] deposited $10,000.00 or more in a day into his Second Account (Neds) on 5 occasions.

			– [redacted] withdrew $50,000.00 or more in a week from his Second Account (Neds) on 2 occasions. – [redacted] withdrew $10,000.00 or more in a day from his Second Account (Neds) on 16 occasions. ● In 2022: – [redacted] deposited $559,095.49 into the Second Account (Neds) (an average of $46,591.29 per month). – [redacted] withdrew $508,460.60 from the Second Account (Neds) (an average of $42,371.72 per month). – [redacted] was listed in Entain's Flexepin and Cashin Use Report on at least 4 occasions. – [redacted] was listed in Entain's High Value Transaction Report on at least 1 occasion. – [redacted] was listed in Entain's Potential Cash Based Activity Report on at least 1 occasion. – [redacted] withdrew $50,000.00 or more in a week from his Second Account (Neds) on 1 occasion. – [redacted] withdrew $10,000.00 or more in a day from his Second Account (Neds) on 8 occasions. ● From January 2023 to 14 September 2023: – [redacted] deposited $446,554.72 into the Second Account (Neds) (an average of $49,617.19 per month). – [redacted] withdrew $420,101.75 from the Second Account (Neds) (an average of $46,677.97 per month). ● From 29 March 2023 to 14 September 2023, [redacted] also deposited $338,967.22 into the Third Account (Ladbrokes) (an average of $48,423.89 per month) and withdrew $353,632.03 from the Third Account (Ladbrokes) (an average of $50,518.86 per month). ● A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of

			an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E6	At all times during which [redacted] had an open account with Entain in the Relevant Period, Entain did not have sufficient information about [redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that transactional activity on [redacted] accounts (depositing, betting and withdrawing) was consistent with or supported by his source of wealth/source of funds.	Particulars: • While the information that Entain had about [redacted] source of wealth/source of funds changed over time, at no time during which [redacted] had an open account with Entain in the Relevant Period was it sufficient to reach the necessary satisfaction. • Entain could have obtained information about [redacted] source of wealth/source of funds from (at least) public/external sources and [redacted] himself. • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from public/external sources and/or [redacted] it did not do so with sufficient promptness: – Prior to 20 May 2021, Entain obtained no substantive information about [redacted] source of wealth/source of funds from public/external sources (by this time, [redacted] had deposited $1,314,471.77 into the Second Account (Neds) in 2.5 years). – At no point during which [redacted] had an open account with Entain in the Relevant Period did Entain obtain any substantive information about [redacted] source of wealth/source of funds from [redacted] himself. • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from public/external sources and/or [redacted] it did not obtain sufficient information to reach the necessary satisfaction: – Entain never identified (let alone confirmed or verified) that [redacted] owned a business or was employed.

			– In particular, on 16 October 2020, Entain obtained information that [redacted] had a sole trader ABN, but it did not obtain (let alone confirm or verify) basic information about whether any trading activity connected to the ABN had occurred or was occurring, the nature of any such trading activity or the capacity of the trading activity to support the transactional activity on [redacted] accounts. – Further, by no later than 11 August 2022, Entain obtained information that [redacted] ABN had been cancelled from 30 June 2022. – On 20 May 2021, Entain obtained information that [redacted] co-owned a property, but: (i) it was not until 10 March 2022 that Entain obtained information about the value of the property (which was low: $130,000.00–$230,000.00); and (ii) Entain never obtained information about the capacity of this co-ownership to support transactional activity on [redacted] accounts (eg, information indicating whether or not there was a mortgage over the property). – From August 2022 onwards, Entain obtained no new or additional substantive information about [redacted] source of wealth/source of funds from publicly available sources. • In addition to the above: at all times from at least 24 January 2020, Entain was aware that [redacted] was the subject of adverse reporting in media/public sources in connection with a serious criminal offence. • Over the period during which [redacted] had an open account with Entain in the Relevant Period, Entain gave the AUSTRAC CEO at least 2 SMRs pursuant to s 41 of the Act in which it acknowledged questions about whether the transactional activity on [redacted] accounts (depositing, betting and withdrawing) was consistent with [redacted] source of wealth/source of funds, given that it could not

			identify a source of wealth or current occupation for [redacted] on 24 January 2020 and 16 August 2022.
	E7	From 1 May 2019, [redacted] Second Account (Neds) was linked to multiple unexpired credit/debit cards.	Particulars: • From 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence) to August 2019, [redacted] Second Account (Neds) was linked to up to 2 unexpired credit/debit cards. • From September 2019 to December 2019, [redacted] Second Account (Neds) was linked to up to 3 unexpired credit/debit cards. • From January 2020 to June 2020, [redacted] Second Account (Neds) was linked to up to 4 unexpired credit/debit cards. • From July 2020 to November 2020, [redacted] Second Account (Neds) was linked to up to 3 unexpired credit/debit cards. • From December 2020 to March 2021, [redacted] Second Account (Neds) was linked to up to 4 unexpired credit/debit cards. • In April 2021, [redacted] Second Account (Neds) was linked to up to 5 unexpired credit/debit cards. • From May 2021 to July 2021, [redacted] Second Account (Neds) was linked to up to 4 unexpired credit/debit cards. • From August 2021 to March 2022, [redacted] Second Account (Neds) was linked to up to 5 unexpired credit/debit cards. • From April 2022 to June 2022, [redacted] Second Account (Neds) was linked to up to 6 unexpired credit/debit cards. • From July 2022 to August 2022, [redacted] Second Account (Neds) was linked to up to 7 unexpired credit/debit cards.

			• From September 2022 to January 2023, [redacted] Second Account (Neds) was linked to up to 6 unexpired credit/debit cards. • From February 2023 to April 2023, [redacted] Second Account (Neds) was linked to up to 5 unexpired credit/debit cards. • From May 2023 until the account was closed, [redacted] Second Account (Neds) was linked to up to 7 unexpired credit/debit cards. • In addition, for the majority of the period in which it was open, [redacted] Third Account (Labrokes) was linked to up to 2 unexpired credit/debit cards.
	E8	At all times during which [redacted] had an open account with Entain in the Relevant Period, deposits that [redacted] attempted to make into his accounts by Braintree credit card, EFT and Braintree PayPal regularly failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • While the number and value of deposits that were recorded as "rejected" in [redacted] transaction statements was at all times unusually large, there was a significant increase/escalation in February 2021: see **Row E13** below. • From 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence) to 31 December 2019, 29 deposits that [redacted] attempted to make into the Second Account (Neds) by

			Braintree credit card (amounting to $5,485.00) were recorded as “rejected” in his transaction statements. • In 2020, 107 deposits that [redacted] attempted to make into the Second Account (Neds) by Braintree credit card or EFT (amounting to $38,564.00) were recorded as “rejected” in his transaction statements. • In 2021, 162 deposits that [redacted] attempted to make into the Second Account (Neds) by Braintree credit card and Braintree PayPal (amounting to $251,369.00) were recorded as “rejected” in his transaction statements, with 10 “rejected” deposits in February 2021 (amounting to $202,411.00). • In 2022, 97 deposits that [redacted] attempted to make into the Second Account (Neds) by Braintree credit card (amounting to $24,658.00) were recorded as “rejected” in his transaction statements. • In 2023, 127 deposits that [redacted] attempted to make into the Second Account (Neds) by Braintree credit card (amounting to $38,044.42) were recorded as “rejected” in his transaction statements. • In the period during which the Third Account (Ladbrokes) was open (from March 2023 to September 2023), 35 deposits that [redacted] attempted to make into the Third Account (Ladbrokes) by Braintree credit card (amounting to $11,271.20) were recorded as “rejected” in his transaction statements.
	E9	At all times from 1 May 2019, [redacted] regularly used potentially cash-based deposit methods to make deposits into the Second Account (Neds).	Particulars: • Entain acquired the Second Account (Neds) on 28 November 2018 and, following a process of integration

			in early 2019, moved the Second Account (Neds) under its sports bookmaker licence on 1 May 2019. • From no later than 1 May 2019, Entain had access to all relevant transaction data for the Second Account (Neds), including data concerning deposits/withdrawals. • Between the date on which the Second Account (Neds) was opened (6 October 2017) and 12 April 2019, [redacted] made no deposits into the account via potentially cash-based deposit methods. • [redacted] made his first deposit through the Blueshyft Cash-in Terminal (retail venue) Channel (**Blueshyft Cash-in**) into the Second Account (Neds) on 12 April 2019, shortly before the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence. From 12–28 April 2019, [redacted] made 5 deposits via Blueshyft Cash-in (amounting to $2,050.00). • The Blueshyft Cash-in process: – A customer could make a deposit via Blueshyft Cash-in by: (i) nominating a deposit amount in the Entain App, thereby generating a QR code; (ii) presenting the QR code at a participating merchant; and (iii) paying the merchant the nominated deposit amount by any means that the merchant accepted, including cash, which would then be credited to the customer's account. – Blueshyft Cash-in was known by Entain to be a potentially cash-based deposit method. – Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • From 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence), [redacted] regularly used Blueshyft Cash-in to make deposits into the Second Account (Neds):

			– From 1 May 2019 to December 2019, [redacted] made 45 deposits via Blueshyft Cash-in (amounting to $20,890.00). – In 2020, [redacted] made 37 deposits via Blueshyft Cash-in (amounting to $23,460.00). – In 2021, [redacted] made 16 deposits via Blueshyft Cash-in (amounting to $10,300.00). – In 2022, [redacted] made 16 deposits via Blueshyft Cash-in (amounting to $8,990.00). – In 2023, [redacted] made 15 deposits via Blueshyft Cash-in (amounting to $5,900.00). • [redacted] made his first Flexepin Voucher deposit into the Second Account (Neds) on 25 November 2021. • The Flexepin Voucher process: – A customer could purchase a Flexepin Voucher from a merchant within the Flexepin network, the full value of which could then be redeemed into the customer's account. – The customer was able to pay for the voucher (the same value as the voucher) by any means that the merchant accepted, including cash. – Flexepin Vouchers were known by Entain to be a potentially cash-based deposit method. – Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • From 25 November 2021 until 31 December 2022, [redacted] regularly used Flexepin Vouchers to make deposits into the Second Account (Neds), with much larger amounts of money being deposited via this deposit method than via Blueshyft Cash-in: see **Row E14** below.

	E10	In 2020, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the Second Account (Neds), amounting to an unusual pattern of transactions.	Particulars: • In 2019, [redacted] deposited $226,974.25 into the Second Account (Neds) (an average of $18,914.52 per month). Of this, $191,607.21 (approximately 84%) was deposited on and from 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence) (an average of $23,950.90 per month for this period). • In 2020, [redacted] deposited $835,196.57 into the Second Account (Neds) (an average of $69,599.71 per month, which amounted to an increase of approximately 268% on the monthly average for 2019 as a whole). • In 2019, [redacted] withdrew $159,371.91 from the Second Account (Neds) (an average of $13,280.99 per month). Of this, $140,193.01 (approximately 88%) was withdrawn on and from 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence) (an average of $17,524.13 per month for this period). • In 2020, [redacted] withdrew $738,267.81 from the Second Account (Neds) (an average of $61,522.31 per month, which amounted to an increase of approximately 363% on the monthly average for 2019 as a whole). • In 2020: – [redacted] was listed in Entain's High Value Transaction Report on at least 4 occasions. – [redacted] deposited $50,000.00 or more into the Second Account (Neds) in a week on 1 occasion. – [redacted] deposited $10,000.00 or more into the Second Account (Neds) in a day on 12 occasions. – [redacted] withdrew $10,000.00 or more from the Second Account (Neds) in a day on 25 occasions.

			• A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E11	By no later than January 2020, Entain had information indicating that there were higher ML/TF Risks related to [redacted] sources of wealth/sources of funds — specifically, Entain had information that [redacted] had been charged with unlawful possession and supply of a prohibited drug ([redacted] $[redacted]) by [redacted]	• Information about the charges was available in media and/or other public sources from no later than [redacted] and remained available after [redacted] first became a customer of Entain (upon the acquisition of the First Account (Bookmaker) in 2013 and when he later became a customer of Entain again in 2018–2019 (upon the acquisition of the Second Account (Neds)). • This information indicated that the charges were laid in [redacted] • Entain was aware of this information by no later than 24 January 2020, when it gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act which: (i) contained a link to a news article about the charges; (ii) listed the "offence type" as "money laundering"; and (iii) listed the "reason for suspicion" as "inconsistent with customer profile" and "unusually large transfer".
	E12	By no later than 23 January 2020, Entain had information indicating that [redacted] had provided it with false, incorrect and/or suspicious KYC information — specifically, Entain had information indicating that the residential address that [redacted] had provided for the Second Account (Neds) was not a residential address and/or was not where [redacted] lived.	Particulars: • On 23 January 2020, Entain recorded in [redacted] due diligence records that a Google search of the residential address that [redacted] had provided for the Second Account (Neds) showed a convenience store/petrol station in a country town, at which numerous people had been listed over time. • On 24 January 2020, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in which it noted that when

			searching [redacted] address on Google, it showed up as a convenience store/petrol station and that Entain was "unable to confirm" whether the convenience store/petrol station had "housing attached". • The provision of false, inaccurate, or incomplete information in connection with an account was contrary to the terms and conditions [cll 7.4 and 7.6] applied by Entain to its accounts.
	E13	In and from February 2021, there was a material change in [redacted] depositing patterns — specifically, there was a significant increase/escalation in the number and value of failed deposits into [redacted] Second Account (Ladbrokes), amounting to an unusual pattern of transactions.	Particulars: • See generally **Row E8** above; see also **Row E4**. • In 2019, 49 deposits that [redacted] attempted to make into the Second Account (Neds) by Braintree credit card (amounting to $8,580.00) were recorded as "rejected" in his transaction statements. Of these 49 attempted deposits, 29 were attempted in the period on and from 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence) (amounting to $5,485.00). • In 2020, 107 deposits that [redacted] attempted to make into the Second Account (Neds) by Braintree credit card and EFT (amounting to $38,564.00) were recorded as "rejected" in his transaction statements. • Then, in February 2021, 10 deposits that [redacted] attempted to make into the Second Account (Neds) by Braintree credit card ~~and Braintree PayPal~~ (amounting to $202,411.00) were recorded as "rejected" in his transaction statements. In 2021 as a whole, 162 deposits that [redacted] attempted to make into the Second Account (Neds) by Braintree credit card and Braintree PayPal (amounting to $251,369.00) were recorded as "rejected".
	E14	From November 2021, there was a material change in [redacted] depositing patterns — specifically, there was a significant	Particulars: • See **Row E9** above.

		increase/escalation in the value of the deposits that [redacted] made into the Second Account (Neds) via potentially cash-based deposit methods, amounting to an unusual pattern of transactions.	• From January to October 2021, [redacted] deposited $7,750.00 into the Second Account (Neds) via a potentially cash-based deposit method (an average of $775.00 per month). • From November 2021 to December 2022, [redacted] deposited $92,220.00 into the Second Account (Neds) via a potentially cash-based deposit method (an average of $6,587.14 per month, which amounted to an increase of approximately 750% on the monthly average for the period January to October 2021). • Of the $92,220.00 deposited into the Second Account (Neds) via a potentially cash-based deposit method in the period November to December 2021, $80,680.00 was deposited via Flexepin Vouchers. • Between March 2022 and January 2023, [redacted] was listed on Entain's Flexepin Report on at least 4 occasions. • In August 2022, [redacted] was listed on Entain's Potential Cash Based Activity Report on at least 1 occasion. [redacted] appeared on this report after Entain recorded that he had made deposits and placed bets in 2 different States, with each transaction occurring in close temporal proximity to the next: see **Row E15** below. • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash.
	E15	In August 2022, transactions consistent with third party use and/or funding of the Second Account (Neds) occurred — specifically, multiple transactions (deposits and bets) occurred on the Second Account (Neds) in close temporal proximity in 2 different States.	Particulars: • In August 2022, Entain recorded that: – On 3-4 August 2022, Flexepin Voucher deposits were made and bets were placed in New South Wales, with the last bet placed at 23:01:44 on 4 August 2022.

			– On 5 August 2022, a Blueshyft Cash-in deposit was made at 11:37:35 in Queensland, and bets were placed in Queensland, with the last bet placed at 12:21:33. – Nine hours later, a deposit was made and bets were placed in New South Wales. • On 12 August 2022, Entain recorded in its due diligence records that, while the transactions could be explained by travel, they were concerning, particularly given the news article about [redacted] charges for unlawful possession and supply of a prohibited drug. • On 16 August 2022, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act. The SMR listed the "reason for suspicion" as "suspicious behaviour" and "unusual account activity", and reported the transactions on the Second Account (Neds) in August 2022. Entain reported that while these transactions could be explained by [redacted] travelling to Queensland, nevertheless the behaviour was deemed suspicious because it raised the potential that a third party was operating and/or funding the Second Account (Neds). Entain noted that this behaviour was consistent with previous behaviour involving operation of the Second Account (Neds) in New South Wales in the days leading up to and after a deposit being made in Queensland. • The use of a customer's account by a third party was contrary to the terms and conditions [cll 10.1(e), 10.1(f)] applied by Entain to its accounts.
	E16	Upon the opening of the Third Account (Ladbrokes) on 29 March 2023, [redacted] began immediately to deposit and withdraw unusually large amounts of money into and from the Third Account (Ladbrokes), amounting to an unusual pattern of transactions.	Particulars: • The Third Account (Ladbrokes) was opened 29 March 2023. • The amounts of money that [redacted] deposited into the Third Account (Ladbrokes) were unusually large from the outset:

			– In the period 29–31 March 2023, [redacted] deposited $7,798.55 into the Third Account (Ladbrokes). – In the first full month that the Third Account (Ladbrokes) was open (April 2023), [redacted] deposited $38,719.14 into the account. – In the approximately 6 months that the Third Account (Ladbrokes) was open, [redacted] deposited $338,967.22 into the account (an average of $56,494.54 per month). • The amounts of money that [redacted] withdrew from the Third Account (Ladbrokes) were unusually large from the outset: – In the period 29–31 March 2023, [redacted] withdrew $14,701.00 from the Third Account (Ladbrokes). – In the first full month that the Third Account (Ladbrokes) was open (April 2023), [redacted] withdrew $44,587.50 from the account. – In the approximately 6 months that the Third Account (Ladbrokes) was open, [redacted] withdrew $353,632.03 from the account (an average of $58,938.67 per month). • In 2023: – [redacted] deposited $10,000.00 or more in a day into his Third Account (Ladbrokes) on 3 occasions. – [redacted] withdrew $10,000.00 or more in a day from his Third Account (Ladbrokes) on 7 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.

	E17	From March 2023, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the total amount of money that [redacted] deposited into and withdrew from the Entain environment (any and all accounts held with Entain), amounting to an unusual pattern of transactions.	Particulars: • From January 2022 to February 2023, [redacted] deposited $677,770.15 into the Second Account (Neds) (an average of $48,412.15 per month). • From March to September 2023, [redacted] deposited $327,880.06 into the Second Account (Neds) and $338,967.22 into the Third Account (Ladbrokes), for a total of $666,847.28 (an average of $95,263.90 per month, which amounted to an increase of approximately 97% on the monthly average for total deposits for the period January 2022 to February 2023). • From January 2022 to February 2023, [redacted] withdrew $640,509.55 from the Second Account (Neds) (an average of $45,750.68 per month). • From March to September 2023, [redacted] withdrew $288,052.80 from the Second Account (Neds) and $353,632.03 from the Third Account (Ladbrokes), for a total of $641,684.83 (an average of $91,669.26 per month, which amounted to an increase of approximately 100% on the monthly average for total withdrawals for the period January 2022 to February 2023). • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
F: dates on and from which	**F1**	1 May 2019	Particulars: • See paragraph 433 above.

monitoring failures existed and contraventions of s 36 occurred	**F2**	1 May 2019	Particulars: • See **Row G** below, especially **Rows G1–G5**.
	F3	24 January 2020	Particulars: • See **Row G** below, especially **Rows G5–G14**.
G: list of particular monitoring failures	**G1**	At no time from May 2019 did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in **Row E** above.
	G2	Without limiting **Row G1**, at no time from May 2019 did Entain rate [redacted] "High" ML/TF Risk in relation to his Second Account (Neds).	Particulars: • On 1 May 2019, following a process of integration in early 2019, the Second Account (Neds) was moved under Entain's sports bookmaker licence (the account had been acquired on 28 November 2018). • Between 1 May 2019 and 23 January 2020, Entain did not rate [redacted] in relation to the Second Account (Neds) (ie, the risk rating was "Unrated"). • On 23 January 2020, Entain rated [redacted] "Medium" ML/TF Risk in relation to the Second Account (Neds) (ie, the risk rating was adjusted from "Unrated" to "Medium"). • From 23 January 2020 until 14 September 2023 (when the Second Account (Neds) was closed), Entain continued to rate [redacted] "Medium" ML/TF Risk in relation to the account (ie, the risk rating was never adjusted to "High"). • A "High" ML/TF Risk rating was appropriate for [redacted] in relation to the Second Account (Neds) at all times from 1 May 2019, and certainly by no later than 24 January 2020: see **Rows E1–E9** above; see also **Rows E10–E12** above.

			• If [redacted] had been rated "High" ML/TF Risk at all times from May 2019, Entain would have been required to apply the ECDD Program from that time: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules.
	G3	Without limiting **Row G1**, at no time between 24 January 2020 and 16 August 2022 did Entain give the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • On 24 January 2020, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] • Entain did not give the AUSTRAC CEO a single SMR in relation to [redacted] in the approximately 2.5 years after 24 January 2020. • In the SMR given to the AUSTRAC CEO on 24 January 2020, Entain had acknowledged that it was "unable to confirm the client's source of wealth", and nothing happened in the 2.5 year period after 24 January 2020, whether on Entain's initiative or otherwise, which permitted a source of wealth/source of funds to be identified, confirmed or verified: see **Row E6** above. • In any event, a large number of other matters indicative of high ML/TF Risk continued or emerged in the approximately 2.5 years after 24 January 2020: see **Rows E1–E14** above, especially **Rows E11**, **E13** and **E14**.
	G4	Without limiting **Row G1**, at no time in the Relevant Period during which [redacted] had 2 open accounts with Entain did Entain appropriately monitor [redacted] on a holistic basis, as a customer, across both of his accounts.	Particulars: • Relevantly, [redacted] had 2 open accounts with Entain between 29 March 2023 and 14 September 2023. • Section 36(1)(a) of the Act required Entain to monitor its customers, not its accounts. • At all times in the Relevant Period during which [redacted] had 2 open accounts with Entain, Entain assessed and rated ML/TF Risk in relation to [redacted] on an account-by-account basis rather than a customer basis.

			• Entain did not regularly and on an ongoing basis review and analyse the total amounts that [redacted] was depositing, betting and/or withdrawing across both of his accounts. • Entain's failure to regularly and on an ongoing basis review and analyse the total amounts that [redacted] was depositing, betting and/or withdrawing across both of his accounts impaired its capacity to meet its monitoring obligations under the Act and the Rules, including because: – It impaired Entain's capacity to assess whether any of the reporting conditions in s 41 of the Act were satisfied (for example, whether transactional activity crossed relevant monetary thresholds). – It impaired Entain's capacity to determine whether [redacted] identified or claimed sources of wealth/sources of funds supported or could support the transactional activity on [redacted] accounts. – It impaired Entain's capacity to assess whether [redacted] transactional activity and methods could appropriately be described as "recreational".
	G5	Without limiting **Row G1**, at no time during the period in which the Third Account (Ladbrokes) was open did Entain rate [redacted] "High" ML/TF Risk in relation to the account.	Particulars: • There is no indication in [redacted] due diligence records (or otherwise) that [redacted] was ever assigned a risk rating in relation to the Third Account (Ladbrokes). • A "High" ML/TF Risk rating was appropriate in relation to the Third Account (Ladbrokes) at all times during the period in which it was open, in light of: (i) the fact that [redacted] began immediately to deposit and withdraw unusually large amounts of money into and from the Third Account (Ladbrokes):see **Rows E16–E17** above; (ii) the large number of other matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] and (iii) the requirement in s 36(1) of the Act to monitor customers, not accounts.

	G6	Without limiting **Row G1**, at no time from the date on which ECDD was triggered (specifically, from 24 January 2020) did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] on an ongoing basis, from that time.	Particulars: • Entain was under an obligation to apply the ECDD Program on an ongoing basis from the date on which there was an ECDD trigger: see paragraphs 428–429 above. • On 24 January 2020, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] • After 24 January 2020, Entain gave the AUSTRAC CEO 1 further SMR pursuant to s 41 of the Act in relation to [redacted] on 16 August 2022. • Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. • As a result of the above ECDD triggers, and in light of the continuing nature of the matters pleaded in **Row E** above, Entain was under an obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, at all times from 24 January 2020. • Entain's obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, existed notwithstanding the failure to rate [redacted] "High" ML/TF Risk from at least 24 January 2020 onwards or indeed earlier (see **Row G2** above) and the inappropriate failure to give the AUSTRAC CEO further SMRs pursuant to s 41 of the Act: see **Row G3** above. • The measures that Entain was required to undertake in relation to [redacted] as a result of forming a suspicion for the purposes of s 41 of the Act included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules. • The measures that were required were measures appropriate to a person reasonably suspected of money laundering offences, as per the 2 SMRs that Entain gave the AUSTRAC CEO pursuant to s 41 in relation to [redacted]

	G7	Without limiting **Row G1** or **Row G6**, at no time from January 2020 did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, across all accounts, including the level of transactional behaviour and the purpose, reasons for or nature of the transactional behaviour.	Particulars: • This was a measure appropriate to the circumstances that existed from January 2020: see r 15.10(5) of the Rules. • At all times from 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence), including at all times from January 2020, [redacted] deposited and withdrew unusually large amounts of money into and from his Second Account (Neds), against a background of unusually large deposits and withdrawals into and from the same account (as well as a separate account) during earlier periods: see **Row E5** above, read with **Rows E2–E3**. • There was a significant increase/escalation in the amounts deposited and withdrawn into and from the Second Account (Neds) in 2020: see **Row E10** above. • There was also a significant increase/escalation in the total amounts deposited and withdrawn into and from the Entain environment from March 2023: see **Rows E16–E17** above. • [redacted] transactional activity prior to and from January 2020 was unusual in other respects, including his regular and escalating use of potentially cash-based deposit methods: see, for example, **Rows E8–E9** and **E13–E15** above. • [redacted] was listed in Entain's transaction monitoring reports from January 2020, demonstrating that Entain identified that he deposited large amounts of money into his accounts from this time, including potentially cash, but Entain did not undertake any measures to mitigate and manage the ML/TF Risk indicated by this transactional behaviour. • It was not until 11 August 2022 that Entain identified in its due diligence records for [redacted] that [redacted] had previously held the First Account (Bookmaker), although

			Entain had information permitting this identification to occur by no later than 1 May 2019: see **Rows E1–E2** above. • Upon the opening of the Third Account (Ladbrokes) in March 2023, [redacted] transactional activity was not appropriately monitored on a holistic basis across both of his accounts, which (among other things) impaired Entain's capacity to identify and consider the implications of the true volume of money flowing into and out of [redacted] accounts: see **Row G4** above. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods could appropriately be described as "recreational" (Entain's assessments in this respect were conclusory and focussed wholly or primarily on betting activity, rather than transactional activity as a whole). • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, and especially the "cycling" of high value and high frequency deposits (including potentially cash) with high value and high frequency withdrawals, had indicia of money laundering or dealings with the proceeds of crime.
	G8	Without limiting **Row G1** or **Row G6**, at no time from January 2020 did Entain: a) appropriately obtain from [redacted] or otherwise take reasonable measures to identify, information about [redacted] source of wealth/source of funds; b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds;	Particulars: • These were measures appropriate to the circumstances that existed from January 2020: see rr 15.10(1)(a), 15.10(1)(c), 15.10(2) and 15.10(3) of the Rules. • At all times from 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence), including at all times from January 2020, [redacted] deposited and withdrew unusually large amounts of money into and from his Second Account (Neds), against a background of unusually large deposits

		c) appropriately verify or confirm information it had about [redacted] source of wealth/source of funds; or d) appropriately consider the ML/TF Risks relating to [redacted] sources of wealth/sources of funds.	and withdrawals into and from the same account (as well as a separate account) during earlier periods: see **Row E5** above, read with **Rows E2–E3**. • There was a significant increase/escalation in the amounts deposited and withdrawn into and from the Second Account (Neds) in 2020: see **Row E10** above. • There was also a significant increase/escalation in the total amounts deposited and withdrawn into and from the Entain environment from March 2023: see **Rows E16–E17** above. • From 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence), including from January 2020, [redacted] had multiple unexpired credit/debit cards linked to his Second Account (Neds): see **Row E7** above. • At all times during which [redacted] had an open account with Entain in the Relevant Period, including at all times from January 2020, Entain knew or ought to have known that deposits that [redacted] attempted to make into his accounts regularly failed, indicating that deposits were being declined or rejected by the relevant bank or payment service provider, and there was a significant increase/escalation in the number and value of failed deposits from February 2021: see **Rows E8** and **E13** above. • [redacted] transactional activity prior to and from January 2020 was unusual in other respects, especially his regular and escalating use of potentially cash-based deposit methods: see **Rows E9** and **E14** above. • From at least 23 January 2020, Entain knew that [redacted] was the subject of adverse reporting in media/public sources in connection with a serious criminal offence, namely possession and supply of a prohibited drug, and

			this information was publicly available long before Entain identified it: see **Rows E1** and **E11** above. • By no later than 23 January 2023, Entain had information indicating that [redacted] had provided it with false, incorrect and/or suspicious KYC information (an address that was not a residential address and/or was not where [redacted] lived): see **Row E12** above. • In terms of the sufficiency of the information that Entain had about [redacted] source of wealth/source of funds, and the sufficiency of the measures taken by Entain with respect to that information: see **Row E6** above. • Without limiting **Row E6** above: – At no time during which [redacted] had an open account with Entain in the Relevant Period (including from January 2020) did Entain obtain any substantive information about [redacted] source of wealth/source of funds from [redacted] himself. – At no time during which [redacted] had an open account with Entain in the Relevant Period (including from January 2020) did Entain ascertain [redacted] occupation (if any). – At no time during which [redacted] had an open account with Entain in the Relevant Period (including from January 2020) did Entain identify, confirm or verify any other source of wealth/source of funds consistent with [redacted] transactional activity on the Second Account (Neds) and the Third Account (Ladbrokes) (for example, property ownership, ownership of a business, shares or other investments, other employment, etc).
	G9	Without limiting **Row G1** or **Row G6**, at no time from January 2020 did Entain seek from [redacted] or otherwise take reasonable measures to clarify, the nature and purpose of	Particulars: • This was a measure appropriate to the circumstances that existed from January 2020: see r 15.10(1)(d) of the Rules.

		[redacted] ongoing business relationship with Entain.	• At all times during which [redacted] had an open account with Entain (both during the Relevant Period and in the period prior to the Relevant Period), [redacted] transactional activity involved high value deposits and withdrawals into and from his accounts, with significant increases/escalations in particular periods: see **Rows E2**, **E3**, **E5**, **E10** and **E16–E17** above. • [redacted] transactional activity prior to and from January 2020 was unusual in other respects, including his regular and escalating use of potentially cash-based deposit methods, and the fact that transactions consistent with third party use and/or funding of his Second Account (Neds) occurred: see, for example, **Rows E8–E9** and **E13–E15** above. • From at least January 2020, Entain knew that [redacted] had previously been charged with a serious criminal offence and had information indicating that [redacted] had provided it with false, incorrect and/or suspicious KYC information: see **Rows E1** and **E11–E12** above. • In monitoring [redacted] Entain frequently determined that [redacted] transactional activity was or "appeared" to be "recreational", but the determinations did not reflect the totality of available information: they were focussed wholly or primarily on betting activity, rather than transactional activity as a whole, and did not address the relevance of the adverse media reporting about serious criminal charges. Further, the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, especially the "cycling" of high value deposits (including potentially cash) with high

			value withdrawals, had indicia of money laundering or dealings with the proceeds of crime.
	G10	Without limiting **Row G1** or **Row G6**, at no time from January 2020 was [redacted] appropriately escalated to and/or considered by Entain's senior management, including for the purpose of determining whether to continue a business relationship with him.	Particulars: • This was a measure appropriate to the circumstances that existed from January 2020: see r 15.10(6) of the Rules. • Escalation and/or consideration by senior management was appropriate in, and at regular intervals from, January 2020, including: (i) on multiple occasions in the period February 2020 to August 2021; (ii) in and from August 2022; and (iii) in and from March 2023. • [redacted] due diligence records do not indicate that [redacted] was escalated to and/or considered by senior management at any point. • The Second Account (Neds) and the Third Account (Ladbrokes) were closed on 14 September 2023. • The reason for the closure of the Second Account (Neds) and the Third Account (Ladbrokes) was [redacted] "self-exclusion" after a conversation with the Safer Gambling team.
	G11	Without limiting **Row G1** or **Row G6**, at no time after 16 August 2022 did Entain give the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • On 16 August 2022, Entain gave the AUSTRAC CEO an SMR in relation to [redacted] The SMR listed the "offence type" as "money laundering" and the "reason for suspicion" as "suspicious behaviour" and "unusual account activity", and provided a summary of transactions conducted on the Second Account (Neds) in August 2022 in New South Wales and Queensland in close temporal proximity in circumstances that suggested multiple persons were transacting on the account. • In the period after August 2022, a large number of other matters indicative of high ML/TF Risk continued or

			emerged: see **Rows E1–E17** above, especially **Rows E16–E17**.
	G12	Without limiting **Row G1** or **Row G6**, on 29 March 2023, Entain opened a new and additional account for [redacted]	Particulars: • On 29 March 2023, Entain opened the Third Account (Ladbrokes) for [redacted] see **Row B3** above. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether and why it was appropriate to open a new and additional account for [redacted] against the background of the matters indicative of high ML/TF Risk pleaded in **Rows E1–E15** above. • Upon the opening of the Third Account (Ladbrokes) on 29 March 2023, [redacted] began immediately to deposit and withdraw unusually large amounts of money into and from the account: see **Row E16** above.
	G13	Without limiting **Row G1** or **Row G6**, at no time after moving the Second Account (Neds) under its sports bookmaker licence or opening the Third Account (Ladbrokes) did Entain suspend either account on its own initiative.	Particulars: • The Second Account (Neds) and the Third Account (Ladbrokes) were closed on 14 September 2023. • The reason for the closure of the Second Account (Neds) and the Third Account (Ladbrokes) was [redacted] "self-exclusion" after a conversation with the Safer Gambling team. • At no time after moving the Second Account (Neds) under its sports bookmaker licence (1 May 2019) or opening the Third Account (Ladbrokes) (29 March 2023) (and, in particular, at no time after January 2020 in relation to the Second Account (Neds)) did Entain suspend either account on its own initiative. • Suspension (or at least consideration of suspension) was appropriate at multiple points from January 2020. [redacted] due diligence records do not indicate that any consideration was given to suspending either the Second Account (Neds) or the Third Account (Ladbrokes) at any point prior to

			[redacted] "self-exclusion", notwithstanding the matters indicative of high ML/TF Risk pleaded in **Rows E1–E15** above: see also **Rows E16–E17**.
	G14	Without limiting **Row G1** or **Row G6**, at no time after moving the Second Account (Neds) under its sports bookmaker licence or opening the Third Account (Ladbrokes) did Entain close either account on its own initiative.	Particulars: • The Second Account (Neds) and the Third Account (Ladbrokes) were closed on 14 September 2023 at [redacted] request. • At no time after moving the Second Account (Neds) under its sports bookmaker licence (1 May 2019) or opening the Third Account (Ladbrokes) (29 March 2023) (and, in particular, at no time after January 2020 in relation to the Second Account (Neds)) did Entain close either account on its own initiative. • Closure of the Second Account (Neds) (or at least consideration of closure) was appropriate at multiple points from January 2020, especially from August 2022: see especially **Rows E10–E15** above. • Closure of the Third Account (Ladbrokes) (or at least consideration of closure) was appropriate almost immediately after it was opened: see especially **Rows E16–E17** above.

SCHEDULE 9: [redacted]

A: customer		[redacted]
B: account(s)	**B1**	**First Account (Neds)** • [redacted] • Opened date: 17 March 2018 (the account was opened by an entity that Entain later acquired) • Acquired date: 28 November 2018 (the date on which Entain acquired the entity that opened the account and the account itself) • Licence transfer date: 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Closed date: 29 January 2024
	B2	**Second Account (Ladbrokes)** • [redacted] • Opened date: 17 March 2018 • Closed date: 22 February 2024
C: summary of transactional activity by account	**C1**	**First Account (Neds)** • Lifetime deposits: $1,649,053.58 all of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime turnover: $7,899,492.77 all of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime withdrawals: $987,150.80 all of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence)
	C2	**Second Account (Ladbrokes)** • Lifetime deposits: $2,080,939.39, approximately $1,838,702.93 of which was during the Relevant Period • Lifetime turnover: $8,046,464.95, approximately $7,384,270.80 of which was during the Relevant Period • Lifetime withdrawals: $1,401,790.46, approximately $1,271,984.44 of which was during the Relevant Period
D: date in Relevant period on and from		16 December 2018

which matters indicative of high ML/TF Risk existed			
E: list of matters indicative of high ML/TF Risk	**E1**	At all times prior to the Relevant Period, [redacted] deposited and withdrew unusually large amounts of money into and from his Second Account (Ladbrokes).	Particulars: • From March to 15 December 2018, [redacted] deposited approximately $242,236.46 into the Second Account (Ladbrokes) (an average of approximately $24,498.57 per month for this period) and withdrew approximately $129,806.02 from the Second Account (Ladbrokes) (an average of approximately $13,663.79 per month for this period). • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E2	At all times during the Relevant Period, [redacted] deposited and withdrew unusually large amounts of money into and from his accounts.	Particulars: • While the amounts deposited and withdrawn during the Relevant Period were at all times unusually large, there was a significant increase/escalation from September 2019 to March 2020: see **Row E5** below. • In December 2018 (specifically, 16 to 31 December 2018), [redacted] deposited $6,424.00 into the Second Account (Ladbrokes) and withdrew $7,143.50 from the Second Account (Ladbrokes). • In 2019: – [redacted] deposited $624,954.22 into the First Account (Neds) from August 2019 to December 2019 (an average of $124,990.84 per month for this period) and

			\$1,037,554.50 into the Second Account (Ladbrokes) from January 2019 to December 2019 (an average of \$86,462.88 per month for this period), for a total of \$1,662,508.72 in deposits (an average of \$138,542.39 per month across both accounts). – [redacted] withdrew \$309,161.00 from the First Account (Neds) from September 2019 to December 2019 (an average of \$77,290.25 per month for this period) and \$704,397.07 from the Second Account (Ladbrokes) from January 2019 to December 2019 (an average of \$58,699.76 per month for this period), for a total of \$1,013,558.07 in withdrawals (an average of \$84,463.17 per month across both accounts). – [redacted] was listed in Entain's High Value Transaction Report on at least 10 occasions (on at least 4 occasions, both his accounts were listed). – [redacted] deposited \$50,000.00 or more in a week (across all accounts) on 12 occasions. – [redacted] deposited \$10,000.00 or more in a day (across all accounts) on 53 occasions. – [redacted] withdrew \$50,000.00 or more in a week (across all accounts) on 4 occasions. – [redacted] withdrew \$10,000.00 or more in a day (across all accounts) on 31 occasions. • In 2020: – [redacted] deposited \$702,745.81 into the First Account (Neds) (an average of \$58,562.15 per month) and \$518,374.33 into the Second Account (Ladbrokes) (an average of \$43,197.86 per month), for a total of \$1,221,120.14 in deposits (an average of \$101,760.01 per month across both accounts). – [redacted] withdrew \$408,364.23 from the First Account (Neds) (an average of \$34,030.35 per month) and

			\$347,597.66 from the Second Account (Ladbrokes) (an average of \$28,966.47 per month), for a total of \$755,961.89 in withdrawals (an average of \$62,996.82 per month across both accounts). – [redacted] was listed in Entain's High Value Transaction Report on at least 7 occasions (on at least 5 occasions both his accounts were listed). – [redacted] deposited \$50,000.00 or more in a week (for weeks ending in 2020) (across all accounts) on 6 occasions. – [redacted] deposited \$10,000.00 or more in a day (across all accounts) on 33 occasions. – [redacted] withdrew \$50,000.00 or more in a week (across all accounts) on 4 occasions. – [redacted] withdrew \$10,000.00 or more in a day (across all accounts) on 16 occasions. • In 2021: – [redacted] deposited \$130,063.75 into the First Account (Neds) (an average of \$10,838.65 per month) and \$91,964.54 into the Second Account (Ladbrokes) (an average of \$7,663.71 per month), for a total of \$222,028.29 in deposits (an average of \$18,502.36 per month across both accounts). – [redacted] withdrew \$83,200.04 from the First Account (Neds) (an average of \$6,933.34 per month) and \$63,286.07 from the Second Account (Ladbrokes) (an average of \$5,273.84 per month), for a total of \$146,486.11 in withdrawals (an average of \$12,207.18 per month across both accounts). – [redacted] deposited \$10,000.00 or more in a day (across all accounts) on 1 occasion.

			– [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 2 occasions. • In 2022: – [redacted] deposited $103,478.52 into the First Account (Neds) (an average of $8,623.21 per month) and $77,256.79 into the Second Account (Ladbrokes) (an average of $6,438.07 per month), for a total of $180,735.31 in deposits (an average of $15,061.28 per month across both accounts). – [redacted] withdrew $125,809.14 from the First Account (Neds) (an average of $10,484.10 per month) and $58,719.54 from the Second Account (Ladbrokes) (an average of $4,893.30 per month), for a total of $184,528.68 in withdrawals (an average of $15,377.39 per month across both accounts). – [redacted] deposited $10,000.00 or more in a day (across all accounts) on 1 occasion. – [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 4 occasions. • In 2023: – [redacted] deposited $87,811.28 into the First Account (Neds) (an average of $7,317.61 per month) and $106,635.77 into the Second Account (Ladbrokes) (an average of $8,886.31 per month), for a total of $194,447.05 in deposits (an average of $16,203.92 per month across both accounts). – [redacted] withdrew $60,616.39 from the First Account (Neds) (an average of $5,051.37 per month) and $90,840.60 from the Second Account (Ladbrokes) (an average of $7,570.05 per month), for a total of $151,456.99 in withdrawals (an average of $12,621.42 per month across both accounts).

			– [redacted] deposited $10,000.00 or more in a day (across all accounts) on 2 occasions. – [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 2 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E3	At all times during the Relevant Period, Entain did not have sufficient information about [redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that the transactional activity on [redacted] accounts (depositing, betting and withdrawing) was consistent with or supported by his source of wealth/source of funds.	Particulars: • While the information that Entain had about [redacted] source of wealth/source of funds changed over time, at no time during the Relevant Period was it sufficient. • Entain could have obtained information about [redacted] source of wealth/source of funds from (at least) public/external sources and [redacted] himself. • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from [redacted] himself, it did not do so with sufficient promptness: – Prior to 2 July 2019, Entain obtained no substantive information about [redacted] source of wealth/source of funds from publicly available sources. – Prior to 7 April 2020, Entain obtained no substantive information about [redacted] source of wealth/source of funds from [redacted] (by this time, [redacted] had deposited approximately $2,890,152.76 across both accounts).

			• To the extent that Entain obtained information about [redacted] source of wealth/source of funds from public/external sources and/or [redacted] it did not obtain sufficient information: – Entain obtained information on 28 June 2019 indicating that the residential property linked to [redacted] accounts was owned by someone with the same surname as [redacted] but never obtained information indicating that the property was owned by [redacted] himself (for example, a title search). – Information obtained from [redacted] on 2 July 2019 that he was an AML Compliance Officer at [redacted] was not confirmed or verified. – [redacted] told Entain on 11 July 2019 that he had "taken" $1,400,000.00 from another bookmaker which had "restricted him" and that he funded his betting activity using winnings from other bookmakers. Entain did not confirm or verify this information. – Entain obtained information on 11 July 2019 indicating that the salary for a "Compliance Manager" would be around $120,000.00, which Entain concluded would not substantiate the transactional activity on [redacted] accounts and noted (without any substantiation or verification) that [redacted] family may be wealthy. – On 7 April 2020, [redacted] advised in a telephone call with Entain that he worked at the [redacted] bank in "Risk" and his other source of funds was from "savings", but this was never confirmed or verified, and Entain did not request a copy of bank statements to verify this information. Nor did Entain record this information in its due diligence records. – After Entain commenced a formal source of wealth/source of funds inquiry process with [redacted] from 15 December 2023, [redacted] failed to provide all of the information that Entain requested (failure to provide

			information was itself a matter indicative of high ML/TF Risk: see **Row E7** below). – To the extent that [redacted] responded to the formal source of wealth/source of funds inquiry process commenced from 15 December 2023: (i) [redacted] claims were not supported by any documentation; (ii) [redacted] claim that his estimated annual income was $140,000.00 was inconsistent with the transactional activity on both his accounts; (iii) [redacted] claim that he "most recently worked for [redacted]" was inconsistent with the information he had previously provided; and (iv) [redacted] responses suggested that he was no longer employed, which was inconsistent with the transactional activity on both his accounts. ● Over the Relevant Period, Entain gave the AUSTRAC CEO at least 8 SMRs pursuant to s 41 of the Act in which it acknowledged that it had been unable to confirm [redacted] source of wealth/source of funds or that the information it did have was not consistent with the transactional activity on [redacted] accounts: 15 July 2019; 11 November 2019; 12 December 2019; 18 December 2019; 27 December 2019; 20 January 2020; 4 March 2020; and 30 January 2024. ● In each of the SMRs dated from 15 July 2019 to 4 March 2020, Entain listed the "offence type" as "money laundering" and "reason for suspicion" as "inconsistent with customer profile", "unusually large transfer" and/or "suspicious behaviour". ● In the SMR dated 30 January 2024, the "offence type" was "offence against commonwealth/state/territory" and "reason for suspicion" was "inconsistent with customer profile".

	E4	At all times during the Relevant Period until December 2020, deposits made by [redacted] into his accounts regularly failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • Deposits [redacted] attempted to make into the Second Account (Ladbrokes) failed from the start of the Relevant Period. • Deposits [redacted] attempted to make into the First Account (Neds) began to fail from August 2019. • From 16 to 31 December 2018, 2 deposits that [redacted] attempted to make into the Second Account (Ladbrokes) by POLi credit card and PayPal deposit (amounting to a total of $1,300.00) were recorded as "rejected" in his transaction statements. • In 2019: – 169 deposits that [redacted] attempted to make into the Second Account (Ladbrokes) by POLi, credit card, Braintree credit card and Braintree PayPal and 258 deposits that [redacted] attempted to make into the First Account (Neds) by Braintree credit card, Braintree PayPal and Braintree Apple Pay (a total of 427 deposits amounting to a combined total of $896,380.65) were recorded as "rejected" in his transaction statements. – Of the 427 "rejected" deposits, 15 of the deposits [redacted] attempted to make into the Second Account (Ladbrokes) Braintree PayPal and 65 of the deposits [redacted] attempted to make into the First Account (Neds) by Braintree

			PayPal (for a total of 80 deposits amounting to a combined total of $406,502.00) were recorded as "rejected" on a single day in October 2019 (5 October 2019). • In 2020: – 130 deposits that [redacted] attempted to make into the First Account (Neds) by Braintree credit card, Braintree PayPal and POLi and 56 deposits that [redacted] attempted to make into the Second Account (Ladbrokes) by Braintree credit card, Braintree PayPal and POLi (for a total of 186 deposits amounting to a combined total of $105,874.00) were recorded as "rejected" in his transaction statements. – Of the 186 "rejected" deposits, 31 of the deposits [redacted] attempted to make into the First Account (Neds) (amounting to $8,300.00) were recorded as "rejected" on a single day in July 2020 (29 July 2020) and 17 of the of the deposits [redacted] attempted to make into the Second Account (Ladbrokes) (amounting to $11,650.00) were recorded as "rejected" in January 2020.
	E5	From September 2019 to March 2020, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew across all accounts, amounting to an unusual pattern of transactions.	Particulars: • From January to August 2019, [redacted] deposited $544,018.67 into the Second Account (Ladbrokes) (an average of $68,002.33 per month for this period) and $260.00 into the First Account (Neds) for a combined total of $544,278.67 (an average of $68,034.83 per month (across all accounts) for this period). • From September 2019 to March 2020, [redacted] deposited $936,098.02 into the Second Account (Ladbrokes) (an average of $133,728.29 per month for this period) (with particularly large total deposits in November and December 2019 and January 2020 of $174,034.12 and $191,851.91, $301,610.88 respectively) and $1,146,856.61 into the First

			Account (Neds) (an average of $163,836.66 per month for this period) (with particularly large total deposits in November and December 2019 and January 2020 of $205,013.63, $218,751.14 and $302,394.84 respectively) for a combined total of $2,082,954.63 (an average of $297,564.95 per month (across all accounts) for this period). • The increase in percentage terms in the average monthly deposits (across all accounts) in the period September 2019 to March 2020 as compared to the period in January to October 2019 was approximately 337%. • From January to August 2019, [redacted] withdrew $481,523.02 from the Second Account (Ladbrokes) (an average of $60,190.38 per month for this period) and $0 (nothing) from the First Account (Neds) for a combined total of $481,523.02 (an average of $60,190.38 per month (across all accounts) for this period). • From September 2019 to March 2020, [redacted] withdrew $505,165.12 from the Second Account (Ladbrokes) (an average of $72,166.45 per month for this period) (with particularly large total withdrawals in January and February 2020 of $131,722.00 and $126,657.25 respectively) and $597,154.55 from the First Account (Neds) (an average of $85,307.79 per month for this period) (with particularly large total withdrawals in December 2019 and January and February 2020 of $107,211.00, $126,146.95 and $115,277.00 respectively) for a combined total of $1,102,319.67 (an average of $157,474.24 per month (across all accounts) for this period). • The increase in percentage terms in the average monthly withdrawals (across all accounts) in the period September 2019 to March 2020 as compared to the period in January to October 2019 was approximately 162%.

			• The increase/escalation in deposits and withdrawals commenced in September 2019 and coincided with [redacted] operating the First Account (Neds) and the Second Account (Ladbrokes) concurrently. Prior to this period, [redacted] had never deposited or withdrawn any funds into or from the First Account (Neds). • From September 2019 to March 2020: – [redacted] was listed in Entain's High Value Transaction Report on at least 15 occasions. – [redacted] deposited $50,000.00 or more in a week (across all accounts) on 15 occasions. – [redacted] deposited $10,000.00 or more in a day (across all accounts) on 70 occasions. – [redacted] withdrew $50,000.00 or more in a week (across all accounts) on 6 occasions. – [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 32 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E6	In January 2020, [redacted] made an integrity inquiry with Entain about [redacted]	Particulars: • The integrity inquiry sought 12-month account statements in respect of [redacted] First Account (Neds) and Second Account (Ladbrokes).
	E7	From 15 December 2023, [redacted] refused to provide information about his source of wealth/source of funds that was requested by	Particulars: • On 14 December 2023, [redacted] was referred to Entain's AML Team Lead.

		Entain as part of a formal source of wealth/source of funds inquiry process.	• On 15 December 2023, Entain's AML Team Lead approved a formal source of wealth/source of funds inquiry process, requiring a wealth/source of funds Online SOF Form to be sent to [redacted] • On or around 19 January 2024, [redacted] partially completed and returned the Online SOF Form, but failed to provide any documentation to verify the responses provided.
F: dates on and from which monitoring failures existed and contraventions of s 36 occurred	**F1**	16 December 2018	Particulars: • See paragraph 433 above.
	F2	16 December 2018	Particulars: • See **Row G** below, especially **Rows G1–G4.**
	F3	15 July 2019	Particulars: • See **Row G** below, especially **Rows G5–G9**.
G: list of particular monitoring failures	**G1**	At no time during the Relevant Period did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in **Row E** above.
	G2	Without limiting **Row G1**, at no time in the Relevant Period during which [redacted] had 2 open accounts with Entain did Entain appropriately monitor [redacted] on a holistic basis, as a customer, across both of his accounts.	Particulars: • Section 36(1)(a) of the Act required Entain to monitor its customers, not its accounts. • At all times in the Relevant Period during which [redacted] had 2 open accounts with Entain, Entain assessed and rated ML/TF Risk in relation to [redacted] on an account-by-account basis rather than a customer basis. • Entain did not regularly and on an ongoing basis review and analyse the total amounts that [redacted] was depositing, betting and/or withdrawing across both of his accounts. • Entain's failure to regularly and on an ongoing basis review and analyse the total amounts that [redacted] was depositing,

			betting and/or withdrawing across both of his accounts impaired its capacity to meet its monitoring obligations under the Act and the Rules, including because: – It impaired Entain's capacity to assess whether any of the reporting conditions in s 41 of the Act were satisfied (for example, whether transactional activity crossed relevant monetary thresholds). – It impaired Entain's capacity to determine whether [redacted] identified or claimed sources of wealth/sources of funds supported or could support the transactional activity on [redacted] accounts. – It impaired Entain's capacity to assess whether [redacted] transactional activity and methods could appropriately be described as "recreational".
	G3	Without limiting **Row G1**, at no time during the Relevant Period until 3 December 2019 did Entain rate [redacted] "High" ML/TF Risk in relation to any of his accounts.	Particulars: • On 1 May 2019, following a process of integration in early 2019, the First Account (Neds) was moved under Entain's sports bookmaker licence (the account had been acquired on 28 November 2018). • Between 1 May 2019 and 3 December 2019, Entain did not rate [redacted] in relation to the Fifth Account (Neds) (ie, the risk rating was "Unrated"). • On 3 December 2019, Entain rated [redacted] "High" ML/TF Risk in relation to both his First Account (Neds) and Second Account (Ladbrokes). • A "High" ML/TF Risk rating was appropriate in relation to his Second Account (Ladbrokes) prior to 3 December 2019: see **Rows E1–E5** above. • A "High" ML/TF Risk rating was appropriate in relation to his First Account (Neds) from 1 May 2019: see **Rows E1–E5** above.

			• If [redacted] had been rated "High" ML/TF Risk at all times from the start of the Relevant Period, Entain would have been required to apply the ECDD Program: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules.
	G4	Without limiting **Row G1**, at all times from 2 July 2021 to early-mid September 2023, Entain rated [redacted] "Medium" ML/TF Risk in relation to his accounts.	Particulars: • At all times from 3 December 2019 to 1 July 2021, Entain rated [redacted] "High" ML/TF Risk in relation to both his First Account (Neds) and Second Account (Ladbrokes). • On 2 July 2021, Entain rated [redacted] "Medium" ML/TF Risk in relation to both his First Account (Neds) and Second Account (Ladbrokes) (ie, the risk rating was adjusted from "High" to "Medium"). • The decision on 2 July 2021 February 2021 was made on the basis of an "AML High Risk Review" for June/July 2021, on the basis that he had "not displayed high risk behaviour in over 6 months" and had "not appeared in transaction monitoring reports" in that time. • On 6 September 2023, [redacted] risk rating was adjusted on his First Account (Neds) from "Medium" to "High" as part of a "High Risk Remediation" process. • On 12 September 2023, [redacted] risk rating was adjusted on his Second Account (Ladbrokes) from "Medium" to "High" as part of a "High Risk Remediation" process. • A "High" ML/TF Risk rating was appropriate in relation to both [redacted] First Account (Neds) and Second Account (Ladbrokes) at all times from 2 July 2021: see **Rows E1–E6** above.
	G5	Without limiting **Row G1**, at no time from the date on which ECDD was triggered (specifically, 15 July 2019) did Entain undertake measures that were appropriate to the combination of matters indicative of high	Particulars: • Entain was under an obligation to apply the ECDD Program on an ongoing basis from the date on which there was an ECDD trigger: see paragraphs 428–429 above.

		ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] on an ongoing basis, from that time.	• On 15 July 2019, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 in relation to [redacted] • After 15 July 2019, Entain gave the AUSTRAC CEO 7 further SMRs pursuant to s 41 of the Act in relation to [redacted] on 11 November 2019, 12 December 2019, 18 December 2019, 27 December 2019, 20 January 2020, 4 March 2020 and 30 January 2024. • On at least 5 occasions from January 2020 to December 2020, Entain decided not to give the AUSTRAC CEO a SMR pursuant to s 41 of the Act on the basis that a SMR had been submitted recently and/or [redacted] "figures" did not warrant a SMR. • Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. • Further, from 3 December 2019, [redacted] was rated "High" ML/TF Risk in relation to both of his accounts: – On 2 July 2021, the risk rating for [redacted] First Account (Neds) and Second Account (Ladbrokes) was adjusted to "Medium" as part of an "AML High Risk Review" for June/July 2021, on the basis that he had "not displayed high risk behaviour in over 6 months" and had "not appeared in transaction monitoring reports" in that time. – [redacted] was again rated "High" ML/TF Risk in relation to his First Account (Neds) on and from 6 September 2023 as part of a High Risk Remediation. – [redacted] was again rated "High" risk in relation to his Second Account (Ladbrokes) on and from 12 September 2023 as part of a High Risk Remediation. • There was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules.

			• Entain's obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, existed notwithstanding the inappropriate change in [redacted] risk rating in relation to the First Account (Neds) and Second Account (Ladbrokes) on 2 July 2021. • The measures that Entain was required to undertake in relation to [redacted] as a result of forming a suspicion for the purposes of s 41 of the Act and/or determining that the ML/TF Risk in relation to [redacted] was high included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules. • The measures that were required were measures appropriate to a person reasonably suspected of money laundering offences and/or other offences against the laws of Australia, as per the 8 SMRs that Entain gave the AUSTRAC CEO pursuant to s 41 in relation to [redacted] (noting that 1 of these SMRs was given to the AUSTRAC CEO after the First Account (Neds) was closed).
	G6	Without limiting **Row G1** or **Row G5**, at no time from July 2019 did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, across all accounts, including the level of transactional behaviour and the purpose, reasons for or nature of the transactional behaviour.	Particulars: • This was a measure appropriate to the circumstances that existed from July 2019: see r 15.10(5) of the Rules. • From December 2018, Entain knew or ought to have known that deposits made by [redacted] into at least one of his accounts regularly failed, indicating that deposits were being declined or rejected by the relevant bank or payment service provider: see **Row E4** above. • At all times during the Relevant Period, including at all times from July 2019, [redacted] deposited and withdrew unusually large amounts of money into and from his accounts: see **Row E2** above. • There was a significant increase/escalation in the amounts deposited and withdrawn into and from [redacted] accounts in

			the period September 2019 to March 2020: see **Rows E2** and **E5** above. • [redacted] was regularly listed in Entain's High Value Transaction Report from July 2019 to March 2020, including on 4 occasions in December 2019, demonstrating that Entain identified that he deposited large amounts of money into his accounts from this time, but Entain did not undertake any measures to mitigate and manage the ML/TF Risk indicated by this transactional behaviour.
	G7	Without limiting **Row G1** or **Row G5**, at no time from July 2019 did Entain: a) appropriately obtain from [redacted] or otherwise take reasonable measures to identify, information about [redacted] source of wealth/source of funds; b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds; c) appropriately verify or confirm information it had about [redacted] source of wealth/source of funds; or d) appropriately consider the ML/TF Risks relating to [redacted] sources of wealth/sources of funds.	Particulars: • These were measures appropriate to the circumstances that existed from July 2019: see rr 15.10(1)(a),15.10(1)(c),15.10(2) and 15.10(3) of the Rules. • At all times during the Relevant Period, including at all times from July 2019, [redacted] transactional activity involved high value deposits and withdrawals into and from his accounts, with a significant increase/escalation in a particular period: see **Rows E2** and **E5** above. He had two open accounts from 1 May 2019: see **Rows B** and **G2** above. • [redacted] transactional activity was not appropriately monitored on a holistic basis across both of his accounts, which (among other things) impaired Entain's capacity to identify and consider the implications of the true volume of money flowing into and out of [redacted] accounts: see **Row G2** above. • From December 2018, Entain knew or ought to have known that deposits made by [redacted] into at least one of his accounts regularly failed, indicating that deposits were being declined or rejected by the relevant bank or payment service provider: see **Row E4** above.

			• On multiple occasions from July 2019, Entain formed a reasonable suspicion that [redacted] was involved in money laundering offences: see **Row E3** above. • In terms of the sufficiency of information that Entain had about [redacted] source of wealth/source of funds, and the sufficiency of the measures taken by Entain with respect to that information: see **Row E3** above. • Without limiting **Row E3** above: – At no time did Entain confirm or verify [redacted] claims that he (i) was a Compliance Manager at [redacted] despite obtaining contradictory information that [redacted] was instead an AML Compliance Officer at an unknown company; or (ii) funded his betting activity using winnings from other bookmakers. – At no time did Entain identify, confirm or verify any other source of wealth/source of funds consistent with [redacted] transactional activity on his accounts.
	G8	Without limiting **Row G1** or **Row G5**, at no time from July 2019 did Entain seek from [redacted] or otherwise take reasonable measures to clarify, the nature and purpose of [redacted] ongoing business relationship with Entain.	Particulars: • This was a measure appropriate to the circumstances that existed from July 2019: see r 15.10(1)(d) of the Rules. • In monitoring [redacted] Entain frequently raised concerns that [redacted] transactional activity was not consistent with his known profile, including in SMRs Entain gave to the AUSTRAC CEO: see **Row E3** above. • [redacted] due diligence records do not disclose that any consideration was given to the additional risk posed by [redacted] position as an AML Compliance Officer of a financial institution prior to or after March 2020.
	G9	Without limiting **Row G1** or **Row G5**, at no time from July 2019 until February 2024 was [redacted] appropriately escalated to and/or considered by Entain's senior management, including for	Particulars: • This was a measure appropriate to the circumstances that existed from July 2019: see r 15.10(6) of the Rules.

		the purpose of determining whether to continue a business relationship with him.	• Escalation and/or consideration by senior management was appropriate in, and at regular intervals from July 2019, including September 2019: see **Row E5** above. • [redacted] due diligence records indicate that [redacted] was not appropriately escalated to and/or considered by senior management until February 2024. • The review by senior management in February 2024 resulted in a decision to close [redacted] First Account (Neds) and Second Account (Ladbrokes) due to a failure to complete a source of wealth/source of funds form and the number of SMRs Entain had submitted with respect to [redacted]

SCHEDULE 10: [redacted]

A: customer		[redacted]
B: account(s)	**B1**	**First Account (Ladbrokes)** • [redacted] • Opened date: 2 April 2014 • Closed date: 11 November 2021
	B2	**Second Account (Bookmaker)** • [redacted] • Opened date: Approximately 11 May 2014 • Closed date: unknown
	B3	**Third Account (Neds)** • [redacted] • Opened date: 26 October 2017 (the account was opened by an entity that Entain later acquired) • Acquired date: 28 November 2018 (the date on which Entain acquired the entity that opened the account and the account itself) • Licence transfer date: 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Closed date: 11 November 2021
C: summary of transactional activity by account	**C1**	**First Account (Ladbrokes)** • Lifetime deposits: $8,049.00, none of which was during the Relevant Period • Lifetime turnover: $62,570.44, none of which was during the Relevant Period • Lifetime withdrawals: $5,389.42, none of which was during the Relevant Period
	C2	**Second Account (Bookmaker)** • Lifetime deposits: Unknown • Lifetime turnover: Unknown • Lifetime withdrawals: Unknown

	C3	**Third Account (Neds)** • Lifetime deposits: $4,580,313.23, $4,373,841.23 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime turnover: $17,984,856.73, $17,475,607.20 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime withdrawals: $4,443,811.18, $4,247,505.66 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence)	
D: date in the Relevant Period on and from which matters indicative of high ML/TF Risk existed		1 May 2019	
E: list of matters indicative of high ML/TF Risk	**E1**	From no later than 1 May 2019, Entain had information that, from June 2018, there had been a material change in [redacted] depositing and withdrawing patterns on the Third Account (Neds) — specifically, Entain had information that there had been a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the Third Account (Neds), amounting to an unusual pattern of transactions.	Particulars: • Entain acquired the Third Account (Neds) on 28 November 2018 and, following a process of integration in early 2019, moved the Third Account (Neds) under its sports bookmaker licence on 1 May 2019. • From no later than 1 May 2019, Entain had access to all relevant transaction data for the Third Account (Neds), including data concerning deposits/withdrawals. • From October 2017 (when the Third Account (Neds) was opened) to May 2018: – [redacted] deposited $0 (nothing) into the Third Account (Neds). – [redacted] withdrew $0 (nothing) into the Third Account (Neds). – While [redacted] deposited some money into the First Account (Ladbrokes) during this period, the amounts deposited were modest ($65.00 in 2017 as a whole and $540.00 from January–May 2018).

			– While [redacted] withdrew some money from the First Account (Ladbrokes) during this period, the amounts withdrawn were modest ($0 in 2017 as a whole and $200.00 from January–May 2018). • From June 2018 to 30 April 2019: – [redacted] deposited $206,472.00 into the Third Account (Neds) (an average of $18,770.18 per month for this period). – [redacted] withdrew $196,305.52 from the Third Account (Neds) (an average of $17,845.96 per month for this period). • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] on his Third Account (Neds) from June 2018 were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E2	From no later than 1 May 2019, Entain had information that, in November 2018, multiple deposits that [redacted] had attempted to make into the Third Account (Neds) had failed, amounting to an unusual pattern of transactions.	Particulars: • Entain acquired the Third Account (Neds) on 28 November 2018 and, following a process of integration in early 2019, moved the Third Account (Neds) under its sports bookmaker licence on 1 May 2019. • From no later than 1 May 2019, Entain had access to all relevant transaction data for the Third Account (Neds), including data concerning "rejected" deposits. • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider.

			• In November 2018, 3 deposits that [redacted] attempted to make into the Third Account (Neds) by Braintree credit card (amounting to approximately $25,000.00) were recorded as "rejected" in his transaction statements.
	E3	At all times from 1 May 2019, [redacted] deposited and withdrew unusually large amounts of money into and from the Third Account (Neds).	Particulars: • While the amounts of money deposited and withdrawn from 1 May 2019 were at all times unusually large, there were significant increases/escalations in each of calendar years 2019 and 2020: see **Rows E6** and **E11** below. • From 1 May 2019 (the date on which the Third Account (Neds) was moved under Entain's sports bookmaker licence) to December 2019: – [redacted] deposited $904,286.05 into the Third Account (Neds) (an average of $113,035.76 per month). – [redacted] withdrew $434,484.22 from the Third Account (Neds) (an average of $54,310.53 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 7 occasions. – [redacted] deposited $50,000.00 or more in a week on 5 occasions. – [redacted] deposited $10,000.00 or more in a day on 17 occasions. – [redacted] withdrew $50,000.00 or more in a week on 3 occasions. – [redacted] withdrew $10,000.00 or more in a day on 16 occasions. • In 2020: – [redacted] deposited $3,212,664.00 into the Third Account (Neds) (an average of $267,722.00 per month). – [redacted] withdrew $3,595,751.33 from the Third Account (Neds) (an average of $299,645.94 per month).

			– [redacted] was listed in Entain's High Value Transaction Report on at least 18 occasions. – [redacted] deposited $50,000.00 or more in a week on 14 occasions. – [redacted] deposited $10,000.00 or more in a day on 67 occasions. – [redacted] withdrew $50,000.00 or more in a week on 13 occasions. – [redacted] withdrew $10,000.00 or more in a day on 41 occasions. • From January to August 2021: – [redacted] deposited $256,891.18 into the Third Account (Neds) (an average of $32,111.39 per month, although almost 80% of these deposits were made in the first 4 months of 2021). – [redacted] withdrew $217,270.11 from the Third Account (Neds) (an average of $27,158.76 per month, although over 85% of these withdrawals made in the first 4 months of 2021). – [redacted] was listed in Entain's High Value Transaction Report on at least 1 occasion. – [redacted] deposited $50,000.00 or more in a week on 1 occasion. – [redacted] deposited $10,000.00 or more in a day on 2 occasions. – [redacted] withdrew $50,000.00 or more in a week on 1 occasion. – [redacted] withdrew $10,000.00 or more in a day on 4 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of

			an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E4	At all times from 1 May 2019, Entain did not have sufficient information about [redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that the transactional activity on the Third Account (Neds) (depositing, betting and withdrawing) was consistent with or supported by [redacted] source of wealth/source of funds.	Particulars: • While the information that Entain had about [redacted] source of wealth/source of funds changed over time, at no time from 1 May 2019 was it sufficient to reach the necessary satisfaction. • Entain could have obtained information about [redacted] source of wealth/source of funds from (at least) public/external sources and [redacted] himself. • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from public/external sources and [redacted] it did not do so with sufficient promptness: – Prior to 10 June 2019, Entain obtained no substantive information about [redacted] source of wealth/source of funds from publicly available sources. – Prior to 16 October 2019, Entain obtained no substantive information about [redacted] source of wealth/source of funds from [redacted] (by this time, [redacted] had deposited over $567,984.05 into the Third Account (Neds) in less than 1.5 years, approximately $361,512.05 of which was deposited from 1 May 2019 (the date on which the Third Account (Neds) was moved under Entain's sports bookmaker licence)). – Prior to 12 April 2021, Entain did not commence any formal source of wealth/source of funds inquiry process with [redacted] (by this time, [redacted] had deposited over $4,513,679.55 into the Third Account (Neds), approximately $4,307,207.55 of which was deposited

			from 1 May 2019 (the date on which the Third Account (Neds) was moved under Entain's sports bookmaker licence)). • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from public/external sources and [redacted] it did not obtain sufficient information to reach the necessary satisfaction: – By no later than 10 June 2019, Entain obtained information that the residential property "attached" to [redacted] Third Account (Neds) was not in his name (it "appeared" to be in a family member's name). – By no later than 16 October 2019, Entain obtained information that [redacted] had previously had an ABN (which had been cancelled from 26 June 2019) and that the "listed property" for [redacted] was not owned by [redacted] (it was owned by 2 people neither of whom was [redacted]). – On 16 October 2019, [redacted] told Entain that he owned a business, but refused to provide an answer as to what "field" the business was in (refusal to provide information was itself a matter indicative of high ML/TF Risk: see **Row E8** below). – On 10 December 2019, [redacted] told Entain that he owned a brothel in Sydney and that this was "his only source of income and how he funds his betting account" (brothel ownership was itself a matter indicative of high ML/TF Risk: see **Row E10** below). – At no time between December 2019 and April 2021 (when a formal source of wealth/source of funds inquiry process commenced) did Entain take appropriate measures to confirm or verify [redacted] alleged ownership of a brothel or otherwise obtain basic

			information about the brothel (eg, name, precise location, ACN/ABN, account statements, etc). – In the period between December 2019 and April 2021, [redacted] deposited $3,885,197.50 into his Third Account (Neds) and withdrew $3,908,601.53 from his Third Account (Neds). – By no later than 9 June 2020, Entain obtained information that [redacted] may have had some employment or occupational connection with hospitality businesses/venues in 2017 and 2018. – From June 2020, Entain obtained no additional substantive information about [redacted] source of wealth/source of funds from publicly available sources (although searches concerning the above information about property ownership, cancelled ABN, etc were repeated). • From 12 April 2021, Entain commenced a more formal source of wealth/source of funds inquiry process with [redacted] While this process produced additional information, at no time prior to the closure of the Third Account (Neds) did it produce sufficient information to reach the necessary satisfaction. • From 1 May 2019, Entain gave the AUSTRAC CEO at least 5 SMRs pursuant to s 41 of the Act in which it acknowledged that it had been unable to confirm [redacted] source of wealth/source of funds: on 10 June 2019; 17 October 2019; 11 December 2019; 7 July 2020; and 21 October 2020.
	E5	From 1 May 2019, [redacted] Third Account (Neds) was linked to multiple unexpired credit/debit cards.	Particulars: • From 1 May 2019 (the date on which the Third Account (Neds) was moved under Entain's sports bookmaker licence) until September 2019, [redacted] Third Account (Neds) was linked to up to 3 unexpired credit/debit cards.

			• From October 2019 to December 2019, [redacted] Third Account (Neds) was linked to up to 2 unexpired credit/debit cards. • From January 2020 to May 2020, [redacted] Third Account (Neds) was linked to up to 3 unexpired credit/debit cards. • In June 2020, [redacted] Third Account (Neds) was linked to up to 4 unexpired credit/debit cards. • From July 2020 to April 2021, [redacted] Third Account (Neds) was linked to up to 5 unexpired credit/debit cards. • In May 2021 [redacted] Third Account (Neds) was linked to up to 6 unexpired credit/debit cards. • From July 2021 until the account was closed, [redacted] Third Account (Neds) was linked to up to 7 unexpired credit/debit cards.
	E6	From May 2019, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a further significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the Third Account (Neds), amounting to an unusual pattern of transactions.	Particulars: • Entain acquired the Third Account (Neds) on 28 November 2018 and, following a process of integration in early 2019, moved the Third Account (Neds) under its sports bookmaker licence on 1 May 2019. • From no later than 1 May 2019, Entain had access to all relevant transaction data for the Third Account (Neds), including data concerning deposits/withdrawals. • From January to April 2019, [redacted] deposited $53,137.00 into the Third Account (Neds) (an average of $13,284.25 per month for this period). • From 1 May 2019 to December 2019, [redacted] deposited $904,286.05 into the Third Account (Neds) (an average of $113,035.76 per month for this period, which amounted to an increase of approximately 751% on the monthly average for January to April 2019).

			• From January to April 2019, [redacted] withdrew $48,845.32 from the Third Account (Neds) (an average of $12,211.33 per month for this period). • From 1 May 2019 to December 2019, [redacted] withdrew $434,484.22 from the Third Account (Neds) (an average of $54,310.53 per month for this period, which amounted to an increase of approximately 345% on the monthly average for January to April 2019). • From 1 May 2019 to December 2019: – [redacted] was listed in Entain's High Value Transaction Report on at least 7 occasions. – [redacted] deposited $50,000.00 or more in a week on 5 occasions. – [redacted] deposited $10,000.00 or more in a day on 17 occasions. – [redacted] withdrew $50,000.00 or more in a week on 3 occasions. – [redacted] withdrew $10,000.00 or more in a day on 16 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E7	In June 2019, multiple deposits that [redacted] attempted to make into the Third Account (Neds) failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider.

			• While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • In June 2019, 10 deposits that [redacted] attempted to make into the Third Account (Neds) by Braintree credit card (amounting to approximately $37,200.00) were recorded as "rejected" in his transaction statements.
	E8	From 16 October 2019 to approximately 10 December 2019, [redacted] refused to provide information about his source of wealth/source of funds that was requested by Entain.	Particulars: • On 16 October 2019, after a period of high value transactional activity by [redacted] (including appearances in Entain's High Value Transaction Report), Entain asked [redacted] what he did for a living. • [redacted] told Entain that he owned a business, but refused to provide an answer as to what "field" the business was in.
	E9	From November to December 2019, multiple deposits that [redacted] attempted to make into the Third Account (Neds) failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • From November to December 2019, 23 deposits that [redacted] attempted to make into the Third Account (Neds) by Braintree credit card and Braintree Apple Pay (amounting

			to approximately $52,049.00) were recorded as “rejected” in his transaction statements.
	E10	From approximately 10 December 2019, Entain had information indicating that there were higher ML/TF Risks related to [redacted] claimed sources of wealth/sources of funds — specifically, Entain had information that [redacted] was a brothel owner and that this was his only source of income.	Particulars: • On 10 December 2019, [redacted] told Entain that he owned a brothel in Sydney and that this was “his only source of income and how he funds his betting account”. • There is a high prevalence of cash use in the sex industry / to pay for sexual services. • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • In a due diligence record dated 10 December 2019, an Entain representative noted that, according to an online media article, brothels could be “95% cash” and some brothels “have an ATM on site”. • In a due diligence record dated 4 May 2021, an Entain representative recorded that when he asked [redacted] for documentation relating to [redacted] source of wealth/source of funds, [redacted] “cut me off saying because it’s a brothel nearly everyone pays cash”. • In a due diligence record dated 18 May 2021, an Entain representative noted that [redacted] “industry” was “naturally a higher ML/TF risk than most others”.
	E11	In 2020 (especially from June 2020), there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a further significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the Third Account (Neds), amounting to an unusual pattern of transactions.	Particulars: • In 2019, [redacted] deposited $957,423.05 into the Third Account (Neds) (an average of $79,785.25 per month). Of this, $904,286.05 (approximately 94%) was deposited on and from 1 May 2019 (the date on which the Third Account (Neds) was moved under Entain’s sports bookmaker licence) (an average of $113,035.76 per month for this period).

			• In 2020, [redacted] deposited $3,212,664.00 into the Third Account (Neds) (an average of $267,722.00 per month, which amounted to an increase of approximately 235% on the monthly average for 2019 as a whole). • In 2019, [redacted] withdrew $483,329.54 from the Third Account (Neds) (an average of $40,277.46 per month). Of this, $434,484.22 (approximately 90%) was withdrawn on and from 1 May 2019 (the date on which the Third Account (Neds) was moved under Entain's sports bookmaker licence) (an average of $54,310.53 per month for this period). • In 2020, [redacted] withdrew $3,595,751.33 from the Third Account (Neds) (an average of $299,645.94 per month, which amounted to an increase of approximately 644% on the monthly average for 2019 as a whole). • In 2020: – [redacted] was listed in Entain's High Value Transaction Report on at least 18 occasions. – [redacted] deposited $50,000.00 or more in a week on 14 occasions. – [redacted] deposited $10,000.00 or more in a day on 67 occasions. – [redacted] withdrew $50,000.00 or more in a week on 13 occasions. – [redacted] withdrew $10,000.00 or more in a day on 41 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual

			deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E12	From May to October 2020, multiple deposits that [redacted] attempted to make into the Third Account (Neds) failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • From May to October 2020, 57 deposits that [redacted] attempted to make into the Third Account (Neds) by Braintree credit card and Braintree Apple Pay (amounting to approximately $871,700.00) were recorded as "rejected" in his transaction statements. Forty-eight of these deposits (amounting to approximately $828,500.00) were recorded as "rejected" from June to August 2020 alone.
	E13	From June to October 2020 (and especially June to August 2020), [redacted] deposited large amounts of money into the Third Account (Neds) by multiple payment methods split across multiple transactions, amounting to an unusual pattern of transactions.	Particulars: • The deposit methods used were primarily Braintree credit card and Braintree Apple Pay. • For example, between 3 and 9 August 2020, [redacted] deposited $615,000.00 into the Third Account (Neds) by Braintree Apple Pay and Braintree credit card across 31 transactions, including on 5 occasions daily deposits that exceeded $10,000.00 in a single day. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by

			[redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E14	From June to October 2020 (and especially July to August 2020), [redacted] frequently made unusually large bets through his Third Account (Neds), amounting to an unusual pattern of transactions.	Particulars: • From 26 June 2020 to 14 October 2020, [redacted] made 42 bets of $50,000.00 or more on the outcomes of different sporting events. Six of these bets were of $100,000.00 or more and 5 of these occurred between 2 to 4 August 2020. • In the period from June 2018 to August 2021, [redacted] average bet size was $5,277.58 per bet.
	E15	In each of June, July and August 2020, [redacted] withdrew more from the Third Account (Neds) than he deposited into the Third Account (Neds), amounting to an unusual pattern of transactions.	Particulars: • In June 2020, [redacted] deposited approximately $551,550.00 into the Third Account (Neds) and withdrew approximately $584,422.17 from the Third Account (Neds). • In July 2020, [redacted] deposited approximately $740,069.50 into the Third Account (Neds) and withdrew approximately $1,041,069.84 from the Third Account (Neds). • In August 2020, [redacted] deposited approximately $928,398.00 into the Third Account (Neds) and withdrew approximately $1,530,000.55 from the Third Account (Neds). • June, July and August 2020 were among [redacted] most active months in the Relevant Period in terms of transactional activity (depositing and withdrawing).
	E16	On multiple occasions between June 2020 and April 2021, [redacted] withdrew large amounts of money from the Third Account (Neds) shortly before depositing large amounts of money into the Third Account (Neds), amounting to an unusual pattern of transactions.	Particulars: • On at least 6 occasions between June 2020 and April 2021, Entain noted that [redacted] had a pattern of making large withdrawals at the start of the week followed by large deposits throughout the week.

	E17	From April to August 2021, multiple deposits that [redacted] attempted to make into the Third Account (Neds) failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • From April to August 2021, 141 deposits that [redacted] attempted to make into the Third Account (Neds) by Braintree credit card and Braintree Apple Pay (amounting to approximately $112,041.00) were recorded as "rejected" in his transaction statements. Seventy-one of these deposits (amounting to approximately $74,315.00) were recorded as "rejected" on a single day in May 2021 (6 May 2021).
	E18	In May 2021, there was a material change in [redacted] depositing patterns — specifically, [redacted] began to use a different, potentially cash-based deposit method to make deposits into the Third Account (Neds).	Particulars: • Prior to May 2021, [redacted] primarily used Braintree credit card and Braintree Apple Pay to make deposits into the Third Account (Neds). • [redacted] made his first Flexepin Voucher deposit into the Third Account (Neds) on 6 May 2021. • The Flexepin Voucher process: – A customer could purchase a Flexepin Voucher from a merchant within the Flexepin network, the full value of which could then be redeemed into the customer's account.

			– The customer was able to pay for the voucher (the same value as the voucher) by any means that the merchant accepted, including cash. – Flexepin Vouchers were known by Entain to be a potentially cash-based deposit method. • In May 2021, [redacted] was listed on Entain's Flexepin Report on at least 8 occasions. • This change in [redacted] depositing patterns occurred shortly after Entain commenced a formal source of wealth/source of funds inquiry process with [redacted] (see **Row E4** above) and at the same time that Entain informed [redacted] that his account would be reviewed by management.
F: dates on and from which monitoring failures existed and contraventions of s 36 occurred	**F1**	16 December 2018	Particulars: • See paragraph 433 above.
	F2	1 May 2019	Particulars: • See **Row G** below, especially **Rows G1–G2**.
	F3	10 June 2019	Particulars: • See **Row G** below, especially **Rows G3–G9**.
G: list of particular monitoring failures	**G1**	At no time from May 2019 did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in **Row E** above.
	G2	Without limiting **Row G1**, at no time from 1 May 2019 until either: a) 10 June 2019; or b) in the alternative, 16 October 2019; did Entain rate [redacted] "High" ML/TF Risk in relation to his Third Account (Neds).	Particulars: • On 1 May 2019, following a process of integration in early 2019, the Third Account (Neds) was moved under Entain's sports bookmaker licence (the account had been acquired on 28 November 2018).

			• Between 1 May 2019 and either 10 June 2019 or (in the alternative) 16 October 2019, Entain did not rate [redacted] in relation to the Third Account (Neds) (ie, the risk rating was "Unrated"). – On 10 June 2019, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] The SMR stated that [redacted] was rated "HIGH ML/TF RISK". – [redacted] due diligence records do not reflect a "High" ML/TF Risk rating until 16 October 2019. • A "High" ML/TF Risk rating was appropriate prior to 10 June 2019, and certainly prior to 16 October 2019: see **Rows E1–E7** above, especially **Rows E1, E3** and **E6** concerning [redacted] pattern of unusually large deposits and withdrawals escalating over time. • If [redacted] had been rated "High" ML/TF Risk prior to 10 June 2019 or (in the alternative) 16 October 2019, Entain would have been required to apply the ECDD Program from that time: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules.
	G3	Without limiting **Row G1**, at no time from the date on which ECDD was triggered (specifically, from 10 June 2019) did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] on an ongoing basis, from that time.	Particulars: • Entain was under an obligation to apply the ECDD Program on an ongoing basis from the date on which there was an ECDD trigger: see paragraphs 428–429 above. • On 10 June 2019, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] • After 10 June 2019, Entain gave the AUSTRAC CEO 4 further SMRs pursuant to s 41 of the Act in relation to [redacted] on 17 October 2019; 11 December 2019; 7 July 2020; and 21 October 2020.

			• Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. • Further: – In the SMR dated 10 June 2019, Entain stated that [redacted] was rated "HIGH ML/TF RISK". – In [redacted] due diligence records, he was rated "High" risk in relation to his Third Account (Neds) at all times on and from 16 October 2019 (until after the Third Account (Neds) was closed). • Under the Rules, there was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules. • As a result of the above ECDD triggers, and in light of the continuing nature of the matters pleaded in **Row E** above, Entain was under an obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, at all times from 10 June 2019. • The measures that Entain was required to undertake in relation to [redacted] as a result of forming a suspicion for the purposes of s 41 of the Act and/or determining that the ML/TF Risk in relation to [redacted] was high included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules. • The measures that were required were measures appropriate to a person reasonably suspected of money laundering offences, as per the 5 SMRs that Entain gave the AUSTRAC CEO pursuant to s 41 in relation to [redacted]
	G4	Without limiting **Row G1** or **Row G3**, at no time from June 2019 did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, including the level of transactional behaviour and the purpose,	Particulars: • This was a measure appropriate to the circumstances that existed from June 2019: see r 15.10(5) of the Rules.

		reasons for or nature of the transactional behaviour.	• At all times from 1 May 2019 (the date on which the Third Account was moved under Entain's sports bookmaker licence), including at all times from June 2019, [redacted] deposited and withdrew unusually large amounts of money into and from the Third Account (Neds): see **Row E3** above. • There were significant increases/escalations in the amounts of money deposited into and withdrawn from the Third Account (Neds) in each of calendar years 2019 and 2020, against a background of a significant increase/escalation in the second half of 2018: see **Rows E1**, **E6** and **E11** above. • [redacted] transactional activity from June 2019 was unusual in other respects: see, for example, **Rows E7**, **E9**, **E12**, **E13**, **E14**, **E15**, **E16**, **E17** and **E18** above. • [redacted] was regularly listed in Entain's High Value Transaction Report from June 2019, demonstrating that Entain identified that he deposited large amounts of money into his accounts from this time, but Entain did not undertake any measures to mitigate and manage the ML/TF Risk indicated by this transactional behaviour. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his deposits could appropriately be described as "reinvestments" of previously withdrawn money (Entain's assessments in this respect were circular and conclusory): see further **Row G6** below. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, especially the "cycling" of high value deposits with high value withdrawals, had indicia of money laundering or dealings with the proceeds of crime.

	G5	Without limiting **Row G1** or **Row G3**, at no time from June 2019 did Entain: a) appropriately obtain from [redacted] or otherwise take reasonable measures to identify, information about [redacted] source of wealth/source of funds; b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds; c) appropriately verify or confirm information it had about [redacted] source of wealth/source of funds; or d) appropriately consider the ML/TF Risks relating to [redacted] claimed sources of wealth/sources of funds.	Particulars: • These were measures appropriate to the circumstances that existed from June 2019: see rr 15.10(1)(a), 15.10(1)(c), 15.10(2) and 15.10(3) of the Rules. • At all times from 1 May 2019 (the date on which the Third Account was moved under Entain's sports bookmaker licence), including at all times from June 2019, [redacted] deposited and withdrew unusually large amounts of money into and from the Third Account (Neds), with significant increases/escalations at particular points: see **Row E3** above, read with **Rows E6** and **E11**; see also **Row E1** concerning earlier transactional activity. • [redacted] transactional activity from June 2019 was unusual in other respects, including because he sometimes placed unusually large bets: see **Row E14** above. • From 1 May 2019, including from June 2019, [redacted] had multiple unexpired credit/debit cards linked to his Third Account (Neds): see **Row E5** above. • From June 2019, Entain knew or ought to have known that deposits made by [redacted] into his Third Account (Neds) regularly failed, indicating that deposits were being declined or rejected by the relevant bank or payment service provider: see **Rows E7**, **E9**, **E12** and **E17** above; see also **Row E2** concerning earlier failed deposits. • From December 2019, Entain knew or ought to have known that [redacted] was working in the sex industry (as a brothel owner), an industry involving higher ML/TF Risks: see **Row E10** above. • In terms of the sufficiency of the information that Entain had about [redacted] source of wealth/source of funds, and the sufficiency of the measures taken by Entain with respect to that information: see **Row E4** above.

			• Without limiting **Row E4** above: – At no time from 1 May 2019 did Entain confirm or verify [redacted] alleged ownership of a brothel. – At no time from 1 May 2019 did Entain identify, confirm or verify any other source of wealth/source of funds consistent with [redacted] transactional activity on the Third Account (Neds) (for example, property ownership, ownership of another business, other employment, etc). – On multiple occasions from June 2019, Entain formed a reasonable suspicion that [redacted] was involved in money laundering offences.
	G6	Without limiting **Row G1** or **Row G3**, at no time from June 2019 did Entain seek from [redacted] or otherwise take reasonable measures to clarify, the nature and purpose of [redacted] ongoing business relationship with Entain.	Particulars: • This was a measure appropriate to the circumstances that existed from June 2019: see r 15.10(1)(d) of the Rules. • In monitoring [redacted] from June 2020 until July 2021, Entain frequently determined that [redacted] large deposits could be explained as "reinvestments" of withdrawn money. • That [redacted] deposits were "reinvestments" of previously withdrawn money was assumed rather than confirmed or verified – Entain's determinations about "reinvestment" did not reflect the totality of available information (or any information gaps, such as information about source of wealth/source of funds) and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time. • [redacted] due diligence records do not disclose that any appropriate consideration was given to why money would be withdrawn from the Third Account (Neds) only to be "reinvested" immediately or shortly thereafter. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, especially the "cycling"

			of high value deposits with high value withdrawals, had indicia of money laundering or dealings with the proceeds of crime.
	G7	Without limiting **Row G1** or **Row G3**, at no time from June 2019 was [redacted] appropriately escalated to and/or considered by Entain's senior management, including for the purpose of determining whether to continue a business relationship with him.	Particulars: • This was a measure appropriate to the circumstances that existed from June 2019: see r 15.10(6) of the Rules. • Escalation to and/or consideration by senior management was appropriate in, and at regular intervals from, June 2019, including: in and from October–December 2019; and on multiple occasions in the period June–November 2020. • [redacted] due diligence records indicate that [redacted] was not elevated to and/or considered by senior management until 2–3 September 2020. • The review by senior management on or around 2–3 September 2020 resulted in a decision *not* to give the AUSTRAC CEO an SMR pursuant to s 41 of the Act, notwithstanding large and unusual transactional activity at that time, including "massive withdrawals". • [redacted] due diligence records indicate that [redacted] was not elevated to and/or considered by senior management again until May 2021. • The review by senior management in May 2021 resulted in a decision to keep [redacted] Third Account (Neds) open, but [redacted] due diligence records do not disclose the basis on which this decision was made, nor whether any consideration was given to ML/TF Risk at that time.
	G8	Without limiting **Row G1** or **Row G3**, at no time from June 2019 did Entain suspend [redacted] Third Account (Neds) on its own initiative.	Particulars: • The Third Account (Neds) was closed on 11 November 2021 as a result of fraudulent chargebacks.

			• At no time between June 2019 and 11 November 2021 (the date of closure) did Entain suspend [redacted] Third Account (Neds) on its own initiative. • Suspension (or at least consideration of suspension) was appropriate at multiple points from June 2019, especially from June 2020: see **Rows E7–E18** above, especially **Rows E11–E18**.
	G9	Without limiting **Row G1** or **Row G3**, at no time from June 2019 until 11 November 2021 did Entain close [redacted] Third Account (Neds) on its own initiative.	Particulars: • The Third Account (Neds) was closed on 11 November 2021 as a result of fraudulent chargebacks. • At no time between June 2019 and 11 November 2021 (the date of closure) did Entain close [redacted] Third Account (Neds) on its own initiative. • Closure (or at least consideration of closure) was appropriate at multiple points from June 2019, especially from June 2020: see **Rows E7–E18** above, especially **Rows E11–E18**. • [redacted] due diligence records indicate that the primary reason for the closure of [redacted] Third Account (Neds) was fraudulent chargebacks, rather than any matters indicative of high ML/TF Risk.

SCHEDULE 11: [redacted]

A: customer		[redacted]
B: account(s)	**B1**	**First Account (Ladbrokes)** • [redacted] • Opened date: 15 September 2017 • Closed date: 17 April 2019
	B2	**Second Account (Neds)** • [redacted] • Opened date: 1 March 2019 (the account was opened by an entity that Entain had acquired on 28 November 2018, but the account had not been moved under Entain's sports bookmaker licence) • Licence transfer date: 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Closed date: 6 November 2023 (suspended 3 November 2023)
C. summary of transactional activity by account	**C1**	**First Account (Ladbrokes)** • Lifetime deposits: $3,250.00, none of which was during the Relevant Period • Lifetime turnover: $4,020.00, none of which was during the Relevant Period • Lifetime withdrawals: $0 (nothing)
	C2	**Second Account (Neds)** • Lifetime deposits: $9,776,051.44, $9,758,051.44 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime turnover: $16,138,143.98, $16,102,436.20 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime withdrawals: $9,297,594.42, $9,296,071.11 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence)
D: date in the Relevant Period on and from which matters		1 May 2019

indicative of high ML/TF Risk existed			
E: list of matters indicative of high ML/TF Risk	**E1**	From no later than 1 May 2019, Entain had information that, upon the opening of the Second Account (Neds) on 1 March 2019, [redacted] had immediately deposited an unusually large amount of money into the account.	Particulars: • The Second Account (Neds) was opened on 1 March 2019 by an entity that Entain had recently acquired and, following a process of integration in early 2019, Entain moved the Second Account (Neds) under its sports bookmaker licence on 1 May 2019. • From no later than 1 May 2019, Entain had access to all relevant transaction data for the Second Account (Neds), including data concerning deposits/withdrawals. • On 1 March 2019, the first day that the Second Account (Neds) was open, [redacted] deposited $18,000.00 into the account across two transactions. • After 1 March 2019, [redacted] made no further deposits into the Second Account (Neds) until 11 July 2019: see **Row E4** below.
	E2	In each of calendar years 2019, 2020, 2021, 2022 and 2023, [redacted] deposited and withdrew unusually large amounts of money into and from his Second Account (Neds), with the deposits and withdrawals made during discrete periods of transactional activity within each year.	Particulars: • While the amounts of money deposited and withdrawn in each of calendar years 2019, 2020, 2021, 2022 and 2023 were unusually large, they significantly increased/escalated over time, especially in 2019, 2021, 2022 and 2023: see **Rows E4**, **E5**, **E7** and **E9** below. • From 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence) to December 2019 (all transactional activity occurred in the period July to September 2019): – [redacted] deposited $56,215.00 into the Second Account (Neds). – [redacted] withdrew $44,521.18 from the Second Account (Neds).

			– [redacted] was listed in Entain's High Value Transaction Report on at least 1 occasion. – [redacted] deposited $10,000.00 or more in a day into the Second Account (Neds) on 3 occasions. – [redacted] withdrew $10,000.00 or more in a day from the Second Account (Neds) on 2 occasions. • In 2020 (all transactional activity occurred in the period January to March 2020): – [redacted] deposited $15,300.00 into the Second Account (Neds). – [redacted] withdrew $26,576.00 from the Second Account (Neds). – [redacted] withdrew $10,000.00 or more from the Second Account (Neds) on 1 occasion. – While the amounts of money deposited and withdrawn in 2020 were small relative to the amounts deposited both before and after, they were nevertheless unusually large (especially given the short period within which they occurred). • In 2021 (all transactional activity occurred in the period October to November 2021): – [redacted] deposited $460,000.00 into the Second Account (Neds). – [redacted] withdrew $135,500.00 from the Second Account (Neds). – [redacted] was listed in Entain's High Value Transaction Report on at least 3 occasions. – [redacted] deposited $50,000.00 or more in a week on 3 occasions. – [redacted] deposited $10,000.00 or more in a day on 7 occasions.

			– [redacted] withdrew $50,000.00 or more in a week on 1 occasion. – [redacted] withdrew $10,000.00 or more in a day on 1 occasion. • In 2022 (all transactional activity occurred in the period May to November 2022): – [redacted] deposited $3,198,000.00 into the Second Account (Neds). – [redacted] withdrew $2,946,308.58 from the Second Account (Neds). – [redacted] was listed in Entain's High Value Transaction Report on at least 14 occasions. – [redacted] deposited $50,000.00 or more in a week on 14 occasions. – [redacted] deposited $10,000.00 or more in a day on 29 occasions. – [redacted] withdrew $50,000.00 or more in a week on 12 occasions. – [redacted] withdrew $10,000.00 or more in a day on 28 occasions. • From January 2023 to the closure of the Second Account (Neds) in November 2023 (all transactional activity occurred in the period April to November 2023): – [redacted] deposited $6,028,536.44 into the Second Account (Neds). – [redacted] withdrew $6,143,165.35 from the Second Account (Neds). – [redacted] was listed in Entain's High Value Transaction Report on at least 30 occasions (including one occasion on 5 November 2023 regarding transactional activity immediately prior to the closure of the Second Account (Neds)).

			– [redacted] deposited $50,000.00 or more in a week on 30 occasions. – [redacted] deposited $10,000.00 or more in a day on 93 occasions. – [redacted] withdrew $50,000.00 or more in a week on 29 occasions. – [redacted] withdrew $10,000.00 or more in a day on 80 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] during his periods of transactional activity were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E3	At all times: a) from May 2019; or b) in the alternative, July 2019; Entain did not have sufficient information about [redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that the transactional activity on the Second Account (Neds) (depositing, betting and withdrawing) was consistent with or supported by [redacted] source of wealth/source of funds.	Particulars: • While the information that Entain had about [redacted] source of wealth/source of funds changed over time, at no time from May 2019 was it sufficient to reach the necessary satisfaction. • Entain could have obtained information about [redacted] source of wealth/source of funds from (at least) public/external sources and [redacted] himself. • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from [redacted] it did not do so with sufficient promptness: – Prior to 28 October 2021, Entain obtained no substantive information about [redacted] source of wealth/source of funds from [redacted] (by the end of 28 October 2021, [redacted] had deposited approximately $199,515.00 into his Second Account (Neds) over about

			2.5 years, approximately $181,515.00 of which was deposited from 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence)). – Prior to 26 September 2022, Entain did not commence any formal source of wealth/source of funds inquiry process with [redacted] (by this time, [redacted] had deposited approximately $1,747,515.00 into his Second Account (Neds) over about 3.5 years, approximately $1,729,515.00 of which was deposited from 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence)). The information/supporting documentation that Entain obtained during this inquiry process (a single BAS) was insufficient: see further below. – Prior to 5 October 2023, Entain did not commence any new or additional formal source of wealth/source of funds inquiry process with [redacted] (by this time, [redacted] had deposited approximately $8,781,051.44 into his Second Account (Neds), approximately $8,763,051.44 of which was deposited from 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence)). – Prior to 4 November 2023, Entain obtained no bank statements to confirm or verify [redacted] source of funds/source of wealth (by this time, [redacted] had deposited approximately $9,776,051.44 into his Second Account (Neds) over about 4.5 years, approximately $9,758,051.44 of which was deposited from 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence)). • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from

			public/external sources and/or [redacted] it did not obtain sufficient information to reach the necessary satisfaction: – By no later than 15 July 2019, Entain obtained information that [redacted] was the owner of a fashion business. – On 28 October 2021, [redacted] told Entain that he started a clothing business about 3 years prior and a company manufacturing neon signs and selling them overseas, but Entain did not obtain (let alone confirm or verify) basic information about the success of the businesses or their capacity to support the transactional activity on [redacted] accounts (for example, account statements, other information about revenue/profitability, etc). – On 2 June 2022, Entain obtained information that [redacted] was associated with a fixed unit trust (registered for GST since 2018), but Entain but did not obtain (let alone confirm or verify) basic information about the structure of the trust or the income (if any) that [redacted] derived from the trust. – On 7 September 2022, [redacted] told Entain that he owned a multi-million dollar business in Australia, owned 3 companies worldwide, owned properties for investment purposes, and that his source of funds was his salary/earnings and savings, but Entain did not obtain (let alone confirm or verify): (i) basic information about the names of the companies he owned (for example, by way of an ASIC search); (ii) basic information indicating that any of the properties were owned by [redacted] himself (for example, a title search); or (iii) a bank statement to verify salary/earnings and savings. – To the extent that [redacted] responded to the formal source of wealth/source of funds inquiry process commenced from 26 September 2022, [redacted]

			informed Entain that: (i) he had worked in retail trade / business for 5-10 years; (ii) he had an estimated annual income (before tax) from his occupation of $1,000,000.00 to $4,999,999.99; (iii) he had an estimated annual income (before tax) from investments/dividends of $350,000.00 to $499,999.00; (iv) he had an estimated annual rental income (before tax) of $100,000.00 to $149,999.00; and (v) he had savings of $500,000.00 to $999,999.00. – During the source of wealth/source of funds inquiry process commenced from 26 September 2022, Entain obtained a single BAS for the period April 2022 to June 2022 for [redacted] unit trust which recorded total sales of $1,331,429.00; total salary, wages and other payments of $10,489.00; $1,416.00 in income tax withheld; and a tax refund of $16,529.00. However: (i) this did not support [redacted] claim about his estimated annual income from his occupation; (ii) no other documentation supporting [redacted] claimed annual income was sought or obtained; and (iii) [redacted] claims about income from investments/dividends, rental income and substantial savings were not supported by any documentation at all. – By no later than 3 November 2023, Entain obtained information from [redacted] accountant that was inconsistent with the information that [redacted] had provided during the source of wealth/source of funds inquiry process commenced from 26 September 2022 and a subsequent process commenced from 5 October 2023. – By no later than 5 November 2023, Entain obtained information indicating that there had been large and frequent transfers between a bank account in [redacted] name (being a bank account that [redacted] used for the

			purposes of making deposits and withdrawals into and from his Second Account (Neds)) and a bank account in the same name as a self-excluded customer (the use of the bank account to make and receive large transfers to and from a potentially self-excluded customer was itself a matter indicative of high ML/TF Risk: see **Row E12** below). • From 1 May 2019, Entain gave the AUSTRAC CEO at least 2 SMRs pursuant to s 41 of the Act in which it acknowledged questions about the accuracy of information provided by [redacted] about his source of wealth/source of funds and/or whether the transactional activity on the [redacted] accounts (depositing, betting and withdrawing) was consistent with [redacted] source of wealth/source of funds and/or the "profile" established for [redacted] on 21 October 2022 and 8 November 2023.
	E4	In July 2019, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the Second Account (Neds), amounting to an unusual pattern of transactions.	Particulars: • Deposits: – In March 2019, [redacted] deposited $18,000.00 into the Second Account (Neds) (all of which was deposited on 1 March 2019 alone). – Between 2 March 2019 and 10 July 2019, [redacted] deposited $0 (nothing) into the Second Account (Neds). – Entain had information concerning the March 2019 transactional activity (and the period of non-activity that followed) from no later than 1 May 2019: see **Row E1** above. – Between 11–14 July 2019, [redacted] deposited $34,915.00 into the Second Account (Neds). This was a significant increase/escalation relative to [redacted] previous period of depositing activity (it amounted to an increase of 94% on the amount deposited on 1 March 2019).

			– [redacted] continued to deposit large amounts of money into the Second Account (Neds) in August to September 2019 (although not at the levels seen in July 2019). • Withdrawals: – In March 2019, [redacted] withdrew $1,523.31 from the Second Account (Neds) (all of which was withdrawn on 4 March 2019 alone). – Between 5 March 2019 and 11 July 2019, [redacted] withdrew $0 (nothing) from the Second Account (Neds). – Entain had information concerning the March 2019 transactional activity (and the period of non-activity that followed) from no later than 1 May 2019: see **Row E1** above. – Between 12–15 July 2019, [redacted] withdrew $36,486.18 from the Second Account (Neds). This was a significant increase/escalation relative to [redacted] previous period of withdrawal activity (it amounted to an increase of 2295% on the amount withdrawn on 4 March 2019). – [redacted] continued to withdraw large amounts of money from the Second Account (Neds) in August to September 2019 (although not at the levels seen in July 2019). • After July to September 2019, [redacted] made no further deposits or withdrawals into or from the Second Account (Neds) until January to March 2020. The amounts deposited and withdrawn in January to March 2020 were unusually large, but not an increase/escalation on the amounts deposited and withdrawn in July to September 2019: see **Row E2** above. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing

			basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] during his periods of transactional activity were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E5	From October to November 2021, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a further significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the Second Account (Neds), amounting to an unusual pattern of transactions.	Particulars: • Deposits: – From October to November 2021, [redacted] deposited $460,000.00 into the Second Account (Neds). – This was a significant increase/escalation relative to [redacted] previous period of depositing activity in January to March 2020 (the increase in percentage terms in the average monthly deposit in the period October to November 2021 as compared to the period January to March 2020 was approximately 4409%). – This was also a significant increase/escalation relative to the preceding months (from April 2020 to September 2021, [redacted] deposited $0 into the Second Account (Neds)). • Withdrawals: – In October 2021, [redacted] withdrew $135,500.00 from the Second Account (Neds). – This was a significant increase/escalation relative to [redacted] previous period of withdrawal activity in January to February 2020 (the increase in percentage terms in October 2021 as compared to the average monthly withdrawal in the period January to February 2020 was 919%). – This was also a significant increase/escalation relative to the preceding months (from March 2020 to

			September 2021, [redacted] withdrew $0 from the Second Account (Neds)). • After October to November 2021, [redacted] made no further deposits or withdrawals into or from the Second Account (Neds) until May to June 2022. The amounts deposited and withdrawn in May to June 2022 were unusually large, but not an increase/escalation on the amounts deposited and withdrawn in October to November 2021: see **Row E2** above. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] during his periods of transactional activity were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E6	From October to November 2021, deposits that [redacted] attempted to make into his Second Account (Neds) regularly failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • From October to November 2021, 30 deposits that [redacted] attempted to make into the Second Account (Neds) by Braintree credit card were recorded as "rejected" in his transaction statements (amounting to $1,190,000.00).

	E7	From August to November 2022, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a further significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the Second Account (Neds), amounting to an unusual pattern of transactions.	Particulars: • Deposits: – From August to November 2022, [redacted] deposited $3,118,000.00 into the Second Account (Neds) (an average of $779,500.00 per month, although $2,768,000.00 or approximately 89% was deposited in September to October 2022 alone). – This was a significant increase/escalation relative to [redacted] previous period of depositing activity in May to June 2022 (the increase in percentage terms in the average monthly deposit in the period August to November 2022 as compared to the period May to June 2022 was approximately 1849%). – This was also a significant increase/escalation relative to the preceding month (in July 2022, [redacted] deposited $0 into the Second Account (Neds); he also deposited $0 in the period December 2021 to April 2022). • Withdrawals: – From August to November 2022, [redacted] withdrew $2,822,149.08 from the Second Account (Neds) (an average of $705,537.27 per month, although $2,197,657.08 or approximately 78% was withdrawn in September to October 2022 alone). – This was a significant increase/escalation relative to [redacted] previous period of withdrawal activity in May 2022 (the increase in percentage terms in the average monthly deposit in the period August to November 2022 as compared to May 2022 was approximately 468%). – This was also a significant increase/escalation relative to the preceding months (from June to July 2022, [redacted] withdrew $0 from the Second Account (Neds); he also withdrew $0 in the period November 2021 to April 2022).

			• A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] during his periods of transactional activity were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E8	From June to November 2022, deposits that [redacted] attempted to make into his Second Account (Neds) regularly failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • From June to ~~October~~ November 2022, 21 deposits that [redacted] attempted to make into the Second Account (Neds) by Braintree credit card were recorded as "rejected" in his transaction statements (amounting to $1,205,000.00). Eleven of these deposits (amounting to $505,000.00) were recorded as "rejected" on a single day in September 2022 (6 September 2022).
	E9	From April to October 2023, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a further significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the Second Account	Particulars: • Deposits: – From April to October 2023, [redacted] deposited $5,928,536.44 into the Second Account (Neds) (an average of $846,933.78 per month).

		(Neds), amounting to an unusual pattern of transactions.	– This was a significant increase/escalation relative to [redacted] previous period of depositing activity in August to November 2022 (the increase in percentage terms in the average monthly deposit in the period April to October 2023 as compared to the period August to November 2022 was approximately 9%). While the increase in percentage terms was smaller than that seen in previous periods of escalating depositing activity (see **Rows E4**, **E5** and **E7** above), it was nevertheless significant due to the very large base value (ie, the average monthly deposit in the period August to November 2022 was $779,500.00). – This was also a significant increase/escalation relative to the preceding months (from December 2022 to March 2023, [redacted] deposited $0 into the Second Account (Neds)). – [redacted] continued to deposit large amounts of money into the Second Account (Neds) in November 2023 (although not at the levels seen in the period April to October 2023). • Withdrawals: – From April to October 2023, [redacted] withdrew $6,084,170.83 from the Second Account (Neds) (an average of $869,167.26 per month). – This was a significant increase/escalation relative to [redacted] previous period of withdrawal activity in August to November 2022 (the increase in percentage terms in the average monthly withdrawal in the period April to October 2023 as compared to the period August to November 2022 was approximately 23%). – This was also a significant increase/escalation relative to the preceding months (from December 2022 to

			March 2023, [redacted] withdrew $0 from the Second Account (Neds)). – [redacted] continued to withdraw large amounts of money from the Second Account (Neds) in November 2023 (although not at the levels seen in the period April to October 2023). • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] during his periods of transactional activity were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E10	From April to August 2023, deposits that [redacted] attempted to make into his Second Account (Neds) regularly failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • From April to August 2023, 35 deposits that [redacted] attempted to make into the Second Account (Neds) by Braintree credit card and Braintree Apple Pay were recorded as "rejected" in his transaction statements (amounting to $1,425,400.00). Thirteen of these deposits (amounting to $550,000.00) were recorded as "rejected" on a single day in June 2023 (2 June 2023).

	E11	In each of May, June, July and September 2023, [redacted] withdrew more from the Second Account (Neds) than he deposited into the Second Account (Neds), amounting to an unusual pattern of transactions.	Particulars: • In May 2023, [redacted] deposited $1,488,772.12 into the Second Account (Neds) and withdrew $1,755,327.43 from the Second Account (Neds). • In June 2023, [redacted] deposited $923,700.00 into the Third Account (Neds) and withdrew $980,748.82 from the Second Account (Neds). • In July 2023, [redacted] deposited $867,000.00 into the Second Account (Neds) and withdrew $934,633.95 from the Second Account (Neds). • In September 2023, [redacted] deposited $587,897.65 into the Second Account (Neds) and withdrew $618,237.66 from the Second Account (Neds). • May, June, July and September 2023 were among [redacted] most active months in the Relevant Period in terms of transactional activity (depositing and withdrawing).
	E12	In November 2023, Entain obtained information indicating that there were higher ML/TF Risks related to [redacted] sources of wealth/sources of funds and/or his depositing/withdrawing activity — specifically, Entain obtained information indicating that there had been large and frequent transfers between a bank account in [redacted] name (being a bank account that [redacted] used for the purposes of making deposits and withdrawals into and from his Second Account (Neds)) and a bank account in the same name as a self-excluded customer.	Particulars: • On 3 November 2023, in the context of the formal source of wealth/source of funds inquiry process commenced from 5 October 2023, [redacted] provided Entain with two bank statements for an account in his name. • One of the bank statements (for the 4 month period between 1 March to 30 June 2023) showed transfers from [redacted] to [redacted] totalling $135,500.00 across 16 transactions and transfers from [redacted] to [redacted] totalling $168,922.00 across 23 transactions. • On 5 November 2023, Entain's General Counsel noted that [redacted] appeared to be a customer who had self-excluded for safer gambling issues. • Transfers to and from a potentially self-excluded customer carried heightened ML/TF Risk because it made it difficult to trace the source and ownership of [redacted] funds.

	E13	By November 2023, Entain had information indicating that [redacted] had opened an account under the name of a third party using false or misleading information — specifically, Entain had information indicating that the account opened under the name of a third party had been funded by a credit card in the name of [redacted]	Particulars: • On 10 November 2023, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] Entain reported that a Neds account opened on 5 November 2023 in a name that was not [redacted] name was suspected of being created using false and misleading information. Entain reported that the account had been funded with a credit card in the name of [redacted] opened shortly after the suspension of [redacted] Second Account (Neds), and there was the same pattern of betting on the account as on the Second Account (Neds). Entain reported that it suspected that the account was opened by [redacted] using false and misleading information in order to bypass the closure of the Second Account (Neds) and that Entain had closed the account permanently. • The provision of false information in connection with a betting account [cll 7.3, 7.6, 11.1(i) and 11.2(a)], the access and use of a customer's account by or under the direction of another customer [cll 7.8, 8.4, 9.2, 11.1(e)-(h) and 11.2(a)], the opening of an account after having had an account that had previously been limited, banned or closed by Entain [cll 11.1(o), 11.2(a)], and the depositing of funds from a debit or credit card not in the name of the account holder [cll 11.1(p), 11.2(a)] were contrary to the terms and conditions applied by Entain to betting accounts.
	E14	By August 2024, Entain had information indicating that [redacted] was responsible for opening, operating and/or funding an account under the name of a third party — specifically, Entain had information indicating that the bank account linked to that account had received a transfer in the name of [redacted]	Particulars: • On 7 August 2024, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] Entain reported that a Ladbrokes account in a name that was not [redacted] name had been operated and/or funded by [redacted] Entain reported that the Ladbrokes account had been opened on 28 September 2017; a further review had shown other Neds or Ladbrokes accounts where the same account details had been used to set up or operate

			those other accounts; $1,000.00 had been deposited into the Ladbrokes account on 18 April 2024; and a bank statement for the linked bank account showed that, prior to that deposit into the Ladbrokes account, there had been a transfer of $1,000.00 into the bank account in the name of [redacted] Entain reported that it suspected that [redacted] was responsible for opening, operating and/or funding the account in an attempt to circumvent the closure of his own account (the Second Account (Neds)). • The provision of false information in connection with a betting account [cll 7.3, 7.6, 11.1(i) and 11.2(a)] and the access and use of a customer's account by or under the direction of another customer [cll 7.8, 8.4, 9.2, 11.1(e)-(h) and 11.2(a)] were contrary to the terms and conditions applied by Entain to betting accounts.
F: dates on and from which monitoring failures existed and contraventions of s 36 occurred	**F1**	16 December 2018	Particulars: • See paragraph 433 above.
	F2	1 May 2019	Particulars: • See **Row G** below, especially **Rows G1–G2**; see also **Rows G3–G4**.
	F3	18 October 2022	Particulars: • See **Row G** below, especially **Rows G5–G11**.
G: list of particular monitoring failures	**G1**	At no time from May 2019 did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in **Row E** above.
	G2	Without limiting **Row G1**, at no time from 1 May 2019 until 18 October 2022 did Entain rate [redacted] "High" ML/TF Risk in relation to his Second Account (Neds).	Particulars: • On 1 May 2019, following a process of integration in early 2019, the Second Account (Neds) was moved under Entain's sports bookmaker licence (the account had been

			opened on 1 March 2019 by an entity that Entain had acquired on 28 November 2018). • Between 1 May 2019 and 14 July 2019, Entain did not rate [redacted] in relation to the Second Account (Neds) (ie, the risk rating was "Unrated"). • On or around 15 July 2019, Entain rated [redacted] "Low" ML/TF Risk in relation to his Second Account (Neds) (ie, the risk rating was adjusted from "Unrated" to "Low"). • On 12 September 2022, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Second Account (Neds) (ie, the risk rating was adjusted from "Low" to "Medium"). • On 18 October 2022, Entain rated [redacted] "High" ML/TF Risk in relation to his Second Account (Neds) (ie, the risk rating was adjusted from "Medium" to "High"). • On 26 October 2022, Entain rated [redacted] "Low" ML/TF Risk in relation to his Second Account (Neds) (ie, the risk rating was adjusted from "High" to "Low"): see **Row G3** below. • A "High" ML/TF Risk rating was appropriate in relation to [redacted] Second Account (Neds) prior to 18 October 2022 and certainly no later than October 2021: see **Rows E1–E8** above, especially **Rows E1–E6** concerning the unusually large amounts of money periodically deposited and withdrawn into and from the Second Account (Neds), commencing in 2019, continuing in 2020 and escalating significantly in 2021, against a background of insufficient information about [redacted] source of wealth/source of funds. • If [redacted] had been rated "High" ML/TF Risk prior to 18 October 2022, Entain would have been required to apply the ECDD program from that time: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules.

	G3	Without limiting **Row G1**, at all times from 26 October 2022 to 19 September 2023, Entain rated [redacted] "Low" ML/TF Risk in relation to his Second Account (Neds).	Particulars: • At all times from 18 to 25 October 2022, Entain rated [redacted] "High" ML/TF Risk in relation to his Second Account (Neds). • On 26 October 2022, Entain rated [redacted] "Low" ML/TF Risk in relation to his Second Account (Neds) (ie, the risk rating was adjusted from "High" to "Low"). • The decision on 26 October 2022 was made on the basis of information and a supporting document (a single BAS) provided by [redacted] in response to a source of wealth/source of funds inquiry process commenced from 26 September 2022. • The decision on 26 October 2022 was made with the involvement of senior management. • The decision on 26 October 2022 was not appropriately reviewed or revised until 20 September 2023 as part of a High Risk Remediation, and from that date Entain rated [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes) and Second Account (Neds) (ie, the risk rating was adjusted from "Low" to "High"). • A "High" ML/TF Risk rating was appropriate in relation to [redacted] Second Account (Neds) at all times from 26 October 2022 to 20 September 2023: see **Rows E1–E11** above, especially **Rows E9–E10** concerning the significant increase/escalation in the amount of money that [redacted] deposited and withdrew from April 2023 and the large number of "rejected" deposits, against a background of insufficient information about [redacted] source of wealth/source of funds. • In the period from 26 October 2022 to 20 September 2023, [redacted] deposited approximately $5,253,536.44 into the Second Account (Neds) and withdrew approximately $5,471,318.41 from the Second Account (Neds).

	G4	Without limiting **Row G1**, at no time between 22 October 2022 and 7 November 2023 did Entain give the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted]	Particulars: • On 21 October 2022 Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted]. The SMR listed the "offence type" as "money laundering" and noted questions about whether the transactional activity on the [redacted] accounts (depositing, betting and withdrawing) was consistent with [redacted] source of wealth/source of funds and/or the "profile" established for [redacted] • Entain did not give the AUSTRAC CEO a single SMR in the approximately 12 month period after 21 October 2022. • While Entain obtained information about [redacted] source of wealth/source of funds on 24 October 2022 in the context of the formal source of wealth/source of funds inquiry process commenced from 26 September 2022 (including, in particular, a single BAS), that information (when appropriately analysed) was not sufficient to provide a reasonable basis to be satisfied that the transactional activity on [redacted] accounts (depositing, betting and withdrawing) was consistent with or supported by [redacted] source of wealth/source of funds. • In any event, a large number of other matters indicative of high ML/TF Risk continued or emerged in the approximately 12 month period after 21 October 2022: see especially **Rows E7–E11** above, including the very significant deposits and withdrawals in November 2022 (immediately after [redacted] responded to Entain's formal source of wealth/source of funds inquiry process), the very significant deposits and withdrawals from April 2023 and the withdrawals exceeding deposits in most months from May 2023.

	G5	Without limiting **Row G1**, at no time from the date on which ECDD was triggered (specifically, from 18 October 2022) did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] on an ongoing basis, from that time.	Particulars: • Entain was under an obligation to apply the ECDD program on an ongoing basis from the date on which there was an ECDD trigger: see paragraphs 428–429 above. • From 18 October 2022 until 26 October 2022, Entain rated [redacted] "High" ML/TF Risk in relation to his Second Account (Neds). • Under the Rules, there was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules. • Further, on 21 October 2022 Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] • After 21 October 2022, Entain gave the AUSTRAC CEO 3 further SMRs pursuant to s 41 of the Act in relation to [redacted] on 8 November 2023; 10 November 2023; and 7 August 2024. • Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. • As a result of the above ECDD triggers, and in light of the continuing nature of the matters pleaded in **Row E** above, Entain was under an obligation to apply the ECDD program, on an ongoing basis and at regular intervals, at all times from 18 October 2022. • Entain's obligation to apply the ECDD program, on an ongoing basis and at regular intervals, existed notwithstanding the inappropriate change in [redacted] risk rating in relation to the Second Account (Neds) on 26 October 2022 (see **Row G3** above) and the failure to give the AUSTRAC CEO further SMRs pursuant to s 41 of

			the Act between 22 October 2022 and 7 November 2023 (see **Row G4** above). • The measures that Entain was required to undertake in relation to [redacted] as a result of determining that the ML/TF Risk in relation to [redacted] was high and/or forming a suspicion for the purposes of s 41 of the Act included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules. • The measures that were required were measures appropriate to a person reasonably suspected of money laundering offences and/or other offences against the laws of Australia, as per the 4 SMRs that Entain gave the AUSTRAC CEO pursuant to s 41 in relation to [redacted]
	G6	Without limiting **Row G1** or **Row G5**, at no time from October 2022 did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, including the level of transactional behaviour and the purpose, reasons for or nature of the transactional behaviour.	Particulars: • This was a measure appropriate to the circumstances that existed from October 2022: see r 15.10(5) of the Rules. • During particular periods in each of 2019, 2020, 2021, 2022 and 2023 – including around October 2022 and from April 2023 – [redacted] deposited and withdrew unusually large amounts of money into and from his Second Account (Neds): see **Row E2** above. • There were significant increases/escalations in the amounts deposited into and withdrawn from [redacted] Second Account (Neds) in some of these periods, especially in July 2019, October to November 2021, August to November 2022 and April to October 2023: see **Rows E4**, **E5**, **E7** and **E9** above. • [redacted] transactional activity was unusual in other respects, including: (i) a pattern of failed deposits (from October to November 2021, June to November 2022 and April to August 2023: see **Rows E6**, **E8** and **E10** above); (ii) a pattern of withdrawals exceeding deposits (see **Row**

			E11 above); and (iii) use of his credit card to fund another customer's account (see **Row E13** above). • [redacted] was regularly listed in Entain's High Value Transaction Report from October 2021 (with at least one listing in 2019), demonstrating that Entain identified that he deposited large amounts of money into his Second Account (Neds) from this time, but Entain did not undertake any measures to mitigate and manage the ML/TF Risk indicated by this transactional behaviour. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods could appropriately be described as "recreational" (Entain's assessments in this respect were conclusory and focussed wholly or primarily on betting activity, rather than transactional activity as a whole). • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his deposits could appropriately be described as "reinvestments" of previously withdrawn money (Entain's assessments in this respect were circular and conclusory). • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, especially the "cycling" of high value deposits with high value withdrawals, had indicia of money laundering or dealings with the proceeds of crime.
	G7	Without limiting **Row G1** or **Row G5**, at no time from October 2022 until October 2023 did Entain: a) appropriately obtain from [redacted] or otherwise take reasonable measures to	Particulars: • These were measures appropriate to the circumstances that existed from October 2022: see rr 15.10(1)(a), 15.10(1)(c), 15.10(2) and 15.10(3) of the Rules. • During particular periods in each of 2019, 2020, 2021, 2022 and 2023 – including around October 2022 and from

		identify, information about [redacted] source of wealth/source of funds; b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds; c) appropriately verify or confirm information it had about [redacted] source of wealth/source of funds; or d) appropriately consider the ML/TF Risks relating to [redacted] sources of wealth/sources of funds.	April 2023 – [redacted] transactional activity involved high value deposits and withdrawals into and from his Second Account (Neds), with significant increases/escalations in particular periods: see **Rows E1**, **E2**, **E4**, **E5**, **E7** and **E9** above. • [redacted] transactional activity was unusual in other respects, including: (i) a pattern of failed deposits (from October to November 2021, June to November 2022 and April to August 2023: see **Rows E6**, **E8** and **E10** above); (ii) a pattern of withdrawals exceeding deposits (see **Row E11** above); and (iii) use of his credit card to fund another customer's account (see **Row E13** above). • In terms of the sufficiency of the information that Entain had about [redacted] source of wealth/source of funds, and the sufficiency of the measures taken by Entain with respect to that information, see **Row E3** above. • Without limiting **Row E3** above: – From at least 15 July 2019, Entain had information indicating that [redacted] was the owner of a fashion business, but assumed rather than confirmed or verified that this demonstrated that [redacted] source of wealth/source of funds was consistent with the transactional activity on his Second Account (Neds). – Entain did not make any appropriate inquiry about [redacted] source of wealth/source of funds with [redacted] himself until September 2022. – [redacted] due diligence records do not disclose that Entain identified, or gave any appropriate consideration to, the problems with the information that [redacted] provided in response to the formal source of wealth/source of funds inquiry process commenced from 26 September 2022 (especially the single BAS provided on 24 October 2022).

			– In particular, Entain did not identify, or give any appropriate consideration to, the following: (i) the BAS did not substantiate [redacted] claim to have an estimated annual income (before tax) from his occupation of $1,000,000.00 to $4,999,999.00; (ii) no other documentation supporting [redacted] claimed annual income was sought or obtained; and (iii) neither the BAS nor any other documentation provided any support at all for [redacted] claim to have an annual income from investments/dividends (before tax) of $350,000.00 to $499,999.00, an annual rental income (before tax) of $100,000.00 to $149,999.00 and substantial savings of $500,000.00 to $999,999.00. – In the period after October 2022 up until October to November 2023, the information provided by [redacted] in response to the formal source of wealth/source of funds inquiry process was not appropriately updated and nor was additional information obtained, confirmed or verified, notwithstanding the emergence of further matters indicative of high ML/TF Risk, including a significant increase/escalation in the amount of money that [redacted] deposited and withdrew from the Second Account (Neds): see **Rows E9–E11** above. – It was not until November 2023 that Entain obtained appropriate information from [redacted] accountant, which was inconsistent with the information that [redacted] had provided during the source of wealth/source of funds inquiry processes commenced from 26 September 2022 and 5 October 2023. – At no time did Entain identify, and appropriately confirm or verify, any source of wealth/source of funds consistent with [redacted] transactional activity on the Second Account (Neds).

	G8	Without limiting **Row G1** or **Row G5**, at no time from October 2022 did Entain seek from [redacted] or otherwise take reasonable measures to clarify, the nature and purpose of [redacted] ongoing business relationship with Entain.	Particulars: • This was a measure appropriate to the circumstances that existed from October 2022: see r 15.10(1)(d) of the Rules. • During particular periods in each of 2019, 2020, 2021, 2022 and 2023 – including around October 2022 and from April 2023 – [redacted] transactional activity involved high value deposits and withdrawals into and from his Second Account (Neds), with significant increases/escalations in particular periods: see **Rows E1**, **E2**, **E4**, **E5**, **E7** and **E9** above. • [redacted] transactional activity was unusual in other respects, including: (i) a pattern of failed deposits (from October to November 2021, June to November 2022 and April to August 2023: see **Rows E6**, **E8** and **E10** above); (ii) a pattern of withdrawals exceeding deposits (see **Row E11** above); and (iii) use of his credit card to fund another customer's account (see **Row E13** above). • In monitoring [redacted] Entain frequently determined that [redacted] transactional activity was or "appeared" to be "recreational", but the determinations did not reflect the totality of available information (they were focussed wholly or primarily on betting activity, rather than transactional activity as a whole) and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time. • In monitoring [redacted] on multiple occasions, Entain determined that [redacted] deposits were or appeared to be "reinvestments" of previously withdrawn money, but the determinations did not reflect the totality of available information (or any information gaps, such as information about source of wealth/source of funds) and the reasoning process behind the determinations was not appropriately

			reviewed or subject to more detailed analysis as relevant patterns continued over time. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, especially the "cycling" of high value deposits with high value withdrawals, had indicia of money laundering or dealings with the proceeds of crime.
	G9	Without limiting **Row G1** or **Row G5**, at no time from October 2022 until October 2023 was [redacted] appropriately escalated to and/or considered by Entain's senior management, including for the purpose of determining whether to continue a business relationship with him.	Particulars: • This was a measure appropriate to the circumstances that existed from October 2022: see r 15.10(6) of the Rules. • To the extent that [redacted] was escalated to senior management, the escalation was not done with sufficient promptness: – [redacted] was not escalated to senior management until October 2022, in the context of the provision by [redacted] of information about his source of wealth/source of funds that was requested by Entain during a formal source of wealth/source of funds inquiry process. – [redacted] was not escalated to senior management again until November 2023, in the context of the provision by [redacted] of information about his source of wealth/source of funds that was requested by Entain during a further formal source of wealth/source of funds inquiry process. – Escalation to senior management was appropriate in, and at regular intervals from, October 2022 (and indeed earlier), especially in each of April, May, June, July, August, September and October 2023.

			• To the extent that [redacted] was considered by senior management, the consideration was not appropriate, including because: – The decision on 26 October 2022, in which senior management was involved, to decrease [redacted] ML/TF Risk rating from "High" to "Low" was not appropriate in light of the matters indicative of high ML/TF Risk that existed at that time: see **Row G3** above. – Senior management did not make a decision to suspend [redacted] Second Account (Neds) until 3 November 2023 or close [redacted] Second Account (Neds) until 6 November 2023.
	G10	Without limiting **Row G1** or **Row G5**, at no time from October 2022 until November 2023 did Entain suspend [redacted] Second Account (Neds) on its own initiative.	Particulars: • The Second Account (Neds) was suspended on 3 November 2023 and closed on 6 November 2023. • Suspension of the Second Account (Neds) (or at least consideration of suspension) was appropriate from no later than October 2022, when [redacted] provided information about his source of wealth/source of funds that was requested by Entain during a formal source of wealth/source of funds inquiry process and that did not substantiate [redacted] claims about his source of wealth/source of funds (against the background of the other matters indicative of high ML/TF Risk pleaded in **Row E** above, especially continuing high value deposits and withdrawals).
	G11	Without limiting **Row G1** or **Row G5**, at no time from October 2022 until November 2023 did Entain close [redacted] Second Account (Neds) on its own initiative.	Particulars: • The Second Account (Neds) was suspended on 3 November 2023 and closed on 6 November 2023. • Closure of the Second Account (Neds) (or at least consideration of closure) was appropriate from no later than October 2022, when [redacted] provided information

			about his source of wealth/source of funds that was requested by Entain during a formal source of wealth/source of funds inquiry process and that did not substantiate [redacted] claims about his source of wealth/source of funds (against the background of the other matters indicative of high ML/TF Risk pleaded in **Row E** above, especially continuing high value deposits and withdrawals).

SCHEDULE 12: [redacted]

A: customer		[redacted]	
B: account(s)	**B1**	**First Account (Ladbrokes)** • [redacted] • Opened date: 31 March 2020 • Closed date: 19 November 2022	
	B2	**Second Account (Neds)** • [redacted] • Opened date: 24 February 2022 • Closed date: 18 August 2023	
C. summary of transactional activity by account	**C1**	**First Account (Ladbrokes)** • Lifetime deposits: $2,970,892.42, all of which was during the Relevant Period • Lifetime turnover: $17,031,341.16, all of which was during the Relevant Period • Lifetime withdrawals: $2,710,649.94, all of which was during the Relevant Period	
	C2	**Second Account (Neds)** • Lifetime deposits: $38,710.00, all of which was during the Relevant Period • Lifetime turnover: $283,642.42, all of which was during the Relevant Period • Lifetime withdrawals: $64,225.28, all of which was during the Relevant Period	
D: date in Relevant Period on and from which matters indicative of high ML/TF Risk existed		31 March 2020	
E: list of matters indicative of high ML/TF Risk	**E1**	Upon the opening of the First Account (Ladbrokes) on 31 March 2020, [redacted] began immediately to deposit and withdraw unusually	Particulars: • The First Account (Ladbrokes) was opened on 31 March 2020.

		large amounts of money into and from the First Account (Ladbrokes), amounting to an unusual pattern of transactions.	• As at 31 March 2020, [redacted] was a new customer who was unknown to the business/Entain. • The amounts of money that [redacted] deposited into the First Account (Ladbrokes) were unusually large from the outset: – In the first month, [redacted] deposited $255,634.68 into the First Account (Ladbrokes). – In the first 2 months, [redacted] deposited a cumulative total of $411,838.64 into the First Account (Ladbrokes). – In the first 3 months, [redacted] deposited a cumulative total of $492,344.18 into the First Account (Ladbrokes). • The amounts of money that [redacted] withdrew from the First Account (Ladbrokes) were unusually large from the outset: – In the first month, [redacted] withdrew $279,196.49 from the First Account (Ladbrokes). – In the first 2 months, [redacted] withdrew a cumulative total of $384,137.49 from the First Account (Ladbrokes). – In the first 3 months, [redacted] withdrew a cumulative total of $473,717.31 from the First Account (Ladbrokes). • In the period April to June 2020: – [redacted] was listed in Entain's High Value Transaction Report on at least 6 occasions. – [redacted] deposited $50,000.00 or more in a week on 3 occasions. – [redacted] deposited $10,000.00 or more in a day on 14 occasions. – [redacted] withdrew $50,000.00 or more in a week on 4 occasions. – [redacted] withdrew $10,000.00 or more in a day on 19 occasions. – In addition to the unusually large deposits and withdrawals, [redacted] was listed on one of Entain's

			transaction monitoring reports directed towards detecting potentially cash-based deposits on at least 2 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E2	At all times during the period in which the First Account (Ladbrokes) was open, [redacted] deposited and withdrew unusually large amounts of money into and from the First Account (Ladbrokes).	Particulars: • While the amounts of money deposited into and withdrawn from the First Account (Ladbrokes) were at all times unusually large, there were significant increases/escalations in calendar year 2021 and January 2022: see **Rows E8** and **E15** below. • While the amounts of money deposited into and withdrawn from the First Account (Ladbrokes) were at all times unusually large, there was a decrease/de-escalation in the period from March 2022 until the closure of the First Account (Ladbrokes) in November 2022. • In the period April to December 2020: – [redacted] deposited $765,706.57 into the First Account (Ladbrokes) (an average of $85,078.51 per month). – [redacted] withdrew $713,638.18 from the First Account (Ladbrokes) (an average of $79,293.13 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 7 occasions. – [redacted] deposited $50,000.00 or more in a week on 3 occasions.

			– [redacted] deposited $10,000.00 or more in a day on 15 occasions. – [redacted] withdrew $50,000.00 or more in a week on 5 occasions. – [redacted] withdrew $10,000.00 or more in a day on 25 occasions. • In 2021: – [redacted] deposited $1,628,466.20 into the First Account (Ladbrokes) (an average of $135,705.52 per month). – [redacted] withdrew $1,460,247.64 from the First Account (Ladbrokes) (an average of $121,687.30 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 11 occasions. – [redacted] deposited $50,000.00 or more in a week on 9 occasions. – [redacted] deposited $10,000.00 or more in a day on 53 occasions. – [redacted] withdrew $50,000.00 or more in a week on 5 occasions. – [redacted] withdrew $10,000.00 or more in a day on 42 occasions. • In the period January to November 2022: – [redacted] deposited $576,719.65 into the First Account (Ladbrokes) (an average of $52,429.06 per month). – [redacted] withdrew $536,764.12 from the First Account (Ladbrokes) (an average of $48,796.74 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 5 occasions. – [redacted] deposited $50,000.00 or more in a week on 6 occasions.

			– [redacted] deposited $10,000.00 or more in a day on 22 occasions. – [redacted] withdrew $50,000.00 or more in a week on 6 occasions. – [redacted] withdrew $10,000.00 or more in a day on 21 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E3	At all times during the period in which the First Account (Ladbrokes) was open, [redacted] deposited and withdrew money into and from the First Account (Ladbrokes) with high frequency.	Particulars: • In the period April to December 2020, [redacted] made approximately 481 approved deposits into the First Account (Ladbrokes) (an average of approximately 53 per month or 12 per week). • In the period April to December 2020, [redacted] made approximately 303 approved withdrawals from the First Account (Ladbrokes) (an average of approximately 34 per month or 8 per week). • In 2021, [redacted] made approximately 1241 approved deposits into the First Account (Ladbrokes) (an average of approximately 103 per month or 24 per week). • In 2021, [redacted] made approximately 903 approved withdrawals from the First Account (Ladbrokes) (an average of approximately 75 per month or 17 per week). • In the period January to November 2022, [redacted] made approximately 628 approved deposits into the First Account

			(Ladbrokes) (an average of approximately 57 per month or 13 per week). • In the period January to November 2022, [redacted] made approximately 417 approved withdrawals from the First Account (Ladbrokes) (an average of approximately 38 per month or 9 per week). • In August 2023, [redacted] made approximately 29 approved deposits into the Second Account (Neds). • In August 2023, [redacted] made approximately 32 approved withdrawals from the Second Account (Neds).
	E4	At all times during the period in which [redacted] had an open account with Entain, Entain did not have sufficient information about [redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that the transactional activity on [redacted] accounts (depositing, betting and withdrawing) was consistent with or supported by [redacted] source of wealth/source of funds.	Particulars: • While the information that Entain had about [redacted] source of wealth/source of funds changed over time, at no time during the Relevant Period was it sufficient to reach the necessary satisfaction. • Entain could have obtained information about [redacted] source of wealth/source of funds from (at least) public/external sources and [redacted] himself. • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from [redacted] it did not do so with sufficient promptness: – Prior to 2 February 2021, Entain obtained no substantive information about [redacted] source of wealth/source of funds from [redacted] himself (by this time, [redacted] had deposited $940,162.41 into the First Account (Ladbrokes), $284,295.00 of which was deposited via potentially cash-based deposit methods). – Prior to 11 February 2021, Entain did not commence any formal source of wealth/source of funds inquiry process with [redacted] (by this time, [redacted] had deposited $1,008,018.35 into the First Account (Ladbrokes),

			\$327,295.00 of which was deposited via potentially cash-based deposit methods). – Information obtained prior to February 2021 was obtained exclusively from public/external sources or from [redacted] VIP Manager and Account Manager (neither of whom appear to have had any or any substantive direct contact with [redacted] in the period prior to February 2021). • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from public/external sources and/or [redacted] it did not obtain sufficient information to reach the necessary satisfaction: – By no later than July 2020, Entain obtained information that [redacted] had been subject to bankruptcy proceedings/a debtor's petition (Entain had been on notice of this possibility since April 2020). – Prior to February 2021, Entain did not identify (let alone confirm or verify) that [redacted] was employed or owned a business, and the information obtained from public/external sources and/or [redacted] VIP Manager and Account Manager was inconsistent and unreliable (for example, "labourer", "works in construction", "may have said previously he owned a fish 'n chip shop", "works in a factory", etc). – Prior to February–March 2021, Entain did not identify (let alone confirm or verify) that [redacted] owned a residential property, and after doing so, Entain did not obtain information about the capacity of this ownership to support transactional activity on the First Account (Ladbrokes) (for example, whether the property had been used to secure a loan which was a source of funds for the transactional activity). – To the extent that [redacted] responded to the formal source of wealth/source of funds inquiry process commenced

			from 11 February 2021, [redacted] informed Entain that: (i) he was unemployed and "can't work anymore" following a workplace injury; (ii) he had received a substantial payout for the workplace injury; (iii) he had $60,000.00 in gift cards; and (iv) he received a small fortnightly NDIS payment. – While Entain obtained a bank statement confirming that [redacted] had received $753,472.97 from a personal injury law firm and a superannuation fund, the bank statement showed that: (i) the payouts were received in January–February 2021 and so could not explain [redacted] large deposits in 2020 (by the end of 2020, [redacted] had deposited $765,706.57 into the First Account (Ladbrokes), $193,135.00 of which was via potentially cash-based deposit methods); (ii) the payouts were almost immediately transferred to another account or withdrawn in cash and so could not support Entain's conclusion that they had been used to purchase a residential property; and (iii) [redacted] had otherwise withdrawn substantial amounts of cash from his bank account over the period covered by the bank statement ("cash withdrawals" totalling $126,500.00 plus "ATM Withdrawals" totalling $24,930.00 over a 90 day period in 2020–2021). – If [redacted] had used the injury payouts to purchase a residential property (as [redacted] claimed, although the bank statement did not establish this), this meant that [redacted] had only approximately $141,551.15 (plus the small NDIS payment) to support himself, in circumstances where he could no longer "work anymore". – Entain did not confirm or verify that [redacted] had $60,000.00 in gift cards. – In the period after February 2021, Entain did not update the information obtained during the formal source of

			wealth/source of funds inquiry process or obtain, confirm or verify any substantive new information. – From March 2021 onwards, [redacted] deposited $1,864,806.17 into the First Account (Ladbrokes) ($905,405.00 of which was deposited via potentially cash-based deposit methods) and $38,710.00 into the Second Account (Neds) ($27,810.00 of which was deposited via potentially cash-based deposit methods). • Over the period in which [redacted] had an open account with Entain, Entain gave the AUSTRAC CEO at least 5 SMRs pursuant to s 41 of the Act in which it acknowledged a question about whether the transactional activity on [redacted] accounts (depositing, betting and withdrawing) was consistent with or supported by [redacted] source of wealth/source of funds: on 7 July 2020; 11 January 2021; 5 February 2021; 11 February 2021; and 15 August 2023.
	E5	From April to December 2020, deposits that [redacted] attempted to make regularly failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • Between 7 April 2020 and 9 September 2020, 18 deposits that [redacted] attempted to make into the First Account (Ladbrokes) by Braintree credit card (amounting to $50,698.58) were recorded as "rejected" in his transaction statements.

	E6	From May 2020, there was a material change in [redacted] depositing patterns — specifically, [redacted] began to use potentially cash-based deposit methods to make deposits into his First Account (Ladbrokes).	Particulars: • Between the date on which the First Account (Ladbrokes) was opened (31 March 2020) and 12 May 2020, 100% of [redacted] approved deposits were made by either Braintree credit card or Entain Card. • [redacted] made his first deposit through the Blueshyft Cash-in Terminal (retail venue) Channel (**Blueshyft Cash-in**) into the First Account (Ladbrokes) on 12 May 2020: – A customer could make a deposit via Blueshyft Cash-in by: (i) nominating a deposit amount on the Entain App/website, thereby generating a QR code; (ii) presenting the QR code at a participating merchant; and (iii) paying the merchant the nominated deposit amount by any means that the merchant accepted, including cash, which would then be credited to the customer's account. – Blueshyft Cash-in was known by Entain to be a potentially cash-based deposit method. – Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. – From 12 May 2020, Blueshyft Cash-in became one of [redacted] primary deposit methods for depositing money into the First Account (Ladbrokes): see **Row E7** below. • [redacted] made his first Flexepin Voucher deposit into the First Account (Ladbrokes) on 9 August 2020: – A customer could purchase a Flexepin Voucher from a merchant within the Flexepin network, the full value of which could then be redeemed into the customer's account. – The customer was able to pay for the voucher (the same value as the voucher) by any means that the merchant accepted, including cash.

			– Flexepin Vouchers were known by Entain to be a potentially cash-based deposit method. – Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. – From 9 August 2020, Flexepin Vouchers became one of [redacted] frequent deposit methods for depositing money into the First Account (Ladbrokes): see **Row E7** below. • [redacted] made his first Prepaid Card deposit into the First Account (Ladbrokes) on 15 August 2020: – A customer could make a deposit by Prepaid Card by: (i) purchasing a Prepaid Card that was pre-loaded with an amount that could be deposited into an account; (ii) paying the merchant the nominated deposit amount by any means that the merchant accepted, including cash; and (iii) redeeming the value on the Prepaid Card by entering a code into the customer's account on the Entain App/website. – Prepaid Card was known by Entain to be a potentially cash-based deposit method. – Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. – Between 15 August 2020 and 18 September 2020, [redacted] deposited $15,050.00 into the First Account (Ladbrokes) by Prepaid Card across 15 transactions (but thereafter discontinued use of this deposit method).
	E7	From May 2020, [redacted] deposited large amounts of money into the First Account (Ladbrokes) via potentially cash-based deposit methods.	Particulars: • See **Row E6** above. • In the period from 12 May 2020 (the date [redacted] made his first potentially cash-based deposit into the First Account (Ladbrokes)) to December 2020:

			– [redacted] deposited $193,135.00 into the First Account (Ladbrokes) via potentially cash-based deposit methods (which amounted to just under 51% of the $380,292.93 that [redacted] deposited during this period). – [redacted] was listed on one of Entain's transaction monitoring reports directed towards detecting potentially cash-based deposits on at least 14 occasions. • In 2021: – [redacted] deposited $849,560.00 into the First Account (Ladbrokes) via potentially cash-based deposit methods (which amounted to approximately 52% of the $1,628,466.20 that [redacted] deposited in 2021). – [redacted] was listed on one of Entain's transaction monitoring reports directed towards detecting potentially cash-based deposits on at least 108 occasions. • In 2022: – [redacted] deposited $248,000.00 into the First Account (Ladbrokes) via potentially cash-based deposit methods (which amounted to approximately 43% of the ($576,719.65 that [redacted] deposited in 2022). – [redacted] was listed on one of Entain's transaction monitoring reports directed towards detecting potentially cash-based deposits on at least 23 occasions. • Over the whole period in which the First Account (Ladbrokes) was open, [redacted] deposited $1,290,695.00 into the First Account (Ladbrokes) via potentially cash-based deposit methods (which amounted to approximately 43% of the $2,970,892.42 that [redacted] deposited). • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash.

	E8	In 2021, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the First Account (Ladbrokes), amounting to an unusual pattern of transactions.	Particulars: • Deposits: – In April to December 2020, [redacted] deposited $765,706.57 into the First Account (Ladbrokes) (an average of $85,078.51 per month). – In 2021, [redacted] deposited $1,628,466.20 into the First Account (Ladbrokes) (an average of $135,705.52 per month, which amounted to an increase of approximately 60% on the monthly average for April to December 2020). – There were particularly large deposits in February 2021 ($171,933.84), November 2021 ($210,806.87 and December 2021 ($182,015.94). • Withdrawals: – In April to December 2020, [redacted] withdrew $713,638.18 from the First Account (Ladbrokes) (an average of $79,293.13 per month). – In 2021, [redacted] withdrew $1,460,247.64 from the First Account (Ladbrokes) (an average of $121,687.30 per month, which amounted to an increase of approximately 53% on the monthly average for April to December 2020). – There were particularly large withdrawals in January 2021 ($165,329.90), November 2021 ($184,194.82) and December 2021 ($181,362.28). • In 2021: – [redacted] was listed in Entain's High Value Transaction Report on at least 11 occasions. – [redacted] deposited $50,000.00 or more in a week on 9 occasions. – [redacted] deposited $10,000.00 or more in a day on 53 occasions.

			– [redacted] withdrew $50,000.00 or more in a week on 5 occasions. – [redacted] withdrew $10,000.00 or more in a day on 42 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E9	In February 2021, EML Payment Solutions Ltd notified Entain of suspicious transactions conducted by [redacted] on his Entain Card — specifically, EML Payment Solutions Ltd notified Entain of large transactions at Woolworths and Kmart, including "likely gift card purchases".	Particulars: • At all relevant times, EML Payment Solutions Ltd was the third party provider of the Entain Card. • On 1 February 2021, EML Payment Solutions Ltd notified Entain of "suspicious transactions" conducted by [redacted] on his Entain Card; specifically, large transactions at Woolworths and Kmart, including "likely gift card purchases". EML asked Entain to complete an EML "Cardholder Alert Form". • The use of stored value cards (such as gift cards or prepaid cards) is indicative of higher ML/TF Risk because they can be loaded by cash, purchased and redeemed anonymously (ie, by unknown third parties), redeemed at a wide range of merchants (including internationally) and are a convenient way to obscure the source of funds. • Entain's senior management was informed by relevant Entain staff of the notification of suspicious transactions received from EML Payment Solutions Ltd and was involved in providing Entain's response.

	E10	From February 2021, Entain had information indicating that there were higher ML/TF Risks related to [redacted] depositing/withdrawing activity — specifically, Entain had information that [redacted] was using winnings withdrawn to his Entain Card to purchase gift cards/stored value cards.	Particulars: • On 1 February 2021, EML Payment Solutions Ltd notified Entain of suspicious transactions conducted by [redacted] on his Entain Card, including "likely gift card purchases": see **Row E9** above. • On 2 February 2021, [redacted] advised his VIP Manager that: (i) he used Blueshyft Cash-in as one of his primary deposit methods because it was "easy for him"; and (ii) he used winnings that he withdrew to his Entain Card to purchase gift cards, which he then used to make further deposits into his First Account (Ladbrokes) via Blueshyft Cash-in, because it was "easy for him to do". • On or about 26 February 2021, [redacted] advised Entain that he had "$60,000 in gift cards". • In the period after February 2021, Entain obtained other information indicating that [redacted] owned and/or had purchased gift cards. • The use of stored value cards (such as gift cards or prepaid cards) is indicative of higher ML/TF Risk because they can be loaded by cash, purchased and redeemed anonymously (ie, by unknown third parties), redeemed at a wide range of merchants (including internationally) and are a convenient way to obscure the source of funds.
	E11	From February 2021, Entain had information indicating that [redacted] had no satisfactory explanation for his heavy use of potentially cash-based deposit methods.	Particulars: • On 1 February 2021, EML Payment Solutions Ltd notified Entain of suspicious transactions conducted by [redacted] on his Entain Card, including "likely gift card purchases": see **Row E9** above. • On 2 February 2021, [redacted] advised his VIP Manager that: (i) he used Blueshyft Cash-in as one of his primary deposit methods because it was "easy for him"; and (ii) he used winnings that he withdrew to his Entain Card to purchase gift cards, which he then used to make further deposits into

			his First Account (Ladbrokes) via Blueshyft Cash-in, because it was "easy for him to do". • The use of Blueshyft Cash-in as a deposit method, either with or without the use of gift cards, was objectively less easy than the use of the Entain Card, credit card, EFT or other electronic channels, including because the use of Blueshyft Cash-in on a large scale would have been time-consuming for one individual. • [redacted] due diligence records disclose that: (i) Entain was "unable" to confirm whether [redacted] used the gift cards that he said he purchased to deposit more money into his First Account (Ladbrokes) via Blueshyft Cash-in; and (ii) Entain regarded [redacted] explanation of his activity as "unlikely and strange". • On 5 February 2021, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in which it reported that [redacted] explanation for his activity "appears strange and doesn't appear to make practical sense" because winnings withdrawn to his Entain Card could simply be deposited back into his First Account (Ladbrokes) without first being withdrawn at an ATM or used to purchase gift cards. • In the same SMR, Entain reported that [redacted] behaviour "appears suspicious and could be an attempt of layering funds [or] creating a complex set of transactions in an attempt to disguise their origin" (the "offence type" was listed as "money laundering"). • On 11 February 2021, Entain gave the AUSTRAC CEO a further SMR pursuant to s 41 of the Act in which it reiterated the concerns/suspicions reported on 5 February 2021. • In the period after February 2021, Entain never obtained a satisfactory explanation from [redacted] for his heavy use of potentially cash-based deposit methods.

			• Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash.
	E12	From February 2021 until February 2022, [redacted] regularly engaged in transactions that were "threshold transactions" within the meaning of the Act.	Particulars: • A "threshold transaction" is (among other things) a "transaction involving the transfer of physical currency, where the total amount of physical currency transferred is not less than $10,000": see s 5 of the Act. • A reporting entity must give the AUSTRAC CEO a threshold transaction report (**TTR**) if the provision of a designated service to a customer involves a threshold transaction: see s 43 of the Act. • Between 5 February 2021 and 22 February 2022, Entain gave the AUSTRAC CEO a TTR pursuant to s 43 of the Act in relation to [redacted] on 42 occasions.
	E13	In March 2021, EML Payment Solutions Ltd notified Entain of suspicious transactions conducted by [redacted] on his Entain Card and proposed mitigating action — specifically, EML Payment Solutions Ltd notified Entain of likely gift card purchases and the withdrawal of large amounts of cash from ATMs and proposed a reduction in credit limits or the shut down of the Entain Card.	Particulars: • At all relevant times, EML Payment Solutions Ltd was the third party provider of the Entain Card. • On 2 March 2021, EML Payment Solutions Ltd: (i) notified Entain of $34,794.00 in purchases at Australia Post, likely "open-loop gift cards"; (ii) notified Entain of $13,734.22 in purchases at retailers including Woolworths, Bunnings, Kmart and Westfield, likely "gift cards"; (iii) notified Entain of $13,900.00 in ATM withdrawals; and (iv) proposed mitigating action, including that "the card's velocities are reduced significantly or the card is shut down and not used as a means of withdrawing [redacted] 'winnings'". • The use of stored value cards (such as gift cards or prepaid cards) is indicative of higher ML/TF Risk because they can be loaded by cash, purchased and redeemed anonymously (ie, by unknown third parties), redeemed at a wide range of

			merchants (including internationally) and are a convenient way to obscure the source of funds. • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • Entain's senior management was informed by relevant Entain staff of the notification of suspicious transactions received from EML Payment Solutions Ltd and EML Payment Solutions Ltd's proposed mitigating action, and was involved in providing Entain's response. • A member of Entain's senior management team noted that the proposed mitigating action from EML Payment Solutions Ltd was "the first instance I know of where a third party operator is suggesting we restrict a customer".
	E14	In October 2021, EML Payment Solutions Ltd notified Entain of suspicious transactions conducted by [redacted] on his Entain Card — specifically, EML Payment Solutions Ltd notified Entain of the withdrawal of large amounts of cash from ATMs.	Particulars: • At all relevant times, EML Payment Solutions Ltd was the third party provider of the Entain Card. • On 22 October 2021, EML Payment Solutions Ltd: (i) notified Entain of "high volumes of ATM withdrawals for this client [redacted] over the last 60 days"; (ii) locked [redacted] Entain Card; and (iii) asked Entain to complete an EML "Cardholder Alert Form". • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • [redacted] Entain Card was unlocked on 26 October 2021 after Entain completed EML's "Cardholder Alert Form". • It is unclear whether senior management was informed by relevant Entain staff of the notification of suspicious transactions received from EML Payment Solutions Ltd ([redacted] due diligence records do not suggest that it was, even though this would have been appropriate).

	E15	In January 2022, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a further significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from the First Account (Ladbrokes), amounting to an unusual pattern of transactions.	Particulars: • In 2021, [redacted] deposited an average of $135,705.52 per month into the First Account (Ladbrokes). • In January 2022, [redacted] deposited $276,538.21 into the First Account (Ladbrokes), which was approximately 104% higher than the monthly average for 2021. Of this $276,538.21, $105,800.00 was deposited via potentially cash-based deposit methods. • In 2021, [redacted] withdrew an average of $121,687.30 per month from the First Account (Ladbrokes). • In January 2022, [redacted] withdrew $292,923.09 from the First Account (Ladbrokes), which was approximately 141% higher than the monthly average for 2021. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E16	In March 2022, EML Payment Solutions Ltd notified Entain of suspicious transactions conducted by [redacted] on his Entain Card and took mitigating action — specifically, EML Payment Solutions Ltd notified Entain of "excessive redemption activity"/ATM withdrawals via the Entain Card and a suspicious pattern of purchases over a "large period of time", including "large volumes of gift card purchases", and locked/deactivated the Entain Card.	Particulars: • At all relevant times, EML Payment Solutions Ltd was the third party provider of the Entain Card. • On 8 March 2022, EML Payment Solutions Ltd: (i) notified Entain of "excessive redemption activity on [the] card which far exceeds normal behaviour across the Ladbrokes card program" (ie, high ATM withdrawals); (ii) notified Entain of a suspicious pattern of "types of purchases/merchants being made over a large period of time (inc. large volumes of gift card purchases and newsagency spend)"; (iii) locked/deactivated [redacted] Entain Card; and (iv) advised

			Entain that EML Payment Solutions Ltd did "not feel comfortable reactivating this card for future use". • EML Payment Solutions Ltd specifically notified Entain that "the activity being performed on [redacted] EML-issued card is not in line with normal cardholder behaviour expected across our gaming 'pay-out' card portfolios". • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • The use of stored value cards (such as gift cards or prepaid cards) is indicative of higher ML/TF Risk because they can be loaded by cash, purchased and redeemed anonymously (ie, by unknown third parties), redeemed at a wide range of merchants (including internationally) and are a convenient way to obscure the source of funds. • Entain's senior management was informed by relevant Entain staff of the notification of suspicious transactions received from EML Payment Solutions Ltd and the mitigating action EML Payment Solutions Ltd had taken; namely, locking/deactivating [redacted] Entain Card. • Entain's senior management was informed by relevant Entain staff that "this is the first recorded instance where EML Payment Solutions Ltd have come back and are keeping the card locked". • There was no transactional activity on [redacted] Entain Card between 3 March 2022 and 8 April 2022. Transactional activity recommenced thereafter, indicating that the card may have been locked/deactivated for a period before being unlocked/reactivated.
	E17	In 2023 (specifically, in August 2023), there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the	Particulars: • The Second Account (Neds) was opened on 24 February 2022.

		amount of money that [redacted] deposited into and withdrew from the Second Account (Neds), amounting to an unusual pattern of transactions.	• Between 24 February 2022 and 31 July 2023, [redacted] deposited $0 into the Second Account (Neds). • Between 1–14 August 2023, [redacted] deposited $38,710.00 into the Second Account (Neds). • Between 24 February 2022 and 31 July 2023, [redacted] withdrew $0 from the Second Account (Neds). • Between 1–18 August 2023, [redacted] withdrew $64,225.28 from the Second Account (Neds). • In August 2023: – [redacted] deposited $10,000.00 or more in a day on 1 occasion. – [redacted] withdrew $10,000.00 or more in a day on 2 occasions.
	E18	In August 2023, [redacted] deposited large amounts of money into the Second Account (Neds) via a potentially cash-based deposit method.	Particulars: • Of the $38,710.00 that [redacted] deposited into the Second Account (Neds) between 1–14 August 2023, $27,810.00 was deposited via Blueshyft Cash-In (a potentially cash-based deposit method). • In August 2023, [redacted] was listed on one of Entain's transaction monitoring reports directed towards detecting potentially cash-based deposits on at least 4 occasions. • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash.
F: dates on and from which monitoring failures existed and contraventions of s 36 occurred	**F1**	31 March 2020	Particulars: • See paragraph 433 above.
	F2	31 March 2020	Particulars: • See **Row G** below, especially **Rows G1–G6**.
	F3	7 July 2020	Particulars: • See **Row G** below, especially **Rows G7–G14**.

G: list of particular monitoring failures	**G1**	At no time from 31 March 2020 did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in **Row E** above.
	G2	Without limiting **Row G1**, at no time from May 2020 did Entain mitigate and manage the ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] by reason of his high value and high frequency use of potentially cash-based deposit methods.	Particulars: • At all times from 12 May 2020, potentially cash-based deposit methods were (especially Blueshyft Cash-in) were among [redacted] primary deposit methods for depositing large amounts of money into the First Account (Ladbrokes) and were used with high frequency: see **Rows E6–E7** (read with **Row E3**) above. • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • While Entain identified [redacted] high value and high frequency use of a potentially cash-based deposit method as early as 28 May 2020, and certainly by no later than 7 July 2020 when Entain reported the matter to the AUSTRAC CEO, Entain did not mitigate and manage the ML/TF Risk that existed by undertaking measures that were appropriate to the issue. • In particular, Entain did not seek an explanation from [redacted] about his use of potentially cash-based deposit methods until 2 February 2021, and when [redacted] was unable to provide any satisfactory explanation, Entain did not take any appropriate action by way of mitigation or management: see **Row E11** above.
	G3	Without limiting **Row G1**, at no time from 31 March 2020 until 11 January 2021 did Entain rate [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes).	Particulars: • On 31 March 2020, when the First Account (Ladbrokes) was opened, Entain did not rate [redacted] in relation to the account (ie, the risk rating was "Unrated").

			• On 7 April 2020, Entain rated [redacted] "Low" ML/TF Risk in relation to his First Account (Ladbrokes) (ie, the risk rating was adjusted from "Unrated" to "Low"). • On 6 July 2020, Entain rated [redacted] "Medium" ML/TF Risk in relation to his First Account (Ladbrokes) (ie, the risk rating was adjusted from "Low" to "Medium"). • On 11 January 2021, rated [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes) (ie, the risk rating was adjusted from "Medium" to "High"). • A "High" ML/TF Risk rating was appropriate in relation to [redacted] First Account (Ladbrokes) prior to 11 January 2021: see **Rows E1–E8** above, especially **Rows E1–E3** concerning his immediate, frequent and ongoing deposit and withdrawal of large amounts of money and **Rows E6–E7** concerning his high value and high frequency use of potentially cash-based deposit methods. • A "High" ML/TF Risk rating was appropriate in relation to [redacted] First Account (Ladbrokes) at all times from 31 March 2020 and certainly by no later than the commencement of his high value and high frequency use of potentially cash-based deposit methods in mid-May 2020. • If [redacted] had been rated "High" ML/TF Risk prior to 11 January 2021, Entain would have been required to apply the ECDD program from that time: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules.
	G4	Without limiting **Row G1**, at all times from 26 February 2021 to 30 August 2023, Entain rated [redacted] "Low" ML/TF Risk in relation to his First Account (Ladbrokes).	Particulars: • At all times from 11 January 2021 to 26 February 2021, Entain rated [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes).

			• On 26 February 2021, Entain rated [redacted] "Low" ML/TF Risk in relation to his First Account (Ladbrokes) (ie, the risk rating was adjusted from "High" to "Low"). • The decision on 26 February 2021 was made on the basis of information and a supporting document (a bank statement) provided by [redacted] in response to the formal source of wealth/source of funds inquiry process commenced from 11 February 2021: see **Row E4** above. • It is unclear whether senior management was involved in the making of the decision on 26 February 2021 ([redacted] due diligence records do not suggest that it was, even though this would have been appropriate). • The decision on 26 February 2021 was not appropriately reviewed or revised prior to the closure of [redacted] First Account (Ladbrokes) on 19 November 2022. • On 30 August 2023, [redacted] risk rating was adjusted from "Low" to "High" as part of a "High Risk Remediation" process. • A "High" ML/TF Risk rating was appropriate in relation to [redacted] First Account (Ladbrokes) at all times from 26 February 2021: see **Rows E1–E16** above, especially **Rows E8–E16**. • In particular, in the period from 26 February 2021, Entain received multiple notifications of suspicious transactions from the third party provider of the Entain Card, EML Payment Solutions Ltd: see **Rows E13**, **E14** and **E16** above. Entain recognised (either by its senior management or relevant staff) that the mitigating actions proposed by EML Payment Solutions Ltd were unusual: see **Rows E13** and **E16** above. • In the period from 26 February 2021 to the closure of [redacted] First Account (Ladbrokes) on 19 November 2022,

			[redacted] deposited $1,873,306.17 into the account and withdrew $1,699,094.79 from the account.
	G5	Without limiting **Row G1**, at no time between 11 February 2021 and 15 August 2023 did Entain give the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted]	Particulars: • Between July 2020 and February 2021, Entain gave the AUSTRAC CEO at least 4 SMRs in which it reported (among other things): (i) issues concerning [redacted] transactional activity, especially his heavy use of potentially cash-based deposit methods; and (ii) issues concerning whether his transactional activity was consistent with or supported by his source of wealth/source of funds. In each of these SMRs, Entain identified the "offence type" as "money laundering", with the "reason for suspicion" ranging from "suspicious behaviour" to "unusually large cash transaction" to "unusual use/exchange of cash". • While Entain obtained information about [redacted] source of wealth/source of funds in the context of the formal source of wealth/source of funds inquiry process commenced from 11 February 2021, that information (when appropriately analysed) was not sufficient to provide a reasonable basis to be satisfied that the transactional activity on [redacted] accounts (depositing, betting and withdrawing) was consistent with or supported by [redacted] source of wealth/source of funds. • In any event, a large number of other matters indicative of high ML/TF Risk continued or emerged in the approximately 18 month period after 11 February 2021: see **Rows E1–E18** above, especially **Row E8** onwards. • Notwithstanding the above, Entain did not give the AUSTRAC CEO a single SMR in the approximately 18 month period after 11 February 2021 (until 15 August 2023).

	G6	Without limiting **Row G1**, from at least 14 April 2020 [redacted] was assigned an Account Manager and from at least 28 May 2020 [redacted] was assigned a VIP Manager.	Particulars: • [redacted] was assigned [redacted], an employee of Entain, as his Account Manager and [redacted] (last name unknown) as his VIP Manager. • During the Relevant Period, Account Managers/VIP Managers were assigned to customers who were considered to be of high value to Entain due to their level of engagement, bet frequency and/or are higher staking behaviour. • From July 2020, Account Managers and VIP Managers each received a commission for deposits made by a customer that they managed, which resulted in a conflict of interest and created a risk that the systems and controls in Entain's "Part A Program" would not be applied appropriately and impartially to [redacted] see paragraphs 173–176 above. • This risk manifested in various ways during the period in which [redacted] had an open account with Entain, including (but not limited to) the fact that [redacted] Account Manager and VIP Manager provided inconsistent and unreliable information in relation to [redacted] source of wealth/source of funds: see **Row E4** above.
	G7	Without limiting **Row G1**, at no time from the date on which ECDD was triggered (specifically, from 7 July 2020) did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] on an ongoing basis, from that time.	Particulars: • Entain was under an obligation to apply the ECDD program on an ongoing basis from the date on which there was an ECDD trigger: see paragraphs 428–429 above. • On 7 July 2020, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] • After 7 July 2020, Entain gave the AUSTRAC CEO 4 further SMRs pursuant to s 41 of the Act in relation to [redacted] on 11 January 2021; 5 February 2021; 11 February 2021; and 15 August 2023.

			• Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. • Further, at all times from 11 January 2021 to 26 February 2021, Entain rated [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes). • Under the Rules, there was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules. • As a result of the above ECDD triggers, and in light of the continuing nature of the matters pleaded in **Row E** above, Entain was under an obligation to apply the ECDD program, on an ongoing basis and at regular intervals, at all times from 7 July 2020. • Entain's obligation to apply the ECDD program, on an ongoing basis and at regular intervals, existed notwithstanding the inappropriate change in [redacted] risk rating on 26 February 2021 (see **Row G4** above) and the failure to give the AUSTRAC CEO further SMRs pursuant to s 41 of the Act (see **Row G5** above). • The measures that Entain was required to undertake in relation to [redacted] as a result of forming a suspicion for the purposes of s 41 of the Act and/or determining that the ML/TF Risk in relation to [redacted] was high included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules. • The measures that were required were measures appropriate to a person reasonably suspected of money laundering offences and/or other offences against the laws of Australia, as per the 5 SMRs that Entain gave the AUSTRAC CEO pursuant to s 41 in relation to [redacted]

	G8	Without limiting **Row G1** or **Row G7**, at no time from July 2020 did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, including the level of transactional behaviour and the purpose, reasons for or nature of the transactional behaviour.	Particulars: • This was a measure appropriate to the circumstances that existed from July 2020: see r 15.10(5) of the Rules. • At all times during the period in which the First Account (Ladbrokes) was open, including at all times from July 2020, [redacted] transactional activity involved high value and high frequency deposits and withdrawals, with significant increases/escalations in particular periods: see **Rows E1–E3**, **E8** and **E15** above; see also **Row E17** concerning similar transactional activity on the Second Account (Neds) in August 2023. • At all times from May 2020, including at all times from July 2020, [redacted] transactional activity involved high value and high frequency use of potentially cash-based deposit methods, a practice for which [redacted] provided no satisfactory explanation: see **Rows E6–E7** (read with **Row E3**) and **Row E11** above; see also **Row E18** concerning similar transactional activity on the Second Account (Neds) in August 2023. • [redacted] transactional activity was unusual in other respects, including: (i) a pattern of failed deposits (see **Row E5** above); (ii) the purchase of gift cards/stored value cards (see **Rows E9**, **E10**, **E11**, **E13** and **E16** above); (iii) large withdrawals of cash from the Entain Card and otherwise (see **Rows E13**, **E14** and **E16** above; see also **Row E4**); and (iv) threshold transactions within the meaning of the Act (see **Row E12** above). • From 2020, Customer 11 was regularly listed in Entain's High Value Transaction Report and very regularly listed on one of Entain's transaction monitoring reports directed towards detecting potentially cash-based deposits, demonstrating that Entain identified that he deposited large amounts of money into his First Account (Ladbrokes), much of which was potentially cash. However, Entain did

			not undertake any measures to mitigate and manage the ML/TF Risk indicated by this transactional behaviour. • [redacted] transactional activity was not appropriately monitored on a holistic basis, taking into account all of the matters indicative of high ML/TF Risk that related to his transactions. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods could appropriately be described as "recreational" (Entain's assessments in this respect were conclusory and focussed wholly or primarily on betting activity, rather than transactional activity as a whole). • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his deposits via potentially cash-based deposit methods or Braintree credit card could appropriately be described as "reinvestments" of previously withdrawn money (Entain's assessments in this respect were circular and conclusory). • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, especially the "cycling" of high value and high frequency deposits with high value and high frequency withdrawals, and the cash-based or potentially cash-based transactional activity and use of gift cards/stored value cards, had indicia of money laundering or dealings with the proceeds of crime.
	G9	Without limiting **Row G1** or **Row G7**, at no time from July 2020 did Entain: a) appropriately obtain from [redacted] or otherwise take reasonable measures to identify, information about [redacted] source of wealth/source of funds;	Particulars: • These were measures appropriate to the circumstances that existed from July 2020: see rr 15.10(1)(a), 15.10(1)(c), 15.10(2) and 15.10(3) of the Rules. • At all times during the period in which the First Account (Ladbrokes) was open, including at all times from July

		b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds; or c) appropriately verify or confirm information it had about [redacted] source of wealth/source of funds.	2020, [redacted] transactional activity involved high value and high frequency deposits and withdrawals, with significant increases/escalations in particular periods: see **Rows E1–E3**, **E8** and **E15** above; see also **Row E17** concerning similar transactional activity on the Second Account (Neds) in August 2023. • At all times from May 2020, including at all times from July 2020, [redacted] transactional activity involved high value and high frequency use of potentially cash-based deposit methods, a practice for which [redacted] provided no satisfactory explanation: see **Rows E6–E7** (read with **Row E3**) and **Row E11** above; see also **Row E18** concerning similar transactional activity on the Second Account (Neds) in August 2023. • [redacted] transactional activity was unusual in other respects, including: (i) a pattern of failed deposits (see **Row E5** above); (ii) the purchase of gift cards/stored value cards (see **Rows E9**, **E10**, **E11**, **E13** and **E16** above); (iii) large withdrawals of cash from the Entain Card and otherwise (see **Rows E13**, **E14** and **E16** above; see also **Row E4**); and (iv) threshold transactions within the meaning of the Act (see **Row E12** above). • In terms of the sufficiency of the information that Entain had about [redacted] source of wealth/source of funds, and the sufficiency of the measures taken by Entain with respect to that information: see **Row E4** above. • Without limiting **Row E4** above: – [redacted] due diligence records do not disclose that Entain identified, or gave any appropriate consideration to, the problems with the information that [redacted] provided in response to the formal source of wealth/source of funds inquiry process commenced from 11 February 2021

			(especially the bank statement provided on 26 February 2021). – In particular, Entain did not identify, or give any appropriate consideration to, the following: (i) the fact high value and high frequency depositing commenced prior to receipt of the injury payouts that were claimed to support the deposits, and significantly increased/escalated after receipt, notwithstanding that the payouts were claimed to be for the benefit of a person who could no longer work; (ii) the fact that the payouts were almost immediately transferred to another account or withdrawn in cash and so could not support Entain's conclusion that they had been used to purchase a residential property (Entain appears to have assumed that a large deposit received on 9 February 2021 was the same money that [redacted] had previously withdrawn); and (iii) the fact that [redacted] had otherwise withdrawn substantial amounts of cash from his bank account prior to and after the payouts ("cash withdrawals" totalling $126,500.00 plus "ATM Withdrawals" totalling $24,930.00 over a 90 day period in 2020–2021). – In the period after February 2021, the information provided by [redacted] in response to the formal source of wealth/source of funds inquiry process was not appropriately updated and nor was additional information obtained, confirmed or verified, notwithstanding the emergence of further matters indicative of high ML/TF Risk (including a significant increase/escalation in the amount of money that [redacted] deposited and withdrew from the First Account (Ladbrokes)). – It is unclear whether senior management was involved in consideration of the information provided by [redacted] in response to the formal source of wealth/source of funds

			inquiry process ([redacted] due diligence records do not suggest that it was, even though this would have been appropriate).
	G10	Without limiting **Row G1** or **Row G7**, at no time from July 2020 did Entain seek from [redacted] or otherwise take reasonable measures to clarify, the nature and purpose of [redacted] ongoing business relationship with Entain.	Particulars: • This was a measure appropriate to the circumstances that existed from July 2020: see r 15.10(1)(d) of the Rules. • At all times during the period in which the First Account (Ladbrokes) was open, including at all times from July 2020, [redacted] transactional activity involved high value and high frequency deposits and withdrawals, with significant increases/escalations in particular periods: see **Rows E1–E3**, **E8** and **E15** above; see also **Row E17** concerning similar transactional activity on the Second Account (Neds) in August 2023. • At all times from May 2020, including at all times from July 2020, [redacted] transactional activity involved high value and high frequency use of potentially cash-based deposit methods, a practice for which [redacted] provided no satisfactory explanation: see **Rows E6–E7** (read with **Row E3**) and **Row E11** above; see also **Row E18** concerning similar transactional activity on the Second Account (Neds) in August 2023. • [redacted] transactional activity was unusual in other respects, including: (i) a pattern of failed deposits (see **Row E5** above); (ii) the purchase of gift cards/stored value cards (see **Rows E9**, **E10**, **E11**, **E13** and **E16**); (iii) large withdrawals of cash from the Entain Card and otherwise (see **Rows E13**, **E14** and **E16** above; see also **Row E4**); and (iv) threshold transactions within the meaning of the Act (see **Row E12** above). • The need to clarify the nature and purpose of [redacted] ongoing business relationship with Entain arose especially from [redacted] failure to provide a satisfactory explanation for

			his high value and high frequency use of potentially cash-based deposit methods and his consistent purchase of gift cards/stored value cards, both of which were and are known indicators of higher ML/TF Risk. • In monitoring [redacted] Entain frequently determined that [redacted] transactional activity was or "appeared" to be "recreational", but the determinations did not reflect the totality of available information (they were focussed wholly or primarily on betting activity, rather than transactional activity as a whole) and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time. • In monitoring [redacted] Entain frequently determined that [redacted] deposits were or appeared to be "reinvestments" of previously withdrawn money, but: (i) the determinations did not appropriately distinguish between deposits via the Entain Card (on the one hand) and deposits via potentially cash-based deposit methods and Braintree credit card (on other hand); (ii) the determinations did not reflect the totality of available information (or any information gaps, such as information about source of wealth/source of funds); and (iii) the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods, especially the "cycling" of high value and high frequency deposits with high value and high frequency withdrawals, and the cash-based or potentially cash-based transactional activity and use of gift cards/stored value cards, had indicia of money laundering or dealings with the proceeds of crime.

	G11	Without limiting **Row G1** or **Row G7**, at no time from July 2020 until August 2023 was [redacted] appropriately escalated to and/or considered by Entain's senior management, including for the purpose of determining whether to continue a business relationship with him.	Particulars: • This was a measure appropriate to the circumstances that existed from July 2020: see r 15.10(6) of the Rules. • [redacted] due diligence records indicate that [redacted] was not elevated to and/or considered by senior management until February 2021: see immediately below. • Senior management was informed by relevant Entain staff of the notifications of suspicious transactions from EML Payment Solutions Ltd made in February 2021, March 2021 and March 2022, and was involved in responding to at least the first two notifications, but took no appropriate measures in response to those notifications and instead sought to downplay the concerns raised by EML Payment Solutions Ltd: see **Rows E9**, **E13** and **E16** above; see also **Row E14**. • On two of the occasions on which EML Payment Solutions Ltd contacted Entain, senior management either recognised itself or was informed by relevant Entain staff that the mitigating actions proposed by EML Payment Solutions Ltd were unusual: see **Rows E13** and **E16** above. • Aside from the above, and an incidental escalation in October 2021 due to a "missed" TTR, [redacted] due diligence records do not suggest that [redacted] was escalated to and/or considered by senior management until August 2023 in the context of consideration of suspension and closure of his Second Account (Neds). • Escalation to and/or consideration by senior management was appropriate in, and at regular intervals from, July 2020, including on multiple occasions throughout 2021 as [redacted] transactional activity (including his potentially cash-based transactional activity) significantly increased/escalated and other unusual activity emerged (for example, regular

			engagement in transactions that were threshold transactions: see **Row E12** above).
	G12	Without limiting **Row G1** or **Row G7**, on 24 February 2022, Entain opened a new and additional account for [redacted]	Particulars: • On 24 February 2022, Entain opened the Second Account (Neds) for [redacted] see **Row B2** above. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether and why it was appropriate to open a new and additional account for [redacted] against the background of the matters indicative of high ML/TF Risk pleaded in **Row E** above. • While [redacted] did not initially engage in any transactional activity (depositing, betting and withdrawing) on the Second Account (Neds), large amounts of money were deposited into and withdrawn from the Second Account (Neds) in August 2023 (with large amounts deposited via potentially cash-based deposit methods).
	G13	Without limiting **Row G1** or **Row G7**, at no time from July 2020 did Entain suspend [redacted] First Account (Ladbrokes) on its own initiative.	Particulars: • [redacted] First Account (Ladbrokes) was closed on 19 November 2022 at his request. • At no time between July 2020 and 19 November 2022 (the date of closure) did Entain suspend [redacted] First Account (Ladbrokes) on its own initiative. • Suspension of the First Account (Ladbrokes) (or at least consideration of suspension) was appropriate from no later than the period February–March 2021, when [redacted] failed to provide information about his source of wealth/source of funds which (when appropriately analysed) was consistent with or supported the transactional activity on the First Account (Ladbrokes). This occurred at the same time as multiple notifications of suspicious transactions from EML Payment Solutions Ltd, and against a background of the other matters indicative of high ML/TF Risk pleaded in **Row E** above.

			• [redacted] due diligence records do not disclose that any consideration of suspension of the First Account (Ladbrokes) occurred.
	G14	Without limiting **Row G1** or **Row G7**, at no time from July 2020 did Entain close [redacted] First Account (Ladbrokes) on its own initiative.	Particulars: • [redacted] First Account (Ladbrokes) was closed on 19 November 2022 at his request. • At no time from July 2020 did Entain close [redacted] First Account (Ladbrokes) on its own initiative. • Entain only retrospectively noted "AML concerns" as the or a reason for the closure of the First Account (Ladbrokes). • Closure of the First Account (Ladbrokes) (or at least consideration of closure) was appropriate from no later than the period February–March 2021, when [redacted] failed to provide information about his source of wealth/source of funds which (when appropriately analysed) was consistent with or supported the transactional activity on the First Account (Ladbrokes). This occurred at the same time as multiple notifications of suspicious transactions from EML Payment Solutions Ltd, and against a background of the other matters indicative of high ML/TF Risk pleaded in **Row E** above.

SCHEDULE 13: [redacted]

A: customer		[redacted]	
B: account(s)		**Ladbrokes Account** • [redacted] • Opened date: 10 April 2015 • Closed date: 14 December 2022	
C: summary of transactional activity by account		**Ladbrokes Account** • Lifetime deposits: $4,284,407.09, approximately $3,795,077.09 of which was during the Relevant Period • Lifetime turnover: $9,733,494.11, approximately $8,287,200.66 of which was during the Relevant Period • Lifetime withdrawals: $3,471,040.99, approximately $3,246,040.99 of which was during the Relevant Period	
D: date in Relevant Period on and from which matters indicative of high ML/TF Risk existed		16 December 2018	
E: list of matters indicative of high ML/TF Risk	**E1**	Prior to the Relevant Period, [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences — specifically, it was reported that [redacted] along with a number of other men, appeared before the Local Court accused of [redacted] in connection with gang-related violence.	Particulars: • Information about the offending was available in media and/or other public sources from no later than [redacted].
	E2	Prior to the Relevant Period, [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences — specifically, it was reported that [redacted] along with a number of other men, had	Particulars: • Information about the offending was available in media and/or other public sources from no later than [redacted].

		pleaded guilty to affray and were sentenced to 15 months' imprisonment.	• Entain was aware of this information by no later than 9 December 2020, when it recorded a link to the media article in [redacted] due diligence records in respect of his Ladbrokes Account.
	E3	Prior to the Relevant Period, a person recognised by Entain as fitting [redacted] appearance was the subject of adverse reporting in media/public sources in connection with serious criminal offences — specifically, it was reported that the person was one of a number of men arrested following a fight at a [redacted], and had on arrest been found in possession of $[redacted] in cash and was charged with [redacted].	Particulars: • Information about the offending was available in media and/or other public sources from no later than [redacted]. • Entain was aware of this information by no later than 29 March 2019, when it recorded a link to the media article in [redacted] due diligence records, and recorded that it had confirmed that a person shown in photographs included in the media article as being found in possession of $[redacted] in cash and charged with [redacted] was [redacted]
	E4	Prior to the Relevant Period, [redacted] deposited unusually large amounts of money into his Ladbrokes Account.	Particulars: • In 2015, [redacted] deposited $90,000.00 into his Ladbrokes Account. • In 2016, [redacted] deposited $238,000.00 into his Ladbrokes Account. • In 2017, [redacted] deposited $58,500.00 into his Ladbrokes Account. • In 2018, [redacted] deposited $102,830.00 into his Ladbrokes Account. • The amounts of money being deposited by [redacted] were materially above average total annual deposits for Entain's customers in the Relevant Period: see Schedule A above.
	E5	Prior to the Relevant Period, [redacted] used cash-based or potentially cash-based deposit methods to make unusually large deposits into his Ladbrokes Account.	Particulars: • On 25 October 2015, [redacted] deposited $15,000.00 cash into his Ladbrokes Account via the Sight Unseen Channel. • On 6 May 2016, [redacted] deposited $10,000.00 cash into his Ladbrokes Account via the Sight Unseen Channel.

			– A customer could make a deposit via the Sight Unseen Channel by: (i) directly giving cash to a BDM or Exclusive Affiliate; or (ii) a transfer facilitated by EFT or through a bank branch that was notified to a BDM or Exclusive Affiliate. – The Sight Unseen Channel was known by Entain to be a potentially cash-based deposit method. – Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • On 31 August 2016, and again between 21 October and 21 December 2016, [redacted] made a total of 40 deposits into his Ladbrokes Account through the Blueshyft Cash-in Terminal (retail venue) Channel or Blueshyft Cash-in Blueshyft Cash-in Terminal (BDM) Channel (collectively, **Blueshyft Cash-in**), totalling $40,000.00. – A customer could make a deposit via Blueshyft Cash-in by: (i) nominating a deposit amount on the Entain App/website, thereby generating a QR code; (ii) presenting the QR code at a participating merchant; and (iii) paying the merchant the nominated deposit amount by any means that the merchant accepted, including cash, which would then be credited to the customer's account. – Blueshyft Cash-in was known by Entain to be a potentially cash-based deposit method. – Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • Between 17 October 2017 and 30 January 2018, [redacted] deposited $30,000.00 cash into his Ladbrokes Account via the Sight Unseen Channel across 4 separate transactions.

			• Entain gave the AUSTRAC CEO 3 SMRs pursuant to s 41 of the Act prior to the Relevant Period with respect to [redacted] cash-based (or potentially cash-based) deposit methods. Each of the SMRs listed the "offence type" as "tax evasion" or "money laundering" or "proceeds of crime" and "reasons for suspicion" as "unusual account activity" or "unusually large cash transaction" or "inconsistent with customer profile". The "grounds for suspicion" relevantly further stated that: – In the SMR dated 1 September 2016: [redacted] deposited $10,000.00 into his Ladbrokes Account on 31 August 2016 via Blueshyft Cash-in across 10 separate transactions. – In the SMR dated 25 October 2017: (i) [redacted] had provided a Ladbrokes employee with $5,000.00 in cash to deposit into his Ladbrokes Account; and (ii) [redacted] was a sole trader and had turned over $1,106,993.63 to date which did not appear to be consistent with his profile. – In the SMR dated 1 February 2018: (i) [redacted] had provided a Ladbrokes employee with $10,000.00 in cash to deposit into his Ladbrokes Account; (ii) since 2015, [redacted] had turned over $1,261,917.18, lost $171,500.00 and had an average bet size of $2,907.64; and (iii) [redacted] profile as a small business owner was "not necessarily" consistent with having $10,000.00 cash on hand. • On 18 October 2017 and 1 February 2018 Entain gave the AUSTRAC CEO a threshold transaction report (**TTR)** pursuant to s 43 of the Act in relation to [redacted] • A "threshold transaction" is (among other things) a "transaction involving the transfer of physical currency, where the total amount of physical currency transferred is not less than $10,000": see s 5 of the Act.

			• A reporting entity must give the AUSTRAC CEO a TTR if the provision of a designated service to a customer involves a threshold transaction: see s 43 of the Act.
	E6	At all times during the Relevant Period, [redacted] deposited and withdrew unusually large amounts of money into and from his Ladbrokes Account.	Particulars: • While the amounts deposited and withdrawn during the Relevant Period were at all times unusually large, there were significant increases/escalations in each of calendar years 2019, 2020 and 2022: see **Rows E9** and **E12–E13** below. • In 2019: – [redacted] deposited $827,407.93 into his Ladbrokes Account (an average of $68,950.66 per month). – [redacted] withdrew $703,920.99 from his Ladbrokes Account (an average of $58,660.08 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 5 occasions. – [redacted] deposited $50,000.00 or more in a week on 5 occasions. – [redacted] deposited $10,000.00 or more in a day on 26 occasions. – [redacted] withdrew $50,000.00 or more in a week on 6 occasions. – [redacted] withdrew $10,000.00 or more in a day on 28 occasions. • In 2020: – [redacted] deposited $1,121,474.16 into his Ladbrokes Account (an average of $93,456.18 per month). – [redacted] withdrew $1,216,400.00 from his Ladbrokes Account (an average of $101,366.67 per month, noting withdrawals were spread unevenly over the year).

			– [redacted] was listed in Entain's High Value Transaction Report on at least 11 occasions. – [redacted] deposited $50,000.00 or more in a week on 6 occasions. – [redacted] deposited $10,000.00 or more in a day on 29 occasions. – [redacted] withdrew $50,000.00 or more in a week on 8 occasions. – [redacted] withdrew $10,000.00 or more in a day on 37 occasions. • In 2021: – [redacted] deposited $750,205.00 into his Ladbrokes Account (an average of $62,517.08 per month). – [redacted] withdrew $589,500.00 from his Ladbrokes Account (an average of $49,125.00 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 11 occasions. – [redacted] deposited $50,000.00 or more in a week on 1 occasion. – [redacted] deposited $10,000.00 or more in a day on 19 occasions. – [redacted] withdrew $50,000.00 or more in a week on 4 occasions. – [redacted] withdrew $10,000.00 or more in a day on 18 occasions. • In 2022: – [redacted] deposited $1,095,990.00 into his Ladbrokes Account (an average of $91,332.50 per month). – [redacted] withdrew $736,220.00 from the Ladbrokes Account (an average of $61,351.67 per month).

			– [redacted] was listed in Entain's High Value Transaction Report on at least 5 occasions. – [redacted] deposited $50,000.00 or more in a week on 4 occasions. – [redacted] deposited $10,000.00 or more in a day on 41 occasions. – [redacted] withdrew $50,000.00 or more in a week on 3 occasions. – [redacted] withdrew $10,000.00 or more in a day on 30 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E7	At all times during the Relevant Period, Entain did not have sufficient information about [redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that the transactional activity on [redacted] Ladbrokes Account (depositing, betting and withdrawing) was consistent with or supported by his source of wealth/source of funds.	Particulars: • While the information that Entain had about [redacted] source of wealth/source of funds changed over time, at no time during the Relevant Period was it sufficient. • Entain could have obtained information about [redacted] source of wealth/source of funds from public/external sources and [redacted] himself. • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from [redacted] and other public/external sources, it did not obtain sufficient information: – By October 2017 Entain had unverified information that [redacted] had a sole trader ABN and his occupation was on-selling electricity and electricity market operation.

			– Entain obtained information by no later than 15 May 2019 that showed that an account in [redacted] name had received a $150,000.00 deposit from a third party ([redacted]) with the payment reference "Granny Flat". A person with the same name as the third party had been subject to adverse reporting which was itself a matter indicative of high ML/TF Risk: see **Row E10** below. – Entain obtained information (i) in August 2020 that [redacted] potentially had an interest in a family trust [redacted] (**first trust**), but never confirmed or verified [redacted] interest in the first trust or obtained, confirmed or verified information about the capacity of that interest to support transactional activity on [redacted] Ladbrokes Account (for example, the trust deeds, financial statements, etc). – On 23 March 2021, Entain commenced a "Stage 2" source of wealth/source of funds inquiry process. To the extent that he responded to this process, [redacted] informed Entain that: (i) he funded his Ladbrokes Account by redrawing from his mortgage, from his gambling winnings, and from his work; (ii) he owned a [redacted] business [redacted], and earned "a couple hundred thousand" per year through that business; (iii) he bet with other bookmakers and had received large lump sum payments, including $180,000.00 from lotto; (iv) he put all of his money on his mortgage, would access funds in a redraw facility when needed, and that he had approximately $300,000.00 available in redraw; and (v) in the previous 6 months he had spent most of his income on gambling but that he was back to saving money again and was not under any financial pressure.

			– [redacted] claimed source of wealth/source of funds was not supported by any documentation, nor was it confirmed or verified by Entain — for example, (i) Entain did not obtain (let alone confirm or verify) basic information about the success of the [redacted] business or its capacity to support transactional activity on [redacted] Ladbrokes Account (for example, account statements, other information about revenue/profitability, information about leasing arrangements for business premises, information about salaries paid and other expenses, etc); (ii) Entain did not obtain (let alone confirm or verify) basic information about [redacted] gambling winnings from other bookmakers/lotto (for example, bank statements or other documents showing the receipt of the winnings); and (iii) Entain did not confirm or verify the sum available to [redacted] in his redraw facility (for example, by obtaining bank statements). – Entain obtained information: (i) in April 2021, that [redacted] owned 4 residential properties [redacted], and co-owned a further residential property [redacted]; and (ii) in February 2022, that [redacted] had sold 2 properties [redacted] but did not obtain information about the capacity of this ownership to support transactional activity on [redacted] Ladbrokes Account (for example, whether the properties were encumbered by mortgage or were rented, etc). – Entain obtained information in April 2021 that [redacted] was a director and shareholder (together with another person) of a company [redacted] (**first company**) but did not obtain (let alone confirm or verify) basic information about the success of the first company or its capacity to support transactional activity on

			[redacted] Ladbrokes Account (for example, account statements, other information about revenue/profitability, information about leasing arrangements for business premises, information about salaries paid and other expenses, etc). – Entain obtained information in February 2022 that [redacted] had a potential interest in a second trust [redacted] (whose name included the same words as in the name of the first company), but never confirmed or verified [redacted] interest in trust or obtained, confirmed or verified information about the capacity of those interests (or company) to support transactional activity on [redacted] Ladbrokes Account (for example, the trust deeds, financial statements, etc). Entain obtained information in August 2022 that [redacted] was a director and shareholder of a **second company** [redacted] (with the words [redacted] in the company name, and possibly connected to the [redacted] business), but did not obtain (let alone confirm or verify) basic information about the success of the second company or its capacity to support transactional activity on [redacted] Ladbrokes Account (for example, account statements, other information about revenue/profitability, information about leasing arrangements for business premises, information about salaries paid and other expenses, etc). – Entain obtained information in August 2022 that [redacted] was a director and shareholder of a **third company** [redacted], but did not obtain (let alone confirm or verify) basic information about the success of the third company or its capacity to support transactional activity on [redacted] Ladbrokes Account (for example, account statements, other information about revenue/profitability, information about leasing arrangements for business premises, information about

			salaries paid and other expenses, etc). Entain obtained information in August 2022 that [redacted] was a director and shareholder of [redacted], but did not obtain (let alone confirm or verify) basic information about the success of the company or its capacity to support transactional activity on [redacted] Ladbrokes Account (for example, account statements, other information about revenue/profitability, information about leasing arrangements for business premises, information about salaries paid and other expenses, etc). – Entain also obtained information in August 2022 that a person with the same surname as [redacted] potentially co-owned a residential property [redacted], but did not confirm or verify that the property was co-owned by [redacted] himself (for example, a title search). On 11 November 2022, Entain commenced a second source of wealth/source of funds inquiry process. To the extent that [redacted] partially responded to this process: (i) [redacted] failed to provide sufficient supporting documentation for claimed income from either investments/dividends or gambling winnings (for example, bank statements); and (ii) when Entain requested further documentation, [redacted] requested that his Ladbrokes Account be closed and his funds withdrawn. • Prior to the Relevant Period, Entain gave the AUSTRAC CEO at least 3 SMRs pursuant to s 41 of the Act in which it acknowledged questions about whether the transactional activity on the [redacted] Ladbrokes Account (depositing, betting and withdrawing) was consistent with the "profile" established for [redacted] or that it had been unable to confirm [redacted] source of wealth/source of funds: 25 October 2017; 1 February 2018; and 14 August 2018.

			• Over the Relevant Period, Entain gave the AUSTRAC CEO at least 8 SMRs pursuant to s 41 of the Act in which it acknowledged questions about whether the transactional activity on the [redacted] Ladbrokes Account (depositing, betting and withdrawing) was consistent with [redacted] source of wealth/source of funds and/or the "profile" established for [redacted] or that it had been unable to confirm [redacted] source of wealth/source of funds: on 29 March 2019; 15 May 2019; 3 December 2019; 27 December 2019; 29 January 2020; 25 August 2020; 11 November 2022; and 19 December 2022.
	E8	During the Relevant Period, [redacted] Ladbrokes Account was linked to multiple unexpired credit/debit cards.	Particulars: • From 16 December 2018 to February 2019, [redacted] Ladbrokes Account was linked to up to 4 unexpired credit/debit cards. • In March 2019, [redacted] Ladbrokes Account was linked to up to 5 unexpired credit/debit cards. • From April 2019 to May 2019, [redacted] Ladbrokes Account was linked to up to 4 unexpired credit/debit cards. • From June 2019 to August 2019, [redacted] Ladbrokes Account was linked to up to 5 unexpired credit/debit cards. • From September 2019 to November 2019, [redacted] Ladbrokes Account was linked to up to 4 unexpired credit/debit cards. • From December 2019 to January 2020, [redacted] Ladbrokes Account was linked to up to 6 unexpired credit/debit cards. • From February 2020 to July 2020, [redacted] Ladbrokes Account was linked to up to 5 unexpired credit/debit cards. • From August 2020 to November 2020, [redacted] Ladbrokes Account was linked to up to 6 unexpired credit/debit cards.

			• From December 2020 to March 2021, [redacted] Ladbrokes Account was linked to up to 7 unexpired credit/debit cards. • In April 2021, [redacted] Ladbrokes Account was linked to up to 8 unexpired credit/debit cards. • From May 2021 to March 2022, [redacted] Ladbrokes Account was linked to up to 8 unexpired credit/debit cards. • From April 2022 to until the account was closed, [redacted] Ladbrokes Account was linked to up to 6 unexpired credit/debit cards.
	E9	In 2019 (and especially from April 2019), there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his Ladbrokes Account, amounting to an unusual pattern of transactions.	Particulars: • In 2018, [redacted] deposited $102,830.00 into his Ladbrokes Account (an average of $8,569.17 per month). • In 2019, [redacted] deposited $827,407.93 into his Ladbrokes Account (an average of $68,950.66 per month, which amounted to an increase of approximately 705% on the monthly average for 2018). • The increase/escalation in deposits commenced especially from April 2019, with particularly large deposits in May 2019 ($224,700.00). • Deposits [redacted] made into his Ladbrokes Account between 3 May 2019 and 10 May 2019 included $91,000.00 cash via a bank branch across 3 transactions and $7,000.00 cash via the Sight Unseen Channel across 1 transaction. • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • In 2018, [redacted] withdrew $0 (nothing) from his Ladbrokes Account. • In 2019, [redacted] withdrew $703,920.99 from his Ladbrokes Account (an average of $58,660.08 per month).

			• The increase/escalation in withdrawals commenced especially from April 2019, with particularly large withdrawals in May 2019 ($193,000.00). • In 2019: – [redacted] was listed in Entain's High Value Transaction Report on at least 5 occasions. – [redacted] deposited $50,000.00 or more in a week on 5 occasions. – [redacted] deposited $10,000.00 or more in a day on 26 occasions. – [redacted] withdrew $50,000.00 or more in a week on 6 occasions. – [redacted] withdrew $10,000.00 or more in a day on 28 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E10	By no later than May 2019, Entain had information indicating that there were higher ML/TF Risks related to [redacted] sources of wealth/sources of funds — specifically, Entain had information indicating that a large deposit of $150,000.00 from a third party had been made into a bank account in the name of [redacted] in circumstances where there was adverse reporting on a person with the same name as the third party.	Particulars: • On an unknown date prior to May 2019, [redacted] provided Entain with a bank statement which showed a $150,000.00 deposit made into [redacted] bank account from a third party [redacted], with the payment reference "Granny Flat". • In [redacted], open sources reported a person with the same name as the third party [redacted] was a party to proceedings under the *Proceeds of Crime Act 2002* (Cth). The third party was successful in an application to

			recover his interest in property confiscated by the [redacted] • In [redacted], a person with the same name as the third party was the subject of adverse media, being reported to have been on [redacted] Red Notice list for serious criminal offences, namely drug crimes and trafficking in a south-east Asian country. • On 15 May 2019, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] which listed the "offence type" as "money laundering" and the "reason for suspicion" as "inconsistent with customer profile". The "grounds for suspicion" were further stated to be that: (i) Entain was still unable to confirm [redacted] occupation or source of wealth; (ii) [redacted] had "recently" provided a bank statement; (iii) the bank statement did not show any regular employer contributions but only cash deposits or branch transfers; (iv) these deposits included a deposit of $150,000.00 from a third party [redacted] with the payment reference "Granny Flat"; and (v) searches of the name of the third party [redacted] showed he was self-employed as a real estate developer. • By no later than 11 August 2020, Entain obtained information that [redacted] was Facebook friends with a person with the same name as the third party [redacted]. • Entain's records of its searches on the third party [redacted] did not include any reference to the adverse reporting in [redacted] and [redacted].
	E11	From September 2019 and at all times until December 2022, deposits made by [redacted] into his Ladbrokes Account regularly failed,	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed

		amounting to an unusual pattern of transactions.	by virtue of being declined or rejected by the relevant bank or other payment service provider. • From September to December 2019, 19 deposits that [redacted] attempted to make into his Ladbrokes Account by Braintree credit card (amounting to $73,636.17) were recorded as "rejected" in his transaction statements. • In 2020, 74 deposits that [redacted] attempted to make into his Ladbrokes Account by Braintree credit card (amounting to $545,100.00) were recorded as "rejected" in his transaction statements, with 36 "rejected" deposits in August 2020 (amounting to $339,600.00) and 10 "rejected" deposits in September 2020 (amounting to $37,000.00). • In 2021, 62 deposits that [redacted] attempted to make into his Ladbrokes Account by Braintree credit card (amounting to $247,005.00) were recorded as "rejected" in his transaction statements, with 10 "rejected" deposits in March 2021 (amounting to $68,000.00) and 13 "rejected" deposits in April 2021 (amounting to $37,000.00). • In 2022, 65 deposits that [redacted] attempted to make into his Ladbrokes Account by Braintree credit card (amounting to $181,100.00) were recorded as "rejected" in his transaction statements, with 21 "rejected" deposits in March 2022 (amounting to $53,800.00) and 14 "rejected" deposits in April 2022 (amounting to $36,500.00).
	E12	In 2020, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a further significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his Ladbrokes Account, amounting to an unusual pattern of transactions.	Particulars: • In 2019, [redacted] deposited $827,407.93 into his Ladbrokes Account (an average of $68,950.66 per month). • In 2020, [redacted] deposited $1,121,474.16 into his Ladbrokes Account (an average of $93,456.18 per month, which amounted to an increase of approximately 36% on the monthly average for 2019).

			• There were particularly large deposits in January 2020 ($359,850.00), August 2020 ($255,324.16) and September 2020 ($135,300.00). • In 2019, [redacted] withdrew $703,920.99 from his Ladbrokes Account (an average of $58,660.08 per month). • In 2020, [redacted] withdrew $1,216,400.00 from his Ladbrokes Account (an average of $101,366.67 per month, which amounted to an increase of approximately 73% on the monthly average for 2019). • There were particularly large withdrawals in January 2020 ($524,600.00), August 2020 ($347,800.00), and October 2020 ($128,000.00). • In 2020: – [redacted] was listed in Entain's High Value Transaction Report on at least 11 occasions. – [redacted] deposited $50,000.00 or more in a week on 6 occasions. – [redacted] deposited $10,000.00 or more in a day on 29 occasions. – [redacted] withdrew $50,000.00 or more in a week on 8 occasions. – [redacted] withdrew $10,000.00 or more in a day on 37 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.

	E13	In 2022, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a further significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his Ladbrokes Account, amounting to an unusual pattern of transactions.	Particulars: • In 2021, [redacted] deposited $750,205.00 into his Ladbrokes Account (an average of $62,517.08 per month). • In 2022, [redacted] deposited $1,095,990.00 into his Ladbrokes Account (an average of $91,332.50 per month, which amounted to an increase of approximately 46% on the monthly average for 2021). • In 2021, [redacted] withdrew $589,500.00 from his Ladbrokes Account (an average of $49,125.00 per month). • In 2022, [redacted] withdrew $736,220.00 from the Ladbrokes Account (an average of $61,351.67 per month, which amounted to an increase of approximately 25% on the monthly average for 2021). • In 2022: – [redacted] was listed in Entain's High Value Transaction Report on at least 5 occasions. – [redacted] deposited $50,000.00 or more in a week on 4 occasions. – [redacted] deposited $10,000.00 or more in a day on 41 occasions. – [redacted] withdrew $50,000.00 or more in a week on 3 occasions. – [redacted] withdrew $10,000.00 or more in a day on 30 occasions. • A pattern of large amounts of money being regularly moved or "cycled" into and out of a betting account on an ongoing basis is not consistent with the transactional activity of an average gambler and involves heightened ML/TF Risk. The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.

F: dates on and from which monitoring failures existed and contraventions of s 36 occurred	**F1**	16 December 2018	Particulars: • See paragraph 433 above.
	F2	16 December 2018	Particulars: • See **Row G** below, especially **Rows G1–G6**.
	F3	16 December 2018	Particulars: • See **Row G** below, especially **Rows G7–G13**.
G: list of particular monitoring failures	**G1**	At no time during the Relevant Period did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in **Row E** above.
	G2	Without limiting **Row G1**: a) from 14 August 2018 until about 29 March 2019; b) from 14 May 2019 until 17 June 2019; and c) from 3 December 2019 until 25 June 2021; Entain rated [redacted] as "High" ML/TF Risk in relation to his Ladbrokes Account.	Particulars: • On 14 August 2018, Entain gave the AUSTRAC CEO a SMR pursuant to s 41 of the Act in relation to [redacted] The SMR stated that [redacted] was rated "HIGH ML/TF RISK". However, [redacted] due diligence records do not reflect this rating until 14 May 2019. • There was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules. • The measures that Entain was required to undertake in relation to [redacted] as a result of determining that the ML/TF Risk in relation to [redacted] was high included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules. • By about 29 March 2019, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Ladbrokes Account (ie, the risk rating was adjusted from "High" to "Medium").

			• On 14 May 2019, Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account (ie, the risk rating was adjusted from "Medium" to "High"). • On 17 June 2019, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Ladbrokes Account (ie, the risk rating was adjusted from "High" to "Medium"). • On 3 December 2019, Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account (ie, the risk rating was adjusted from "Medium" to "High"). • On 25 June 2021, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Ladbrokes Account (ie, the risk rating was adjusted from "High" to "Medium"). • A "High" ML/TF Risk rating was appropriate at all times during the Relevant Period: see **Row E** above. • If [redacted] had been rated "High" ML/TF Risk at all times during the Relevant Period, Entain would have been required to apply the ECDD Program at all times during that period: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules.
	G3	Without limiting **Row G1**, at all times from 29 March 2019 until 14 May 2019, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Ladbrokes Account.	Particulars: • At all times from 14 August 2018 to about 29 March 2019, Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account. • On 29 March 2019, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Ladbrokes Account (ie, the risk rating was adjusted from "High" to "Medium"). • The decision on 29 March 2019 was reviewed and revised on 14 May 2019, and from that date until 17 June 2019 Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account (ie, the risk rating was adjusted from "Medium" to "High").

			• In the period from 29 March 2019 to 14 May 2019, [redacted] deposited $210,000.00 into his Ladbrokes Account and withdrew $193,000.00 from his Ladbrokes Account. • An ML/TF Risk rating below "High" was not appropriate in relation to [redacted] Ladbrokes Account at any time from 29 March 2019: see **Rows E1–E13** above, especially **Rows E9–E13**.
	G4	Without limiting **Row G1**, at all times from 17 June 2019 to 3 December 2019, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Ladbrokes Account.	Particulars: • At all times from 14 May 2019 until 17 June 2019, Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account. • On 17 June 2019, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Ladbrokes Account (ie, the risk rating was adjusted from "High" to "Medium"). • The decision on 17 June 2019 was reviewed and revised on 3 December 2019, and from that date until 25 June 2021 Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account (ie, the risk rating was adjusted from "Medium" to "High"). • An ML/TF Risk rating below "High" was not appropriate in relation to [redacted] Ladbrokes Account at any time from 17 June 2019: see **Rows E1–E13** above, especially **Rows E11–E13**. • In the period from 17 June 2019 to 3 December 2019, [redacted] deposited $258,607.93 into his Ladbrokes Account and withdrew $240,920.99 from his Ladbrokes Account.
	G5	Without limiting **Row G1**, at all times from 25 June 2021 to 6 September 2023, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Ladbrokes Account.	Particulars: • At all times from 3 December 2019 until 25 June 2021, Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account.

			• On 25 June 2021, Entain rated [redacted] "Medium" ML/TF Risk in relation to his Ladbrokes Account (ie, the risk rating was adjusted from "High" to "Medium"). • The decision on 25 June 2021 was not appropriately reviewed or revised prior to the closure of [redacted] Ladbrokes Account on 14 December 2022. • On 6 September 2023, after the closure of [redacted] Ladbrokes Account, as part of a High Risk Remediation, Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account. • An ML/TF Risk rating below "High" was not appropriate in relation to [redacted] Ladbrokes Account at any time from 25 June 2021: see **Rows E1–E13** above, especially **Rows E11** and **E13** concerning the significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his Ladbrokes Account in 2022 compared to 2021. • In the period from 25 June 2021 to the closure of [redacted] Ladbrokes Account on 14 December 2022, [redacted] deposited $1,236,290.00 into his Ladbrokes Account and withdrew $820,720.00 from his Ladbrokes Account.
	G6	Without limiting **Row G1**, from 10 April 2015, [redacted] was assigned a BDM.	Particulars: • On 10 April 2015, [redacted] was assigned a BDM, [redacted]. • A BDM received a commission for deposits made by a customer that they managed, which resulted in a conflict of interest and created a risk that the systems and controls in Entain's "Part A Program" would not be applied appropriately or impartially to [redacted] see paragraphs 171–172 and 175–176 above. • This risk manifested in various ways during the period in which [redacted] had an open account with Entain, including (but not limited to) the fact that: (i) [redacted] BDM provided

			very limited and unreliable information in relation to [redacted] source of wealth/source of funds (for example, [redacted] due diligence records disclose that, on 16 January 2020 when [redacted] BDM was asked about [redacted] source of wealth/source of funds, he said he had "no idea" what [redacted] did for work but "believed" in the past he ran his own business); and (ii) on the same date, [redacted] BDM was "pretty keen" to ensure that Entain did not contact [redacted] and "scare him off" because Entain probably received 10–15% of [redacted] gambling business.
	G7	Without limiting **Row G1**, at no time from the date on which ECDD was triggered (specifically, from 16 December 2018) did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] on an ongoing basis, from that time.	Particulars: • From 14 August 2018 to about 29 March 2019, [redacted] was rated "High" ML/TF Risk. • On 29 March 2019, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] • After 29 March 2019, Entain gave the AUSTRAC CEO 7 further SMRs pursuant to s 41 of the Act in relation to [redacted] on: 15 May 2019; 3 December 2019; 27 December 2019; 29 January 2020; 25 August 2020; 11 November 2022; and 19 December 2022. • Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. • Further, at all times from 14 May 2019 to 17 June 2019, and from 3 December 2019 to 25 June 2021, Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account. • There was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules. • As a result of the above ECDD triggers, Entain was under an obligation to apply the ECDD Program, on an ongoing

			basis and at regular intervals, at all times from March 2019: see paragraphs 428–429 above. • Entain's obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, existed notwithstanding the inappropriate changes in [redacted] risk rating on 29 March 2019, 17 June 2019 and 25 June 2021: see **Rows G3–G5** above. • The measures that Entain was required to undertake in relation to [redacted] as a result of forming a suspicion for the purposes of s 41 of the Act and/or determining that the ML/TF Risk in relation to [redacted] was high included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules. • The measures that were required were measures appropriate to a person reasonably suspected of money laundering offences and/or other offences against the laws of Australia, as per the 8 SMRs that Entain gave the AUSTRAC CEO pursuant to s 41 in relation to [redacted]
	G8	Without limiting **Row G1** or **Row G7**, at no time from 16 December 2018 did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, including the level of transactional behaviour and the purpose, reasons for or nature of the transactional behaviour.	Particulars: • This was a measure appropriate to the circumstances that existed from 16 December 2018: see r 15.10(5) of the Rules. • At all times during the Relevant Period, including at all times from December 2018, [redacted] deposited and withdrew unusually large amounts of money into and from his Ladbrokes Account, against a background of unusually large deposits (including cash-based or potentially cash-based deposits) in the period prior to the Relevant Period: see **Rows E6** above, read with **E4** and **E5**. • There were significant increases/escalations in the amounts deposited into and withdrawn from [redacted] Ladbrokes Account in each of calendar years 2019, 2020

			and 2022: see **Rows E9**, **E12** and **E13** above (including large cash deposits: see **Row E9**). • [redacted] was regularly listed in Entain's High Value Transaction Report from March 2019, demonstrating that Entain identified that he deposited large amounts of money into his Ladbrokes Account from this time, but Entain did not undertake any measures to mitigate and manage the ML/TF Risk indicated by this transactional behaviour. • During the Relevant Period, [redacted] Ladbrokes Account was linked to multiple unexpired credit/debit cards: see **Row E8** above. • [redacted] transactional activity was unusual in other respects, including an unusual pattern of failed deposits (from September 2019: see **Row E11** above). • [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences ([redacted] due diligence records disclose that Entain did not identify all instances of this reporting): see **Rows E1–E3** above. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity had indicia of money laundering or dealings with the proceeds of crime.
	G9	Without limiting **Row G1** or **Row G7**, at no time from 16 December 2018 did Entain: a) appropriately obtain from [redacted] or otherwise take reasonable measures to identify, information about [redacted] source of wealth/source of funds; b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds;	Particulars: • These were measures appropriate to the circumstances that existed from 16 December 2018: see rr 15.10(1)(a), 15.10(1)(c), 15.10(2) and 15.10(3) of the Rules. • At all times during the Relevant Period (as well as times in the period prior to the Relevant Period), [redacted] transactional activity involved high value deposits and withdrawals into and from his Ladbrokes Account, with significant increases/escalations in particular periods: see **Rows E6**, **E9**, **E12** and **E13** above.

		c) appropriately verify or confirm information it had about [redacted] source of wealth/source of funds; or d) appropriately consider the ML/TF Risks relating to [redacted] sources of wealth/sources of funds.	• [redacted] transactional activity was unusual in other respects, including unusual patterns of failed deposits (from September 2019: see **Row E11** above). • [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences prior to the Relevant Period: ([redacted] due diligence records disclose that Entain did not identify all instances of this reporting): see **Rows E1–E3** above. • In terms of the sufficiency of the information that Entain had about [redacted] source of wealth/source of funds, and the sufficiency of the measures taken by Entain with respect to that information: see **Row E7** above. • Without limiting **Row E7** above: – At no time during the Relevant Period, did Entain confirm or verify any appropriate documentation to support [redacted] sources of wealth/sources of funds. – At no time was the information obtained by Entain about [redacted] source of wealth/source of funds sufficient to support the transactional activity (depositing, betting and withdrawing) on the Ladbrokes Account.
	G10	Without limiting **Row G1** or **Row G7**, at no time from 16 December 2018 did Entain seek from [redacted] or otherwise take reasonable measures to clarify, the nature and purpose of [redacted] ongoing business relationship with Entain.	Particulars: • This was a measure appropriate to the circumstances that existed from 16 December 2018: see r 15.10(1)(d) of the Rules. • At all times during the Relevant Period (as well as times in the period prior to the Relevant Period), [redacted] transactional activity involved high value deposits into and withdrawals from his Ladbrokes Account, with significant increases/escalations in particular periods: see **Rows E6**, **E9**, **E12** and **E13** above.

			• [redacted] transactional activity was unusual in other respects, including an unusual pattern of failed deposits: see **Row E11** above. • [redacted] was the subject of adverse reporting in media/public sources in connection with serious criminal offences ([redacted] due diligence records disclose that Entain did not identify all instances of this reporting): see **Rows E1–E3** above. • In monitoring [redacted] on multiple occasions, Entain determined that [redacted] transactional activity was or "appeared" to be "recreational", but the determinations did not reflect the totality of available information (they were focussed wholly or primarily on betting activity, rather than transactional activity as a whole) and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time. • In monitoring [redacted] on multiple occasions, Entain determined that [redacted] deposits were or appeared to be "reinvestments" of previously withdrawn money, but the determinations did not reflect the totality of available information (or any information gaps, such as information about source of wealth/source of funds) and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his transactional activity and methods had indicia of money laundering or dealings with the proceeds of crime.

	G11	Without limiting **Row G1** or **Row G7**, at no time from 16 December 2018 until December 2022 was [redacted] appropriately escalated to and/or considered by Entain's senior management, including for the purpose of determining whether to continue a business relationship with him.	Particulars: • This was a measure appropriate to the circumstances that existed from 16 December 2018: see r 15.10(6) of the Rules. • Escalation to and/or consideration by senior management was appropriate in, and at regular intervals from the start of the Relevant Period including in and from March 2019, May 2019, September 2019, January 2020, and January 2022. • [redacted] due diligence records indicate that [redacted] was not appropriately escalated to and/or considered by senior management until 12 December 2022. • A review of [redacted] Ladbrokes Account by senior management occurred on or around 12 December 2022. • [redacted] Ladbrokes Account was suspended on 12 December 2022 for failure to complete the source of wealth/source of funds inquiry process. • A review by senior management of documents provided by [redacted] resulted in a decision on 14 December 2022 not to lift the suspension of [redacted] Ladbrokes Account until further source of wealth/source of funds documentation had been provided by [redacted]
	G12	Without limiting **Row G1** or **Row G7**, at no time until 12 December 2022 did Entain consider suspension of [redacted] Ladbrokes Account.	Particulars: • Suspension of [redacted] Ladbrokes Account (or at least consideration of suspension) was appropriate at multiple points from December 2018, including after the first formal source of wealth/source of funds inquiry process initiated in March 2021 did not yield any or any appropriate documentation to support [redacted] sources of wealth/sources of funds.

	G13	Without limiting **Row G1** or **Row G7**, at no time during the Relevant Period did Entain close [redacted] Ladbrokes Account on its own initiative.	Particulars: • [redacted] Ladbrokes Account was closed on 14 December 2022 at his request because he refused to complete the second source of funds/source of wealth process. • Entain noted in its due diligence records that [redacted] had been advised that if he wanted to reopen his Ladbrokes Account he would need to complete the source of wealth/source of funds inquiry process and provide supporting documentation. • Closure of [redacted] Ladbrokes Account (or at least consideration of closure) was appropriate at multiple points including after the first formal source of wealth/source of funds inquiry process initiated in March 2021 did not yield any or any appropriate documentation to support [redacted] sources of wealth/sources of funds.

SCHEDULE 14: [redacted]

A: customer		[redacted]	
B: account(s)		**Neds Account** • [redacted] • Opened date: 8 January 2019 (the account was opened by an entity that Entain had acquired on 28 November 2018, but the account had not been moved under Entain's sports bookmaker licence) • Licence transfer date: 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Closed date: 21 December 2020	
C: summary of transactional activity by account		**Neds Account** • Lifetime deposits: $141,900.68, $139,025.68 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime turnover: $291,771.07, $286,621.07 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime withdrawals: $96,841.03, $94,971.03 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence)	
D: date in Relevant Period on and from which matters indicative of high ML/TF Risk existed		1 May 2019	
E: list of matters indicative of high ML/TF Risk	**E1**	From no later than 1 May 2019, Entain had information that, from March 2019, deposits that [redacted] had attempted to make into the Neds Account had regularly failed, amounting to an unusual pattern of transactions.	Particulars: • The Neds Account was opened on 8 January 2019 by an entity that Entain had recently acquired and, following a process of integration in early 2019, Entain moved the Neds Account under its sports bookmaker licence on 1 May 2019.

			• From no later than 1 May 2019, Entain had access to all relevant transaction data for the Neds Account, including data concerning "rejected" deposits. • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • From 5 March 2019 to ~~29 April 2019~~ 30 April 2019, 65 deposits that [redacted] attempted to make into the Neds Account by Braintree credit card (amounting to $4,982.00) were recorded as "rejected" in his transaction statements.
	E2	From 1 May 2019, deposits that [redacted] attempted to make into the Neds Account regularly failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • From 1 May 2019, 431 deposits that [redacted] attempted to make into the Neds Account by Braintree credit card or Braintree PayPal (amounting to $25,251.05) were recorded as "rejected" in his transaction statements. • "Rejected" deposits spiked in October 2019, December 2019 and June to September 2020 (30 or more "rejected" deposits in each of these months). • Of the 431 "rejected" deposits: – 174 (amounting to $11,369.96) were recorded between 1 May 2019 and 31 December 2019.

			– 257 (amounting to $13,881.09) were recorded in 2020. • Of the 431 “rejected” deposits: – 239 (amounting to $14,928.85) were recorded in the period between the date on which the Neds Account was moved under Entain’s sports bookmaker licence (1 May 2019) and the date that Entain gave the AUSTRAC CEO its first SMR in relation to [redacted] (27 April 2020). – 192 (amounting to $10,322.20) were recorded as “rejected” in the period between the date that Entain gave the AUSTRAC CEO its first SMR in relation to [redacted] (27 April 2020) and the date that the Neds Account was closed (21 December 2020).
	E3	From 8 May 2019, there was a material change in [redacted] depositing patterns — specifically, [redacted] began to use a different, potentially cash-based deposit method to make deposits into his Neds Account.	Particulars: • Between the date that the Neds Account was opened (8 January 2019) and 7 May 2019, 100% of [redacted] approved deposits were made by Braintree credit card (37 of 37 approved deposits). An additional 76 deposits that [redacted] attempted to make by Braintree credit card during this period were “rejected”: see **Rows E1** and **E2** above. • [redacted] made his first Flexepin Voucher deposit into the Neds Account on 8 May 2019. • The Flexepin Voucher process: – A customer could purchase a Flexepin Voucher from a merchant within the Flexepin network, the full value of which could then be redeemed into the customer’s account. – The customer was able to pay for the voucher (the same value as the voucher) by any means that the merchant accepted, including cash. – Flexepin Vouchers were known by Entain to be a potentially cash-based deposit method.

			– Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • From 8 May 2019, Flexepin Vouchers became [redacted] primary deposit method for depositing money into his Neds Account and [redacted] was a high volume Flexepin Voucher user: see **Row E4** below. • Between 8 May 2019 and the date that the Neds Account was closed (21 December 2020): – [redacted] made 2,257 approved deposits into his Neds Account (amounting to $138,810.68). – Approximately 74% of [redacted] approved deposits were made by Flexepin Voucher (1,669 of 2,257 deposits, amounting to $93,160.00). – Of the 1,669 Flexepin Voucher deposits, 1,247 (amounting to $64,700.00) were made in the period between 8 May 2019 and the date that Entain gave the AUSTRAC CEO its first SMR in relation to [redacted] (27 April 2020). – Of the 1,669 Flexepin Voucher deposits, 424 (amounting to $28,520.00) were made in the period between the date that Entain gave the AUSTRAC CEO its first SMR in relation to [redacted] (27 April 2020) and the date that the Neds Account was closed (21 December 2020). • Entain introduced a Flexepin Report in or about March 2020. Between March 2020 and the date that the Neds Account was closed, [redacted] was listed in the Flexepin Report on at least 22 occasions.
	E4	From 8 May 2019, the primary method that [redacted] used to deposit money into the Neds Account was a potentially cash-based deposit method.	Particulars: • See **Row E3** above.

			• Without limiting **Row E3** above: – From 8 May 2019, [redacted] was a high volume Flexepin Voucher user. – Between 8 May 2019 and the date that the Neds Account was closed, [redacted] purchased and redeemed 1,669 Flexepin Vouchers (amounting to $93,160.00). – The purchase and redemption of 1669 Flexepin Vouchers over an approximately 18-month period, by one individual, would have been time-consuming compared to EFT, credit card or other electronic channels (this was itself a matter indicative of high ML/TF Risk). – Between March 2020 (when Entain introduced the Flexepin Report) and the date that the Neds Account was closed, [redacted] was listed in the Flexepin Report on at least 22 occasions.
	E5	At all times: a) from May 2019; or b) in the alternative, April 2020; Entain did not have sufficient information about [redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that the transactional activity on the Neds Account (depositing, betting and withdrawing) was consistent with or supported by [redacted] source of wealth/source of funds.	Particulars: • Entain could have obtained information about [redacted] source of wealth/source of funds from (at least) [redacted] himself or public/external sources. • Information from [redacted] at no time from May 2019 did Entain obtain substantive information about [redacted] source of wealth/source of funds from [redacted] himself.

			• Information from public/external sources: at no time from May 2019 until 30 March 2020 did Entain obtain substantive information about [redacted] source of wealth/source of funds from public/external sources. • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from public/external sources from March 2020, it did not obtain sufficient information to reach the necessary satisfaction. In particular: – By no later than 30 March 2020, Entain was unable to identify, confirm or verify who owned the residential property linked to [redacted] Neds Account. – By no later than 27 April 2020, Entain obtained information from [redacted] bank that: (i) [redacted] had been a customer of the bank since 2010; (ii) [redacted] had "nothing currently left in his bank account"; and (iii) [redacted] was "currently only receiving Job Seeker Centrelink payments". • From April to September 2020, Entain gave the AUSTRAC CEO at least 5 SMRs pursuant to s 41 of the Act in which it stated that [redacted] transactional activity (or his "size of spend") seemed "inconsistent" with his "profile": on 27 April 2020; 26 May 2020; 30 June 2020; 4 August 2020; and 16 September 2020. • In terms of deposits: – During the period in which the Neds Account was open, [redacted] deposited $141,900.68 into the Neds Account. Of this, $139,025.68 (approximately 98%) was deposited in the period after the date on which the Neds Account was moved under Entain's sports bookmaker licence (1 May 2019). – Between the date on which [redacted] began to use a potentially cash-based deposit method as his primary

			deposit method (8 May 2019) and the date that the Neds Account was closed (21 December 2020), [redacted] deposited $138,810.68 into the Neds Account. – Between the date on which Entain first gave the AUSTRAC CEO an SMR (27 April 2020) and the date that the Neds Account was closed, [redacted] deposited $54,214.18 into the Neds Account, approximately 53% of which was deposited by Flexepin Voucher (424 deposits, amounting to $28,520.00).
	E6	On 2 May 2020, [redacted] made a large number of bets, amounting to an unusual pattern of transactions.	Particulars: • On 2 May 2020 between 3:21am and 10:23pm AEST, [redacted] placed 95 bets totalling $14,694.00 on various racing events.
	E7	From June 2020, Entain had information indicating that there were higher ML/TF Risks related to [redacted] withdrawal activity — specifically, Entain had information that the majority of the money withdrawn from his Ladbrokes Account to his Entain Card was subsequently withdrawn from ATMs as cash.	Particulars: • At all times in the period after the date on which the Neds Account was moved under Entain's sports bookmaker licence (1 May 2019), the only withdrawal method that [redacted] used to withdraw money from the Neds Account was the Entain Card. All of the 318 approved withdrawals from the Neds Account in this period (amounting to $94,971.03) were made by Entain Card. • The Entain Card: – A customer could obtain an Entain Card by making an application to Entain. – A customer could withdraw money from their account to their Entain Card by instructing Entain to debit money from their account and transfer it to the Entain Card. – Once money had been transferred to the Entain Card, the customer could withdraw cash at an ATM or use the card to make purchases (or deposit money back into their account).

			– The Entain card was known by Entain to be a potentially cash-based withdrawal method. – Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. – At all relevant times, Entain could access an Entain Card holder's statements. • [redacted] due diligence records disclose that, by no later than 8 June 2020, Entain was aware that [redacted] used his Entain Card predominantly for ATM withdrawals (with only occasional use for purchases at point-of-sale). • On 16 September 2020, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in which it reported that [redacted] "only withdraws to his [Entain Card] which functions like a regular visa debit card, and from there he withdraws his winnings at an ATM". • [redacted] high volume use of a potentially cash-based deposit method combined with his high volume use of the Entain Card and subsequent withdrawal of cash from ATMs was a matter indicative of high ML/TF Risk.
F: dates on and from which monitoring failures existed and contraventions of s 36 occurred	**F1**	1 May 2019	Particulars: • See paragraph 433 above.
	F2	1 May 2019 or, in the alternative, 8 May 2019	Particulars: • See **Row G** below, especially **Rows G1–G4**.
	F3	27 April 2020	Particulars: • See **Row G** below, especially **Rows G5–G11**.
G: list of particular monitoring failures	**G1**	At no time from May 2019 did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in **Row E** above.

	G2	Without limiting **Row G1**, at no time from May 2019 did Entain mitigate and manage the ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] by reason of: a) his high volume use of a potentially cash-based deposit method; and/or b) his high volume use of a potentially cash-based deposit method combined with high volume use of the Entain Card and subsequent withdrawal of cash from ATMs.	Particulars: • At all times from 8 May 2019, the primary method that [redacted] used to deposit money into the Neds Account was a potentially cash-based deposit method: see **Rows E3–E4** above. • At all times in the period after the date on which the Neds Account was moved under Entain's sports bookmaker licence (1 May 2019), the only withdrawal method that [redacted] used to withdraw money from the Neds Account was a potentially cash-based withdrawal method (the Entain Card), and at all times from June 2020, Entain was aware that [redacted] used his Entain Card predominantly for ATM withdrawals (Entain could have been aware of this earlier, if it had accessed the Entain Card statements): see **Row E7** above. • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • While Entain identified [redacted] high volume use of a potentially cash-based deposit method by no later than 30 March 2020, Entain did not mitigate and manage the ML/TF Risk that existed by undertaking measures that were appropriate to the issue. • While Entain identified [redacted] high volume use of the Entain Card and subsequent withdrawal of cash from ATMs by no later than 8 June 2020, Entain did not mitigate and manage the ML/TF Risk that existed by undertaking measures that were appropriate to the issue.
	G3	Without limiting **Row G1**, at no time from 1 May 2019 until 25 May 2020 did Entain rate [redacted] "High" ML/TF Risk in relation to the Neds Account.	Particulars: • On 8 January 2019, when the Neds Account was opened, the entity that opened the account (which Entain had recently acquired) rated [redacted] "Low" ML/TF Risk in relation to the account.

			• On 1 May 2019, following a process of integration in early 2019, the Neds Account was moved under Entain's sports bookmaker licence. • On and from 1 May 2019, Entain did not adjust the risk rating assigned by the entity that opened the account (ie, the risk rating was kept as "Low"). • On 24 April 2020, Entain rated [redacted] "Medium" ML/TF Risk in relation to the Neds Account (ie, the risk rating was adjusted from "Low" to "Medium"). • On 25 May 2020, Entain rated [redacted] "High" ML/TF Risk in relation to his Neds Account (ie, the risk rating was adjusted from "Medium" to "High"). • A "High" ML/TF Risk rating was appropriate for [redacted] prior to 25 May 2020: see **Rows E1–E6** above, especially **Rows E3–E6** concerning [redacted] high volume use of a potentially cash-based deposit method. • If [redacted] had been rated "High" ML/TF Risk prior to 25 May 2020, Entain would have been required to apply the ECDD Program from that time: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules.
	G4	Without limiting **Row G1**, at no time from 1 May 2019 until September 2020 was there appropriate information sharing and liaison between the AML Team and the Fraud Team in relation to [redacted]	Particulars: • The Neds Account was opened on 8 January 2019 by an entity that Entain had recently acquired and, following a process of integration in early 2019, Entain moved the Neds Account under its sports bookmaker licence on 1 May 2019. • During the integration process in early 2019 (specifically, on 9 March 2019), the personnel in the Fraud and/or Responsible Gambling Teams of either the entity that opened the Neds Account or Entain had concerns about [redacted] because of "42 rejected deposits on his account over a 2 month period, all due to 'insufficient funds'". However,

			[redacted] due diligence records do not disclose that Entain's AML Team was aware of or gave any consideration to this matter after the Neds Account was moved under Entain's sports bookmaker licence. • By no later than 12 August 2019, the Fraud Team had been contacted by Flexepin in relation to "possibly suspicious activity" by [redacted] (a Flexepin Voucher "was redeemed a few minutes after issue, however [a] refund was issued thereafter"), but [redacted] due diligence records do not disclose that the AML Team was aware of or gave any consideration to this matter until 16 April 2020. • From 23 September 2020, the Fraud Team had concerns about "chargebacks" raised by [redacted] that the Fraud Team considered were "false" and an attempt to "take advantage of the instant refund policy". • On 21 December 2020, Entain closed [redacted] Neds Account on the ground of "Fraud (chargebacks)" (although the closure notes also refer to SMRs, the fact that [redacted] was "on Centrelink" and the fact that [redacted] was listed in the Flexepin Report).
	G5	Without limiting **Row G1**, at no time from the date on which ECDD was triggered (specifically, from 27 April 2020) did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] on an ongoing basis, from that time.	Particulars: • Entain was under an obligation to apply the ECDD Program on an ongoing basis from the date on which there was an ECDD trigger: see paragraphs 428–429 above. • On 27 April 2020, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 in relation to [redacted] • After 27 April 2020, Entain gave the AUSTRAC CEO 4 further SMRs pursuant to s 41 of the Act in relation to [redacted] on 26 May 2020; 30 June 2020; 4 August 2020; and 16 September 2020. • Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules.

			• Further, at all relevant times from 25 May 2020, [redacted] was rated "High" ML/TF Risk in relation to his Neds Account. • Under the Rules, there was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules. • As a result of the above ECDD triggers, and in light of the continuing nature of the matters pleaded in **Row E** above, Entain was under an obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, at all times from 27 April 2020. • The measures that Entain was required to undertake in relation to [redacted] as a result of forming a suspicion for the purposes of s 41 of the Act and/or determining that the ML/TF Risk in relation to [redacted] was high included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules. • The measures that were required were measures appropriate to a person reasonably suspected of money laundering offences, as per the 5 SMRs that Entain gave the AUSTRAC CEO pursuant to s 41 in relation to [redacted] in the period prior to the Neds Account.
	G6	Without limiting **Row G1** or **Row G5**, at no time from April 2020 did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, including the level of transactional behaviour and the purpose, reasons for or nature of the transactional behaviour.	Particulars: • This was a measure appropriate to the circumstances that existed from April 2020: see r 15.10(5) of the Rules. • [redacted] was a high volume user of a potentially cash-based deposit method and a high volume user of the Entain Card with subsequent cash withdrawals: see **Rows E3**, **E4** and **E7** above. • Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash.

			• Entain did not identify [redacted] high volume use of a potentially cash-based deposit method until 30 March 2020, and did not subsequently subject this use to appropriate review or analysis. • Entain did not identify [redacted] high volume use of the Entain Card coupled with subsequent cash withdrawals until 8 June 2020, and did not subsequently subject this use to appropriate review or analysis. • At all times from March 2019, including at all times from May 2019 (when the Neds Account was moved under Entain's sports bookmaker licence) and at all times from April 2020, deposits made by [redacted] into the Neds Account regularly failed: see **Rows E1–E2** above. • At other times from April 2020, [redacted] transactional activity was unusual in other respects: see **Row E6** above. • From no later than 27 April 2020, Entain knew that [redacted] was only receiving "Job Seeker Centrelink payments". However: – From this date, [redacted] deposited a further $54,214.18 into the Neds Account, approximately 53% of which was deposited by Flexepin Voucher (424 deposits, amounting to $28,520.00). – From this date, [redacted] withdrew $37,165.70 from the Neds Account, all of which was withdrawn by the Entain Card.
	G7	Without limiting **Row G1** or **Row G5**, at no time from April 2020 did Entain: a) appropriately obtain from [redacted] or otherwise take reasonable measures to identify, information about [redacted] source of wealth/source of funds;	Particulars: • These were measures appropriate to the circumstances that existed from April 2020: see rr 15.10(1)(a), 15.10(1)(c), 15.10(2) and 15.10(3) of the Rules. • [redacted] was a high volume user of a potentially cash-based deposit method and a high volume user of the Entain Card with subsequent cash withdrawals: see **Rows E3**, **E4** and **E7** above.

		b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds; or c) appropriately verify or confirm information it had about [redacted] source of wealth/source of funds.	• Cash carries heightened ML/TF Risk because it is difficult to trace the source and ownership of cash, and the proceeds of crime are often in cash. • Entain did not identify [redacted] high volume use of a potentially cash-based deposit method until 30 March 2020, and did not subsequently subject this use to appropriate review or analysis. • Entain did not identify [redacted] high volume use of the Entain Card coupled with subsequent cash withdrawals until 8 June 2020, and did not subsequently subject this use to appropriate review or analysis. • At all times from March 2019, including at all times from May 2019 (when the Neds Account was moved under Entain's sports bookmaker licence) and at all times from April 2020, deposits made by [redacted] into the Neds Account regularly failed: see **Rows E1–E2** above. • In terms of the sufficiency of the information that Entain had about [redacted] source of wealth/source of funds, and the sufficiency of the measures taken by Entain with respect to that information: see **Row E5** above. • Without limiting **Row E5** above: – At no time from May 2019 did Entain obtain substantive information about [redacted] source of wealth/source of funds from [redacted] himself. – From no later than 27 April 2020, Entain had a reasonable basis to be satisfied that the transactional activity on the Neds Account (depositing, betting and withdrawing) was *not* consistent with [redacted] source of wealth/source of funds (from no later than this date, Entain knew that [redacted] had "nothing currently left in his bank account" and was only receiving "Job Seeker Centrelink payments").

			– From 27 April 2020, [redacted] deposited a further $54,214.18 into the Neds Account, approximately 53% of which was deposited by Flexepin Voucher (424 deposits, amounting to $28,520.00). – From 27 April 2020, [redacted] withdrew $37,165.70 from the Neds Account, all of which was withdrawn by the Entain Card.
	G8	Without limiting **Row G1** or **Row G5**, at no time from April 2020 did Entain seek from [redacted] or otherwise take reasonable measures to clarify, the nature and purpose of [redacted] ongoing business relationship with Entain.	Particulars: • This was a measure appropriate to the circumstances that existed from April 2020: see r 15.10(1)(d) of the Rules. • [redacted] was a high volume user of a potentially cash-based deposit method and a high volume user of the Entain Card with subsequent cash withdrawals: see **Rows E3**, **E4** and **E7** above. • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether [redacted] patterns of depositing and withdrawing, and especially his high volume use of a potentially cash-based deposit method combined with high volume use of the Entain Card and subsequent withdrawals of cash from ATMs, had indicia of money laundering or dealings with the proceeds of crime. • In monitoring [redacted] Entain frequently determined that [redacted] transactional activity was or "appeared" to be "recreational", but the determinations did not reflect the totality of available information and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time.

	G9	Without limiting **Row G1** or **Row G5**, at no time from April 2020 until 21 December 2020 was [redacted] appropriately escalated to and/or considered by Entain's senior management, including for the purpose of determining whether to continue a business relationship with him.	Particulars: • This was a measure appropriate to the circumstances that existed from April 2020: see r 15.10(6) of the Rules. • Escalation to and/or consideration by senior management was appropriate in, and at regular intervals from, April 2020, including on multiple occasions in the period April-September 2020. • [redacted] due diligence records indicate that [redacted] was not elevated to and/or considered by senior management until 16 April 2020. • The elevation and/or consideration on 16 April 2020 was informal, occurred via an instant message service and was otherwise not appropriate in light of the circumstances that existed at that time: see **Rows E2–E5** above; see also **Row E7**. • [redacted] due diligence records do not disclose any further consideration of [redacted] by senior management from 16 April 2020 until 21 December 2020, notwithstanding the circumstances that existed at and from that time: see **Rows E2–E7** above.
	G10	Without limiting **Row G1** or **Row G5**, at no time from April 2020 did Entain suspend [redacted] Neds Account on its own initiative.	Particulars: • On 21 December 2020, Entain closed [redacted] Neds Account on the ground of "Fraud (chargebacks)". • At no time between April 2020 and 21 December 2020 (the date of closure) did Entain suspend [redacted] Neds Account on its own initiative. • Suspension (or at least consideration of suspension) was appropriate from no later than 27 April 2020. • From no later than 27 April 2020, Entain had a reasonable basis to be satisfied that the transactional activity on the Neds Account (depositing, betting and withdrawing) was *not* consistent with [redacted] source of wealth/source of funds

			(from no later than this date, Entain knew that [redacted] had "nothing currently left in his bank account" and was only receiving "Job Seeker Centrelink payments"). • From 27 April 2020, [redacted] deposited a further $54,214.18 into the Neds Account, approximately 52% of which was deposited by Flexepin Voucher (424 deposits, amounting to $28,520.00). • From 27 April 2020, [redacted] withdrew $37,165.70 from the Neds Account, all of which was withdrawn by the Entain Card.
	G11	Without limiting **Row G1** or **Row G5**, at no time from April 2020 until 21 December 2020 did Entain close the Neds Account on its own initiative.	Particulars: • On 21 December 2020, Entain closed [redacted] Neds Account on the ground of "Fraud (chargebacks)". • At no time between April 2020 and 21 December 2020 (the date of closure) did Entain close [redacted] Neds Account on its own initiative. • Closure (or at least consideration of closure) was appropriate from no later than 27 April 2020. • From no later than 27 April 2020, Entain had a reasonable basis to be satisfied that the transactional activity on the Neds Account (depositing, betting and withdrawing) was *not* consistent with [redacted] source of wealth/source of funds (from no later than this date, Entain knew that [redacted] had "nothing currently left in his bank account" and was only receiving "Job Seeker Centrelink payments"). • From 27 April 2020, [redacted] deposited a further $54,214.18 into the Neds Account, approximately 53% of which was deposited by Flexepin Voucher (424 deposits, amounting to $28,520.00). • From 27 April 2020, [redacted] withdrew $37,165.70 from the Neds Account, all of which was withdrawn by the Entain Card.

			• [redacted] due diligence records indicate that the primary reason for the closure of his Neds Account was fraudulent chargebacks, rather than any matters indicative of high ML/TF Risk.

SCHEDULE 15: [redacted]

A: customer		[redacted]
B: account(s)	**B1**	**First Account (Ladbrokes)** • [redacted] • Opened date: 6 June 2014 • Closed date: 21 June 2024
	B2	**Second Account (Neds)** • [redacted] • Opened date: 9 March 2019 (the account was opened by an entity that Entain had acquired on 28 November 2018, but the account had not been moved under Entain's sports bookmaker licence) • Licence transfer date: 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Closed date: 24 June 2024
C: summary of transactional activity by account	**C1**	**First Account (Ladbrokes)** • Lifetime deposits: $12,430,567.86, approximately $10,392,372.86 of which was during the Relevant Period • Lifetime turnover: $52,567,666.78, approximately $42,024,256.93 of which was during the Relevant Period • Lifetime withdrawals: $7,453,899.88, approximately $6,998,680.00 of which was during the Relevant Period
	C2	**Second Account (Neds)** • Lifetime deposits: $3,157,013.99, $3,071,263.99 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime turnover: $14,163,362.43, $13,520,202.26 of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence) • Lifetime withdrawals: $1,779,652.39, all of which was from 1 May 2019 (the date on which the account was moved under Entain's sports bookmaker licence)
D: date in Relevant Period on and from which factors		16 December 2018

indicative of high ML/TF Risk existed			
E: list of matters indicative of high ML/TF Risk	**E1**	In the period prior to the Relevant Period (specifically, from April 2016), [redacted] deposited unusually large amounts into the First Account (Ladbrokes).	Particulars: • From April to December 2016, [redacted] deposited $451,960.00 into the First Account (Ladbrokes) (an average of $50,217.78 per month). • In 2017, [redacted] deposited $522,595.00 into the First Account (Ladbrokes) (an average of $43,549.58 per month). • In 2018 as a whole (including the approximately 2 weeks of 2018 within the Relevant Period), [redacted] deposited $1,044,739.00 into the First Account (Ladbrokes) (an average of $87,061.58 per month). • The amounts of money being deposited by [redacted] were materially above average total annual deposits for Entain's customers in the Relevant Period: see Schedule A above.
	E2	At all times during which [redacted] had open accounts with Entain, [redacted] was a resident of a foreign country and used non-Australian bank accounts to deposit money into his First Account (Ladbrokes) and Second Account (Neds).	Particulars: • Entain knew that [redacted] was a New Zealand resident and resided in New Zealand at all times from the date on which the First Account (Ladbrokes) was opened. • During the Relevant Period, [redacted] used credit/debit cards issued by at least 4 New Zealand banks to fund his accounts: see **Row E14** below. • Cross-border transfers of money can be harder to trace and recover.
	E3	At all times during the Relevant Period, [redacted] deposited unusually large amounts of money into his accounts, and at times withdrew unusually large amounts from his accounts.	Particulars: • While the amounts of money deposited during the Relevant Period were at all times unusually large and the amounts withdrawn were at times unusually large, there were significant increases/escalations in each of calendar years 2020, 2021, 2022, 2023 and 2024: see **Rows E9**, **E10**,

			E13, **E15** and **E18** below. • From 16 December 2018 to 30 April 2019: – [redacted] deposited $277,499.00 into the First Account (Ladbrokes) (an average of approximately $61,666.44 per month for this period). – In addition, [redacted] deposited $85,750.00 into the Second Account (Neds) (an average of approximately $19,055.56 per month for this period) (this was prior to the account being moved under Entain's sports bookmaker licence). – [redacted] deposits across both accounts in this period thus totalled $363,249.00. – [redacted] withdrew $252,697.00 from the First Account (Ladbrokes) (an average of approximately $56,154.89 per month for this period). – In addition, [redacted] withdrew $0 (nothing) from the Second Account (Neds) in this period (this was prior to the account being moved under Entain's sports bookmaker licence). – [redacted] withdrawals across both accounts in this period thus totalled $252,697.00. • From 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence) to 31 December 2019: – [redacted] deposited $377,020.00 into the First Account (Ladbrokes) (an average of $47,127.50 per month for this period) and $393,826.00 into the Second Account (Neds) (an average of $49,228.25 per month for this period), for a total of $770,846.00 in deposits (an average of $96,355.75 per month across all accounts for this period). – [redacted] withdrew $342,107.00 from the First Account (Ladbrokes) (an average of $42,763.38 per month for

			this period) and $225,305.39 from the Second Account (Neds) (all of which was withdrawn between June and December 2019) (an average of $28,163.17 per month in that period), for a total of $567,412.39 in withdrawals (an average of $70,926.55 per month across all accounts for this period). – [redacted] was listed in Entain's High Value Transaction Report on at least 5 occasions. – [redacted] deposited $50,000.00 or more in a week (across all accounts) on 4 occasions. – [redacted] deposited $10,000.00 or more in a day (across all accounts) on 23 occasions. – [redacted] withdrew $50,000.00 or more in a week (across all accounts) on 6 occasions – [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 14 occasions • In 2020: – [redacted] deposited $1,433,139.59 into the First Account (Ladbrokes) (an average of $119,428.30 per month) and $512,164.99 into the Second Account (Neds) (an average of $42,680.42 per month), for a total of $1,945,304.58 in deposits (an average of $162,108.72 per month across all accounts). – [redacted] withdrew $1,114,965.00 from the First Account (Ladbrokes) (an average of $92,913.75 per month) and $135,322.00 from the Second Account (Neds) (an average of $11,276.83 per month), for a total of $1,250,287.00 in withdrawals (an average of $104,190.58 per month across all accounts). – [redacted] was listed in Entain's High Value Transaction Report on at least 14 occasions. – [redacted] deposited $50,000.00 or more in a week (across

			all accounts) on 11 occasions. – [redacted] deposited $10,000.00 or more in a day (across all accounts) on 67 occasions. – [redacted] withdrew $50,000.00 or more in a week (across all accounts) on 7 occasions. – [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 44 occasions. • In 2021: – [redacted] deposited $3,103,218.00 into the First Account (Ladbrokes) (an average of $258,601.50 per month) and $1,250,325.00 into the Second Account (Neds) (an average of $104,193.75 per month, for a total of $4,353,543.00 in deposits (an average of $362,795.25 per month across all accounts). – [redacted] withdrew $2,390,614.00 from the First Account (Ladbrokes) (an average of $199,217.83 per month) and $1,119,000.00 from the Second Account (Neds) (an average of $93,250.00 per month), for a total of $3,509,614.00 in withdrawals (an average of $292,467.83 per month across all accounts). – [redacted] was listed in Entain's High Value Transaction Report on at least 21 occasions. – [redacted] deposited $50,000.00 or more in a week (across all accounts) on 24 occasions. – [redacted] deposited $10,000.00 or more in a day (across all accounts) on 110 occasions. – [redacted] withdrew $50,000.00 or more in a week (across all accounts) on 19 occasions. – [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 62 occasions. • In 2022: – [redacted] deposited $1,275,962.00 into the First Account

			(Ladbrokes) (an average of $106,330.17 per month) and $238,100.00 into the Second Account (Neds) (an average of $19,841.67 per month), for a total of $1,514,062.00 in deposits (an average of $126,171.83 per month across all accounts). – [redacted] withdrew $745,940.00 from the First Account (Ladbrokes) (an average of $62,161.67 per month) and $73,500.00 from the Second Account (Neds) (all of which was withdrawn between May and October 2022, an average of $12,250.00 per month in that period), for a total of $819,440.00 in withdrawals (an average of $68,286.67 per month across all accounts). – [redacted] was listed in Entain's High Value Transaction Report on at least 7 occasions. – [redacted] deposited $50,000.00 or more in a week (across all accounts) on 4 occasions. – [redacted] deposited $10,000.00 or more in a day (across all accounts) on 38 occasions. – [redacted] withdrew $50,000.00 or more in a week (across all accounts) on 3 occasions. – [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 21 occasions. • In 2023: – [redacted] deposited $2,575,440.00 into the First Account (Ladbrokes) (an average of $214,620.00 per month) and $560,960.00 into the Second Account (Neds) (an average of $46,746.67 per month), for a total of $3,136,400.00 in deposits (an average of $261,366.67 per month across all accounts). – [redacted] withdrew $1,276,533.00 from the First Account (Ladbrokes) (an average of $106,377.75 per month) and $154,000.00 from the Second Account (Neds) (all of which was withdrawn between January and

			August 2023, an average of $19,250.00 per month in that period), for a total of $1,430,533.00 in withdrawals (an average of $119,211.08 per month across all accounts). – [redacted] was listed in Entain's High Value Transaction Report on at least 26 occasions. – [redacted] deposited $50,000.00 or more in a week (across all accounts) on 20 occasions. – [redacted] deposited $10,000.00 or more in a day (across all accounts) on 79 occasions. – [redacted] withdrew $50,000.00 or more in a week (across all accounts) on 7 occasions. – [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 27 occasions. • From January to June 2024: – [redacted] deposited $1,350,094.27 into the First Account (Ladbrokes) (an average of approximately $225,015.71 per month) and $115,888.00 into the Second Account (Neds) (an average of approximately $19,314.67 per month), for a total of $1,465,982.27 in deposits (an average of approximately $244,330.38 per month across all accounts for this period). – [redacted] withdrew $875,824.00 from the First Account (Ladbrokes) (an average of approximately $145,970.67 per month) and $72,525.00 from the Second Account (Neds) (an average of approximately $12,087.50 per month), for a total of $948,349.00 in withdrawals (an average of approximately $158,058.17 per month all accounts for this period). – [redacted] was listed in Entain's High Value Transaction Report on at least 13 occasions. – [redacted] deposited $50,000.00 or more in a week (across

			all accounts) on 9 occasions. – [redacted] deposited $10,000.00 or more in a day (across all accounts) on 44 occasions. – [redacted] withdrew $50,000.00 or more in a week (across all accounts) on 7 occasions. – [redacted] withdrew $10,000.00 or more in a day (across all accounts) on 23 occasions. • The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E4	At all times during the Relevant Period, Entain did not have sufficient information about [redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that the transactional activity on [redacted] accounts (depositing, betting and withdrawing) was consistent with or supported by [redacted] source of wealth/source of funds.	Particulars: • Entain could have obtained information about [redacted] source of wealth/source of funds from (at least) public/external sources and [redacted] himself. • To the extent that Entain attempted to obtain information about [redacted] source of wealth/source of funds from [redacted] it did not do so with sufficient promptness. • When Entain commenced a formal source of wealth/source of funds inquiry process with [redacted] on 13 April 2021, 9 October 2023 and 6 June 2024, [redacted] either failed to respond or failed to provide any supporting documentation as requested (failure to provide information was itself a matter indicative of high ML/TF Risk: see **Rows E12**, **E17** and **E20** below). • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from [redacted] and other public/external sources, it did not obtain sufficient information: – By around mid-2019, Entain had obtained publicly available (open source) information indicating that [redacted] was the chairperson of [redacted], which

			operated a number of restaurants in New Zealand, but did not obtain information to confirm or verify the success of the business or its capacity to support the transactional activity on [redacted] accounts (for example, account statements, other information about revenue/profitability, etc). Rather, Entain assumed that the business was successful and determined that a chairman salary was “around $200K” based on open source searches. – An annual salary of $200,000.00 was not sufficient to support [redacted] transactional activity. ([redacted] deposited more than $200,000.00 in a month across both his accounts in 2019 on 1 occasion (October 2019), in 2020 on 3 occasions (January, July and October 2020), in 2021 on 7 occasions (January, February, May, July, August, October and November 2021), in 2022 on 2 occasions (February and October 2022), in 2023 on 5 occasions (May, June, July, November and December 2023) and in 2024 on 1 occasion (January 2024) for a total of 19 occasions between October 2019 and January 2024) . – Between 2020 and 2023, Entain obtained information indicating that [redacted] was or had been a director and/or shareholder of a number of companies registered in New Zealand and Australia, including subsidiaries of the New Zealand food and beverage company [redacted], but had no basis to be satisfied that the income [redacted] had earnt or earned from these companies (if any) supported the transactional activity on [redacted] accounts (for example, account statements, other information about revenue/profitability, cashflow, information about leasing arrangements for business premises, information about other expenses, etc). – [redacted] responded to a formal source of wealth/source of

			funds inquiry process in November 2023. [redacted] claimed that he had an annual income of $5 million, savings of $500,000.00–$999,999.00 and a yearly investment/dividend income of over $5 million. However, [redacted] did not provide documentation to support these claims as requested and Entain did not verify [redacted] claimed income. Rather, Entain's board and CEO determined that [redacted] was a "very low risk client for AML purposes" and that there was "enough" open-source information to substantiate the customer's spend: see **Rows E17** and **G13** below. – Entain obtained information in December 2023 that the property listed as [redacted] address had an estimated value of $4,500,000.00 (**first property**). By May 2024, Entain had information [redacted] jointly owned the first property with a third party), and that he had purchased land jointly for an estimated $4,600,000.00 (**second property**) for the purpose of undertaking 2 subdivisions for a new residential building platform, but did not obtain information about the capacity of this ownership to support transactional activity on [redacted] accounts (for example, whether the properties were encumbered by mortgages and the extent of [redacted] ownership interest in each property etc). – Although an open source document Entain listed in [redacted] due diligence records disclosed that the second property was encumbered by a registered mortgage to a New Zealand bank, Entain never identified and recorded that information in its due diligence records. • On 28 November 2023, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in which it reported that [redacted] failed to provide supporting documentation of source of wealth/source of funds, and that the funds that had moved through [redacted] accounts appeared inconsistent

			with the profile that could be established for him and Entain held concerns about [redacted] true source of funds. • On 24 June 2024, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in which it reported that [redacted] failed to provide documents to support his current spend, [redacted] account activity appeared inconsistent with the profile that could be established for him and Entain held concerns about [redacted] true source and origin of funds.
	E5	During the Relevant Period, [redacted] First Account (Ladbrokes) was linked to multiple unexpired credit/debit cards.	Particulars: • From 16 to 31 December 2018, [redacted] First Account (Ladbrokes) was linked to up to 4 unexpired credit/debit cards. • In January 2019, [redacted] First Account (Ladbrokes) was linked to up to 6 unexpired credit/debit cards. • From February 2019 to March 2019, [redacted] First Account (Ladbrokes) was linked to up to 7 unexpired credit/debit cards. • From April 2019 to June 2019, [redacted] First Account (Ladbrokes) was linked to up to 8 unexpired credit/debit cards. • From July 2019 to September 2019, [redacted] First Account (Ladbrokes) was linked to up to 6 unexpired credit/debit cards. • In October 2019, [redacted] First Account (Ladbrokes) was linked to up to 7 unexpired credit/debit cards. • From November 2019 to January 2020, [redacted] First Account (Ladbrokes) was linked to up to 8 unexpired credit/debit cards. • In February 2020, [redacted] First Account (Ladbrokes) was linked to up to 9 unexpired credit/debit cards. • From March 2020 to April 2020, [redacted] First Account (Ladbrokes) was linked to up to 8 unexpired credit/debit

			cards. • From May 2020 to June 2020, [redacted] First Account (Ladbrokes) was linked to up to 9 unexpired credit/debit cards. • From July 2020 to September 2021, [redacted] First Account (Ladbrokes) was linked to up to 8 unexpired credit/debit cards. • From October 2021 to November 2021, [redacted] First Account (Ladbrokes) was linked to up to 9 unexpired credit/debit cards. • From December 2021 to May 2022, [redacted] First Account (Ladbrokes) was linked to up to 10 unexpired credit/debit cards. • In June 2022, [redacted] First Account (Ladbrokes) was linked to up to 9 unexpired credit/debit cards. • From July 2022 to October 2022, [redacted] First Account (Ladbrokes) was linked to up to 8 unexpired credit/debit cards. • In November 2022, [redacted] First Account (Ladbrokes) was linked to up to 7 unexpired credit/debit cards. • From December 2022 to February 2023, [redacted] First Account (Ladbrokes) was linked to up to 8 unexpired credit/debit cards. • From March 2023 to July 2023, [redacted] First Account (Ladbrokes) was linked to up to 7 unexpired credit/debit cards. • From August 2023 to October 2023, [redacted] First Account (Ladbrokes) was linked to up to 8 unexpired credit/debit cards. • From November 2023 to December 2023, [redacted] First Account (Ladbrokes) was linked to up to 7 unexpired credit/debit cards.

			• In January 2024, [redacted] First Account (Ladbrokes) was linked to up to 6 unexpired credit/debit cards. • In February 2024, [redacted] First Account (Ladbrokes) was linked to up to 5 unexpired credit/debit cards. • From March 2024 to June 2024, [redacted] First Account (Ladbrokes) was linked to up to 4 unexpired credit/debit cards. • By 14 November 2024, [redacted] First Account (Ladbrokes) was linked to 2 unexpired credit/debit cards. • Some of the unexpired credit/debit cards were linked to [redacted] First Account (Ladbrokes) in quick succession: for example, 4 unexpired credit/debit cards were linked in the period from 26 January 2019 to 27 April 2019.
	E6	At all times from 1 May 2019, [redacted] deposited money into his accounts with high frequency.	Particulars: • From 1 May 2019 (the date on which the Second Account (Neds) was moved under Entain's sports bookmaker licence) to December 2019: – [redacted] made approximately 286 approved deposits into his First Account (Ladbrokes) (an average of approximately 36 per month or 9 per week). – [redacted] made approximately 400 approved deposits into his Second Account (Neds) (an average of approximately 50 per month or 13 per week). – [redacted] made approximately a total of 686 approved deposits across both accounts (an average of approximately 86 per month or 21 per week). • In 2020, [redacted] made approximately 1,260 deposits into his First Account (Ladbrokes) (an average of approximately 24 per week), and approximately 439 deposits into his Second Account (Neds) (an average of approximately 8 deposits per week), for a total of 1,699 approved deposits into his accounts (an average of approximately 142 per

			month or almost 33 per week). • In 2021, [redacted] made approximately 1,774 deposits into his First Account (Ladbrokes) (an average of approximately 34 per week), and approximately 899 deposits into his Second Account (Neds) (an average of approximately 17 deposits per week), for a total of 2,673 approved deposits into his accounts (an average of approximately 223 per month or 51 per week). • In 2022, [redacted] made approximately 863 deposits into his First Account (Ladbrokes) (an average of almost 17 per week), and approximately 183 deposits into his Second Account (Neds) (an average of almost 4 deposits per week), for a total of 1,046 approved deposits into his accounts (an average of approximately 87 per month or 20 per week). • In 2023, [redacted] made approximately 1,400 deposits into his First Account (Ladbrokes) (an average of almost 27 per week), and approximately 396 deposits into his Second Account (Neds) (an average of almost 8 deposits per week), for a total of 1,796 approved deposits into his accounts (an average of almost 150 per month or 35 per week). • Between January and June 2024, [redacted] made approximately 738 deposits into his First Account (Ladbrokes) (an average of approximately 14 per week), and approximately 81 deposits into his Second Account (Neds) (an average of almost 2 deposits per week), for a total of 819 approved deposits into his accounts (an average of approximately 137 per month or 32 per week).
	E7	At all times from 1 May 2019, deposits made by [redacted] into his accounts regularly failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank

			or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • From May 2019 to June 2024, 3,038 deposits that [redacted] attempted to make into his accounts by Credit Card Deposit, Braintree credit card, Braintree Apple Pay or Nuvola credit card (amounting to approximately $3,575,938.19) were recorded as "rejected" in his transaction statements. • "Rejected" deposits spiked in November 2019 (79 "rejected" deposits), August 2020 (69 "rejected" deposits), October 2020 (89 "rejected" deposits), December 2020 to February 2021 (277 "rejected" deposits in this period), May to July 2021 (267 "rejected" deposits in this period), October to December 2021 (228 "rejected" deposits in this period), May 2022 (66 "rejected" deposits), October 2022 (70 "rejected" deposits), June to July 2023 (251 "rejected" deposits in this period), and November 2023 (73 "rejected" deposits). • Of the 3,038 "rejected" deposits: – 248 (amounting to approximately $279,387.00) were recorded between May and December 2019. – 609 (amounting to $518,639.00) were recorded in 2020. – 845 (amounting to $1,119,689.07) were recorded in 2021. – 451 (amounting to $449,134.00) were recorded in 2022. – 709 (amounting to $947,544.12) were recorded in 2023. – 176 (amounting to $261,545.00) were recorded between

			January and June 2024. • Of the 3,038 “rejected” deposits: – 2,805 (amounting to $3,218,718.19) were recorded in the period between May 2019 and the date that Entain gave the AUSTRAC CEO its first SMR in relation to [redacted] (28 November 2023). – 233 (amounting to $357,220.00) were recorded as “rejected” in the period between the date that Entain gave the AUSTRAC CEO its first SMR in relation to [redacted] and the date that [redacted] accounts were closed.
	E8	From 1 May 2019, [redacted] Second Account (Neds) was linked to multiple unexpired credit/debit cards.	Particulars: • From May 2019 to October 2019, [redacted] Second Account (Neds) was linked to up to 7 unexpired credit/debit cards. • From November 2019 to December 2019, [redacted] Second Account (Neds) was linked to up to 6 unexpired credit/debit cards. • In January 2020, [redacted] Second Account (Neds) was linked to up to 7 unexpired credit/debit cards. • In February 2020, [redacted] Second Account (Neds) was linked to up to 8 unexpired credit/debit cards. • From March 2020 to October 2020, [redacted] Second Account (Neds) was linked to up to 7 unexpired credit/debit cards. • From November 2020 to January 2021, [redacted] Second Account (Neds) was linked to up to 6 unexpired credit/debit cards. • In February 2021, [redacted] Second Account (Neds) was linked to up to 7 unexpired credit/debit cards. • In March 2021, [redacted] Second Account (Neds) was linked to up to 6 unexpired credit/debit cards. • In April 2021, [redacted] Second Account (Neds) was linked

			to up to 7 unexpired credit/debit cards. • From May 2021 to May 2022, [redacted] Second Account (Neds) was linked to up to 8 unexpired credit/debit cards. • From June 2022 to October 2022, [redacted] Second Account (Neds) was linked to up to 7 unexpired credit/debit cards. • From November 2022 to February 2023, [redacted] Second Account (Neds) was linked to up to 6 unexpired credit/debit cards. • From March 2023 to June 2023, [redacted] Second Account (Neds) was linked to up to 5 unexpired credit/debit cards. • From July 2023 to October 2023, [redacted] Second Account (Neds) was linked to up to 6 unexpired credit/debit cards. • In November 2023, [redacted] Second Account (Neds) was linked to up to 6 unexpired credit/debit cards. • From December 2023 to February 2024, [redacted] Second Account (Neds) was linked to up to 5 unexpired credit/debit cards. • From March 2024 to June 2024, [redacted] Second Account (Neds) was linked to up to 4 unexpired credit/debit cards. • Some of the credit/debit cards were linked to [redacted] Second Account (Neds) in quick succession: for example, 7 credit/debit cards were linked in the period from 10 March 2019 to 13 April 2019.
	E9	In 2020, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his accounts, amounting to an unusual pattern of transactions.	Particulars: • From 1 May 2019 to December 2019, [redacted] deposited $377,020.00 into the First Account (Ladbrokes) (an average of $47,127.50 per month for this period) and $393,826.00 into the Second Account (Neds) (an average of $49,228.25 per month for this period), for a total of $770,846.00 in deposits (an average of $96,355.75 per month across all accounts). • In 2020, [redacted] deposited $1,433,139.59 into the First

			Account (Ladbrokes) (an average of $119,428.30 per month) and $512,164.99 into the Second Account (Neds) (an average of $42,680.42 per month), for a total of $1,945,304.58 in deposits (an average of $162,108.72 per month across all accounts, which amounted to an increase of approximately 68% on the monthly average across all accounts for the period May to December 2019). • From 1 May 2019 to December 2019, [redacted] withdrew $342,107.00 from the First Account (Ladbrokes) (an average of $42,763.38 per month for this period) and $225,305.39 from the Second Account (Neds) (all of which was withdrawn between June and December 2019. an average of $28,163.17 per month in that period), for a total of $567,412.39 in withdrawals (an average of $70,926.55 per month across all accounts for this period). • In 2020, [redacted] withdrew $1,114,965.00 from the First Account (Ladbrokes) (an average of $92,913.75 per month) and $135,322.00 from the Second Account (Neds) (an average of $11,276.83 per month), for a total of $1,250,287.00 in withdrawals (an average of $104,190.58 per month across all accounts, which amounted to an increase of approximately 47% on the monthly average across all accounts for the period May to December 2019). • The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E10	In 2021, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his accounts, amounting to an unusual pattern of transactions.	Particulars: • In 2020, [redacted] deposited $1,433,139.59 into the First Account (Ladbrokes) (an average of $119,428.30 per month) and $512,164.99 into the Second Account (Neds) (an average of $42,680.42 per month) for a total of $1,945,304.58 in deposits (an average of $162,108.72 per

			month across all accounts). • In 2021, [redacted] deposited $3,103,218.00 into the First Account (Ladbrokes) (an average of $258,601.50 per month) and $1,250,325.00 into the Second Account (Neds) (an average of $104,193.75 per month), for a total of $4,353,543.00 in deposits (a combined average of $362,795.25 per month across all accounts, which amounted to an increase of approximately 124% on the monthly average across all accounts for 2020). • In 2020, [redacted] withdrew $1,114,965.00 from the First Account (Ladbrokes) (an average of $92,913.75 per month) and $135,322.00 from the Second Account (Neds) (an average of $11,276.83 per month), for a total of $1,250,287.00 in withdrawals (an average of $104,190.58 per month across all accounts). • In 2021, [redacted] withdrew $2,390,614.00 from the First Account (Ladbrokes) (an average of $199,217.83 per month) and $1,119,000.00 from the Second Account (Neds) (an average of $93,250.00 per month), for a total of $3,509,614.00 in withdrawals (an average of $292,467.83 per month across all accounts, which amounted to an increase of approximately 181% on the monthly average across all accounts for 2020). • The increase on the monthly average withdrawals from the Second Account (Neds) in 2021 as compared to 2020 was approximately 727%. • The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E11	In January 2021, [redacted] made an integrity inquiry with Entain about [redacted]	Particulars: • The integrity inquiry sought [redacted] 12-month betting history (including IP address for bet placement and device

			of bet placement) in respect of [redacted] First Account (Ladbrokes).
	E12	In the period on or about April to May 2021, [redacted] failed to provide information about his source of wealth/source of funds that was requested by Entain as part of a formal source of wealth/source of funds inquiry process.	Particulars: • On 13 April 2021, [redacted] transactional activity triggered a formal source of wealth/source of funds inquiry process, requiring a "Stage 1" SOF Form to be sent to [redacted] • On 13 April 2023, Entain sent the SOF Form to [redacted] by email, with a $100.00 cash bonus for completion. Upon sending the email to [redacted] Entain noted in [redacted] due diligence records that no follow-up was required in relation to the SOF Form. • On 18 May 2021, Entain noted in its due diligence records for [redacted] that the SOF Form had been sent to [redacted] and no further action was required. • [redacted] never completed the SOF Form.
	E13	In October 2022, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his accounts, amounting to an unusual pattern of transactions.	Particulars: • In 2022, [redacted] deposited $1,275,962.00 into the First Account (Ladbrokes) (an average of $106,330.17 per month) and $238,100.00 into the Second Account (Neds) (an average of $19,841.67 per month), for a total of $1,514,062.00 in deposits (an average of $126,171.84 per month across all accounts). • Of the $1,514,062.00 [redacted] deposited in 2022, $830,945.00 was deposited between January and September 2022 (an average of $92,327.22 per month across all accounts in that period). • In October 2022, [redacted] deposited $601,342.00 across both accounts (accounting for approximately 42% of all deposits [redacted] made in 2022 across all accounts), which amounted to an increase of approximately 551% on the monthly average across all accounts for the period January to September 2022.

			• In 2022, [redacted] withdrew $745,940.00 from the First Account (Ladbrokes) (an average of $62,161.67 per month) and $73,500.00 from the Second Account (Neds) (all of which was withdrawn between May and October 2022, an average of $12,250.00 per month in that period), for a total of $819,440.00 in withdrawals (an average of $68,286.67 per month across all accounts). • Of the $819,440.00 [redacted] withdrew in 2022, $404,500.00 was withdrawn between January and September 2022 (an average of $44,944.44 per month across all accounts in that period). • In October 2022, [redacted] withdrew $392,500.00 across both accounts (accounting for approximately 48% of all deposits [redacted] made in 2022 across all accounts), which amounted to an increase of approximately 773% on the monthly average across all accounts for the period January to September 2022. • The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E14	From at least 18 October 2022, Entain had information indicating that [redacted] was withdrawing money from his betting account to an account that was different to the bank accounts from which he deposited money into his betting account — specifically, he was depositing money into his betting accounts using at least 4 credit cards issued by New Zealand banks and withdrawing money from his betting account to an Australian bank account.	Particulars: • From at least 18 October 2022, Entain had information indicating that [redacted] was depositing money into his betting account using one currency (NZ$) and withdrawing money from his betting account in a different currency (AU$). • On 18 October 2022, Entain recorded in [redacted] customer due diligence records that during the week ending 16 October 2022, [redacted] deposited money into his First Account (Ladbrokes) using Apple Pay and credit cards issued by 3 New Zealand banks and 1 Australian bank and withdrew money from his First Account (Ladbrokes) to an Australian bank account. • On 28 November 2023, Entain recorded in [redacted]

			customer due diligence records that, during the 180-day period from 28 May 2023 to 28 November 2023: – [redacted] had made 1246 deposits (totalling $1,703,070.00) into his First Account (Ladbrokes) using a combination of Apple Pay, credit cards issued by 3 New Zealand banks and 1 Australian bank and had made 47 withdrawals (totalling $992,533.00) from his First Account (Ladbrokes) to an Australian bank account. – [redacted] had made 231 deposits (totalling $322,460.00) into his Second Account (Neds) using a combination of Apple Pay, credit cards issued by 3 New Zealand banks and had made 5 withdrawals (totalling $85,000.00) from his Second Account (Neds) to an Australian bank account. • On 7 May 2024, Entain recorded in [redacted] customer due diligence records that, during the 180-day period from 9 November 2023 to 7 May 2024: – [redacted] had made 1,164 deposits (totalling $2,030,559.27) into his First Account (Ladbrokes) using a combination of Apple Pay, credit cards issued by 2 New Zealand banks and 1 Australian bank and had made 78 withdrawals (totalling $1,179,259.00) from his First Account (Ladbrokes) to an Australian bank account. – [redacted] had made 126 deposits (totalling ($193,000.00) into his Second Account (Neds) using a combination of Apple Pay, credit cards issued by 3 New Zealand banks and had made 3 withdrawals (totalling $41,025.00) from his Second Account (Neds) to an Australian bank account. • On at least a further 16 occasions from 6 February 2023 to 4 July 2024, Entain recorded in [redacted] customer due diligence records that [redacted] was depositing money into his First Account (Ladbrokes) using Apple Pay, credit

			cards issued by 4 New Zealand banks and 1 Australian bank and that he was withdrawing money from his First Account (Ladbrokes) to an Australian bank account. • From 9 January 2024, Entain's TMP Guide identified that "withdrawing to a different source to where the deposit came from" as an "AML Red Flag".
	E15	In 2023, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrawn from his accounts, amounting to an unusual pattern of transactions.	Particulars: • In 2022, [redacted] deposited $1,275,962.00 into the First Account (Ladbrokes) (an average of $106,330.17 per month) and $238,100.00 into the Second Account (Neds) (an average of $19,841.67 per month), for a total of $1,514,062.00 in deposits (an average of $126,171.84 per month across all accounts). • In 2023, [redacted] deposited $2,575,440.00 into the First Account (Ladbrokes) (an average of $214,620.00 per month) and $560,960.00 into the Second Account (Neds) (an average of $46,746.67 per month), for a total of $3,136,400.00 in deposits (an average of $261,366.67 per month across all accounts, which amounted to an increase of approximately 107% on the monthly average across all accounts for 2022). • In 2022, [redacted] withdrew $745,940.00 from the First Account (Ladbrokes) (an average of $62,161.67 per month) and $73,500.00 from the Second Account (Neds) (all of which was withdrawn between May and October 2022, an average of $12,250.00 per month in that period), for a total of $819,440.00 in withdrawals (an average of $68,286.67 per month across all accounts). • In 2023, [redacted] withdrew $1,276,533.00 from the First Account (Ladbrokes) (an average of $106,377.75 per month) and $154,000.00 from the Second Account (Neds) (all of which was withdrawn between January and August 2023, an average of $19,250.00 per month in that period), for a total of $1,430,533.00 in withdrawals (an

			average of $119,211.08 per month across all accounts, which amounted to an increase of approximately 75% on the monthly average across all accounts for 2022). • The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E16	In August 2023, a credit/debit card in the name of a third party was linked to [redacted] First Account (Ladbrokes) and used to deposit money into [redacted] First Account (Ladbrokes) in breach of the terms and conditions that Entain applied to its accounts.	Particulars: • At all times during the Relevant Period, third party deposits were prohibited by the standard terms and conditions that Entain applied to its accounts: cll 11.1, 11.6 and 11.9. • On 1 August 2023, a credit/debit card in the name of a third party was linked to [redacted] First Account (Ladbrokes). • [redacted] was listed in Entain's High Value Transaction Report dated 20 August 2023 for the week ending on 19 August 2023. • From 12 August 2023 to 19 August 2023, [redacted] deposited $57,252.00 into the First Account (Ladbrokes) using 3 credit cards (all from different financial institutions based in New Zealand). • Entain recorded in [redacted] due diligence records that 1 of the 3 credit cards used to deposit money into [redacted] First Account (Ladbrokes) between 12 August 2023 to 19 August 2023 was issued by a New Zealand bank and was in the name of a third party. Entain was aware of this information by 22 August 2023.
	E17	In the period on or about October 2023 to November 2023, [redacted] failed to provide information about his source of wealth/source of funds that was requested by Entain as part of a formal source of wealth/source of funds inquiry process.	Particulars: • On 5 October 2023, [redacted] transactional activity triggered a formal source of wealth/source of funds inquiry process for [redacted] • Entain sent [redacted] an SOF Online Form on around 9 October 2023.

			• On 10 November 2023, [redacted] completed the SOF Online Form but did not provide any appropriate supporting documentation as requested in the form. • On 24 November 2023, [redacted] accounts were suspended for failure to provide all information requested. • On 28 November 2023, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in which it reported that [redacted] failed to provide supporting documentation of source of wealth/source of funds, and that the funds that had moved through [redacted] accounts appeared inconsistent with the profile that could be established for him and Entain held concerns about [redacted] true source of funds. • Between November to December 2023, [redacted] was escalated to senior management in relation to source of wealth/source of funds concerns. On 8 December 2023, the Entain board decided that the source of funds/source of wealth process was not required to be completed by [redacted] and instructed Entain's General Counsel to lift the suspension of [redacted] accounts because [redacted] was a "very low risk client for AML purposes" based on his 10 year history with Entain and publicly available information that supported his level of spend: see **Row G13** below. • [redacted] never provided the appropriate supporting documentation requested in October 2023.
	E18	In January 2024, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his accounts, amounting to an unusual pattern of transactions.	Particulars: • In 2023, [redacted] deposited $2,575,440.00 into the First Account (Ladbrokes) (an average of $214,620.00 per month) and $560,960.00 into the Second Account (Neds) (an average of $46,746.67 per month), for a total of $3,136,400.00 in deposits (an average of $261,367.00 per month across all accounts). • In January 2024, [redacted] deposited $763,509.27 across both accounts, which amounted to an increase of approximately

			192% on the monthly average across all accounts for 2023. • In 2023, [redacted] withdrew $1,276,533.00 from the First Account (Ladbrokes) (an average of $106,377.75 per month) and $154,000.00 from the Second Account (Neds) (all of which was withdrawn between January and August 2023, an average of $19,250.00 per month in that period), for a total of $1,430,533.00 in withdrawals (an average of $119,211.08 per month across all accounts). • In January 2024, [redacted] withdrew $529,284.00 across both accounts, which amounted to an increase of approximately 344% on the monthly average across both accounts for 2023.
	E19	From April 2024, Entain had information indicating that there were higher ML/TF Risks related to [redacted] sources of wealth/sources of funds — specifically, Entain had information that a group of Australian companies of which [redacted] was a director had gone into voluntary administration.	Particulars: • By at least 28 November 2023, Entain had information that [redacted] was the director of a group of 7 Australian companies [redacted]. • On [redacted] 2024, ASIC published a notice of application for winding up order in respect of one of the companies in the group, [redacted]. • Entain was aware of this information by [redacted] 2024. • On [redacted] 2024, it was reported in a media article that the group of Australian companies had gone into voluntary administration. • Entain was aware of this information by [redacted] 2024. • On [redacted] 2024, it was reported in a media article that the group of Australian companies had debts of about $[redacted], the company's directors had failed to respond to the administrators' requests for more information, and that the

			administrators had said that the group appeared to have been insolvent since [redacted] 2023. • From September 2023 to June 2024, [redacted] deposited $2,797,927.27 across both accounts. • Entain was aware of this information by [redacted] 2024. • That [redacted] was the director of a group of companies that was or may have been insolvent from approximately [redacted] 2023 carried a heightened ML/TF Risk.
	E20	From June 2024, [redacted] failed to provide information about his source of wealth/source of funds that was requested by Entain as part of a formal source of wealth/source of funds inquiry process.	Particulars: • On 8 May 2024, as a result of Entain obtaining information that a group of Australian companies of which [redacted] was a director had gone into voluntary administration, Entain decided that [redacted] was to be raised as part of a formal source of wealth/source of funds "forum review". • The purpose of a source of funds/source of wealth "forum review" was to review the top three commercially viable managed customers undergoing Entain's formal source of funds/source of wealth process, and required a 'Senior Management Customer Review Template' to be completed and distributed to Entain's Board. • On 6 June 2024, Entain commenced further source of funds process and sent [redacted] a request to provide a declaration letter to substantiate his current spend to be returned by 19 June 2024. • On 21 June 2024, [redacted] accounts were suspended for failure to provide the declaration letter. • On 24 June 2024, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in which it reported that [redacted] failed to provide documents to support his current spend, [redacted] account activity appeared inconsistent with the profile that could be established for him and Entain held concerns about [redacted] true source and origin of funds.

			• [redacted] never provided the declaration letter to Entain.
F: dates on and from which monitoring failures existed and contraventions of s 36 occurred	**F1**	16 December 2018	Particulars: • See paragraph 433 above.
	F2	16 December 2018	Particulars: • See **Row G** below, especially **Rows G1–G8**.
	F3	28 January 2019	Particulars: • See **Row G** below, especially **Rows G9–G14.**
G: list of particular monitoring failures	**G1**	At no time during the Relevant Period did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in **Row E** above.
	G2	Without limiting **Row G1**, at no time in the Relevant Period during which [redacted] had 2 open accounts with Entain did Entain appropriately monitor [redacted] on a holistic basis, as a customer, across both of his accounts.	Particulars: • Section 36(1)(a) of the Act required Entain to monitor its customers, not its accounts. • At all times in the Relevant Period during which [redacted] had 2 open accounts with Entain, Entain assessed and rated ML/TF Risk in relation to [redacted] on an account-by-account basis rather than a customer basis. • Entain did not regularly and on an ongoing basis review and analyse the total amounts that [redacted] was depositing, betting and/or withdrawing across both of his accounts. • Entain's failure to regularly and on an ongoing basis review and analyse the total amounts that [redacted] was depositing, betting and/or withdrawing across both of his accounts impaired its capacity to meet its monitoring obligations under the Act and the Rules, including because: – It impaired Entain's capacity to assess whether any of the reporting conditions in s 41 of the Act were satisfied

			(for example, whether transactional activity crossed relevant monetary thresholds). – It impaired Entain's capacity to determine whether [redacted] identified or claimed sources of wealth/sources of funds supported or could support the transactional activity on [redacted] accounts. – It impaired Entain's capacity to assess whether [redacted] transactional activity and methods could appropriately be described as "recreational".
	G3	Without limiting **Row G1**, at no time during the Relevant Period did Entain appropriately consider, mitigate and manage the ML/TF Risks associated with [redacted] and the provision of designated services to [redacted] by reason of him being a New Zealand resident who used non-Australian funding sources to deposit money into his accounts.	Particulars: • In monitoring [redacted] from 21 July 2020, Entain often noted that, because [redacted] resided in New Zealand, it was unable to search [redacted] on Detective Desk. This impaired Entain's capacity to conduct ongoing customer due diligence. Detective Desk was a skip tracing tool Entain used during the Relevant Period to obtain publicly available information about customers to assist with collection of due diligence information. • [redacted] due diligence records do not disclose that any appropriate consideration was given to, nor any mitigation or management of the ML/TF Risks associated with: – [redacted] residing in New Zealand and using multiple non-Australian funding sources to deposit money into his accounts: see **Row E2** above. – [redacted] withdrawing money to Australian bank accounts. – The cross-border movement of money associated with [redacted] deposit and withdrawal sources.
	G4	Without limiting **Row G1**, at no time from the start of the Relevant Period until 28 November 2023 did Entain rate [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes).	Particulars: • On 6 June 2014, when the First Account (Ladbrokes) was opened, Entain did not rate [redacted] in relation to the account (ie, the risk rating was "Unrated"). • [redacted] due diligence records do not disclose that any

			consideration was given to rating [redacted] in relation to his First Account (Ladbrokes), either at any level or at all, until 17 March 2018. • From at least 17 March 2018, Entain rated [redacted] "Low" ML/TF Risk in relation to his First Account (Ladbrokes). • On 28 November 2023, Entain rated [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes) (ie, the risk rating was adjusted from "Low" to "High"). • A "High" ML/TF Risk rating was appropriate in relation to [redacted] First Account (Ladbrokes) and Second Account (Neds) prior to 28 November 2023: see **Rows E1–E17** above, and especially **Rows E9**, **E10**, **E13** and **E15** above concerning the significant increase/escalation in the amount of money that [redacted] deposited and withdrew from 2020; see also **Row G3** above. • A "High" ML/TF Risk rating was appropriate in relation to [redacted] First Account (Ladbrokes) and Second Account (Neds) at all times prior to 28 November 2023. • If [redacted] had been rated "High" ML/TF Risk prior to 28 November 2023, Entain would have been required to apply the ECDD Program from that time: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules. • [redacted] ML/TF risk rating was reduced to "Low" on and from the dates specified in **Row G6** below.
	G5	Without limiting **Row G1**, at no time from the start of the Relevant Period until 28 November 2023 did Entain rate [redacted] "High" ML/TF Risk in relation to his Second Account (Neds).	Particulars: • On 1 May 2019, following a process of integration in early 2019, the Second Account (Neds) was moved under Entain's sports bookmaker licence (the account had been acquired on 28 November 2018). • Between 1 May 2019 and 14 June 2019, Entain did not rate [redacted] in relation to the Second Account (Neds) (ie, the risk

			rating was "Unrated"). • [redacted] due diligence records do not disclose that any consideration was given to rating [redacted] in relation to his Second Account (Neds), either at any level or at all, until 10 October 2019. • On 10 October 2019, Entain rated [redacted] "Low" ML/TF Risk in relation to his Second Account (Neds) (ie, the risk rating was adjusted from "Unrated" to "Low"). • On 28 November 2023, Entain rated [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes) and Second Account (Neds) (ie, the risk rating was adjusted from "Low" to "High"). • [redacted] due diligence records do not disclose that any consideration was given to rating [redacted] "High" ML/TF Risk in relation to his Second Account (Neds) in the period following 1 May 2019, notwithstanding significant transactional activity on the Second Account (Neds) in the period leading up to 1 May 2019 and in the period immediately thereafter: see **Rows E3** and **E6** above. • A "High" ML/TF Risk rating was appropriate in relation to [redacted] Second Account (Neds) at all times prior to 28 November 2023: see **Rows E1–E17** above, and especially **Rows E9**, **E10**, **E13** and **E15** above concerning the significant increase/escalation in the amount of money that [redacted] deposited and withdrew from 2020; see also **Row G3** below. • If [redacted] had been rated "High" ML/TF Risk prior to 28 November 2023, Entain would have been required to apply the ECDD Program from that time: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules. • [redacted] ML/TF risk rating was reduced to "Low" on and from the dates specified in **Row G6** below.

	G6	Without limiting **Row G1**, at various times from 8 December 2023 and all times from 3 January 2024 until 24 June 2024, Entain rated [redacted] "Low" ML/TF Risk in relation to his First Account (Ladbrokes) and Second Account (Neds).	Particulars: • From 8 December 2023, Entain rated [redacted] "Low" ML/TF Risk in relation to his Second Account (Neds). • From 8 December 2023 until 29 December 2023, Entain rated [redacted] "Low" ML/TF Risk in relation to his First Account (Ladbrokes). From 29 December 2023 until 3 January 2024, Entain rated [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes) (ie, the risk rating was adjusted from "Low" to "High"). • On 3 January 2024, Entain rated [redacted] "Low" ML/TF Risk in relation to his First Account (Ladbrokes) (ie, the risk rating was adjusted from "High" to "Low") and Second Account (Neds) (ie, the risk rating was confirmed as "Low"). • The decision on 3 January 2024 to rate [redacted] as "Low" ML/TF Risk was made to reflect the decision made by Entain's CEO and CFO on 8 December 2023 after reviewing [redacted] "account and information", "drawing" on what was known about [redacted] over "his 10 year history" as an Entain customer, on the basis that there was enough publicly available information to support his level of spend and his was "a very low risk client for AML purposes". There was no basis for this decision: see **Rows E17** above and **G13** below • A "High" ML/TF Risk rating was appropriate in relation to [redacted] First Account (Ladbrokes) and Second Account (Neds) at all times up to 24 June 2024: see **Rows E16–E19** above. • In particular, by 16 April 2024, Entain had information that a group of Australian companies of which [redacted] was a director had gone into voluntary administration: see **Row E19** above. • In the period from 3 January 2024 until 24 June 2024, [redacted] deposited $1,350,094.27 into the First Account

			(Ladbrokes) (an average of $225,015.71 per month) and $115,888.00 into the Second Account (Neds) (an average of $19,314.67 per month), for a total of $1,465,982.27 in deposits.
	G7	Without limiting **Row G1**, from at least 27 January 2018, [redacted] was assigned a BDM.	Particulars: • From 27 January 2018, [redacted] was assigned a BDM, [redacted]. • The BDM remained [redacted] BDM until his accounts were closed on 24 June 2024. • A BDM received a commission for deposits made by a customer that they managed, which resulted in a conflict of interest and created a risk that the systems and controls in Entain's "Part A Program" would not be applied appropriately or impartially to [redacted] see paragraphs 171–172 and 175–176 above.
	G8	Without limiting **Row G1**, at no time from October 2022 did Entain mitigate and manage the ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] reason of his different withdrawal sources and deposit sources.	Particulars: • From at least October 2022, [redacted] withdrew money from his betting accounts to a different source to where he deposited money into the accounts: see **Row E14** above. • While Entain identified [redacted] different withdrawal sources and deposit sources by no later than 18 October 2022, Entain did not mitigate and manage the ML/TF Risk that existed by undertaking measures that were appropriate to the issue. • Cross-border transfers of money can be harder to trace and recover.
	G9	Without limiting **Row G1**, at no time from the date on which ECDD was triggered (specifically, from 28 January 2019) did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted]	Particulars: • Between 21 and 27 January 2019, [redacted] deposited more than $50,000.00 into his First Account (Ladbrokes) – specifically $106,500.00 across 66 transactions. • Under Entain's "ECDD Procedure", a customer's account was to be flagged as High ML/TF Risk when the customer's

		and the provision of designated services to [redacted] on an ongoing basis, from that time.	deposits were $50,000.00 or more in a week and: – the customer's betting/transacting activity did not match their customer profile based on the information Entain knew about them; or – the customer's source of wealth/source of funds were unknown; or – the customer was suspected of being linked to criminal activities or there was a suspicion that the customer's funds are the proceeds of crime: see paragraph 197(a) above. • [redacted] should have been rated "High" ML/TF Risk on or about 28 January 2019 and Entain should have applied the ECDD Program from that time: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules. • Further on 28 November 2023, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] • After 28 November 2023, Entain gave the AUSTRAC CEO 1 further SMR pursuant to s 41 of the Act in relation to [redacted] on 24 June 2024. • Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. • Further: – At all times from 28 November 2023 until 8 December 2023, [redacted] was rated "High" ML/TF Risk in relation to the First Account (Ladbrokes) and the Second Account (Neds): see **Rows G5** and **G6** above; and – At all times from 29 December 2023 until 3 January 2024, Entain rated [redacted] "High" ML/TF Risk in relation to his First Account (Ladbrokes): see **Row G6**

			above. – Entain's Board and no basis to reduce [redacted] risk rating to "Low" at various times from 8 December 2023 and all times from 3 January 2024 until 24 June 2024: see **Row G6** above. • There was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules. • As a result of the above, Entain was under an obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, at all times from 28 November 2023, including after the inappropriate change in [redacted] risk ratings on 8 December 2023 and 3 January 2024: see **Rows G5** and **G6** above. • The measures that Entain was required to undertake in relation to [redacted] as a result of forming a suspicion for the purposes of s 41 of the Act and/or determining that the ML/TF Risk in relation to [redacted] was high included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules. • The measures that were required were measures appropriate to a person reasonably suspected of other offences against the laws of Australia, as per the 2 SMRs that Entain gave the AUSTRAC CEO pursuant to s 41 in relation to [redacted]
	G10	Without limiting **Row G1** or **Row G9**, at no time from January 2019 did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, including the level of transactional behaviour and the purpose, reasons for or nature of the transactional behaviour.	Particulars: • This was a measure appropriate to the circumstances that existed from January 2019: see r 15.10(5) of the Rules. • At all times prior to and during the Relevant Period, including at all times from January 2019, [redacted] transactional activity involved high value and high frequency deposits into his accounts and a number of high value withdrawals from his accounts, with significant

			increases/escalations in each of calendar years 2020, 2021, 2022, 2023 and 2024: see **Rows E9**, **E10**, **E13**, **E15** and **E18** above. • During the Relevant Period, including from January 2019, [redacted] only deposit method was credit/debit card and during the Relevant Period his accounts were linked to multiple unexpired credit/debit cards: see **Rows E5** and **E8** above. • [redacted] transactional activity was unusual in other respects, including a pattern of failed deposits from 1 May 2019 (see **Row E7** above), a third party deposit into his First Account (Ladbrokes) (in August 2023: see **Row E16** above), and depositing and withdrawing funds from and to multiple different financial institutions (see **Row E14** above). • [redacted] transactional activity was not appropriately monitored on a holistic basis across both of his accounts, which (among other things) impaired Entain's capacity to identify and consider the implications of the true volume of money flowing into and out of [redacted] accounts: see **Row G2** above.
	G11	Without limiting **Row G1** or **Row G9**, at no time from January 2019 did Entain: a) appropriately obtain from [redacted] or otherwise take reasonable measures to identify, information about [redacted] source of wealth/source of funds; b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds; c) appropriately verify or confirm information it had about [redacted] source of wealth/source of funds; or	Particulars: • These were measures appropriate to the circumstances that existed from January 2019: see rr 15.10(1)(a), 15.10(1)(c), 15.10(2) and 15.10(3) of the Rules. • Prior to and during the Relevant Period, including from January 2019, [redacted] transactional activity involved high value and high frequency deposits into his accounts and a number of high value withdrawals from his accounts, with significant increases/escalations in each of calendar years 2020, 2021, 2022, 2023 and 2024: see **Rows E9**, **E10**, **E13**, **E15** and **E18** above.

		d) appropriately consider the ML/TF Risks relating to [redacted] source of wealth/source of funds.	• During the Relevant Period, including from January 2019, [redacted] only accounts were linked to multiple unexpired credit/debit cards: see **Rows E5** and **E8** above. • [redacted] transactional activity was unusual in other respects, including a pattern of failed deposits from 1 May 2019 (see **Row E7** above), a third party deposit into his First Account (Ladbrokes) (in August 2023: see **Row E16** above), and depositing and withdrawing funds from and to multiple different financial institutions (see **Row E14** above). • From 1 May 2019, [redacted] transactional activity was not appropriately monitored on a holistic basis across both of his accounts, which (among other things) impaired Entain's capacity to identify and consider the implications of the true volume of money flowing into and out of [redacted] accounts: see **Row G2** above. • In terms of the sufficiency of the information that Entain had about [redacted] source of wealth/source of funds, and the sufficiency of the measures taken by Entain with respect to that information: see **Rows E4**, **E12**, **E17** and **E20** above. • From April 2024 Entain was on notice that a group of Australian companies of which [redacted] was a director had gone into voluntary administration, a factor that was relevant to the high ML/TF Risk that existed in relation to [redacted] see **Row E19** above. • Without limiting **Row E4** above: – At no time during the Relevant Period, including from January 2019, did Entain obtain (let alone confirm or verify) any or any appropriate documentation to support [redacted] sources of wealth/sources of funds. – While Entain suspended [redacted] accounts after his failure to provide requested documentation following a second formal source of wealth/source of funds inquiry

			processes, the suspension was lifted in the absence of appropriate documentation at the request of Entain's CEO and CFO: see **Row E17** above.
	G12	Without limiting **Row G1** or **Row G9**, at no time from November 2023 did Entain seek from [redacted] or otherwise take reasonable measures to clarify, the nature and purpose of [redacted] ongoing business relationship with Entain.	Particulars: • This was a measure appropriate to the circumstances that existed from January 2019: see r 15.10(1)(d) of the Rules. • At all times prior to and during the Relevant Period, including at all times from January 2019, [redacted] transactional activity involved high value and high frequency deposits into his accounts and a number of high value withdrawals from his accounts, with significant increases/escalations in each of calendar years 2020, 2021, 2022, 2023 and 2024: see **Rows E9**, **E10**, **E13**, **E15** and **E18** above. • During the Relevant Period, including from January 2019, [redacted] only deposit method was credit/debit card and during the Relevant Period his accounts were linked to multiple unexpired credit/debit cards issued by foreign institutions: see **Rows E5** and **E6** above. • [redacted] transactional activity was unusual in other respects, including a pattern of failed deposits from 1 May 2019 (see **Row E7** above), a third party deposit into his First Account (Ladbrokes) (in August 2023: see **Row E16** above), and depositing and withdrawing funds from and to multiple different financial institutions (see **Row E14** above). • [redacted] transactional activity was not appropriately monitored on a holistic basis across both of his accounts, which (among other things) impaired Entain's capacity to identify and consider the implications of the true volume of money flowing into and out of [redacted] accounts: see **Row G2** above. • The Board's decision on 8 December 2023 to reduce

			[redacted] risk rating to "Low" was inappropriate: see **Row G13** below. • In monitoring [redacted] on multiple occasions, Entain determined that [redacted] transactional activity was or "appeared" to be "recreational", but the determinations did not reflect the totality of available information and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time. • In monitoring [redacted] Entain frequently determined that [redacted] deposits were or appeared to be "reinvestments" of previously withdrawn money, but the determinations did not reflect the totality of available information (or any information gaps, such as information about source of wealth/source of funds) and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time.
	G13	Without limiting **Row G1** or **Row G9**, at no time from January 2019 until June 2024 was [redacted] appropriately escalated to and/or considered by Entain's senior management, including for the purpose of determining whether to continue a business relationship with him.	Particulars: • This was a measure appropriate to the circumstances that existed from January 2019: see r 15.10(6) of the Rules. • To the extent that [redacted] was escalated to senior management, the escalation was not done with sufficient promptness: – [redacted] was not escalated to senior management until about November 2023, in the context of [redacted] refusal to provide information about his source of wealth/source of funds that was requested by Entain during a formal source of wealth/source of funds inquiry process. – Escalation to senior management was appropriate in, and at regular intervals prior to November 2023. • To the extent that [redacted] was considered by senior management, the consideration was not appropriate,

			including because: – When Entain's CEO and CFO considered [redacted] on 8 December 2023, in the context of [redacted] refusal to provide information about his source of wealth/source of funds that was requested during a formal source of wealth/source of funds inquiry process, it accepted his refusal and concluded that [redacted] was a "very low risk client for AML purposes" based on his 10 year history with Entain and publicly available information that supported his level of spend. – The Entain Board's decision on 8 December 2023 that [redacted] was "Low" ML/TF Risk was contrary to the suspicions formed in the SMR given to the AUSTRAC CEO on 28 November 2023 and to the further suspicions formed in the SMR subsequently lodged on 24 June 2024, noting that: (i) the patterns of transactional activity on [redacted] accounts between November 2023 and June 2024 remained high: see **Row E3** above. (ii) [redacted] never provided Entain with the documentation supporting his income as requested by Entain in November 2023; and (iii) [redacted] First Account (Ladbrokes) was rated "High" ML/TF Risk on 28 November 2023 to 29 December 2023 as recorded in Entain's customer due diligence records - with the rating subsequently being adjusted to "Low" to reflect the Board's decision. – The decision to decrease [redacted] ML/TF Risk rating from "High" to "Low" and to lift the suspension of his accounts was not appropriate in light of the matters indicative of high ML/TF Risk that existed at that time: see **Row G6** above. – Senior management did not suspend [redacted] accounts again until 21 June 2024. – Senior management did not close [redacted] Second

			Account (Neds) until 24 June 2024.
	G14	Without limiting **Row G1** or **Row G9**, at no time from January 2019 until 24 November 2023 did Entain suspend [redacted] accounts.	Particulars: • [redacted] accounts were suspended on 24 November 2023 for failure to provide all information requested. • Senior management decided to lift the suspension on [redacted] accounts on 8 December 2023. • Suspension of [redacted] accounts (or at least consideration of suspension) was appropriate at multiple points on and from April 2021 when [redacted] failed to response to a source of wealth/source of funds inquiry process.

SCHEDULE 16: [redacted]

A: customer		[redacted]	
B: account(s)		**Ladbrokes Account** • [redacted] • Opened date: 2 March 2020 • Suspended date: 2 December 2024	
C: summary of transactional activity by account		• Lifetime deposits (until 30 September 2024): $34,100,595.00, all of which was during the Relevant Period. • Lifetime turnover (until 30 September 2024): $145,278,056.27, all of which was during the Relevant Period. • Lifetime withdrawals (until 30 September 2024): $19,765,509.30, all of which was during the Relevant Period.	
D: date in Relevant Period on and from which matters indicative of high ML/TF Risk existed		2 March 2020	
E: list of matters indicative of high ML/TF Risk	**E1**	Upon the opening of the Ladbrokes Account on 2 March 2020, [redacted] began immediately to deposit and withdraw unusually large amounts of money into and from the Ladbrokes Account, amounting to an unusual pattern of transactions.	Particulars: • While the amounts deposited and withdrawn from 2 March 2020 were at all times unusually large, there were significant increases/escalations in each of calendar years 2021 and 2023: see **Rows E7–E8** below. • Although there were periods of inactivity on [redacted] Ladbrokes Account (specifically, September to December 2020 and March to September 2022), at all times when the Ladbrokes Account was used by [redacted] the amounts he deposited into and withdrew from the Ladbrokes Account were unusually large.

			• In the period 2 March 2020 to December 2020: – [redacted] deposited $127,400.00 into his Ladbrokes Account (an average of $12,740.00 per month in this period) and withdrew $29,547.00 from his Ladbrokes Account (an average of $2,954.70 per month in this period). – [redacted] deposited $10,000.00 or more in a day on 8 occasions. – [redacted] withdrew $10,000.00 or more in a day on 1 occasion. • In 2021: – [redacted] deposited $3,984,950.00 into his Ladbrokes Account (an average of $332,079.17 per month) and withdrew $1,638,463.49 from his Ladbrokes Account (an average of $136,538.62 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 21 occasions. – [redacted] deposited $50,000.00 or more in a week (for weeks ending in 2021) on 21 occasions. – [redacted] deposited $10,000.00 or more in a day on 63 occasions. – [redacted] withdrew $50,000.00 or more in a week on 5 occasions. – [redacted] withdrew $10,000.00 or more in a day on 18 occasions. • In 2022: – [redacted] deposited $1,905,800.00 into his Ladbrokes Account (an average of $158,816.67 per month) and withdrew $582,498.80 from his Ladbrokes Account (an average of $48,541.57 per month). – Of the $1,905,800.00 [redacted] deposited into his Ladbrokes Account, $652,200.00 was deposited between January and February 2022 (an average of $326,100.00 per

			month in this period), $0 (nothing) was deposited between March and September 2022, and $1,253,600.00 was deposited between October and December 2022 (an average of $417,866.67 per month in this period). – Of the $582,498.80 [redacted] withdrew from his Ladbrokes Account, $392,999.00 was withdrawn between January and February 2022 (an average of $196,499.50 per month in this period), $0 (nothing) was withdrawn between March and October 2022, and $189,499.80 was withdrawn between November and December 2022 (an average of $94,749.90 per month in this period). – [redacted] was listed in Entain's High Value Transaction Report on at least 12 occasions. – [redacted] deposited $50,000.00 or more in a week (for weeks ending in 2022) on 10 occasions. – [redacted] deposited $10,000.00 or more in a day on 30 occasions. – [redacted] withdrew $50,000.00 or more in a week on 4 occasions. – [redacted] withdrew $10,000.00 or more in a day on 7 occasions. • In 2023: – [redacted] deposited $16,185,935.00 into his Ladbrokes Account (an average of $1,348,827.92 per month) and withdrew $10,158,190.23 from his Ladbrokes Account (an average of $846,515.85 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 43 occasions. – [redacted] deposited $50,000.00 or more in a week (for weeks ending in 2023) on 37 occasions.

			– [redacted] deposited $10,000.00 or more in a day on 124 occasions. – [redacted] withdrew $50,000.00 or more in a week on 23 occasions. – [redacted] withdrew $10,000.00 or more in a day on 58 occasions. – On 6 November 2023, [redacted] was ranked first for highest value of deposits and fourth for highest value of withdrawals in Entain's High Value Transaction Report. – On 13 November 2023, [redacted] was ranked ninth for highest value of deposits in Entain's High Value Transaction Report. – On 20 November 2023, [redacted] was ranked first for highest value of deposits and first for highest value of withdrawals in Entain's High Value Transaction Report. • From January to September 2024: – [redacted] deposited $11,896,510.00 into his Ladbrokes Account (an average of $1,321,834.44 per month for this period) and withdrew $7,356,809.78 from his Ladbrokes Account (an average of $817,423.31 per month for this period). – [redacted] was listed in Entain's High Value Transaction Report on at least 33 occasions. – [redacted] deposited $50,000.00 or more in a week on 31 occasions. – [redacted] deposited $10,000.00 or more in a day on 122 occasions. – [redacted] withdrew $50,000.00 or more in a week on 22 occasions. – [redacted] withdrew $10,000.00 or more in a day on 60 occasions.

			• The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E2	At all times during the period in which [redacted] had a Ladbrokes Account with Entain, Entain did not have sufficient information about [redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that the transactional activity on [redacted] Ladbrokes Account (depositing, betting, withdrawing) was consistent with or supported by [redacted] source of wealth/source of funds.	Particulars: • To the extent that Entain obtained some information about [redacted] source of wealth/source of funds from public/external sources and [redacted] it did not obtain sufficient information with sufficient promptness: – While Entain commenced a formal source of wealth/source of funds inquiry process with [redacted] on 18 March 2021, [redacted] failed to respond (failure to provide information was itself a matter indicative of high ML/TF Risk: see **Row E4** below). – It was not until 7 February 2023 that [redacted] provided any source of wealth/source of funds documentation to Entain (between 18 March 2021 and 7 February 2023 [redacted] deposited $7,556,550.00 into and withdrew $2,327,695.62 from his Ladbrokes Account). • To the extent that Entain obtained information about [redacted] source of wealth/source of funds from [redacted] and other public/external sources, it did not obtain sufficient information: – Entain obtained information on 18 March 2021 indicating that [redacted] owned various residential properties in Queensland and had an interest in various property development businesses (4 of which had no online presence), but did not obtain (let alone confirm or verify) basic information about the extent to which these properties or businesses had the capacity to support transactional activity on the Ladbrokes Account (for example, whether the properties were encumbered by a mortgage, business account statements, other

			information about revenue/profitability, information about other expenses, etc). – By no later than 20 April 2021, [redacted] BDM advised Entain (without providing verification) that [redacted] family had businesses in [redacted] in the [redacted] and that [redacted] received millions of dollars per quarter from a family trust – the fact that [redacted] source of funds were from [redacted] was itself a matter indicative of high ML/TF Risk: see **Row E5** below). – On or around 10 November 2022, a Compliance Officer from Entain emailed Entain's General Counsel with concerns raised by [redacted] during a bank check of [redacted] — specifically: (i) [redacted] had a number of "ordinary" bank accounts but none containing more than $20.00; (ii) [redacted] had found [redacted] [redacted] "accounts to be strange…due to the mortgages and funds received/sent"; and (iii) [redacted] was a third party signatory for [redacted]. The Compliance Officer conducted an ASIC search on the company which revealed that its sole director and shareholder was [redacted], and then conducted a Google search and identified that [redacted] had "likely" been in Court in [redacted] for unknown charges. This information was itself a matter indicative of the high ML/TF Risks with [redacted] source of wealth/source of funds: see **Row E9** below. – Entain commenced the second round of source of wealth/source inquiry process on 5 January 2023. Following commencement of this process: o On or about 7 February 2023, [redacted] provided Entain with an [redacted] bank statement for [redacted] for the period 25 August 2022 until 23 September 2022, together with a personal [redacted] bank statement. These documents demonstrated that [redacted] had received

			approximately $2,043,369.90 from the trust. Entain's General Counsel was satisfied these documents established [redacted] source of wealth/source of funds. o However, as of 7 February 2023, $2,043,369.90 would have been exhausted by [redacted] total deposits for the period from October 2022 to January 2023 ($2,972,800.00) in circumstances where Entain held no other detailed or verified information on [redacted] source of wealth/source of funds. – Entain commenced the third round of source of wealth/source inquiry process on 1 December 2023. Following commencement of this process: o On or about 29 January 2024, [redacted] provided Entain with a statutory declaration from his accountant which stated that he had $200,000.00 in liquid assets and $10,000,000.00 in illiquid assets for 6 properties owned by his family trust [redacted], and another trust owned by a third party. This information was not sufficient to support [redacted] transactional activity on his Ladbrokes Account. o On or about 7 March 2024, [redacted] provided Entain with an affidavit which stated that: (i) he was a property developer and the true beneficiary of the family trust [redacted]; (ii) the value of assets held by the family trust totalled $16,800,800.00 as of 1 February 2024; (iii) [redacted] received $4,000,000.00 in total from the family trust throughout 2023; and (iv) he used the trust income (from time to time) to fund his Ladbrokes Account.

			o However, no other documentation supporting [redacted] claimed annual income was sought or obtained. Further, [redacted] claimed income would have been exhausted by his total deposits for the period from March to June 2023 ($5,476,975.00), in circumstances where Entain held no other detailed or verified information on [redacted] source of wealth/funds. • Over the Relevant Period, Entain gave the AUSTRAC CEO 1 SMR pursuant to s 41 of the Act in which it expressed a concern that the "profile" established for [redacted] was unable to substantiate the recent spend on his Ladbrokes Account: 10 January 2023.
	E3	During the period in which [redacted] had a Ladbrokes Account with Entain, [redacted] Ladbrokes Account was linked to multiple unexpired credit/debit cards.	Particulars: • From March 2020 to July 2020, [redacted] Ladbrokes Account was linked to 1 unexpired credit/debit cards. • From August 2020 to April 2021, [redacted] Ladbrokes Account was linked to up to 2 unexpired credit/debit cards. • From May 2021 to June 2022, [redacted] Ladbrokes Account was linked to up to 3 unexpired credit/debit cards. • From July 2022 to August 2022, [redacted] Ladbrokes Account was linked to up to 2 unexpired credit/debit cards. • In September 2022, [redacted] Ladbrokes Account was linked to 1 unexpired credit/debit cards. • From October 2022 to April 2023, [redacted] Ladbrokes Account was linked to up to 2 unexpired credit/debit cards. • From May 2023 to June 2023, [redacted] Ladbrokes Account was linked to up to 3 unexpired credit/debit cards. • In July 2023, [redacted] Ladbrokes Account was linked to up to 4 unexpired credit/debit cards. • From August 2023 to April 2024, [redacted] Ladbrokes Account was linked to up to 5 unexpired credit/debit cards.

			• From May 2024 to July 2024, [redacted] Ladbrokes Account was linked to up to 4 unexpired credit/debit cards. • From August 2024 to September 2024, [redacted] Ladbrokes Account was linked to up to 6 unexpired credit/debit cards. • By 14 November 2024, [redacted] Ladbrokes Account was linked to 3 unexpired credit/debit cards.
	E4	In the period on or about March to April 2021, [redacted] failed to provide information about his source of wealth/source of funds that was requested by Entain as part of a formal source of wealth/source of funds inquiry.	Particulars: • On 18 March 2021, [redacted] transactional activity triggered a "Stage 1" formal source of wealth/source of funds inquiry process, requiring a "Stage 1" SOF Form to be sent to [redacted] • On the same day, Entain sent the "Stage 1" SOF Form to [redacted] offering a $200.00 cash bonus for completing it. • Later that day, Entain noted in [redacted] due diligence records that [redacted] transactional activity had triggered a "Stage 2" formal source of wealth/source of funds inquiry process, requiring a "Stage 2" SOF Form to be sent to [redacted] • On the same day, Entain sent the "Stage 2" SOF Form to [redacted] BDM to send to [redacted] • [redacted] did not complete the "Stage 1" SOF Form or provide supporting documents. • On 20 April 2021, Entain determined that, based on [redacted] "ECDD profile" and "policy changes", the "Stage 2" SOF Form was not required to be sent to [redacted] and the source of funds process ceased. • A subsequent source of wealth/source of funds inquiry process commenced from 5 January 2023. [redacted] provided some supporting documentation on 7 February 2023.

	E5	At all times from April 2021, Entain had information indicating that there were higher ML/TF Risks related to [redacted] source of wealth/source of funds — specifically, Entain had information that [redacted] family had businesses in a jurisdiction on Entain's restricted jurisdictions list.	Particulars: • By 20 April 2021, Entain had information indicating that [redacted] was funding his Ladbrokes Account with income generated through family businesses in [redacted] • [redacted] BDM advised Entain on 20 April 2021 that: – [redacted] family had businesses in [redacted] in the [redacted] – [redacted] received millions of dollars per quarter from a family trust. • At all times during the Relevant Period, [redacted] was on Entain's Restricted Jurisdictions list, meaning that Entain's policy was that customers in or resident in [redacted] posed an unacceptable ML/TF Risk. • At no time did Entain appropriately consider the ML/TF Risks in respect of [redacted] related to wealth or funds sourced from [redacted] • At all times there were legal restrictions on the amount of money that could be remitted from [redacted] to Australia. • At all times there were laws prohibiting the transfer of money out of [redacted] for gambling. • During the Relevant Period, [redacted] withdrew funds from his Ladbrokes Account to Australian bank accounts by EFT or Split Payments ~~(formerly Zepto)~~ – this carried a risk that [redacted] was attempting to avoid [redacted] capital flight laws. • There is a particular vulnerability associated with jurisdictions with currency flight and gambling restrictions in place, as these measures create demand for covert money remittances which can be exploited by criminal groups.
	E6	From 2021, deposits that [redacted] attempted to make into his Ladbrokes Account regularly failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed

			by virtue of being declined or rejected by the relevant bank or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • In 2021, 32 deposits that [redacted] attempted to make into his Ladbrokes Account by Braintree Credit Card were recorded as "rejected" in his transaction statements (amounting to $992,350.00). • In 2022, 16 deposits that [redacted] attempted to make into his Ladbrokes Account by Braintree Credit Card were recorded as "rejected" in his transaction statements (amounting to $1,275,100.00). • In 2023, 63 deposits that [redacted] attempted to make into his Ladbrokes Account by either Braintree Credit Card, PayPal, or Nuvola Credit Card were recorded as "rejected" in his transaction statements (amounting to $1,739,050.00). • From January to September 2024, 42 deposits that [redacted] attempted to make into his Ladbrokes Account by either Braintree Credit Card or Nuvola Credit Card were recorded as "rejected" in his transaction statements (amounting to $441,800.00).
	E7	In 2021 (especially from approximately March/April 2021), there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his Ladbrokes Account, amounting to an unusual pattern of transactions.	Particulars: • From March to December 2020, [redacted] deposited $127,400.00 into his Ladbrokes Account (an average of $12,740.00 per month for this period). • In 2021, [redacted] deposited $3,984,950.00 into his Ladbrokes Account (an average of $332,079.17 per month, which amounted to an increase of 2507% on the monthly average for the period March to December 2020).

			• From March to December 2020, [redacted] withdrew $29,547.00 from his Ladbrokes Account (an average of $2,954.70 per month). • In 2021, [redacted] withdrew $1,638,463.49 from his Ladbrokes Account (an average of $136,538.62 per month, which amounted to an increase of 4521% on the monthly average for the period March to December 2020). • The increase/escalation in deposits commenced especially from March 2021, with particularly large deposits in June 2021 ($522,445.00), July 2021 ($804,100.00), November 2021 ($559,000.00) and December 2021 ($1,331,500.00). • The increase/escalation in withdrawals commenced especially from April 2021, with particularly large withdrawals in June 2021 ($1,093,602.49), November 2021 ($127,445.00) and December 2021 ($220,550.00). • From March to December 2020: – [redacted] deposited $10,000.00 or more in a day on 8 occasions. – [redacted] withdrew $10,000.00 or more in a day on 1 occasion. • In 2021: – [redacted] was listed in Entain's High Value Transaction Report on at least 21 occasions. – [redacted] deposited $50,000.00 or more in a week on 21 occasions. – [redacted] deposited $10,000.00 or more in a day on 63 occasions. – [redacted] withdrew $50,000.00 or more in a week on 5 occasions. – [redacted] withdrew $10,000.00 or more in a day on 18 occasions.

			• The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E8	In 2022, [redacted] continued to deposit and withdraw unusually large amounts of money into and from his Ladbrokes Account.	Particulars: • From January to February 2022, [redacted] deposited $652,200.00 into his Ladbrokes Account (an average of $326,100.00 per month in this period). • From March to September 2022, [redacted] deposited $0 (nothing) into his Ladbrokes Account. • From October to December 2022, [redacted] deposited $1,253,600.00 into his Ladbrokes Account (an average of $417,866.67 per month in this period). • From January and February 2022, [redacted] withdrew $392,999.00 from his Ladbrokes Account, (an average of $196,499.50 per month in this period). • Between March and October 2022, [redacted] withdrew $0 (nothing) from his Ladbrokes Account. • From November to December 2022, [redacted] withdrew $189,499.80 from his Ladbrokes Account (an average of $94,749.90 per month in this period). • Although there were periods of inactivity on [redacted] Ladbrokes Account in 2022, the amounts [redacted] deposited into and withdrew from his Ladbrokes Account in 2022 were nonetheless unusually large. • In 2022: – [redacted] was listed in Entain's High Value Transaction Report on at least 12 occasions. – [redacted] deposited $50,000.00 or more in a week (for weeks ending in 2022) on 10 occasions.

			– [redacted] deposited $10,000.00 or more in a day on 30 occasions. – [redacted] withdrew $50,000.00 or more in a week on 4 occasions. – [redacted] withdrew $10,000.00 or more in a day on 7 occasions. ● The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E9	At all times from 10 November 2022, Entain had information indicating that there were higher ML/TF Risks related to [redacted] source of wealth/source of funds — specifically, Entain had information from [redacted] bank that: a) there were irregularities with [redacted] bank accounts; and b) he was a third party signatory for [redacted].	Particulars: ● On or around 10 November 2022, a Compliance Officer from Entain emailed Entain's General Counsel with concerns raised by [redacted] during a bank check of [redacted] ● [redacted] bank advised Entain that: – [redacted] had a number of "ordinary" bank accounts but none containing more than $20.00; – [redacted] accounts were "strange…due to the mortgages and funds received/sent"; and – [redacted] was a third party signatory for [redacted]. ● The Compliance Officer conducted ASIC and Google searches on the company which revealed that its sole director and shareholder had been in Court in [redacted] for unknown charges. ● The Compliance Officer inquired with Entain's General Counsel as to whether there was anything further Entain should do but [redacted] records do not disclose any decision or response from senior management.
	E10	In 2023, there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money	Particulars: ● From October to December 2022, [redacted] deposited $1,253,600.00 into his Ladbrokes Account (an average of $417,866.67 per month in this period – prior to this period,

		that [redacted] deposited into and withdrew from his Ladbrokes account, amounting to an unusual pattern of transactions.	[redacted] had deposited $0 (nothing) into his Ladbrokes Account since the end of February 2022). • In 2023, [redacted] deposited $16,185,935.00 into his Ladbrokes Account (an average of $1,348,827.92 per month, which amounted to an increase of 223% on the monthly average for October to December 2022). • From November to December 2022, [redacted] withdrew $189,499.80 from his Ladbrokes Account (an average of $94,749.90 per month in this period – prior to this period, [redacted] had withdrawn $0 (nothing) from his Ladbrokes Account since the end of February 2022). • In 2023, [redacted] withdrew $10,158,190.23 from his Ladbrokes Account (an average of $846,515.85 per month, which amounted to an increase of 793% on the monthly average for the period November to December 2022). • There were particularly large deposits in January 2023 ($1,719,200.00), March 2023 ($2,423,650.00), October 2023 ($3,629,820.00) and November 2023 ($2,273,965.00). • There were particularly large withdrawals in March 2023 ($1,954,801.30), June 2023 ($1,274,142.25), October 2023 ($2,933,712.50) and November 2023 ($1,240,887.50). • In 2023: – [redacted] was listed in Entain's High Value Transaction Report on at least 43 occasions. – [redacted] deposited $50,000.00 or more in a week on 37 occasions. – [redacted] deposited $10,000.00 or more in a day on 124 occasions. – [redacted] withdrew $50,000.00 or more in a week on 23 occasions.

			– [redacted] withdrew $10,000.00 or more in a day on 58 occasions. • The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E11	In 2024, [redacted] continued to deposit and withdraw unusually large amounts of money into and from his Ladbrokes Account.	Particulars: • From January 2024 to September 2024, [redacted] deposited $11,896,510.00 into his Ladbrokes Account (an average of $1,321,834.44 per month for this period). • From January 2024 to September 2024, [redacted] withdrew $7,356,809.78 from his Ladbrokes Account (an average of $817,423.31 per month for this period). • From January 2024 to September 2024: – [redacted] was listed in Entain's High Value Transaction Report on at least 33 occasions. – [redacted] deposited $50,000.00 or more in a week on 31 occasions. – [redacted] deposited $10,000.00 or more in a day on 122 occasions. – [redacted] withdrew $50,000.00 or more in a week on 22 occasions. – [redacted] withdrew $10,000.00 or more in a day on 60 occasions. • The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
F: date on and from which	**F1**	2 March 2020	Particulars: • See paragraph 433 above.

monitoring failures existed and contravention of s 36 occurred	**F2**	2 March 2020	Particulars: • See **Row G** below, especially **Rows G1–G3**.
	F3	22 March 2021	Particulars: • See **Row G** below, especially **Rows G4–G9**.
G: list of particular monitoring failures	**G1**	At no time from 2 March 2020 did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in **Row E** above.
	G2	Without limiting **Row G1**, at no time from 2 March 2020 until 4 January 2023 did Entain rate [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account.	Particulars: • By at least 23 March 2021, Entain rated [redacted] "Low" ML/TF Risk in relation to his Ladbrokes Account. • On 4 January 2023, Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account (ie., the risk rating was adjusted from "Low" to "High"). • A "High" ML/TF Risk rating was appropriate prior to 4 January 2023: see **Row E** above, especially **Rows E1**, **E5** and **E7–E9**. • In the period from 23 March 2021 to 4 January 2023, [redacted] deposited $5,808,750.00 into his Ladbrokes Account and withdrew $2,222,362.29 from his Ladbrokes Account. • If [redacted] had been rated "High" ML/TF Risk prior to 4 January 2023, Entain would have been required to apply the ECDD program from that time: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules.
	G3	Without limiting **Row G1**, at all times from at least 18 March 2021, [redacted] was assigned a BDM.	Particulars: • By at least 18 March 2021, [redacted] was assigned a BDM [redacted]. • [redacted] remained [redacted] BDM until an unknown date prior to 10 October 2022.

			• By around 10 October 2022, [redacted] was assigned [redacted] (Head of Business Development) as a BDM. • [redacted] remained [redacted] BDM during the Relevant Period. • The assignment of [redacted] as a BDM to [redacted] occurred around the same time as the sudden and significant increase/escalation in deposits and withdrawals into and from [redacted] Ladbrokes Account: see **Row E7** above. • A BDM received a commission for deposits made by a customer that they managed, which resulted in a conflict of interest and created a risk that the systems and controls in Entain's "Part A Program" would not be applied appropriately or impartially to [redacted] see paragraphs 171–172 and 175–176 above. • This risk manifested in various ways during the period in which [redacted] had an open account with Entain, including (but not limited to) the fact that: – Entain relied on unverified information provided by [redacted] BDM with respect to [redacted] source of wealth/source of funds, notwithstanding the higher ML/TF Risks related to [redacted] source of wealth/source of funds (for example, [redacted] due diligence records disclose that, on 20 April 2021 [redacted] BDM stated that [redacted] family had businesses in [redacted] in the [redacted] but he did not know the names, [redacted] received "millions of dollars per quarter from the family trust", and [redacted] had "property interests in Australia"). – [redacted] BDM insisted that communications with [redacted] relating to a formal source of wealth/source of funds inquiry process that commenced on 1 December 2023 be conducted only through [redacted] (for example, on 1 December 2023, [redacted] BDM queried why Entain was seeking further source of wealth/source of funds information from [redacted] noting that "[c]ommunication with

			the client is to be only via me. This is our company's most valuable client. We cannot have him being contacted by random people he does not know and has never heard of" and "[i]t really will require a lot of delicacy in approach as to not scare him off, keeping in mind that we have gone through SOF with him earlier in the year and 3 rounds of conversations with [redacted] (Responsible Gaming Team Leader at Entain) in the last 18 months".
	G4	Without limiting **Row G1**, at no time from the date on which ECDD was triggered (specifically, from 22 March 2021) did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] on an ongoing basis, from that time.	Particulars: • Between 15 and 21 March 2021, [redacted] deposited more than $50,000.00 into his Ladbrokes Account — specifically $80,000.00 across 3 transactions (all of which occurred in a single day on 16 March 2021). • Under Entain's "ECDD Procedure", a customer's account was to be flagged as High ML/TF Risk when the customer's deposits were $50,000.00 or more in a week and: – the customer's betting/transacting activity did not match their customer profile based on the information Entain knew about them; or – the customer's source of wealth/source of funds were unknown; or – the customer was suspected of being linked to criminal activities or there was a suspicion that the customer's funds are the proceeds of crime: see paragraph 197(a) above. • If [redacted] had been rated "High" ML/TF Risk on 22 March 2021, Entain would have been required to apply the ECDD Program from that time: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules. • On 4 January 2023, Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account, noting that [redacted] received "international funds".

			• Under the rules, there was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules. • Further, on 10 January 2023, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] • There was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. • As a result of the above ECDD triggers, Entain was under an obligation to apply the ECDD program, on an ongoing basis and at regular intervals, at all times from March 2021: see paragraphs 428–429 above. • The measures that Entain was required to undertake in relation to [redacted] as a result of forming a suspicion for the purposes of s 41 of the Act and/or determining that the ML/TF Risk in relation to [redacted] was high included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules.
	G5	Without limiting **Row G1** or **Row G4**, at no time from March 2021 did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, including the level of transactional behaviour and the purpose, reasons for or nature of the transactional behaviour.	Particulars: • This was a measure appropriate to the circumstances that existed from March 2021: see r 15.10(5) of the Rules. • From 2 March 2020, including from March 2021, [redacted] deposited and withdrew unusually large amounts of money into and from his Ladbrokes Account: see **Row E1** above. • There were significant increases/escalations in the amounts deposited into and withdrawn from [redacted] Ladbrokes Account in each of calendar years 2021 and 2023: see **Rows E7** and **E10** above. • From 9 August 2020 to 31 August 2022 and from 7 October 2022 to 30 September 2024, and by 14 November 2024 (and possibly ongoing), [redacted]

			Ladbrokes Account was linked to multiple unexpired credit/debit cards: see **Row E3** above. • [redacted] transactional activity was unusual in other respects, including a pattern of failed deposits (from January 2021: see **Row E6** above). • [redacted] due diligence records do not disclose that any appropriate consideration was given to whether his deposits could appropriately be described as "reinvestments" of previously withdrawn money (Entain's assessments in this respect were circular and conclusory). • [redacted] was regularly listed in Entain's High Value Transaction Report from at least April 2021, demonstrating that Entain identified that he deposited large amounts of money into his Ladbrokes Account from this time, but Entain did not undertake any measures to mitigate and manage the ML/TF Risk indicated by this transactional behaviour: see **Row E1**.
	G6	Without limiting **Row G1** or **Row G4**, at no time from March 2021 did Entain: a) appropriately obtain from [redacted] or otherwise take reasonable measures to identify, information about [redacted] source of wealth/source of funds; b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds; c) appropriately verify information it had about [redacted] source of wealth/source of funds; or d) appropriately consider the ML/TF Risks relating to [redacted] sources of wealth/sources of funds.	Particulars: • These were measures appropriate to the circumstances that existed from March 2021: see rr 15.10(1)(a), 15.10(1)(c), 15.10(2) and 15.10(3) of the Rules. • From March 2020, [redacted] transactional activity involved high value deposits and withdrawals into and from his account, with significant increases/escalations in particular periods: see **Rows E1**, **E7–E8** and **E10–E11** above. • From 9 August 2020 to 31 August 2022 and from 7 October 2022 to 30 September 2024, and by 14 November 2024 (and possibly ongoing), [redacted] Ladbrokes Account was linked to multiple unexpired credit/debit cards: see **Row E3** above. • [redacted] transactional activity was unusual in other respects, including a pattern of failed deposits (from January 2021: see **Row E6** above).

			• In terms of the sufficiency of the information that Entain had about [redacted] source of wealth/source of funds, and the sufficiency of the measures taken by Entain with respect to that information, see **Rows E2** and **E4** above. • Without limiting **Rows E2** and **E9** above: – According to [redacted] BDM, a major source of [redacted] source of wealth/source of funds was from a family trust which had connections to businesses in [redacted] which was a Restricted Jurisdiction. – [redacted] due diligence records do not disclose that Entain gave any appropriate consideration to the ML/TF Risks regarding [redacted] source of wealth/source of funds, including the jurisdiction the funds originated from. – [redacted] due diligence records do not disclose that Entain gave any appropriate consideration to the ML/TF Risks that [redacted] was withdrawing funds from his Ladbrokes Account to Australian bank accounts by EFT or Split Payments ~~(formerly Zepto)~~ in an attempt to avoid [redacted] capital flight laws. – [redacted] due diligence records do not disclose that Entain gave any appropriate consideration to the ML/TF Risks regarding the information provided by [redacted] as to the irregularity of [redacted] banking and his connection to a third party who had likely been in Court for unknown charges in [redacted]. – [redacted] due diligence records do not disclose that Entain identified, or gave any appropriate consideration to, the problems with the information that [redacted] provided in response to the formal source of wealth/source of funds inquiry processes commencing in January 2023 and December 2023 (especially, the very limited period of the bank statements for the [redacted] provided by [redacted] that the claims made in [redacted] affidavit about his

			income from the [redacted] were not supported by any documentation). – Entain did not adequately confirm or verify [redacted] involvement in property development businesses or personal property ownership.
	G7	Without limiting **Row G1** or **Row G4**, at no time from March 2021 did Entain seek from [redacted] or otherwise take reasonable measures to clarify, the nature and purpose of [redacted] ongoing business relationship with Entain.	Particulars: • This was a measure appropriate to the circumstances that existed from March 2021: see r 15.10(1)(d) of the Rules. • From March 2020, [redacted] transactional activity involved high value deposits and withdrawals into and from his account, with significant increases/escalations in particular periods: see **Rows E1**, **E7–E8** and **E10–E11** above. • From 9 August 2020 to 31 August 2022 and from 7 October 2022 to 30 September 2024, and by 14 November 2024 (and possibly ongoing), [redacted] Ladbrokes Account was linked to multiple unexpired credit/debit cards: see **Row E3** above. • [redacted] transactional activity was unusual in other respects, including a pattern of failed deposits (from January 2021: see **Row E6** above). • In monitoring [redacted] Entain frequently determined that [redacted] transactional activity was or "appeared" to be "recreational", but the determinations did not reflect the totality of available information (they were focussed wholly or primarily on betting activity, rather than transactional activity as a whole) and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time. • In monitoring [redacted] Entain frequently determined that [redacted] deposits were or appeared to be "reinvestments" of previously withdrawn money, but the determinations did not reflect the totality of available information (or any

			information gaps, such as information about source of wealth/source of funds) and the reasoning process behind the determinations was not appropriately reviewed or subject to more detailed analysis as relevant patterns continued over time.
	G8	Without limiting **Row G1** or **Row G4**, at no time from March 2021 was [redacted] appropriately escalated to and/or appropriately considered by Entain's senior management, including for the purpose of determining whether to continue a business relationship with him.	Particulars: • This was a measure appropriate to the circumstances that existed from March 2021: see r 15.10(6) of the Rules. • Escalation to and/or consideration by senior management was appropriate in, and at regular intervals from, March 2021, including in and from: – April 2021; – December 2021; – January 2023; – March 2023; and – October 2023. • On 11 January 2024, Entain's A/ AML Compliance Officer escalated [redacted] to senior management (CEO, CFO and General Counsel) for consideration as to whether [redacted] Ladbrokes Account should be suspended because he had not returned the source of wealth/source of funds form that had been sent out on 1 December 2023. Relevantly, the email noted that: – since onboarding on 2 March 2020, [redacted] had appeared in the High Value Transaction Report 76 times and ECDD had been conducted 5 times; – in the last 12 months, the customer deposited $16,247,235.00; withdrew $10,216,790.23; turned over $66,794,656.92; and lost $8,372,265.27; – the source of wealth/source of funds collection process had been initiated 3 times;

			– an SMR was submitted on 10 January 2023 (the only SMR submitted by Entain in respect of this customer) and [redacted] was rated high ML/TF Risk; – [redacted] was added to Entain's high-risk register on 1 November 2023 and had been subject to 3 monthly reviews; and – [redacted] BDM had provided a source of wealth/source of funds questionnaire and statutory declaration on 1 December 2023 and the customer has been given until 15 January 2024 to provide a response. • On 11 January 2024, Entain's CEO responded to the AML Compliance Officer, indicating that: – he had spoken with [redacted] BDM who had indicated [redacted] was willing to provide information that will cover his source of wealth/source of funds, but he needed more time given the time of the year, noting his accountant was currently unavailable; and – "[p]ersonally I have no issues or red flags with the client so I am happy to extend the deadline until 31/1/2024 given this time of year". • On 8 February 2024, [redacted] was discussed at Entain's AML/CTF SteerCo meeting. The meeting minutes indicate that: – a summary of ECDD findings was presented, including a recent response to a source of wealth/source of funds questionnaire; – visibility issues in relation to trust funds was discussed; – the committee agreed to request evidence of "ownership in the trust (stat dec) or trust documentation"; and – Entain's AML/CTF Compliance Officer would advise [redacted] BDM what was required, so he could relay this information to [redacted]

			• On or about 7 March 2024, [redacted] provided Entain an affidavit which stated that: (a) he was a property developer and the true beneficiary of the family trust [redacted]; (b) the value of assets held by the family trust totalled $16,800,800.00 as of 1 February 2024; (c) [redacted] received $4,000,000.00 in total from the family trust throughout 2023; and (d) he used the trust income (from time to time) to fund his Ladbrokes Account. • The decision by senior management to accept [redacted] affidavit as sufficient evidence of [redacted] source of wealth/source of funds was not appropriate in the absence of any documentation that detailed or verified [redacted] source of wealth/source of funds. • At no time did senior management have regard to the ML/TF Risks with respect to [redacted] source of wealth/source of funds: see Rows **E7** and **E9** above.
	G9	Without limiting **Row G1** or **Row G4**, at no time from March 2021 did Entain close [redacted] Ladbrokes Account.	Particulars: • The Ladbrokes Account was suspended on 2 December 2024, and as at 4 December 2024, remained suspended (it had not been closed). • To the extent that Entain suspended [redacted] Ladbrokes Account of its own initiative on 2 December 2024, that suspension was not the result of any monitoring activity by Entain.

SCHEDULE 17: [redacted]

A: customer		[redacted]	
B: account(s)		**Ladbrokes Account** • [redacted] • Opened date: 10 November 2019 • Suspended date: 2 December 2024	
C: summary of transactional activity by account		**Ladbrokes Account** • Lifetime deposits (until 30 September 2024): $30,803,522.00, all of which was during the Relevant Period • Lifetime turnover (until 30 September 2024): $94,952,807.91, all of which was during the Relevant Period • Lifetime withdrawals (until 30 September 2024): $16,577,915.43, all of which was during the Relevant Period	
D: date in the Relevant Period on and from which matters indicative of high ML/TF Risk existed		16 September 2021	
E: list of matters indicative of high ML/TF Risk	**E1**	By 10 November 2019, being the date Entain opened [redacted] Ladbrokes Account, [redacted] had been the subject of a Notice of Disqualification by the Commissioner of Taxation pursuant to s 126A(1) the *Superannuation Industry (Supervision) Act 1993* (Cth) (**SIS Act**) — specifically, a delegate of the Commissioner of Taxation found that [redacted] had contravened the SIS Act on one or more occasions, and the nature, seriousness and number of contraventions provided grounds for disqualifying [redacted] from being, or acting as, a trustee, investment manager or custodian of a superannuation entity.	Particulars • Information about the notice was available from open sources from at least [redacted]. • The information indicates that the disqualification took place in [redacted]. • Entain were aware of the Notice of Disqualification from at least 18 September 2021.

	E2	At all times from 16 September 2021, [redacted] deposited and withdrew unusually large amounts of money into and from his Ladbrokes Account.	Particulars: • The deposit and withdrawal of unusually large amounts of money into and from his Ladbrokes Account commenced in September 2021: see **Row E3** below. • While the amounts deposited into and withdrawn from his Ladbrokes Account were at all times from September 2021 unusually large, there were significant increases/escalations in deposits and withdrawals in particular periods in 2022, 2023 and 2024: see **Rows E5**, **E8** and **E9** below. • From 16 September to December 2021: – [redacted] deposited $1,606,993.00 into his Ladbrokes Account (an average of approximately $459,140.86 per month for this period). – [redacted] withdrew $812,950.00 from his Ladbrokes Account (an average of approximately $203,237.50 per month for this period). – [redacted] was listed in Entain's High Value Transaction Report on at least 11 occasions. – [redacted] deposited $50,000.00 or more in a week on 9 occasions. – [redacted] deposited $10,000.00 or more in a day on 15 occasions. – [redacted] withdrew $50,000.00 or more in a week on 4 occasions. – [redacted] withdrew $10,000.00 or more in a day on 6 occasions. • In 2022: – [redacted] deposited $12,070,083.00 into his Ladbrokes Account (an average of $1,005,840.25 per month). – [redacted] withdrew $9,030,905.75 from his Ladbrokes Account (an average of $752,575.48 per month).

			– [redacted] was listed in Entain's High Value Transaction Report on at least 29 occasions. – [redacted] deposited $50,000.00 or more in a week on 30 occasions. – [redacted] deposited $10,000.00 or more in a day on 77 occasions. – [redacted] withdrew $50,000.00 or more in a week on 20 occasions. – [redacted] withdrew $10,000.00 or more in a day on 51 occasions. • In 2023: – [redacted] deposited $8,667,996.00 into his Ladbrokes Account (an average of $722,333.00 per month). – [redacted] withdrew $3,832,408.48 from his Ladbrokes Account (an average of $319,367.37 per month). – [redacted] was listed in Entain's High Value Transaction Report on at least 19 occasions. – On 6 November 2023, [redacted] was ranked second for highest value of deposits and first for highest value of withdrawals in Entain's High Value Transaction Report. – On 13 November 2023, [redacted] was ranked first for highest value of deposits and first for highest value of withdrawals in Entain's High Value Transaction Report. – On 20 November 2023, [redacted] was ranked seventeenth for highest value of deposits in Entain's High Value Transaction Report. – On 27 November 2023, [redacted] was ranked second for highest value of deposits and fourth for highest value of withdrawals in Entain's High Value Transaction Report. – [redacted] deposited $50,000.00 or more in a week on 18 occasions.

			– [redacted] deposited $10,000.00 or more in a day on 50 occasions. – [redacted] withdrew $50,000.00 or more in a week on 12 occasions. – [redacted] withdrew $10,000.00 or more in a day on 22 occasions. • From January to September 2024: – [redacted] deposited $8,455,200.00 into his Ladbrokes Account (an average of $939,466.67 per month for this period). – [redacted] withdrew $2,899,251.20 from his Ladbrokes Account (an average of $322,139.02 per month for this period). – [redacted] was listed in Entain's High Value Transaction Report on at least 16 occasions. – [redacted] deposited $50,000.00 or more in a week on 16 occasions. – [redacted] deposited $10,000.00 or more in a day on 41 occasions. – [redacted] withdrew $50,000.00 or more in a week on 8 occasions. – [redacted] withdrew $10,000.00 or more in a day on 13 occasions. • The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E3	In 2021 (specifically from September 2021), there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money	Particulars: • From January to August 2021, [redacted] deposited $1,250.00 into his Ladbrokes Account (an average of $156.25 per month for this period) (all of which was deposited in January and August 2021).

		that [redacted] deposited into and withdrew from his Ladbrokes Account.	• From September to December 2021, [redacted] deposited $1,606,993.00 into his Ladbrokes Account (an average of $401,748.25 per month for this period). • The sudden increase/escalation in deposits commenced from September 2021, with particularly large deposits in September 2021 ($691,993.00) and November 2021 ($546,000.00). • The increase in percentage terms in the average monthly deposit in the period September to December 2021 as compared to the period January to August 2021 was approximately 257019%. • Prior to September 2021, [redacted] made withdrawals of $0 (nothing). • From September to December 2021, [redacted] withdrew $815,350.00 from his Ladbrokes Account (an average of $203,837.50 per month for the period). • The sudden increase/escalation in withdrawals commenced from September 2021, with particularly large withdrawals made in September 2021 ($310,400.00) and November 2021 ($288,800.00). • From September 2021, [redacted] was regularly listed in Entain's High Value Transaction Report. • The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E4	From at least 31 January 2022, Entain did not have sufficient information about [redacted] source of wealth/source of funds — specifically, information sufficient to provide a reasonable basis to be satisfied that the transactional activity on [redacted] Ladbrokes Account (depositing, betting and withdrawing)	Particulars: • On or about 18 September 2021, the Fraud Team advised the AML Team that [redacted] bank had advised Entain that [redacted] had access to $1.6 million in his [redacted] bank account. • From 18 September 2021 to 29 January 2022, [redacted] deposited $1,573,999.00 into his Ladbrokes Account.

		was consistent with or supported by [redacted] source of wealth/source of funds.	• From 18 September 2021 to 30 January 2022, [redacted] deposited $1,677,999.00 into his Ladbrokes Account. • While this information about [redacted] bank account balance provided some basis to substantiate [redacted] transactional activity from 18 September 2021 to 29 January 2022, it no longer substantiated [redacted] transactional activity by 31 January 2022. • To the extent that Entain obtained further information about [redacted] source of wealth/source of funds from public/external sources and/or [redacted] it did not obtain sufficient information: – Between 30 September 2021 and 16 June 2023, Entain obtained information indicating that [redacted] was a director of and shareholder in three companies involved in real estate investment and private equity [redacted], but it could not identify any property developments over which these companies had taken ownership or how much money they made, let alone verify the income (if any) [redacted] received from these companies. – On 8 November 2022, [redacted] informed Entain during a phone call that he had a number of "speculative investments" which generated a second income stream, but Entain did not obtain (let alone confirm or verify) basic information about the nature or success of those investments or their capacity to support transactional activity on [redacted] account (for example, financial statements, or account or dividend statements). – On 8 November 2022, Entain asked [redacted] during a phone call whether [redacted] would provide the name of the business that he had informed Entain he had sold, but [redacted] refused to provide the name of the business on the basis that it was "private" — failure to provide

			information that Entain requested (failure to provide information was itself a matter indicative of high ML/TF Risk: see **Row E7** below. – On 16 June 2023, Entain's General Counsel advised Entain's CEO that "no documents" had been provided by [redacted] to demonstrate source of funds/source of wealth and while Entain could verify [redacted] "financial interest in legitimate companies", Entain could not verify "how much they bring in, or how much wealth he is sitting on", and no property had been found in his name. – [redacted] responded to a formal source of wealth/source of funds inquiry process on 4 October 2023 and advised Entain that he had: (i) an annual income of $1,632,000.00; and (ii) assets of $26,170,000.00, and provided a balance sheet/profit and loss statement for one of the companies of which he was a director and shareholder, [redacted], for the 2022 financial year which listed the equity value of the company at $25,977,000.00 with a net profit after tax of $61,000.00. – From February 2022 to 4 October 2023, [redacted] deposited $14,632,080.00 into his Ladbrokes Account. – While the information provided by [redacted] on 4 October 2023 was indicative of his wealth, [redacted]: (i) claimed annual income; (ii) claimed net profit of his company [redacted]; and (iii) claimed assets (including of [redacted] company), was insufficient to support transactional activity on his Ladbrokes Account. • Over the Relevant Period, Entain gave the AUSTRAC CEO at least 1 SMR pursuant to s 41 of the Act in which it acknowledged the transactional activity on [redacted] Ladbrokes Account (depositing, betting and withdrawing)

			appeared to be excessive and was inconsistent with the "profile" established for [redacted] 15 June 2023.
	E5	In 2022, there was a material change in [redacted] depositing patterns and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his Ladbrokes Account.	• In 2021, [redacted] deposited $1,608,243.00 into his Ladbrokes Account (an average of $134,020.25 per month). • Of the $1,608,243.00 deposited into [redacted] Ladbrokes Account in 2021, $1,606,993.00 was deposited in September to December 2021 (an average of $401,748.25 per month for this period). • In 2022, [redacted] deposited $12,070,083 into his Ladbrokes Account (an average of $1,005,840.25 per month, which amounted to an increase of approximately 651% on the monthly average for 2021, or an increase of approximately 150% on the monthly average for the period September to December 2021). • There were particularly large deposits in July 2022 ($1,547,100.00), November 2022 ($2,178,440.00), and December 2022 ($2,782,065.00). • In 2021, [redacted] withdrew $815,350.00 from his Ladbrokes Account (an average of $67,945.83 per month) (all of which was withdrawn from September to December 2021, an average of 203,837.50 for that period). • In 2022, [redacted] withdrew $9,030,905.75 from his Ladbrokes Account (an average of $752,575.48 per month, which amounted to an increase of approximately 1008% on the monthly average for 2021, or an increase of approximately 269% on the monthly average for the period September to December 2021). • There were particularly large withdrawals in March 2022 ($835,806.00), July 2022 ($842,126.25), November 2022 ($1,591,499.69), and December 2022 ($3,091,871.81). • The significant increase/escalation in deposits and withdrawals in 2022 was the continuation and acceleration

			of the sudden increase/escalation in deposits and withdrawals into and out of [redacted] Ladbrokes Account that began in September 2021: see **Row E3** above. • The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E6	From 2022, several unusually large deposits that [redacted] attempted to make into his Ladbrokes Account failed, amounting to an unusual pattern of transactions.	Particulars: • Where a customer's transaction statements recorded a "rejected" deposit, this indicated that the deposit had failed by virtue of being declined or rejected by the relevant bank or other payment service provider. • While Entain had a transaction monitoring report directed towards detecting "rejected" deposits, the report was the responsibility of Entain's Fraud/Payments Team, it was not run automatically or as a matter of course and there was no procedure to escalate a customer appearing on the report to the AML Team: see paragraphs 288–289 above. • In 2022, 9 deposits that [redacted] attempted to make into his Ladbrokes Account by Braintree credit card were recorded as "rejected" in his transaction statements (amounting to $1,105,000.00). • In 2023, 14 deposits that [redacted] attempted to make into his Ladbrokes Account by Braintree credit card and Nuvola credit card were recorded as "rejected" in his transaction statements (amounting to $1,455,000.00). • In the period January to September 2024, 8 deposits that [redacted] attempted to make into his Ladbrokes Account by ~~Braintree~~ Nuvola credit card were recorded as "rejected" in his transaction statements (amounting to $1,297,500.00).

	E7	In November 2022, [redacted] failed to provide information about his source of wealth/source of funds that was requested by Entain.	Particulars • In September 2021, [redacted] informed Entain during a phone call that he had sold a large business. • On 8 November 2022, Entain asked [redacted] during a phone call whether [redacted] would provide the name of the business that he had informed Entain he had sold, but [redacted] refused to provide the name of the business on the basis that it was "private". • On 8 November 2022, senior management was informed of this information, however Entain did not commence a formal source of wealth/source of funds process until 27 September 2023.
	E8	In 2023 (particularly around June and October to December 2023), there was a material change in [redacted] depositing and withdrawing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his Ladbrokes Account.	Particulars: • In 2023, [redacted] deposited $8,667,996.00 into his Ladbrokes Account (an average of $722,333.00 per month). • Of the $8,667,996.00 [redacted] deposited into his Ladbrokes Account: – $728,300.00 was deposited between January and May 2023 (an average of $145,660.00 per month for this period). – $1,606,697.00 was deposited in June 2023 (which amounted to an increase of approximately 1003% on the monthly average for the period January to May 2023). – $0 (nothing) was deposited between July and September 2023. – $6,332,999.00 was deposited between October and December 2023 (an average of $2,110,999.67 per month for this period, which was a significant increase/escalation as [redacted] had deposited nothing in July to September 2023).

			• In 2023, [redacted] withdrew $3,832,408.48 from his Ladbrokes Account (an average of $319,367.37 per month). • Of the $3,832,408.48 [redacted] withdrew from his Ladbrokes Account: – $330,300.68 was withdrawn between January and April 2023 (an average of $82,575.17 per month in this period). – $631,872.00 was withdrawn between May and June 2023 (an average of $315,936.00 per month in this period, an increase of approximately 283% on the monthly average for the period January to April 2023). – $0 (nothing) was withdrawn between July and September 2023. – $2,870,235.80 was withdrawn October and December 2023 (an average of $956,745.27 per month in this period, which was a significant increase/escalation as [redacted] had withdrawn nothing in July to September 2023). • The amounts of money being deposited and withdrawn by [redacted] were materially above average total annual deposits and withdrawals for Entain's customers in the Relevant Period: see Schedule A above.
	E9	In 2024 (particularly from around April to July 2024), there was a material change in [redacted] depositing patterns — specifically, there was a significant increase/escalation in the amount of money that [redacted] deposited into and withdrew from his Ladbrokes Account.	Particulars: • From January to September 2024, [redacted] deposited $8,455,200.00 into his Ladbrokes Account (an average of $939,466.67 per month in this period). • Of the $8,455,200.00 [redacted] deposited into his Ladbrokes Account: – $114,000.00 was deposited between January and March 2024 (an average of $38,000.00 per month in this period).

			– $8,016,200.00 was deposited between April and July 2024 (an average of $2,004,050.00 per month in this period, an increase of approximately 5,174% on the monthly average for the period January to March 2024). • From January to September 2024, [redacted] withdrew $2,899,251.20 from his Ladbrokes Account (an average of $322,139.02 per month in this period). • Of the $2,899,251.20 [redacted] withdrew from his Ladbrokes Account: – $0 (nothing) was withdrawn between January and April 2024. – $2,670,251.20 was withdrawn between May and July 2024 (an average of $890,083.73 per month in this period, which was a significant increase/escalation as [redacted] had withdrawn nothing in January to April 2024). • The amounts of money being deposited by [redacted] were materially above average total annual deposits for Entain's customers in the Relevant Period: see Schedule A above.
F: date on and from which monitoring failures existed and contravention of s 36 occurred	**F1**	10 November 2019	Particulars: • See paragraph 433 above.
	F2	16 September 2021	Particulars: • See **Row G** below, especially **Rows G1–G3**.
	F3	31 January 2022	Particulars: • See **Row G** below, especially **Rows G4–G9**.
G: list of particular monitoring failures	**G1**	At no time from 16 September 2021 did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted]	Particulars: • The matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of designated services to [redacted] including the combinations of matters that existed at particular points in time, are pleaded in **Row E** above.

	G2	Without limiting **Row G1**, at no time from 16 September 2021 until 5 September 2023 did Entain rate [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account.	Particulars: • At all times from 16 September 2021 the matters in **Row E** above indicated "High" ML/TF Risks with respect to [redacted] • On 10 November 2019, when his Ladbrokes Account was opened, Entain did not rate [redacted] in relation to the account (ie, the risk rating was "Unrated"). • [redacted] due diligence records do not disclose that any consideration was given to rating [redacted] in relation to his Ladbrokes Account, either at any level or at all, until 20 September 2021. • From at least 20 September 2021 to September 2023, Entain rated [redacted] "Low" ML/TF Risk in relation to his Ladbrokes Account. • On 5 September 2023, Entain rated [redacted] "High" ML/TF Risk in relation to his Ladbrokes Account (ie, the risk rating was adjusted from "Low" to "High"). • A "High" ML/TF Risk rating was appropriate in relation to [redacted] Ladbrokes Account prior to 5 September 2023: see **Rows E1–E8** above, especially **Rows E3** and **E5** concerning the significant increases/escalations in the amount of money that [redacted] deposited and withdrew in September 2021 and 2022. • If [redacted] had been rated "High" ML/TF Risk prior to 5 September 2023, Entain would have been required to apply the ECDD Program from that time: s 36(1) of the Act and rr 8.1.3-8.1.5 and Chapter 15 (especially rr 15.8-15.11) of the Rules: see **Rows G4–G9** below**.** • In the period from 16 September 2021 to 5 September 2023, [redacted] deposited $16,012,073.00 into his Ladbrokes Account and withdrew $10,806,028.43 from his Ladbrokes Account.

	G3	Without limiting **Row G1**, at all times from at least 18 September 2021, [redacted] was assigned an Account Manager/VIP Manager.	Particulars: • From at least 18 September 2021 until August 2022, [redacted] was assigned [redacted], as Ladbrokes Account Manager/VIP Manager. • From at least 15 August 2022, [redacted] was assigned [redacted], as Ladbrokes Account Manager/VIP Manager. • The assignment of an Account Manager/VIP Manager to [redacted] in September 2021 occurred at the same time as the sudden and significant increase/escalation in deposits into and withdrawals from [redacted] Ladbrokes Account, and on the same day that Entain obtained information from [redacted] bank about the $1.6 million in [redacted] bank account: see **Rows E3** and **E4** above. • During the Relevant Period, Account Managers/VIP Managers were assigned to customers who were considered to be of high value to Entain due to their level of engagement, bet frequency and/or are higher staking customers. • From July 2020, an Account Manager/VIP Manager received a commission for deposits made by a customer that they managed, which resulted in a conflict of interest and created a risk that the systems and controls in Entain's "Part A Program" would not be applied appropriately or impartially to [redacted] see paragraphs 173–176 above.
	G4	Without limiting **Row G1**, at no time from the date on which ECDD should have been triggered (after the time Entain no longer had any basis for [redacted] source of wealth/source of funds — specifically, from 31 January 2022) did Entain undertake measures that were appropriate to the combination of matters indicative of high ML/TF Risk that existed in relation to [redacted] and the provision of	Particulars: • See **Row E4** above. • Between 24 and 30 January 2022, [redacted] deposited more than $50,000.00 into his Ladbrokes Account — specifically $344,000.00 across 4 transactions.

		designated services to [redacted] on an ongoing basis, from that time.	• Under Entain's "ECDD Procedure", a customer's account was to be flagged as High ML/TF Risk when the customer's deposits were $50,000.00 or more in a week and: – the customer's betting/transacting activity did not match their customer profile based on the information Entain knew about them; or – the customer's source of wealth/source of funds were unknown; or – the customer was suspected of being linked to criminal activities or there was a suspicion that the customer's funds are the proceeds of crime: see paragraph 197(a) above. • [redacted] should have been rated "High" ML/TF Risk on or about 31 January 2022 and Entain should have been required to apply the ECDD Program from that time: s 36(1) of the Act and rr 8.1.3–8.1.5 and Chapter 15 (especially rr 15.8–15.11) of the Rules. • On 15 June 2023, Entain gave the AUSTRAC CEO an SMR pursuant to s 41 of the Act in relation to [redacted] • Under the Rules, there was an ECDD trigger when Entain formed a suspicion for the purposes of s 41 of the Act: r 15.9(3) of the Rules. • Further, at all times from 5 September 2023, [redacted] had been rated "High" ML/TF Risk in relation to his Ladbrokes Account. • There was an ECDD trigger when Entain determined under its risk-based systems and controls that ML/TF Risk was high: r 15.9(1) of the Rules. • As a result of the above ECDD triggers, Entain was under an obligation to apply the ECDD Program, on an ongoing basis and at regular intervals, at all times from 31 January 2022: see paragraphs 428–429 above.

			• The measures that Entain was required to undertake in relation to [redacted] as a result of forming a suspicion for the purposes of s 41 of the Act and/or determining that the ML/TF Risk in relation to [redacted] was high included (but were not limited to) the measures specified in rr 15.10(1)-(7) of the Rules. • The measures that were required were measures appropriate to a person reasonably suspected of money laundering offences, as per the 1 SMR that Entain gave the AUSTRAC CEO pursuant to s 41 in relation to [redacted]
	G5	Without limiting **Row G1** or **Row G4**, at no time from 31 January 2022 did Entain appropriately review or undertake more detailed analysis of [redacted] transactions, including the level of transactional behaviour and the purpose, reasons for or nature of the transactional behaviour.	Particulars: • This was a measure appropriate to the circumstances that existed from 31 January 2022: see r 15.10(5) of the Rules. • At all times from September 2021, [redacted] deposited and withdrew unusually large amounts of money into and from his Ladbrokes Account: see **Rows E2** above. • There were significant increases/escalations in the amounts deposited into [redacted] Ladbrokes Account in particular periods: see **Rows E3**, **E5**, **E8**, and **E9** above. • [redacted] transactional activity was unusual in other respects, including a pattern of failed deposits (from 2022: see **Row E6** above).
	G6	Without limiting **Row G1** or **Row G4**, at no time from 31 January 2022 did Entain: a) appropriately obtain from [redacted] or otherwise take reasonable measures to identify, information about [redacted] source of wealth/source of funds; b) appropriately undertake more detailed analysis of information it had about [redacted] source of wealth/source of funds; or	Particulars: • These were measures appropriate to the circumstances that existed from 31 January 2022: see rr 15.10(1)(a), 15.10(1)(c), 15.10(2) and 15.10(3) of the Rules. • At all times from September 2021, [redacted] transactional activity involved high value deposits into and withdrawals from [redacted] Ladbrokes Account, with significant increases/escalations in deposits in particular periods: see **Rows E2**, **E3**, **E5**, **E8**, and **E9** above.

		c) appropriately verify information it had about [redacted] source of wealth/source of funds.	• [redacted] transactional activity was unusual in other respects, including a pattern of failed deposits (from 2022: see **Row E6** above). • In terms of the sufficiency of the information that Entain had about [redacted] source of wealth/source of funds, while Entain had obtained and verified information that provided some basis for source of wealth/source of funds between September and December 2021, on and from 31 January 2022, that information no longer provided a sufficient basis: see **Row E4** above. • Without limiting **Row E4** above: – With respect to the information [redacted] provided in response to a source of wealth/source of funds inquiry process, [redacted]: (i) claimed annual income; (ii) claimed net profit of his company [redacted] and (iii) claimed assets (including of [redacted] company), was insufficient to support transactional activity on his Ladbrokes Account, which by 4 October 2023 included lifetime deposits of $16,665,323.00.
	G7	Without limiting **Row G1** or **Row G4**, at no time from 31 January 2022 was [redacted] appropriately considered by Entain's senior management, including for the purpose of determining whether to continue a business relationship with him.	Particulars: • This was a measure appropriate to the circumstances that existed from 31 January 2022: see r 15.10(6) of the Rules. • To the extent that [redacted] was considered by senior management, the consideration was not appropriate, including because: – [redacted] due diligence records indicate that on or about 14 November 2022, senior management was informed of [redacted] high spend but General Counsel "had no concerns" until [redacted] had spent the "$5 million pool" he had told Entain he set aside for gambling. There was no basis for Entain to be satisfied that [redacted] source of wealth/source of funds substantiated his transactional activity from January 2022.

			– On or about 13 June 2023, [redacted] Ladbrokes Account was closed at his request, however he requested to reopen it on 26 September 2023. – Senior management approved the reopening of [redacted] Ladbrokes Account (at his request) on 4 October 2023 because that "[f]rom an AML/CTF perspective" [redacted] had "satisfied the SOF process". – This decision was not appropriate because the information [redacted] provided was not sufficient to support the transactional activity on his Ladbrokes Account: see **Rows E4** and **G6** above. – On or about 5 January 2024, [redacted] closed Ladbrokes Account because of "difficulty controlling [his] gambling". – The decision on 6 April 2024, in which senior management was involved, to allow [redacted] to reopen his Ladbrokes Account was not appropriate because Entain had not obtained any further information to support the transactional activity on the Ladbrokes Account: see **Rows E4** and **G6** above.
	G8	Without limiting **Row G1** or **Row G4**, at no time from 31 January 2022 did Entain seek from [redacted] or otherwise take reasonable measures to clarify, the nature and purpose of [redacted] ongoing business relationship with Entain.	Particulars: • This was a measure appropriate to the circumstances that existed from 31 January 2022: see r 15.10(1)(d) of the Rules. • From September 2021, [redacted] transactional activity involved high value deposits into and withdrawals from [redacted] Ladbrokes Account, with significant increases/escalations in deposits in particular periods: see **Rows E2**, **E3**, **E5**, **E8**, and **E9** above. • [redacted] transactional activity was unusual in other respects, including a pattern of failed deposits (from 2022: see **Row E6** above).

	G9	Without limiting **Row G1** or **Row G4**, at no time until 2 December 2024 did Entain suspend [redacted] Ladbrokes Account on its own initiative.	Particulars: • Senior management considered suspending [redacted] Ladbrokes Account on 16 June 2023 and 26-27 September 2023, but did not suspend the account. • Suspension of [redacted] Ladbrokes Account (or at least consideration of suspension) was appropriate at multiple points from January 2022, including by no later than October 2023 when [redacted] provided information about his source of wealth/source of funds that provided no basis to support [redacted] transactional activity (against the background of the other matters indicative of high ML/TF Risk pleaded in **Row E** above). • The Ladbrokes Account was suspended on 2 December 2024 and, as at 4 December 2024, remained suspended (it had not been closed). • It is unknown whether Entain has closed the Ladbrokes Account in the period since 4 December 2024. • To the extent that Entain suspended [redacted] Ladbrokes Account of its own initiative on 2 December 2024, that suspension was not the result of any monitoring activity by Entain.