



INDEPENDENT LIQUOR AND GAMING AUTHORITY OF NSW

INQUIRY UNDER SECTION 143 OF THE CASINO CONTROL ACT 1992 (NSW)

**THE HONOURABLE PA BERGIN SC
COMMISSIONER**

**PUBLIC HEARING
SYDNEY**

**WEDNESDAY, 2 SEPTEMBER 2020
AT 10.01 AM**

Continued from 1.9.20

DAY 21

Any person who publishes any part of this transcript in any way and to any person contrary to an Inquiry direction against publication commits an offence against section 143B of the *Casino Control Act 1992 (NSW)*

MS N. SHARP SC appears with MR S. ASPINALL as counsel assisting the Inquiry

MR N. YOUNG QC appears with MS R. ORR QC for Crown Resorts Limited & Crown Sydney Gaming Proprietary Limited

5 **MR D. BARNETT appears for CPH Crown Holdings Pty Ltd**

MS N. CASE appears for Melco Resorts & Entertainment Limited

10 COMMISSIONER: Yes, thank you. Yes, Ms Sharp.

MS SHARP: Good morning, Commissioner.

COMMISSIONER: Yes, thank you, Ms Sharp.

15 MS SHARP: We have Mr Preston back again.

<JOSHUA ROBERT PRESTON, ON FORMER OATH [10.01 am]

20

<EXAMINATION BY MS SHARP

25 COMMISSIONER: Yes, Mr Preston. Thank you. You're bound by your former oath. You understand that.

MR PRESTON: Yes. Thank you, Commissioner.

30 COMMISSIONER: Yes, thank you.

MS SHARP: Mr Preston, I would like to show you a document on a confidential basis, please. It is a document which I will have pulled up; it's just to the VC screen – sorry, hearing room screen. CRL.606.001.0084. I will just find its exhibit number, Commissioner.

35

COMMISSIONER: Thank you.

MS SHARP: Pardon me, Commissioner.

40 COMMISSIONER: Yes, all right. Yes.

MS SHARP: I'm just needing to locate it so that Mr Preston can locate it. Confidential list 5 at tab 72.

45 MR PRESTON: Yes, Ms Sharp.

COMMISSIONER: Yes, do you have that, Mr Preston?

MR PRESTON: I do, Commissioner.

5 MS SHARP: You will note the first page of the document shows that it's authored by you.

MR PRESTON: Sorry, what tab number did you say, sorry, Ms Sharp?

10 MS SHARP: Tab 72.

MR PRESTON: I'm in the wrong list. My apologies.

MS SHARP: List 5 if that assists, Mr Preston.

15

MR PRESTON: My apologies. Yes, I have it now.

MS SHARP: Thank you. And is that the document from you dated 3 March 2020?

20 MR PRESTON: That's correct.

MS SHARP: Now, yesterday you will recall that I asked you some questions about Cheng Ken Pan.

25 MR PRESTON: Yes.

MS SHARP: And he was the subject of advice you received from the VCGLR and you were advised by the VCGLR that it believed that Cheng Ken Pan was the man handing over the cash in the blue cooler bag footage and that the date that incident
30 occurred was 5 May 2017. Do you recall that?

MR PRESTON: Yes, I do.

MS SHARP: When were you advised of that information by the VCGLR?
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MR PRESTON: The date of the letter we received from them which I can't recall off the top of my head.

MS SHARP: Well, can you give us any indication as to when in time, using the following point as a marker: this footage went public on Mr Andrew Wilkie MPs website on 15 October 2019.
40

MR PRESTON: Yes, I think that was the date range, yes.

45 MS SHARP: Yes. So can you give us an approximate date range, and we can narrow it down further. Clearly enough you knew about it at the time that you prepared the document now before you on 3 March.

MR PRESTON: Yes, I was in receipt of the VCGLR letter by the time I prepared this document.

5 MS SHARP: All right. So could you please assist us by telling us when in time you think you received that letter from the VCGLR?

10 MR PRESTON: I can't recall off the top of my head, Ms Sharp. It was some time after Mr Wilkie's video footage, but I can't recall. It would be the date of the letter they sent to me. That was the first time I was aware of that date.

MS SHARP: Well, do you think it was pretty soon after the footage went public on 15 October last year?

15 MR PRESTON: Ms Sharp, I can't recall. As I said, it would be the date - - -

MS ORR: Commissioner, I object. I object.

COMMISSIONER: Yes.

20 MS ORR: I'm sorry, Mr Preston has made clear that he first became aware of this when he received a letter from the VCGLR. That letter is in the materials that the Inquiry has provided and notified us of. Perhaps Mr Preston could be directed to that letter. That letter is dated.

25 COMMISSIONER: Yes. Yes. Do you have it?

MS SHARP: I don't have a copy of that letter.

30 COMMISSIONER: I see. Is it in the databank of the Inquiry?

MS ORR: I will locate – it's in one of the lists that was served on us in recent days. I will locate the reference for it now, Commissioner.

35 COMMISSIONER: All right. Thank you, Ms Orr. We could move on and get to that date very promptly. Yes, thank you. Yes, Ms Sharp.

MS SHARP: Thank you.

40 In any event, you were advised of the information, that is, that the VCGLR considered that Cheng Ken Pan was the man handing over the cash and that the VCGLR said that the date of that incident was 5 May 2017; correct?

MR PRESTON: That's correct.

45 MS SHARP: Now, can I take you to the confidential document before you, and could I address your attention, please, to pinpoint 0089.

MR PRESTON: Yes, Ms Sharp.

MS SHARP: And you will see – and we discussed this yesterday – that there’s a reference to Cheng Ken Pan being arrested on 2 May 2018.

5

MR PRESTON: Yes.

MS SHARP: Now, it’s right, isn’t it, that he was a registered player with the Suncity junket.

10

MR PRESTON: That’s correct.

MS SHARP: Is it correct that in respect of each registered player of a junket you keep some details of those registered players?

15

MR PRESTON: Yes, that’s correct.

MS SHARP: One of those details is a copy of photo identification?

20

MR PRESTON: Yes, that’s correct.

MS SHARP: So we may take it that you have a copy of a photo of Cheng Ken Pan?

MR PRESTON: He would be on our records, yes.

25

MS SHARP: Yes. Have you ever looked at that photo?

MR PRESTON: I’ve seen that photo through records provided to me, yes.

30

MS SHARP: Now, given that this gentleman was arrested on 2 May 2018 at Crown Resorts, do you have any CCTV footage of that arrest?

MR PRESTON: I would expect that we’d have CCTV footage of it. I haven’t seen that CCTV footage.

35

MS SHARP: So you haven’t reviewed the CCTV footage – so you didn’t take that opportunity to see for yourself what Cheng Ken Pan looked like?

MR PRESTON: As I said, I’ve seen - - -

40

MS ORR: I object. I object to this line of questioning which seems to proceed on a false premise which is that the footage that Mr Preston is being asked about, the footage in the Suncity Room, is footage that would allow him to make an identification of Cheng Ken Pan. That footage is pixelated so that the person’s face is not visible and I just would like that to be made clear because I think there is a false premise for these questions.

45

COMMISSIONER: Yes. Yes, Ms Sharp.

MS SHARP: I will put the question, if I may.

5 So the point is, Mr Preston, you haven't taken the opportunity to reveal the CCTV footage which you understand records Cheng Ken Pan being arrested.

COMMISSIONER: An opportunity to review it.

10 MR PRESTON: I have not seen that footage. Sorry, Commissioner.

COMMISSIONER: That's all right.

15 MS SHARP: Now, can I take you to the next page of your document, this confidential document, at .0090.

MR PRESTON: Yes, Ms Sharp.

20 MS SHARP: Now, it's correct that – and I think you've already said this – Cheng Ken Pan was a player in the Suncity junket on the 5th of May 2017?

MR PRESTON: That's correct. That's what our records indicate.

25 MS SHARP: So you had records to show that fact.

MR PRESTON: There are – that he was on a junket program within that date range.

30 MS SHARP: So you were able to look at the date the VCGLR gave you, which was 5 May, and correlate that in your own records with the fact that, yes, indeed, Cheng Ken Pan had been in the casino playing in the Suncity junket that very same day.

35 MR PRESTON: As I said, we have records that he was on a junket program over that period, and he's – has various other activities over those different periods as well.

COMMISSIONER: Now, Mr Preston, this morning I would like you to just focus on the question. We will get through it a little more quickly.

40 MR PRESTON: Yes, Commissioner.

45 COMMISSIONER: So the question, you understood, and I think you can answer it very shortly rather than giving me a lot of other information. As I said to you yesterday, your counsel will clarify any matters that may be necessary to clarify in due course. And, whilst I'm speaking with you, could you move your microphone a little closer to you. Thank you. Yes, Ms Sharp.

MS SHARP: Now, would you agree that the fact you held your own records that show that Cheng Ken Pan was playing in the Suncity Room on the very day that the VCGLR says the incident occurred in the Suncity Room was important corroborative information of what the VCGLR told you?

5

MR PRESTON: It gave us a date. I accept that.

MS SHARP: Well, no. My question is this: it was important corroborative information, wasn't it?

10

MR PRESTON: It was. And I asked the VCGLR if we could - - -

COMMISSIONER: No, don't tell me the balance.

15

MR PRESTON: Sorry.

COMMISSIONER: You're just being asked do you accept was is important corroborative information? And I think you've agreed that it was; is that right?

20

MR PRESTON: Yes, Commissioner.

COMMISSIONER: Yes. Thank you.

25

MS SHARP: That information made it far more likely that the VCGLR was correct in asserting that Cheng Ken Pan was in the Suncity Room, handing over all that cash, on the 5th of May 2017.

30

MR PRESTON: I just – I just don't accept that. I accept that it was corroborative evidence, but I don't accept it made it more than likely. And I asked the specific question to them.

MS SHARP: Why on earth don't you accept it made it far more likely?

35

MR PRESTON: I did – it made it far more likely, but it does not confirm the fact.

40

COMMISSIONER: Look, Mr Preston, you've got a regulator who is trying to deal with a casino operator who provides, in good faith, information. And you seem to be wanting to resist – I may be wrong – but you seem to be wanting to resist that the information provided to you was cogent and clear and more probable than not the man identified by your regulator. I'm having difficulty understanding why you resisted the information being accurate. What was the problem?

45

MR PRESTON: My apologies, Commissioner. It was – it wasn't a problem, as such. It just – we couldn't correlate it. And I asked for more information. It wasn't a resistance, it was - - -

COMMISSIONER: See, if a regulator – I'm sorry. Beg your pardon?

MR PRESTON: I was going to say I was asking for more information to get clarity so we could properly even further assist. It didn't – if they could have confirm exactly, I could have gone to the specific date point, the point in time, and confirmed without any doubt. I was trying to remove any uncertainty or any lack of clarity;
5 that was all. I was actively seeking that information.

COMMISSIONER: But what was the lack of clarity? What was the lack of clarity, Mr Preston?

10 MR PRESTON: The footage was pixelated and we could not identify a date.

COMMISSIONER: Yes. Now, you had a date. What else was the problem?

MR PRESTON: And we – well, they provided a date, yes. They provided us with
15 new information that Mr Pan had been charged. And that was new information for us. And we asked them to confirm the date of the footage. It was as simple as that. We reviewed our records over that period of time. And our records indicated that Mr Pan was on a junket program over a week or two during that period. But it was largely seeking further confirmation from the regulator. That was – that was the
20 essence of it.

COMMISSIONER: So, today, as you sit in this Inquiry, you accept that it was Mr Pan, do you?

25 MR PRESTON: I accept it as a possibility it was Mr Pan, but without any certainty, Commissioner.

COMMISSIONER: Well, just pause, please. Just – don't make a speech. Just
30 pause. You accept it's a possibility. Is that all you accept?

MR PRESTON: Yes.

COMMISSIONER: I see. Yes, Ms Sharp.

35 MS SHARP: I suggest to you that you are applying an extremely unreasonable standard in the level of proof you require that this gentleman that is the subject of the blue cooler bag footage, was Cheng Ken Pan.

MR PRESTON: I don't accept that. Sorry, Ms Sharp.
40

MS SHARP: Right. Well, let me put these things to you. As at the time you were advised by the regulator of your industry that it considered the subject of the footage was Cheng Ken Pan and it considered the incident occurred on 5 May 2017, you agree that you knew the following matters: firstly, the video footage was captured on
45 a VCGLR camera; correct?

MR PRESTON: Yes.

MS SHARP: Secondly, documents available to you indicate that Mr Cheng played in the very room where the footage was captured on exactly the same day as the VCGLR had advised to you.

5 MR PRESTON: Well, I don't know that it was that same day, but that is what the VCGLR indicated.

MS SHARP: No, no. These are your records – your records. Your records show that Mr Cheng Ken Pan played in the Suncity Room on the 5th of May 2017, don't
10 they?

MR PRESTON: I – think that's right. I think that's right.

MS SHARP: Well, do you want to refresh your - - -
15

MR PRESTON: I only say I think so – I know it's a date range - - -

MS SHARP: I don't want to trick you. Do you want to refresh your memory by looking at this document, .0090, at the fourth arrow?
20

MR PRESTON: Yes, you're quite right. He was playing on that day.

MS SHARP: And even with those two pieces of information, you did not consider it most likely that the subject matter of the footage was Cheng Ken Pan and the
25 incident had occurred on the 5th of May 2017?

MR PRESTON: Not without certainty.

MS SHARP: Well, I suggest that is an extremely unreasonable conclusion for you to have reached.
30

MR PRESTON: With respect, Ms Sharp, I was trying to be as diligent as I could. And I engaged with the regulator about it, about this footage, that was deliberately pixelated. And I wanted to get certainty as to the detail of it. It was no more than
35 that.

MS SHARP: So the face was pixelated, wasn't it, in that video footage, the blue cooler bag footage?

40 MR PRESTON: The face and there was clear - - -

MS SHARP: Yes.

MR PRESTON: Yes, the face was pixelated.
45

MS SHARP: The rest of his body was not pixelated, was it?

MR PRESTON: Well, no, it was not pixelated.

MS SHARP: And you had a photo ID of Mr Cheng on your records – Cheng Ken Pan - - -

5

MR PRESTON: I've only ever - - -

MS SHARP: - - - on your records?

10 MR PRESTON: I've only ever seen a - - -

MS SHARP: Yes.

MR PRESTON: - - - I think, it's a passport photo or – if I'm not mistaken.

15

MS SHARP: And you were aware that there was CCTV footage of his arrest available to you to look at if you wished to, but you chose not to look at that footage.

MR PRESTON: Yes.

20

MS SHARP: In any event, this Inquiry has asked you to more carefully look at the CCTV footage and the 11 or so minutes of footage. And your evidence today is that you think it is most likely that the footage of the gentleman handing cash out of the blue cooler bag depicted an incident in May 2017?

25

MR PRESTON: Yes, that's correct.

MS SHARP: Standing here today, do you have any doubt whatsoever that what the blue cooler bag footage depicts is Mr Cheng Ken Pan handing out all that money on to the Suncity bag from a blue cooler bag on 5 May 2017.

30

MR PRESTON: I still have some doubt, Ms Sharp.

MS SHARP: I suggest that is extremely unreasonable, Mr Preston.

35

MR PRESTON: I respectfully disagree.

MS SHARP: Now, I've taken you to a document that is confidential this morning. You have seen that it refers to Cheng Ken Pan and the date that the VCGLR believes the incident occurred. You agree that document is dated 3 March this year.

40

MR PRESTON: That's correct, Ms Sharp.

MS SHARP: Can I now show you document INQ.070.002.0575 which is exhibit F76, and this is an open document. And of course, you have seen this document before, haven't you, Mr Preston.

45

MR PRESTON: Can you let me know which list it's on, Ms Sharp, please?

COMMISSIONER: That can go to the live stream.

5 MS SHARP: Yes, if we can put this on the live feed and – is a document dated 6 February 2020 now available to you, Mr Preston?

MR PRESTON: Yes, I might need it enlarged a bit more, please.

10 MS SHARP: You will see that it refers to summons 2063 issued to Crown Resorts.

MR PRESTON: Yes. Can I trouble the operator – thank you.

MS SHARP: Could this be enlarged slightly, please.

15

COMMISSIONER: It has been.

MS SHARP: You generally were made aware of all summonses that were served on Crown Resorts by this Inquiry?

20

MR PRESTON: The majority of them, yes.

MS SHARP: We can take it that you were made aware of this one.

25 MR PRESTON: Yes.

MS SHARP: Now, if we can scroll it up a little bit, you will see that the summons annexes some – an article about some footage which is described as the blue cooler bag, that footage, and then the question is asked:

30

We apprehend that your client will have considered the footage and have ascertained the circumstances relating to the incident depicted, including the date upon which the incident captured by the footage occurred. Would you please inform us of that date and also the location.

35

Now, let me take you to the summons that went with this document. This is – I will bring it up at INQ.035.003.0043, exhibit F77. Now, just on this first page, can you see that it is dated 13 February, this summons?

40 MR PRESTON: I might need it enlarged, please, Ms Sharp.

MS SHARP: And production was required by 19 February 2020.

MR PRESTON: Yes, I see that.

45

MS SHARP: In fact, I think you took somewhat longer to produce under this summons. I will have that date – I might have that date confirmed. Could I take you

to the schedule to that summons over the next page, pinpoint 0043. I beg your pardon, 44:

5 *All documents recording (a) the name of the person who deposited or made the payment, the name of the person or entity on whose behalf the deposit was made, the amount of cash, all documents referring to or recording the deposit or payment of the cash depicted in the footage.*

10 Now, just to start, that memorandum from you dated 3 March was not a document produced in answer to this summons, was it?

MR PRESTON: I can't – I can't recall when the – my memo was produced which summons, but it may not have been. I'm not sure.

15 MS SHARP: Well, do you agree that it fell squarely within the terms of this summons?

MS ORR: Could I interject here?

20 COMMISSIONER: Yes.

MS ORR: There is an objection I wish to make about questions connected with this summons. In order to make that objection could we please return to the first page of this document on the screen.

25 COMMISSIONER: Yes. It has a date prior to the summons; I'm across that, Ms Orr.

MS ORR: I'm sorry, it's a different point, Commissioner.

30 COMMISSIONER: What is it?

MS ORR: These matters are very difficult to deal with because the footage that is referred to on the first page of this document, which was shown to Mr Preston when he last gave evidence, is not footage that refers to a single incident. It is framed in this correspondence as relating to a single incident. That is incorrect.

COMMISSIONER: I see, yes.

40 MS ORR: The ABC footage related to at least two, if not all three, of the three incidents that Ms Sharp referred to yesterday which are dealt with in the 11-minute footage of Mr Wilkie. Great care needs to be taken with these questions because I apprehend that we're moving towards questions that suggest that there was some form of deliberate withholding or misleading of the Inquiry and I do want to object quite firmly at this point on the basis that these documents, this summons and the covering correspondence, were not clear about which payment, which transaction
45 they were directed to because they were all based on the ABC footage which related

to – we’ve tried to work this out because it’s a splice of various parts of the 11-minute footage that Mr Wilkie published.

COMMISSIONER: Yes.

5

MS ORR: It relates to at least two, possibly three, of those transactions.

COMMISSIONER: Yes, all right.

10 MS ORR: And that was not made clear in either this correspondence or the summons or when Mr Preston was last asked questions about that footage.

COMMISSIONER: Yes. Thank you, Ms Orr. Yes, Ms Sharp?

15 MS SHARP: I just – I wish to respond briefly to that. The ABC footage depicted and only depicted the blue cooler bag footage.

COMMISSIONER: Yes, it was just the one.

20 MS SHARP: Yes, that is the third sequence.

MS ORR: That is incorrect. That is incorrect.

COMMISSIONER: Wait, please, Ms Orr. Ms Orr, please.

25

MS SHARP: That is the - - -

COMMISSIONER: No, wait Ms Sharp, please. Technologically, it’s a little more complex than when you’re appearing in person. I will give you every opportunity to put your submissions. Now, Ms Sharp, please.

30

MS ORR: I apologise.

COMMISSIONER: That’s all right.

35

MS SHARP: The blue cooler bag footage is the footage that the ABC article referred to that is annexed to this summons. That is made clear enough in the cover letter to this summons which says:

40 *The article reproduces CCTV footage depicting a man presenting cash in a blue cooler bag.*

Now, the extended footage was available on the Wilkie website. That went for some 11 minutes and what you will see, Commissioner, is that three separate - - -

45

COMMISSIONER: Yes, I’ve seen that.

MS SHARP: Yes, are depicted. It is the third instance that commences at eight minutes and 17 seconds which is the blue cooler bag footage and - - -

5 COMMISSIONER: Just pause there for a moment and let me understand this. The summons and the covering letter to which you've taken Mr Preston deals with a different depiction or is it the same one that Mr Wilkie published?

MS SHARP: It's the same footage that Mr Wilkie published.

10 COMMISSIONER: Well, there's a reasonable apprehension that there are three in there, so where it says "the footage" in respect of the three, Ms Orr's point, if I may say, is reasonable in that you have three incidents in the footage as opposed to the one, I think.

15 MS SHARP: If I could be further heard on that point, Commissioner.

COMMISSIONER: Yes, of course.

20 MS SHARP: The schedule to the subpoena – I beg your pardon, the summons uses the defined term "footage" and in the definitions which you will see, Commissioner, at 0045, footage is defined to mean:

CCTV footage depicting a man presenting cash in a blue cooler bag which is reproduced in a news article from ABC.

25 It's very clear which of the clear incidents – or instances is being referred to. On the extended Wilkie footage, the first instance depicts a man unloading cash from a cardboard bag.

30 COMMISSIONER: Yes.

MS SHARP: The second incident does not show any man unloading footage. It just shows chips. The third incident shows the blue cooler bag, Commissioner.

35 COMMISSIONER: Yes. I see. Yes, thank you. All right.

MS SHARP: So - - -

40 COMMISSIONER: Yes. Now, Ms Orr, did you want to say anything further?

MS ORR: Yes, I do, Commissioner. I accept what Ms Sharp says about the definition of "footage" in the summons. I don't take issue with that. I take issue with the way these questions have been framed on two occasions now by reference to the ABC footage. We examined the ABC footage carefully over the weekend. And
45 it's very clear to us that the ABC footage relates to at least two of those transactions.

COMMISSIONER: All right.

MS ORR: So I'm asking that care be exercised in the way these questions are put, because on our review of the transcript of the last occasion, there was some confusion at times because the ABC footage was played to Mr Preston on the basis that it reflected a single transaction, and it does not.

5

COMMISSIONER: Well, there's no doubt that Ms Sharp is taking care. And I think, possibly, the best way forward is for you to object to any particular question rather than us continue this. You ask the next question, Ms Sharp.

10 MS ORR: Thank you, Commissioner.

MS SHARP: I will just – just to make the matter abundantly clear, Mr Preston, could I please return your attention to the cover letter to the summons, which is dated 6 February 2020: INQ.070.002.0575. Thank you. Now, if I could highlight the second paragraph, you will see that there's a definition of "footage". Do you see that?

15

MR PRESTON: Yes.

20 COMMISSIONER: Perhaps I would be – I'd be assisted, I think, by just focusing on the footage that you want to ask Mr Preston about, Ms Sharp.

MS SHARP: Yes. Thank you.

25 COMMISSIONER: Thank you.

MS SHARP: I'll - - -

COMMISSIONER: Yes.

30

MS SHARP: I'll will move on. Can I then take you to a document INQ.035.003.0041. This is an open document, but it is to be found, Mr Preston, in Crown list 1 at tab 97. That should come up on your screen. That's an open document.

35

COMMISSIONER: I think that should go to the live screen. Is that on your screen, Mr Preston?

40 MR PRESTON: It is. My apologies, Commissioner. Part of my screen set-up has got my video over half the document, so it's just making it a bit difficult to see when it's enlarged.

COMMISSIONER: I see. All right. All right.

45 MR PRESTON: Sorry. Ms Sharp, can you just repeat what tab that was in list 1?

MS SHARP: Yes, I can, certainly. It's Crown list 1, tab 97.

MR PRESTON: Well, I have tab 97, but there's no document. I will have to just go from the screen and, hopefully, it can be enlarged as my video's not in the middle of it. Thank you.

5 COMMISSIONER: Just enlarge it, please.

MS SHARP: Yes. Could I have Mr Preston have the bottom half of the document enlarged. Now, can you see an email from the solicitor assisting this Inquiry dated 13 March 2020?

10

MR PRESTON: Yes, I can.

MS SHARP: And the solicitor says:

15

I refer to our letter dated 6 February 2020 (attached).

You can take it from me that that is the letter that referred to the article reproducing CCTV footage depicting a man presenting cash in a blue cooler bag. And then the solicitor assisting says:

20

While documents have been produced in answer to the summons, can we please have a response to the question?

And then if you turn to the top half of the document, we receive a response. Now, did you play any role in giving instructions for this response, Mr Preston?

25

MR PRESTON: I – I would have. If I can just refresh my memory, please. Yes.

MS SHARP: And what the Inquiry is being told at this point is that Crown is not certain of the exact date and the time that this footage was taken:

30

Based on available information, Crown is aware that the footage was taken prior to May 2018.

And then a suggestion is made that the VCGLR may be in possession of further information. Now, you'll agree nothing is provided as to the gentleman that the VCGLR say is the subject of the incident, that being Mr Cheng Ken Pan?

35

MS ORR: Excuse me, I object. I object to that question. I repeat the objection I made yesterday afternoon. Based on the constraint that was imposed on my client by the VCGLR in terms of providing further information about what the VCGLR had said to my client on these matters. And as I indicated yesterday - - -

40

COMMISSIONER: Well, I think – I'm sorry.

45

MS ORR: I'm sorry, Commissioner.

COMMISSIONER: That's - - -

MS ORR: I was going to complete that by saying, as I indicated yesterday, we have only just been released from the constraint. And having been released from that
5 constraint, have provided a further version of the document to which Ms Sharp referred earlier unredacting a portion that we had been required to redact at the VCGLRs request.

COMMISSIONER: Yes. I don't see any difficulty with the line of examination in
10 the circumstances. And Mr Preston is free to suggest that the response was crafted as it was because of a prohibition on it to deal with the VCGLR. And I don't see any suggestion – he can say, “Well, the reason I didn't mention the gentleman was because I couldn't because VCGLR prohibited me.” But I don't think that's the position. But if it is, Mr Preston is free to say that. I'll allow it, Ms Sharp. Please
15 proceed.

MS SHARP: You'd agree that there's no reference in this email to Mr Cheng Ken Pan?

20 MR PRESTON: Correct.

MS SHARP: But that name was known to you, at the time of this email, as being the man that the VCGLR considered was the subject of the blue cooler bag footage?

25 MR PRESTON: I – I believe so.

MS SHARP: And there is no reference in this email to the date of 5 May 2017 being the date of the incident that had been notified to you by the VCGLR?

30 MR PRESTON: That's correct.

MS SHARP: But you were aware, prior to this email, that the VCGLR had notified you of that date?

35 MR PRESTON: As I recall, I was, on the basis of the notice we received from the VCGLR. But I'd have to check, again, the date of the letter.

MS SHARP: There's certainly no – nothing in this letter to suggest that the VCGLR had placed any restriction on you disclosing information you otherwise had in
40 answer to this very specific query by letter of 6 February 2020, is there?

MR PRESTON: There's nothing in that letter that says that; that's correct.

MS SHARP: Is it right that you weren't doing your very best to cooperate with this
45 Inquiry?

MR PRESTON: I absolutely disagree with that, Ms Sharp, entirely.

MS SHARP: Do you accept that you may have taken a more cooperative approach and more candidly indicated that you had been provided with a date, but that there were restrictions on you providing that date and that name to the Inquiry?

5 MR PRESTON: We were being respectful to the position the VCGLR had taken at the time regarding the section 26 notices, as I recall, and we were being very respectful to that, hence, the reason the third bullet point was, “We couldn’t mention it, but please feel free to speak to the VCGLR.” That was the cooperative piece.

10 MS SHARP: Just to be clear, is it your evidence that the VCGLR only provided you with the name Cheng Ken Pan and their views as to the date of the incident pursuant to some sort of section 26 notice?

15 MR PRESTON: As best I recall, Ms Sharp, the first time I was aware that there was a thought that it was Cheng Ken Pan on that date was a letter we received from the VCGLR.

20 MS SHARP: Well, I want to be very clear about this. Your counsel has repeatedly objected, and the basis of that objection has been that there was a restriction imposed by the VCGLR on you disclosing this information. Did you know whether there was a restriction?

25 MR PRESTON: Ms Sharp, this is some many months ago now. I would have to refresh my memory with that letter - - -

MS SHARP: Did you know whether there was a restriction, Mr Preston?

MR PRESTON: If it was under that notice section 26, yes, there was a restriction.

30 MS SHARP: But you don’t know. Is that the case?

35 MS ORR: Commissioner. Commissioner, I object to this line of questioning. The section 26 notice is in the materials that have been served on us by the Inquiry. I can provide the document ID for it. It is unfair – Ms Sharp indicated before that she wasn’t aware of this letter – it is unfair to ask these questions without drawing to the witness’s attention the very document that the Inquiry has indicated to us it wishes to rely on in these hearings.

40 COMMISSIONER: I’m not sure that that’s the case, but I don’t see any difficulty with this line of questioning. Mr Preston is free to tell me truthfully what his understanding was. I’m not concerned that there’s any unfairness here, Ms Orr. Perhaps it’s a sensitivity to it. It really is just a matter of fact and we should move on. Yes, Ms Sharp.

45 MS SHARP: I will move on, Commissioner. Could I take you – this is a confidential document, Mr Preston. It’s in Crown confidential list 1, tab 77. I understand that a claim of confidentiality is pressed, so please only show it to the VC

– hearing room. CRL.506.007.8870. If that could be brought up on the hearing room screen.

5 MR PRESTON: I'm just having trouble locating the particular document. Sorry, Ms Sharp.

MS SHARP: Take your time, Mr Preston. Could we bring it up on the hearing room screen, though?

10 MR PRESTON: It might need to, Ms Sharp. Sorry, I can't locate the relevant list folder.

15 MS SHARP: If it assists you, I can tell you that it is the investigation report that was provided to the Crown Resorts board on 30 July of last year. Will that help you find it?

COMMISSIONER: Who was the author?

20 MR PRESTON: I've got a book missing, sorry. That's my problem.

COMMISSIONER: Who was the author?

25 MS SHARP: I understand from Mr Preston's evidence on the last occasion that he was the author.

COMMISSIONER: I see. Yes.

30 MS ORR: Would the Inquiry be assisted by us seeking to email a copy of this document to Mr Preston given that he appears not to have the relevant volume?

COMMISSIONER: Yes, please, Ms Orr. Yes, that would be excellent. Thank you very much.

35 MS ORR: Yes, we will do that now, Commissioner.

COMMISSIONER: Thank you.

40 MR PRESTON: Commissioner, I might just need to step – to get a device. I don't have a device with me if that's – if I can leave the room for two seconds?

COMMISSIONER: Yes, please step away. Thank you for your courtesy.

45 <THE WITNESS WITHDREW [10.45 am]

<JOSHUA ROBERT PRESTON, ON FORMER OATH [10.46 am]

<EXAMINATION BY MS SHARP

COMMISSIONER: Yes, thank you, Mr Preston.

5

MR PRESTON: It hasn't come through yet, sorry, Commissioner.

COMMISSIONER: That's all right. Ms Sharp, can you proceed?

10 MS ORR: I apologise, we're in the process of getting - - -

COMMISSIONER: Yes. Is there some other aspect that we could proceed with while we're waiting, Ms Sharp?

15 MS SHARP: Yes, I hope the operators will endeavour to look for this document.

COMMISSIONER: I'm sure they will, yes. Thank you.

MS SHARP: I will go to another matter, if I can, and I will come back.

20

COMMISSIONER: Thank you very much.

MS SHARP: Here it comes.

25 COMMISSIONER: Yes. Yes, Ms Sharp.

MS SHARP: I will just check, do you now have the document, Mr Preston?

30 MR PRESTON: Sorry, Ms Sharp, it's still finding its way through the emails. I do now, sorry.

MS SHARP: In that event I will move on to a different - - -

35 COMMISSIONER: Take that off the live screen, please, operator. Thank you.

MR PRESTON: I've received it now, Ms Sharp; it's just appeared.

40 MS SHARP: In that event, show this document to the hearing room only. Thank you. Now, could I take you, please, to .8878 of that document. I will have that brought up on the hearing room only screen.

MR PRESTON: Yes. Thank you.

45 MS SHARP: I'm sorry, I've directed – yes, thank you. You now have – just to confirm we're on the same page, so to speak, there's a number 4 at the top left-hand of that document under the Crown logo?

MR PRESTON: Yes. Yes, I'm there.

MS SHARP: You can take it from me that that is part of the report that was provided to the board on 30 July. Could I just draw your attention to entry under –
5 you will see there are three arrows, and then you will see a reference in a dot point to Zhou Qiyun.

MR PRESTON: Yes.

10 MS SHARP: And you will see in brackets "Tom Zhou, Chinatown".

MR PRESTON: Yes.

MS SHARP: Why was that link being made in this investigation report – or
15 between Zhou Qiyun and Tom Zhou, Chinatown?

MR PRESTON: Because the report was providing context and detail to the board and the commentary pertaining to Tom Zhou referred to as Mr Chinatown and that was – that was as simple as that.

20

MS SHARP: And what you've done, though, is not only have you linked Chinatown with Zhou Qiyun, you've linked Tom Zhou with Zhou Qiyun. Do you see that?

25 MR PRESTON: Yes, I do.

MS SHARP: Right. But you didn't link Tom Zhou with Zhou Qiyun in the 6 March 2020 statement you gave to the Inquiry.

30 MR PRESTON: That's right. As I explained yesterday there was no confirmed links.

MS SHARP: But you've referred to a link right here in this report you've provided to the board of directors.

35

MR PRESTON: Yes, on the basis that the allegations were Tom Zhou being Mr Chinatown, it was no more than that. As I explained yesterday, I was dealing with facts to advise the Inquiry in responding to question 9.

40 MS SHARP: But wasn't the point of your investigation report to brief the directors with the facts, as you understood them, as at 30 July 2019?

MR PRESTON: That's correct.

45 MS SHARP: So wasn't one of the facts, as you understood it at 30 July 2019, that there was a link between Zhou Qiyun and Tom Zhou?

MR PRESTON: There was a link between Tom Zhou and Chinatown, as was articulated in the allegations. And the point was - - -

5 MS SHARP: I'm not asking – Mr Preston, I'm sorry. I wasn't asking about that link. I was asking about the link between Zhou Qiyun and Tom Zhou.

10 MR PRESTON: Well, only to the extent that Tom Zhou was allegedly linked to the Chinatown. That was – that was the essence of it. And, again, my response, as I indicated yesterday, I stand by it.

MS SHARP: Now, in your 6 March 2020 statement, you said that Crown Resorts made the decision to cease to deal with the Zhou Qiyun junket operator – the gentleman being the junket operator – in November 2016; correct?

15 MR PRESTON: Correct.

20 MS SHARP: Let me show you a document which you will find on Crown confidential list 1 at tab 47. I think this is still a confidential document, so we will bring it up to hearing room only: CRL.007.004.0872.

MR PRESTON: That was list 1, tab 47 was it, Ms Sharp?

COMMISSIONER: Ms Sharp?

25 MS SHARP: Pardon me. I will just - - -

COMMISSIONER: Tab 47?

30 MS SHARP: Yes.

COMMISSIONER: Yes. Thank you, Mr Preston.

MR PRESTON: Thank you, Commissioner.

35 COMMISSIONER: Tab 47. That's all right.

MS SHARP: Just pardon me for one moment.

40 COMMISSIONER: Yes, of course.

MS SHARP: I got my number right, I am told.

COMMISSIONER: Mr Preston has tab 47.

45 MS SHARP: Yes.

COMMISSIONER: Yes, Ms Sharp.

MS SHARP: Yes, the difficulty is I'm waiting for it to be brought up, Commissioner.

COMMISSIONER: I see. Give us the CRL number, please.

5

MS SHARP: Yes. I may be able to do this without looking at the document myself.

COMMISSIONER: Yes.

10 MS SHARP: But just to repeat it is CRL.001.004.0874.

COMMISSIONER: Yes. Thank you. Yes, Ms Sharp.

MS SHARP: Now - - -

15

MR PRESTON: My – sorry, Ms Sharp. Sorry to interrupt. I have a different now.

COMMISSIONER: Mr Preston has a different number.

20 MS ORR: That is not the document that has been - - -

COMMISSIONER: I think the odds are against you with the technology this morning, Ms Sharp, so perhaps you can move on to another topic.

25 MS SHARP: I will – yes. I will move on to another topic while, I hope, that matter is being sorted out, because I would like to return to that document.

COMMISSIONER: Yes. Well, someone will sort it out for you, I'm sure.

30 MS SHARP: Can I now ask you, Mr Preston, to have a look at another document. I hope I have more luck, Commissioner. I'm told this is exhibit P19.

COMMISSIONER: Thank you.

35 MS SHARP: I understand this to be a confidential document.

COMMISSIONER: All right.

MS SHARP: So if it can only be shown to the screen - - -

40

COMMISSIONER: Hearing room screen.

MS SHARP: - - - in the hearing room. It is CRL.634.001.0039.

45 COMMISSIONER: Yes. Thank you.

MR PRESTON: Can I trouble you for a list number and tab number, Ms Sharp, if possible?

5 MS SHARP: Yes. I'm told that it is exhibit P19 and - - -

COMMISSIONER: Will Mr Preston have a copy?

MS SHARP: I am told that it was emailed to you last night, Mr Preston.

10 MR PRESTON: Yes.

MS SHARP: Yes. Now, do you have a document which is marked with the document ID CRL.634.001.0039?

15 MR PRESTON: I do.

MS SHARP: And this is a document authored by yourself and dated 17 August 2017.

20 MR PRESTON: That's correct.

MS SHARP: When did you first become aware that Crown had premises in Guangzhou that it currently paid the rent on?

25 MR PRESTON: I only started to have anything to do with the China element from probably – most probably late in the first half of 2017. So some time within the month or two before this, maybe.

30 COMMISSIONER: I see.

MS SHARP: And when did you first become aware that the lease was in the name of Alfred Gomez and Jack Ng?

35 COMMISSIONER: N-g.

MS SHARP: That is, N-g.

40 MR PRESTON: I can't recall whether I knew about that at the time of was informed about this premises or shortly thereafter.

MS SHARP: And when did you first become aware that a range of documents and computer hardware was stored in that office?

45 MR PRESTON: It most probably would have been post being made aware of the fact there was an office.

MS SHARP: And did you take any steps to make the board of directors of Crown Resorts aware of your knowledge that Crown had premises in Guangzhou that Crown Resorts currently paid the rental on?

5 MR PRESTON: I wasn't reporting to the board on these matters, as I recall, Ms Sharp.

MS SHARP: So does that mean you never took steps to make the board of directors aware of that fact?

10

MR PRESTON: I can't recall, Ms Sharp, what – what I made the board aware about related to this.

15 MS SHARP: Well, is it most likely, do you think, that you never made the board of directors aware of this matter?

MR PRESTON: I don't think I, personally, would have made the board aware of this matter.

20 MS SHARP: Was there anybody that you did make aware of this matter that you reported to?

MR PRESTON: Barry Felstead. I made Barry Felstead aware. I can't recall who else. Sorry.

25

MS SHARP: Did you make anyone aware of your knowledge that the lease for this apartment was in the name of Alfred Gomez and Jack Ng? That's N-g.

MR PRESTON: Yes. I made Barry Felstead aware of that.

30

MS SHARP: But not the directors?

MR PRESTON: Not – not that I recall.

35 MS SHARP: Pardon me for one moment, Commissioner.

COMMISSIONER: When you were preparing your report for the directors, before they issued the advertisement in 2019, I presume, from what you've just told me, that this particular event and detail didn't come to your mind for the purpose of reporting to the board at that time?

40

MR PRESTON: No. No, Commissioner. I wasn't providing - - -

COMMISSIONER: Yes.

45

MR PRESTON: - - - the commentary on China specifically. And it didn't come to my mind. Sorry.

COMMISSIONER: Yes. So in terms of when the board were responding to the media allegations, there was obviously a matter of detail in respect of the office that was in Guangzhou. But at that time when you were doing the work, this was not a matter that came to your mind, I understand, in 2019; is that right?

5

MR PRESTON: That's correct, Commissioner.

COMMISSIONER: Yes, all right. Yes, Ms Sharp.

10 MS SHARP: I will have another try at that document, if I might, Commissioner.

COMMISSIONER: Yes, of course.

15 MS SHARP: Could I call up – I'm going back to another document, Mr Preston. It's Crown confidential list 1 at tab – I beg your pardon – Crown confidential list 1 at tab 47. And could I pull up to the hearing room screen only CRL.001.004.0874. It's list – I'm told it's list 6.

20 MS ORR: I'm sorry. I may have missed the tab number then. Did Ms Sharp say list 6?

COMMISSIONER: Yes, list 6.

25 MS SHARP: Yes. Crown confidential list 6, tab 47.

MS ORR: Thank you very much.

MR PRESTON: Thank you, Ms Sharp.

30 MS SHARP: Thank you. Now, you have a settlement sheet in front of you?

MR PRESTON: I do.

35 MS SHARP: And can you see the date is 2 July 2019?

MR PRESTON: I do.

MS SHARP: And can you note the patron is Chong Tim Fu?

40 MR PRESTON: That's correct.

MS SHARP: Now, could I ask you to turn over to pinpoint reference 0876. And I will have that turned over to the hearing room screen. Now, do you see there are some agents listed as being agents of that particular junket representative?

45

MR PRESTON: I do.

MS SHARP: And do you see the third of those agents is Zhou Qiyun?

MR PRESTON: I do.

5 MS SHARP: So while you've given evidence that Crown Resorts ceased its relationship with Zhou Qiyun as a junket operator in November 2016, you will agree that he's popped up as a representative of another junket operator in July of last year?

MR PRESTON: I see that. Yes.

10

MS SHARP: So it's right that Zhou Qiyun does still operate at Crown Melbourne or Crown Perth?

MR PRESTON: It would appear that he is a junket representative on this other
15 junket.

MS SHARP: And if we could go back to that first page, you will see that the junket operator is Chong Tim Fu. Now, he is one of the gentlemen you told us yesterday you did not associate with the Chinatown junkets.

20

MR PRESTON: Yes, they are my instructions that he was not a Chinatown junket.

MS SHARP: Do you think, having looked at this document, your instructions might be wrong?

25

MR PRESTON: I've got no reason to disbelieve them. I understand that this junket was – again, I'd have to check the records – was approved post '17, post the various changes that had occurred, from what I understand.

30 MS SHARP: But, Mr Preston, all that's really happened is that Zhou Qiyun no longer occupies the legal status of a junket operator, but he's still coming in and being a junket representative on another junket.

MR PRESTON: That would appear to be the case. Yes.

35

MS SHARP: So it's not as though Crown has ceased dealing with him. He just has another title, doesn't he?

MR PRESTON: I think it's a very different relationship. And, Ms Sharp, I was surprised when I saw that there. And I had no knowledge of that. But it's a very different relationship from a junket representative to a junket operator.

40

MS SHARP: Sorry. You said you were surprised when you saw that. When did you first see that?

45

MR PRESTON: In these papers.

MS SHARP: And when was that?

MR PRESTON: I can't recall when I specifically managed to get through this set.

5 MS SHARP: Is there any reason why you didn't raise it with us yesterday, when we were discussing Zhou Qiyun and you were telling us that Crown had ceased its relationship with him in November 2016?

10 MR PRESTON: Well, firstly, I didn't specifically recall yesterday, number 1. But number 2, yesterday's conversation was with respect to him as a junket operator.

15 MS SHARP: But your evidence still is that you don't – even though Zhou Qiyun, who you do identify as being part of the junket operator, is now the junket agent of Chong Tim Fu, you don't identify Chong Tim Fu as being part of the Chinatown junket?

MR PRESTON: The advice that I have internally, Ms Sharp, is that it is not. And I can't add much more than that.

20 MS SHARP: Well, I suggest that there are junket settlement sheets that have been produced to this Inquiry that show that Chong Tim Fu has been a junket operator from 11 October 2017 to the 6th of September last year. Did you know about that?

25 MR PRESTON: As I indicated, the advice that I received was this particular junket operator, Chong Tim Fu was approved in '17, post when they made the various changes and stopped doing business with a number of junkets.

30 MS SHARP: And did you know that a number of the Chong Tim Fu junket settlement sheets show that he has the same junket agents as were agents on the Zhou Qiyun junket?

MR PRESTON: Possible.

35 MS SHARP: These agents include Dong Ting Tin – and I'll spell that, D-o-n-g T-i-n-g T-i-n, and Lie Wie – I'll spell that L-i-e W-i-e, and then Ly Yan – I'll spell that L-y Y-a-n, and Xin Tal – I'll spell that, X-i-n T-a-l. Did you know these – that is, the Chong Tim Fu junket and the Qiyun junket shared all of those junket agents?

40 MR PRESTON: No, I did not.

MS SHARP: Is it causing you to doubt, in any way, your earlier evidence that Crown stopped dealing with the Chinatown junket in November 2016?

45 MS ORR: I object.

MR PRESTON: Only - - -

MS ORR: I object to that question. If there is a specific transcript reference, it should be drawn to the witness's attention. Mr Preston's evidence in his statement was clear. At paragraph 31(g), he indicated that Crown decided not to carry on business with this person as a junket operator in November 2016. If there is a
5 reference in the evidence to a broader statement, as a matter of fairness, that should be drawn to Mr Preston's attention.

COMMISSIONER: Mr Preston, I don't think you have any quibble with the suggestion that you informed me yesterday that you stopped dealing with junkets that
10 were domiciled in China from late 2016, do you?

MR PRESTON: No, Commissioner.

COMMISSIONER: Yes. All right. Yes, Ms Sharp.
15

MS SHARP: Should I repeat the question, Commissioner?

COMMISSIONER: If you wish.

20 MS SHARP: Yes. I'll just have to see what that was.

COMMISSIONER: Is there any reason why you didn't raise it with us yesterday when we were discussing – I withdraw that. That's the wrong one. You need to - - -

25 MS SHARP: Yes. Is this information - - -

COMMISSIONER: That's right.

30 MS SHARP: - - - causing you to doubt your evidence that Crown ceased dealing with junkets domiciled in the PRC in November 2016?

MS ORR: Commissioner, I ask that that evidence that is being referred to in the question be drawn to Mr Preston's attention rather than a general paraphrasing - - -

35 COMMISSIONER: Ms Orr, he just accepted – your client has just accepted that he gave evidence that Crown ceased dealing with junkets domiciled in the PRC - - -

MS ORR: Yes, yes.

40 COMMISSIONER: - - - in late 2016. So this is not - - -

MS ORR: It's – this is a reference to – I'm sorry, Commissioner.

45 COMMISSIONER: It's the reference to what?

MS ORR: To doing business. "Doing business" is the language - - -

COMMISSIONER: Doing business. All right.

MS ORR: Which, I apprehend, is intended to cover a junket representative relationship rather than a junket operator relationship; that is the point of my
5 objection.

COMMISSIONER: I see.

MS ORR: If there is evidence that – if there is evidence that Mr Preston has given
10 that suggests that he adopted that broader position that there had been no business done rather than business as a junket operator, that evidence should be drawn to his attention.

COMMISSIONER: Mr Preston, in respect of the evidence that you gave me
15 yesterday and confirmed a little while ago that you – that Crown ceased dealings with junkets in China in – domiciled in China in November '16, you've heard what your counsel has just said. Do you also say that Crown ceased doing business with junkets in China – domiciled in China in late '16?

MR PRESTON: Yes, I – I accept – I – that is correct, Commissioner.

COMMISSIONER: Yes, all right. Yes, thank you. I think, Ms Orr, in the circumstances I'm going to allow Ms Sharp to proceed. Yes, please, Ms Sharp.

MS SHARP: Does the information I've just provided to you about these junket agents cause you to doubt the accuracy of your evidence that Crown Resorts ceased dealing with junket operators domiciled in the PRC in November 2016?

MR PRESTON: No. To my knowledge we don't deal with any junket operators
30 who are domiciled in the PRC.

MS SHARP: Does it seem to you, from the information that I have provided, that in relation to current junket operators – and I will use Chong Tim Fu as the example – that given it has Zhou Qiyun and a number of his old agents as agents of the Chong
35 Tim Fu junket that Crown is still dealing in relation to junkets with Chinatown in some way.

MR PRESTON: Not to my knowledge, Ms Sharp, but I was unaware of all of these junket reps. Junket reps do move from junket to junket, as I understand it; I'm not
40 the expert in that area, but I've got no reason to doubt what's been advised of me.

MS SHARP: You do know that junket reps are ordinarily permitted to give instructions on telegraphic transfers, for example?

MR PRESTON: Yes, they are authorised representative to do - - -
45

MS SHARP: And often appear in the casino at junket programs in place of the junket operator.

MR PRESTON: Yes, that's correct.

5

MS SHARP: And therefore, as the agent of the junket operator perform the same functions that the junket operator would play if he or she came into the casino.

MR PRESTON: In accordance with the level of authorisation they have they can.

10

MS SHARP: Now, you told us yesterday that you had originally identified Liang Jiucheng as a junket operator associated with Chinatown, but you subsequently concluded that he was not. And I will spell that out: L-i-a-n-g J-i-u-c-h-e-n-g. Can I show you a junket settlement sheet dated 8 September 2012. This, I'm told, is in Crown confidential list 6 at tab 73. I understand it is still confidential. If we could bring it up to the hearing room only; it is CRL.001.009.1126. Now, have you got that document in front of you, Mr Preston?

15

MR PRESTON: I do. Thank you, Ms Sharp.

20

MS SHARP: Thank you. You will see that the junket operator here is Ng Chi Un?

MR PRESTON: Yes.

25

MS SHARP: And you gave some evidence about him the last time you gave evidence before this Inquiry. Could I ask you, please, to look at pinpoint 1127.

MR PRESTON: Yes, I see that.

30

MS SHARP: And you will see that Liang Jiucheng, the gentleman I just spoke of, appears to be a player on his junket.

MR PRESTON: That's correct.

35

MS SHARP: Would you agree there does appear to be a degree of connection between various junkets despite who appears as the junket operator?

MR PRESTON: Sorry, Ms Sharp, I'm not sure I understood that question. Can you repeat that, please?

40

MS SHARP: Well, it seems, doesn't it, that regardless of who is formally named as the junket operator, the junket representative or the junket player, there's a bit of movement among the same people for the position of junket operator, junket representative or junket player, respectively.

45

MR PRESTON: As I understand it, and again I'm not the expert, sorry, Ms Sharp, players do move between junkets and representatives go to different junkets as well, as I understand it.

5 MS SHARP: And do you agree that in order to have effective due diligence on junkets you need to understand these movements, that is, how people may be a junket operator one day, then a junket representative the next and a junket player after that?

10 MR PRESTON: I think drawing the links is not unhelpful.

COMMISSIONER: Indeed, it's probably helpful, isn't it?

MR PRESTON: Yes, Commissioner.

15

COMMISSIONER: Yes. Yes, Ms Sharp.

MS SHARP: You indicated on the last occasion, if I recall correctly, that following the evidence you gave about Ng Chi Un you would conduct some further inquiries and make this Inquiry aware of what your investigations revealed. Did you conduct further inquiries?

20

MR PRESTON: Yes, I did.

25 MS SHARP: And what were they?

MR PRESTON: I made inquiries of the people who were the subject of receiving the email that was discussed at the last hearing.

30 MS SHARP: Is that the underground email?

MR PRESTON: Yes, that's the email, Ms Sharp.

MS SHARP: And so who did you speak to there?

35

MR PRESTON: Well, I sent a – well, all the people who were on that – on that email chain.

MS SHARP: All of them. Well, could you just tell me who, please?

40

MR PRESTON: To the best of my recollection it would have been EMP1, Mary Gioros - - -

COMMISSIONER: Could you spell that for me?

45

MR PRESTON: G-i-o-r-a-s.

COMMISSIONER: Thank you.

MR PRESTON: Roland Theiler.

5 COMMISSIONER: That's T-h, is it?

MR PRESTON: Yes, Commissioner, T-h-i-e-l-e-r.

COMMISSIONER: Thank you.

10

MR PRESTON: Michael Lam, Go Lok. I think Trent Ternes. I think they were – Jason O'Connor. They were all part of - - -

MS SHARP: You did speak to Jason O'Connor?

15

MR PRESTON: No, sorry, Ms Sharp, if I misrepresented. I didn't speak with all of them, I sent them all an email asking for information.

MS SHARP: Okay. So you didn't speak to anyone; you just sent an email.

20

MR PRESTON: No, no, sorry. I spoke to at least EMP1. I can't recall if I spoke to Jason or not, but I communicated with them all one way or the other, or certainly all by way of email.

25 MS SHARP: And they sent you emails back about their knowledge?

MR PRESTON: Yes, they – they did.

MS SHARP: And what's been the result of your investigations?

30

MR PRESTON: The highlight, I suppose, to best summarise it, would be I asked what they knew at the time, particularly with reference to Hot Pot junket; what they knew now, and if anything had changed; and also what they took to mean regarding the reference to – I think, the reference was "underground network". And the upshot was that no one, including those overseas, had heard the reference to "Hot Pot junket". They didn't draw the correlation and, obviously, as I acknowledged last time, there's a number of references to Hot Pot restaurants owned by Mr Ng. They referenced that there was no new information they really had at this point in time, noting that I don't think we've had any business with Mr Ng for some years. No one provided me with any great sense of what they took to mean by way of "underground network". I asked EMP1 - - -

35

40

MS SHARP: Just to stop you there. Nobody that you consulted with could assist you with what "underground network" meant?

45

COMMISSIONER: What they took to mean - - -

MR PRESTON: As far as - - -

COMMISSIONER: What they took to mean by way of “underground network”.
That’s what Mr Preston said.

5

MR PRESTON: Yes. Yes. And I was just trying to explain, Commissioner, no one came back to me with any great helpful commentary, to be frank, save for EMP1, who I spoke to about his – what he meant by that, when he circulated the note. And his commentary to me was it was staff had raised concerns with him about Mr Ng and his associates, who may have been unsavoury types. I think they might have been EMP1’s language. And they had concerns that if a debt was – a cheque was going to be banked, and if it bounced, they would have some, potentially, concern about some harassment. I think that was his – his language.

10
15 COMMISSIONER: Yes.

MS SHARP: Are you saying that this information was given to you by EMP1 or was it given to you by others as well?

20 MR PRESTON: No, EMP1.

MS SHARP: And he told you, I think your words were that Ng Chi Un had an unsavoury past.

25 MR PRESTON: No, that’s not what I – that’s not what I said. I think the language used – and I just haven’t got it from front of me – I think it was in the letter we – that was written to the Inquiry, but it referenced that he had, maybe, some associates with – who were unsavoury characters. I think that was the language that EMP1 used.

30 MS SHARP: The language that the letter you’re referring to, which is one dated the 27th of August this year to the Inquiry, is the language is “unsavoury associates of Mr Ng”.

MR PRESTON: Sorry. If that’s what I’ve put, that’s the language.

35

MS SHARP: Did he explain – did he explain what he meant by “unsavoury associates”?

MR PRESTON: Not – not to any great extent. It was they were just – his language was they were unsavoury associates.

40

MS SHARP: Did you ask him what he meant by that?

MR PRESTON: I did. I said, “Well, what – what does that mean?” He said, “Well, they’re just not nice people.”

45

MS SHARP: Really? That's all he told you, that these unsavoury associates were not nice people?

MR PRESTON: That was as – that was as far as he took it.

5

MS SHARP: Did you expressly ask him whether “unsavoury associates” meant triads?

MR PRESTON: No, I did not.

10

MS SHARP: Why?

MR PRESTON: Well, because I asked him the question, and I explored it. And they were the answers he gave me. I didn't ask that question specifically.

15

MS SHARP: If I may say, Mr Preston, it doesn't sound like you explored it very thoroughly.

MR PRESTON: Well, I did my best in the time available, Ms Sharp. Sorry.

20

MS SHARP: Well, you know what the allegation is. The allegation is that the Hot Pot junket, which we now know is the Ng Chi Un junket, was working with The Company, the largest meth trafficking syndicate in the world.

MR PRESTON: Well, I've seen the trail that you've taken me through last time, Ms Sharp, of the media commentary, and the like, which has drawn those links. I – I see that. And I asked him the questions. And they were the answers I got.

25

MS SHARP: In any event, do you consider that you made a reasonable investigation into Ng Chi Un?

30

MR PRESTON: Well, what I also have advised - - -

MS ORR: Well, I'm sorry. I'm, sorry. I do want to object to these questions, because the correspondence to the Inquiry makes clear that the investigation Mr Preston is conducting is ongoing.

35

COMMISSIONER: Thank you. Yes. You may proceed, Ms Sharp.

MS SHARP: So, Mr Preston, you're not in a position to yet tell us whether you think your inquiries have been reasonable?

40

MR PRESTON: At that – at that point in time, that was as best I could do in the time. But, again, I acknowledge the fact that it's a serious matter, hence, the reason my proposal is to engage a third party to do a deeper due diligence on it, because I think that's the appropriate step to take.

45

MS SHARP: But, to be fair, you've had about a month now to do the investigation, haven't you?

MR PRESTON: I can't recall the timing, but it's – it's been a few weeks. Yes.

5

MS SHARP: Do you think it would be a good idea to explore with EMP1, in a little bit more detail, what he means by Mr Ng Chi Un's "unsavoury associates"?

MR PRESTON: I'm more than happy to go back to him. But I would prefer – well, not that I prefer – I'm happy to do that, but having a third party - - -

10

MS SHARP: Do you think it might be – do you think it might be a good idea to ask him if Ng Chi Un has any connection with triads?

MR PRESTON: Yes. I can ask him that.

15

MS SHARP: I want to take you to a letter, Mr Preston. This is - - -

COMMISSIONER: Are you leaving that letter?

20

MS SHARP: Yes.

COMMISSIONER: Yes. I wonder, Mr Preston, before Ms Sharp goes to the next document, the document to which Ms Sharp was referring you – and I think you're aware of its contents – makes clear what seems to be a very troubling aspect of the relationship. If you have a look at paragraph 10.8 - - -

25

MR PRESTON: Sorry, Commissioner. I don't believe I've got that letter in front of me.

30

COMMISSIONER: All right. Well, I will read it to you. It says that EMP1 provided you with some background to the email in which he referred to the "underground network". Do you remember that?

MR PRESTON: Yes.

35

COMMISSIONER: And it also says that:

EMP1's team expressed concerns that, if the cheques bounced, bad characters from Mr Ng and someone else's networks might take action against your employees in Macau.

40

Do you remember that?

MR PRESTON: Yes. Yes, Commissioner.

45

COMMISSIONER: That presents to me – and you can help me with this if you think this is wrong – that presents to me as threats of violence.

5 MR PRESTON: I don't disagree with that, Commissioner. It's a very serious issue.

COMMISSIONER: You agree with it then, do you?

MR PRESTON: I agree that's one of the possibilities, absolutely.

10 COMMISSIONER: Yes. So here we have a person that, if your staff in Macau were to bank – just simply bank a cheque – that they would be under threat of physical violence from what appears to be standover merchants. Would you agree with that?

15 MR PRESTON: That is possible, Commissioner. And, as I said, it seems to be very troubling to me.

COMMISSIONER: Very troubling; is that right?

20 MR PRESTON: I find that kind of – the kind of commentary in that email very troubling.

COMMISSIONER: And, of course, the sort of conduct that you see from standover merchants is, more probable than not, connected to the very conduct to which Ms
25 Sharp has been taking you in respect of the triad conduct. Would you agree with that?

MR PRESTON: Yes. I understand that's part of their – part of their activities.

30 COMMISSIONER: Modus operandi. Yes.

MR PRESTON: Yes.

COMMISSIONER: So it is more probable than not that we have seen evidence of
35 an admission by, at least, EMP1 that there were some problems in Macau for the very staff that need protection from it. Would you agree with that?

MR PRESTON: That's a possibility. Yes.

40 COMMISSIONER: And one way of protecting Crown staff from standover merchants and violence is to stop dealing with the standover merchants, isn't it?

MR PRESTON: Agree entirely.

45 COMMISSIONER: It's a simple step, isn't it?

MR PRESTON: Agree entirely, Commissioner; a simple step not dealing with them.

5 COMMISSIONER: And, in 2015, the step was taken, I gather, to stop dealing with Ng Chi Un; is that right?

MR PRESTON: We stopped dealing with Ng Chi Un, but not for that matter, Commissioner; not for that reason.

10 COMMISSIONER: No. You stopped dealing with him for another reason, I gather, is that right?

MR PRESTON: That's correct, Commissioner.

15 COMMISSIONER: But underneath all this, and behind all this, was this network of what's been described as "unsavoury" and "bad characters" of which your staff were in fear; correct?

MR PRESTON: Mr Ng – yes, it would appear so, Commissioner.
20

COMMISSIONER: And so that is where a casino operator has to be strong and lead to cut off these sorts of individuals. Do you agree with that?

MR PRESTON: Entirely.
25

COMMISSIONER: And it does appear, from the very helpful document that was produced to the Inquiry last week, that Crown accepts that it had links, through this unfortunate arrangement, with these types of people. Do you agree with that?

30 MR PRESTON: It would appear, through this relationship with Mr Ng, there is a link to some unsavoury characters. Yes.

COMMISSIONER: Thank you, Mr Preston. Yes, Ms Sharp.

35 MS SHARP: Mr Preston, could I take you to a document that was produced to this Inquiry on 27 August 2020. I understand it's on Crown confidential list 11, tab 34. It's CRL.656.001.0008. Just pull it up on the hearing room screen.

40 COMMISSIONER: Perhaps, before I leave that last topic, to be fair to Mr Preston, I should just say this: Mr Preston, if what has been provided to the Inquiry, about which we've just spoken, was material that could have been provided to the directors 12 months ago, it would have been hugely significant for them to know of that connection; would it not, before they put that advertisement out?

45 MR PRESTON: Yes, Commissioner.

COMMISSIONER: Yes. Yes, Ms Sharp. I think I might just take a 10 minute break.

MS SHARP: Yes. Certainly.

5

ADJOURNED

[11.32 am]

10 **RESUMED**

[11.43 am]

COMMISSIONER: Yes, thank you. Yes, Ms Sharp.

15 MS SHARP: Mr Preston, on the last occasion – I think we’ve lost Mr Preston.

COMMISSIONER: I do hope not.

MR PRESTON: Sitting at my desk – sitting at the table.

20

COMMISSIONER: Yes, thank you, Mr Preston. It was just the vision. Thank you very much.

MS SHARP: Thank you, Mr Preston. On the last occasion you gave evidence before this Inquiry you told us about some arrangements in private gaming salons in Crown Towers and you mentioned that one of the private gaming salons was reserved for Ngok Hei Pang, which I’ll spell: N-g-o-k H-e-i P-a-n-g. Now, he’s sometimes referred to as the Meg-Star junket, isn’t he?

30 MR PRESTON: Yes, that’s correct.

MS SHARP: And Meg-Star is regarded by Crown as one of its platform junkets, isn’t it?

35 MR PRESTON: He might be. I can’t – I think I indicated before I don’t know much about the platform concept, but he might have been on that list.

MS SHARP: Do you understand it’s one of Crown’s key junkets?

40 MR PRESTON: Yes, I do. I understand that, yes.

MS SHARP: Are you aware that Xiaoyan Kuang an investor in Meg-Star international’s junket programs?

45 MR PRESTON: Not – no.

MS SHARP: I will spell that: X-i-a-o-y-a-n K-u-a-n-g.

MR PRESTON: No, I'm not aware of that.

MS SHARP: Not aware of that? Were you aware - - -

5 MR PRESTON: Not from - - -

MS SHARP: Were you aware that he – so I take it you were not aware that he was a criminal syndicate figure who was sentenced to imprisonment in 2014?

10 MR PRESTON: Not – not that I'm aware of.

MS SHARP: Were you aware that Ngok Hei Pang was once an executive at Suncity?

15 MR PRESTON: Yes, I've seen that in a due diligence report. I'm not quite sure
- - -

MS SHARP: And you are aware that he has – you're aware that he is an associate of Alvin Chau?

20

MR PRESTON: Yes, I've seen that in due diligence reports.

MS SHARP: Are you aware that Simon Pan has been a junket representative for the Ngok Hei Pang junket?

25

MR PRESTON: Yes, I am.

MS SHARP: Is it correct that in recent times Crown has made a decision to no longer deal with Simon Pan?

30

MR PRESTON: That's correct.

MS SHARP: Now, you told us back in the July hearings that you had no recollection of seeing the September 2014 broadcast High Rollers – High Risk? Since that time you have gone to look at your correspondence from around that time. What's your position now on whether you became aware of High Rollers – High Risk? at the time?

35

MR PRESTON: Yes, I was aware of it at the time and I would have watched it at the time.

40

MS SHARP: Now, you – I won't take it to you unless I need to, but you can take it from me that the advertisement that the board prepared and released to the ASX on 30 July last year made the assertion that, aside from Suncity, Crown Resorts no longer deals with any of the junkets the subject of the media allegations. Now, is that your understanding as well?

45

MR PRESTON: Yes, that is.

MS SHARP: Now, you're aware - - -

5 MR PRESTON: I will have to go back to the - - -

COMMISSIONER: Sorry?

10 MR PRESTON: Sorry, I was just going to say I'd have to look at the specific words, but that's my understanding.

MS SHARP: Now, you're aware, of course, that one of the junkets in respect of which allegations were made was the Neptune junket?

15 MR PRESTON: I can't recall whether they were referenced in the first – the first media allegations or whether they were subsequent. I can't recall off the top of my head.

20 MS SHARP: And you, of course, know that junket operators are always individuals and not companies.

MR PRESTON: That's correct.

25 MS SHARP: And what you tried to do in your 6 March statement to this inquiry was identify the individuals who you considered had been involved with what is sometimes called the Neptune junket.

MR PRESTON: Yes.

30 MS SHARP: And on the basis of your inquiries, is it your position that no junket operator associated with Neptune has any ongoing relationship with Crown Resorts?

35 MR PRESTON: No, that's – that's not correct. We still have a relationship with – I think his name is Yan To Chan.

MS SHARP: So you still – who – sorry, can you spell that name for us?

MR PRESTON: I think it's Y-a-n T-o C-h-a-n.

40 MS SHARP: So when the – and you associate him as being with the Neptune junket?

MR PRESTON: Yes, that's the information that's been provided to me internally.

45 MS SHARP: Tell me, does Crown sometimes refer to the Neptune junket as the Guangdong junket?

MR PRESTON: I don't think I've heard that term before, sorry.

MS SHARP: How about the Guangdong Club?

5 MR PRESTON: I have seen the reference to Guangdong Club, I think in a due diligence report, but I can't say I've ever heard that referred to internally that I can recall or to my knowledge.

10 MS SHARP: Do you understand that there is a connection between Neptune and the Guangdong Club?

MR PRESTON: I think I have seen that in a due diligence report.

15 MS SHARP: And do junket operators that you associate with the Guangdong Club continue to operate at Crown?

20 MR PRESTON: As I said, I've only seen a reference to it. I believe that my inquiries have only been regarding what the business knew about Neptune, not Guangdong.

MS SHARP: In any way, on the basis of your inquiries you never became aware of any connection between Neptune and the Guangdong Club.

25 MR PRESTON: It might have been in a particular report, one of the – possibly in a due diligence report because I do recall that name, but my inquiries were with respect to Neptune.

30 MS SHARP: I'm just trying to understand with precision here, do you know that there is a connection between Neptune and the Guangdong Club?

MR PRESTON: As I said, I believe I've seen that reference in a due diligence report if I recall correctly.

35 MS SHARP: So just to be clear, you've seen a reference in a due diligence report that connects Neptune to the Guangdong Club.

MR PRESTON: I think. It's not a name very familiar to me, sorry, Ms Sharp.

40 MS SHARP: But you can't tell us on the basis of your investigations, whether any junket operators associated with the Guangdong Club continue to have business associations with Crown.

MR PRESTON: No, I don't believe I can, sorry.

45 MS SHARP: You did indicate that you're aware of one junket operator who you understand to be connected with Crown – I beg your pardon, with Neptune to continue to operate at Crown.

MR PRESTON: Yes.

MS SHARP: So to the extent to which the 30 July advertisement that was released by the Crown Resorts board to the ASX was concerned, in stating that the only
5 junket with which Crown continues to deal is Suncity was wrong to the extent it failed to acknowledge an ongoing connection with a Neptune-related junket.

MR PRESTON: If I – I'd have to check, sorry, Ms Sharp, but as I recall there was a smaller number of junkets referenced in the media prior to the advertisement and I
10 can't recall whether Neptune was one of those junkets mentioned during those advertisements or not, sorry.

MS SHARP: Now, I just wanted to take you to a letter from the VCGLR dated 16 December 2019. I think it's probably a confidential document. It's on your Crown
15 confidential list 11, tab 34. Do you have that?

MR PRESTON: Yes, I do. Thank you, Ms Sharp.

MS SHARP: We will bring it up to the hearing room only. CRL.656.001.0008.
20 Have you got that letter, Mr Preston?

MR PRESTON: I do. Thank you, Ms Sharp.

MS SHARP: And you're aware this was produced to this Inquiry on 27 August this
25 year?

MR PRESTON: Yes, I am.

MS SHARP: You will see it's styled as a section 26 notice.
30

MR PRESTON: Yes, I do.

MS SHARP: And you will see right down the bottom of the first page it refers to Cheng Ken Pan and the date 5 May 2017.
35

MR PRESTON: Yes, I do.

MS SHARP: Was this letter the first time you were made aware of that information from the VCGLR?
40

MR PRESTON: As I said earlier, yes.

MS SHARP: So you have a definite recollection about that, do you?

45 MR PRESTON: Well, to the best of my recollection this is the first time that we saw that Mr Cheng Ken Pan was the gentleman allegedly involved with cooler bag footage.

MS SHARP: Now, is it correct that the reason that this was provided to this Inquiry on 27 August that you had received an authorisation from the VCGLR to be released from secrecy obligations that would otherwise apply?

5 MR PRESTON: Yes, there was some communication between the VCGLR and MinterEllison in that regard.

MS SHARP: And you, of course, were aware of that communication?

10 MR PRESTON: Yes, I was.

MS SHARP: When did MinterEllison on behalf of Crown Resorts ask for release from those secrecy obligations?

15 MR PRESTON: There have been ongoing discussions with the VCGLR for many months about their position regarding section 26 notices.

MS SHARP: So when was the request first made to the VCGLR?

20 MR PRESTON: The specific request for release related to this – I – it was weeks before, possibly. I can't recall the specific – but it was within this period.

MS SHARP: Well, hang on, I – sorry, I'm not understanding at all what date you're referring to.

25

MR PRESTON: Well, I can't recall the specific date those communications started, sorry, regarding the - - -

MS SHARP: Was it this year or last year?

30

MR PRESTON: I will try and break this down in two parts. There's been ongoing discussions with the VCGLR in responding to the inquiry summons about release of information. The VCGLR took a position that we were not to release information. We ultimately went back to the VCGLR to press the matter through MinterEllison in the last – and I might be wrong here, but in the last month to pursue that line of inquiry again and the VCGLR ultimately agreed to the release.

35

MS SHARP: And when was it that the VCGLR ultimately agreed to release?

40 MR PRESTON: Just last – it might have been last week. Very recently.

MS SHARP: I have no further questions, Commissioner.

45 COMMISSIONER: Ms Orr, do you have any questions that you would like to ask by way of clarification of Mr Preston's evidence?

MS ORR: Commissioner, I would be grateful for a brief adjournment to take instructions on that matter.

COMMISSIONER: Yes, of course.

5

MS ORR: I don't need long.

COMMISSIONER: Yes. Yes, of course. I will just – I think it's Mr Barnett, is it today for - - -

10

MR BARNETT: Yes, it is, Commissioner, yes.

COMMISSIONER: Do you think you will be making an application at all for clarification of anything?

15

MR BARNETT: I wouldn't expect so, Commissioner, but I will decide finally once I hear what Ms Orr asks.

COMMISSIONER: All right then. And Ms Case, the same. I will take the adjournment. You let me know when you're ready.

20

MS ORR: Thank you, Commissioner.

25 **ADJOURNED**

[11.58 am]

RESUMED

[12.06 pm]

30

COMMISSIONER: Yes. Thank you. Yes, Ms Orr.

MS ORR: Thank you for that time, Commissioner. I do not seek to make any application in relation to Mr Preston.

35

COMMISSIONER: Yes. Thank you. Anything further from any other person who is appearing or a party who is appearing representing anyone? Mr Barnett, Ms Case?

MR BARNETT: No, Commissioner.

40

MS CASE: No, Commissioner. Thank you.

COMMISSIONER: I'm sorry? Everyone seems to be muted - - -

45

MS CASE: No, Commissioner.

COMMISSIONER: - - - I will take advantage of that. Yes. All right then.

MS SHARP: In that event, I have no further questions - - -

COMMISSIONER: Yes. Thank you.

5 MS SHARP: - - - for Mr Preston.

COMMISSIONER: Yes. Thank you. Mr Preston, thank you. You are able to be released from your summons obligations. I have very – I have little doubt that you will not be recalled. But, if it’s necessary, I’m sure that you will be able to be
10 contacted by Minters. But thank you very much. And we will now terminate the link to Perth. Thank you, Mr Preston.

15 <THE WITNESS WITHDREW [12.07 pm]

COMMISSIONER: Now, the next witness is ready?

MS SHARP: The next witness is Mr Jason O’Connor. But because we need to
20 change links - - -

COMMISSIONER: All right then.

MS SHARP: - - - I’m afraid it may be necessary to have another adjournment.
25

COMMISSIONER: That’s all right. I will take a short adjournment. Yes.

30 ADJOURNED [12.07 pm]

RESUMED [12.13 pm]

35 COMMISSIONER: Yes. Yes, Ms Sharp.

MS SHARP: Thank you. Commissioner, we now have Mr Jason O’Connor available by video link.

40 COMMISSIONER: Yes, yes. Thank you, Mr O’Connor. Mr O’Connor, would you like to take an oath or make an affirmation for the evidence that you’re about to give?

45 MR J. P. O’CONNOR: Sorry. Commissioner, the audio has just kicked in at the end of your question. I apologise.

COMMISSIONER: That’s all right.

MR O'CONNOR: I missed the - - -

COMMISSIONER: No need for you to apologise. Rather, for me to apologise to you. Mr O'Connor, would you like to make an oath – or take an oath or make an affirmation to give your evidence?
5

MR O'CONNOR: I don't have a Bible here, Commissioner, so, I guess, that means I will take an affirmation.

10 COMMISSIONER: All right then.

<JASON PATRICK O'CONNOR, AFFIRMED

[12.14 pm]

15

<EXAMINATION BY MS SHARP

COMMISSIONER: Yes. Thank you, Mr O'Connor. Yes. Ms Sharp.
20

MS SHARP: Mr O'Connor, could you tell this inquiry your full name, please.

MR O'CONNOR: Jason Patrick O'Connor.

25 MS SHARP: And your work address is known to those assisting this inquiry?

MR O'CONNOR: Yes. I believe it is.

MS SHARP: You have entered into a deed of settlement with Crown Resorts?
30

MR O'CONNOR: I have. Yes.

MS SHARP: You understand that this – or the summons by which you've been required to attend today, releases you from any non-disparagement clause in that deed of settlement?
35

MR O'CONNOR: Yes, I understand.

MS SHARP: Is it correct that Crown has recently applied to the VCGLR to approve you as a suitable person to remain licensed?
40

MR O'CONNOR: I'm not aware of that, Ms Sharp. No.

MS SHARP: What about in Sydney? Has any application been made for you to be licensed in Sydney?
45

MR O'CONNOR: I don't believe so.

MS SHARP: It's correct, isn't it, that you have given a witness statement for the purpose of the Zantran class action proceedings?

MR O'CONNOR: Yes, I have.

5

MS SHARP: Can I ask you some information about your background leading up to your present employment, Mr O'Connor. It's correct, isn't it, that, from 2011 until 13 October 2016, you were the group executive general manager of VIP international gaming at Crown Resorts?

10

MR O'CONNOR: That's correct.

MS SHARP: By way of formal qualification, you hold a Bachelor of Business degree with an accounting major?

15

MR O'CONNOR: That's correct.

MS SHARP: You're also a qualified chartered accountant?

20

MR O'CONNOR: Also correct.

MS SHARP: And, at the start of your career, you worked for Ernst & Young for around eight years from 1987 until 1995?

25

MR O'CONNOR: Yes, that's right, and its predecessor firms.

MS SHARP: You then worked as a financial analyst at Village Road Show for around 18 months?

30

MR O'CONNOR: Yes, that's correct.

MS SHARP: And, since then, you've been employed by Crown Melbourne or a related body, for around 23 years?

35

MR O'CONNOR: That's right, yes.

MS SHARP: You started working for Crown Melbourne in January of 1997.

MR O'CONNOR: That's correct.

40

MS SHARP: And during that period, you've worked in various senior strategy, commercial and finance roles - - -

MR O'CONNOR: Yes, that's correct.

45

MS SHARP: - - - for the first nine years you were there?

MR O'CONNOR: Correct.

MS SHARP: It was in 2006 that you were promoted to the position of general manager of strategic projects.

5

MR O'CONNOR: Yes. I think that's right.

MS SHARP: And it's correct that, in that role, you evaluated and pursued global strategic opportunities for growth, and you focused mainly on Macau and on the USA?

10

MR O'CONNOR: Yes, that's correct.

MS SHARP: And one of the opportunities or projects you focused on during that period was the City of Dreams in Macau.

15

MR O'CONNOR: Yes. I was involved in that.

MS SHARP: And that was a joint venture operated by Crown and Melco?

20

MR O'CONNOR: Correct.

MS SHARP: And the City of Dreams later became known as Altira.

MR O'CONNOR: No. City of Dreams, I think, is still known as City of Dreams. Altira is a separate property.

25

MS SHARP: Thank you. How long did you work in relation to the City of Dreams?

MR O'CONNOR: During the planning stages, Ms Sharp. So that probably took about 12 months, or so, of my involvement.

30

MS SHARP: And was that the only role you had with respect to the City of Dreams?

35

MR O'CONNOR: Yes.

MS SHARP: And did you have any role with any of other Melco and Crown's joint venture casinos in Macau?

40

MR O'CONNOR: No.

MS SHARP: What were you doing when you were working in the planning of City of Dreams?

45

MR O'CONNOR: Based in Melbourne, helping to coordinate the design and planning process that was underway. So seeking input from operational experts here

in Melbourne that would help inform the design function undertaken by the designers and architects here in Melbourne.

5 MS SHARP: Did you have any responsibility for the strategic planning of that business?

MR O'CONNOR: No.

10 MS SHARP: Now, it's correct, isn't it, that, in 2008, you went on a secondment to Canada, where you were the chief financial officer of Gateway Casinos and Entertainment?

MR O'CONNOR: That's correct.

15 MS SHARP: And you stayed in that position for around three years.

MR O'CONNOR: That's correct.

20 MS SHARP: And it was in 2010 that you returned to Australia and to the role of general manager of finance and strategy at Crown.

MR O'CONNOR: Yes. That's right.

25 MS SHARP: Now, did that represent a major change in your role that you had previously had at Crown?

MR O'CONNOR: No, it was very similar to the role that I had at Crown before I went to Canada.

30 MS SHARP: So before you went to Canada in 2008 you did have a role with business strategy at Crown.

35 MR O'CONNOR: Yes, that's right. It was within Crown Resorts business development function and that's where I returned when I came back from Canada.

MS SHARP: And tell me, before you went to Canada did you have a role with business development so far as the VIP sector of the casino industry was concerned?

40 MR O'CONNOR: In that particular role, no.

MS SHARP: When did you first have involvement with business development and strategy for the VIP sector?

45 MR O'CONNOR: Well, early in my time at Crown I spent some time working within that business unit as a finance manager, but then coming – after coming back from Canada and spending a short time in the business development team with

Crown Resorts I then took up the role of group executive general manager of VIP international and that was about – that was in early 2011.

5 MS SHARP: And after that you were promoted around eight months later in October 2011 to – I withdraw that. It might just be a title change, to the group executive general manager of VIP international. Is that right?

MR O'CONNOR: That's right, it was merely - - -

10 COMMISSIONER:

MR O'CONNOR: - - - a title change.

15 MS SHARP: Thank you. That did not bring about any material change in your reporting lines?

MR O'CONNOR: That's right.

20 MS SHARP: Or your responsibilities.

MR O'CONNOR: That's right.

25 MS SHARP: Is it right that from around May of 2013 you reported directly to Barry Felstead?

MR O'CONNOR: Yes, that's right.

MS SHARP: And at that time your role was based in Melbourne.

30 MR O'CONNOR: That's correct.

MS SHARP: And in fact you occupied an office very close to Mr Felstead's office?

35 MR O'CONNOR: Yes, it's quite close.

MS SHARP: And you chatted with him frequently.

MR O'CONNOR: As required, yes.

40 MS SHARP: You typically had discussions with him in person a few times per week?

MR O'CONNOR: Yes, that's right.

45 MS SHARP: And you regularly exchanged emails and telephone calls with him.

MR O'CONNOR: Yes, as – as the business required, yes.

MS SHARP: You also had semi-regular meetings with him regarding VIP international.

MR O'CONNOR: We did.

5

MS SHARP: Those meetings were also typically attended by Michael Chen who was the president of international marketing for Crown.

MR O'CONNOR: That's right. When Michael was here at the property he would join in person, otherwise he would dial in.

10

MS SHARP: Additional attendees commonly included Ishan Ratnam and sometimes Mike Johnston.

MR O'CONNOR: That's right.

15

MS SHARP: And is it correct that the purpose of those meetings was to discuss operational matters and opportunities and risks for the VIP international business?

MR O'CONNOR: Yes, that's right.

20

MS SHARP: Also, from mid-2013 is it correct that the VIP workstream meetings were held approximately monthly?

MR O'CONNOR: Yes, that's true.

25

MS SHARP: And people who attended those meetings were Barry Felstead, Michael Chen, Michael Johnston, Roland Theiler, Brad Kady and the group investment manager for CPH.

30

MR O'CONNOR: Yes, that's true.

MS SHARP: And so who was the then group investment manager for CPH?

MR O'CONNOR: That was Brad Kady.

35

MS SHARP: And Mr Rowen Craigie also attended.

MR O'CONNOR: Yes, although his participation diminished after the first few meetings.

40

MS SHARP: Now, it's correct, isn't it, that the purpose of those VIP workstream meetings was to develop strategies to grow the VIP international business.

MR O'CONNOR: Loosely, yes, they – the genesis of the meeting was to help overcome some barriers that were identified to our business.

45

MS SHARP: And it was also to develop strategies in particular relating to the Chinese market.

5 MR O'CONNOR: Well, the Chinese market was emerging as our largest market so, yes, I guess that's true.

10 MS SHARP: Now, in the period 2014 to 2015 it's correct that you presented a VIP international business update every month or two to the Crown Resorts CEO meeting?

MR O'CONNOR: Yes, that's right.

MS SHARP: You sometimes referred to those as the Park Street meetings.

15 MR O'CONNOR: Internally, that's right, we did.

MS SHARP: And Barry Felstead, of course, attended those meetings?

20 MR O'CONNOR: Yes.

MS SHARP: And a number of directors from Crown Resorts attended those meetings, including Michael Johnston and Rowen Craigie.

25 MR O'CONNOR: Yes, that's true.

MS SHARP: Now, it's right, isn't it, that VIP international was responsible for developing and maintaining relationships with high value international VIP customers?

30 MR O'CONNOR: Yes.

MS SHARP: And also marketing to those customers?

35 MR O'CONNOR: Yes.

MS SHARP: And as the group executive general manager, that was ultimately your responsibility, wasn't it?

40 MR O'CONNOR: Yes, it was.

MS SHARP: And how do you personally discharge this responsibility? Did you have to attend dinners and meetings with these international VIP customers?

45 MR O'CONNOR: Occasionally, yes. Usually when travelling overseas throughout the relevant countries. That was usually how the business would operate, yes. It would be lunches or – or dinners or sharing tea.

MS SHARP: Because in your position as, effectively, the boss of this group, it was important that you developed your own relationships so far as you could with these VIP customers.

5 MR O'CONNOR: Well, it was difficult because most of our customers, particularly those in China, aren't able to speak English and I can't speak any Chinese. So we had staff whose primary responsibility it was to maintain the relationships or the primary relationships. I saw my value there to –

10 MS SHARP: But you also – to the extent you could, you saw it as important to develop relationships with those VIP customers.

MR O'CONNOR: Yes, I saw it was important that the customers had an opportunity to see the boss from Australia. We're an Australian organisation, and I
15 think it was important that they had a chance to see the face of the organisation from time to time. Yes, that's true.

MS SHARP: And from a marketing perspective it was obviously important for you to understand as much detail about these VIP customers as you could.
20

MR O'CONNOR: Yes, we – we endeavoured to understand as much as we could about those customers. That's true. I don't know whether that was from a marketing perspective, but we did try to understand as much as we could about those customers.

25 MS SHARP: And when I'm talking about VIP customers, it's right, isn't it, that we're talking about patrons and also junket operators.

MR O'CONNOR: Yes.

30 MS SHARP: And sometimes junket representatives?

MR O'CONNOR: Sometimes, but rarely. I think most of the time we would be dealing directly with the junket operators themselves, but occasionally the representatives, yes, that's true.
35

MS SHARP: Now, your role required you to travel fairly frequently, didn't it?

MR O'CONNOR: Yes, it did.

40 MS SHARP: And it's the case that you would travel overseas about every four to six weeks for a few days at a time to visit Crown's Hong Kong office.

MR O'CONNOR: Not always to Hong Kong, but, occasionally.

45 MS SHARP: Would you also travel to Macau?

MR O'CONNOR: Yes, occasionally.

MS SHARP: How frequently did you travel to Macau?

MR O'CONNOR: I think I would visit Macau, probably ,three or four times a year.

5 MS SHARP: And you also travelled to mainland China?

MR O'CONNOR: I did.

MS SHARP: And how frequently did you go there each year?

10

MR O'CONNOR: A little less frequently. I would estimate two or three times a year.

MS SHARP: And is it fair to say that, when you travelled to those destinations, one
15 of your purposes was to meet with VIP customers, being either patrons or junket operators?

MR O'CONNOR: Yes, it was.

20 MS SHARP: And is it fair to say that another of your purposes in travelling to those places was to speak with Crown staff regarding what it knew about the VIP customers? Or what they knew about the VIP customers?

25 MR O'CONNOR: Well, that could be done at any time, especially, over the phone, Ms Sharp. But, yes, that's – that's part of the purpose of travelling.

MS SHARP: And because part of your role was to make efforts to ensure, as much as you could of the – I withdraw that. Part of your role was to ensure that you knew as much as you could about your actual and potential VIP customers.

30

MR O'CONNOR: Well, it wasn't one of the higher motivations or the main reasons for travelling. No. The main two reasons for travelling were to support the staff in their marketing activities and, in that function, to visit with their customers.

35 MS SHARP: But you would agree, wouldn't you, that it was also useful for gathering information about your actual and potential VIP customers, so that you could market more efficiently to them?

40 MR O'CONNOR: Yes. It was useful to meet these people and to get a sense of who they were and who they are, that's true.

MS SHARP: While you did engage in these trips abroad, you would attend international sales teams all-hands meetings?

45 MR O'CONNOR: I would, that's right.

MS SHARP: And these meetings were held about twice a year?

MR O'CONNOR: Yes.

MS SHARP: And all of Crown's international marketing sales staff would attend?

5 MR O'CONNOR: Yes. All of the sales team members would attend.

MS SHARP: And what were the purpose of these all-hands meetings?

10 MR O'CONNOR: Well, they had a few objectives. These people were working in small teams, quite isolated around Asia, so it was useful to bring them all together to share ideas and to communicate important messages. It was also a useful function to share strategic plans for the upcoming period of time, be that in the next financial year or relevant period; to outlay any changes to expectations or to share with them any upcoming strategic marketing plans. We also used these meetings to share news
15 about developments, like the Crown Sydney property, for example.

MS SHARP: When you travelled to Macau, did you visit casinos there?

20 MR O'CONNOR: Yes, I did.

MS SHARP: And did you establish contacts in the Macau casino industry while you were there?

25 MR O'CONNOR: Some, yes.

MS SHARP: And where did you establish those contacts?

30 MR O'CONNOR: Well, given Crown's connection to Melco Crown, we had some pre-existing contacts with people in that organisation. I also had some contacts with some of the people at other properties like MGM, for example, and in The Venetian organisation.

35 MS SHARP: It was important for your job, wasn't it, that you developed a good understanding of the dynamics of the Macau casino market.

MR O'CONNOR: Yes, it was. We were all – we considered ourselves part of the same – in the context of VIP, part of the same market. So I did endeavour to understand what was going on in Macau. Yes.

40 MS SHARP: And when we talk about market in this sense, it's right that Crown Perth and Crown Melbourne were, in a sense, competing for the same VIP customers as casinos in Macau?

45 MR O'CONNOR: That's largely true. Yes.

MS SHARP: So there was the one VIP international market that extended, at least, in geographical terms, from Macau to Australia?

MR O'CONNOR: Yes, that's true. The definition of the VIP market might change from jurisdiction to jurisdiction, but we were largely competing for the same high end of that market. Yes.

5 MS SHARP: And you would accept that, in order to understand what was happening in the VIP market in Australia, it was important to have a good understanding of what was happening in the VIP market in Macau?

MR O'CONNOR: Yes, that's right.

10

MS SHARP: Did you have contacts with junket operators while you were in Macau?

MR O'CONNOR: I would occasionally meet with some of the junket operators in Macau. These meetings would typically be arranged by our staff on the ground in Macau or, perhaps, from Hong Kong.

15

MS SHARP: I take it it was important in your position to have a good understanding of who the key junket operators were in Macau?

20

MR O'CONNOR: Yes, that's right.

MS SHARP: And you did have a good understanding of those matters?

MR O'CONNOR: I was familiar with the names of the larger junket operators in Macau. Yes.

25

MS SHARP: And not only were you familiar with the names of those large junket operators, you were familiar with their operations as junket operators, weren't you?

30

MR O'CONNOR: Yes. We – we were aware of where they had their operations established and the names that they operated under.

MS SHARP: And it was important for you to understand the money behind these junket operators, wasn't it?

35

MR O'CONNOR: Understand the money behind? I'm not sure I understand the question, Ms Sharp.

MS SHARP: I'm sorry. I didn't put it very precisely. It was important for you to develop an understanding of who the financial backers of these junket operators was, wasn't it?

40

MR O'CONNOR: Well, we – we understood that the junket operators and the holders of the licences in Macau were the principals of the businesses.

45

MS SHARP: That wasn't the question I asked though. It was important for you, in your job, developing VIP sales, to have a good understanding of the financial backers of the junkets in Macau, wasn't it?

5 MR O'CONNOR: Well, if they're different people, Ms Sharp, yes, that – that would be true.

MS SHARP: Just to be clear, it was important for you to have a good understanding of the financial backers of the junkets operating in Macau; correct?

10

MR O'CONNOR: Yes. Okay, that's true.

MS SHARP: And you did endeavour, at all times, to obtain that understanding while you held this position, didn't you?

15

MR O'CONNOR: Well, Ms Sharp, I think, generally speaking, we would establish who the junkets were, who they do business with in terms of the casinos in Macau. I think our ability to look beyond that to identify whether there was anybody else involved is very limited.

20

MS SHARP: But bearing in mind that your abilities may have been limited in some ways, you still endeavoured to try your best, didn't you, to understand who the financial backers were of the large junkets in Macau?

25 MR O'CONNOR: Ms Sharp, I think we – we simply assumed that the people that held the licences in Macau and were registered to do so in Macau and passed the Macau probity process were the people we ought to be focusing our attention on.

30 MS SHARP: Well, hang on. Is your evidence, given your very long experience in the international VIP team, that you thought that the junket operator was one and the same as the financial backer of the junket?

MR O'CONNOR: That was our position, Ms Sharp. Yes.

35 MS SHARP: I'm asking for your position.

MR O'CONNOR: That was my understanding as well, yes.

40 MS SHARP: So your evidence to this Inquiry is that you understood that the Macau junket operator was the financial backer of that junket.

MR O'CONNOR: Generally speaking, yes, and if – if the suggestion was something different, I'm just not sure how we might have been able to establish who was standing behind these people.

45

MS SHARP: Well, let me take one example so we can explore this. You're familiar with the junket operator with which Crown has dealt extensively, Zhou Qiyun, yes?

MR O'CONNOR: Sorry, I don't recall that name.

MS SHARP: Do you recall the name Tom Zhou?

5 MR O'CONNOR: Yes, yes.

MS SHARP: You're aware that he is the financial backer of what is sometimes referred to in Crown as Chinatown junkets?

10 MR O'CONNOR: I am now, yes.

MS SHARP: You're aware that Tom Zhou was never a junket operator?

MR O'CONNOR: Yes.

15

MS SHARP: All right. But you are aware that Tom Zhou was the financial backer of the Chinatown junkets.

MR YOUNG: I object to the question. Just a moment.

20

COMMISSIONER: Yes.

MR YOUNG: The witness has already answered that he is aware now.

25 COMMISSIONER: Yes.

MR YOUNG: Ms Sharp seems to have been taking that as evidence of some past position. That needs to be clarified before it's made the premise of this question.

30 COMMISSIONER: Ms Sharp.

MS SHARP: When did you become aware for the very first time that Tom Zhou was the financial backer of the Chinatown junkets?

35 MR O'CONNOR: I can't be precise, Ms Sharp, in that response. I don't know exactly, but if we think about my dealings with the Chinatown junket, I'd say it was in the latter stages of that relationship. Early on I wasn't aware that he was involved.

MS SHARP: Well, what year are we talking about, Mr O'Connor?

40

MR O'CONNOR: Probably at some stage during late 2015 or perhaps into early 2016 before I came to that realisation.

45 MS SHARP: So by 2015 or 2016 you were aware that the financial backer of what are described in Crown as the Chinatown junkets was in fact not the operator of those junkets.

MR YOUNG: Well, I object again. I object again.

COMMISSIONER: Yes, Mr Young.

5 MR YOUNG: The witness's answer was late 2015 or early 2016.

COMMISSIONER: Yes. Yes, I think Ms Sharp - - -

10 MR YOUNG: That wasn't the way in which the question was framed.

COMMISSIONER: So by 2015 or '16 you were aware – that's what the question was.

15 MR YOUNG: Well, that distorts the evidence that was given, Commissioner. It wasn't by 2015; it was by late 2015.

COMMISSIONER: Mr Young, I'm going to allow it. Yes, Ms Sharp. Yes.

20 MS SHARP: Mr O'Connor, by around 2015 or around 2016 you were aware that Tom Zhou was the financial backer of what Crown referred to as the Chinatown junkets even though he was not the operator of one of those junkets.

25 MR O'CONNOR: Yes, I describe him as a shareholder – a silent shareholder of the Chinatown junket, that's right.

MS SHARP: Now, is that an unusual structure? Are you saying that this stood out as an unusual relationship as it compared with other junkets?

30 MR O'CONNOR: I believe that's true, yes. I'm not aware of any other junket operators that are similar structure to this. They're typically an individual person.

35 COMMISSIONER: Can I just clarify for my own benefit, Mr O'Connor, do you mean the junkets with whom Crown was dealing or are you speaking more generally
- - -

MR O'CONNOR: Yes.

COMMISSIONER: - - - within the industry?

40 MR O'CONNOR: No, sorry, Commissioner, the junkets that Crown was dealing with are typically an individual person.

45 COMMISSIONER: I see. Yes, thank you, Mr O'Connor. Yes, I'm sorry to interrupt, Ms Sharp.

MS SHARP: Tell me, you're aware that there is a Suncity junket at Star, aren't you?

MR O'CONNOR: Yes.

MS SHARP: You're aware, though, that that junket – the junket operator at Star has never been Alvin Chau, aren't you?

5

MR O'CONNOR: No. No. I'm not.

MS SHARP: Do you regard Alvin Chau as the financial backer of the Suncity junket?

10

MR O'CONNOR: Yes, I do.

MS SHARP: Now, you were arrested in mainland China in October 2016 and thereafter detained for a period?

15

MR O'CONNOR: Yes. True.

MS SHARP: When you returned to Australia did you continue in your position as the group executive general manager of VIP international?

20

MR O'CONNOR: No, I didn't. That ceased the day that I was detained in China.

MS SHARP: So what position did you hold at Crown once you returned and is that the same position that you now hold?

25

MR O'CONNOR: Yes, it is the same position I now hold. It's director of innovation and strategy.

MS SHARP: And what are your key responsibilities in that position, please, Mr O'Connor?

30

MR O'CONNOR: Well, so far I've been limited to helping through the planning – operational planning process as we prepare to open the property in Sydney.

MS SHARP: And has that been your only responsibility?

35

MR O'CONNOR: Yes.

MS SHARP: Do you have any responsibility – I withdraw that. Do you have any responsibility at all with respect to strategy for VIP customers?

40

MR O'CONNOR: No.

MS SHARP: Who do you directly report to in your current position?

45

MR O'CONNOR: To Mr Felstead.

MS SHARP: Now, you're aware, aren't you, that a number of very serious allegations have been made in the media against Crown Resorts and its subsidiaries in late July of last year?

5 MR O'CONNOR: I am aware, yes.

MS SHARP: Did you become aware of those media allegations as and when they were made?

10 MR O'CONNOR: Yes, I was reading the allegations as they were printed in the newspapers.

MS SHARP: Did you watch the 60 Minutes broadcast in late July 2019?

15 MR O'CONNOR: Yes, I did.

MS SHARP: Are you aware that Crown Resorts conducted an internal investigation in relation to these allegations?

20 COMMISSIONER: What time?

MS SHARP: I withdraw that. Are you aware that from around 23 July 2019 Crown conducted an internal investigation in relation to these allegations?

25 MR O'CONNOR: I'm aware of a significant amount of activity in response to those allegations. I wasn't directly involved so I'm not very familiar with the nature of those investigations.

MS SHARP: Have you had any involvement in those investigations, Mr O'Connor?

30

MR O'CONNOR: No, not really. I think I received a phone call at one point in time to provide some of my recollections and advice about the visa processing arrangements that we had set up in China, but that's about all.

35 MS SHARP: So you have an awareness of receiving only one telephone call about this investigation. Is that correct?

MR O'CONNOR: That's – that's the only phone call that I can call to mind. There may have been others, but I don't recall any others.

40

MS SHARP: Who called you about the visa allegations?

MR O'CONNOR: That was Mr Preston; Josh Preston.

45 MS SHARP: Did Mr Preston ever ask you about any other matters for the purpose of his investigation?

MR O'CONNOR: He may have. But, if he did, it's – it's escaped my memory. All I can recall is speaking to him about the visa issues.

5 MS SHARP: Did Mr Felstead ever ask you for any information in the course of that investigation?

MR O'CONNOR: Again, I can't recall that occurring. No.

10 MS SHARP: It's right, though, that you directly report to him now?

MR O'CONNOR: I do.

MS SHARP: And you have a fairly close relationship with him, do you?

15 MR O'CONNOR: Yes, I do.

MS SHARP: Has Mr Karl Bitar ever asked you anything in the course of this investigation?

20 MR O'CONNOR: No. I don't recall that happening.

MS SHARP: Has Mr Michael Johnston ever asked you anything in the course of that investigation?

25 MR O'CONNOR: No, I don't think so. No.

MS SHARP: Has Mr John Alexander ever asked you anything in the course of that investigation?

30 MR O'CONNOR: No.

MS SHARP: And to the best of your recollection, nobody else at Crown has ever asked you anything for the purpose of that investigation?

35 MR O'CONNOR: To the best of my recollection; that's true.

MS SHARP: Could I show you a media publication, please, Mr O'Connor. This is an exhibit T14. It is – and I will have it brought up on the public screen for you. It's INQ.070.009.0118. Now, Mr Preston, what I'm showing you - - -
40

COMMISSIONER: Mr O'Connor.

MS SHARP: I'm sorry.

45 COMMISSIONER: I just referred to him as Mr Preston.

MS SHARP: I beg your pardon, Mr O'Connor.

COMMISSIONER: That's all right. That's all right.

MS SHARP: Mr O'Connor, do you now have before you an article from the Sydney Morning Herald?

5

MR O'CONNOR: I do.

MS SHARP: Can you see that it's dated September 22, 2009?

10 MR O'CONNOR: Yes. I can see that.

MS SHARP: Can I remind you that this was a time where you were seconded to Gateway?

15 MR O'CONNOR: Yes, that's right.

MS SHARP: All right. And that was still a – that, of course, is a casino company?

20 MR O'CONNOR: Yes, it is.

MS SHARP: And did you still attempt to keep abreast of developments in casinos in Macau at the time you worked at Gateway?

25 MR O'CONNOR: No, not nearly as much, Ms Sharp. The market in Canada was very much a local market.

MS SHARP: You see that this article refers in the first paragraph to "James Packer's City of Dreams"?

30 MR O'CONNOR: Yes.

MS SHARP: And that's the casino that you were doing a project for?

35 MR O'CONNOR: Yes, that's right. I was – as I said, I was involved in the planning phases of that.

MS SHARP: And that was in 2008?

40 MR O'CONNOR: Yes, thereabouts; that's right.

MS SHARP: And you will see there the subject of this - - -

MR O'CONNOR: Perhaps a little earlier.

45 MS SHARP: Thank you. You will see the subject of this article is Macau's Seedy Casino War Turns to Gold. Do you remember reading this article all those years ago?

MR O'CONNOR: No. No, I don't. Sorry.

MS SHARP: Could I just ask you about some matters that are referred to in this article, given your experience working in projects for the City of Dreams. Could I
5 please take your attention to the third last paragraph and, perhaps, have that highlighted. You see it says that James Packer and Laurence Ho's casino:

10 *...fopped when it first opened in June 2007. Within weeks they replaced the public slot ... with rooms for VIPs and stitched up a deal with Macau's most savvy promoter.*

Now, based on your recollection – I think Mr Young wants to say something.

COMMISSIONER: No, I don't believe so.
15

MR YOUNG: I was going to wait for the question, Ms Sharp.

MS SHARP: Based on your recollection working with projects with City of Dreams in 2008, is it right that, after opening, City of Dreams did change its business strategy
20 to focus more heavily on working with VIPs and junkets?

MR YOUNG: I do object, Commissioner.

COMMISSIONER: Yes, Mr Young.
25

MR YOUNG: The objection is this: the witness's evidence is that the only work he did in connection with City of Dreams was at the architectural planning stage.

COMMISSIONER: Quite.
30

MR YOUNG: And a moment ago he said it wasn't 2008. It was likely earlier than 2008 that he was involved in architectural planning. Now, the basis of the question and the assertion that he should draw upon particular knowledge, was directed to operational aspects of the City of Dreams of which, at this time, 2009, Mr O'Connor
35 had had no involvement whatsoever.

COMMISSIONER: Quite. But that doesn't mean he mightn't have kept an interest in it. I don't know.

40 MR YOUNG: Well - - -

COMMISSIONER: And if he can tell me, he can tell me. But, Ms Sharp, if you want to ask him whether he kept that interest - - -

45 MS SHARP: Yes.

COMMISSIONER: - - - but I can't hear from him as to being involved, because he's in Canada, and he told me that he wasn't involved. So if you base your question on that basis, I'll you to proceed.

5 MS SHARP: Yes. Thank you, Commissioner.

COMMISSIONER: All right.

10 MS SHARP: Mr O'Connor, during the period you were working with City of Dreams, were you aware that City of Dreams pivoted its strategy to focus more heavily on VIP customers and arrangements with junkets?

15 MR O'CONNOR: No. No, I wasn't, particularly. As Mr Young indicated, my involvement was in the structural architectural planning stage. Beyond that point, I wasn't really involved in the operations at all.

MS SHARP: Did you have an awareness that City of Dreams was working with junket operators?

20 COMMISSIONER: At any stage?

MR O'CONNOR: Yes. Yes.

25 MS SHARP: And when did you first develop that knowledge?

MR O'CONNOR: That's very hard to say. It was – to my understanding, Ms Sharp, City of Dreams has been working with junket operators for, I would say, a long time, probably shortly after - - -

30 MS SHARP: I will restrict your knowledge – well, I will withdraw that. You say that you were involved in developing plans for the building, for City of Dreams?

35 MR O'CONNOR: Yes. I was helping coordinate the planning process, the structural planning process.

MS SHARP: Were you also involved in developing the plans for the VIP rooms?

MR O'CONNOR: That would have been part of the process. Yes.

40 MS SHARP: All right. So you know that City of Dreams had some VIP rooms?

MR O'CONNOR: Yes.

45 MS SHARP: So you're aware, even at that planning point, that some of City of Dreams' customer base were VIPs?

MR O'CONNOR: Yes.

MS SHARP: Right. Now, did you have any awareness at that time that one of the ways in which City of Dreams procured VIPs was through junket operators?

5 MR O'CONNOR: Yes, that was the accepted model, I think, for doing business in Macau at the time.

MS SHARP: Yes. And what you're saying there is that the norm was for VIP customers to be procured by junkets.

10 MR O'CONNOR: That's certainly true. But I can't, with any confidence, say that that was the known and stated strategy of the City of Dreams' operating team.

MS SHARP: Were you aware, that is, back in 2008, that the City of Dreams was dealing with a junket operator known as AMA or sometimes referred to as Amax.
15

MR O'CONNOR: The name is familiar to me, yes. I'm not sure exactly the context, but I recognise the name. Yes.

MS SHARP: Were you aware, in 2008 up to the period of 2009/2010, that it was alleged in the media that Amax and AMA had linked with criminal organisations?
20

MR O'CONNOR: I don't believe so. No.

MS SHARP: Commissioner, I see the time.
25

COMMISSIONER: Yes. Thank you, Mr O'Connor. We're going to take the luncheon adjournment now. And I shall resume at 2 pm. Thank you.

MR O'CONNOR: Yes. Okay. Thank you.
30

ADJOURNED **[1.00 pm]**

35 **RESUMED** **[2.00 pm]**

MS SHARP: Mr O'Connor, I would like to show you some evidence given by somebody else to this Inquiry. That person was Ms Skye Arnott who is the group
40 general manager of anti-money laundering and counterterrorism financing at the Star. What I will do is have a redacted version of her statement shown to you and I can call it up on the public feed. The number is STA.0019.001.0001_RR, that's to make it clear to bring up the redacted version.

45 COMMISSIONER: Perhaps you could just deal with it, Ms Sharp.

MS SHARP: I might go to a different document and I hope attempts can be made to locate the correct one in a moment. Could I take you now to an article that is in evidence. It's an article authored by Professor Wing Lo and Dr Sharon Kwok. It is INQ.500.001.0893 and it is exhibit A40.

5

COMMISSIONER: Will Mr O'Connor have that?

MS SHARP: When it will be brought up on the feed he will, yes.

10 COMMISSIONER: I see. Thank you.

MR YOUNG: Commissioner, it's Mr Young.

COMMISSIONER: Yes, Mr Young.

15

MR YOUNG: While that's happening can I mention a problem with the feed I'm getting.

COMMISSIONER: Yes, of course.

20

MR YOUNG: I can't get a speaker view of Ms Sharp. The only view I can get of her is the gallery view and I think that means when a document is depicted I won't be able to see it at any scale.

25 COMMISSIONER: We will make sure that that is not the situation. There's a document now, Mr Young, that's on the – at least on my screen. Do you have it, Mr Young?

MR YOUNG: No.

30

COMMISSIONER: Is it not on your screen? I see.

MR YOUNG: And I don't think other counsel have it either.

35 COMMISSIONER: I see. So you can put it on the live stream, please, operator, if you would be kind enough. It's a document entitled Triad Organised Crime, etcetera. I'm hoping that it will be fed through to Mr O'Connor, importantly, and also all counsel and solicitors who are representing parties.

40 MR YOUNG: It now appears, Commissioner, but in – at a size that is illegible.

COMMISSIONER: But it's not in gallery format, is it? It's on your screen - - -

45 MR YOUNG: What I have at the moment, if I go to speaker view, is Mr O'Connor and adjacent to him I have the document in fine print, effectively.

COMMISSIONER: I'm hoping that Ms Sharp will enlarge it so not only you but I can read it, Mr Young. That will happen in due course.

MR YOUNG: Thank you. Thank you.

5

COMMISSIONER: Yes, thank you. Mr O'Connor, do you have it?

MR O'CONNOR: I can see it, Commissioner, but it's very fine print. I'm not able to read it.

10

COMMISSIONER: Yes. We will have it enlarged when Ms Sharp takes you to the relevant portion. Yes, Ms Sharp.

MS SHARP: Can I just enlarge the very first page, the top one-third, please. Now, this, Mr O'Connor, is a copy of a journal article published in the British Journal of Criminology in 2017 entitled Triad Organised Crime in Macau Casinos. By any chance have you read this article before?

15

MR O'CONNOR: I don't believe I have, Ms Sharp.

20

MS SHARP: This article is a study by these two learned authors based upon their interviews with a number of people who work as junket operators or within junkets in Macau. Could I take you, firstly, please, to pinpoint reference .2449.

COMMISSIONER: We will have that brought up. I have a feeling that the number may be wrong. It starts at .0893, and so - - -

25

MS SHARP: I might use the pagination, if I can. I apologise, Commissioner. If I can just use the pagination.

30

COMMISSIONER: Yes.

MS SHARP: It's page 598 - - -

COMMISSIONER: All right.

35

MS SHARP: - - - of the actual article, if we can do it that way.

COMMISSIONER: So it will be 9919 - yes. Thank you. Yes.

40

MS SHARP: Now, can you see there's a diagram in the top of the page, Mr O'Connor? And I will have that enlarged for you. Now, can you read that diagram, Mr O'Connor?

MR O'CONNOR: Yes, I can.

45

MS SHARP: And can you see that what is being depicted here is the structure of a Macau gambling junket company? And do you see that what is being depicted here in the middle is the junket which in this case is a company, and then a number of investors feeding into that company? Now - - -

5

MR O'CONNOR: I see that.

MS SHARP: Now, are you familiar with the fact that there can be a number of investors or financiers that stand behind a junket?

10

MR O'CONNOR: Yes, I would accept that.

MS SHARP: And one example, which I think you have previously agreed to, is the example of the Chinatown junket where in 2015 or 2016 you came to learn that Tom Zhou is the financier; correct?

15

MR O'CONNOR: Yes, I came to learn that he was a shareholder in some capacity.

MS SHARP: Can I now take you to a document which is the statement of Ms Skye Arnott which is STA.0019.0001_RR to make clear that's a redaction.

20

COMMISSIONER: Very brave of you, Ms Sharp, to take yes, we have that now.

MS SHARP: Thank you. Now, could I take you, please, to pinpoint 0007 to that statement so I can show it to you, please. No. Yes. Thank you. Now, I might have to – are you able to read this, Mr O'Connor?

25

MR O'CONNOR: No, I'm sorry, Ms Sharp, you will need to blow that up a little for me.

30

MS SHARP: I understand. What I will do, first of all, is have the middle section of this document highlighted, that is, under the heading Example 2 Junkets.

MR YOUNG: Commissioner, could we have a reference to where this is found in the hard copy material?

35

COMMISSIONER: I hope so.

MS SHARP: Yes. Pardon me a moment. This is the statement of Mrs Skye Arnott. And it is exhibit F81.

40

COMMISSIONER: Thank you, Ms Sharp. Exhibit F81, Mr Young.

MR YOUNG: Thank you. Yes. Thank you very much.

45

MS SHARP: Now, what you will see, Mr O'Connor, at this part of Ms Arnott's statement, she gives evidence about the composition of junkets. And can you see that she said:

5 *There are typically four main elements to any junket.*

And number 1:

10 *Junket promoter.*

Do you see that?

MR O'CONNOR: Yes. I see that.

15 MS SHARP: And you agree that that is a typical element to any junket?

MR O'CONNOR: Yes.

MS SHARP: I think you call them the "junket operator" at Crown.

20

MR O'CONNOR: Yes, that's right.

MS SHARP: And now what I'll do is have the next part of that document enlarged that, hopefully, will take us to the balance of the page. And then the second aspect that Ms Arnott identified is the:

25

Junket representative, being the person who acts on behalf of the junket promoter and operates their casino accounts.

30 Again, do you agree that that is a typical part of a junket composition?

MR O'CONNOR: Yes. I do agree.

MS SHARP: And then, number 3, do you see that Ms Arnott identifies – and this is one of the typical aspect of a junket – the junket funder. And what she says is:

35

In some cases, the funds used for the junket player is provided not by the junket promoter, but by a third party funder.

40 Do you also agree with that?

MR YOUNG: I object. I object.

COMMISSIONER: Yes.

45

MR YOUNG: Ms Sharp added something to the witness's statement. She added "this is typical". That's not what the statement – it says "In some cases".

MS SHARP: Could I just have enlarged the middle section?

COMMISSIONER: Yes.

5 MS SHARP: Could I just emphasise the words – and could you bear these in mind, please, Mr O’Connor. Do you see the sentence says:

There are typically four main elements to any junket.

10 MR O’CONNOR: Yes, I do.

MS SHARP: Could I ask you to bear those opening words in mind. And then could I take you back to the entry on “junket funder”. As I read out to you before – and I will do again:

15

In some cases the funds used for the junket players is provided not by the junket promoter, but by a third party funder.

Do you agree with that?

20

MR O’CONNOR: That may be the context of the New South Wales Star Casino, Ms Sharp, but that – that’s not reflective of the structure that we operate under.

MS SHARP: No. I’m asking you about your understanding of junkets. What Ms Arnott has done is set out what she says are typically the main aspects of the junket. And she identifies four aspects. I’ve taken you to three. And she has said, in relation to junket funder:

25

In some cases the funds used for the junket players is provided not by the junket promoter, but –

30

by that we mean operator:

...but by a third party funder.

35

Do you agree with that?

MR O’CONNOR: Well, I agree with – that’s what’s written in front of me, Ms Sharp. Yes.

40

MS SHARP: Well, I’m asking whether, based on your many years of working in the VIP industry and your many, many years of dealing with junkets, you understand that, in some cases, the funds of the junket players are provided not by the promoter, but by a third party funder?

45

MR O’CONNOR: Well, Ms Sharp, it’s certainly not consistent with the way we operate at Crown. We – almost all of our junket business is operated on credit. So,

in fact, it's the casino funding the player. If the player ultimately loses, then it's the junket operator's responsibility to send the casino those funds. We don't work - - -

5 MS SHARP: I might – I will put the question a different way. Crown Resorts contractual relationship is with a junket operator; correct?

MR O'CONNOR: Yes, that's correct. That's correct.

10 MS SHARP: But you do understand, based on your many years of experience, don't you, that, sometimes, it is an entity other than the junket operator that is funding that particular junket?

15 MR O'CONNOR: Well, the example you gave before about Chinatown, I believe that, now, to have been the case, but that would be the exception, Ms Sharp. It's – if it occurs – I can't think of many other examples where that's the case. And it's not something that was commonly recognised here at Crown.

20 MS SHARP: When we see, amongst Crown documents, a reference to a “guarantor” of a junket, do you understand that to be a reference to a funder of the junket?

MR O'CONNOR: Yes. If the guarantor is somebody other than the licensed junket operator, then that would be somebody – yes – somebody else.

25 MS SHARP: I see. So do you see a difference between a “guarantor” and a “funder”?

MR O'CONNOR: No, not necessarily.

30 MS SHARP: Based on your many long years of experience with junkets and in international VIP, do you accept that it is the case, in some instances, that a guarantor stands behind a junket operator?

35 MR O'CONNOR: Yes. I accept that.

40 MS SHARP: I will take that document down, please. I would like to show you a media report, please. This is exhibit A144. I will call it up on the live screen. It's INQ.100.010.0956. Now, what I'm showing you, Mr O'Connor, is a transcript of a Four Corners program that aired in Australia on the 15th of September 2014. Do you have that in front of you?

MR O'CONNOR: No. I don't have the hard copy print-out. If it appears on the screen - - -

45 MS SHARP: I will just have that – if I can bring that to the - - -

COMMISSIONER: Live stream.

MS SHARP: - - - live stream, please.

COMMISSIONER: And Ms Sharp will have it enlarged when she wishes to take you to an aspect of it, Mr O'Connor.

5

MR O'CONNOR: Okay.

MR YOUNG: Could I ask for the document reference, please, in the exhibits?

10 COMMISSIONER: Exhibit A144.

MR YOUNG: Thank you.

COMMISSIONER: That's all right. Yes, Ms Sharp.

15

MS SHARP: Do you have that document now, Mr O'Connor?

MR O'CONNOR: I can see it on the screen, Ms Sharp. I don't have a hard copy print-out of that document. And you will need to expand that a bit for me.

20

MS SHARP: Now, it's right, isn't it, that you watched this Four Corners program at around the date it was aired in Australia?

MR O'CONNOR: I'm sure I did.

25

MS SHARP: Do you have any doubt that you did?

COMMISSIONER: No, he said he's sure he did.

30 MR O'CONNOR: No. I don't have any doubt that I did.

MS SHARP: Thank you.

MR O'CONNOR: I don't recall the specifics of it, Ms Sharp, but I'm certain I that would have watched it.

35

MS SHARP: Can I just – we'll leave that there if we can. And I'd like to take you to another document now, but I will be coming back to this document. The document I'm going to take you to is at the Crown confidential list 6, tab 111. I understand that no claim for confidentiality is made over that document. Could I bring that up to the live screen or live feed. It's CRL.545.001.0628. And could I take you to pinpoint 0656.

40

COMMISSIONER: Is that the document, Ms Sharp?

45

MS SHARP: Yes. Now, you have that document in front of you, Mr O'Connor?

MR O'CONNOR: Yes, I do.

MS SHARP: All right. You know that what I'm taking you to are text messages that passed between you and Mr Veng Anh?

5

MR O'CONNOR: Yes, that's right.

MS SHARP: Can I just take you down to the bottom half of that document and enlarge it, please. And you will see – I will explain how this works, although no doubt you understand. The grey box is the metadata of the text message. Do you understand that?

10

MR O'CONNOR: Okay. Yes.

MS SHARP: And what the metadata is showing us is that you are one of the participants to the text messages and that Veng Anh is the other. Do you agree?

15

MR O'CONNOR: Yes.

MS SHARP: And you're the green text messages. Do you agree?

20

MR O'CONNOR: That's – that's right.

MS SHARP: And Mr Veng Anh is the blue text messages.

25

MR O'CONNOR: Yes.

MS SHARP: And what we can see, if we go back to that first grey box, right at the bottom of it you see a timestamp that says "15/9/2014". You would agree, wouldn't you, that what this is showing is that this text exchange happened on 15 September 2014?

30

MR O'CONNOR: That appears to be the case.

MS SHARP: And that's the date of the broadcast I just took you to, isn't it?

35

MR O'CONNOR: Okay. Well, I guess so. I'll take your word for that, Ms Sharp.

COMMISSIONER: Yes.

40

MS SHARP: And – well, please don't take my word for it. If you look at the - - -

COMMISSIONER: No, it's all right. I can indicate that that was the date, Mr O'Connor, yes.

45

MR O'CONNOR: Thank you, Commissioner.

MS SHARP: If you can see your text message:

Thanks Veng. We saw you on TV tonight, you and Mike, seen right across the country.

5

Now, that's a reference to that Four Corners program that I just took you to, isn't it?

MR O'CONNOR: It would appear to be if that's the timing, yes.

10 MS SHARP: Now, can I go back to that transcript, please.

COMMISSIONER: Exhibit A144.

MS SHARP: Sorry, exhibit A14A.

15

COMMISSIONER: 144?

MS SHARP: I beg your pardon; exhibit A144 which is INQ.100.010.0956.

20 COMMISSIONER: Yes.

MS SHARP: And could I take you in particular, please, to – well, I withdraw that. Is it fair to say that the assertions made in this program caused a degree of concern at Crown to your knowledge at the time?

25

MR O'CONNOR: Yes, it highlighted some concerns in relation to some of our customers, I recall.

30 MS SHARP: Now, can I take you, please, to .0963. Or actually, to avoid jumping around let me take you, firstly, to something on the first page.

MR O'CONNOR: Can I ask you to enlarge that a little, Ms Sharp, please. I can't see it.

35 MS SHARP: Yes, I will do that. Thank you, Mr O'Connor. Could I enlarge the second half of that page, please. Can you read that, Mr O'Connor?

MR O'CONNOR: Now I can, yes. Thank you.

40 MS SHARP: Thank you. Right towards the top of that document you should see a question:

Who are these high rollers, where do they get their money and who is profiting from the junkets that bring them here?

45

Now, you understood that this program was about junkets, didn't you?

MR O'CONNOR: Yes.

MS SHARP: And in particular junkets with which Crown Resorts and Crown Melco were then dealing?

5

MR O'CONNOR: Yes, I believe – I believe there were a couple named that we had business dealings with, yes.

MS SHARP: Now, if you look a little bit further down the transcript says:

10

As one gambling expert told the program, "They turn to organised crime to enforce gambling debts, using violence or threats of violence".

Is this the very first time you had heard a suggestion that junkets can be involved in organised crime to enforce gambling debts?

15

MR O'CONNOR: No, I think – I think those proposals have been put from time to time over quite a long period of time.

MS SHARP: And you would agree, certainly well before this program aired that allegation?

20

MR O'CONNOR: Yes, I would agree with that.

MS SHARP: And you were aware of that proposition well before this broadcast occurred in September 2014.

25

MR O'CONNOR: Yes.

MS SHARP: Could I then take you, Mr O'Connor, to .0960 and, again, I will have it enlarged so that you can see it. Could we enlarge the second half of that page, please. And we have an entry for Linton Besser, the journalist, who is recorded as saying:

30

Chinese crime gangs, also known as triads, have always had a strong presence in Macau's junkets.

35

Now, was this the very first time you heard this allegation when you watched this back in September of 2014?

40

MR O'CONNOR: It's hard to be specific, Ms Sharp. I don't think that would have been the first time that I heard that accusation or the first time that I had heard that allegation made against the Chinese – sorry, against the Macau junket operators.

MS SHARP: So when you heard this asserted in this broadcast in September 2014, this proposition did not come as a complete surprise to you.

45

MR O'CONNOR: No. It's – it was a proposition that had been made to my knowledge prior to 2014 in some form.

5 MS SHARP: And could I then take you to pinpoint 0961 and, again, could I highlight so that you can see it, Mr O'Connor that the second half of the page that captures the Linton Besser comment. Sorry, a little bit higher, please. Halfway, beginning:

10 *One of those listed on the public exchange.*

Now, I'll take you through all of this so that you can read it, Mr O'Connor. What the journalist is recorded as saying is that:

15 *One of those listed –*

and that's junket –

20 *One of those junkets listed on the public exchange is Amax, a company called in to rescue James Packer's Macau business in its early days. The results were spectacular: Melco Crown's share of VIP play went through the roof.*

Now, can I stop there. By this time in September 2014 you were aware, weren't you that Amax was one of the junkets with which Crown or Melco Crown dealt?

25 MR O'CONNOR: Yes, I believe I was. Yes.

MS SHARP: And then if I can take you to the next paragraph and have that enlarged. And actually, if we can enlarge the rest of the page it might be quicker. Sorry, the bottom, if we can enlarge the bottom - - -

30 COMMISSIONER: That's happening. That's happening.

MS SHARP: Thank you.

35 COMMISSIONER: Just make it smaller to make it larger, I think.

MS SHARP: And then I will read for you to make sure we're on the same page, Mr O'Connor:

40 *But the deal raised eyebrows. Amax was heavily associated with Ng Man Sun, the notorious triad figure who had battled it out with Broken Tooth Koi.*

And then it says that:

45 *Ng Man Sun became a leading force in the new corporate Macau.*

And then Sandy Boucher is recorded as saying:

Ng Man Sun is a triad member.

Now, was this broadcast the very first time you had heard the allegation that Ng Man Sun was a triad member?

5

MR O'CONNOR: I have no recollection of the name, Ms Sharp, so I imagine that this would be the first time that I'd heard that name referred to in that context.

10 MS SHARP: Was your watching this broadcast at the time the very first that you were made aware of an allegation that Amax had connections with triads?

MR O'CONNOR: It probably was. I don't - - -

15 MS SHARP:

MR O'CONNOR: I don't recall. I recall the context of Amax in its early involvement with Melco Crown in Macau, but I don't have a strong recollection of what was going on there. I wasn't involved in the operational aspects of Crown Macau.

20

MS SHARP: No, but you were very much concerned with the operational aspects of the whole VIP business across Crown Resorts, weren't you?

25 MR O'CONNOR: Yes, I was, across our three wholly owned properties, yes; not so much the Macau properties.

MS SHARP: Well, Crown Resorts owned half of Crown Melco, didn't it?

30 MR O'CONNOR: A third, I believe, but I had no operational responsibility for any of those properties. We were quite different management teams.

MS SHARP: But some of the junkets that operated in Crown Melco also came and operated in Crown Melbourne and Crown Perth, didn't they?

35 MR O'CONNOR: Yes, I'm sure that's true, yes.

40 MS SHARP: So are you really suggesting that you didn't have a good understanding of what junkets operated at Crown Melbourne as at 2014? Is that your evidence?

40

MR O'CONNOR: No, I'm not suggesting that at all. I'm responding to the name Ng Man Sun and its connection to Amax. I don't have any recollection of that particular name, Ng Man Sun. I have a recollection of Amax in the context of the Macau business.

45

MS SHARP: Well, I want to focus now on your recollection of Amax. Did this broadcast that you watched in September 2014 come as a complete surprise to you insofar as it was alleged that Amax had connections with triads?

5 MR O'CONNOR: I don't – I don't recall a reaction to that particular part of the story from back then, Ms Sharp - - -

MS SHARP: But you can't – you can't exclude that then. You can't say one way or the other.

10

MR O'CONNOR: Well, I don't believe that we had any dealings with Amax or any of its principals. I expect that I didn't pay it a lot of attention because I didn't see - - -

15 MS SHARP: Can I take you, please, to pinpoint reference 0963. I will focus on the top half of the page this time, if I can have that enlarged. Can I take you down to the point where Linton Besser says:

20 *Another junket that has worked in at least one of Melco Crown's casino is the Man Pou Gaming Promotion Company.*

I will stop there. Were you aware as at September 2014 of that gaming promotion company?

25 MR O'CONNOR: No, I don't think so.

MS SHARP: And you will see there was a reference to one of its principals being Lai Pak Leng.

30 MR O'CONNOR: Yes, I see that.

MS SHARP: Were you familiar with him in any way as at September 2014?

35 MR O'CONNOR: No, not that I can recall.

MS SHARP: Now, you had by this time spent enough time in Macau that you were aware of some of the more familiar triad organisations operating in Macau.

40 MR O'CONNOR: No, I had no familiarity with the triad organisations in Macau.

MS SHARP: Notwithstanding that one of your roles was to review due diligence about particular patrons and junket operators?

45 MR O'CONNOR: Well, that's true and we did that, but I had no knowledge of the triad organisations that might have been operating in Macau.

MS SHARP: Well, is it possible that you read the names of triad organisations while you were reading due diligence for people that you'd sought due diligence on?

MR O'CONNOR: It's possible, yes.

5

MS SHARP: So you had never, by September 2014, heard of Broken Tooth Koi?

MR O'CONNOR: I had heard of Broken Tooth Koi.

10 MS SHARP: And had you, by September 2014, heard of the 14K?

MR O'CONNOR: I had heard reference to the 14K group. Yes.

MS SHARP: And had you, by September 2014, heard of the Shui Fong triad?

15

MR O'CONNOR: I don't think so. No.

MS SHARP: What about the Water Room triads?

20 MR O'CONNOR: No. I've not heard that name.

MS SHARP: And can I just take you back to this article. It says that:

25 *In February last year, Lai's father was identified during a Canadian immigration hearing as a leader of the Shui Fong Triad. Lai Tong Sang's associates had played a key role in Macau's bloody street wars of the 1990s.*

Is that the very first time you heard the expression the Shui Fong triad?

30 MR O'CONNOR: Well, I guess so. I've got no recollection of that name either in the context of this article or the program or since).

MS SHARP: And if you look a little bit further down, linton besser is recorded as saying, "There are others too. The mega VIP business Neptune. I will pause there.

35 TURL by September of 2014 you were aware of the Neptune Group.

MR O'CONNOR: I – yes, I was aware of the Neptune Group.

40 MS SHARP: And you were aware that they were a very large junket operator in Macau?

MR O'CONNOR: Yes, that's right.

45 MS SHARP: And you see further down it says Neptune is highly controversial because one of its backers is Cheung Chi Tai. See that?

MR O'CONNOR: I don't see it, but - - -

MS SHARP:though he was never charged, he was named as recently as – I beg your pardon, though he was never charged he was named as recently as 2011 in a Hong Kong High Court as a triad boss. Now, when you watched this broadcast in September 2014 is this the very first time you heard an allegation that there was a connection between Neptune and triads?

MR O'CONNOR: It's hard to be precise. I have been aware of that connection, that alleged connection. I suspect it would have been perhaps prior to this article. I can't be sure.

MS SHARP: Well, if I can assist you, in 2010 there was a very big Reuters expose that was published around the world in which Cheung Chi Tai was named as both a financial backer of Neptune and a member of a triad organisation. Were you aware of that Reuters expose at the time?

MR O'CONNOR: I can't recall, Ms Sharp. I am aware that allegations have been made connecting Cheung Chi Tai to triad organisations, yes, I'm aware of that, and I think I was aware of that prior to this story in 2014.

MS SHARP: Just to be clear, your group, the VIP international team, was at September 2014 dealing with the Neptune Group as a junket operator?

MR O'CONNOR: We were dealing not with the Neptune Group because we, by virtue of our regulatory framework forced to deal with individuals. We knew that we were dealing with a couple of individuals that did have a connection back to the Neptune organisation, yes.

MS SHARP: Was that a financial connection that they had back to the Neptune organisation?

MR O'CONNOR: No, we didn't understand it to be a financial connection. I think they associated historically with the larger Neptune Group. I don't think they had a financial connection as such.

MS SHARP: Would you refer within your internal correspondence to these junket operators as the Neptune Group, the ones that you were dealing with?

MR O'CONNOR: I think our practice was to refer to them as the Guangdong club.

MS SHARP: Right. And you knew the Guangdong club was connected to the Neptune Group; correct?

MR O'CONNOR: Yes, that's right.

MS SHARP: It was an offshoot of the Neptune Group, wasn't it?

MR O'CONNOR: That's my understanding, yes.

MS SHARP: This must have come to you as very troubling news when it's being reported that somebody connected with the Neptune Group with whom you were dealing through the Guangdong club was a triad. Do you agree?

5 MR O'CONNOR: It's concerning, yes, I agree.

MS SHARP: And you will see a little further down Charlie Choi Qian is recorded as saying that.....would come over from time to time for organised activities or casinos in Australia. The ones in Melbourne and Perth would invite Neptune VIP clients to come over for functions.

MR O'CONNOR: I see that.

MS SHARP: You see that in this article a direct connection was being made with junkets with which Crown Melbourne and Crown Perth were dealing and a triad.

MR O'CONNOR: Yes, I see that.

MS SHARP: And a little bit further down – I might have to have it scrolled down further for you, you will see Linton Besser is recorded as saying that Suncity is one of the most powerful VIP junkets in Macau, and it's asserted that Suncity was running a VIP room at Melbourne's STIG of dreams.

COMMISSIONER: Melco.

MS SHARP: Sorry, Melco's City of Dreams, and it's right that as at some time in 2014 Suncity was also running a VIP room in Crown Melbourne, wasn't it?

MR O'CONNOR: Yes, it was.

MS SHARP: By the time of this broadcast in fact.

MR O'CONNOR: I can't recall specifically when that operation commenced, either before or after, but it was some time in 2014, yes.

MS SHARP: And do you see Linton Besser says Four Corners has been shown a confidential intelligence report claiming the ultimate beneficiary of the business is Charles HEENG war KEENG, and do you see a little bit further down it's recorded that the US Senate named him in 1992 as a leader of the powerful Sun Yee On triad. Now, you understood from this broadcast that you watched in September 2014 that a connection was being made between Suncity and triads?

MR O'CONNOR: That's – that's the allegations, yes.

MS SHARP: Did that allegation come as a complete surprise to you back in September 2014?

MR O'CONNOR: Yes, I think in the context of Suncity I believe it did.

MS SHARP: So you had never – prior to this broadcast, heard any suggestion that Suncity may have had links with triads.

5

MR O'CONNOR: I can't – I can't specifically remember, Ms Sharp, when I first heard that allegation made. I recall reading or hearing an allegation linking Alvin Chau to – who was the principal of the Suncity Group that we were dealing with, linking him to some triad connections, but I can't remember specifically when I first read or heard that accusation.

10

MS SHARP: And presumably you came across that information before you were detained in China in October 2016?

15 MR O'CONNOR: Yes, I think so.

MS SHARP: You haven't had anything really to do with the VIP international group since then, have you?

20 MR O'CONNOR: No, I haven't, but I've still read articles.

MS SHARP: That's allegations being aired on Four Corners in September 2014 must have come as quite a concern to Crown Resorts at the time. Do you agree?

25 MR O'CONNOR: Yes. Yes, I agree.

MS SHARP: Were you asked to take any steps in relation to these allegations given the position you held at that time?

30 MR O'CONNOR: We initiated a compliance probity review to try to test the veracity of these accusations.

MS SHARP: And when you say "we", who are you referring to there?

35 MR O'CONNOR: Our compliance.....compliance team primarily.

MS SHARP: And who were they, please, Mr O'Connor?

40 MR O'CONNOR: Well, it's the legal team at Crown, the compliance team is headed up by a lady called Michelle Fielding and she has a team of people that work with her on compliance matters, and they reported through – sorry, they reported through to Deb Tegoni.

45 MS SHARP: And given your position within the organisation at that time, did you have any role personally in this compliance check that was done at that time?

MR O'CONNOR: No, not personally. I think I – I would have been comforted knowing that reviews and checks were underway by the appropriate people.

5 MS SHARP: Tell me, what was the due diligence process back in 2014? I will start with the time before these allegations were aired. What was the process for approving a junket operator at Crown?

MR O'CONNOR: For a new junket operator?

10 MS SHARP: Yes, we will start firstly with a new junket operator.

MR O'CONNOR: Okay. Well, the application was typically submitted by one of our in market sales team members who would be responsible for collecting up what I would describe as identification documents, be that passports or other forms of
15 identification to satisfy.....obligations. That would then be sent through to somebody here at Melbourne in my department, in my team, and they would undertake a verification step whereby that applicant's bona fides would be tested. So they would look for things like verification that they are in fact a junket operator established in
20 other jurisdictions, that they were legitimate in their request to be established as a junket operator with us. We would seek evidence of their ability to perform the expected function of a junket, so do they have scale elsewhere, do they have proof of introducing new customers and so on, so a bit of a commercial lens. Once that test was satisfied the application was provided to our compliance team who would
25 prepare a formal licence document, I suppose you would call, provide that to the junket operator and also undertake a bit of a background check against some of our databases that we subscribe to.....

MS SHARP: And what database was that or DABs were those?

30 MR O'CONNOR: At that point in time we used World-Check, at various times we used wealth insight, I think from time to time there might have been others.

MS SHARP: From a due diligence perspective did you use wealth insight back in
35 2014?

MR O'CONNOR: I can't say with any certainty when we used them, no, I'm sorry.

MS SHARP: And was there anything else in your process of checking new junket
40 operator applications?

MR O'CONNOR: Well, yes, there was a final test that we considered to be quite a critical step. We would – the junket operator himself was required to secure a visa and actually come to Australia and present at the property. We saw that as an important step because border control authorities in Australia had access to, we
45 believed, a lot more robust information and intelligence than we did and we thought that that was a good test if a junket operator was able overcome their test which

involved character suitability, then that gave us confidence – a little more confidence that probity was as it ought to be.

5 MS SHARP: Just on that test of obtaining the visa, isn't it the case that your representatives based in the overseas sales team would on occasion vouch for visa applicants for the purpose of them obtaining their visas?

10 MR O'CONNOR: The consulate wanted to know the extent of dealings with these particular applicants and how well Crown staff knew these applicants and how long the relationship with the applicants had been in place. I'm not sure "vouch" is an accurate description of what was occurring.

MS SHARP: Really? You wouldn't accept vouch as an applicable description?

15 MR O'CONNOR: No, I think vouching suggests something other than what was really occurring in that process.

20 MS SHARP: Well, if you were giving a recommendation that a visa application be supported, that would be vouching for that applicant, wouldn't it?

25 MR O'CONNOR: Well, we're debating the meaning of words, Ms Sharp. The consular staff in – and you're referring to the process in mainland China – they did ask us to indicate how well we knew particular customers, as I said before, the length of time we've known them and so on. I just don't think vouch is the right word to use.

30 MS SHARP: Can I – I will stay away from that word "vouch". If it was the case that Crown supported certain applicants to obtain their visas, isn't it a little bit circular to then say, "We rely upon the grant of the visa as an aspect of due diligence"?

35 MR O'CONNOR: Well, it could be viewed as that if you misunderstood what process was underway with the consulate approving visa applications. If you're suggesting that there was some sort of influence from Crown over that process, then I reject that.

40 MS SHARP: Can I take you to a document, please. This is at Crown confidential list 11, tab 2. I will assume this is a confidential document because I'm not sure, Commissioner. It is – so if it could be brought up just to the hearing room, please. It's CRL.651.001.0004. Sorry, Commissioner, this is not confidential.

COMMISSIONER: Yes, all right. Go to the live stream.

45 MS SHARP: Yes, it can go to the live stream.

Can I take you, please, to pinpoint 0006, and I will have the top half enlarged so that you may have some prospect of reading it, Mr O'Connor. Do you see that it's an email from Roland Theiler to yourself dated 16 September 2014?

5 MR O'CONNOR: Yes, I do.

MS SHARP: And it's called Junket Processes – Media Macau Casino Loopholes, and you see the email says:

10 *Our current procedures are attached. As you mentioned, we currently rely on the World-Check and the junket operator's ability to obtain a visa.*

MR O'CONNOR: Yes.

15 MS SHARP: Now, that's all that was done as at September 2014 in terms of due diligence of a junket operator, wasn't it?

MR O'CONNOR: Well, there was a little – a little more in the commercial verification that these people were who they said they were.

20

MS SHARP: I will stop you there. The commercial verification was from the perspective of whether they were good for the credit, wasn't it?

25 MR O'CONNOR: Not just – not just credit, no. We – can you see reference to a person called Phil. Part of the step that he executed was to verify that these people were bona fide junket operators.

30 MS SHARP: Now, following these revelations in September 2014 on Four Corners, were any improvements made to the due diligence procedure for junkets to your knowledge? And I will cap that in the period before you were detained.

35 MR O'CONNOR: Yes, I believe – I believe they were. I recall having conversations with people within my team shortly after that program. I think that's what's outlined in this email where we propose to include some extra diligence checking against some of those other databases. I think we proposed to do them – some of those ourselves within our department before handing the application over and to the compliance team.

40 MS SHARP: Are you – it's quite correct, as you point out, that some further due diligence procedures were proposed. Are you able to tell us as a matter of certainty whether those proposals were in fact adopted at that time?

MR O'CONNOR: I'm afraid I can't, Ms Sharp, with certainty, no. Sorry.

45 MS SHARP: Until the time when you were detained in October 2016, is it right that you were the ultimate decision-maker in whether Crown entered a relationship with a junket operator?

MR O'CONNOR: No. No, that was the responsibility of the compliance function. I would certainly support an application as it was sent around and I think the practice was that if my recommendation or my team's recommendation came with that application then it would be approved.

5

MS SHARP: Who do you say within the compliance team had the ultimate decision-making responsibility whether to deal with a junket operator up until the time you were detained?

10 MR O'CONNOR: Well, I guess I would describe it as a right of veto. The compliance team would be able to highlight any concerns that they had with a visa – sorry, with a junket application and bring that back to my attention, but - - -

MS SHARP: So you had the right of veto, did you?

15

MR O'CONNOR: No, I said the compliance team had the right of veto. If they received an application from my team and they, in running their own probity process checks discovered something that we had overlooked, then they would have the ability to bring that to our attention and suggest that we cease dealings with the junket operator.

20

MS SHARP: So was that ultimately your decision, Mr O'Connor?

MR O'CONNOR: Yes, I guess it was. Yes.

25

MS SHARP: So you were the ultimate decision-maker in relation to whether to enter into a contractual relationship with a junket operator.

30 MR O'CONNOR: Yes, it was, within my team Ms Sharp. I didn't always see every application. The steps just didn't require my involvement.

MS SHARP: So sometimes an application for a new junket operator didn't make it all the way up to you. Is that right?

35 MR O'CONNOR: That's – that's true. Yes, that's true.

MS SHARP: Can I show you an article, please. It's exhibit A163. It's an article, so I will bring it up on the live feed, INQ.130.001.6680. Can you see this is an article entitled A Broken Model?

40

MR O'CONNOR: Yes, I can read the headline but little else.

MS SHARP: Yes, I will have that enlarged for you. If I could perhaps enlarge the bottom half. Down the bottom can you see this is published by Gambling Insider?

45

MR O'CONNOR: I can see that, yes.

MS SHARP: You can take it from me it was published in January or February of 2016. Was this a periodical you were familiar with?

MR O'CONNOR: No, I don't think so.

5

MS SHARP: Have you ever seen this article before?

MR O'CONNOR: I don't recall. I don't recall seeing it, Ms Sharp, no.

10 MS SHARP: Can I take you to the middle paragraph here. It's actually Steve Vickers being quoted, and what he says about seven lines down is:

15 *Some junkets also provide a means to outsource the collection of debts, relying on extra-legal mechanisms ranging from suasion to violence in the worst case. By providing these services the junkets have evolved into a major component of an informal financial system operating at the heart of the gaming sector in Macau.*

20 Now, I will break this down. As at 2016 did you understand that junkets were a major component of an informal financial system operating in the gaming sector in Macau?

MR O'CONNOR: Sorry, Ms Sharp, the audio broke up there momentarily. Would you mind repeating that question?

25

MS SHARP: Yes, certainly, Mr O'Connor. As at 2016 did you understand that junkets had evolved into a major component of an informal financial system operating at the heart of the gaming sector in Macau?

30 MR O'CONNOR: Yes, I – yes, I understood the role that the junkets played in Macau, yes.

MS SHARP: Mr O'Connor, can you hear me?

35 MR O'CONNOR: I can, yes.

MS SHARP: Okay.

MR O'CONNOR: Did we lose audio? Sorry.

40

MS SHARP: Did my last question break up on its way through to you?

MR O'CONNOR: The first time it did, but the second time I heard you clearly.

45 MS SHARP: Right. What was your answer then, please?

MR O'CONNOR: Yes, I understood the role that the junkets played in Macau in supporting the financing of the casinos.

5 MS SHARP: And did you also understand that some junkets relied on extra-legal mechanisms to enforce debts?

MR O'CONNOR: Well, I had no known visibility of that, Ms Sharp. I had read, such as in this article, from time to time those sorts of accusations being made, but other than what I read I had no knowledge of how they undertook that activity.
10

MS SHARP: Well, it's unlikely that you would personally witness the extra-legal enforcement of a debt, is it?

MR O'CONNOR: That's unlikely.
15

MS SHARP: So you have to rely on other sources of information beyond your personal observation, don't you?

MR O'CONNOR: Well, yes, but one doesn't believe necessarily everything one reads, Ms Sharp, but I do concede that this – this has been suggested of the junkets and the way they operate. It's been suggested before; this wouldn't have been the first time I read that accusation.
20

MS SHARP: All right. So this was certainly no surprise to you, the proposition that junkets sometimes engage in extra-legal means to enforce debts.
25

MR O'CONNOR: This would not have been the first time that I heard that accusation.

30 MS SHARP: Now, can I please take you to pinpoint 6682. Now, could I highlight the first column in the middle, please? You will see there's a quote:

35 *However, the government does not apply these licensing protocols for many key powerbrokers in the junket systems such as third party profit participants, credit guarantors, major financiers and off-paper shareholders in junkets.*

Now, I will stop you there. In 2016 is it the case that you were aware that these identified parties played a role in some junkets in Macau, that is credit guarantors, third party profit participants, major financiers and off-paper shareholders of junkets.
40

MR O'CONNOR: I didn't have visibility on how all of the particular junkets had established themselves structurally in Macau. I think it is true to say that I understood that some of the larger junkets probably had shareholders, guarantors. Yes, so some aspects of that statement I would concede that I am familiar with, Ms Sharp, yes.
45

MS SHARP: Can I stop at this point. You're the head of the marketing team at this time, right?

MR O'CONNOR: Yes.

5

MS SHARP: Your job is to get the commercial intelligence in order to enable you to market most effectively to bring the greatest turnover to Crown, isn't it?

MR O'CONNOR: Yes, it was a sales and marketing function, that's right.

10

MS SHARP: To discharge your duties diligently, it was pivotal that you had a good understanding of available commercial intelligence; correct?

MR O'CONNOR: Yes, that's right. I agree.

15

MS SHARP: And would you agree that you did have a good understanding of the commercial intelligence?

MR O'CONNOR: Yes. Yes, I did.

20

MS SHARP: Can I take you to another part of this article. If I could highlight the second column at the top, it stated:

25 *Unsuitable figures connected to Macau junkets avoid regulatory attention by simply staying off official paperwork and operating as a credit guarantor, a profit participant or an off-books shareholder.*

Now, in 2016 did that come – that proposition come as a complete surprise to you?

30 MR YOUNG: Just a moment. I object.

COMMISSIONER: Yes.

35 MR YOUNG: The witness has not even been asked whether it came to his attention before dealing with questions of surprise and, secondly, this question has been asked before. I mean, how is the Commissioner going to be assisted by questions in terms of surprise?

40 COMMISSIONER: Well, I could answer that, but I don't think I should right now, Mr Young, and I will answer it in due course. But at the moment I think I will just deal with the question. Ms Sharp, can you just go back to establish that Mr O'Connor may at the time have been aware of this proposition.

45 MS SHARP: Yes. Thank you, Commissioner. I will put the question another way.

Back in 2016, Mr O'Connor, were you aware that unsuitable figures connected to Macau junkets could avoid regulatory attention by simply staying off official

paperwork and operating as a credit guarantor, a profit participant or an off-books shareholder?

MR O'CONNOR: No, I wasn't aware of that – of that issue, Ms Sharp.

5

MS SHARP: Even though it was your job to be on top of the commercial intelligence in the market in which you operated.

MR O'CONNOR: Yes, it was my job to understand who we were dealing with and that's what I endeavoured to do.

10

COMMISSIONER: I suppose when you're looking at these matters that you referred to earlier, Mr O'Connor, with triad connections and the like, it wouldn't be surprising that people would create constructs to ensure that they weren't exposed such as the ones that you see on the screen.

15

MR O'CONNOR: I agree with that, commissioner. That's true. If it's true that these triad people are connected to the junkets in Macau then they would probably take steps to hide themselves from view in this sort of nature.

20

COMMISSIONER: And there's a lot of evidence before me that suggests that's what they do. I presume that when you were working, as you were in those years, '14/15/16, that you as a commercial man would have been well aware of a prospect that that could happen.

25

MR O'CONNOR: Yes. Yes, I think that's right, but I guess the focus that we had at the time, Commissioner, was establishing or furthering relationships with people that we – that we knew, people that we were considering issuing licences to. I will admit at the time, considering what might be going on behind those – those people, not a lot – not a lot of time and – or consideration was directed towards establishing what might be going on behind those people.

30

COMMISSIONER: It was more to do with the presentation of the person who was to be the junket operator, I presume, and working out the bona fides of that person or persons.

35

MR O'CONNOR: That is very true, Commissioner, yes, that's – that was our focus. We did endeavour to know who we were dealing with. We endeavoured to determine their bona fides, their probity, their suitability for doing business with us. The notion that there might be other people very active behind them really was not something that we were very well attuned to.

40

COMMISSIONER: I suppose one - - -

MR O'CONNOR: And to the extent that it might have been there, I think it would have been a very difficult thing to try to establish.

45

COMMISSIONER: Yes, I think it seems from the evidence, Mr O'Connor, that that's very much a part of the modus operandi of how it all occurs, but I suppose if you're looking at someone's probity you look to see where they're connected, where the tentacles go and I agree that it must be hard for anyone, particularly dealing with
5 the types of people about whom we're speaking, if you're going into business with any of these, you're going to take the risk, aren't you, that they will have someone behind them of this ilk.

MR O'CONNOR: Yes, that's true, and there were efforts made from time to time in
10 response to allegations that were put forward. We've – we've addressed a couple of the names today already, but we were aware that others had made similar efforts to try to establish whether these links were verifiable, and they weren't. So others had tried, we had tried, there's just no evidence or no strong evidence that would justify deciding not to do business with some of these very large customers.

15 COMMISSIONER: Yes. I understand the drive to do business and the need to make profits, particularly if you're a casino, but I suppose it's all to do with how far one can go to establish and to what degree you do establish. That's a business decision and a commercial decision for the operator, isn't it?

20 MR O'CONNOR: Yes, it is, and I think it's important that the commercial decision process is somewhat removed from the probity decision process because from time to time it can present you with a conflict.

25 COMMISSIONER: Yes, but if you've got a good probity group that tell you that you shouldn't be dealing with someone and they're not affected by the need to drive profit, if you've got that structure it might be more helpful, I suppose.

MR O'CONNOR: Yes. I think any sales and marketing function or commercial
30 function within a casino business needs to rely on that independent probity process, that independent compliance process. It's a little too easy to get caught up in the pressure to chase profits.

35 COMMISSIONER: Yes, I understand that. Thank you, Mr O'Connor. Yes, Ms Sharp.

MS SHARP: Mr O'Connor, on 31 August, that is a few days ago, Mr Steven Vickers gave evidence. Did you watch that evidence being given?

40 MR O'CONNOR: I saw a very small part of Mr Vickers' evidence, not all.

MS SHARP: One of the things Mr Vickers said - and I will give the transcript reference, I don't need to take you there; it's page 1650 – is this, that:

45 *Casinos have been trying to weed out triad because they recognise the threat, so some of the casinos have been trying to weed out the triad influence. It is notorious. Triad activities with junkets are notorious and are well-known to*

everybody, frankly, that knows which way is up in Macau ... it's a matter of public knowledge.

Do you agree with that? And I will ask you from your perspective in 2016.

5

MR O'CONNOR: No, I wouldn't – I wouldn't agree with the extent of what Mr Vickers is suggesting. Everybody has heard the accusations of triad involvement in Macau. It's a general statement. I think it's unwise, therefore, to assume that they are associated and involved with every single junket operation in Macau. I just don't think that's the case. Of course, there's – allegations are made against these individuals, but very rarely is there any firm evidence to support it.

10

MS SHARP: Mr O'Connor, in the time that you were the group executive general manager of VIP international, is it fair to say that you turned a blind eye to whether backers of the junkets you dealt with were associated with organised crime?

15

MR O'CONNOR: No, it's not fair to say that, Ms Sharp.

MS SHARP: I take it, Mr O'Connor, that you are well aware of Crown Resorts platform junket strategy.

20

MR O'CONNOR: Yes. I'm familiar with that, Ms Sharp.

MS SHARP: And you played a role in developing that strategy, did you?

25

MR O'CONNOR: The strategy was developed by others, and proposed to me, and I supported it.

MS SHARP: And in the team that you led and were ultimately responsible for?

30

MR O'CONNOR: Yes, that's right.

MS SHARP: Could I show you a document, please, at exhibit M119. I understand this is to be treated confidentially at this stage. So, please, up to the VC only.

35

COMMISSIONER: Up to the hearing room only.

MS SHARP: Hearing room only. CRL.527.001.2274.

COMMISSIONER: M119.

40

MS SHARP: M119. Yes, Commissioner.

COMMISSIONER: Thank you.

45

MS SHARP: You will see there's an email to which you are copied, dated 16 January 2015?

MR O'CONNOR: I see that. Yes.

MS SHARP: And do you see there's – it seems to be forwarded on the 20th of January, and there's an attachment to it?

5

MR O'CONNOR: Yes.

MS SHARP: And you accept you received the document attached to this email at the time?

10

MR O'CONNOR: Yes.

MS SHARP: Can I take you to that attachment, please. It is exhibit M120. Again it's to be treated as confidentially – confidentially at the moment. So, please, hearing room only. CRL.527.001.2277. Firstly, do you accept that the document I'm now showing you, Mr O'Connor, is the attachment to the email?

15

MR O'CONNOR: Yes, it appears to be true. Yes.

20 MS SHARP: Yes. They've got the same name, don't they?

MR O'CONNOR: Yes. Yes.

MS SHARP: Now, of course, you've seen this document before, haven't you?

25

MR O'CONNOR: Yes.

MS SHARP: What was your role in preparing this document?

30 MR O'CONNOR: I don't think I played any role in preparing this document. This document, I believe, was prepared by Michael Chen.

MS SHARP: And it formed the basis of a presentation to your team, did it?

35 MR O'CONNOR: I think this document was a summary of some of the issues that Michael worked through at one of his meetings with his senior sales team. And I believe this is the outcome of that meeting.

40 MS SHARP: So does this record the – is it fair to say this records the strategy agreed on at that meeting?

MR O'CONNOR: Well, I'd say that it records the topics that were discussed and the proposals that came out of that meeting.

45 MS SHARP: Okay. Thank you. Could I take you to pinpoint 2286. Some initiatives are identified?

MR O'CONNOR: Yes.

MS SHARP: And you'll note the third initiative there identified?

5 MR O'CONNOR: Yes, I'm looking at page 10 of the document. Are we on the same page, Ms Sharp?

MS SHARP: Yes, that's the one.

10 MR O'CONNOR: Yes.

COMMISSIONER: It says:

Unlock the junket platform.

15

Do you see that?

MR O'CONNOR: Yes. Yes, I see that.

20 MS SHARP: So if I could take you to the next page, please, Mr O'Connor, at pinpoint 2287, you will see the problem is identified.

MR O'CONNOR: Yes.

25 MS SHARP: And could I just have you read that to yourself, please. And tell me when you've finished reading that page.

MR O'CONNOR: Okay, Ms Sharp. Thank you.

30 MS SHARP: And it's right that, at that time, what your team was contemplating was unlocking the junket platforms?

MR O'CONNOR: That was the language that was used. Yes.

35 MS SHARP: Yes. But in the sense described in this page that you've just read.

MR O'CONNOR: Yes.

40 MS SHARP: And if I could take you over the page to pinpoint 2288. And you will see that the – there's an aim – I draw your attention to the first aim articulated there. That was the plan, as at 2015, wasn't it?

MR O'CONNOR: Yes, that was the proposal that came out of this meeting, yes, that's right.

45

MS SHARP: Right. And, just to be clear, you pursued that proposal; right?

MR O'CONNOR: This – this page, if we're referring to page 12, Ms Sharp, refers to two initiatives. We certainly pursued the first one.

5 MS SHARP: That's the one I'm asking about. Thank you.

MR O'CONNOR: Yes.

MS SHARP: Over to pinpoint 2289.

10 MR O'CONNOR: Yes.

MS SHARP: And could I direct your attention to number 5 “goal”?

MR O'CONNOR: Yes.

15

MS SHARP: That was the goal of working with the platform junkets, wasn't it?

MR O'CONNOR: Yes. In a sense, that's what the objective was.

20 MS SHARP: And then could I take you, please, to .2291. And we see here, don't we, the platform junkets that are identified?

MR O'CONNOR: Yes.

25 MS SHARP: Okay. I just – I don't see – unless I'm mistaken, I don't see any individual name – names of individuals here; is that right?

MR O'CONNOR: That's right. They all appear to be listed under names that they operate in elsewhere.

30

MS SHARP: So these – you'd agree that these particular entities must stand behind certain named junket operators that Crown deals with?

MR O'CONNOR: Well, I'd say that each of these names associate very closely with one key principal that Crown associates with.

35

MS SHARP: So who's the first one closely - - -

MR O'CONNOR: That's Alvin Chau?

40

MS SHARP: - - - aligned to?

MR O'CONNOR: Alvin Chau.

45 MS SHARP: And who's the second one? Who's the second one closely aligned to?

MR O'CONNOR: His name is listed there below the Guangdong Club, Chan Yan To.

MS SHARP: But that's not – that's not the key name, is it?

5

MR O'CONNOR: Well, yes, it is. The Guangdong Club had two or three junket operators that were licensed with us, and this individual was one of those.

MS SHARP: Another one was Nicholas Niglio, wasn't it?

10

MR O'CONNOR: For a time, yes.

MS SHARP: Yes.

15 MR O'CONNOR: Yes. For a time, yes.

MS SHARP: Yes. And, just to be clear, you at all times associated the Guangdong Club with Nicholas Niglio?

20 MR O'CONNOR: Not at all times. He was – he was a licence holder associated with the Guangdong Club for a while. I don't think he – he – he probably still holds a licence. I don't know. He held a licence for a period of time. I'm not sure that a lot of business came via him.

25 MS SHARP: And was it your – was it your understanding that he was an executive officer of the Neptune Group?

MR O'CONNOR: Yes.

30 MS SHARP: Number 6? Who stands behind that? Well, I withdraw that. Who's the junket operator?

MR O'CONNOR: I – I don't recall. Sorry.

35 MS SHARP: Could it be Ngok Hei Pang?

MR O'CONNOR: I honestly don't recall who the junket – licence holder was.

MS SHARP: And then we see a reference to the Chinatown group.

40

MR O'CONNOR: Yes.

MS SHARP: Who were the junket operators there that you associated Chinatown with?

45

MR O'CONNOR: Well, that group changed the licence holder once or twice. So it went through a couple of names. I recall two or three of the names. At various

points in time, it would have been held by, I think, Tian Di for a period of time and, at another time, by Yuan Liwen.

5 MS SHARP: Sorry. Could you say that again? I missed that.

MR O'CONNOR: The second name was Yuan Liwen. I think there was another person who may have held a licence for a period of time, but I can't recall the name of that person. I'm sorry, Ms Sharp.

10 MS SHARP: Could that be Zhou Qiyun?

MR O'CONNOR: I don't think so.

15 MS SHARP: Did you understand, at this stage, that Tom Zhou had a relationship with Chinatown?

MR O'CONNOR: Well, if I'm consistent with what I said to you earlier, I don't – I think that realisation came to me late in 2015 or early 2016. This document was prepared in 2015 so – sorry – in January 2015, so I suggest maybe not.

20 COMMISSIONER: You've been referring to a number of these people, Mr O'Connor, as holding a licence; remember saying that?

MR O'CONNOR: Yes.

25 COMMISSIONER: To what are you referring when you say that?

MR O'CONNOR: I'm referring to the formal junket operator's licence that's issued by Crown to these individuals to operate their business as a junket operator with us in Melbourne and Perth.

COMMISSIONER: I see. So it's a licence that, you understood, was being issued to the individuals by your company, or the company for whom you work?

35 MR O'CONNOR: We refer to it as a licence. Yes.

COMMISSIONER: Thank you. Yes, Ms Sharp.

40 MS SHARP: Could I take you to another document now, please, Mr O'Connor. This is on Crown confidential list 9 at tab 53. This is a confidential document. Could it please be brought up to the hearing room only, CRL.505.001.0062.

MR O'CONNOR: I have the document, Ms Sharp.

45 MS SHARP: Thank you. You've seen this document before, Mr O'Connor?

MR O'CONNOR: Yes, it appears to be a refinement of the one we just finished looking at.

MS SHARP: And what was your role in preparing this document?

5

MR O'CONNOR: Similar to the last one. I don't think I played any part in preparing this document. This looks to be a document that would have been prepared by Michael Chen.

10 MS SHARP: And can I take you to the page .0065? And again, you will see a number of platform junkets listed.

MR O'CONNOR: Yes.

15 MS SHARP: And could I then take you, please, to .0072. And could I draw your attention, please, to the column on the right-hand side.

MR O'CONNOR: Yes.

20 MS SHARP: Now, when it says "work with", you will agree that the proposition was to partner with the platform junkets?

MR O'CONNOR: Yes, to work closely with them in support of both our business and theirs, yes.

25

MS SHARP: So to collaborate closely with them.

MR O'CONNOR: Yes, I think that's a fair description.

30 MS SHARP: And could I take you to another document. This is – it's exhibit M169. Again, the position is reserved so it's to be treated confidentially to the hearing room only, CRL.522.001.0136.

MR O'CONNOR: Sorry, excuse me. Yes, I have the document.

35

MS SHARP: Take your time. You've seen this document before, I take it, Mr O'Connor.

MR O'CONNOR: Yes, I would have seen this document, yes, Ms Sharp.

40

MS SHARP: Are you able to tell us what your role was with respect to the preparation of this document?

45 MR O'CONNOR: Well, I would have been heavily involved in the preparation of this document, Ms Sharp. Perhaps not authored every aspect of it, but I would have overseen the preparation of it.

MS SHARP: And given that it refers to those particular financial years, is this a document that would have been prepared some time in 2016?

5 MR O'CONNOR: Yes, I would suggest that's right, probably in the early part of 2016.

MS SHARP: Could I just take your attention, please, Mr O'Connor, to .0151. It's on page 16 if that assists you.

10 MR O'CONNOR: Yes. Thank you. I have that page.

MS SHARP: And you will agree the language used there is the language of "collaboration".

15 MR O'CONNOR: Yes.

MS SHARP: And that, at all times during this strategy, was what you did aim to do with these platform junkets.

20 MR O'CONNOR: Yes, that's right.

MS SHARP: I wanted to show you an organisational chart, if I could.

25 COMMISSIONER: Just before you leave the platform junkets, if I may, what was the purpose of identifying these, what was recorded as super junkets or platform junkets, Mr O'Connor?

30 MR O'CONNOR: The objective, Commissioner, was to identify junket operators who had a standing with us, with Crown that we felt we could trust in various respects, and that covers things like the commission risk or the financial risk that extending credit exposes the company to, but also the way these junket operators might deal with customers. In the context of this proposal it was important to work alongside junket operators who we felt would treat, ultimately, our customers, the people that are actually placing the bets, the way we wanted our customers to be
35 treated. So the objective was to identify those customers that had that kind of standing with us and in doing so it would help initially mitigate the credit risk that comes particularly with dealing with customers from China, because as I'm sure you know there is no legal recourse to pursue debts in China, and as is well understood, I think, the junket operators provide a kind of a solution to that from the casino's
40 perspective.

We also believed that many - many, particularly Chinese customers, were coming forward to us and when we assessed the credit risk in relation to those individual customers we just couldn't find ourselves comfortable in extending credit to those
45 people so the proposal was to make a connection between those individuals and the right kind of junket operator who might be better placed to provide the sort of credit that that particular customer was looking for.

COMMISSIONER: So you would direct the individual person to the junket operator so that you had the – effectively the credit risk covered.

5 MR O’CONNOR: Mitigated somewhat, yes.

COMMISSIONER: Yes.

10 MR O’CONNOR: The discussion would be had by our sales rep who would say, “I’m sorry, we – the company, Crown, just can’t get comfortable agreeing to offer you the sort of credit line that you’re looking for. Would you consider talking to one of our trusted junket operators who might be able to help you?”

COMMISSIONER: I see. So one of the things that - - -

15 MR O’CONNOR: It was presented as an option - - -

COMMISSIONER: I’m sorry.

20 MR O’CONNOR: I’m sorry, Commissioner.

COMMISSIONER: You go ahead.

25 MR O’CONNOR: It was presented as an option to the customer; if they wanted to pursue a discussion with the junket operator we could connect them with somebody that we felt might be suitable.

30 COMMISSIONER: Yes. But if they couldn’t satisfy the prerequisite of comfort for Crown in respect of their credit risk, you would direct them towards the trusted individual or a junket platform to whom you’ve referred. Is that right?

MR O’CONNOR: That’s right.

35 COMMISSIONER: And when you said we wanted to – there was a particular aspect of “how our customers were treated”, is it the case that these junkets, the platform junkets, were all junkets in respect of which travel would occur from China to Australia. Is that right or not?

40 MR O’CONNOR: I don’t think all of these junkets – I think the objective, Commissioner, was to identify junkets that were able to work with customers right across our network, not necessarily just in China or from Macau. It is true that most of these junkets had a strong presence in Macau and therefore most of their customers probably are Chinese customers, but I believe one or two of them are based in South-East Asia.

45 COMMISSIONER: Say that again for me?

MR O'CONNOR: Sorry, I said I believe one or two of them are based in South-East Asia so the intention was that this was not simply a China strategy, this was a whole of market strategy.

5 COMMISSIONER: But not a domestic market.

MR O'CONNOR: No. No.

10 COMMISSIONER: So it was only international players coming in via these junkets or with these junkets. Is that right?

MR O'CONNOR: Yes, that's right.

15 COMMISSIONER: Yes. Yes. I'm sorry. Thank you for that, Mr O'Connor. Yes, Ms Sharp.

20 MS SHARP: And just to follow up on one of the Commissioner's questions, a key attraction to you to the platform junket strategy is it moved credit risk from Crown to the platform junkets; correct?

MR O'CONNOR: Yes, that's correct. It didn't entirely eliminate the credit risk, but it did mitigate it.

25 MS SHARP: And one of the aspects of the platform junket strategy was to funnel VIP players from smaller junkets to these platform junkets.

MR O'CONNOR: No. I don't think this was an element of the strategy, Ms Sharp.

30 MS SHARP: Well, wasn't one of the paradoxes that your team had identified that the smaller junkets were good at finding the VIP customers, but not at financing the VIP customers?

35 MR O'CONNOR: Yes, that was referenced in one of the documents we've just looked at; that's true. But, I think, once the proposal was executed, I don't believe that that was one of the objectives. And that's a sure-fire way to disenfranchise a number of your junket operators if you start funnelling customers away from them towards other junkets; that would not be well received.

40 MS SHARP: Could I show you an organisational chart, please, Mr O'Connor. This is in Crown confidential list 10, tab 30. Please bring it up to the hearing room only. It is INQ.950.002.0218. I'm sorry, I'm told it's not confidential.

COMMISSIONER: All right. You can put it on the live stream.

45 MS SHARP: It can go to the live stream. I apologise.

COMMISSIONER: That's all right. Yes, that should be on the screen in front of you, Mr O'Connor.

5 MS SHARP: Now, this is an organisational chart for the VIP international team, as at September 2015, produced by Crown. Have you seen this document before, Mr O'Connor?

MR O'CONNOR: Yes. If not this one, versions of this one, Ms Sharp.

10 MS SHARP: You don't doubt the accuracy of any part of this document - - -

MR O'CONNOR: No, no.

15 MS SHARP: - - - in terms of showing the reporting structures?

MR O'CONNOR: No. No, it's a document that's produced internally, and I'm sure it's accurate.

20 MS SHARP: And it shows that you're the head of the team?

MR O'CONNOR: Yes, it does.

25 MS SHARP: But, of course, you reported to Barry Felstead, since 2013, in this role?

MR O'CONNOR: Yes, that's true.

30 MS SHARP: Now, could I just track through the reporting structure to Jacinta Maguire, the group general manager?

MR O'CONNOR: Yes.

35 MS SHARP: And then, underneath her, you will see one of her reports is Heidi Heung?

MR O'CONNOR: Yes.

MS SHARP: And then reporting to her, one of her reports is Veng Anh?

40 MR O'CONNOR: Yes.

MS SHARP: And he's the vice president of international business operations.

45 MR O'CONNOR: Yes, that's right.

MS SHARP: So what was his role, Mr O'Connor?

MR O'CONNOR: He was part of a team responsible for hosting VIP international customers when they are here on property. He's Melbourne-based, so his responsibility is the customers who were visiting Melbourne. They act almost like a concierge, I suppose, but not associated with the hotel, as a concierge typically is, but associated with the gaming aspect of a customer's visit. So they would be a customer's first point of contact for anything that they require while they are visiting us.

MS SHARP: And I see that, in this organisational chart, there are four people who occupy the position of vice president international business operations. Was responsibility divided between the four of them for providing services to particular VIP customers?

MR O'CONNOR: The responsibility was very similar. We tried to maintain not quite 24-hour-a-day representation from this group of people, but as close to it as we could. So the intention was that, as far as possible, there was always somebody from that team; one of the senior people would be on property at any point in time. But the responsibilities across those four boxes, Ms Sharp, are largely the same.

MS SHARP: So it wasn't the case that, say, Mr Lee Ong was primarily responsible for a certain group of international VIPs while Bu Koh was responsible for another group?

MR O'CONNOR: Well, there were sort of some natural allocations on that basis, I suppose. For example, one of those individuals was Malaysian, so he had a – he was better placed to deal with customers from Malaysia or elsewhere in South-East Asia. So - - -

MS SHARP: And Mr Veng Anh spoke a number of languages, didn't he?

MR O'CONNOR: Yes, he did.

MS SHARP: He spoke Cantonese, didn't he?

MR O'CONNOR: I can't be certain which languages he spoke, but I was aware that he could speak several.

MS SHARP: He had responsibility in that natural way, in which you had mentioned, for the Chinatown junket, did he?

MR O'CONNOR: He did have a close association with the Chinatown junket. Yes.

MS SHARP: He – is it fair to say that he acted as a go-between between Crown Resorts and the Chinatown junket?

MR O'CONNOR: Yes. In the sense, as I described before, that their role was the first point of contact for customers. So if the Chinatown people needed anything or required anything, the likely first port of call would be to Veng.

5 MS SHARP: And, to your observation and knowledge, he developed close relationships with various members of the Chinatown junket?

MR O'CONNOR: Yes, he did.

10 MS SHARP: So when you needed to contact people from the Chinatown junket, you would often go through Mr Veng Anh, would you?

MR O'CONNOR: Usually, yes, but not always.

15 MS SHARP: And he would travel with you, sometimes, when you travelled overseas?

MR O'CONNOR: He, perhaps, did once or twice. But his role was more based on property. But it is true that he did travel overseas once or twice.

20

MS SHARP: Pardon me.

COMMISSIONER: Yes, of course.

25 MS SHARP: And at all times when he was in Australia for Crown, was he at Crown Melbourne or did he sometimes go to Crown Perth?

MR O'CONNOR: It is – he may have travelled to Crown Perth to accompany certain customers at certain times; that's – that is possible. If he had a strong association or a strong relationship with a certain customer and that customer was planning to visit Perth and requested Veng travel across there and look after them, then, that's possible and it's something that I think we would do from time to time. Not just for Veng, but that could apply to any other people from that service team as well.

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MS SHARP: Could I take you, once again, to your text messages with Veng Anh. They're in Crown confidential list 6 at tab 111. But I understand they're not confidential so I will pull those up on the live stream. The document number is CRL.445.001.0628. And, Mr O'Connor, could I take you firstly to pinpoint 0631. Can you read that, Mr O'Connor?

40

MR O'CONNOR: Not on the screen, Ms Sharp, but I've got the document in front of me that I can read.

45 COMMISSIONER: Commissioner, may I ask can you read this on the screen?

COMMISSIONER: I can read it on the screen. Thank you, Ms Sharp.

MS SHARP: Thank you. In that case, I'll leave it as is. Do you see in the middle of the document, Mr O'Connor, there's a little green box that says:

5 *Veng, how's the action from Jack Lam junket so far? Big play or small play?*

And then you see Mr Veng Anh responds:

10 *Small play as they play seven times under the table. Will send you the turnover later, boss.*

MR O'CONNOR: Yes.

MS SHARP: Now, I wanted to ask you a few things about this. Firstly, you will agree that you kept a close eye on the betting that was taking place in the gaming
15 rooms at Crown Melbourne in the VIP rooms?

MR O'CONNOR: Yes, that was the part of the business that I was responsible for. So if there was particularly big action occurring then I would pay close attention, sometimes closer than others.
20

MS SHARP: Can you assist us in understanding what you were informed when you were informed as:

25 *...small play as they play seven times under the table.*

COMMISSIONER: What he understood.

MS SHARP: What did you understand that to mean?

30 MR O'CONNOR: That is likely to be a reference to an arrangement that the player has made with the junket operator. You could call it leverage - - -

MS SHARP: Is that side - - -

35 MR O'CONNOR: - - - I suppose.

MS SHARP: Is that side betting?

MR O'CONNOR: That's another term you could apply, yes, it's side betting.
40

MS SHARP: And the thing about side betting is that it doesn't show up as something that can be taxed by the government, does it?

MR O'CONNOR: No, it's an arrangement between the player and in this case the
45 junket operator.

MS SHARP: But what it does allow is for bets to take place at the casino without any taxation liability arising for those bets.

5 MR O'CONNOR: Well, the bets that take place on the table at the casino are subject to appropriate taxation. If there's an arrangement between the player and a junket operator that occurs not on the table then your statement is right.

10 MS SHARP: Now, in this instance you were told there was some side betting going on, do you see?

MR O'CONNOR: I do.

MS SHARP: How often were you made aware of side betting going on?

15 MR O'CONNOR: Very, very rarely.

MS SHARP: Now, a little bit further down this page you say:

20 *Thanks, Veng. We are planning to be in Shanghai soon. Do you think we should pay Mr Zhou a visit?*

So are you relying on Mr Veng Anh to give you advice about the manner in which you should deal with patrons or potential patrons?

25 MR O'CONNOR: In this context, yes, because Mr Zhou was a customer that Veng had a close relationship with. So he was probably best placed to indicate whether visiting this customer would have been appropriate.

30 MS SHARP: Can you tell us was he associated with the Chinatown junket?

COMMISSIONER: You mean Mr Zhou?

MS SHARP: Yes, Mr Zhou.

35 MR O'CONNOR: No, I don't think there was any connection between Mr Zhou and the Chinatown junket, no.

40 MS SHARP: Tell me, when side betting was drawn to your attention did you make anyone in Crown Resorts aware of it?

MR O'CONNOR: I – I really can't recall the specifics of this incident, Ms Sharp. I don't know.

45 MS SHARP: It's just – it's a pretty serious matter when a side bet goes on because it means the government loses the revenue, don't you agree?

MR O'CONNOR: Yes, it's diverting revenue that might otherwise be generated by the casino.

MS SHARP: In a sense it's cheating the government, isn't it?

5

MR O'CONNOR: Well, it's also cheating the casino, Ms Sharp. Yes, I agree to both.

MS SHARP: Yes. So in view of that, did you make anyone else at the casino aware when you were informed that side betting was going on?

10

MR O'CONNOR: I really can't recall. If I did, I had no recollection of doing so.

COMMISSIONER: A side bet in a casino is usually, as I apprehend it, Mr O'Connor, you might not be able to help me, but the side bet occurs in relation to the chances of the game that's being played in the casino. Isn't that right?

15

MR O'CONNOR: Yes, that's right.

COMMISSIONER: So whatever is happening, whichever table the players are at, they will take a side bet on what the outcome might be of the game that's underway on the table or at the table.

20

MR O'CONNOR: Essentially that's right, Commissioner, yes.

25

COMMISSIONER: And presumably – I'm not sure that it's capable of this, but is it possible to surveil that? In other words, do you know whether these sorts of arrangements are put in place prior to entry into the casino or is it a nod and a wink at the time that they're playing at the table?

30

MR O'CONNOR: Well, in truth, Commissioner, we have no visibility on this at all.

COMMISSIONER: I see.

MR O'CONNOR: I'm surprised to see it in black and white here in front of me, but - - -

35

COMMISSIONER: Yes.

MR O'CONNOR: - - - it's – it is cheating the casino. It's revenue that the casino might otherwise generate and appropriately pay tax on. But if there's a deal made between the person sitting at the baccarat table and the junket operator that's financing him that we're simply not aware of, there's little that we can do.

40

COMMISSIONER: We've had a look at some of your documents; by that I mean what you refer to as licence arrangements with the casino junket operators. Do you

45

recall at any stage there being a prohibition in your licence arrangements on side betting?

5 MR O'CONNOR: Not that I can recall. I don't believe there was.

COMMISSIONER: I suppose at the very least, one should prohibit it, legally, in the contractual relationship with your contractors.

10 MR O'CONNOR: I think that's fair, yes. It should be - - -

COMMISSIONER: Or at least have a go.

15 MR O'CONNOR: It should be in black and white that we don't tolerate it, but I'm not sure how effective that would be in stopping the activity.

COMMISSIONER: I presume that a visit to Macau would see a lot of side betting.

20 MR O'CONNOR: Well, you don't see it, Commissioner. It's - it's an arrangement that's put in place between the player and his junket operator such that if he - and the junket operator tracks very closely how much a player wins or loses. So in this case the suggestion is seven times, so the arrangement would be that if a customer loses, let's say, \$1000 on the table, he owes his junket operator seven times that number.

25 COMMISSIONER: Yes, I see. And so the junket operator would bet against the player.

30 MR O'CONNOR: Yes. Yes, that's right. So if the player was fortunate to win and this arrangement was in place then the junket operator is obliged to pay the player seven times the amount that he's won from the casino.

COMMISSIONER: Yes. Thank you. Yes, Ms Sharp.

35 MS SHARP: If I could take you then, Mr O'Connor, to .0636. And if you just read the bottom of that page, that's Mr Veng Anh reporting back to you about the deal that's been reached.

MR O'CONNOR: Yes, I see that.

40 MS SHARP: And then can I just take you over the page, pinpoint 0637. Again, you would agree that you kept a fairly close eye on what was happening on the ground in terms of what turnover was occurring and what deals were being done?

MR O'CONNOR: Yes, it's true, more so when it was a known, large customer.

45 MS SHARP: Can I then take you to pinpoint 0638.

MR O'CONNOR: Yes.

MS SHARP: Can I take you to the second grey box. Just I want to show you the metadata. Do you see right at the bottom of the box that there's a time 6 March 2014? Do you agree that the text message in blue was sent at that time?

5 MR O'CONNOR: That appears to be true, yes.

MS SHARP: And what it says is "Hi boss" – and this is Mr Veng Anh:

10 *Hi boss, I'm not at work yet, boss, but just a call from Zhou with inside information from China. Strictly silent. From April to May China government will begin to arrest a lot anti-corruption people and anything to do with gambling or moving money out of the country. Warn us not to enter China at this time and should remove all our staffs out of the country for one month. That is his advice. Please inform Michael and Alfreed to let his staffs be alert.*

15

That must have been a matter of some concern to you, was it, Mr O'Connor?

MR O'CONNOR: Yes. Yes, it would have been, Ms Sharp.

20 MS SHARP: Who is Mr Zhou?

MR O'CONNOR: He's a customer.

25 MS SHARP: Did you understand that Mr Zhou had contacts within the mainland Chinese government?

MR O'CONNOR: I didn't, no. I wasn't aware of any relevant contacts of that nature.

30 MS SHARP: Did you take this warning seriously, Mr O'Connor?

MR O'CONNOR: I made sure that Michael Chen was aware of it and he was. I think he had actually heard a similar message that came from the same source, from Mr Zhou.

35

MS SHARP: So you passed the message down the hierarchy. Did you pass the message up the hierarchy at Crown Resorts?

MR O'CONNOR: I don't – I don't recall doing that, Ms Sharp.

40

MS SHARP: Well, it's not every day that you're advised that it's best to move staff out of the country, is it?

45 MR O'CONNOR: No, it's not every day, but from time to time we did receive alarms or warnings. Not quite of this nature, but of a similar nature.

MS SHARP: Did you move the staff out of the country after you received this warning?

MR O'CONNOR: No, we didn't.

5

MS SHARP: I see the time, Commissioner.

COMMISSIONER: Yes, all right. Mr O'Connor, what I'm going to do now is to take the adjournment overnight and I'm afraid you will have to return tomorrow morning. I understand – are you in Melbourne, are you?

10

MR O'CONNOR: Yes, I am, Commissioner.

COMMISSIONER: And so it will be a 10 o'clock start for you.

15

MR O'CONNOR: Okay.

COMMISSIONER: Yes, Mr Young, did you want to say something?

MR YOUNG: Yes. I apologise for butting in, Commissioner.

20

COMMISSIONER: That's all right. That's all right.

MR YOUNG: It's difficult with the technology.

25

COMMISSIONER: Yes.

MR YOUNG: I just wanted to clarify timing for tomorrow.

COMMISSIONER: Yes.

30

MR YOUNG: I raise that because I have a court commitment on Friday.

COMMISSIONER: Yes.

35

MR YOUNG: So we need to finish Mr O'Connor tomorrow if at all possible, otherwise he may have to go over until next week would be our request.

COMMISSIONER: Mr Young, I will take your – I think it's an application for indulgence and I will, of course, do my very best to indulge you, as you know, and so we will try and do our best to do what we can to get you away to your court commitment on Friday, and my counsel assisting have heard all that and if we don't then we will make some accommodation, Mr Young, so that you're not inconvenienced, of course.

40

MR YOUNG: Thank you very much.

45

COMMISSIONER: I will adjourn. That's all right.

5 <THE WITNESS WITHDREW

[4.02 pm]

**MATTER ADJOURNED at 4.02 pm UNTIL
THURSDAY, 3 SEPTEMBER 2020**

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