

Crown Employees Charged in China With Promotion of Gambling

by **Angus Whitley**

June 13, 2017, 8:17 AM GMT+8

Updated on June 13, 2017, 9:42 AM GMT+8

-
- Detentions triggered concerns of crackdown on casino operators
 - Chinese authorities detained the group on mainland in October
-

Crown Resorts Ltd. <https://www.bloomberg.com/quote/CWN:AU> said its staff held in China have been charged with gambling-related offenses, the most significant development in the case since the employees were rounded up by mainland authorities in October.

All of the group, including those released on bail, have been charged with offenses related to the promotion of gambling and the cases have been referred to the Baoshan District Court, Melbourne-based Crown said in a statement on Tuesday. Crown, which runs casinos in Melbourne and Perth, said it wouldn't comment further.

Crown, controlled by billionaire James Packer, said <https://www.bloomberg.com/news/articles/2017-02-22/crown-s-high-roller-gambling-plunges-45-amid-china-crackdown> in February that 14 workers remained in detention, after saying last year that 18 were being held. It's illegal to gamble or promote gambling in China, other than in Macau, and the detentions raised concern of a renewed clampdown on overseas casino operators that woo Chinese citizens offshore to gamble.

The case's progression may mark the beginning of a resolution for Crown after the crackdown triggered a slump in high-roller gambling at the company's Australian resorts and upended the company's international operations. Packer returned to the board, [replaced https://www.bloomberg.com/news/articles/2017-02-22/crown-s-high-roller-gambling-plunges-45-amid-china-crackdown](https://www.bloomberg.com/news/articles/2017-02-22/crown-s-high-roller-gambling-plunges-45-amid-china-crackdown) the chief executive officer, and made resolving the situation in China his top priority.

The case is key not only because it might shed light on why Crown's staff were targeted, said Ben Lee, Macau-based managing partner at Asian gaming consultancy IGamiX. Gaming authorities in Australia are also likely to assess the outcome to determine whether Crown is allowed to continue holding casino licenses at home, he said.

Crown shares were little changed at A\$12.865 at 11:09 a.m. in Sydney. The shares have jumped 11 percent this year as the company pulled out of Macau, announced a special dividend and pushed on with a stock buyback.

The case is Australia's highest profile corporate clash with Chinese authorities since 2010. Stern Hu, the Australian who led Rio Tinto Group's iron-ore unit in China, was found guilty in March of that year of bribery and stealing commercial secrets and sentenced to 10 years in prison by a court in Shanghai.

The Crown staff detained and charged include three Australians, among them Jason O'Connor, the company's head of international high-roller operations.

[Terms of Service](#) [Trademarks](#) [Privacy Policy](#)
©2017 Bloomberg L.P. All Rights Reserved
[Careers](#) [Made in NYC](#) [Advertise](#) [Ad Choices](#) [Website Feedback](#) [Help](#)