



**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**

**FRIDAY, 4 SEPTEMBER 2020  
AT 10.00 AM**

**Continued from 3.9.20**

**DAY 23**

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 as counsel assisting the Inquiry**  
**MS R. ORR QC appears with MR H. WHITWELL for Crown Resorts Limited**  
**& Crown Sydney Gaming Proprietary Limited**  
**MR D. BARNETT appears for CPH Crown Holdings Pty Ltd**  
5 **MS N. CASE appears for Melco Resorts & Entertainment Limited**  
**MR O. CAIN appears for Mr Anh**

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

MS SHARP: Good morning, Commissioner. I understand we have some new appearances this morning.

15 COMMISSIONER: Yes. Mr Cain, I think it is, is it?

MR O. CAIN: Yes, Commissioner. I seek leave, I suppose, to appear on behalf of Mr Anh to assist in the provision - - -

20 COMMISSIONER: Yes, thank you. I grant that leave. Thank you, Mr Cain. Yes, Ms Sharp.

MS SHARP: Thank you. I call Mr Veng Anh.

25 COMMISSIONER: Mr Anh, are you present there, and can you hear?

MR ANH: Yes, Commissioner.

30 COMMISSIONER: Yes. Yes. Mr Anh, you make an affirmation to tell the truth today?

MR ANH: Yes, Commissioner.

35 COMMISSIONER: All right. I will administer that affirmation now.

**<VENG DONG ANH, AFFIRMED** **[10.01 am]**

40 **<EXAMINATION BY MS SHARP**

COMMISSIONER: Mr Cain, I'm sure that you would be up-to-date with all the recent law in New South Wales and also recent decisions of the High Court but I just wanted to indicate to you that the provisions of the Royal Commissions Act 1923  
45 New South Wales have been found to be applicable to this Inquiry by the Court of Appeal of New South Wales and ultimately the appeal to the High Court in respect of

that decision was not allowed, or special leave was not allowed. So in the circumstances, if it be the case that you wish to take any objection to any of the questions that arise, in particular so that Mr Anh has the benefit of section 17(2) of the Royal Commissions Act, I don't want you to be – particularly in the light of the technological way in which we're working during COVID – I have in mind that where there are aspects, and I presume there may be, you would want those questions and answers noted in the transcript.

10 I will give you the opportunity, and your solicitors, to notify those assisting me so that they're properly identified in the transcript. Is that suitable to you, Mr Cain?

MR CAIN: That's suitable, Commissioner, yes.

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

MS SHARP: Mr Anh, could you tell this Inquiry your full name, please?

MR ANH: My name is Veng Dong Anh.

20 MS SHARP: And your address is known to those assisting this Inquiry; there's no need to repeat your address, but the people who are assisting this Inquiry know your address, don't they?

25 MR ANH: Yes, Ms Sharp.

MS SHARP: Is it correct that you ordinarily reside in Melbourne?

MR ANH: Yes, Ms Sharp.

30 MS SHARP: Are you of Chinese heritage?

MR ANH: I'm actually born in Cambodia, but I went to Vietnam and come to Australia a long time ago.

35 MS SHARP: You speak a number of languages in addition to English, don't you?

MR ANH: That's correct, Ms Sharp.

40 MS SHARP: And what languages are they, please, Mr Anh?

MR ANH: Cantonese, Mandarin ..... Hokkien, and a little bit of Vietnamese, and of course English.

45 MS SHARP: And it's correct that you've held various positions at Crown for the last 25 years.

MR ANH: Yes, I have. I have nearly six different position, but the role is very similar to what I'm doing now. I actually start as a dealer.

5 MS SHARP: We will just go through this briefly, if I may. You started your employment at Crown in November 1995 as a part-time dealer; is that correct?

MR ANH: That's correct, Ms Sharp.

10 MS SHARP: At that time did you work in any particular part of Crown Melbourne, for example, the Mahogany Room or were you on the main gaming floors?

MR ANH: No, I was mainly on the gaming floor as I was only a part-time and a new staff.

15 MS SHARP: Is the case that in April of 1996 you became a full-time dealer at Crown Melbourne?

MR ANH: That's correct, Ms Sharp.

20 MS SHARP: Did you work in any particular areas of Crown Melbourne once you became a full-time dealer?

MR ANH: No, I didn't. It was just on rotation at that time.

25 MS SHARP: And then it's right, isn't it - - -

MR ANH: It was just on the main floor.

30 MS SHARP: It's right - - -

MR ANH: Sorry, it was just on the main floor.

MS SHARP: Thank you, Mr Anh. It's correct that in September of 1996 you were promoted to become a VIP host in the Mahogany Room?

35

MR ANH: That's correct, Ms Sharp.

MS SHARP: And what were your responsibilities as a host – a VIP host in the Mahogany Room?

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MR ANH: At that time I was serving international customers, locals and I assist interstate at the same time, if required.

MS SHARP: In April of 1997 you were promoted once again to become the service manager in the Mahogany Room; is that correct?

45

MR ANH: That's correct, Ms Sharp.

MS SHARP: And that's a position in which you remained for around 10 years?

MR ANH: Yes, about nine years. Roughly.

5 MS SHARP: What were your chief responsibilities in that position, Mr Anh?

MR ANH: My main role was to look after all the international players coming from overseas. I was act like a concierge, a butler, so mostly I was do a lot of translation, a messenger, but the most important is to assist the overseas customer the best way I  
10 can professionally while they stay in Crown.

MS SHARP: And is it fair to say that you got to know some of those patrons quite well over that 10 or so year period?

15 MR ANH: Yes, it's my job to build a loyal relationship with all of my customers.

MS SHARP: And then you were promoted once again, Mr Anh, on 1 November 2008, to become the senior Mahogany Room service manager; is that right?

20 MR ANH: That's correct, Ms Sharp.

MS SHARP: Did your responsibilities change in any way upon that promotion?

MR ANH: No. Was – it was the same role. Nothing change. It's just the title.  
25

MS SHARP: And you remained in that position for about four years?

MR ANH: That's correct, Ms Sharp.

30 MS SHARP: And then you were promoted to the assistant vice president of international customer services on 1 July 2012, weren't you?

MR ANH: That's correct, Ms Sharp.

35 MS SHARP: Can you tell us how you came to be promoted to that position?

MR ANH: As I say, I had been working for Crown for so long already and based on my ability to look after the customer the best way I can, and I do have a lot of loyal customer return to Crown, and my job is to make sure we get many return business.  
40 So that's the reason – or one of the reason they have promoted me.

MS SHARP: And then on 1 November 2013 you were promoted once again to become the vice president, international customer services, weren't you?

45 MR ANH: That's correct, Ms Sharp.

MS SHARP: And did your responsibilities change in any way upon this promotion?

MR ANH: No, it's very similar role.

MS SHARP: And that's the position in which you've remained since November 2013?

5

MR ANH: That's correct, Ms Sharp.

MS SHARP: Did you have to travel on occasion for this position?

10 MR ANH: In my whole time I only travel twice overseas as requested, and I been a couple of time to Perth taking my loyal customer to Perth a couple of times as well. We talk about at least 10 years ago, though.

15 MS SHARP: And by the time you'd reached this position, and as you continued in this position, really, all the way up until last year, may we take it you developed some reasonably close relationships with particular patrons at Crown?

MR ANH: Yes. Ms Sharp, professionally.

20 MS SHARP: And we're led to understand that a number of VIP patrons engage in betting at Crown Resorts through junkets. Did you have particular junkets for which you were responsible?

25 MR ANH: No. Because there were four of us, we all responsible for all junkets, either they're in house or they're coming over. We don't have a particular role to look after certain junkets. But based on the language or the culture barrier, I may some time have dealt a certain junket more than others as some of my colleague cannot speak the language.

30 MS SHARP: Can I show you a VIP international organisational chart, please. It's to be found in Crown confidential list 11 at tab 18. Do you have a copy of that document available to you, Mr Anh?

35 MR ANH: Yes, Ms Sharp. May I know - - -

MS SHARP: It's - - -

MR ANH: Sorry. Sorry, Ms Sharp.

40 MS SHARP: I was going to say it's an open document, so I can have it pulled up on the screen for you if that would assist.

MR ANH: Yes, please, Ms Sharp.

45 MS SHARP: Could we call up to the public feed, please, CRL.651.001.0039. Now, it might be a bit difficult to read this, so I will have parts of it enlarged. Do you see, at the very top of this document, we have - - -

MR ANH: Yes. My apologies, Ms Sharp, it's very blur. Okay. It's better, yes.

MS SHARP: Yes. Is that a little bit better for you to - - -

5 MR ANH: Yes, Ms Sharp.

MS SHARP: Thank you. Could you pardon me for one moment, please.

MR ANH: Yes, Ms Sharp.

10

MS SHARP: Could I direct your attention to the reporting line that moves from Mr Barry Felstead, at the top to, Ms Jacinta Maguire. Do you see that?

MR ANH: Yes, I do, Ms Sharp.

15

MS SHARP: And then if we go under Ms Maguire and we look to the left towards Mr Luke Di Paola.

MR ANH: Yes, Ms Sharp.

20

MS SHARP: And you see there's a reference to your name under there?

MR ANH: That's correct, Ms Sharp.

25 MS SHARP: Now, is it correct that, as at this time – and this is in August 2020 document – there were three people who held the position of vice president international business operations?

MR ANH: That's correct, Ms Sharp.

30

MS SHARP: And is it your evidence that, in the past, there were actually four people occupying the position of vice president international business operations?

35 MR ANH: Yes, Ms Sharp. I – I will say that would be, like, five or maybe five or six years ago.

MS SHARP: And then it changed down to three officers.

MR ANH: That's correct, Ms Sharp.

40

MS SHARP: Is it fair to say that you hold a reasonably senior position at Crown these days?

45 MR ANH: Based on the title is senior, but the role I'm playing, I'm more on the operational side, in-house operation.

MS SHARP: Is it fair to say that your title as vice president may in fact overstate your level of seniority at Crown?

5 MR ANH: Because Crown do have a lot of hierarchy, we just have to know where we stand. And is worked within the matrix, what kind of power we really have. So that's the reason the hierarchy is there.

10 MS SHARP: Now, since you became a vice president of international customer services from November 2013, is one of the gentlemen you reported to Mr Jason O'Connor?

MR ANH: Yes, Ms Sharp, that's correct.

15 MS SHARP: And is it correct to say that you, up until October 2016, had fairly regular contact with Mr Jason O'Connor?

MR ANH: Yes, Ms Sharp.

20 MS SHARP: And is that because you would report back to him about how much play was going on in the casino regarding the VIP gaming?

MR ANH: Ms Sharp, it depend on certain cases. I do have another direct superior at that time.

25 MS SHARP: And - - -

MR ANH: Direct report at that - - -

30 MS SHARP: Yes. Who was that other direct report?

MR ANH: I think it was – if I'm not wrong, correct me – it's Heidi Huang.

35 MS SHARP: And was one of your roles, with respect to Mr Jason O'Connor, to sometimes make business introductions for him?

MR ANH: Ms Sharp, can you rephrase that? What do you mean by "business introduction", please?

40 MS SHARP: Yes. Sorry, that was a little bit confusing. I will put it another way. Is it fair to say sometimes you were a go-between between Mr O'Connor and particular patrons or junket operators at Crown?

45 MR ANH: Yes, Ms Sharp. Because of our language, and Jason O'Connor does not speak any other language, so it's appropriate for me to introduce customer to him if required, but mostly I actually act as a translator.

MS SHARP: Thank you. We can take this document down off the feed now. Now, Mr Anh, I'm hoping you have some text messages with you. I'm told these are open documents. So you can refer to them in hardcopy and I will also pull them up on the screen. They're in Crown confidential list 6, tab 111. And if we can pull up to the  
5 live feed CRL.545.001.0628. I'm told that you may need to look at these on the computer screen.

MR ANH: Yes, Ms Sharp. Yes.

10 MS SHARP: Are they coming up on the computer screen for you, Mr Anh?

MR ANH: Yes, now. Yes. But it's a bit small. Okay. That's good. Thanks, Ms Sharp.

15 MS SHARP: Yes. I might just explain to you the way these work. The grey box you can see is what we might describe as the metadata. And if you look at the bottom of the first grey box, you'll see the words "timestamp time", and they show us the date of the particular text message. And you can take it from me, Mr Anh, that  
20 your text messages are the blue ones and Mr O'Connor's text messages are the green ones. Now, could I take you, firstly – and I'll have this shown to you on the screen – to pinpoint 0631.

MR ANH: Can I please get it enlarged? Thank you.

25 MS SHARP: Yes, certainly. We'll go to the top of the page to start with.

MR ANH: Yes, Ms Sharp.

MS SHARP: And there's a text message from you in blue:  
30

*All Xu –*

*X-u –*

35 *play under the yuan wanyong tonight, Veng.*

MR ANH: That's correct, Ms Sharp.

MS SHARP: Yes. And then if we scroll a bit further down you will see that Mr  
40 O'Connor has texted you and said:

*Veng, how is the action from the Jack Lam junket so far? Big play or small play?*

45 Now, is it right that one of your functions was to keep Mr O'Connor up-to-date on how much particular VIP patrons or junkets were betting at Crown Melbourne?

MR ANH: Ms Sharp, if there are particular big actions, I will have to report to either Heidi Huang or Jason with the action figure, as I was on the shift for the night.

5 MS SHARP: Thank you, Mr Anh. Could I take you a little further down this page, if we could scroll a bit further down you will see there's a text message – sorry, a bit further up now. There's a text message from you:

*Small played as they play seven times under the table. Will send you the turnover later, boss.*

10

Now, that's your text message. When you ..... that "they play seven times under the table", were you referring to side betting?

15 MR ANH: Ms Sharp, when we – when I refer seven time under the table it's not actual side betting, it's the actual players place against the junket operator and they actually negotiate among themselves. There was no chips throwing around on the actual tables. I actually overheard their discussion so that's how I report to the boss – Jason, I mean.

20 MS SHARP: I just wanted to – thank you. I just wanted to explore this in a bit more detail. This Inquiry has heard evidence of a thing called side betting where a particular amount of money is wagered in the casino, but in fact there's a side agreement that the bet is for a much larger amount. Are you familiar with that concept of side betting?

25

MR ANH: My – sorry, Ms Sharp. My understanding of side betting is when there's physically chips taking place on the actual table. If we can notice that customer doing side betting using their chips on the actual tables then it's my role and my staff to stop them playing as we're not allowed playing side betting on the actual tables.

30

MS SHARP: So you agree that side betting should not occur in casinos.

MR ANH: Definitely, Ms Sharp.

35 MS SHARP: And is what you're reporting here, when you said "they play seven times under the table", an instance of side betting?

MR ANH: That is between negotiation between the junket operator and the players themselves. They may have negotiate that before they actually arrive in Crown.

40

MS SHARP: I understand that, Mr Anh, but is what you're doing in this text message to Mr O'Connor telling him that you are aware of an instance of side betting going on?

45 MR ANH: Ms Sharp, I – I just rephrase again, as I say, betting against – among themselves, we don't call that side betting as we got no proof of it and there's no

chips being swapping around; it's purely they did it among themselves and that's how I judge it.

5 MS SHARP: Right. So you judge that as side betting?

MR ANH: No. It's among themselves. For casino we don't call side betting. Side betting, as I explained before, Ms Sharp, it was if chips are thrown around on the tables and it's physically we can see the actual chips going in and out.

10 COMMISSIONER: Mr Anh - - -

MR ANH: Yes, Commissioner.

15 COMMISSIONER: - - - what do you call the arrangements that you've described as the betting between the junket operator and the junket players separate from the casino but within the casino?

MR ANH: As I described, it's under the table, it's among themselves. How they come up to this point, I wouldn't know, Ms Commissioner.

20 COMMISSIONER: And so the difference between what you haven't given a label, that is, amongst themselves, and the side betting, is that you are of the view that the side betting concept uses the casino's chips. Is that right?

25 MR ANH: That's correct, Commissioner.

COMMISSIONER: And so far as that is concerned let's, if you wouldn't mind, if I can understand it, when the player is at the baccarat table, for instance, how does that work?

30 MR ANH: So I make ..... because I've been working in the casino for a long time. I'm just making assumption when they play seven times on the table whatever they're betting on a table they might multiply seven times among themselves. But it's not side betting for Crown. Reasons that there's no chips being passing around, because for us any chips being seen on the actual table physically handing in and out and you are not betting against Crown or against our dealers, then I don't call that a side betting.

40 COMMISSIONER: So the chips go on the table, the bet is made, but at the same time the junket players, and maybe the junket operator, have an arrangement amongst themselves that depends upon the outcome of what's happening on the table, but it's a greater and larger transaction between them as they've agreed between themselves. Correct?

45 MR ANH: Yes, Commissioner.

COMMISSIONER: And when you say they're not betting against the dealer or the Crown operator, it's the fact that they don't publish what they are up to, that just happens between themselves at the casino, but depending upon the outcome of what's happening on the table; correct?

5

MR ANH: Correct, Commissioner.

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

10 MS SHARP: Did you observe that to happen reasonably frequently while you were the VIP host and then senior manager and then vice president?

MR ANH: No, Ms Sharp.

15 MS SHARP: Just at the bottom of this text message page we see Mr O'Connor write to you and say:

*We are planning to be in Shanghai soon. Do you think we should pay Mr Xu a visit?*

20

Could you tell us who he is, please?

MR ANH: Ms Sharp, Xu is one of my VIP customer which have been loyal to Crown for over last 15 years already, and I have a privilege to look after him the best way I can and he really enjoyed the service I'm serving him, so he was one of the VIP that give us a – give us a lot of return business to Crown.

25

MS SHARP: And was he a patron or was he a junket operator?

30 MR ANH: No, he was a purely single individual patron to Crown.

MS SHARP: And did he play with any particular junket?

MR ANH: After 15 year, if I'm aware, no, but he may play once or twice which I may not know.

35

MS SHARP: Could I take you to another page of these text messages, please, Mr Anh. Could I go to pinpoint 0638, and this should be shown to you on the screen.

40 MR ANH: Yes, Ms Sharp.

MS SHARP: What I want to do is highlight the middle text there. Thank you. This – if we could just enlarge that selection, please.

45 MR ANH: Yes, I can see it, Ms Sharp, thank you.

MS SHARP: You can see that?

MR ANH: Yes, Ms Sharp.

MS SHARP: All right. The metadata shows us that this text message was sent on 6 March 2014. You see this is a text message from you:

5

*Hi, boss. I'm not at work yet, but just a call from Xu with inside information from China, strictly silent. From April to May, China government will begin to arrest a lot of 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 of our staffs out of the country for a month.*

10

Now, did this text message accurately record the advice that you had been given?

MR ANH: Ms Sharp, that was the message, I actually receive a call from Xu telling me about the information and as a precaution I relayed the message to Jason for the safety of my staff, of the staff working in China.

15

MS SHARP: And given the relationship that you had developed with Mr Xu, did you regard this to be reliable information?

20

MR ANH: Yes, Ms Sharp.

MS SHARP: At this time, did Mr O'Connor, or anybody else from Crown, ask you for further detail about what information you had been provided?

25

MR ANH: Ms Sharp, as the information is highly confidential, I just have relayed the message to Jason, to my boss, at that time.

MS SHARP: And is it your evidence that you did not speak to anybody else from Crown about it or that you can't remember speaking to anyone else from Crown about it?

30

MR ANH: Ms Sharp, I will say I can't actually recall it. But the message I wrote to Jason is loud and clear, so that we can protect our staff in China.

35

MS SHARP: Mr Anh, could I take you to another page of these text messages to pinpoint 0655. And, again, we'll focus on the middle of the page. Can you see there's a text message from Mr O'Connor to you that says:

40

*Veng, we need you to help control the Xu Dong junket while they are on rev share. We have had problems with Tian Di and others in the past.*

Now, I want to ask you a few things about this. The Mr Xu that we have been talking about before, that's X-u, is this one and the same person as the Xu Dong junket?

45

MR ANH: No, Ms Sharp.

MS SHARP: So they're different people.

MR ANH: Yes. Xu Dong junket is a junket operator. Mr Xu is an individual  
5 players.

MS SHARP: And Mr Anh, who is Tian, T-i-a-n Di, D-i?

MR ANH: Tian Di was one of the VIP customer, as well, in the past.

10 MS SHARP: Did he have a relationship with the Xu Dong junket?

MR ANH: As far as I recall, when the players come under junket, usually it's the  
actual junket have invited the actual customer to join their junkets. So if you ask that  
question, Ms Sharp, I'm assume they know each other.

15

MS SHARP: Now, in these text messages between you and Mr O'Connor, we have  
quite a few references to Chinatown. Is Tian Di associated with the Chinatown  
junket?

20 MR ANH: This one, I cannot be for certain, but I don't think so, Ms Sharp.

MS SHARP: And what about the Xu Dong junket? Is that associated with the  
Chinatown junket?

25 MR ANH: No, Ms Sharp.

MS SHARP: Can I talk you to page 0664 of the text messages, please, Mr Anh.

MR ANH: Yes, Ms Sharp.

30

MS SHARP: And if we could concentrate on the first text – maybe have that  
highlighted – the metadata shows us that you sent this to Mr O'Connor on 19 May  
2015. And you say:

35 *Boss, FYI, confidential breaking news. In case you plan to travel there, Wu Yi  
Jian got arrested last night in Xi'an.*

Can you tell us who is Wu, W-u - - -

40 MR ANH: Yes.

MS SHARP: - - - Yi, Y-i, Jian, J-i-a-n?

MR ANH: Yes, Ms Sharp. Mr Yi Jian, again, is one of the customer, individually,  
45 which I have built a great relationship with Mr Wu, and he has been visiting Crown  
since 2000. We may talk about at least 20 years ago. And he has been revisit Crown

quite often. So we have built a very good relationship with him. So, at that time, I heard that he got arrested in Xi'an. For whatever reason, I do not know.

5 MS SHARP: Are you able to tell us why you linked his arrest with a query about Mr O'Connor travelling there?

10 MR ANH: Ms Sharp, because, as I'm aware, Jason and the China group, they may travel to those places to pay a visit to customers. So that was the – up-front, to let them know that's what had happened.

MS SHARP: Could I take you to your text message at .0665.

MR ANH: Yes, Ms Sharp.

15 MS SHARP: To the middle of the page. In fact, it's a text message from Mr O'Connor. The metadata shows this text message was sent at 9 August 2015. And what Mr O'Connor says to you is:

20 *Are you still comfortable to fly to Beijing, given the news you shared with us?*

Are you able to tell us what that news was that you shared?

25 MR ANH: Ms Sharp, my apologies. I can't recall that message. But I was doing – it must have to do with I'm going to China for visit, but I really can't recall. I'm sorry.

MS SHARP: Could I take you, then, to the - - -

30 COMMISSIONER: Just before you leave. It does seem, doesn't it, that you were referring to some news of some concern for people's safety in Beijing?

MR ANH: Yes, Commissioner.

35 COMMISSIONER: So whatever the news might have been in the particular, it seems that, generally, it was of concern for something that was happening in China at the time, so that one might be uncomfortable going in there; isn't that right?

MR ANH: Yes, Commissioner.

40 COMMISSIONER: Yes.

MR ANH: That must be based on Jason's point of view.

45 COMMISSIONER: Yes, yes.

MS SHARP: Could I take you, please, to the text messages at .0666. If you can see the last green text on the page, Mr O'Connor is saying to you:

*Mark Lee wants to speak with me at 9.30. After that, I think Qin –*

Q-i-n –

5 *wants to speak with me as well. Can you join me for the discussion with Qin?*

Who is Qin?

MR ANH: If – sorry, Ms Sharp. If I have my recollection correctly, I think Mr Qin  
10 will be one of the junket operator that Jason was referring to.

MS SHARP: Could – by any chance, could it be Zhou Qiyun? I'll spell that Z-h-o-  
u Q-i-y-u-n.

15 MR ANH: No, Ms Sharp.

MS SHARP: Could I now take you, please, Mr Anh, to the texts at 0670. You'll  
see, towards the bottom of the page, Mr O'Connor asks you:

20 *Are you coming to dinner, again, tonight with Mr Song?*

Is that a reference to Mr Zezhai Song? I'll spell that, Z-e-z-h-a-i.

MR ANH: I will say so, Ms Sharp. Y, yes.  
25

MS SHARP: Is it the case that you and Mr O'Connor had had dinner with Mr  
Zezhai Song?

MR ANH: As my recollection, I think we have dinner with Mr Song. And I was a  
30 translator there at that time.

MS SHARP: Had you had dinner with Mr Song on more than one occasion?

MR ANH: Based on my 25 years at Crown, I met him twice.  
35

MS SHARP: Could I then take you to the text message at the bottom of that page:

*Can you help us set up a meeting with ZJM and ZPL and Ishan?*

40 Now, is the reference to ZJM a reference to Zhou Jiu Ming? I'll spell that: Z-h-o-u  
J-i-u M-i-n-g.

MR ANH: Yes, Ms Sharp.

45 MS SHARP: And he's sometimes referred to as Tom Zhou?

MR ANH: Yes, Ms Sharp.

MS SHARP: And who is ZPL?

MR ANH: ZPL is a junket rep for Song Zezhai junket.

5 MS SHARP: Sorry, for which junket?

MR ANH: Sorry, Ms Sharp. The one you talk to me before about Jason and myself was entertaining Mr Song Zezhai at dinner previously, just the message before that.

10 MS SHARP: Yes. Thank you. So was there a connection between Mr Song's junket and ZJM, that is, Tom Zhou?

MR ANH: No, no, Ms Sharp. They were two separate junket.

15 MS SHARP: Could I take you to the text message at 0671. I will take you to two before I ask this question. You see that Mr – right at the bottom of the page, Mr O'Connor asks you:

*Will Chinatown or the player pay the bank fee?*

20

And then can I take you a few pages over to pinpoint 0673, and right down the bottom of that page Mr Preston says to you:

*Can you please set up a meeting for me and the Chinatown guys?*

25

Who are the Chinatown - - -

MR ANH: Mr Preston – Ms Sharp - - -

30 MS SHARP: I beg your pardon, I got that wrong, Mr Anh. Mr O'Connor said to you:

*Can you please set up a meeting for me and the Chinatown guys.*

35 Who were the Chinatown guys?

MR ANH: At that time if Jason refer Chinatown guy I would say they were the Chinatown shareholders of the junket – of a junket.

40 MS SHARP: And what was the name of that junket?

MR ANH: In my recollection, as I do serve a lot of junkets, I – there was Zhou Qiyun junket and Ouyang Hui junket. There's another one but I just can't recall, sorry, Ms Sharp.

45

MS SHARP: And could you spell those names for us, please for the transcript?

MR ANH: Zhou Qiyun is Z-h-o-u, I think it's Q-i and then y-u-n. And the other one is O-u-y-y-a-n-g Hui. I think it's O-u surname, sorry.

5 MS SHARP: And did those junket operators have a relationship to your knowledge with Tom Zhou?

MR ANH: In my recollection even though it's not my role, I will say yes, he may be a silent shareholders.

10 MS SHARP: I missed that last word, I'm sorry.

COMMISSIONER: Silent.

MS SHARP: Silent.

15

MR ANH: Silent. My apologies.

MS SHARP: Was Mr Zhou - - -

20 MR ANH: My apology.

MS SHARP: Was Mr Tom Zhou the funder of those junkets?

MR ANH: He may be one of the shareholder as far as I know.

25

MS SHARP: What about Mr Tian Di we spoke of earlier? Was he one of the funders of those junkets?

30 MR ANH: He may have been, but I cannot be sure because – I mean, I don't have a right to – to ask those question to them.

MS SHARP: Can I take you to the text message at 0680. Right at the bottom you send a message to Mr O'Connor and say:

35 *Okay, boss. Chinatown boss want to arrange a meeting with Ishan and yourself to discuss a business opportunity with his VVIP guests arriving this morning.*

Who is the Chinatown boss?

40

MR ANH: I would say that mean is silent Tom Zhou.

MS SHARP: Tom Zhou.

45 MR ANH: Yes.

MS SHARP: And can you tell us what the business opportunity is that he wished to discuss?

5 MR ANH: I did not get involved so I wouldn't know. I'm sorry, Ms Sharp.

MS SHARP: May we take it that you acted as a go-between between Tom Zhou and Mr O'Connor?

10 MR ANH: I wouldn't put it as go-between, Ms Sharp. I was mostly a translator for any junket that Jason or other colleague which cannot speak the dialect and I used to be the one who do all the translation, or most of the translation, sorry.

MS SHARP: And you personally knew Tom Zhou?

15 MR ANH: I know Tom Zhou as because he was a customer – Crown's customer in about 2004. So yes, we have built a relationship professionally.

COMMISSIONER: Does he speak English?

20 MR ANH: Sorry, Ms Commissioner? No. No, Commissioner.

COMMISSIONER: Thank you.

25 MS SHARP: Can I ask you about some other junket operators, please, and I want to see if you were aware of these junket operators. One of them was Liwen Yuan, which I will spell: L-i-w-e-n Y-u-a-n.

MR ANH: Sorry, I just missed that, Ms Sharp. Can you please repeat? Sorry.

30 MS SHARP: Of course. L-i-w-e-n Y-u-a-n.

MR ANH: Yes, Ms Sharp, the one I told you I just forgot before he was another junket under Chinatown.

35 MS SHARP: And did you understand that Tom Zhou was the funder of that junket?

MR ANH: Ms Sharp, as I say before, he was the silent shareholder.

40 MS SHARP: Thank you. And I will just ask you about one more junket, and I'll spell that: J-i-u-c-h-e-n-g L-i-a-n-g.

MR ANH: I – Ms Sharp, this one may be was the latest one, but I don't exactly have a good relation with this junket, but they may have just act once or twice. That's all I can remember.

45 MS SHARP: To the best of your recollection did you regard this person as one of the Chinatown junket operators?

MR ANH: Yes, Ms Sharp.

MS SHARP: And did you understand that Tom Zhou was the silent partner of this junket operator?

5

MR ANH: As I said, Ms Sharp, this one I don't recall exactly, but if they were under Chinatown, my recollection will be Tom Zhou will be a silence shareholder.

MS SHARP: You've mentioned on a number of occasions Tom Zhou being a silent shareholder of particular junkets. Based on your many years working at Crown, did you understand that, in respect of a number of junkets, there was a silent partner?

10

MR ANH: Sorry. Ms Sharp, you're breaking up. I cannot hear exactly what you say. My apology. Can you please repeat? Sorry.

15

MS SHARP: Of course. Based on your many years working at Crown, did you understand that, in relation to a number of junket operators, there was a silent partner?

MR ANH: Yes, Ms Sharp.

20

MS SHARP: And can you give us an estimation of in relation to how many junket operators there was a silent partner?

MR ANH: No, Ms Sharp, because, as I understand, a lot of junket operators do have lot of shareholders within the junket, which is not for me to question.

25

MS SHARP: Of course. But it would not be unusual for there to be a silent partner in relation to a junket operator with which Crown dealt.

30

MR ANH: Based on my experience and understanding, I will agree what you said, Ms Sharp.

MS SHARP: Now, you primarily operated out of Crown Melbourne; correct?

35

MR ANH: That's correct, Ms Sharp.

MS SHARP: And one of your responsibilities was to provide services to the VIP patrons and to the junket operators; correct?

40

MR ANH: Yes, Ms Sharp.

MS SHARP: And is it correct that, from time to time, you would direct some of these VIP players or junket operators to a nightclub in Melbourne known as the Heaven nightclub?

45

MR ANH: Okay, Ms Sharp, let me rephrase that. We are in there to facilitate, to assist, and I work as a host. So it doesn't matter what type of junket are they, or operators, wherever they want to go, I'm there to assist, facilitate, books car for them. It's no different than entertain them, dining with them in Chinatown.

5

MS SHARP: But on some occasions, did you direct or suggest to VIP patrons or junket operators that they attend Heaven nightclub in Melbourne?

MR ANH: No, Ms Sharp. We don't suggest, we don't direct. We just listen to what junket operator wants to do. We are there to facilitate.

10

MS SHARP: Have you ever been to Heaven nightclub in Melbourne?

MR ANH: Yes, Ms Sharp.

15

MS SHARP: And you were aware, weren't you, that it was owned by Nan Hu, N-a-n H-u?

MR ANH: Ms Sharp, whether Nan Hu is a manager there. I only know him as acquaintance.

20

MS SHARP: And when did you first make the acquaintance of Nan Hu?

MR ANH: He used to be a Crown customer, locally. Maybe five years ago?

25

MS SHARP: Is that where you first met Nan Hu?

MR ANH: Yes, Ms Sharp. It's – it's quite long time ago. Because I do – been there for a long time, as you know. And I do have a lot of connection acquaintance which I use to, you know, book restaurant, book anything. So that can help the clients out.

30

MS SHARP: And on how many occasions have you attended the Heaven nightclub?

35

MR ANH: I really don't recall. I sometime go there on my days off, because it's a Chinese culture, it's just a drinking place. And, sometime, if a customer like to go there and will facilitate to bring them there, organise car. But there are a lot of nightclubs in Chinatown, not just Heaven. If Heaven is not – it's full, we may go to another nightclubs.

40

MS SHARP: Did you ever have any financial interest in the Heaven nightclub?

MR ANH: No, Ms Sharp.

45

MS SHARP: Back in 2016, did you know that Nan Hu had been convicted of drug trafficking?

MR ANH: No, Ms Sharp.

MS SHARP: Can I ask you some questions now, Mr Anh, about a transaction that received some media attention in February this year that involved Nan Hu.

5

MR ANH: Yes, Ms Sharp.

MS SHARP: Can I show you some documents, please. I will start with – well, I will start this way. You're aware, aren't you, that the transaction that received some media attention in February 2020 involved a \$500,000 telegraphic transfer to Nan Hu's bank account?

10

MR ANH: That's correct, Ms Sharp.

MS SHARP: And you're aware, aren't you, that that transaction was from the account – the Crown account – of junket operator Zhou Qiyun, which I will spell Z-h-o-u Q-i-y-u-n.

15

MR ANH: Yes, Ms Sharp.

20

MS SHARP: You did not authorise that transaction, did you?

MR ANH: No, Ms Sharp.

MS SHARP: Who do you say authorised that transaction?

25

MR ANH: The transaction was authorised by my boss at that time, Jacinta Maguire and Roland Theiler.

MS SHARP: Did you speak to them, in any way, about this transaction before they authorised it?

30

MR ANH: Yes, Ms Sharp.

MS SHARP: What did you speak to them about, please?

35

MR ANH: Okay. Ms Sharp, this was – the reason that we got into this conversation was one of the rep, the junket agent, had request to TT the balance of their fund under Zhou Qiyun junket in Perth to clear the account. Reason being that, based on the 2016 incident with all my Crown colleague, higher management at that time decided to close all the China junket, which we need to close up all the account and the balance to return to the actual junket operator. So, at that time, the actual junket rep asked me to TT half a million to Nan Hu at that time. So I rang my boss, Jacinta, and – to ask for permission as we need to close the actual account in Perth. And they still have a balance of half a million left over in their DAB, meaning deposit account. So it was not within my authority, so I have to ring Jacinta for approval.

40

45

MS SHARP: And did Jacinta Maguire ask you any questions about this proposed transaction?

5 MR ANH: It was just at that time she asked who that was. It was – I just told her it was a friend, Zhou Qiyun. It was request by junket rep through their junket operator.

MS SHARP: So, just to be clear, did you tell Jacinta Maguire that Nan Hu was a friend of the junket operator, Zhou Qiyun?

10 MR ANH: That's correct; that's what I got, Ms Sharp.

MS SHARP: And did Ms Jacinta Maguire express any concern to you, at all, about transferring this money from a junket account operator's account to a person who had not won any gambling or betting in the casino at that time?  
15

MR ANH: Ms Sharp, at that time, I'm sure Jacinta would have taken – taken that into – may have discussion with Roland at that time. Plus, for us to actually close up all those program, we actually need to, at that time, to clear all their fund out of the DAB. So that all the China junket, not just belong to Perth – also in Melbourne – all the China junket has to be closed down based on the incident on October 2016.  
20

MS SHARP: When you refer to the October 2016 incident, was that the arrest of a number of staff in mainland China?

25 MR ANH: That's correct, Ms Sharp.

MS SHARP: Now - - -

COMMISSIONER: But Ms Sharp asked you whether Ms Maguire expressed any concern about transferring the money from the junket account to a person who had not wagered or won or lost any money at the Crown. Do you remember that question?  
30

MR ANH: Yes, Commissioner.  
35

COMMISSIONER: And did or did she not raise any concern?

MR ANH: At first, I would say she did, but, at the end of the day, she have a discussion with Roland and they have approve the transaction. But whatever they discussed, Commissioner, I don't know.  
40

COMMISSIONER: But in discussions with you, was the question from Ms Sharp: did Ms Maguire, with you, express any concern about transferring half a million dollars to a person who had not wagered any money at the casino in respect of that account?  
45

MR ANH: Commissioner, yes, she did. But I just gave her what I told you. I told you that Hu – Hu Nan was a friend of Zhou Qiyun; that's all I've given her, Jacinta Maguire, at that time.

5 MS SHARP: So it's fair to say that, when Ms Maguire raised a concern with you about this transaction, you gave her an assurance that Nan Hu was a friend of the junket operator.

10 MR ANH: I told her it was a friend. I did not give her an assurance, Ms Sharp.

MS SHARP: And once you told Ms Maguire that Nan Hu was a friend of the junket operator, did Ms Maguire raise any further questions with you?

15 MR ANH: As far as be my recollection, no, Ms Sharp.

COMMISSIONER: How did you understand that Nan Hu had a friendship with the junket operator?

20 MR ANH: I got – sorry. Commissioner, I got told by the rep.

COMMISSIONER: You got told by a rep?

25 MR ANH: Who they are. Yes. A rep is just an agent who actually operate for the operator.

COMMISSIONER: Now, just let me understand this.

MR ANH: Yes, Commissioner.

30 COMMISSIONER: A rep is a representative of the junket operator; is that right?

MR ANH: That's correct.

35 COMMISSIONER: So it wasn't the junket operator, who you say was the friend of Nan Hu, who told you he was a friend. It was a rep of the junket operator who told you that Nan Hu was a friend of a junket operator; is that right?

40 MR ANH: Commissioner, yes. But I actually ask a rep who this guy is at that time: is he a friend of Zhou Qiyun. So she went to ask the operator. That's how I got the answer for it.

45 COMMISSIONER: But you depended upon the representative asking another person about the status of the relationship between Nan Hu and the junket operator; is that right?

MR ANH: Commissioner, because the operator is not always in-house. Most of the time we actually deal with the rep of the actual junket operator. We take their instruction, Commissioner.

5 COMMISSIONER: Of course. But you didn't ask the junket operator of the relationship between the junket operator and Mr Nan Hu?

MR ANH: No, Commissioner, if you want to put it that way.

10 COMMISSIONER: All right.

MS SHARP: And you didn't have any personal knowledge that, in fact, Nan Hu was a friend of the junket operator?

15 MR ANH: No, Ms Sharp.

MS SHARP: Can I just take - - -

20 COMMISSIONER: Did you tell Ms Maguire that you didn't have any personal knowledge of that?

MR ANH: Sorry, Commissioner. I didn't hear the question again. Sorry.

25 COMMISSIONER: Of course. Did you inform Ms Maguire, when she expressed her concern, that you, personally, did not have any knowledge of the relationship between Mr Nan Hu and the junket operator?

30 MR ANH: No, I – sorry, Commissioner, I did tell Jacinta that the rep relay the message it was a friend of Zhou Qiyun.

35 COMMISSIONER: Yes. But what I'm – you see, Ms Maguire, in her role, was worried from what you tell me. She was expressing concern about the transaction going to – money going to a person who didn't seem to have any connection to the money at all. And when she asked you whether – I withdraw that. When she asked you about this, all I'm asking you is did you or did you not tell Ms Maguire that you, personally, had no personal knowledge, but you relied upon a representative transmitting information from some third party?

40 MR ANH: Yes, Commissioner; that's correct.

COMMISSIONER: You did tell her that?

MR ANH: I tell her I got this information from the rep.

45 COMMISSIONER: I see. And did you tell her that you didn't know personally?

MR ANH: Personally, in what sense, Commissioner?

COMMISSIONER: You didn't speak to the junket operator about his relationship with Mr Nan Hu, did you?

MR ANH: Not directly, Commissioner.

5

COMMISSIONER: And so, personally – that's yourself – you did not have any knowledge of the true relationship between the junket operator and Mr Nan Hu?

MR ANH: That's correct, Commissioner.

10

COMMISSIONER: All right. Yes, Ms Sharp.

MS SHARP: And Ms Jacinta Maguire is the group general manager of international business operations; is that correct?

15

MR ANH: Yes, Ms Sharp. Yes, that's correct.

MS SHARP: Could I show you a document, please, which is a Crown Perth authority to disperse funds. This is Crown confidential list 6, tab 116. We'll bring it up – just pardon me. I'll bring it up just to the hearing room screen.

20

CRL.576.001.1128. I'm told this is an open document, so it can go to the live stream. Now, you will see this is a Crown Perth authority to disperse funds. And the date is about a third of the way down the page at the 14th of January 2017. Did you have any role in the preparation of this document, Mr Anh?

25

MR ANH: No, Ms Sharp.

MS SHARP: Could I then take you to another document, please: CRL.576.001.1120. This is Crown confidential list 6 at tab 113. This is an open document and can go to the live feed. You will see this is a telegraphic transfer request form.

30

MR ANH: Yes, Ms Sharp.

MS SHARP: And you will see that it relates to the transaction we've been talking about.

35

MR ANH: That's correct, Ms Sharp.

MS SHARP: And could I – the date of the document you can see at the top right-hand side, it's the 15th of January 2017.

40

MR ANH: That's correct, Ms Sharp.

MS SHARP: See that?

45

MR ANH: Yes.

MS SHARP: Can I take you to the “special instructions” box.

MR ANH: Yes.

5 MS SHARP: Midway down. We’ll just – if we can scroll up a little bit so that Mr Anh can see the special instructions. You see it says:

*Good friend of Zhou Qiyun?*

10 MR ANH: Yes, Ms Sharp.

MS SHARP: Now, those special instructions came from you?

MR ANH: Yes, Ms Sharp.

15

MS SHARP: And your evidence is you were told that Nan Hu was a good friend of Zhou Qiyun by the junket representative of Zhou Qiyun?

MR ANH: That’s correct, Ms Sharp.

20

MS SHARP: And - - -

COMMISSIONER: Who was that? Who was that junket rep?

25 MR ANH: Commissioner, I can’t exact remember who was the rep at that time, as there was a lot of reps, Commissioner.

MS SHARP: Do you need a bit more time to search your memory of that?

30 MR ANH: I actually can’t recall, Ms Sharp.

MS SHARP: Are you sure Zhou Qiyun did not tell you directly?

MR ANH: Yes, Ms Sharp.

35

MS SHARP: And just to be - - -

COMMISSIONER: Pardon me. I’m sorry. Did you tell Ms Jacinta Maguire who the rep was?

40

MR ANH: No. She never ask, Commissioner.

MS SHARP: If I can just direct your attention, again, towards the top of the document, you will see that it says that this document was prepared by Jessica Ng  
45 and approved by cage management and the – what’s “MR MGT” stand for?

MR ANH: Which one I'm looking at Ms Sharp? Sorry. "MR MGT"? Okay. "MR" is "Mahogany Room management".

5 MS SHARP: So these are – are these people from the cage raising the telegraphic transfer request form?

MR ANH: That's correct, Ms Sharp.

10 MS SHARP: And, then, could I take you to an email chain - - -

COMMISSIONER: Before you leave that - - -

MS SHARP: Yes.

15 COMMISSIONER: - - - so I can understand this document. I think, Mr Anh, when you said that was the Mahogany Room management, was that in a particular salon or not?

20 MR ANH: No, Commissioner. This is part of the paperwork that was done in Perth. Sorry.

COMMISSIONER: Thank you.

25 MR ANH: Thank you. Sorry to interrupt.

COMMISSIONER: That's all right. Yes.

30 MS SHARP: If I could now take you to an email chain on Crown confidential list 6 tab 119. It is CRL.578.001.0014. This is a confidential document, so only to the – and it's in your list, Mr Anh, as document 20, if that assists.

MR ANH: What do you mean by "document 20"?

35 MS SHARP: Now, could I direct you to the bottom of this document, please, Mr Anh? You will see there's an instruction from Johnny Liew, L-i-e-w, to cage management asking to raise two TTs, telegraphic transfers to the patron's nominated account. And do you see over the page it says:

40 *This is approved by Roland and Jacinta.*

MR ANH: Sorry, Ms Sharp, I didn't get your page. I can't see it on the screen.

COMMISSIONER: Tab 20. Is that right, Ms Sharp?

45 MS SHARP: Yes.

MR ANH: Page 20, Ms Sharp?

MS SHARP: Yes. I will help you identify the document. I'm told that you have a list of documents with you, Mr Anh, and this is - - -

MR ANH: Yes, I do.

5

MS SHARP: - - - document 20. This is document 20 on your list.

MR CAIN: Perhaps if Mr Anh is given the reference in the top right-hand corner of the page again, Ms Sharp, that might assist.

10

COMMISSIONER: Thank you, Mr Cain.

MS SHARP: CRL.578.001.0014.

15 COMMISSIONER: And is it tab – is it confidential 6, tab 11 - - -

MS SHARP: Yes.

COMMISSIONER: So it's tab 119.

20

MR ANH: Sorry, hold on. Is that CRL.578.001.0014. Is that correct, Ms Sharp?

MS SHARP: Yes. Thank you, Mr Anh.

25 MR ANH: Thank you.

MS SHARP: Now, I wanted to start at the bottom of the first page and direct your attention to the 14 January 2017 email.

30 MR ANH: Yes, Ms Sharp.

MS SHARP: And it's a direction to the cage managers to raise the TTs, the telegraphic transfers, and if you look over the page it says:

35 *This is approved by Roland and Jacinta.*

MR ANH: That's correct, Ms Sharp.

40 MS SHARP: So we may take it that by 14 January 2017 you had spoken with Jacinta Maguire about this transaction.

MR ANH: That's correct, Ms Sharp.

45 MS SHARP: And then let's go back to the first page of the document.

MR ANH: Yes, Ms Sharp.

MS SHARP: Do you see that in the middle of the page there's an email from Mary-Anne Baker on 14 January that says:

5 *Hi Johnny, for AML requirements we require an address, date of birth and relationship for third party Nan Hu.*

Now, did you understand at that time that AML meant anti-money laundering requirements?

10 MR ANH: Yes, Ms Sharp.

MS SHARP: Now, you see you reply to Mary-Anne on 16 January 2017.

15 MR ANH: Yes, Ms Sharp.

MS SHARP: And you copy into your email a large number of recipients.

MR ANH: Yes, Ms Sharp.

20 MS SHARP: And you give some details of Nan Hu and you also say:

*He is a good friend with Zhou Qiyun.*

25 MR ANH: That's correct, Ms Sharp.

MS SHARP: Now, you had no personal knowledge at all that he was a good friend with Zhou Qiyun.

30 MR ANH: Again, Ms Sharp, I actually saw that again before I got told by the agent at that time.

MS SHARP: Yes, but – so you agree you had no personal knowledge that Nan Hu was a good friend of Zhou Qiyun.

35 MR ANH: Yes, Ms Sharp.

40 MS SHARP: And you did understand from Ms Mary-Anne Baker's email that you were being asked to provide this information for anti-money laundering purposes, didn't you?

MR ANH: I was just – sorry, Ms Sharp, I just reply what was required from - - -

MS SHARP: I don't - - -

45 MR ANH: From Mary-Anne, sorry.

MS SHARP: ..... question. You did understand, didn't you, that you were providing this information because it had been requested to satisfy anti-money laundering requirements.

5 MR ANH: Yes, Ms Sharp.

MS SHARP: But – I withdraw that.

10 COMMISSIONER: Have you remembered who you got the information from yet?

MR ANH: Commissioner, I'm sorry, no.

COMMISSIONER: Well, who were the reps?

15 MR ANH: Because at that time Zhou Qiyun, the rep, they keep changing because as a junket operator, Commissioner, you nominate any reps as you go along, and they do have a few different reps.

20 COMMISSIONER: This one was telling you about half a million dollar transfer. Surely did that not jog your memory?

25 MR ANH: Commissioner, I been this doing for 25 years. I do do a lot of TT day by day basis and I do get a lot of instruction from the junket rep every day. So – and we talk about 2017 year, Commissioner. My sincere apology if I forgot.

COMMISSIONER: This is about something different. This is about a person asking you for the purposes of satisfying statutory obligations. You still don't recall who the rep was?

30 MR ANH: No, Commissioner. My apology.

COMMISSIONER: Yes, Ms Sharp.

35 MS SHARP: Weren't you providing an assurance to your colleagues about the relationship between the junket operator and the recipient of the transfer for anti-money laundering purposes?

MR CAIN: Well, I object to that, Commissioner.

40 COMMISSIONER: Yes.

MR CAIN: Ms Sharp's characterising this as an assurance that's being provided.

45 COMMISSIONER: Yes.

MR CAIN: The evidence of Mr Anh is that he - - -

COMMISSIONER: Yes, all right, Mr Cain you're - - -

MR CAIN: Yes.

5 COMMISSIONER: ..... an open door here. Yes.

MS SHARP: Yes. If I go back to that email to Mary-Anne Baker's email of 14 January 2017, she says:

10 *For AML requirements we require an address, date of birth and relationship for third party Nan Hu.*

And you responded directly to that email, didn't you?

15 MR ANH: I respond the exact requirement, Ms Sharp.

MS SHARP: And in responding to that exact email you understood, didn't you, that you were providing this information to satisfy anti-money laundering requirements.

20 MR ANH: That was what was required, Ms Sharp. I was only doing my job.

MS SHARP: You were vouching for the propriety of this transaction, weren't you, Mr Anh?

25 MR ANH: Ms Sharp, I wasn't vouching.

MS SHARP: You were saying - - -

30 MR ANH: I was – no, sorry, Ms Sharp, can I please explain; I already explained that a few times. I wasn't vouching. I was relay the message from to Jacinta earlier and I replied the message the way it is. I wasn't vouching for anyone.

MS SHARP: You certainly didn't say, "Well, personally I have no idea who Nan Hu is".

35

MR ANH: Of course, Ms Sharp. He was an acquaintance.

MS SHARP: They were looking to you for an assurance as to the relationship between the junket operator and the recipient of half a million dollars, weren't they?

40

MR ANH: Ms Sharp, I only can answer what I know, or what was given to me at that time.

45 MS SHARP: Now, can I take you to another document, Mr Anh. This is CRL.576.001.1121. This is an open document and I will bring it up on the live feed. It's document 13 on your list, but it can come up on the computer.

MR ANH: Yes.

MS SHARP: Now, you see halfway down there's an email of 17 January from Indran Subramaniam:

5

*Dear Perth team, can we confirm that both TTs have left Perth, please.*

And then you see that you reply on 17 January 2017:

10

*Dear Indy, I just check with both of them. They had received their fund already. Thank you to everyone involved.*

Now, is it correct that what you're saying here is that you checked with somebody that Nan Hu had received his funds?

15

MR ANH: Yes, Ms Sharp, I check with the rep. That's our procedure and our protocol.

MS SHARP: .....

20

MR ANH: Sorry, Ms Sharp.

MS SHARP: You say that you checked with the rep whose name you can't remember.

25

MR ANH: That's correct, Ms Sharp.

MS SHARP: How did you check with that rep?

30

MR ANH: The rep is actually inhouse in Crown at that time.

MS SHARP: What do you mean by that?

35

MR ANH: Most of the junket rep who actually operate in Crown Casino, they are inhouse reps. That mean they staying at Crown at that time. Or they are staying privately in Melbourne at that time, and they are members of them who actually act as rep for this junket – particularly this junket.

40

MS SHARP: Now, you see that Mr Brown, David Brown, replies to your email later on 17 January and he says:

*No more money. That should be it for us.*

45

What did you understand that to mean?

MR ANH: Sorry, Ms Sharp, that message mean the money that was left under Zhou Qiyun junket in Perth, after the TT was done there was nothing left in the DAB so we can close the account off.

5 MS SHARP: Were you – you say there was some money left in this junket operator’s account after his junket operations at Crown had been terminated. Were you responsible for assisting with any other transactions in moving that money out of that junket operator’s account?

10 MR ANH: No, Ms Sharp.

MS SHARP: This was the only one, was it?

15 MR ANH: Yes, Ms Sharp. But if – Ms Sharp, if this instruction from reps then we will do it accordingly. That’s all.

COMMISSIONER: When you – if you look at the email that you sent - - -

20 MR ANH: Yes, Commissioner.

COMMISSIONER: Yes, you said that you said to Mr Subramaniam that you checked with “both of them”. Who were the “both of them”?

25 MR ANH: Okay. When I said both, maybe my English is my second language the way I written it. What I meant was the rep told me they have receive their TT, telegraphic transfer.

30 COMMISSIONER: So you checked with one of them in respect of both of them, did you?

MR ANH: Yes. The rep is in charge of the whole junket. That’s correct, Commissioner.

35 MS SHARP: Can I just – to assist Mr Anh, if you go to the bottom of this email chain there’s an email from Johnny Liew of 14 January 2017 to which you’re copied, and it says:

*Dear cage managers, could you please assist to raise two telegraphic transfers, 500,000 each.*

40

Now, were you involved in that other \$500,000 telegraphic transfer?

MR ANH: No, Ms Sharp.

45 MS SHARP: Are you sure about that?

MR ANH: Yes, Ms Sharp.

MS SHARP: Now, we've established that you've worked at Crown Resorts and Crown for many long years now. In that time, have you received any training in anti-money laundering and counterterrorism financing prevention?

5 MR ANH: We have learn from a – like a course learning, yes.

MS SHARP: And on how many occasions have you been provided with such training?

10 MR ANH: It's more training on the learning and we refresh each year, every year, Ms Sharp.

MS SHARP: And how was that training delivered to you?

15 MR ANH: It just help me to understand what money launder is, Ms Sharp.

MS SHARP: And how was the training provided to you?

MR ANH: You actually learn it yourself; it was a self-learning course.  
20

MS SHARP: And what form did the short learning course take?

COMMISSIONER: I think it was self-learning.

25 MR ANH: Yes, self-learning.

COMMISSIONER: Self-learning.

MR ANH: It's just – sorry, Commissioner, it was just a self-learning course that all  
30 the Crown staff had to do every year and refresh memory.

MS SHARP: And did you do the self-learning course every year to refresh your memory?

35 MR ANH: Yes, Ms Sharp.

MS SHARP: Do you believe that you received training which equipped you to identify when a transaction was suspicious for money laundering purposes?

40 MR ANH: Yes, Ms Sharp, as far as I'm concerned, yes.

MS SHARP: Do you believe that you were trained to be on alert for the various indicators of money laundering?

45 MR ANH: Yes, Ms Sharp.

MS SHARP: Well, let's go to some features of this transaction. It's right that Nan Hu had not won that \$500,000 at the casino. Is that correct?

MR ANH: That's correct, Ms Sharp.

5

MS SHARP: So he's a third party recipient to this transfer?

MR ANH: That's correct, Ms Sharp.

10 MS SHARP: And indeed, he's never placed a bet at Crown Perth, had he?

MR ANH: Not to my knowledge, Ms Sharp.

15 MS SHARP: Isn't that one matter that could raise a suspicion about the prospect of money laundering?

MR ANH: Ms Sharp, possibly so.

20 MS SHARP: Now, Mr Zhou – Mr Nan Hu was not on an approved player program with the Zhou Qiyun junket at the time of this transfer, was he?

MR ANH: No, Ms Sharp.

25 MS SHARP: And to your knowledge Nan Hu had never presented any funds to Crown Perth or – I beg your pardon, to Crown Perth at the time of this transfer?

MR ANH: No, Ms Sharp.

30 MS SHARP: And isn't that an indicator that there could be something suspicious about this transaction?

MR ANH: Ms Sharp, I was only going by instruction and my boss had approve it. My role is in operation, Ms Sharp.

35 MS SHARP: Did you even turn your mind to the prospect that this transaction might involve money laundering?

MR ANH: Ms Sharp, as I say, I just gone by instruction, and it was not my authority to judge anyone, and I have – sorry, your turn, Ms Sharp.

40

MS SHARP: Did you ever turn your mind at the time to the question of whether this transaction could be money laundering?

45 MR ANH: Ms Sharp, possibly so, but again I was ..... my instruction, operation side only.

MS SHARP: If you possibly did turn your mind to the prospect of money laundering at the time, is it most likely you would have raised that matter with Jacinta Maguire or Roland Theiler?

5 MR ANH: Again, Ms Sharp, this is going back to what I told you already, it was without – not within my authority. I actually ring them, speak to them, ask for approval and it's not my role to judge their call.

10 MS SHARP: So as a staff member at Crown of some 30 years standing you did not see it as your role to raise any concern about the prospect of money laundering.

MR ANH: Based on personal experience, it can possibly, but as I say, I was do as I been told, and I just follow instruction, and I'm doing my role as a operational.

15 MS SHARP: So just to be clear, you did not see it as any part of your role to raise any concern about the prospect of money laundering in relation to this transaction.

20 MR ANH: Ms Sharp, probably so, but I will stick to my point. I was taking instructions only.

MS SHARP: You see - - -

MR ANH: I have done what I suppose to do, Ms Sharp.

25 COMMISSIONER: He said probably so.

30 MS SHARP: Were you made aware, Mr Anh, that in around October and November 2013 – I withdraw that. Were you made aware in around October and November 2017 that the Western Australian casino regulator was making inquiries about this very transaction?

MR ANH: No, Ms Sharp.

35 MS SHARP: So nobody from Crown spoke to you in any way about this transaction in October and November 2017?

MR ANH: No, Ms Sharp.

40 MS SHARP: Has anybody from Crown spoken to you this year about that transaction?

MR ANH: No, Ms Sharp.

45 MS SHARP: Not a single person has spoken to you this year about that transaction from Crown?

MR ANH: In what way, Ms Sharp?

MS SHARP: To ask you for any details about this transaction.

MR ANH: I was interview by one of my Crown solicitor after the 60 Minute allegation. That was the only time.

5

MS SHARP: And did that occur – that interview occur in or shortly after February 2020, after the 60 Minutes broadcast?

MR ANH: After, Ms Sharp. Twice. Before and after.

10

MS SHARP: And were there any consequences for your employment at Crown following that interview?

MR ANH: No, Ms Sharp.

15

MS SHARP: You did not receive any kind of warning from Crown about your role in this transaction?

MR ANH: Ms Sharp, I did not do anything wrong. I did everything by the book. I – I seek my senior for approval, I did what I suppose to as an operational. No, Ms Sharp.

20

MS SHARP: So you did not receive any warning from anyone at Crown following your interviews after the 60 Minutes program.

25

MR ANH: The 60 Minute program, I only report to my seniors to say someone have come and look for me in my house on a Sunday morning.

MS SHARP: I'm trying to understand whether there have been any disciplinary consequences for you following the airing of the 60 Minutes show in February of this year.

30

MR ANH: No, Ms Sharp.

MS SHARP: Now, is it the case that you are currently stood down from your position?

35

MR ANH: Yes, Ms Sharp.

MS SHARP: Why are you currently stood down from your position?

40

MR ANH: Sorry, Ms Sharp, I wouldn't say I'm the only one being stood down. All the staff who work for Crown at the moment has been stood down due to the COVID pandemic period at the moment. I may be stood down after, which I don't know. Commissioner, may I ask you a question, please?

45

COMMISSIONER: Yes, of course.

MR ANH: Can I take two minutes to go to toilet, please?

COMMISSIONER: I think we're going to adjourn now because – are there any questions from anyone else?

5

MS ORR: Commissioner, could I consider that over the morning adjournment?

COMMISSIONER: I'm sorry?

10 MS ORR: Commissioner, can you hear me, Commissioner? I was told this morning that there was some difficulty with my audio being heard. Can you hear me?

COMMISSIONER: Yes, I can. Do you have any questions, Ms Orr?

15 MS ORR: Could I consider that over the morning adjournment, Commissioner.

COMMISSIONER: Yes, all right.

MS ORR: I would be grateful. Thank you.

20

COMMISSIONER: Yes, all right. Yes, Mr Anh, I will take a short adjournment of about 10 minutes and I will ask you to return shortly. I don't know that you will be very long when we return. Thank you. I will adjourn for 10 minutes.

25 MR ANH: Thanks, Commissioner. Thanks, Ms Sharp.

**ADJOURNED**

**[11.39 am]**

30

**RESUMED**

**[11.53 am]**

COMMISSIONER: Yes, thank you. Yes, Ms Orr, any questions?

35

MS ORR: No. Thank you, Commissioner. I do not wish to ask any questions.

COMMISSIONER: Mr Barnett or Ms Case?

40 MR BARNETT: No, Commissioner.

MS CASE: No examination, Commissioner. Sorry.

COMMISSIONER: Anything, Mr Cain?

45

MR CAIN: Just a few matters. Thank you, Commissioner.

COMMISSIONER: Yes.

<EXAMINATION BY MR CANE

[11.53 am]

5

MR CAIN: Mr Anh, you will recall being asked some questions about side betting. And if you could just explain, again, what sort of arrangements are made between junket operators and the tables, just to clarify what you meant by these private  
10 arrangements between people placing bets and whether it's within or outside the control and knowledge of Crown.

MR ANH: Mr Cain, when we say side bet – when we say about side betting, usually happens on the actual tables. And they actually place chips against each  
15 other. And then if we know there's a game going on, and there's side bet between either operator or patrons on actual table physically, then we will have to stop them. Crown will tell them you cannot do that. That's part of our policy and procedure. You cannot side bet on the actual table. But under the tables, most of the time it's  
20 done. Again, as I say, the operator and the actual patron, they have organised that before they actually come to Crown. There's no knowledge that they may have done it or not if we did not overheard them. So, in that instant, I actually overheard what happened, that's how I relay the message, Mr Cain.

MR CAIN: All right. But you'd say it falls outside of Crown's knowledge and  
25 control; yes?

MR ANH: That's correct.

MR CAIN: All right. You were also asked questions regarding the Chinatown  
30 junket. And you were asked questions about Zhou Juiming, otherwise known as Tom Zhou. To your knowledge and understanding, you referred to him as a silent partner or silent shareholder; is that correct?

MR ANH: That's correct, Mr Cain.  
35

MR CAIN: All right. And were there, just to clarify for the purpose of the – or for the Commission, or the Inquiry, I should say, there were multiple shareholders sometimes behind the scenes on a silent basis for these junket operations; is that  
40 correct?

MR ANH: That's correct, Mr Cain.

MR CAIN: All right. Were you aware of other silent partners, or silent  
45 shareholders, in the Chinatown junket?

MR ANH: No, Mr Cain. There may be a few shareholders under the junket. But it's not in my position to ask or question them. For my job is just to look after them.

MR CAIN: You were asked further questions about your connection with Nan Hu. And you indicated that he was a manager of the Heaven nightclub in Chinatown.

MR ANH: Yes, Mr Cain; that's correct.

5

MR CAIN: And you noted that he was an acquaintance of yours?

MR ANH: That's correct, Mr Cain.

10 MR CAIN: All right. Because of your employment with Crown within the hospitality industry for many, many years, do you have other acquaintances that you've met in Chinatown? Or who operate nightclubs within Chinatown in Melbourne?

15 MR ANH: Yes, Mr Cain.

MR CAIN: You said that if Heaven nightclub was full, that you would contact other nightclub operators; is that right?

20 MR ANH: That's correct, Mr Cain.

MR CAIN: Would it be the case, also, that – well, I withdraw that. Was Heaven the first nightclub that you would contact if a customer wanted to go out in the city at night?

25

MR ANH: No, Mr Cain. It's based on customer's preference and based on availability.

30 MR CAIN: Thank you. Mr Anh, you were also asked some questions regarding the name of the junket representative who provided you information from the junket operator in relation to the junket operator's friendship, or otherwise with, Nan Hu; is that right?

MR ANH: That's correct, Mr Cain.

35

MR CAIN: And you indicated that you couldn't recall the name of the representative; yes?

MR ANH: That's correct, Mr Cain.

40

MR CAIN: Right. In your capacity as vice president of international business operations at the casino, on average, how many interactions would you have daily with junket representatives?

45 MR ANH: Way too much for me to remember. There is so many junket in-house and there are so many reps in-house. I dealt with at least two or three hundred calls a

day, at least 100 email, 100 message. So it's very hard for me to remember everything, especially I been working there for the last 25 years already.

5 MR CAIN: So you'd agree that it was – it's a significant number of inquiries and other communications that you have to deal with each day?

MR ANH: That's correct, Mr Cain.

10 MR CAIN: The Commissioner asked you, in relation to the figure of \$500,000 being a large amount. You recall being asked that question?

MR ANH: That's correct, Mr Cain.

15 MR CAIN: In terms of requests for transfers of money and deposits of money and funds for gambling, and things of that nature, \$500,000 is a large amount of money; you would agree?

MR ANH: Yes. Mr Cain, 500,000 is a lot of money to me. Yes.

20 MR CAIN: But in the scope of various requests being made and received in the casino environment in relation to your job as the relationship manager, let's say, is \$500,000 a large amount?

25 MR ANH: No, Mr Cain. It happens all the time.

MR CAIN: All right. And just to confirm, you sought guidance in relation to the request that was made for the transfer of that \$500,000; is that correct?

30 MR ANH: That's correct, Mr Cain.

MR CAIN: All right. And you didn't have ultimate responsibility for the distribution of those funds, did you?

35 MR ANH: No, Mr Cain.

MR CAIN: No. All right.

40 COMMISSIONER: Mr Cain, I'm not quite sure to what you are referring in respect of that guidance. If you could – if you would clarify that with your client I'd be grateful.

MR CAIN: Certainly. Who had ultimate responsibility for signing off for the transfer of that \$500,000?

45 MR ANH: Jacinta and Roland.

COMMISSIONER: I'm sorry to interrupt, Mr Cain. It was – the question that you asked him about seeking guidance about which I was not clear.

MR CAIN: Certainly. Sorry, Commissioner. I will just clarify that.

5

COMMISSIONER: Thank you.

MR CAIN: Yes. So if we take a step back, Mr Anh, you spoke – or you were contacted by a rep for the junket in relation to a request for a transfer of \$500,000 to Nan Hu?

10

MR ANH: That's correct, Mr Cain.

MR CAIN: All right. When you realised that it fell outside the ambit of your authority or scope to request a transfer of that amount to a person such as Nan Hu, you sought further information; is that correct?

15

MR ANH: Yes, Mr Cain.

MR CAIN: And because it fell outside the ambit of your authority, in your employment, you had a conversation with Jacinta Maguire; is that correct?

20

MR ANH: That's correct, Mr Cain.

MR CAIN: And, ultimately, the responsibility for whether or not to approve the transfer of that \$500,000 to Nan Hu, the ultimate responsibility did not fall with you, did it?

25

MR ANH: That's correct, Mr Cain.

30

MR CAIN: Commissioner, I won't take that any further.

COMMISSIONER: Thank you.

MR CAIN: I have no further questions, Commissioner.

35

COMMISSIONER: Yes. Thank you. Anything arising, Ms Sharp?

MS SHARP: No, Commissioner.

40

COMMISSIONER: Yes. Mr Anh, thank you very much for making yourself available. We will now take an adjournment for the next witness. I will return shortly - - -

MR ANH: Thanks, Commissioner.

45

COMMISSIONER: - - - and let me know when you're ready.

MR ANH: Thank you. Thank you, Ms Sharp.

**<THE WITNESS WITHDREW**

5

**ADJOURNED**

**[12.03 pm]**

10 **RESUMED**

**[12.10 pm]**

COMMISSIONER: Yes, Ms Sharp.

15 MS SHARP: Commissioner, the next witness I call is David Brown.

COMMISSIONER: Yes, thank you. Yes, Mr Brown. Would you like to take an oath or make an affirmation?

20 MR BROWN: I'm not sure. Take an oath.

**<DAVID WILLIAM BROWN, SWORN**

**[12.11 pm]**

25

**<EXAMINATION BY MS SHARP**

COMMISSIONER: Yes, Ms Sharp.

30

MS SHARP: Mr Brown, could you tell this Inquiry your full name, please?

MR BROWN: Yes, it's David William Brown.

35 MS SHARP: And your work address is known to those assisting this Inquiry?

MR BROWN: Yes, it is.

MS SHARP: You have prepared a statement dated 28 August 2020?

40

MR BROWN: Yes, I have.

MS SHARP: I will just identify that for the purposes of the transcript. It's CRL.664.001.0001, but there's no need for me to bring that up. Are the contents of that statement true and correct?

45

MR BROWN: Yes, they are.

MS SHARP: Did you happen to watch Mr Anh give evidence earlier this morning?

MR BROWN: Yes, I did.

5 MS SHARP: Did you watch the entirety of his evidence?

MR BROWN: Yes, I did.

10 MS SHARP: You are the general manager of cage and count at Crown Perth?

MR BROWN: I was, but recently this week I've started at Crown Sydney.

COMMISSIONER: Crown Sydney?

15 MR BROWN: Yes.

COMMISSIONER: Is that right?

20 MR BROWN: Yes, so this week I've recently relocated and started a role at Crown Sydney.

COMMISSIONER: And what is that role?

25 MR BROWN: The same role as Perth, so general manager cage and count Sydney.

MS SHARP: When do you expect to start performing functions in that role?

30 MR BROWN: Well, I've started this week so I arrived here this week. So I am still overseeing a transition period with Crown Perth, but I've started my role with Crown Sydney.

MS SHARP: And what have you been told as to the opening day of Crown Sydney?

35 MR BROWN: At this stage we're looking at some time in December.

MS SHARP: Now, prior to that recent change in roles you were the general manager of cage and count at Crown Perth from 2005?

40 MR BROWN: Correct, yes.

MS SHARP: And prior to that you had several roles in the Crown Melbourne cage team for around 11 years?

45 MR BROWN: Correct, yes.

MS SHARP: Primarily during a period at Melbourne you were the cage operations manager?

MR BROWN: Yes, for most of the time there I was cage operations manager.

MS SHARP: Mr Brown, could you please tell us what your key responsibilities were as the general manager of cage and count at Crown Perth?

5

MR BROWN: The general duties were to oversee the day-to-day operations of cage and count in Crown Perth, so that included managing staff and overseeing any of the operational matters on a day-to-day basis.

10 MS SHARP: And how many staff did you manage in that role?

MR BROWN: In total it was just over 100.

MS SHARP: And who did you report to in that role?

15

MR BROWN: I had numerous reports throughout my 15 years there, but my latest report was Alan McGregor.

MS SHARP: Now, you are aware, because you watched Mr Anh give evidence this morning, of the transaction which occurred in 2017 by which \$500,000 was transferred to an account of Nan Hu?

20

MR BROWN: Yes, I'm aware.

MS SHARP: Is it correct that you had no involvement in that transaction?

25

MR BROWN: I had no involvement in the completion of that transaction, no.

MS SHARP: Now, as at January 2017 is it correct that before any third party transfer of under \$5 million could be completed two people needed to sign off on the transaction, one being a member of cage management and one member of the relevant gaming department?

30

MR BROWN: Yes, that is correct.

35

MS SHARP: And where the transfer request came from the international VIP patron it was a member of the international VIP operations team who needed to be a sign-off of the transfer.

MR BROWN: Yes, that's true.

40

MS SHARP: Can I take you to paragraph 18(b) of your statement, please, Mr Brown, and again that's CRL.664.001.0001. You say there that you understood that Veng Anh's role involved providing customer service to and managing relationships with certain VIP patrons and junket operators. We may take it that you knew Mr Veng Anh reasonably well by 2017?

45

MR BROWN: I've obviously worked at Crown in the two roles for a long time and Veng and I have had dealings in the past and I know Veng reasonably well, yes.

MS SHARP: You - - -

5

MR BROWN: More so with my time in Melbourne, sorry.

MS SHARP: So you knew him when you were based at Crown Melbourne?

10 MR BROWN: Yes.

MS SHARP: And you also had dealings with him when you were based at Crown Perth?

15 MR BROWN: Yes, more so in Melbourne, but I have dealt with the international team in Melbourne on some occasions since I've been in Perth.

MS SHARP: It's right, isn't it, that on occasion he would accompany particular junkets to Crown Perth?

20

MR BROWN: Yes, he did come to Crown Perth, but I wouldn't have thought it was on a regular basis, but he did come to Crown Perth from time to time, yes.

MS SHARP: Now, you tell us in your statement that his role included providing services to and managing the relationships of certain VIP patrons and junket operators. One of those junket operators was Zhou Qiyun; do you agree?

25

MR BROWN: I'm not sure of which patrons Mr Anh looked after so I'm aware that his role was – sorry, I'm aware his role was to look at junkets, but I don't know which junkets that would be, no.

30

MS SHARP: Are you familiar with the Chinatown junkets, given your long history at Crown?

MR BROWN: I have, since all this has gone on, heard of the Chinatown junket, but from a cage perspective we deal with the junkets by their operator's actual name rather than their actual – any – any name given to them.

35

MS SHARP: Were you familiar with the junket operator, Zhou Qiyun?

40

MR BROWN: Only as one of our junket operators, yes.

MS SHARP: And did you understand that he had a connection with Tom Zhou?

45 MR BROWN: No.

MS SHARP: Do you know who Tom Zhou is?

MR BROWN: I've heard of him, obviously, since all this allegations and the 60 Minutes report, but before that, no, I'd never heard of Tom Zhou.

5 MS SHARP: It's your evidence, is it, that it is not unusual for an authority to disperse funds to be emailed from Crown Melbourne to Crown Perth cage?

MR BROWN: That's correct.

10 MS SHARP: Can I take you to an email chain, please. I understand you have a list of documents and I believe this to be list 20 – document 20 in your list. It is an open document and I will bring it up on the live feed. It's CRL.578.001.0014.

MR BROWN: Yes, I have that, Ms Sharp.

15 MS SHARP: If I can start from the bottom of that email and work up, can I refer you to the email at the bottom 14 January 2017. Can you read that to yourself and then go over the page?

20 MR BROWN: Yes.

MS SHARP: And just before I go any further, the purpose of you giving this statement to this Inquiry is to tell us about this particular transaction, isn't it?

25 MR BROWN: I believe so, yes.

MS SHARP: Now, do you understand from the email that I've just shown you that it was Roland Theiler and Jacinta Maguire who approved of this transaction?

30 MR BROWN: Yes, that's what the email states, yes.

MS SHARP: So to the extent that media – the media alleged that Mr Veng Anh approved the transaction, that is a proposition with which you disagree?

35 MR BROWN: Yes, I – I disagree that Mr Anh approved the transaction, yes.

MS SHARP: Could I go back to the first page of that email, please, Mr Brown, and direct your attention to a 14 January '17 email from cage supervisor Mary-Anne Baker?

40 MR BROWN: Yes.

MS SHARP: Now, you see that she says:

45 *For AML requirements, we require an address, date of birth and relationship for third party Nan Hu.*

MR BROWN: Yes.

MS SHARP: And you, of course, understood AML requirements to be a reference to anti-money laundering requirements?

MR BROWN: Yes.

5

MS SHARP: And you can tell us, as the cage manager, that in order to ensure that anti-money laundering requirements are complied with, certain information needs to be provided to Crown about relevant telegraphic transfers?

10 MR BROWN: Yes, that's correct.

MS SHARP: Can I then take your attention to an email further up that page from Mr Veng Anh.

15 MR BROWN: Yes.

MS SHARP: He's replying to Mary-Anne and he says he is a good friend with Zhou Qiyun. Now, is your reading of this email, on the basis of your responsibilities as the cage manager, that what Mr Veng Anh is doing is providing information about the relationship between the transfer recipient and the sender to satisfy anti-money laundering requirements?

20

MR BROWN: Yes, that's what I can understand, yes.

25 COMMISSIONER: Or the account from which it was ..... rather than the sender, I think.

MR BROWN: Sorry, I couldn't hear that.

30 COMMISSIONER: I think it was between the account from – the owner of the account or the name on the account from which it was sent and Mr – and the recipient. Do you agree with that?

MR BROWN: Yes, correct. Yes.

35

COMMISSIONER: Yes.

MS SHARP: So you would agree that what Mr Veng Anh was doing was providing certain money – I beg your pardon – certain information to satisfy anti-money laundering requirements at Crown.

40

MR BROWN: Yes, I believe so, yes.

MS SHARP: He was vouching for this transaction, was he not?

45

MR BROWN: No, he was – he was providing information in regards to a request from Mary-Anne from an AML perspective.

MS SHARP: Now, you would have heard Mr Veng Anh tell us this morning that in fact he did not know personally that Nan Hu was a good friend of Zhou Qiyun. Does that trouble you in any way?

5 MR BROWN: From what I heard this morning, Veng was acting at the request of a junket representative and provided that information that he was a good friend. Does it trouble me? No, he was providing information that he was asked for, and he – he did it through the means that he had.

10 MS SHARP: So from a – from the perspective of Crown complying with its anti-money laundering obligations, you, as the longstanding Crown cage manager at Perth, are not troubled by that information.

15 MR BROWN: When we deal with junkets we need to deal with the representatives of the junket. So they act on behalf of the junket and are authorised to make decisions and transact for the junket, so therefore receiving advice from them in regards to things for me is – is a way that we act and deal with junkets, yes.

20 MS SHARP: So you're not troubled by that information that in fact Mr Veng Anh did not personally know that Nan Hu was a good friend of Zhou Qiyun even though that information had been required to satisfy anti-money laundering requirements.

25 MR BROWN: As he said, he dealt with the representative who he said had the conversation with the operator of the junket which is the way junkets operate and the way we deal with junkets. So it is an acceptable practice and the way – the way we need to deal with junkets. So we – we don't always deal with the operator and that's why they have authorised representatives to act on their behalf. So receiving that advice from a representative is a process that we – or a practice that we would accept, yes.

30 MS SHARP: So nothing in that information troubles you in any way. Yes or no?

MR BROWN: No.

35 MS SHARP: Now, were you aware that as at November 2016 Crown had made a decision to no longer do business with Zhou Qiyun as a junket operator?

40 MR BROWN: As – we were – we were not dealing with junkets and dealing with Chinese junkets as of November 2016, yes.

MS SHARP: So is your evidence you were made aware in around November 2016 that Crown had decided to no longer do business with the junket operator, Zhou Qiyun.

45 MR BROWN: No, in general, timing-wise we were probably looking at our junket processes.

MS SHARP: I'm sorry, I'm just trying to understand. As at November 2016, as the manager of the cage in Crown Perth, were you made aware that Crown had decided to no longer do business with Zhou Qiyun as a junket operator?

5 MR BROWN: No, I'm not sure of that, no.

MS SHARP: Would you agree that if Crown had made a decision in November 2016 to no longer deal with Zhou Qiyun as a junket operator, there would be – it would be somewhat inappropriate to be accepting telegraphic transfer instructions  
10 from that very same junket operator the following year.

MR BROWN: It would be – it would be unusual, yes.

MS SHARP: So if you take it from me that evidence to this Inquiry is that Crown  
15 made the decision in November 2016 not to deal with Zhou Qiyun as a junket operator, you think it is unusual that Crown Perth was still giving effect to telegraphic transfer instructions on his behalf.

MR BROWN: It would be unusual.  
20

MS SHARP: Is the correct procedure that where Crown decides not to deal with a junket operator, the cage should immediately return to the junket operator any money it holds in the account for that junket operator?

25 MR BROWN: We would – we would need to return funds that we – were held in the account to the junket operator because they're not our funds.

MS SHARP: And the appropriate thing is to return those funds very promptly after a decision is made not to deal with that junket operator, do you agree?  
30

MR BROWN: It would be – it would be done as soon as it could be arranged, I would believe, yes.

MS SHARP: And it's not unreasonable to expect a return of funds to be arranged  
35 in, say, one month?

MR BROWN: I don't believe it's unreasonable, no.

MS SHARP: Now, could I take you, please, Mr Brown, to paragraph 16 of your  
40 statement, and if I could have that shown on the live screen, please. I beg your pardon; I'm told this is not an open statement.

COMMISSIONER: Just the hearing room.

45 MS SHARP: Yes, if it can just go to the hearing room, please

COMMISSIONER: No need. I have a copy.

MS SHARP: Thank you. Now, at paragraph 16 of your statement, Mr Brown, you say that on 31 October 2016, \$5 million was deposited into the Crown Perth casino account by domestic telegraphic transfer from the Star Casino into the Crown Perth deposit account of Zhou Qiyun. And that's - - -

5

MR BROWN: Yes.

MS SHARP: And how did you obtain that information; did you go back to check some records about that?

10

MR BROWN: Yes, I – I went back to check some records as a result of this, yes.

MS SHARP: And what records did you check?

15

MR BROWN: I checked through our SYCO system, or our casino management system to review the transactions that occurred from that time, yes.

MS SHARP: And just to be clear, you reviewed those SYCO entries for the purpose of making this statement?

20

MR BROWN: Yes.

MS SHARP: And then you say at paragraph 17 that:

25

*Several transactions occurred on that account until, as at 12 January 2017, the balance stood at \$500,000.*

MR BROWN: Yes, correct.

30

MS SHARP: What were these other transactions that occurred from the time the money came over into the account from Star Casino until 12 January 2017 when there was only \$500,000 left?

35

MR BROWN: I didn't have that in my statement, but I believe there were three or four other transactions that occurred.

MS SHARP: And could you tell us - - -

40

MR BROWN: Sorry, the dates I'm not sure of.

MS SHARP: Could you tell us what each of these transactions were, please?

45

MR BROWN: I'm not exactly sure. I believe there was a transfer out to a patron and back to their account, and then there were some requests to transfer out other funds, but I'm – without having it in front of me I'm not exactly sure of what those transfers were.

MS SHARP: Are you able to tell us whether any of those – I withdraw that. Were each of those transfers telegraphic transfers?

MR BROWN: I believe so, yes.

5

MS SHARP: Were any of those telegraphic transfers to third parties?

MR BROWN: I believe they were to other parties, yes.

10 MS SHARP: When I say third parties, I mean a person other than the junket operator or a casino patron. Do you understand?

MR BROWN: Yes, but I – I'm not sure who they exactly went to. I was really only asked to look at this transaction.

15

MS SHARP: I'm just wondering, when you came to review this series of transactions in SYCO for the purpose of making this statement, did you see anything in that transaction record that troubled you in any way?

20 MR BROWN: No, I did not.

MS SHARP: I take it you would be readily able to make available to this Inquiry the transaction record from the time of the deposit from Star Casino up until 12 January 2017?

25

MR BROWN: I believe it would be able to be made available, yes.

30 MS SHARP: And that would include not only the SYCO entries, but the authorities to disperse the telegraphic transfers and the relevant approvals that were obtained to authorise those telegraphic transfers?

MR BROWN: Yes, I believe we would have all that paperwork, yes.

35 MS SHARP: And how long do you think it would take to make that material available to this Inquiry?

MR BROWN: I'm not sure, but I wouldn't think it would take that long.

40 MS SHARP: Could I take you, please, to an email you sent at the time of this transaction. I'm told it's document 13 in your list of documents, Mr Brown. It's an open document so I will have it brought up on the live feed. It's CRL.576.001.1121. And you will see that on 17 January 2017 Mr Veng Anh sends an email reporting that they had received their fund already, and then there's a response from you of 17 January 2017.

45

MR BROWN: Yes.

MS SHARP: And you say:

*No more money. That should be it for us.*

5 MR BROWN: Yes.

MS SHARP: And you sent that email three and a-half years ago.

MR BROWN: Yes.

10

MS SHARP: Do you have – or do you really have any recollection of why you sent that email at the time?

MR BROWN: No, I have no recollection of why it would have been sent. It would  
15 have been a response that – I would have been asked has the transfer gone or  
something along those lines, but, you know, it was three – over three years ago and  
it's – as has been mentioned, we send a lot of messages and receive a lot of  
information about a lot of patrons. So I really couldn't be sure why that would be  
sent. No.

20

MS SHARP: Were you made aware, in October and November 2017, that the  
Western Australian casino regulator was making inquiries about this specific  
transaction?

25 MR BROWN: No, I was not.

MS SHARP: So we may take it that no-one from Crown spoke to you, in any way,  
in October or November 2017, about this transaction?

30 MR BROWN: I do not believe so. No.

MS SHARP: Tell me, Mr Brown, have you received anti-money laundering training  
during the period that you have been employed at Crown?

35 MR BROWN: Yes, I have. Like with all our employees we receive yearly or need  
to do yearly online training in regards to AML, and update our information regularly  
in regards to anti-money laundering from an online training - - -

COMMISSIONER: Do you ever have any – sorry. Do you have ever have any  
40 face-to-face discussions or lectures or tutorials?

MR BROWN: Not – not so much face-to-face lessons or tutorials. We – we deal  
with our AML team in Perth and, more recently, have dealt with our AML group  
management team across Melbourne and Perth. So we do have – we do have regular  
45 contact with them, and discussions with them, about transactions and events. But  
from an actual tutorial, no, it's more the online training and then regular telephone  
communication or email communication. Yes.

COMMISSIONER: And how does the online training occur? Are you sent a link or are you asked to - - -

MR BROWN: Yes.

5

COMMISSIONER: - - - tick off what you've done? What's the position?

MR BROWN: No, it's a - you are sent a regular link or a regular update of any outstanding training courses that you need to complete. So it's not just anti-money laundering, it's - it's many different aspects of what we do. So, therefore, it's one of the ones that, as it comes required to do it, it will come up and appear in your - basically, your inbox, and need you to be completed. So, yes.

10

COMMISSIONER: Thank you. Yes. I'm sorry.

15

MS SHARP: Is there ever any auditing of you to gain an understanding of what your knowledge is of anti-money laundering law and requirements?

MR BROWN: Is that from external or internal, Ms Sharp?

20

MS SHARP: Both.

MR BROWN: No. I'd - I'd say there's probably not any auditing of me, as such, to provide information or to see what my knowledge is of AML. No.

25

MS SHARP: Did you watch Mr Preston give evidence last week?

MR BROWN: I watched some of Mr Preston's evidence. But I was busy doing other things and didn't see all of it. No.

30

MS SHARP: Have you been told about the content of his evidence?

MR BROWN: Only what I saw.

MS SHARP: Can I take you to a document. It's a confidential document. It's - I understand you have a list of documents that were attachments to Mr Preston's statement. And what I would like to do is take you to the Crown Perth anti-money laundering counterterrorism finance program. Do you have that document available to you?

40

MR BROWN: I may do. Is it in one of these - is it in one of these tabs? In the smaller one?

MS SHARP: I am hopeful it is.

45

COMMISSIONER: It's attached to Mr Preston's statement.

MS SHARP: It may be tab 10 of a bundle of documents you have.

MS ORR: If I could assist - - -

5 MS SHARP: The Ringtail – I’m told it might be tab 14 of the documents you have.  
It’s a confidential document - - -

MR BROWN: Yes.

10 MS SHARP: Yes. It’s – you’ve got that?

MR BROWN: Yes. I do have that. It was number 14. Thank you.

MS SHARP: Yes. Thank you. And just for the transcript it’s CRL.554.001.0377.  
15 If I can bring that up just to the hearing room, please. I just want to ask you this, Mr  
Brown: is that a document you’ve seen before?

MR BROWN: Yes, I have.

20 MS SHARP: When was the first time you saw this document?

MR BROWN: Well, I believe this version was back in 2018 when it was – it says it  
was produced. So I – I would have been aware of it then, but I think there was  
probably previous AML program documents that we would have seen back further  
25 than that. So - - -

MS SHARP: And how frequently do you look at this document or this program?

MR BROWN: I referred to it as – as I need to or if something came up, where I was  
30 required to – if I had questions or concerns from an AML perspective, I would refer  
to it.

MS SHARP: And can you give us an indication of how frequently you think you  
would look at it?  
35

MR BROWN: I would probably as we – as we update, I would probably look at it  
then. So I, probably, would have looked at it back in 2018 would probably be the  
last time.

40 MS SHARP: I see. So when a further version of it is released - - -

MR BROWN: Yes.

MS SHARP: - - - that was probably the last time you looked at it. And there’s  
45 another document I wanted to show to you. It was also an attachment to Mr  
Preston’s statement. I’m told this is a confidential document, so I will bring it up just

on the hearing room screen: CRL.562.001.0024. I'm told it might be tab 19 of the documents you have.

COMMISSIONER: The date of the statement to which you're referring?

5

MS SHARP: I beg your pardon, Commissioner, it's 20 February 2020.

COMMISSIONER: Thank you very much.

10 MS SHARP: Have you got that document in front of you, Mr Brown?

MR BROWN: Yes, I have.

MS SHARP: It's just to make sure it's the right one. Does it say:

15

*Transaction monitoring existing.*

MR BROWN: Yes, it does.

20 MS SHARP: Have you seen this document before today?

MR BROWN: Yes. I believe I have. Yes.

MS SHARP: When did you last see this document?

25

MR BROWN: I'm not sure, but I would have seen it as part of our AML.

MS SHARP: How frequently do you estimate that you accessed this document?

30 MR BROWN: Again not – not that frequently. No.

MS SHARP: Now, is it correct that the cage staff at Crown Perth had access to online bank account statements held in the name of Riverbank Investments Proprietary Limited?

35

MR BROWN: Some of my staff have access to those accounts. Yes.

MS SHARP: Are there particular staff who have access to those statements?

40 MR BROWN: Yes. It's not all staff that have access to the Crown bank account statements. So it's a group of the more senior staff within the cage. Yes.

MS SHARP: And how many are in that group?

45 MR BROWN: It varies depending on how many we have. But, at the moment, it's around nine or 10 staff.

MS SHARP: Now, in the period 2013 to 2016, those senior cage staff to whom you've just referred, did they, to your knowledge, review the Riverbank bank account statements for anti-money laundering purposes?

5 MR BROWN: They reviewed the Riverbank accounts to look at transactions that came through the accounts for patrons. Yes.

MS SHARP: But when you say they reviewed the accounts to see transactions that came through, was that simply in order to add up how many transactions came  
10 through for any particular patron and then enter that aggregated amount into the SYCO system?

MR BROWN: Their role was to check the accounts to make – to confirm amounts that patrons had deposited to those accounts and then make those funds available to  
15 the patrons for gaming purposes. Yes.

MS SHARP: And to the best of your understanding, is what those reviewing these accounts would do would be to look at all of the deposits made in favour of particular patrons and then add up the total number and enter that total number into  
20 the SYCO system?

MR BROWN: Yes. I believe we were doing that. Yes.

MS SHARP: And it certainly wasn't the case that those staff members reviewing  
25 the Riverbank accounts were looking at whether things such as structuring or smurfing was taking place in those accounts.

MR BROWN: I believe the staff are aware of their role from an AML perspective to check transactions and to monitor transactions that are going on, but I believe that,  
30 yes, they were adding up the accounts and adding them – or adding up the transactions and entering them as one transaction, yes.

MS SHARP: I just wanted to be a little bit more specific here. To the best of your knowledge, in the period 2013 to 2016 is it right that the people at the Crown Perth  
35 cage who did look at these actual bank account statements for Riverbank were not looking at whether structuring or smurfing was taking place within those accounts?

MR BROWN: No, I don't believe that to be the case, no.

40 MS SHARP: And certainly, you never instructed any of them to do that?

MR BROWN: No.

MS SHARP: Did things change at all in that respect after 2016?  
45

MR BROWN: I believe that people, obviously, as – as they worked through things and look at things and understand things, their understanding becomes greater of

transactions, but I think it was just there's greater understanding as we transact more on the account so people are in the role for longer and understand it better.

5 MS SHARP: But is it right that you don't really know if things changed in relation to the Riverbank account after 2016 in respect of monitoring those accounts for structuring and smurfing?

MR BROWN: No, I'm not sure, no, if there was a specific instruction for them, no.

10 MS SHARP: Can I ask you more generally now about bank accounts held in the name of Crown Perth rather than in the name of Riverbank.

MR BROWN: Yes.

15 MS SHARP: Is it or is it not the case that the cage staff members at Perth who reviewed those online bank accounts did it solely for the purpose of looking at how many account – how many deposits there had been in favour of a particular patron and then adding up those deposits and entering that total into the SYCO software.

20 MR BROWN: Yes, that – that would appear to be what we were doing, yes.

MS SHARP: So exactly the same situation as with respect to the Riverbank accounts.

25 MR BROWN: I believe there were occasions on both accounts where it was done, yes.

30 MS SHARP: Was it your understanding that the persons who were responsible for monitoring the bank accounts of Crown Perth and Riverbank for anti-money laundering purposes were the anti-money laundering team at Crown Perth?

35 MR BROWN: Yes, the cage staff run a role – have a role in the accounts and monitoring of the transactions that go in. I don't have a full understanding then of what the AML team in Crown Perth look at in regards to the bank accounts. AML doesn't come under my area of control so, no, I'm not sure exactly what the AML team look at from that perspective.

40 MS SHARP: Have there been any changes in procedures in recent months at Crown Perth in terms of what the cage staff are directed to look at when they look at the bank accounts of Crown Perth accounts?

45 MR BROWN: There has been an instruction in recent months to no longer accept third party transfers without the approval of our group general manager AML, and our chief operating officer in Perth, yes.

MS SHARP: And I will come back to that. Is that the only change that's occurred in recent months?

MR BROWN: In recent months – are we talking this year or are we talking further back than that?

MS SHARP: Since June of this year.

5

MR BROWN: In June this year since we opened, no, only the instruction around third-party transactions.

MS SHARP: Now, that one new instruction that you're talking about is the one that you refer to at paragraph 25 of your statement?

10

MR BROWN: Yes.

MS SHARP: And what you say there is that there was an instruction on 8 April 2020 whereby Crown ceased allowing customers to direct Crown to transfer funds credited to their deposit accounts to third parties except in the case of prior written approval of both the chief operating officer and the group general manager anti-money laundering being obtained.

15

MR BROWN: Correct.

20

MS SHARP: Are you able to assist us in any way in telling us whether a problem had been identified which had led to the issuing of this new instruction?

MR BROWN: No, look, I'm not 100 per cent sure of whether it was as a result of any problems or whether it was as a result of a change in our management team in regards to our group AML general manager and whether it was something that he introduced as something that went on from there, but it certainly was an instruction that we received that this is what we are now to follow, yes.

25

30

MS SHARP: And Mr Brown, while you occupied the position of general manager at cage and count at Crown Perth, it's correct, isn't it, that you were the most senior member of the cage team?

MR BROWN: That is correct, yes.

35

MS SHARP: I have no further questions.

COMMISSIONER: Yes. Anything, Ms Orr?

40

MS ORR: Commissioner, I would like some time to discuss with Mr Brown whether clarification is required to a number of the answers that he has just given.

COMMISSIONER: I see. All right. Well, just before we adjourn, I will adjourn early for lunch, but – well, perhaps not so early. Mr Brown, you indicated to me that there was the transaction between the Star and Crown when the \$5 million came across in late 2016. Do you recall that?

45

MR BROWN: Yes.

COMMISSIONER: What are the arrangements? Do you have arrangements with various casinos around the nation for that sort of thing to occur?

5

MR BROWN: There are transfers between casinos in regards to patrons, yes; we do have mutual patrons that funds are transferred between different casinos, yes.

COMMISSIONER: And is that pursuant to a memorandum of understanding or how does it work?

10

MR BROWN: No, it's – the patron request and the transfer is made by the casino to the other casino. So there's no memorandum of understanding as far as I'm aware, no.

15

COMMISSIONER: So if the junket operator has players both at the Star and at, let's say, Crown Sydney or Crown Melbourne, that junket operator or representative could request the transfer to occur and it would be a matter for that casino as to whether that transfer does occur, presumably.

20

MR BROWN: Yes, correct.

COMMISSIONER: And so far as the process of receipt is concerned, it just goes into – I withdraw that. I presume it is a transfer that is “not approved” by Crown before it receives the money.

25

MR BROWN: Yes, it would go – it would be a normal transfer that would be received into our bank accounts and then we would - - -

COMMISSIONER: And then – I'm sorry, you go ahead.

30

MR BROWN: Then it would be acted upon and transacted from there, yes.

COMMISSIONER: So it would go into Crown's account designated to the patron's identification number, I presume. Is that right?

35

MR BROWN: Yes, correct, in most cases, yes.

COMMISSIONER: And to work out that that has happened, I presume there must be some structure where Crown is alerted to the fact that \$5 million has come into its account designated to patron X, I presume?

40

MR BROWN: Yes. In – in some cases, yes. But in some cases, it – it appears in the account first and then we will then ascertain where those funds have come from so – but in most cases, yes, we would receive communication, in this case, from the Star advising us that they were making a transfer to our account, yes.

45

5 COMMISSIONER: So in looking through the prism of – or looking at the processes of the casino’s operations, in terms of the anti-money laundering structures about which much evidence has been given, to ascertain the source of the funds it really is not anything that Crown does to work out from whence it came prior to it arriving at Star, I presume.

10 MR BROWN: No, I – I don’t believe we do anything. It’s – the Star have made the funds available to us so we would expect the Star probably to have done their work in regards to how those funds were received, yes.

COMMISSIONER: Yes. And is it vice versa that you would, at the behest of an operator or a junket operator or representative, transfer funds to the Star for the patron to gamble at the Star?

15 MR BROWN: Yes, we would do that, yes.

COMMISSIONER: And do those arrangements also include international transfers to casinos overseas?

20 MR BROWN: Very rarely would we do it to a casino overseas, but we – it has been done, yes.

COMMISSIONER: And what about receipt from casinos overseas?

25 MR BROWN: Again, on – on rare occasions, yes, it is done, but it’s very hard for the overseas casinos to send funds to Australia, yes.

30 COMMISSIONER: Yes. No, I understand that. The other matter that I wanted to clarify before we adjourn for the luncheon break is the reference that you made to the series of transactions that occurred between October ’16 and January ’17 in respect of the account that you referred to in your statement. Do you understand that?

MR BROWN: Yes.

35 COMMISSIONER: One of the things you said to me that one transaction involved a transfer to a patron’s account and then a transfer back from the patron’s account. By that do you mean that the money went out and came back in in a fairly short space of time?

40 MR BROWN: I believe it went out and came back in ..... but we’re talking their internal account with Crown.

COMMISSIONER: I see. So - - -

45 MR BROWN: So not out of Crown and back into Crown, just into their casino management account with Crown.

COMMISSIONER: So it went from the particular patron's account into which it was sent by Star into another player's account or junket arrangement, was it?

MR BROWN: Correct, yes.

5

COMMISSIONER: But then it came back.

MR BROWN: Yes.

10 COMMISSIONER: And what was the reason for that, do you know?

MR BROWN: I believe the patron had a win and didn't require the funds any more.

15 COMMISSIONER: And was that patron associated with the junket that held the account from which the money went across to him or her?

MR BROWN: I'm not sure of that.

20 COMMISSIONER: All right. In any event, you've indicated that those documents can be provided to the Inquiry should they be requested appropriately.

MR BROWN: Yes, I believe so, yes.

COMMISSIONER: Yes.

25

MS SHARP: Sorry, Commissioner, just before you adjourn - - -

COMMISSIONER: Yes.

30 MS SHARP: - - - is it possible that those representing Mr Howell can make arrangements over the lunch break so he can be made available to give his evidence without the need for an adjournment when we return?

35 COMMISSIONER: I'm sure that Mr Sullivan will deal with the solicitors and make arrangements for whatever you want, Ms Sharp.

MS SHARP: Thank you, Commissioner.

40 COMMISSIONER: Yes. Mr Brown, we will return at 2 pm to finalise your evidence and in the meantime your counsel may well consult with you.

MR BROWN: Thank you.

45 COMMISSIONER: I will adjourn until 2 pm.

**ADJOURNED**

**[12.58 pm]**

**RESUMED**

**[2.04 pm]**

5 COMMISSIONER: Yes. Thank you. Yes, Ms Orr. I think you're on mute. Ms Orr's audio – just wait, Ms Orr.

MS ORR: This is Crown's counsel.

10 COMMISSIONER: Yes. Yes. Ms Orr, can you try again for me, please? Just stop. This is Crown's counsel, Ms Orr. We shouldn't keep you too much longer, I hope, Ms Orr. Mr Barnett, can you hear me?

MR BARNETT: Yes, I can, Commissioner.

15 COMMISSIONER: Thank you. Ms Orr, there is a problem. So if you wouldn't mind just indicating by nodding or otherwise as to whether you want to ask any further – any questions. Do you wish to ask any questions? Yes, all right. I will adjourn whilst some technical issues are addressed.

20

**ADJOURNED**

**[2.06 pm]**

**RESUMED**

**[2.08 pm]**

25

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

30 MS ORR: Thank you, Commissioner. Are you able to hear me now?

COMMISSIONER: Yes. Thank you.

35 MS ORR: Thank you. I would like to ask a short series of questions to clarify some matters with Mr Brown.

COMMISSIONER: Yes, that's all right. Yes, please proceed.

**<EXAMINATION BY MS ORR**

**[2.11 pm]**

40

MS ORR: Mr Brown, you were asked a series of questions about the work done by cage staff in Crown Perth, in the period 2013 to 2016, in relation to transactions on the Riverbank bank account. Do you recall those questions?

45

MR BROWN: Yes, I do.

MS ORR: And you said in answer to one of those questions that you believed the cage staff at Crown Perth were aware of their obligations in relation to anti-money laundering. Do you recall that?

5 MR BROWN: Yes, I do.

MS ORR: Would you please explain for the Inquiry what those obligations were?

10 MR BROWN: The cage staff, under anti-money laundering, are required to review any transaction to ensure that patrons are not doing anything that they perceive to be outside of guidelines, and to report anything that they believe to be suspicious.

MS ORR: And who are they to report anything that they believe is suspicious to?

15 MR BROWN: They report it through to our AML team at Crown Perth.

MS ORR: And how did they do that, in the period from 2013 to 2016?

20 MR BROWN: They would do it via what we have, an internal AML report. And suspicious – in those days we would determine a suspect report. But it was an internal document they used to raise a suspicion, if they had one.

MS ORR: And was that a hard copy document or was it part of the SYCO system?

25 MR BROWN: No. It was a hard copy document that would have been forwarded on to the AML team.

30 MS ORR: I see. So there was a form they were to fill out where they regarded something that they saw in their activities in the cage – that they regarded as suspicious; is that correct?

MR BROWN: Yes. They would complete a form. Yes.

35 MS ORR: And how did they know that this was part of their obligations?

MS SHARP: I object. I object. The question is asking this witness to explain how other people had knowledge.

40 COMMISSIONER: Yes. How did he understand that they were aware of it, Ms Orr, I think.

MS ORR: Yes, that was the intention of my question, Commissioner.

45 COMMISSIONER: Yes. Well, perhaps, you could just clarify that.

MS ORR: Yes. Mr Brown, to your understanding, how were your staff made aware of their obligations that you've just explained?

MR BROWN: They were made aware through their ongoing training and ongoing annual training and – in regards to any sort of suspicious matter.

5 MS ORR: And did that online training, to your knowledge, deal with the concept of structuring?

MS ORR: Yes. There – there is a component in there in regards to structuring of payments. Yes.

10 MS ORR: I see. Thank you. Now.

COMMISSIONER: If you're leaving that topic – if you're leaving that topic, Ms Orr – could I just ask, Mr Brown, you said that it's dealing with patrons' conduct, the cage staff are dealing with patrons' conduct that may be outside of the guidelines.  
15 Do you remember telling me that?

MR BROWN: Yes.

COMMISSIONER: Do these cage staff view patrons face-to-face?  
20

MR BROWN: They – they also – in addition to viewing patrons' accounts, they deal with patrons face-to-face. Yes.

COMMISSIONER: And so, on a daily, basis a cage staff officer or member would  
25 have responsibilities both in respect of documentary review and person review, I suppose.

MR BROWN: Yes. Absolutely. Yes.

30 COMMISSIONER: Yes. Yes, thank you, Ms Orr. I'm sorry to interrupt.

MS ORR: No. I'm sorry. I wanted to clarify that matter myself, Commissioner.

COMMISSIONER: All right.  
35

MS ORR: The obligations that you have referred to, were those obligations restricted to face-to-face dealings or did those obligations also extend to their review of transactions on bank accounts?

40 MR BROWN: No, it was to do with face-to-face and review of bank accounts, so yes, both.

MS ORR: Thank you. Now, Mr Brown, you were also asked questions about changes in processes in relation to the cage staff in recent times and you gave an  
45 answer that referred to a change in policy in relation to third party transfers. Do you recall that?

MR BROWN: Correct, yes.

MS ORR: Has there also been a change in processes in recent times in relation to aggregation of amounts from the bank - - -

5

MS SHARP: I object.

COMMISSIONER: Wait until it finishes. Yes, I'm sorry, Ms Orr. Yes.

10 MS ORR: Has there also been a change in processes in relation to the aggregation of amounts from the bank accounts into the SYCO system by cage staff? Has that process changed?

COMMISSIONER: Just pause there for a moment, Mr Brown. Yes, Ms Sharp?

15

MS SHARP: My objection is this – I appreciate this is an inquiry and not a court – that question is extremely leading and when Mr Brown was asked about it by me and given the opportunity to indicate whether there were any changes other than the change to which he referred in paragraph 25 of his statement, he said no.

20

COMMISSIONER: Yes, I'm going to allow it because - - -

MS ORR: Commissioner, could I respond?

25 COMMISSIONER: No, Ms Orr, you're ahead here. There's no need to address me.

MS ORR: Thank you.

30 COMMISSIONER: I want to hear the evidence and, Ms Sharp, if there's a need for clarification of course I will grant you, obviously further, leave. Yes, Ms Orr.

MS ORR: Would it assist if I repeat - - -

35 COMMISSIONER: Mr Brown, have there been changes to the aggregation since then?

MR BROWN: I have spoken to my team to ensure that in no future instances there will be any aggregation of any accounts.

40 COMMISSIONER: When did you do that?

MR BROWN: Most recently in the last couple of weeks.

COMMISSIONER: Since the evidence has been disclosed in the Inquiry?

45

MR BROWN: Yes.

COMMISSIONER: I see. Yes, Ms Orr.

MS ORR: Those are my questions, Commissioner.

5 COMMISSIONER: Yes. Ms Sharp, anything?

MS SHARP: Nothing arising. Thank you, Commissioner.

10 COMMISSIONER: Mr Brown, could I just ask you about your anticipated role in the Sydney casino.

MR BROWN: Yes.

15 COMMISSIONER: What is it that you will be doing at the Sydney casino?

MR BROWN: Initially, I will be setting up – I will be setting up our processes for cage and count operations within the Sydney casino and then I will be overseeing those operations once we open the Sydney casino.

20 COMMISSIONER: So your cage operations in Perth and in Melbourne have obviously dealt with, over the years, numerous junkets and junket organisers and junket operators and players, I presume.

25 MR BROWN: Yes, we have.

COMMISSIONER: And so what about Sydney; what's anticipated there?

MR BROWN: Well, we are hoping to continue to do the same thing in Sydney.

30 COMMISSIONER: With junkets?

MR BROWN: With junkets, with premium players and with our local domestic – or with our members who are permitted to enter the property, yes.

35 COMMISSIONER: And so just so that I can get a feel for this and the application of what's been referred to as the AML guidelines to which you've referred, the junket operations international would need to have junket players coming into the country, obviously, from overseas. Is that right?

40 MR BROWN: Yes, it would, yes.

COMMISSIONER: There would need to be a physical presence, would there, Mr Brown?

45 MR BROWN: I'm confused by the question, sorry.

COMMISSIONER: You would need to have people attending the casino from overseas for the junkets to operate within the casino.

MR BROWN: Yes, you would.

5

COMMISSIONER: And so whilst ever COVID prevents international travel that won't be happening, obviously.

MR BROWN: No. Correct.

10

COMMISSIONER: And so the other aspect that you referred to, I think, are there junkets that you intend to operate with domestically?

MR BROWN: I don't believe at this stage we have domestic junkets. We don't certainly in Perth and I don't believe we do in Melbourne, so – but I'm not sure ..... in Sydney, no.

COMMISSIONER: So for the time being that leaves the market that seems to be what you've referred to as the premium players; is that right?

20

MR BROWN: Correct, yes.

COMMISSIONER: And can you tell me then what you describe as the premium players for the Barangaroo casino, if I can call it that?

25

MR BROWN: Well, I believe it's probably not premium, but it's our – what we would defer – define as our domestic market. So it will be anyone who is approved to play under our rules with Barangaroo casino who – from interstate potentially, depending on what the borders do, or internal into New South Wales.

30

COMMISSIONER: And when you said according to "our rules", to what were you referring?

MR BROWN: I believe – and I haven't been through it all, but there's approvals of who can play based on Crown's licence in Crown Sydney.

35

COMMISSIONER: So you're really referring back to the document that guides you, your licence for the casino.

MR BROWN: Yes.

40

COMMISSIONER: I see what you're saying. And in respect of the layout, there are only table games within the casino as I understand it. Is that right?

MR BROWN: Yes, that's correct. It's a table games only casino, yes.

45

COMMISSIONER: And I notice that – and this is the subject of evidence before me, Mr Brown, that the minimum bet is \$25 in some instances and 30 in others. You know that?

5 MR BROWN: I'm not sure of that, no, I'm sorry.

COMMISSIONER: I see. Is there a minimum bet at all at Crown and Perth in the VIP rooms?

10 MR BROWN: No, I don't believe there is a minimum bet in the VIP room in Perth.

COMMISSIONER: So it's carte blanche. You can bet any amount you want, either in a VIP salon or on the main gaming floor.

15 MR BROWN: I think it's governed by the table and the limits on the table and the type of game that's involved, yes.

COMMISSIONER: I see. From the point of view of the cage staff in Sydney, the role that the cage staff would play in the Sydney casino is what?

20

MR BROWN: It will be very similar to what they play in Melbourne and in Perth in dealing with our customers front of house, and dealing with any – any requirements back of house operationally to ensure that we are meeting the requirements of the role, so.

25

COMMISSIONER: And so any winnings or pay-outs, to use a neutral term, would occur at the cage, would they?

MR BROWN: Yes, they will.

30

COMMISSIONER: And in respect of the accounts to which we referred a little earlier, that is inter-casino and intra-casino, the cage staff in the Sydney casino would manage those, is that right or not?

35 MR BROWN: Yes, that would be correct, I would believe, yes.

COMMISSIONER: And so if a player goes to the Star down in Darling Harbour and has the good luck to win there and wants the money transferred across to Sydney casino an arrangement would be made for the Star to transfer that across to a patron's account with Sydney casino, I presume.

40

MR BROWN: I believe so, yes. Yes.

45 COMMISSIONER: And so the same sorts of arrangements that have been made for international patrons at the other casinos would more probably than not be made available to the patrons at the Sydney casino. Is that right?

MR BROWN: I believe that would be an expectation, yes.

5 COMMISSIONER: And so far as the aspects of the accounts to which you've been taken by Ms Sharp relating to Riverbank, you're aware that there was also an account called Southbank.

MR BROWN: I am aware, yes.

10 COMMISSIONER: And that was to facilitate what's been referred to from time to time in the evidence as the privacy for the player. Are you aware of that?

MR BROWN: Yes, I'm aware of that.

15 COMMISSIONER: Are such arrangements being made for the Sydney patrons?

MR BROWN: I do not believe, no.

20 COMMISSIONER: So there's no arrangements of which you're aware to facilitate private transactions in a similar way to Riverbank and Southbank in the past in Melbourne and Perth.

MR BROWN: No, I do not believe there'll be an account in the name of anything like Riverbank or Southbank in Sydney, no.

25 COMMISSIONER: Why is that?

MR BROWN: I just don't believe we will be going with accounts in those names. We'll just have one account, I believe.

30 COMMISSIONER: And is there some reason for that?

MR BROWN: Not that I'm aware of, no.

35 COMMISSIONER: And when were you advised that you wouldn't be having accounts like that if you were so advised?

MR BROWN: Well, we – we no longer have those accounts in Perth and Melbourne so I wouldn't assume that we would have them in Sydney, so.

40 COMMISSIONER: And when you say we no longer have them, you're aware that they were closed down by the banks.

MR BROWN: Yes, I am.

45 COMMISSIONER: Are you aware of the reason?

MR BROWN: I'm aware of the reason, now, that it was closed down, that the banks no longer wanted to transact on those accounts. Yes.

COMMISSIONER: Anything arising, Ms Orr?

5

MS ORR: No. Thank you, Commissioner.

COMMISSIONER: Ms Sharp?

10 MS SHARP: No.

COMMISSIONER: Thank you, Mr Brown. That's the conclusion of your evidence. It is unlikely that you will be recalled, but if there's any necessity the solicitors of the Inquiry will notify you. And I understand that there will be a request  
15 made for those documents to which you refer.

MR BROWN: No worries. Thank you.

COMMISSIONER: Thank you, Mr Brown.  
20

**<THE WITNESS WITHDREW**

**[2.25 pm]**

25 COMMISSIONER: Yes, Ms Sharp.

MS SHARP: I call Scott Howell.

COMMISSIONER: Yes. Thank you. Mr Howell?  
30

MR S. HOWELL: Yes. Hello.

COMMISSIONER: Mr Howell, would you prefer to take an oath on the Bible or to make an affirmation?  
35

MR HOWELL: Either, Commissioner. Whatever suits.

COMMISSIONER: Well, this is your first decision, I'm afraid.

40 MR HOWELL: On the Bible. I'm not aware of the procedure, so on the Bible.

COMMISSIONER: All right.

45 **<SCOTT GREGORY HOWELL, SWORN**

**[2.26 pm]**

**<EXAMINATION BY MS SHARP**

COMMISSIONER: Yes, Ms Sharp.

5

MS SHARP: Mr Howell, could you tell the Inquiry your full name, please.

MR HOWELL: My name is Scott Gregory Howell.

10 MS SHARP: And your work address is known to those assisting this Inquiry?

MR HOWELL: Yes.

MS SHARP: Which Crown entity are you presently employed by?

15

MR HOWELL: Crown Melbourne.

MS SHARP: What is your current position?

20 MR HOWELL: I'm the cash transactions reporting manager for Crown Melbourne.

MS SHARP: And how long have you held the position?

MR HOWELL: Since around about 2006.

25

MS SHARP: When did you first join Crown?

MR HOWELL: When the – when Crown Melbourne opened. It was – I – I don't know exactly the date, but I've been with Crown for approximately 25 years.

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MS SHARP: Could you describe your career progression at Crown to us, please?

MR HOWELL: Certainly. I came into Crown as a supervisor within the gaming machine department. I went on to be promoted to an operations manager's role within the gaming machine department. And at around about the 2005/2006 time, my wish was to perhaps leave the shift work environment. So an opportunity came in the cage at that point in time, in anticipation of the AML/CTF Act of 2006, to have somebody look at that role. And I was given the opportunity to take it on in a seconded position. And, then, they obviously must have been satisfied, and I got the position permanently a short time after that.

40

MS SHARP: And what are the principal responsibilities of your current position?

MR HOWELL: Well, I guess the – there's been wide-ranging responsibilities over time, but, primarily, it's to make sure that we comply with the obligations under the Act, which are reflected in our AML/CTF program. So, mostly, it's to look after the day-to-day reporting obligations that Crown has, and the risk processes involved to

45

make sure that we – we react to known concerns with customers with possible convictions or areas of concern.

5 MS SHARP: When you talk about your reporting responsibilities, does that mean that you do or you don't have monitoring obligations or responsibilities?

MR HOWELL: Most certainly. I'm sorry. Yes. The primary role that I have is to monitor the transactions from day to day; that's part of the daily responsibilities.

10 MS SHARP: And when you talk about your reporting obligations, are you talking about matters, such as reporting to AUSTRAC threshold transactions and IFTIs and SMRs?

15 MR HOWELL: Yes, that's correct. I'm sorry if I didn't clarify. All of our reporting, day-to-day responsibilities, including threshold transactions, IFTIs and suspicious matter reports.

MS SHARP: And your responsibilities, are they limited to Crown Melbourne or do they also extend to Crown Perth?

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MR HOWELL: No. My obligations are with Crown Melbourne at this point.

MS SHARP: When you say "at this point", do you contemplate that there will soon be a change to your role?

25

MR HOWELL: Well, no, there won't be a change. No. There's not a change to my role, but there is a view that I – well, I have obtained a WA licence, so that I will be able to look at the patron transactions in Perth if – if it's seen fit by my boss for me to do so.

30

MS SHARP: And who do you report to, Mr Howell?

MR HOWELL: Now, I – my immediate manager is Adam Sutherland. But I report through to Nick Stokes. Prior to that, it was Louise Lane. Prior to that, it was, I think, Michelle Fielding. But I have answered to Debra Tegoni also previously, I think, directly.

35

MS SHARP: And who reports to you, Mr Howell?

40 MR HOWELL: Nobody. Nobody at this point.

MS SHARP: What is your relationship with the cage at Crown Melbourne?

MR HOWELL: Well, I have a – I have had a longstanding relationship with the cage by the nature of the role that I play. And the cage is a primary area of where the money goes in and out. So, from an AML perspective, it's a – I have to have a pretty

45

strong relationship with the group at the cage to ensure that we comply with our obligations.

5 MS SHARP: Have you received any anti-money laundering counter-terrorism financing training while you have been at Crown?

10 MR HOWELL: Well, yes, I have, but not in the manner that, possibly, you're – I had mostly on-the-job training. I have been to – I have been to AUSTRAC sessions or meetings. I have liaised with law enforcement. I have liaised with various people within Crown in the AML space and AML – with their expertise. So, mostly, my training – whatever expertise I have is probably through my time in this position.

15 MS SHARP: Some witnesses have told us they have received online anti-money laundering training from Crown Melbourne. Is that the case with you, too?

MR HOWELL: The online training that, I assume, they are referring to is the – we have an AML online training that I was involved in, probably, instigating. So, yes, I have done it. Absolutely. And I do it - - -

20 MS SHARP: And do you - - -

MR HOWELL: Sorry.

25 MS SHARP: Do you hold any specialist qualifications in anti-money laundering and counter-terrorism financing?

MR HOWELL: No, I do not.

30 MS SHARP: Did you watch Mr Preston give evidence during the earlier July/August sittings of this Inquiry?

35 MR HOWELL: I have endeavoured to. When it was suggest – I had not. But when it was suggested that I might be presenting to the Inquiry, I certainly watched his reviews – his evidence.

MS SHARP: And did you read the transcripts of his evidence during the July/August sittings?

40 MR HOWELL: I haven't read the transcripts. I was listening to him. I went back and listened to the video.

MS SHARP: And how about the evidence he gave more recently, August through to September?

45 MR HOWELL: Yes. I've – I've endeavoured to listen to most of his evidence.

MS SHARP: Are you aware of the existence of Riverbank Investments Proprietary Limited?

MR HOWELL: Yes.

5

MS SHARP: And are you aware that its sole purpose is to hold bank accounts?

MR HOWELL: I'm – I'm sorry. Yes. I'm aware of the account, both the Riverbank account and the Southbank accounts.

10

MS SHARP: Before Mr Preston gave evidence in the July/August sittings, were you aware of those accounts?

MR HOWELL: Yes.

15

MS SHARP: What role, if any, did you have with respect to the monitoring of the actual bank accounts of Riverbank and Southbank?

MR HOWELL: Well, Riverbank was really a Crown Perth operation, so I would have had no – no involvement with Riverbank. I'm aware of the Southbank account, but I did not review the Southbank account transactions. But by the nature of how the system works, the transactions that were entered or – sorry – the transactions that occurred on the Southbank account were reflected in our customer database to identified customers and then I would have done transaction monitoring on those transactions. So in essence, I did not see the Southbank accounts, but I did see those transactions within our database.

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MS SHARP: And just to be very clear, you had no role whatsoever in monitoring the actual bank account statements in the Southbank accounts.

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MR HOWELL: No, I did not.

MS ORR: I object. I object.

35

COMMISSIONER: Yes, Ms Orr. I think the witness said he did not.

MS ORR: I'm not sure whether in the circumstances – no, I just wanted to make clear – I wanted to ask Ms Sharp to make clear whether she's referring to the transactions – monitoring of the transactions reflected in the bank account statements or some sort of monitoring more generally.

40

COMMISSIONER: Yes. I think the term was the actual bank accounts – the actual bank account statements.

45

MS ORR: Yes, I'm not really sure what that means, Commissioner, but I will not say anything further given that the witness appears to have answered.

COMMISSIONER: Yes. No, I have no difficulty with the term. Yes, Ms Sharp, please proceed.

5 MS SHARP: What role did you have – I withdraw that. Is it correct that you did not look at the Southbank bank accounts at all?

10 MR HOWELL: That's correct. I would have seen – sorry. I would have seen transactions at times by the nature of the role that I played, but no, I didn't monitor the transactions within that bank account.

MS SHARP: Is it your evidence that in respect of those bank accounts, what you did look at were entries that had been made in the SYCO software in relation to those accounts?

15 MR HOWELL: That is correct. Yes.

20 MS SHARP: Were you aware that – I withdraw that. In relation to other accounts maintained by Crown Melbourne in its own name, did you look at those bank accounts?

MR HOWELL: No. The same answer as to the Southbank account; I did not monitor the transactions in the bank account specifically, but I did monitor the transactions when they were reflected in our customer database.

25 MS SHARP: So in monitoring those accounts, you were dependent, were you not, on what information from those accounts was entered into the SYCO system.

MR HOWELL: Yes.

30 MS SHARP: Were you aware that recently Mr Preston investigated whether the Crown Perth and Crown Melbourne anti-money laundering programs and the transaction monitoring programs that sat beneath them provided for the Southbank and Riverbank bank accounts to be monitored?

35 MR HOWELL: I don't believe that there was a direct comment in our AML program to monitor the Southbank or, indeed, the Riverbank accounts, but by the nature of the transactions being reflected in our customer database it is noted that I am – as part of the transaction monitoring, any deposits or any transactions on those deposit accounts would be monitored and I would have monitored them through that process, through the SYCO database.

40 MS SHARP: But you've said that your role did not extend to looking at the actual Riverbank and Southbank bank accounts.

45 MR HOWELL: That's correct.

MS SHARP: And would you agree that there is nothing in the Crown Perth anti-money laundering program which says that any person at Crown needed to monitor the actual Riverbank or Southbank accounts for anti-money laundering purposes?

5 MR HOWELL: If I have the question right, I can only really talk to the Southbank account, if you like, because it's Crown Melbourne-related. However, the transactions that occur within the Southbank account are monitored and actioned by the credit control and cage group and those transactions are entered into SYCO. So they are monitored but not by me. They are monitored by the credit control and cage  
10 group and then in turn I monitor the transactions that they have entered into the SYCO database.

MS SHARP: But would you agree that there is nothing within the Crown Melbourne anti-money laundering program which specifically says that the actual  
15 bank accounts of Southbank needed to be monitored for AML purposes?

MR HOWELL: Yes, look, I think I would agree. I don't believe there is a specific reference in our AML program to monitor those accounts. If I may, it is because it would – the perception is that all those transactions are reflected into our SYCO  
20 database and that is noted in our AML program.

MS SHARP: Would you agree that there is nothing in the transaction monitoring program that sits underneath the Crown Melbourne anti-money laundering compliance program that says that the actual Riverbank – I beg your pardon –  
25 Southbank bank account need – bank accounts needed to be monitored for anti-money laundering purposes?

MR HOWELL: I agree, and I think I – I think I suggested that I agreed before. I just expanded on that, that it is monitored through our database, but yes, I agree.  
30

MS SHARP: But when you say it's monitored through your database, you're monitoring in the database is dependent, isn't it, on what information from the accounts has been entered into the database.

35 MR HOWELL: That is correct, yes.

MS SHARP: And is that the same for all the other bank accounts held by Crown Melbourne?

40 MR HOWELL: Yes, that's correct.

MS SHARP: Did you have any role in the recent investigation of Mr Preston into transaction monitoring of the Southbank and Riverbank accounts?

45 MR HOWELL: I'm – I'm sorry, I'm not sure that I quite understand the question. Sorry.

MS SHARP: I'll withdraw that and I'll break it up if I can. Are you aware that Mr Preston undertook a process of investigating whether there had been transaction monitoring of the Southbank and Riverbank bank accounts?

5 MR HOWELL: Probably not specifically. I have been asked in the last couple of weeks to look at certain things that my bosses asked me to look at in line with transactions that would have gone through the account, but I'm not quite sure what Mr Preston was asked to do, but I have supplied information of some background knowledge or information that I've cited in relation to what might have occurred in  
10 the Southbank account.

MS SHARP: But you haven't spoken to Mr Preston directly about these matters.

15 MR HOWELL: No. Not Mr Preston, no.

MS SHARP: And when you say your bosses asked you to look into some things, who were the bosses you were referring to?

20 MR HOWELL: Sorry, my immediate boss, Adam Sutherland, had sent me a document showing some transactions in the Southbank account and asked me to have a look through to see what we may or may not have actioned through a period of time.

25 MS SHARP: And do you still have a copy of that document?

MR HOWELL: I – I've sent – I replied and sent to him – sent it to him.

30 MS SHARP: And are you able to make a copy of that document and your reply available to this Inquiry?

35 MS ORR: Commissioner, before Mr Howell answers that question could I just flag the possibility that provision of that document may be contrary to section 123 of the AML legislation, so I want to be clear and flag that now. That will need to be a matter that is considered as to whether that reveals information that would breach section 123.

40 COMMISSIONER: If that is the case then that can be redacted, Ms Orr. Different people take different approaches, but to facilitate efficient conclusion of this Inquiry I will allow any redactions to take place where you take the view that it's suspicious. I withdraw that. Take the view that it's a 123 vulnerability and we can know that that's why it's redacted.

MS ORR: Thank you very much, Commissioner.

45 COMMISSIONER: Yes, Ms Sharp.

MS SHARP: And Mr Howell, so far as your own inquiries were concerned, did you form the view that there had been some shortcomings in the monitoring program?

5 MR HOWELL: No, not really. I know – I am assuming a question that you will raise with me is in regard to the bulk totalling of transactions in the SYCO database, so when I look at that you think then you would have to obviously say there is a concern there. I have an answer to that, but ultimately there is a concern that bulk amounts were put in rather than the individual transactions.

10 MS SHARP: And those bulk amounts, the entry of those bulk amounts occurred over a period of some years; that is right?

MR HOWELL: Look, I believe so. I couldn't categorically say either when it started or otherwise, but I am aware that it has occurred, yes.

15 MS SHARP: And are you aware that the same problem has also occurred in other bank accounts that are held in the name of Crown Melbourne?

MR HOWELL: I would assume that the problem is not related – this issue is not related to Southbank, nor any other Crown account. It appears to be a process that the cage did regardless of the account it went through.

MS SHARP: And you've identified this as an issue that relates to the cage. Is it your suggestion that the cage in Melbourne omitted to do something?

25 MR HOWELL: No, no. Absolutely not. What – I have no reason to believe that they have not complied with all their obligations, however, in my monitoring I run a series of reports and, obviously, if those transactions had have been entered individually that would have assisted me. But by no means does that mean that we have not fulfilled our obligations. It is one aspect but, clearly, if I had have turned my mind to it at the time, and I did not, I could have simply rectified that. All I needed to do was send an email and have a conversation with the cage and that would have been stopped, and I did not do that. I didn't do that.

35 MS SHARP: So was the problem so far as you're concerned that the cage was not instructed to monitor these individual transactions in the accounts before aggregating them and reporting into SYCO?

MR HOWELL: No, no. Again, I have no doubt that they – they have sighted the transactions by the nature of fulfilling their role, so they would have known that these multiple transactions, I think as you've referred to them as, occurred, and I would expect and have no reason to believe that if they believed that those multiple transactions were suspicious as an example, then they would absolutely have brought them to my attention. What I am saying, though, is it is possible that if they put in a bulk figure then I may not have seen that in the telegraphic transfer report that I ran daily. I may not have seen that there were multiple transactions. I also may have seen them under other triggers, but I might have missed it. It is possible.

MS SHARP: Mr Howell, did anyone from cage ever make you aware of their concern that there had been structuring or smurfing occurring in the Southbank accounts?

5 MS ORR: I object. I object to that question. Mr Howell cannot answer that question without potentially committing, on behalf of Crown, an offence under section 123.

10 COMMISSIONER: I disagree with that, Ms Orr, but thank you for the objection, and you're covered by that objection. Thank you. Yes, you may ask the question.

MS ORR: I'm just very concerned that an offence not be committed, Commissioner.

15 COMMISSIONER: No, I'm sure that there's a great deal of concern around that and I'm very much aware of it, but simply to ask him whether anyone brought to his attention within house the concern that some of the accounts looked odd or suspicious, it has to be the case that that's not going to breach 123, in my view.

20 MS ORR: Commissioner, could I refer to a specific part of section 123 that I believe is engaged - - -

COMMISSIONER: Yes - - -

25 MS ORR: - - - before your Honour permits that question?

COMMISSIONER: Yes, of course.

MS ORR: I apologise for this, Commissioner.

30 COMMISSIONER: That's all right, Ms Orr. I will reopen the debate. Yes.

MS ORR: These are matters that my client would like to be able to tell the Inquiry about - - -

35 COMMISSIONER: No, Ms Orr, please. Please. It's been a long week. Can we just get on with the argument.

40 MS ORR: I'm sorry, I was waiting for the Commissioner to have the provision. Would you like me to commence before you have - - -

COMMISSIONER: I'm sorry?

MS ORR: I was waiting for you to have the provision in front of you.

45 COMMISSIONER: No, you go ahead. I'm well aware of 123.

MS ORR: I'm sorry. The subsection that I would like to direct the Commissioner's attention to is subsection (2). Subsection (2), subparagraph (b). So subsection (2), subparagraph (a) firstly says:

5           *If a suspicious matter reporting obligation arises or has arisen for a reporting  
entity in relation to a person and (b) either (i) the reporting entity has formed  
the applicable suspicion mentioned in subsection 41(1) then (c) the reporting  
entity must not disclose to someone other than the AUSTRAC CEO or a  
10           member of the staff of AUSTRAC (i) that the reporting entity has formed the  
applicable suspicion or any information (ii) any other information from which  
the person to whom the information is disclosed could reasonably be expected  
to infer that the suspicion had been formed.*

15           Now, if Mr Howell is asked questions about whether members of the cage or credit  
control team escalated matters to him on the basis that they had formed a suspicion  
about those matters, a suspicion that satisfies section 41(1), the Commission will  
have information from Mr Howell in breach of subsection (2) because it will be  
information that reveals that the applicable suspicion has been formed and it is  
information from which you, Commissioner, and others listening to this evidence,  
20           could reasonably be expected to infer that the suspicion has been formed.

          Those are the concerns I have, Commissioner. If Mr Howell answers that question  
my concern is that there will be an offence committed by Crown because this is an  
offence that's committed by the reporting entity. So Mr Howell, on behalf of Crown,  
25           in answering that question, in my submission, will fall foul of section 123, subsection  
(2).

30           COMMISSIONER: What he's being asked is whether the staff told him about any  
concerns in relation to a non-reporting entity, being Southbank.

MS ORR: I'm - - -

COMMISSIONER: Yes, Ms Orr, just let me finish.

35           MS ORR: I'm sorry. I'm sorry, Commissioner.

40           COMMISSIONER: In the circumstances, the question relates to whether a staff  
member informed him of their observations in respect of the Southbank Proprietary  
Limited company's bank account and if a staff member in fact informs Mr Howell  
that in the Southbank bank account there was a transaction that concerned that  
person, then that person is able to identify that concern. The fact that Mr Howell  
might then form a suspicion that has to be forwarded to AUSTRAC is another step  
about which Ms Sharp is presently not asking Mr Howell. So in the circumstances –  
anything further, Ms Orr.

45           MS ORR: Yes, could I make two points in response to that. It is not – this  
questioning is not confined to Southbank. This is questioning about an obligation on

the part of Crown Melbourne in relation to a designated service that Crown Melbourne proposed to provide to the patrons who were depositing money into this account.

5 COMMISSIONER: Yes, thank you.

MS ORR: So, in my submission, that answers the point about this being dealt with by reason of it being a question about Southbank. The second point I wish to make is that the fact that a person – an operational person rather than an AML person – has formed this suspicion does not mean that that suspicion is irrelevant. That is the person forming the suspicion to which section 123 subsection (2) is directed. The fact that Mr Howell lodges a suspicious matter report puts his conduct in the territory of section 123 subsection (1), which deals with information that has been conveyed to AUSTRAC. Subsection 123(2) is not directed to that topic. It's directed to the formation of the suspicion by a person at the reporting entity, being Crown Melbourne, and that includes a member of the cage staff or a member of the credit control team. I'm sorry to - - -

20 COMMISSIONER: Anything further, Ms Orr?

MS ORR: No. I'm – no. Those are my submissions. As I've said before, Commissioner, we're just very concerned to not deal – to not put anyone in a position of committing a criminal offence here.

25 COMMISSIONER: There's no risk of that, I believe. Yes, Ms Sharp.

MS SHARP: Commissioner, I do need to add that there is a very simple answer to all of this.

30 COMMISSIONER: Yes. I'm going to allow the question. Yes.

MS SHARP: Yes. Thank you. In that event, I will not refer to the exception to section 123(2), in subsection (9).

35 COMMISSIONER: Yes. No, you referred to that the other day. Thank you.

MS SHARP: Mr Howell, did anyone from cage ever make you aware of their concern that there had been structuring or smurfing occurring in the Southbank accounts?

40 MR HOWELL: I believe I'm instructed I'm allowed to answer that and - - -

COMMISSIONER: You are.

45 MR HOWELL: Yes. Yes.

MS SHARP: On how many occasions?

MR HOWELL: That I could not say. Over a period of time, information has been escalated to me a number of times in regard to possible concerns with structuring in those accounts.

5 MS SHARP: Are you aware that a number of banks closed those accounts in the past?

MR HOWELL: Yes.

10 MS SHARP: You're aware that HSBC closed those accounts?

MR HOWELL: Yes.

15 MS SHARP: Are you aware as to the reason HSBC closed those accounts?

MR HOWELL: No. I – I assume it's in relation to the heightened areas of concern with AML. But I assume that's a problem with all casinos. But all I know is those accounts were closed.

20 MS SHARP: Are you aware that ANZ closed those accounts?

MR HOWELL: I think – I think, from the Inquiry, that was the ANZ accounts in Perth? I'm not sure. However, if you – I – accounts have been closed. Yes.

25 MS SHARP: Are you aware as to why those accounts were closed?

MR HOWELL: I've already – I know they have been closed. I don't, specifically, know the reasons why. But, again, it would not be a long stretch to suggest there are heightened concerns in the AML space. And I assume the banks were not prepared to take that risk. I don't know. But I believe there's a concern, possibly, with casinos looked on as a bit of a heightened risk.

30 MS SHARP: And are you aware that, most recently, the ASB and the CBA have closed those accounts?

35 MR HOWELL: Absolutely. Yes.

40 MS SHARP: And are you aware that the reason they did so was they did not have the risk appetite for those accounts, in terms of Australia's anti-money laundering framework?

MR HOWELL: That would be my assumption. I don't – I'm not sure that I, specifically, know why they did it. But that would not surprise me. What you've said seems to be likely true.

45

MS SHARP: On each of the occasions where the bank closed its Southbank accounts, did you cause any analysis to be undertaken of the transactions that had occurred in those accounts?

5 MR HOWELL: No more than we would have done through the natural course of  
business. In response to previous questions and my replies, I am quite comfortable  
that the credit control and cage team fulfilled their duties as they should. And I have  
said I have obviously seen, I guess, the escalation of multiple transaction situations.  
10 So I have no reason to believe they're not fulfilling their role correctly. And I would  
sit here and say I have fulfilled my role in the transaction monitoring area in relation  
to these styles of transactions.

MS SHARP: I have no further questions, Commissioner.

15 COMMISSIONER: Yes. Ms Orr?

MS ORR: No questions. Thank you, Commissioner.

20 COMMISSIONER: Mr Barnett?

MR BARNETT: No. No questions, Commissioner.

COMMISSIONER: Ms Case?

25 MS CASE: No. Thank you, Commissioner.

COMMISSIONER: Thank you, Mr Howell. You're free to depart from where you  
are. And thank you for making yourself available.

30 MR HOWELL: Not at all. Thank you.

COMMISSIONER: Thanks, Mr Howell.

35 <THE WITNESS WITHDREW [3.00 pm]

COMMISSIONER: Yes, Ms Sharp.

40 MS SHARP: The next witness I will call is Mr Nick Stokes. I understand he's  
giving evidence from the same location as Mr Howell.

COMMISSIONER: All right. Would you like me to adjourn for a moment while  
that's arranged?

45 MS SHARP: Thank you, Commissioner.



MS SHARP: You have been the group general manager of anti-money laundering at Crown Resorts since November 2019; correct?

MR STOKES: Correct. It's about mid – from mid-November.

5

MS SHARP: Is this when you first commenced employment at Crown?

MR STOKES: Yes.

10 MS SHARP: Could you just tell us briefly about your experience before you took this job at Crown?

MR STOKES: So my experience relating to this topic commenced in, roughly, 2003. I worked for a Japanese law firm in Sydney, New South Wales. I was a law clerk. I did get involved in some proceeds of crime work. Thereafter, I worked for BT Financial Group, a subsidiary of Westpac, for about a year. And, then, in 2005 I joined AUSTRAC, for which I had a number of roles within AUSTRAC across a number of teams. And I moved briefly to APRA, and worked in their international area and enforcement areas, before moving back to AUSTRAC in their international team. In 2008 I moved to the Bank of Tokyo-Mitsubishi UFJ as a compliance officer. In, roughly, October 2010, I was asked to relocate to Singapore and build a regional AML team in Singapore for Bank of Tokyo-Mitsubishi UFJ. I stayed in that role until 2013/14 in which – when I moved to Standard Chartered Bank and took up a regions role for FCC assurance, so financial crime assurance. In 2016, I moved to Credit Suisse. And last year I moved to Australia – back to Australia from Singapore. So I spent nine years in Singapore.

15

20

25

MS SHARP: You are based in Melbourne, aren't you?

30 MR STOKES: I am.

MS SHARP: What are your principal responsibilities as the group general manager of anti-money laundering?

35 MR STOKES: In short, the oversight and management of the AML/CTF framework and management of the AML team across the properties, so Perth and Melbourne.

MS SHARP: So do you have a role in inculcating a culture of compliance in anti-money laundering principles?

40

MR STOKES: I believe I do.

MS SHARP: Can you give us any insight as to why you are not the AML/CTF compliance officer at Crown?

45

MR STOKES: I cannot. But I can only speculate, because my predecessor, also, did not hold that position of AML/CTF compliance officer. So, consistent - - -

MS SHARP: And your predecessor was - - -

MR STOKES: I'm guessing it's consistent with that, with the role that was set up in 2000 – or the GM AML role was set up in 2017, I believe.

5

MS SHARP: Your predecessor was Louise Lane?

MR STOKES: I believe so, yes.

10 MS SHARP: Has there been any recent discussions about you assuming the role as the AML/CTF compliance officer?

MR STOKES: Recent discussions, no. But there have been discussions with the chief legal officer, after I joined, that that would be a possibility. But we haven't had  
15 any recent discussions. I haven't had any recent discussions with him. The conversation was really around getting through the Inquiry, getting through the AUSTRAC on-site compliance assessments. And then they would reassess whether he would continue in that role or not.

20 MS SHARP: Who do you report to?

MR STOKES: To Joshua Preston.

MS SHARP: And who reports directly to you?

25

MR STOKES: Directly to me? Adam Sutherland, at the moment, is my only direct report.

MS SHARP: And does Mr Howell report to you via Mr Sutherland?

30

MR STOKES: Yes, he does.

MS SHARP: Do you have any specialist qualifications in anti-money laundering law?

35

MR STOKES: As part of my law degree I – before I transferred from a Master of Laws and Legal Practice to a Juris Doctor, I did a subject in AML as part of that master's degree. I also, in two thousand and – I don't remember the exact date, to be honest, but I did the ACAMS – I became CAMS-certified at a particular point in  
40 time, and I held membership up until 2013/14. I also passed another qualification called the Association of Certified Financial Crime Specialists and held membership for a period of time, but both memberships have since lapsed.

MS SHARP: Is there any reason why you don't have a current membership of  
45 ACAMS?

MR STOKES: I was on the board. I was on the chapter board in Singapore until about 2014, from memory. Standard Chartered were, at the time, in my opinion, overrepresented and, due to work commitments, I decided to resign from the board, and my membership lapsed, and I didn't renew that membership.

5

MS SHARP: Now, it's correct that, at the moment, there is a separate AML/CTF program for Crown Melbourne and a separate AML/CTF program for Crown Perth?

MR STOKES: There are two single programs. But if you look at the wording of the joint program that was approved last year, one – I can't remember the exact condition, but by that being approved, that then meant that the two single programs ceased to be in effect.

10

MS SHARP: But the joint program is yet to be implemented?

15

MR STOKES: That's – that's strictly – that's – yes, that's correct, from a – from a – yes. Implementing policies and procedures are still in draft form.

MS SHARP: Do you have a role with respect to the implementation of the joint program?

20

MR STOKES: I – I have responsibility to implement those policies and procedures.

MS SHARP: Can you tell us when it's presently expected that the joint program will be implemented?

25

MR STOKES: In accordance with what I presented to the AML/CTF compliance committee in January/February this year, we had a staggered approach to that implementation across the four quarters. And where we are at the moment, the draft procedures are about 90 per cent written. They just require feedback and socialisation with the relevant departments and the final approval with the AML/CTF compliance officer.

30

MS SHARP: What are your present responsibilities with respect to the Crown Melbourne AML policy or program?

35

MR STOKES: I don't quite understand the question.

MS SHARP: Do you have any particular responsibilities with respect to the current Crown Melbourne AML program?

40

MR STOKES: Well, my responsibilities is to implement the joint – the policies and procedures under the joint program across both properties and, eventually, Sydney.

MS SHARP: I understand your responsibilities with respect to the joint program that is yet to come into effect, but what are your responsibilities in respect of the current AML program that applies at Crown Melbourne.

45

MR STOKES: If it was deemed to apply then I would have responsibility for that program as well.

MS SHARP: I'm sorry, did you say if it's deemed to apply?

5

MR STOKES: Well, as I said before the – if you look at the wording of the joint program, it does mention that by that being approved the other programs under – the single programs sees to exist. That supersedes those two programs. That's what I was referring to.

10

COMMISSIONER: Ms Sharp is asking you about the single program.

MR STOKES: Yes. The default position has been until we implement the joint program that the single programs will continue to apply.

15

COMMISSIONER: No, Mr Stokes, we're a little at odds. Let me see if I can get us back. Ms Sharp's question is relating to the Melbourne AML/CTF single program or the single one in Perth, so you're being asked what are your responsibilities presently in respect of - - -

20

MR STOKES: To have oversight and management of those programs.

MS SHARP: In respect of the AML Melbourne program.

25

MR STOKES: Yes.

MS SHARP: So your present responsibility is to oversight the Crown Melbourne AML program; correct?

30

MR STOKES: Yes.

MS SHARP: And how do oversight that?

35

MR STOKES: At the moment it's through the escalations that I receive, whether that be through the internal SMR process; it also includes the training program which is under review at the moment, it's being refreshed and is about to be rolled out this year. It would include the – both parts, part B in terms of KYC. It would include any customer due diligence work under both programs. It would also include the employee due diligence components of both programs, it would also include the risk assessment processes across both programs. That, in a nutshell, are the common – common components of both programs.

40

MS SHARP: And I think you said earlier one of your responsibilities is inculcating a culture of AML compliance.

45

MR STOKES: Yes.

MS SHARP: You mentioned a little earlier that you had been doing some work with the AML/CTF compliance committee.

MR STOKES: Yes.

5

MS SHARP: Is this a committee of Crown Resorts or Crown Melbourne or Crown Perth?

MR STOKES: It's a committee across both properties at the moment.

10

MS SHARP: So is it a committee of Crown Resorts?

MR STOKES: No, I believe it's – it's – the charter is yet to be established or signed off, but it's across – the members are across Perth and Melbourne.

15

MS SHARP: And this is a fairly new committee, is it?

MR STOKES: I believe my predecessor may have established the committee before she left the firm but, yes, it's an established committee.

20

MS SHARP: But I was asking you, it's a reasonably new committee.

MR STOKES: Yes, it is.

25

MS SHARP: You mentioned it doesn't have a charter yet.

MR STOKES: That's correct. The charter has not been approved.

MS SHARP: Who are the members of this committee?

30

MR STOKES: It would be the business operations team across both properties as a general rule, so senior – senior managers at both properties across the respective departments that are involved in the provision of designated services.

35

MS SHARP: Sorry, does this committee actually meet at the moment?

MR STOKES: No, it doesn't.

MS SHARP: So this new committee that you say you work for hasn't met yet.

40

MR STOKES: The - - -

MS SHARP: Is that right?

45

MR STOKES: The last meeting was in January or February of this year.

MS SHARP: So the committee has had a meeting.

MR STOKES: Yes, correct.

MS SHARP: Just one?

5 MR STOKES: Just one.

MS SHARP: Any directors of Crown Resorts members of this committee?

10 MR STOKES: No, the – any escalations or issues from that – or the minutes from that committee go to the compliance committee and then from there to the ERCC, so the – sorry, the enterprise risk committee, and then from there they make their way either to the risk committee or to the board.

15 MS SHARP: And that's the Crown Resorts board, is it?

MR STOKES: The Melbourne and Perth board.

MS SHARP: And not the Crown Resorts board?

20 MR STOKES: I don't have that information in front of me. I would assume it would go to the Crown Resorts board as well.

25 MS SHARP: But you're not – as the – pardon me, it's getting late. As the group general manager of anti-money laundering, you're not able to tell us whether this committee ultimately feeds into the Crown Resorts board.

MR STOKES: I don't have that information in front of me so I can't confidently say yes or no but I would assume it would be the case.

30 MS SHARP: Did you watch Mr Preston give evidence during the July and early August sittings of this Inquiry?

MR STOKES: Bits and pieces, yes, I have.

35 MS SHARP: And have you read his transcripts of that evidence?

MR STOKES: I have read them, yes, but not recently. The 20 February statement I have read recently.

40 MS SHARP: Now – sorry, you said you've read the 20 February statement recently?

MR STOKES: Correct.

45 MS SHARP: But you didn't assist him in putting that statement together?

MR STOKES: I did, but it was a number of months back.

MS SHARP: And you're aware, of course, that Mr Preston gave evidence last week.

MR STOKES: Yes.

5

MS SHARP: Did you watch that evidence?

COMMISSIONER: I thought it was this week.

10 MR STOKES: I watched – sorry?

COMMISSIONER: I could be wrong, Ms Sharp.

MS SHARP: I'm sorry, I think it was this week and last - - -

15

MR STOKES: Yes, it was.

MS SHARP: This week. It's been a long week.

20 MR STOKES: I can't say I watched all of it, but I watched as much as I could fit into my schedule.

MS SHARP: And have you read the transcript of his evidence given this week?

25 MR STOKES: No, I haven't.

MS SHARP: Has Mr Preston discussed his evidence with you at all?

MR STOKES: No, he hasn't.

30

MS SHARP: Are you aware that Mr Preston in recent times has been coordinating an investigation into certain aspects of transaction monitoring?

MR STOKES: Yes, I am.

35

MS SHARP: Have you provided him any assistance in relation to that investigation?

MR STOKES: My assistance was in relation to contacting and speaking with AUSTRAC and to give some feedback on the letter that ultimately went to AUSTRAC.

40

MS SHARP: Did you provide any other assistance to Mr Preston in relation to that recent investigation?

45

MR STOKES: Not in relation to the actual operational aspects of that.

MS SHARP: I'm just wondering if you can explain why that is given that you are the group general manager of AML.

5 MR STOKES: Because it was agreed that that was a large task to coordinate and that due to the need to get the implementing procedures done as quickly as possible due to – as I've just described before, it was agreed that I would focus on getting those implementing procedures while Mr Preston and team would focus on the investigation – the logistics of that investigation.

10 MS SHARP: Now, you co-authored a letter with Mr Preston to AUSTRAC dated about 20 August in relation to this investigation?

MR STOKES: Yes, I did.

15 MS SHARP: Have you been made aware – I withdraw that. Is it right that the investigation continues?

MR STOKES: I believe it is, yes.

20 MS SHARP: Have you been made aware of the outcomes of that investigation?

MR STOKES: The latest update I have is that due – well, there was two investigations going on simultaneously in Perth and Melbourne. Melbourne being locked down; there's been some challenges around getting access – well, first staff  
25 getting access to the premises and getting access to archives. That, I believe, continues. I also understand that they're in the process of getting the relevant documents together based on the transactions that they've flagged as being worthy or relevant for the investigation, and then the arrangement is to then go to an external consultant to get some – to verify that the process is in fact a sound process for a  
30 look-back exercise of this nature, and we're also waiting for – AUSTRAC have advised that they're looking to send a letter to Crown in the next one or two weeks to give us feedback on our letter and seek – sorry, seek clarifying information as well.

35 MS SHARP: Now, in relation to the investigation at Crown Perth and also the investigation in relation to Crown Melbourne, it's fair to say that some oversights have been detected?

MR STOKES: You mean in relation to what we've been – what the Inquiry has been looking at for the last week or so?

40

MS SHARP: Yes.

MR STOKES: Yes. Yes.

45 MS SHARP: Could you just tell us – we will start with Crown Perth. What are the oversights that have been identified so far?

MR STOKES: I think the oversights are around the awareness of roles and responsibilities of who in the first line or second line of defence should have the – should be reviewing those bank transactions, so transactions or cash deposits that hit the Crown bank account, whether it be the ANZ bank account or the former  
5 Southbank/Riverbank accounts.

MS SHARP: So just looking at Crown Perth, is it fair to describe the oversight as being that nobody monitored the actual bank account statements for anti-money laundering purposes?  
10

MR STOKES: I think there was a disconnect between what the role and responsibility of the cage was supposed to be given that they do have and they do have that responsibility, no doubt, when a patron or customer presents to the cage and potentially structures deposits at the cage. For some reason there was an  
15 inconsistent application of that practice or responsibility in both properties. I have a view as to why that's the case, based on my conversations but, yes, so that's my understanding.

MS SHARP: And just to be clear - - -  
20

MR STOKES: Sure.

MS SHARP: - - - this oversight was happening at both Crown Melbourne and Crown Perth. You're nodding; you mean yes?  
25

MR STOKES: Yes.

MS SHARP: And it was happening not only in relation to the Riverbank and the Southbank accounts, but in relation to all of the bank accounts.  
30

MR STOKES: I don't have that information because I haven't – I haven't looked at the – specifically to get an update on whether that was also happening in the other ANZ accounts.

MS SHARP: You said you had - - -  
35

MR STOKES: After the accounts were closed.

MS SHARP: Sorry to cut across you.  
40

MR STOKES: That's okay.

MS SHARP: You said, Mr Stokes, that you did have a view about why this oversight had occurred; what is that view?  
45

MR STOKES: My view is based on a discussion with senior management of the cage, also speaking to credit control, speaking to Travis Costin, and also my own

experience looking at that issue. From my perspective if you look at this from a three lines of defence model perspective, the specific risk that we're talking about here, structuring into Crown bank accounts, does not seem to have been specifically front of mind during that period that that was a risk that Crown should pay attention to. I believe it was not on – it was not registered or recorded on the risk register as being a specific money laundering risk like you would have the structuring offences at the cage. So there has been some – certainly some disconnect or lack of connecting the dots to apply that knowledge or training or awareness to Crown bank accounts.

10 I think also, too, there's been a lack of testing or assurance processes over the potential – if that risk was in fact identified, you would want to have second – first line and second line testing processes to ensure that it was detected and reported. As we've heard, you know, this week or last, there's certainly been evidence around the aggregation of those transactions into the SYCO system, so the AML team also was unable to basically detect that as well. And also the feedback from, say, the ANZ or an ASB or a CBA through Travis Costin to the AML team, that channel, although open, did not reach AML as well. So I think there are multiple opportunities where that could have been detected back in 2013 or 2014, but unfortunately there was an oversight and that wasn't detected.

MS SHARP: You mention that some of the people you spoke to were the senior managers of the cage. Did that include David Brown?

25 MR STOKES: Yes, I spoke to David Brown.

MS SHARP: And you mentioned you spoke to Travis Costin. Why did you speak to him?

30 MR STOKES: For two reasons. I wanted to understand – because we have been dealing with the issue – the relationship with ANZ and how we could improve detection capabilities in our transaction monitoring program. We have also had a number of meetings with them to take – to give their feedback on the need to share certain information on junkets and players with them and how we can best structure that. But my main concern was understanding the way forward and how, if him in his position as treasury or banking, how he could escalate any contact that he may have from ANZ or any inquiries through to AML, so that was my – my reason or motivation for contacting him.

40 MS SHARP: If I understood you correctly, you said that you contacted Travis Costin in order to understand the situation?

MR STOKES: To – I asked him about whether in the past he recalled receiving feedback or concerns from the banks on this issue.

45 MS SHARP: And did he tell you he had received feedback and concerns in the past?

MR STOKES: He said that he – obviously he had received queries from the banks on particular – I think – I’m not sure if it was customers or particular transactions and those concerns or that feedback was passed through to the credit control team, not to the AML team.

5

MS SHARP: Just so I understand, why did you think Travis Costin was the person that you should speak to about these matters?

MR STOKES: Because he’s the relationship manager with the banks and so if the banks have a concern, they would naturally go to him and communicate that concern to him.

MS SHARP: So did you see him as the person best placed to tell you what was going on?

15

MR STOKES: I wanted to know historically whether – to what extent did he receive any communication on these issues from the banks.

MS SHARP: Were you made aware that in 2014 ANZ had told Crown that structuring was occurring in one of these bank accounts, that is, a Riverbank or a Southbank account?

20

MR STOKES: Not until it was made known through this Inquiry.

MS SHARP: At the time – prior to the commencement of this – I withdraw this. Prior to when media allegations were made about the Riverbank and Southbank accounts in August – I withdraw that. When did you first become aware of the existence of the Riverbank and the Southbank accounts?

25

MR STOKES: When I was told that they were being closed. And that would have been December – from memory, December last year.

30

MS SHARP: And how long after you commenced your position as the group general manager of anti-money laundering was that?

35

MR STOKES: I can’t say – I don’t recall how long it was. I don’t recall the exact date, but if I were to guess it would have been a number of weeks.

MS SHARP: Were you told why those bank accounts were being closed at the time?

40

MR STOKES: I was told that for privacy reasons or the banks did not like those accounts to – they saw them as a risk. The risk appetite did not suit the banks and that there were allegations that there had been money laundering occurring through those accounts.

45

MS SHARP: So is it your evidence that you were made aware that the reason the banks were closing these accounts was because of money laundering concerns?

5 MR STOKES: Or suspicious activity, I think, was more the phrase that I recall.

MS SHARP: Have you spoken to Ken Barton at all to understand what was going on in the Riverbank and Southbank accounts?

10 MR STOKES: No, I haven't.

MS SHARP: Do you know he was a director of the Riverbank and the Southbank companies?

15 MR STOKES: I've learnt that through this Inquiry.

MS SHARP: But you didn't know that before this Inquiry?

MR STOKES: I did not.

20 MS SHARP: Do you think he would be a useful person to consult with about what was going on in the Southbank and the Riverbank accounts?

MR STOKES: If I – you mean if I were to consider that after I joined? I don't – could you repeat the question, please?

25 MS SHARP: Yes, sorry. Do you think he would have been a useful person to consult with about what was going on in the Southbank and the Riverbank accounts?

MR STOKES: If – if I had put my mind to that, yes.

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

COMMISSIONER: Yes. Do you attend any of the conferences that are held by those organisations of which you were previously certified, or have you stopped associating with them at the moment?

MR STOKES: I have stopped associating with those – you mean the anti-money laundering educational - - -

40 COMMISSIONER: Yes.

MR STOKES: Yes. Yes. I do keep in contact with individuals who I've met through those organisations.

45 COMMISSIONER: Yes.

MR STOKES: But I don't – yes.

COMMISSIONER: That organisation, that certificate, is provided by the anti-money laundering specialists; is that right?

5 MR STOKES: Yes. Yes, it's the Association of Certified Anti-Money Laundering Specialists. Yes.

COMMISSIONER: And the certificate – does the certificate last for a particular period, Mr Stokes?

10 MR STOKES: It lasts as long – you have to maintain membership.

COMMISSIONER: Right.

15 MR STOKES: And you have to recertify via – similar to a, I imagine, an accounting qualification or a law qualification, you earn points based on years of service, whether you have authored an AML publication, whether you have provided training in some forum or you're a keynote speaker in some forum, you will earn points.

20 COMMISSIONER: So it's a continuing education type of points system, is it?

MR STOKES: Yes, that's correct.

COMMISSIONER: Yes.

25 MR STOKES: I have to add that - - -

COMMISSIONER: And is there some reason why you ceased being a member of those organisations?

30 MR STOKES: Only based on that I see that qualification as an entry level qualification to the profession.

COMMISSIONER: I see.

35 MR STOKES: And I felt that that organisation, in my experience, had run its course. And I was well on my way to being – doing – doing my work, you know, on the job, basically. It was all about self-learning after that.

40 COMMISSIONER: All about self-learning. Yes, I understand. Some of the evidence that was called earlier in the year, particularly from a Mr Chapman, indicated the – I suppose, the benefits or advantages of cross-pollenization or sharing the experiences of others within these organisations?

45 MR STOKES: Yes. I've been taking that informally myself. I see what ACAMS provide is certainly a great network opportunity and educational forum to share. But I feel that I can provide that myself through my own informal network and my own interest. Yes.

MS SHARP: Can I show you a document, please, Mr Stokes. It's an open document, so I will have it shown on the public screen. And do you have a computer available to you to review documents, Mr Stokes?

5 MR STOKES: I don't believe I do. I have – I have some materials in front of me, but I don't – I have some folders. But I don't believe there's a computer available.

MS SHARP: Do you have a document that is – the list I'm told it's in is Crown confidential list 2 at tab 1.

10

MR STOKES: I have list 11, list 12. I have Joshua Preston's statement of 20 February; that's all I have in front of me....

MS SHARP: It's okay. I can show it on the screen and then I can read it to you.

15

MR STOKES: Okay.

MS SHARP: It's CRL.557.001.0726. Now, are you saying you don't have access to a screen to view documents, Mr Stokes, or you can see this document?

20

MR STOKES: I can – I have been made aware there is a document. List 2, did you say?

MS SHARP: Yes. Crown confidential list 2 at tab 1.

25

MR STOKES: Okay. I think I'm looking at the same document.

MS SHARP: Thank you. Now, this is an – do you see this is an email to Travis Costin, and it's dated 31 January 2014, and it's from Mr Paul Birch at ANZ.

30

MR STOKES: Yes.

MS SHARP: And do you see it says:

35

*As discussed, we would like to discuss the operation of Riverbank Investments account. This has been sparked by internal investigations identifying a series of suspicious transactions in multiple deposits on the same day, at different Perth branches, of cash amounts under \$10,000, around*

40 800 to 900 – sorry –

*8000 to 9000 by the same person.*

MR STOKES: Yes.

45

MS SHARP: Would you agree, based on your experience, that this is a red flag for structuring or smurfing?

MR STOKES: Yes.

MS SHARP: Could I show you another document, please. This, I'm told, is in Crown confidential list 1, at tab 62, which I hope you have. I'm told it's an open  
5 document and we can bring it up on the screen. CRL.563.001.7842.

MR STOKES: What tab was that, may I ask?

MS SHARP: Tab 62, Mr Stokes. I beg your pardon, tab 63, I'm told.  
10

MR STOKES: Yes.

MS SHARP: I'm wondering, if you look at the bottom this email sent to Travis Costin on the 11th of July 2018, you see a series of questions are asked from the ASB Bank?  
15

MR STOKES: That was the 11th of July?

MS SHARP: Yes.  
20

MR STOKES: Yes.

MS SHARP: Would you agree that the concern being raised here is one of whether these accounts are subject to monitoring for anti-money laundering purposes?  
25

MR STOKES: Yes.

MS SHARP: That's the very clear import of those questions?

MR STOKES: Well, the last – number 6 is:  
30

*Transaction monitoring in place to detect unusual activity.*

MS SHARP: Yes. Now, you, may I take it, are well-familiar with the current Crown Melbourne AML program?  
35

MR STOKES: I would need to look at it if I was asked a question.

MS SHARP: Well, I will ask you this question. And then you tell me whether you need to look at it. There's nothing anywhere in that program that says, specifically, that the Southbank or the Riverbank accounts need to be monitored for AML purposes?  
40

MR STOKES: That's what I recollect; that's correct.  
45

MS SHARP: Do you – with the benefit of your experience and your recent investigations, do you regard that as an oversight?

MR STOKES: I do.

MS SHARP: Can I – pardon me for one moment. We were told earlier today by Mr David Brown that you initiated a change of policy in April of this year and the  
5 change was this: that Crown has been – or has directed to cease allowing customers to direct Crown to transfer funds credited to their deposit accounts to third parties.

MR STOKES: Yes. That's the - - -

10 MS SHARP: Do you recall - - -

MR STOKES: I – I recall that – that evidence. Yes.

MS SHARP: And you did issue that direction?  
15

MR STOKES: No, I didn't.

MS SHARP: So you didn't initiate that direction?

20 MR STOKES: I attended a meeting where the risk of third party payments was discussed at length. And, during that meeting, Mr Barry Felstead issued the directive – direction that no more third party payments.

MS SHARP: And, at that meeting you attended, what was the problem with these  
25 third party payments that was identified?

MR STOKES: Since joining, the practice around monitoring third party payments has been to look at the relationship and understand the recipient of a third party payment to see if they are related to the patron or a junket operator and to understand  
30 that relationship, also to see if that person has – is also a patron themselves. And so the – my understanding from the – speaking to the team on historical such cases, that a suspect matter report would be filed when they detect third party payments where they're unable to establish the relationship between the sender and the recipient.

35 COMMISSIONER: When was that meeting?

MR STOKES: The meeting, from memory, was – I would have to double-check the meeting minutes, but I seem to recall February/March.

40 COMMISSIONER: This year?

MR STOKES: Correct.

COMMISSIONER: Yes. Thank you. Was that after some press about payments,  
45 was it?

MR STOKES: I don't think so. When I learned of the third party payments and the regularity of them, I instructed both Perth team and my Melbourne team to escalate all third party payments or transfers to me for review.

5 COMMISSIONER: And when did you do that?

MR STOKES: I'm guessing that would have been early January.

COMMISSIONER: Of 2020?

10

MR STOKES: 2020.

COMMISSIONER: I see.

15 MR STOKES: The discussion may have been – because when Mr Howell was on leave, I had a bit more of an operational role in looking at or investigating suspicious activity or potentially suspicious activity. And it was then I became aware of third party payments being prevalent as they were.

20 COMMISSIONER: So that was the first time you became aware of the prevalence of the structure?

MR STOKES: Yes. I was aware that Crown did allow third party payments.

25 COMMISSIONER: Yes.

MR STOKES: But I didn't realise the number of suspicious matters that were reported in relation to third party payments.

30 COMMISSIONER: I see. Yes.

MR STOKES: Transfers, yes.

COMMISSIONER: Thank you.

35

MS SHARP: Can I show you a document, please, Mr Stokes. I'm told that you'll have this as Crown confidential list 10, tab 25. It's an open document, so I'll pull it up on the live feed. It's CRL.605.016.6849.

40 MR STOKES: May I ask what tab that is?

MS SHARP: I'm told it's tab 25.

MR STOKES: If I may I ask that to be – yes.

45

MS SHARP: It should – it should be an email chain that starts:

*Re VCGLR approved bank accounts.*

Do you have that?

5 MR STOKES: No, I don't. Could I ask the – the number again? Was it number 10  
..... number 7.

MS SHARP: It's list 10, tab 25.

10 MR STOKES: Yes, I have that.

MS SHARP: Thank you. Could I ask you to go over to the second page, which is  
pinpoint 6850. And could I direct your attention, please, to the second half of that  
page. And you're not copied in to this email, by the way, but you agree you were, of  
15 course, working at Crown Resorts as at 8 April 2020?

MR STOKES: Yes.

MS SHARP: And do you see what Roland Theiler is asking Alan McGregor – can I  
20 ask you, who is Alan McGregor?

MR STOKES: Chief – the CFO.

MS SHARP: He's the CFO. Now, you see that Mr Theiler says:  
25

*How do you feel ANZ would react if customers deposited funds for debt  
repayments into our ANZ account in Hong Kong? Junkets have difficulties in  
remitting funds to us in Australia and this may provide them with an option.*

30 Now, I know that you weren't copied into this email discussion, but do you have a  
view about the propriety of what's being suggested here?

MR STOKES: No. I mean, I – I understand that casinos have been experiencing  
difficulty in getting banks to facilitate payments. And banks, due to their risk  
35 appetite, are increasingly looking to avoid the risk of dealing with casino payments.

MS SHARP: Well, I just want to ask you, isn't the proposition here that, "How  
about we get paid in Hong Kong so that we don't trigger anti-money laundering  
obligations here in Australia?" Isn't that the clear import of this email?  
40

MR STOKES: I – I would have to look at the background information surrounding  
this email.

MS SHARP: Well, just take a moment to reflect on the text of this email, and in the  
45 context of the fact that the Riverbank accounts and the Southbank accounts have  
recently been closed by the banks.

MR STOKES: Yes.

MS SHARP: Well, isn't the clear import of this suggestion that, "How about we  
5 allow debts to be repaid in Hong Kong, so that we don't trigger anti-money  
laundering obligations in Australia?"

MR STOKES: What do you mean by triggering anti-money laundering - - -

10 MS ORR: I object. I object.

COMMISSIONER: Just pause.

MS ORR: I object.

15 COMMISSIONER: Just pause. You would have to ask Mr Stokes whether he  
agrees with that proposition, Ms Sharp, rather than put it that way.

MS SHARP: Yes. In fact - - -

20 COMMISSIONER: I reject that question.

MS SHARP: I'll put it a different way. If you became aware of a suggestion, Mr  
Stokes, that it was proposed to open up a bank account in Hong Kong to allow for  
25 the repayment of debts so as to avoid triggering anti-money laundering obligations in  
Australia, would you consider that to be consistent with a culture of compliance with  
anti-money laundering in Australia?

MS ORR: I object. I object to that question. That is adding the content of this  
30 email to a theory that sits behind this email and wrapping them up in a combined  
proposition for this witness to respond to. There is no indication in this email that  
this is to avoid anti-money laundering obligations. If the question is to be put as a  
pure hypothetical, that is one thing, but, at the moment, is a combination of a  
hypothetical and the content of this email.

35 COMMISSIONER: I think the last question is:

*If you became aware of a suggestion ... that it was proposed to open up a bank  
account in Hong Kong to allow for the repayment of debts so as to avoid  
40 triggering -*

etcetera. So it is a proposition that's based, perhaps, in a little theory, Ms Orr. It's  
not presently connected to the email, so I will allow it. Yes, Ms Sharp.

MS SHARP: So I just wanted to put my hypothetical again, if I could, Mr Stokes.  
45 If you became aware of a suggestion that a bank account should be opened in Hong  
Kong to facilitate the repayment of gambling debts accrued in Australia in order to  
avoid anti-money laundering obligations under Australian law, would you consider

that to be consistent with a culture of compliance with anti-money laundering in Australia?

5 MR STOKES: And by that question, do you mean – what specific anti-money laundering obligations are you referring to?

MS SHARP: Monitoring and reporting obligations.

10 MR STOKES: I see what you mean. So you're saying that if they make a deposit into an account – okay. Yes, I see. I understand the question. I – I would – I would interpret this hypothesis as more to facilitating payments or repayment of debt rather than explicitly, you know, Crown looking to avoid any kind of anti-money laundering obligations.

15 MS SHARP: I just want you to assume for me if the purpose of the proposal was to avoid anti-money laundering monitoring and reporting obligations in Australia, do you regard that to be consistent with a culture of compliance with anti-money laundering law in Australia?

20 MR STOKES: If it was established that that was the sole purpose of setting up such an arrangement to avoid any reporting obligation then, yes, I would say it would be inconsistent with a strong culture of compliance.

25 MS SHARP: I'm sorry, I don't think I understand your last answer.

COMMISSIONER: He said it would be inconsistent with a strong culture of compliance.

30 MS SHARP: Thank you. I misheard. Thank you. I have no further questions.

COMMISSIONER: Yes. Just before you ask any questions, Ms Orr, Mr Stokes, I wanted to ask you a couple of questions about the structural things about which you spoke. The committee that you've referred to a little earlier that met in January, the AML/CTF compliance committee, why was that set up?

35 MR STOKES: It was an operational committee to bring the relevant stakeholders and business units together to discuss AML operational issues.

40 COMMISSIONER: And that's within Crown Melbourne and Perth as well and Sydney?

MR STOKES: It's across – the members are across both properties, correct.

45 COMMISSIONER: Yes, is there any external presence on that committee?

MR STOKES: There's not.

COMMISSIONER: And in respect of the anti-money laundering CTF compliance regime within Crown of which you're the general manager that you've described, is there any external presence on any of the structures?

5 MR STOKES: Currently there is no external presence.

COMMISSIONER: You see, one of the problems that's been identified about which you've been speaking with Ms Sharp in relation to the failure to pick up some of the things that have been identified in the Inquiry calls for a question to be  
10 answered as to what you do to ensure that won't happen again. You understand that?

MR STOKES: Yes.

MS SHARP: In all the areas in which you have worked, both here and overseas,  
15 have you worked in any organisation that has brought in any external observation to any of its compliance or money laundering processes – anti-money laundering processes.

MR STOKES: By external observation do you mean like a consultant to review the  
20 program?

COMMISSIONER: Somebody who is not employed by the company.

MR STOKES: Yes, it's a requirement. Well, certainly under the AML/CTF Act  
25 and rules there is an independent review of part A – it's a requirement under the AML/CTF program, but that can be done either by internal audit function or an external party, a consulting firm, for instance.

COMMISSIONER: That's part A.  
30

MR STOKES: That's part A, correct.

COMMISSIONER: And what do you - - -

35 MR STOKES: ..... part B.

COMMISSIONER: What do you do in respect of that?

MR STOKES: Well, it's a full review of the AML/CTF framework, so that - - -  
40

COMMISSIONER: Do you use internal or external?

MR STOKES: To date they've been done internally. There have been thematic  
45 pieces done externally, but we are due to engage a consulting firm to do an external independent review of the full AML/CTF program not just part A, but part B. That has been delayed due to COVID-19, but certainly there is a commitment to engage a firm this year.

COMMISSIONER: See, what we're speaking about here is an anti-money laundering program, if you like, for Crown Melbourne and Crown Perth and you've spoken about the proposal for the joint organised – I withdraw that - - -

5 MR STOKES: Yes.

COMMISSIONER: Joint program.

MR STOKES: Correct.

10

COMMISSIONER: That presently doesn't include Sydney.

MR STOKES: Sydney will come under the joint program once Sydney is up and running. That's envisaged to come under the joint program, yes.

15

COMMISSIONER: All right. So whatever is drafted and implemented in terms of Melbourne and Perth you anticipate and expect that it will then apply to Sydney.

MR STOKES: The Crown's entity in Sydney will become a member of the designated business group of that program and will equally apply to Sydney, yes.

20

COMMISSIONER: All right. Each of those entities, Crown Melbourne, Crown Perth and Crown Sydney, holds a licence to operate a casino or one of the subsidiaries of – I will call Crown Sydney Crown Sydney Gaming Pty Limited. You understand that?

25

MR STOKES: Yes.

COMMISSIONER: And in respect of each of those licences to operate a casino in each of those relevant states, there is, of course, the relevant minister of each of the relevant governments that would have an interest in each of those casinos operating in compliance with all of its obligations. You agree with that.

30

MR STOKES: I agree.

35

COMMISSIONER: And so presently, as I understand it, putting aside AUSTRAC and the law enforcement agencies at the moment, there is no comfort that can be given to the relevant ministers that the casino operating company has been effectively and professionally audited by an external auditor for the purpose of working out whether the casino operator has complied with its obligations about which we're speaking. Is that right?

40

MR STOKES: You mean extending beyond the AML/CTF obligations, is that correct?

45

COMMISSIONER: Yes.

MR STOKES: Yes, I understand that.

COMMISSIONER: And is there any discussion inhouse of which you are aware in your role as to how one might be able to look at a company such as Crown  
5 Melbourne, Crown Sydney, Crown Perth and be comfortable that that is happening?

MR STOKES: I'm not aware of any - - -

10 COMMISSIONER: Without going through a process such as this.

MR STOKES: Right. I'm not aware of any proposal to extend the concept of an external review for all three properties across all compliance obligations. To answer your question, I'm not aware of a proposal, but that's not to say that that hasn't already been proposed.

15 COMMISSIONER: Of course, you have external auditors who certify the relevant aspects that are certifiable for an external auditor in relation to accounts generally.

20 MR STOKES: Yes.

COMMISSIONER: But so far as compliance by the casino operator is concerned in respect of these third party transactions and things that you've been speaking about, that's a separate issue altogether, isn't it?

25 MR STOKES: Yes, the concept of extending what AUSTRAC or the AML/CTF framework has – the independent review concept which I think is certainly a good one because when AUSTRAC come to conduct an assessment they – the first thing they look at is that particular – or the most recent independent review as well as the firm's risk assessment. That gives them a good indication of where they should  
30 focus their attention, but conceptually I think why couldn't you apply that same concept across all compliance obligations.

COMMISSIONER: Yes. And so, as I said, leaving AUSTRAC to one side for the moment - - -  
35

MR STOKES: Sure.

COMMISSIONER: - - - because it has a specific interest and expertise, what we're looking at here is much more broad, or much broader.  
40

MR STOKES: Yes.

COMMISSIONER: Because you're looking at licences that have been granted by government in an environment where everybody recognises that these places are  
45 vulnerable to the infiltration of organised crime. You understand that?

MR STOKES: Yes.

COMMISSIONER: And so what I'm asking you is about the – whether there's been thought as to how one could satisfy, let's say at ministerial level, how to each year say compliance has occurred in the operations of this casino and what it is about the operations of the casino about which the Minister can be satisfied are being complied with. Do you understand is that?

MR STOKES: Yes.

COMMISSIONER: And have you heard of any discussions along those lines?

MR STOKES: No, I haven't, other than to say that, you know, the principles or the AML – I know you've asked me to put that to one side, but the framework – the current framework – in Australia for AML/CTF certainly contains some principles or concepts which I think can be applied to broader compliance areas - - -

COMMISSIONER: Yes.

MR STOKES: - - - like independent review, the risk assessment being two of those. And also the three lines of defence model around being able to evaluate – or, I mean, compliance, as a second line, certainly has a responsibility to evaluate or monitor or have oversight of the first line; equally, audit or internal audit would do the same thing across compliance. So I think from that kind of academic discussion, if I can call it that, it makes sense around risk management, that if you have strong lines of defence and you have regular testing, either periodic testing or thematic assurance testing, then that should all feed up into the program and the risk assessment and inform where areas need to be strengthened or compliance – sorry – controls need to be either strengthened or risk needs to be transferred or managed or mitigated. So I think, conceptually, the AML framework in Australia is taking care of those notions, but I'm probably not the right person to have that discussion with into broader compliance applicability.

COMMISSIONER: Yes.

MR STOKES: But I do agree, from a concept perspective, there's no reason why you wouldn't look to apply that same methodology across compliance as well.

COMMISSIONER: Yes. Because if you are just focused on – and I don't mean that pejoratively – but if you just focused on the AML/CTF compliance regime, and you are so concerned that you have to report on particular things - - -

MR STOKES: Yes.

COMMISSIONER: - - - the real vice – I withdraw that – the real risk for a company is, then, not to look back inside itself and to work out, after it's reported under that legislation, whether it should do anything - - -

MR STOKES: Yes.

COMMISSIONER: - - - effectively, about stopping what was happening. Example: Riverbank and Southbank.

5 MR STOKES: So I think, also, too, it's critical to look at private public partnerships  
and look at other jurisdictions where they're able to share more information, but, you  
know – and have that kind of framework set up where sharing can occur, not just  
between private/public partnerships, but also within an industry, the casino industry  
being one of those. I mean, I do have reasonably regular catch-ups with my  
10 counterparts at SkyCity and the Star, and we – you know, we don't, of course,  
discuss anything of a commercial nature, but we do discuss best practice and  
enhancements and where we can improve as a whole. So, you know, given what I've  
been hearing throughout this Inquiry, in relation to, you know, particular organised  
crime and allegations, and those type of concerns, that – you know, firms like  
15 Crown, or otherwise, cannot really successfully navigate that unless there is that  
private/public partnership and sharing of information.

COMMISSIONER: Yes. Yes. I'm sorry. Ms Orr.

20 MS ORR: Thank you, Commissioner. There's no questions that I seek to ask.

COMMISSIONER: Yes. Mr Barnett?

MR BARNETT: No questions, Commissioner.

25 COMMISSIONER: Ms Case?

MS CASE: No. No questions. Thank you, Commissioner.

30 COMMISSIONER: Ms Sharp?

MS SHARP: Nothing arising.

35 COMMISSIONER: Yes. Mr Stokes, thank you, in particular, for your observations  
in response to my queries. I know it was a little off-piste for you, but I'm grateful for  
your observations. And thank you for your evidence. I don't believe you will be  
asked to give any further evidence, but, if that happens, the solicitors for Crown  
would be contacted. But, otherwise, you're excused. Do you understand that?

40 MR STOKES: Thanks, Commissioner.

**<THE WITNESS WITHDREW**

**[4.09 pm]**

45 COMMISSIONER: Yes. Thank you. Yes, Ms Sharp. I will now adjourn until the  
next hearings, I think, next Wednesday at - - -

MS SHARP: I think that's the case.

COMMISSIONER: The 9th, at 10 am. Yes. I'll adjourn.

5

**MATTER ADJOURNED at 4.09 pm UNTIL  
WEDNESDAY, 9 SEPTEMBER 2020**

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