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**PERTH CASINO ROYAL COMMISSION**

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**PUBLIC HEARING - DAY 25**

**10.02 AM TUESDAY, 10 AUGUST 2021**

**COMMISSIONER N J OWEN**

**COMMISSIONER C F JENKINS**

**COMMISSIONER C MURPHY**

**HEARING ROOM 3**

**MR MICHAEL FEUTRILL SC and MS MIA HENDERSON and MS ESTELLE BLEWITT as Counsel Assisting the Perth Casino Royal Commission**

**MR NOEL HUTLEY SC and MS RACHAEL YOUNG and MR TOM O'BRIEN as Counsel for Consolidated Press Holdings Pty Ltd and CPH Crown Holdings Pty Ltd**

**MS JOANNE SHEPARD as Counsel for Mr Barry Felstead**

**MR PHILIP CRUTCHFIELD QC and DR ELIZABETH BOROS as Counsel for Mr Ken Barton**

**MR PAUL D. EVANS as Counsel for the Gaming and Wagering Commission of Western Australia**

**MS KEAHN SARDINHA as Counsel for the Department of Local Government, Sport and Cultural Industries**

**MR JOSEPH GARAS SC and MS CLARA WREN and MS MEL JASPER and MR PHILIP BLAXILL as Counsel for Crown Resorts Ltd; Burswood Limited; Burswood Nominees Limited; Burswood Resort (Management) Limited; Crown Sydney Gaming Pty Ltd; Southbank Investments Pty Ltd; Riverbank Investments Pty Ltd and Crown Melbourne Limited**

**MR PETER WARD as Counsel for Mr John Poynton**

**MR ANTHONY POWER as Counsel for Ms Maryna Fewster**

COMMISSIONER OWEN: Please be seated. Now, this morning we are hearing from Mr Barton. He will come in from a remote location, and I know we have a number of counsel who are also online. In view of the fact that we have a number of  
5 people on the eastern seaboard, I think it might be appropriate today if we were to change the sitting hours. I suggest we sit from 10 am to 11.30 am and then take 30 minutes and then sit from 12 to 1, and see how we go from there, if that is convenient to everybody.

10 Now, can we have Mr Barton? Good morning, Mr Barton. I think Ms Boros, you will be examining?

MS BOROS: Yes, Commissioner.

15 COMMISSIONER OWEN: Thank you.

Mr Barton, do you wish to take an oath or affirm?

20 WITNESS: Oath, thank you, Commissioner.

COMMISSIONER OWEN: Do you have the form of oath or I can read it to you, if you like?

25 WITNESS: I do have it, if that is convenient?

COMMISSIONER OWEN: If you could then tell us your full name for the purposes of the record.

30 **KENNETH MACRAE BARTON, SWORN**

COMMISSIONER OWEN: Thank you, Mr Barton. Ms Boros?

35 MS BOROS: May it please the Commission.

**EXAMINATION-IN-CHIEF BY DR BOROS**

40 MS BOROS: Mr Barton, you appear today as a witness in response to a summons dated 19 July 2021; is that correct?

45 MR BARTON: Yes, that's correct.

MS BOROS: Enclosed with that summons there was a schedule with a list of topics you were invited to address in a witness statement. Did you do that?

10:05AM

MR BARTON: Yes, I did.

MS BOROS: Do you have in front of you a copy of that witness statement?

5

MR BARTON: Yes, I do.

MS BOROS: Is it dated 3 August 2021?

10 MR BARTON: Yes, that's right.

MS BOROS: Is your statement true and correct, to the best of your knowledge and belief?

15 MR BARTON: Yes, it is.

MS BOROS: Commissioners, the document number given to the witness statement is WIT.0012.0001.0001. I tender that statement.

20 COMMISSIONER OWEN: Thank you, Ms Boros. The witness statement of Kenneth Macrae Barton, dated 3 August 2021, bearing the identifier number that Ms Boros has just read out, will be admitted into evidence as an exhibit.

25 **EXHIBIT #WIT.0012.0001.0001 - WITNESS STATEMENT OF KENNETH MACRAE BARTON DATED 3 AUGUST 2021**

MS BOROS: May it please the Commission. That is Mr Barton's evidence-in-chief.

30

COMMISSIONER OWEN: Thank you, Ms Boros. Mr Feutrill?

MR FEUTRILL: May it please the Commission.

35

**CROSS-EXAMINATION BY MR FEUTRILL**

40 MR FEUTRILL: Mr Barton, my name is Michael Feutrill, I am Counsel Assisting the Commission and I will ask you some questions. I don't know if you can see the room. There are quite a few people in it, so I have identified myself so you know who I am. A few others here may wish to ask you some questions after me.

45 Could I start by referring you to the early part of your statement, where you have identified that you gave seven written statements in the Bergin Inquiry last year.

MR BARTON: Yes.

MR FEUTRILL: Have you had an opportunity to read over those before today and refresh your memory?

5 MR BARTON: Yes, I have.

MR FEUTRILL: Some of my questions --- and I noticed in your answers to some of the topics, you have made reference to those statements. Some of my questions will deal with the subject matter of those statements, as well as the one just tendered.

10

If you could turn to the topic of the roles you held with the Crown Group. I have a couple of questions to ask you about these matters. You indicated that you were the CEO of Crown's digital business from 2017 to 2021. Which businesses were involved in that description?

15

MR BARTON: Yes, there were a number of businesses. The main part of that portfolio was the BetFair business, which was established in 2004 and it was originally a joint venture but later in 2014 became wholly owned by Crown Resorts. That was the main part of that portfolio. There was also a social gaming business called DGN and some small digital assets as well.

20

MR FEUTRILL: You were the CEO of those businesses?

MR BARTON: Of that portfolio, yes.

25

MR FEUTRILL: Am I right in thinking that BetFair was regulated out of the Northern Territory?

MR BARTON: Originally Tasmania but later Northern Territory, that's right.

30

MR FEUTRILL: To your knowledge, were there any AML/CTF programs involved with the digital business?

MR BARTON: Yes, there were.

35

MR FEUTRILL: Do I understand then that you, as CEO of that part of the business, were familiar with the AML/CTF programs for those businesses?

MR BARTON: Yes.

40

MR FEUTRILL: You have indicated also that you became the CEO of Crown Resorts in January 2020. What was the process by which you were appointed as CEO of Crown Resorts?

45 MR BARTON: I was notified by Helen Coonan that the board had been considering a change in the leadership of Crown Resorts and asked me if I would be willing to take over the role of CEO in January 2020.

MR FEUTRILL: Were there any discussions before your appointment with anyone other than Ms Coonan?

5 MR BARTON: No, not in relation to that new role.

MR FEUTRILL: I ask you to turn now to some other parts of your statement to this Commission. I have some questions that relate to some of the answers you have given. Could I ask you to look at paragraph 12. I am now referring to the period  
10 during which you are the CFO of Crown Resorts. There you have indicated you had no authority or responsibility for the operational aspects of Crown or responsibility for the casino compliance matters.

15 Could I ask you then to turn forward in your statement, further into your statement to paragraphs 55 and 56, where you have dealt with your understanding of your duties and responsibilities as a director of the various companies within the group.

20 With respect to Burswood Ltd, what was your understanding of your role as a director of that company?

MR BARTON: As a director of the company, to be familiar with all of the activities of the group, the Burswood Ltd Group, to bring that diligence to board meetings and to be involved in assessing all of the material that was brought forward to that board.

25 MR FEUTRILL: What about your role as a director of Burswood Nominees Ltd?

MR BARTON: Well, Burswood Nominees didn't meet regularly and, as a director of that company, also to look at matters brought to the attention of the board and assess those matters.

30 MR FEUTRILL: And Burswood Resort (Management) Ltd, your role ---

MR BARTON: Sorry, I cut across you.

35 MR FEUTRILL: I was going to ask the same question about Burswood Resort (Management) Ltd.

MR BARTON: Yes. Again, it met on not regular basis to consider matters relevant to Burswood Resort (Management) Ltd.

40 MR FEUTRILL: Am I right in thinking that in the role as a director of Burswood Ltd, it operated effectively to provide oversight of the two other subsidiaries, Burswood Nominees and Burswood Resort (Management) Ltd?

45 MR BARTON: Yes. Most of the material that related to the, if you like, Burswood Ltd Group was brought to the attention of the Burswood Ltd board.

MR FEUTRILL: Do I understand by reference to your answer in paragraph 12,

where you dealt with responsibility for the operational and compliance aspects, are you drawing a distinction in your mind there between your role as the CFO of Crown Resorts and your role as a director of these companies, or do you see it as part of the same role?

MR BARTON: Oh, in relation to question 12, that was in my role as CFO. In my capacity as CFO, I had some executive responsibilities and those were largely around the corporate function. So finance, treasury, federal taxes, investor relations, financial reporting, those aspects. In my capacity as CFO, those were my responsibilities, not responsibilities within the operational aspects of the casino business.

MR FEUTRILL: But as a director of Burswood Ltd and its subsidiaries, would you accept you had a responsibility for oversight of operational and compliance matters for those companies?

MR BARTON: To the extent they were matters that were brought to the board for the board's attention, yes.

MR FEUTRILL: Can I now refer you to paragraph 45 of your statement. You have mentioned there the appointment of a Crown Chief Risk Officer. When was that appointment made, to your knowledge?

MR BARTON: I believe that was around late 2017.

MR FEUTRILL: Who held the position of the Chief Risk Officer?

MR BARTON: From 2017, Mr Feutrill?

MR FEUTRILL: Yes.

MR BARTON: Anne Siegers.

MR FEUTRILL: Did she remain in that position for the time you were employed in the Crown Group?

MR BARTON: Probably just to clarify that answer, she became Chief Risk Officer as part of the restructuring I did in 2020. Her title from 2017 was not Chief Risk Officer, I think it was more General Manager Risk and Internal Audit.

MR FEUTRILL: In that function, did she effectively hold the same responsibility, which is to say she had responsibility for the risk management of the Crown Group as a whole?

MR BARTON: She had a role in the strategy, the risk management strategy for the group as a whole, but she reported through to another executive, Mr Preston, who then reported through to Mr Felstead. So she probably wasn't in a position to

10:15AM

influence the risk function of the group, but was instrumental in developing the risk management strategy.

5 MR FEUTRILL: The description you have given, is that the position as it stood prior to 2020, is it, that she reported to Mr Preston?

MR BARTON: Yes, that's right.

10 MR FEUTRILL: After the establishment of the position Chief Risk Officer, did she then report to Mr Preston or someone else?

MR BARTON: No, no, she reported through to the Risk Management Committee and to the CEO of Crown Resorts.

15

MR FEUTRILL: That Risk Management Committee you are referring to is the Crown Resorts Risk Management Committee, not a committee of any of the subsidiaries?

20 MR BARTON: That's correct.

MR FEUTRILL: Could I break the periods up. For the period 2017 to 2020, was there a Risk Officer for Crown Perth?

25 MR BARTON: I'm not sure if there was anybody that had the title of risk officer for Crown Perth but from 2017, the risk management function was overseen by the group I mentioned before, Ms Siegers who reported to Mr Preston.

30 MR FEUTRILL: Can I ask you to refer now to another part of your statement, paragraphs 50 to 53, which deal with your induction and training over the course of your employment with the Crown Group. You have mentioned in there, I think, some online AML training?

MR BARTON: Yes.

35

MR FEUTRILL: Can I ask that we call up CRL.566.003.0001. I hope you can see that. Do you have a screen in front of you, Mr Barton?

MR BARTON: Yes. Yes, I can see that.

40

MR FEUTRILL: Is this the kind of online training you recall receiving? Is this one of the modules you have a recollection of reviewing?

45 MR BARTON: Yes, this appears to be the current version of the online training module, or the then current version when I was last there.

MR FEUTRILL: In what way did you undertake the training online? Was there a requirement to do it every second year and record it in some fashion, was there?

10:18AM

MR BARTON: It was online but for me there wasn't a requirement to record the undertaking of that training every year. But I did it initially and then when this was significantly revamped in 2020, did it again.

5

MR FEUTRILL: So there wasn't anyone looking over your shoulder, as it were, to ensure you were doing it, but you were doing it as a matter of course in your role as CFO, were you?

10 MR BARTON: Correct.

MR FEUTRILL: When was the last time you can recall refreshing yourself with the online training?

15 MR BARTON: In 2020, when the new training module was introduced.

MR FEUTRILL: Was there a training module in place in 2014?

20 MR BARTON: There was. I don't recall the content of it but there was training that was done from induction when I joined.

MR FEUTRILL: You were a director of Burswood Ltd and you were also a director of Crown Melbourne Ltd, were you not?

25 MR BARTON: Correct.

MR FEUTRILL: Did you understand that Burswood Nominees was the casino licensee in WA?

30 MR BARTON: Yes.

MR FEUTRILL: Did you understand that as the casino licensee, you obligations under the AML/CTF Act, the Federal Act, to have an AML/CTF program?

35 MR BARTON: Sorry, Mr Feutrill, under which obligations?

MR FEUTRILL: Did you understand that Burswood Nominees had an obligation under the AML/CTF Act to have an AML/CTF program?

40 MR BARTON: Yes.

MR FEUTRILL: Were you aware that from time to time there were internal audits undertaken that included the Burswood Nominees AML/CTF program?

45 MR BARTON: Yes.

MR FEUTRILL: You received those internal audit reports from time to time as



10:20AM

a director of Burswood Ltd?

5 MR BARTON: We received a report as part of the board papers that summarised the internal audit work that was being carried out.

MR FEUTRILL: Would it be fair to say that you also received as a director of Burswood Ltd, from time to time, legal compliance and risk reports?

10 MR BARTON: Yes.

MR FEUTRILL: They, from time to time, also dealt with amendments and variations to the AML/CTF program of Burswood Nominees?

15 MR BARTON: Yes.

20 MR FEUTRILL: In the course of the period from your commencement of your employment with the Crown Group until your departure earlier this year, you gained, I imagine, a general understanding and awareness of money laundering and terrorism financing?

MR BARTON: Progressively, but not with direct exposure to the AML operations, if you like, or the AML activities.

25 MR FEUTRILL: Do you mean by that you did not have an intricate knowledge of the finer points of detail of the program or the operating procedures, but you understood generally that casinos were exposed to the risk of money laundering?

30 MR BARTON: I had some understanding of that, yes.

MR FEUTRILL: Were you also aware or did you understand or gain an understanding that casino operations are vulnerable to criminal infiltration?

35 MR BARTON: Yes.

MR FEUTRILL: Did you understand or gain an understanding that there are many ways in which criminals may attempt to use or influence or gain influence to utilise the services provided by casinos for illegal purposes?

40 MR BARTON: You say "gain understanding", I guess I'm just trying to make sure I answer your question properly.

MR FEUTRILL: Yes.

45 MR BARTON: I didn't have a great deal of exposure to that but did progressively gain understanding, particularly over the last year or two, about the prospect of criminal activity in the context of AML.

MR FEUTRILL: Did you understand that one vulnerability of casinos to criminal infiltration or money laundering involves the use of the cage with cash, cash transactions at the cage?

5

MR BARTON: Yes.

MR FEUTRILL: Another way in which money laundering may take place is through the use of the casino's bank accounts?

10

MR BARTON: Yes.

MR FEUTRILL: Did you understand that the typologies of money laundering were not limited to transactions involving cash or bank accounts? For instance, there are ways in which money laundering may take place on the casino floor through the way in which gaming is conducted?

15

MR BARTON: Some understanding. I'm not sure of exactly what you are referring to there.

20

MR FEUTRILL: Are you familiar with the expression "bill stuffing", for instance?

MR BARTON: Oh, yes, yes, although I guess that involves cash.

25

MR FEUTRILL: Yes. Are you familiar with even money betting as a ---

MR BARTON: Yes.

MR FEUTRILL: The point really is, you had an understanding that money laundering was not limited to the transaction itself, but there are many ways in which a criminal might try to utilise the gaming services offered by a casino to launder money?

30

MR BARTON: Yes.

35

MR FEUTRILL: Were you provided with any specific AML/CTF training by anyone within the Crown Group?

MR BARTON: Not specific training, no.

40

MR FEUTRILL: Did you have any, whether it is called training or not, one-to-one sessions with any of the AML team, for instance?

MR BARTON: Certainly through the course of last year I spent quite a bit of time with the then head of the AML team and gained a deeper understanding through the course of last year about the AML program and the AML issues to do with Crown.

45

MR FEUTRILL: Are you referring there to Mr Preston or Mr Stokes?

MR BARTON: Mr Stokes.

5 MR FEUTRILL: Prior to 2020 and the period during which you were the CEO of Crown Resorts, did you have any more in-depth discussions or sessions with any person involved in the AML program for the Crown Group?

MR BARTON: Not in-depth sessions, no.

10 MR FEUTRILL: Can I just check one thing. Can I ask you, while we are in this part of your statement, to look at paragraph 54, and there is a reference there to "Crown Perth". There are a lot of witnesses in this Commission, Mr Barton, and most people have referred to Crown Perth. I just want to make sure my understanding of the way you use it is the same as everyone else uses it. By "Crown Perth", do you mean to  
15 refer to Burswood Ltd and all of its subsidiaries?

MR BARTON: Yes, that's right.

20 MR FEUTRILL: I draw your attention now to paragraphs 57 to 60 of your statement. In paragraph 57, the last sentence in that paragraph, you have indicated that Burswood Ltd was the body which set the overall strategic direction for Crown Perth, including in relation to the governance of Burswood Nominees. Can I ask you what you mean by the "overall strategic direction"?

25 MR BARTON: Yes. So, within the Burswood Ltd group the body that would receive information about the operations, strategic plans, budgets and get the most detailed operational updates in relation to the Crown Perth Group was the Burswood Ltd board. It would receive also the reports from the Legal Risk and Compliance  
30 teams and receive information about the overall direction of the group. So the body within the Crown Perth group, as I've defined it, that had the most involvement in setting the direction is Burswood Ltd.

35 MR FEUTRILL: What I understand from that answer, largely the material you have referred to is of an operational kind, where operations have been carried out by the executives or the managers, and they are reporting to Burswood Ltd on the way in which the Crown Perth business has been operated. Is that a fair assessment of what you've just said?

40 MR BARTON: Well, I think I also said not just operational, but also the legal risk and compliance aspects and other matters that were brought to the attention of the Burswood Ltd board.

45 MR FEUTRILL: But in terms of the legal risk and compliance matters, am I right in thinking that the framework, the risk management framework was established by Crown Resorts Ltd?

MR BARTON: Well, when I joined the Burswood Ltd board, there was already

an existing risk management framework in place and that risk framework was basically managed within the Crown Perth group.

5 MR FEUTRILL: We're talking then about 2010; is that right?

MR BARTON: Correct.

10 MR FEUTRILL: At the time you joined the board of Burswood Ltd, there was an existing framework?

MR BARTON: Yes.

15 MR FEUTRILL: Did that change at any point in time, to your knowledge?

MR BARTON: Well, the risk management framework was modified and enhanced over the 10 years I was there. There were additions made, there were different approaches to the identification and management of risk, although some of the fundamental principles stayed the same.

20 MR FEUTRILL: At the time you joined in 2010, was there a Crown Resorts Ltd Risk Management Committee?

MR BARTON: Yes.

25 MR FEUTRILL: Was there a Crown Resorts Group risk management framework or policy, or something of that nature?

30 MR BARTON: There was an approach to risk management that was consistent across the group. I don't recall if there was a Crown Resorts risk management strategy that encompassed all of the operations.

35 MR FEUTRILL: Would it be fair to say that at some point in the time you were there, the direction or control of the overall risk framework became more centralised through the Crown Resorts Risk Management Committee?

MR BARTON: I think the approach to risk management became more consistent across the group and was enhanced by the Risk Manager rather than the Risk Management Committee.

40 MR FEUTRILL: Coming back to some earlier questions and your answers in respect of Burswood Ltd's function or role, there was an existing framework and risk register for Crown Perth?

45 MR BARTON: Yes.

MR FEUTRILL: Burswood Ltd, in your experience, was concerned with reporting against that existing risk management framework, the Risk Register and risks in it?

MR BARTON: The board received reports about that Risk Register and that risk framework, yes.

5 MR FEUTRILL: Just to understand a bit more about what you mean by "strategic direction", when the Crown Towers development was undertaken, which board within the Crown Group was the deciding board for the decision to undertake that development?

10 MR BARTON: I think that decision ultimately was made by the Crown Resorts Ltd board.

MR FEUTRILL: What role, if any, did Burswood Ltd play in that decision-making process?

15

MR BARTON: Well, the Burswood Ltd board was given presentations about the prospects for that development but, given the scale of that project, ultimately that was a decision that was taken to the Crown Resorts Board.

20 MR FEUTRILL: Would you characterise that as a strategic decision?

MR BARTON: Yes.

MR FEUTRILL: A fairly major strategic decision for the group as a whole?

25

MR BARTON: Yes.

MR FEUTRILL: Would it be fair to say that the more significant strategic decisions, at least, were taken at the Crown Resorts Ltd level rather than the Burswood Ltd level --- (overspeaking)---

30

MR BARTON: Sorry, yes. A decision of that scale, what is ultimately a \$650 million investment, was something that had significance to the group in terms of the funding needs, the capital needs and the scale of that investment. So that was something that was important for the Crown Resorts Group to take into consideration in its plan.

35

MR FEUTRILL: In your role as --- I'm now talking about the period you were CFO, predominantly, and as a director of what we will call Crown Perth or your role in Crown Perth, did you develop or have an understanding of the International Commission Business, or VIP International is the label attached to it?

40

MR BARTON: Yes. Yes, some understanding.

45 MR FEUTRILL: Did you understand that it was effectively a separate business unit in connection with that activity?

MR BARTON: A separate business unit to perhaps some of the other operating businesses but I guess, from my perspective, the business units were typically Crown Melbourne and Crown Perth.

5

MR FEUTRILL: Was the International Commission Business run out of Crown Perth, for example, or those patrons who visited Crown Perth?

MR BARTON: There was an International Commission Business function in Crown Perth that dealt with patrons who visited Crown Perth, although a lot of the functions of the VIP International Business were managed out of Melbourne.

MR FEUTRILL: When it came to decisions regarding the extent to which there would be International Commission Business in Perth, to your knowledge and understanding, which entity within the Crown Group was making decisions about the extent to which Crown Perth would be involved in international business?

MR BARTON: I'm not sure I could identify who in the Crown Group would have been making decisions about which part of the VIP business went to Perth or Melbourne.

MR FEUTRILL: Was there a decision-making process by which business was, if you like, identified for Crown Perth, to your knowledge?

MR BARTON: My understanding of the way the marketing team worked to try and promote the properties was they were looking to promote all of the properties. It was really a customer choice, by and large, which property they would visit.

MR FEUTRILL: In terms of the strategy of the international business, was that something directed by the Crown Resorts Ltd board or the boards of the individual properties?

MR BARTON: I think the VIP International strategy was developed by both properties. So if I think about the Crown Ltd board, it would receive a strategic plan for VIP International which would have a component of the business in Crown Perth and a component of the business in Crown Melbourne. But the way the Crown Resorts Board received its information, it was a combined result for both Melbourne and Perth, including International Commission Business.

MR FEUTRILL: Were there targets set for the international business, financial targets identified for that business, to your knowledge?

MR BARTON: Well, the budgets that were set were on a property basis. So there was a budget for Crown Perth, including the international --- the VIP business and a budget for Crown Melbourne, including the VIP business.

MR FEUTRILL: Which entity in the group approved those budgets?

MR BARTON: Ultimately, it was the Crown Resorts Group that approved it, but there was also a process where those plans were presented to the Crown Melbourne and the Crown Perth boards.

5

MR FEUTRILL: You said Crown Group; do you mean Crown Resorts Ltd?

MR BARTON: Crown Resorts, yes.

10 MR FEUTRILL: Insofar as the strategic direction of that business goes, that is to say the International Commission Business, would it be fair to say that strategic decisions about that were made at the Crown Resorts level?

15 MR BARTON: I think it was both the Crown Resorts and the subsidiary boards, but predominantly it was Crown Resorts who looked at the overall plan and strategy.

MR FEUTRILL: There was a CEO of Crown Perth, at one time at least, and he became the CEO of Australian Resorts; correct?

20 MR BARTON: That's correct.

MR FEUTRILL: There was a CFO for Crown Perth as well; am I right in thinking that?

25 MR BARTON: Yes, that's correct.

MR FEUTRILL: The person in that role, did that person report to you as the CFO of Crown Resorts?

30 MR BARTON: No, no, the CFO for Crown Perth reported to the CEO of Crown Perth.

MR FEUTRILL: There was also a COO of Crown Perth, a Chief Operating Officer?

35 MR BARTON: There was. I'm not sure about which time period we're discussing now, but there was certainly for a period a COO of Crown Perth.

MR FEUTRILL: There was a person occupying a management position of Legal Risk and Compliance?

40

MR BARTON: Yes.

MR FEUTRILL: The group I have just described for Crown Perth, they would have made up the senior executive team in Perth?

45

MR BARTON: There would be other senior executives but those three would be an important part of that executive team.

10:40AM

MR FEUTRILL: CEO, CFO, COO and Legal Risk and Compliance. That's four?

MR BARTON: Yes.

5

MR FEUTRILL: Any others you can think of?

MR BARTON: There would have been a head of HR.

10 MR FEUTRILL: Right.

MR BARTON: And I think at various times the COO was responsible for gaming and there were heads of hotels and food and beverage.

15 MR FEUTRILL: To your knowledge, which entity within the Crown Group made decisions about who would be employed in those roles?

MR BARTON: It might be important to separate some of those roles, Mr Feutrill.

20 MR FEUTRILL: Yes.

MR BARTON: In terms of the people who reported to the CEO of Crown Perth at the time, that would have been a decision made by the CEO of Crown Perth. He may well have sought endorsement for those decisions but that would have been  
25 principally the decision-maker for those. The CEO of Crown Perth, that decision would have been made by the CEO of Crown Resorts.

MR FEUTRILL: Insofar as you mentioned the CEO of Crown Perth may have sought endorsement, is that something you know from your own knowledge or are  
30 you speculating?

MR BARTON: No, I don't know from my own knowledge.

MR FEUTRILL: Insofar as the appointments to the various boards of Burswood Ltd  
35 itself and its subsidiaries, to your knowledge, which entity within the group made decisions about who those appointments would be?

MR BARTON: Well, the appointments to the Burswood Ltd board, there was, I think, only one during the time I was there and that decision, I think, was put forward  
40 by the chairman of Burswood Ltd.

MR FEUTRILL: Are we referring now to Ms Fewster's appointment?

MR BARTON: Yes, that's the only one I can recall occurred during my time on the  
45 Burswood Ltd board.

MR FEUTRILL: The recommendation came from Mr Poynton, is that what you mean by the chair?



MR BARTON: I think at the time the chairman was Mr Alexander.

MR FEUTRILL: At that time, Mr Alexander was also the executive chair of Crown  
5 Resorts Ltd; correct?

MR BARTON: Yes. Yes, I think that's correct.

MR FEUTRILL: What about the subsidiary boards, Burswood Nominees, of which  
10 you were a director, and Burswood Resort (Management) Ltd?

MR BARTON: Yes. I'm trying to recall if there were any appointments to directors  
of those entities. I think there might have been some appointments during my time,  
but I can't recall if there were any appointments to the boards of Burswood Nominees  
15 or Burswood Resort (Management) Ltd during that time.

MR FEUTRILL: Can I return to a topic we briefly dealt with earlier, which is the  
risk management framework. You dealt with this in your witness statement at  
20 paragraphs 61 to 66, in part. Also, there is a mention in, I think, paragraphs 103 to  
105. You might recall there was a question about risk tolerance and risk appetite and  
some other questions about your understanding of the risk management framework  
for the various Crown Perth entities. In answer to my earlier questions, you were  
breaking up the risk management framework into different time periods, one of  
which coincided with the appointment of Ms Siegers in her role in Crown Resorts.  
25

In your statement you have referred to some documents. If I could call those up and  
ask you some questions about them. One is CRW.703.001.1713, which is a  
Burswood Ltd agenda paper, and the page pinpoint is 1775. You will see as a  
reference, there is a board --- it is a paper by Ms Siegers to the Burswood Ltd board,  
30 and a reference to the Crown Resorts Risk Management Committee meeting to  
consider enhanced articulation of the company's risk appetite. It goes on to say that  
the risk appetite is to apply to Crown Perth and Crown Melbourne.

I will just show you some other documents, Mr Barton, before I ask you a question  
35 about them. You have also referred, I think I'm right in saying, to the minutes of the  
meeting, which are CRL.627.001.0529, and the pinpoint is 0534. There is a  
reference to risk appetite and Ms Siegers attending the meeting and the paper being  
taken as read.

40 A little earlier, when we were dealing with the way in which risk was dealt with by  
Burswood Ltd, I understood your evidence to be to the effect that the appetite for risk  
or the risk tolerance was --- I may be putting words in your mouth to some extent,  
but the risk process was managed by Burswood Ltd. Was there a change in 2008  
whereby the risk appetite was set by Crown Resorts and, essentially, the framework  
45 was then, imposed might be too strong a word, but the overall framework was put on  
to the properties in Melbourne and Perth and they were expected then to implement  
it?

MR BARTON: In the year 2018?

MR FEUTRILL: Yes.

5

MR BARTON: I think this was an improvement in the risk management process that was driven by Ms Siegers in the risk management function, and bringing the concept of a risk appetite to the processes at all of the properties and the businesses. I think the concept of a risk appetite and embedding that in the risk management process was a centralised decision around process, but the boards of the subsidiaries were asked to consider the risk appetite. Given the risk management function was largely driven from the business level through the boards, it was important those boards understood what would be escalated to them through the risk management process.

15 MR FEUTRILL: If a matter was escalated to, say for example, the board of Burswood Ltd of a risk nature, in your experience and to your knowledge, was it then escalated, to use that expression, from Burswood Ltd to Crown Resorts, if required, or was it going --- was the reporting function taking place to Crown Resorts through the Risk Management Committee itself?

20

MR BARTON: The Risk Management Committee of Crown Resorts would receive the report against the material risks and the escalation process was to both the Risk Management Committee, potentially the entire Crown Resorts Board, as well as to the Burswood Ltd board.

25

MR FEUTRILL: Sorry. Just so I understand the way this reporting worked, is it the case, and you were aware, there was an ERCC or an Executive Risk and Compliance Committee in Perth?

30 MR BARTON: Yes.

MR FEUTRILL: It reported to the Burswood Ltd board?

MR BARTON: Yes.

35

MR FEUTRILL: It also reported to the Crown Resorts Ltd Risk Management Committee?

40 MR BARTON: I think the process probably was that the Crown Perth Group or the Burswood Ltd Group would report to the Risk Management Committee. So the ERCC would report to the Burswood Ltd board, but the Crown Perth Group would prepare their risk assessment and their risk maps and present that to the Risk Management Committee.

45 MR FEUTRILL: If there was a need to escalate any risk management issue, it ultimately would be escalated to the Burswood Ltd board and via the Crown Resorts Risk Management Committee to the Crown Resorts Board; is that right?

10:51AM

MR BARTON: Yes, that's correct.

5 MR FEUTRILL: In a sense, there were two masters for the risk management of Crown Perth?

MR BARTON: Well, I guess there were two recipients of the risk report.

10 MR FEUTRILL: I will refer to other parts of your statement, paragraphs 70 through to 77. You might recall there were some questions asked about the way in which --- or the extent to which there was influence over the, or that involved the, Crown Perth companies. Paragraphs 82 to 84 as well, and I have some questions around management structure.

15 Can I start with the position as it stood when you were the CEO of Crown Resorts. At that time, is it the case that the CEO of Australian Resorts, Mr Felstead, reported to you?

20 MR BARTON: Yes, at the beginning of last year, that's true, through to essentially the end of last year.

MR FEUTRILL: Obviously, he had the general management of Crown Perth, but did he from time to time seek your instruction and direction on matters relating to the operations of Crown Perth?

25 MR BARTON: Yes.

30 MR FEUTRILL: Did you understand it to be your position or authority to, essentially, give him instruction or direction that he would be required to follow if you had divergent views?

MR BARTON: Yes.

35 MR FEUTRILL: To your knowledge, was that the position as it stood prior to your appointment as a CEO, in other words, when Mr Alexander was the executive chair?

MR BARTON: That would be my assessment, that would have been the case as well.

40 MR FEUTRILL: Prior to that, Mr Craigie occupied the position as well?

MR BARTON: Yes.

45 MR FEUTRILL: In your experience as a director of Burswood Ltd, were there occasions when the CEO of Crown Perth, whether it be when Mr Felstead was just the CEO of Crown Perth or when he was CEO of Australian Resorts, sought and obtained instruction or direction from the Burswood Ltd board itself?

10:55AM

MR BARTON: Well, there would have been decisions that were put to the Burswood Ltd board, things like approval of budgets and decisions around strategic matters. They would have been put to the Burswood Ltd board.

5

MR FEUTRILL: The Burswood Ltd board met about four times a year. It kept minutes of its meetings; correct?

MR BARTON: Yes.

10

MR FEUTRILL: Those minutes were generally approved at the next meeting after the preceding meeting?

MR BARTON: Yes.

15

MR FEUTRILL: To the extent any resolutions were made, they were recorded in the minutes; is that right?

MR BARTON: Yes.

20

MR FEUTRILL: If we were to find any decisions of any nature made by Burswood Ltd, we would find them minuted and recorded in resolutions of the board?

MR BARTON: Yes.

25

MR FEUTRILL: If and to the extent any direction or instruction was given to Mr Felstead by the Burswood Ltd board, we would find that in a record in the minutes; is that right?

30

MR BARTON: Any major decisions, yes.

MR FEUTRILL: Again, I want to return to the period when you were the CFO of Crown Resorts, so prior to January of last year. What, if any, oversight did you have in that role of the financial affairs of Crown Perth?

35

MR BARTON: Perhaps --- when you say the "financial affairs" of Crown Perth?

MR FEUTRILL: Well, did you play a role at all in the budgeting process for Crown Perth?

40

MR BARTON: Well, the budget was prepared by the finance team at Crown Perth and presented to me and others for review.

MR FEUTRILL: For your review as the CFO of Crown Resorts?

45

MR BARTON: As the CFO of Crown Resorts.

MR FEUTRILL: Was that budget approved then by the Crown Resorts Board, was it?

5 MR BARTON: Ultimately, it would have been combined with the other budgets and put to the Crown Resorts Board, yes.

MR FEUTRILL: In the Crown Resorts level, was there a finance team under your supervision?

10

MR BARTON: Yes, a small finance team and its responsibilities were largely around external reporting. So the consolidation of the operating results, the preparation of external reporting, dealing with the external auditors and looking at, if you like, corporate level finance matters, so matters that relate to the group as a whole, as opposed to the operating businesses.

15

MR FEUTRILL: Where in that structure did Mr Costin sit?

MR BARTON: He was in the Treasury function in the corporate office.

20

MR FEUTRILL: Was Treasury part of the finance team under your supervision?

MR BARTON: Yes.

25 MR FEUTRILL: Treasury was dealing with the major financial affairs of the group as a whole; is that correct?

MR BARTON: Yes, funding, access to capital markets, Treasury risk management, interest rate, foreign currency risk management, all those operational Treasury matters.

30

MR FEUTRILL: With respect to the financial reporting of Crown Perth, it reported as one single, consolidated business unit, didn't it, to you as CFO?

35 MR BARTON: That's right.

MR FEUTRILL: There wasn't any break-up in its financial reporting of the various revenue streams for each of the individual corporate entities?

40 MR BARTON: Not the corporate entities, no.

MR FEUTRILL: You understood, I take it, that Crown Resorts management was the employer of the majority of the people performing services at Crown Perth?

45 MR BARTON: Burswood Resort (Management) Ltd.

MR FEUTRILL: Sorry, Burswood Resort (Management) Ltd.

11:00AM

MR BARTON: That's my understanding.

5 MR FEUTRILL: Was there, to your understanding, any mechanism by which it was remunerated within the group for the services it provided to Burswood Nominees?

MR BARTON: I don't have any understanding of that, no.

10 MR FEUTRILL: What I am asking you is, was there some intercompany recognition of debt and credit that dealt with the provision of those services or did it just simply operate at a group level?

15 MR BARTON: I don't know what happened, if you like, in the individual company ledgers. What we saw was a consolidated set of results that would have been picked up the results from all of the subsidiaries.

MR FEUTRILL: Any, if I could put it this way, of the intricacies of the Perth Casino intergroup --- credits, debits, liabilities, assets --- was that dealt with by the finance team in Perth, was it?

20

MR BARTON: Yes, that's right.

MR FEUTRILL: Your visibility on that was limited to receiving a consolidated set of accounts?

25

MR BARTON: That's right.

MR FEUTRILL: Can I ask you now to turn to paragraphs 107 to 126 of your statement. These are in response to a series of questions that were asked about the International Commission Business.

30

Perhaps before I move to that topic, can I ask you one more question about the way in which the finances were operated in Crown Perth. Was there a person or a division responsible for the transfer of funds between bank accounts within the group? What I mean, for example, you have an operating account for Crown Perth, funds are being received into that account, wages are being paid, all those things are being dealt with, and then there will be a surplus. Was there was a process in which you swept up and picked up the surplus and transferred it to another company within the group?

35  
40

MR BARTON: There would have been a process to move surplus funds into a central account, yes.

MR FEUTRILL: The operation of that process, was that within your remit or the individual properties?

45

MR BARTON: That, I'm not completely sure, but that's most likely a central Treasury function.

MR FEUTRILL: In that process, were there reconciliations done between bank accounts?

5 MR BARTON: The reconciliations of the bank accounts would have been done at the property level within the finance team, but the movement of funds would be managed at Treasury level.

10 MR FEUTRILL: Can you give us a sense of how that worked in a practical way. Was there a preset or predetermined process or was it that someone had their eye on the account, if it looked like there was a surplus, it's time to move it to a central account?

15 MR BARTON: I think it was --- I'm not 100 per cent sure, but I think it's more likely the latter, that someone would have been looking at --- the Treasury function would have been looking at the overall balances across the group and where it became efficient to move funds between accounts.

20 MR FEUTRILL: If, for instance, there was a movement of a sum of money from Crown Perth into a centralised account, was it part of your group's responsibility to record the intercompany positions at that point in time?

25 MR BARTON: That would have been a combination of the finance team in Perth and someone in the Treasury function.

30 MR FEUTRILL: Although the group reported in a consolidated way to the ASX, there would have been management accounts within the group, recording the transfer of funds from, say for example, Burswood Nominees to whatever the entity was in a central Crown company?

MR BARTON: Yes.

35 MR FEUTRILL: Can I return to your statement and I want to ask you some questions about paragraph 112 in particular. The first question I have for you: I understand from that paragraph, there was a process of providing credit to junket operators?

MR BARTON: Yes.

40 MR FEUTRILL: Do I understand from that there was a credit team whose function was to assess the creditworthiness of the junket operator before credit was extended to them?

MR BARTON: Yes.

45 MR FEUTRILL: Where was the person responsible for that located within the Crown Resorts structure?

11:06AM

MR BARTON: There was a credit team within the VIP group.

5 MR FEUTRILL: Is that outside of the finance portfolio for Crown Resorts, your portfolio?

MR BARTON: Yes.

10 MR FEUTRILL: Did you have an understanding of the credit function within that VIP team?

MR BARTON: Not a deep understanding, no.

15 MR FEUTRILL: In the credit area of the VIP business, who had the ultimate responsibility for the extension of credit?

MR BARTON: Again, it's different time periods. For the period from around 2013 when Mr Felstead had oversight of all of Australian Resorts, he would have had the authority to determine a level of credit to provide to junkets.

20

MR FEUTRILL: Who was the person immediately beneath him in that structure for credit assessment?

MR BARTON: Well, I think in the period from 2013 to 2016, that would have been Mr O'Connor.

25

MR FEUTRILL: Mr O'Connor, are his skills in the financial and accounting world or is he more a marketing person?

30 MR BARTON: No, he came from a finance background.

MR FEUTRILL: Do I understand then from what you just said that the decision about which junket operators would be extended credit and the terms or the extent of the credit were made within the VIP business itself?

35

MR BARTON: Yes.

MR FEUTRILL: From a corporate risk profile perspective, was there no interest from the Crown Resorts finance area to ensure that credit was extended within appropriate boundaries or limits?

40

MR BARTON: No, from a finance perspective that authority was really within the operations team.

45 MR FEUTRILL: Did that extend also to recovery of any bad debts or recovery of loans in that area?



MR BARTON: And they have responsibility for the recovery of loans as well.

5 MR FEUTRILL: I appreciate this may be testing the limits of your knowledge, Mr Barton, but I have some questions about the process of provision of credit to junket operators I would like to ask you. The first is, do you have an understanding of the way in which the junkets operated when they were being undertaken, in terms of front money, credit and matters of that nature?

10 MR BARTON: Some understanding but not a deep understanding.

MR FEUTRILL: Is it your understanding that typically, in the ordinary course, credit would be extended to a junket operator for each junket undertaken at one of the Crown properties?

15

MR BARTON: My understanding is that is the case, that for each junket visit there would have been a credit assessment done and an assessment of what level of credit to provide for each trip.

20 MR FEUTRILL: Is it your understanding that, effectively, credit was provided for each trip? In other words, the junket operator arrived and, in effect, the relevant Crown property provided the front money for the junket by way of a loan?

MR BARTON: Yes, except that to the extent there were multiple visits and amounts outstanding, consideration would have been given to the overall amount owed by the junket.

25

MR FEUTRILL: Sticking with a typical case, is it also the case that the settling of, let's say the facility, let's call it that, for each junket took place at the conclusion of the junket, at the time the junket was over, and who had --- whether Crown was in front or the junket group was in front, for the settling of the accounts at that point?

30

MR BARTON: When you say settlement, I think there would have been, if you like, an accounting for that particular visit ---

35

MR FEUTRILL: Yes.

MR BARTON: --- and an overall, if you like, settlement sheet done to determine the amount that was either owed or owing. But the financial settlement may have occurred some time later.

40

MR FEUTRILL: Now, to your knowledge, the collection --- there are a number of people involved in a junket. The collection of the funds provided by each individual player was not something that was dealt with by either Crown Melbourne or Crown Perth was it?

45

MR BARTON: Not to my knowledge, no.

MR FEUTRILL: So the junket operator had, if you like, the commercial responsibility for collecting the money from the players involved in the junket?

5 MR BARTON: My understanding of the contractual framework was that the contract was between Crown and the junket, not Crown and the individual players.

MR FEUTRILL: Yes, and this is an advantage to Crown in the sense that it is dealing with one debtor, not many, in a junket operation?

10

MR BARTON: Yes.

MR FEUTRILL: To your knowledge or understanding, the process by which the junket operator's obtained funds from their players, did that include collecting cash from them?

15

MR BARTON: I don't know the details of those arrangements.

MR FEUTRILL: Do you know, to your knowledge or understanding, whether a junket operator could, in effect, operate their own cage or their own facility for the collection of cash and distribution of cash to junket operators?

20

MR BARTON: I wouldn't have any knowledge of that level of detail.

25 MR FEUTRILL: Can I ask you some questions in a general sense about another topic you have touched on in paragraphs 197 and 198. This is dealing ---

MR BARTON: Mr Feutrill, I think just to clarify that last answer, the thing I did have some knowledge of was I think what was known as the Suncity cash desk which became a topic of particularly the Bergin Inquiry. So I did have some understanding that there was a Suncity cash desk, but that's the only understanding I have of the process of junkets operating their own, if you like, form of cage.

30

MR FEUTRILL: Yes. In the case of Suncity, that was a Melbourne casino matter, wasn't it?

35

MR BARTON: Yes.

MR FEUTRILL: Suncity operated its own, if you like, room when a junket was taking place at Melbourne?

40

MR BARTON: Yes, that's right.

MR FEUTRILL: They operated their own separate cage service in Melbourne?

45

MR BARTON: I understand it was described as a cash desk, yes.

MR FEUTRILL: Cash desk; they received cash from their players and distributed

cash to their players through that desk system?

MR BARTON: I'm not overly familiar with the detail, but I think that is correct.

5

MR FEUTRILL: That facility was closed at some point in time?

MR BARTON: Yes, that's right.

10 MR FEUTRILL: The point I was getting at, and whether you know this or not, Mr Barton, whether they had a desk, a specific location within the casino or not, that process of collection of cash and distribution of cash to junket players could take place in a hotel room or outside the casino itself?

15 MR BARTON: I don't know how that process worked.

MR FEUTRILL: Thank you for that clarification, Mr Barton.

20 Could I ask you to turn to your paragraphs 197 and 198. You were asked some questions about Responsible Service of Gambling. I just want to understand what time frame are we really dealing with in what you have described here as the responsibility of the board of Crown Resorts and to a great extent the Crown Resorts Responsible Gaming Committee, oversaw development and implementation of Responsible Gambling processes and procedures?

25

MR BARTON: I wasn't a member of the Responsible Gaming Committee and I only really attended meetings of that committee from around 2018 onwards. So in terms of time period, this is probably more, particularly from 2018 and onwards.

30 MR FEUTRILL: What I am interested in is understanding the way in which the framework is developed and then implemented within the Crown Group so do I understand from what you have said here that the Crown Resorts Ltd board oversaw the development of the Responsible Service of Gambling framework through ---

35 MR BARTON: Well ---

MR FEUTRILL: --- sorry, through the committee?

40 MR BARTON: Yes, that's right. I was going to say the Crown Resorts Responsible Gaming Committee was largely the body that oversaw and directed the strategic aspects of Responsible Gaming and that was a committee of the Crown Resorts Board.

45 MR FEUTRILL: So this is --- in terms of the strategy that was set for the Responsible Service of Gaming, that was set by the Crown Resorts Ltd board?

MR BARTON: Yes.

MR FEUTRILL: You have indicated in paragraph 198 that you don't recall Burswood Ltd overseeing the development of those policies or procedures.

5 MR BARTON: That's right.

MR FEUTRILL: Would this be an example of a strategy or policy that is set really by the Crown Resorts for the group as a whole and the properties are intended to implement them?

10

MR BARTON: Yes.

MR FEUTRILL: Is it fair to say that the risk management framework, the Responsible Service of Gaming framework and the AML/CTF program are all matters that were ultimately strategically set at the Crown Resorts level?

15

MR BARTON: Different time periods, Mr Feutrill, but certainly by 2018 in relation to Responsible Gaming, from my experience, and in relation to risk management, those two certainly from a Crown Resorts level, AML I think is a little different.

20

MR FEUTRILL: Well, I think you have given some evidence about the AML. I've put that in the assumption that you recall the evidence. What I was referring to there is your evidence about a joint program being developed during 2019 and 2020.

25 MR BARTON: Yes.

MR FEUTRILL: The joint program was one that straddled at least Perth and Melbourne and probably would have included Sydney?

30 MR BARTON: Yes.

MR FEUTRILL: And that, it's fair to say, was also developed at the Crown Resorts level, was it not?

35 MR BARTON: I think practically speaking it was developed by a team within the Australian Resorts team.

MR FEUTRILL: The operational team for ---

40 MR BARTON: Yes.

MR FEUTRILL: --- the two then operating casino properties?

MR BARTON: Yes, that's right.

45

MR FEUTRILL: But it was intended to be a group-wide program, was it not?

MR BARTON: That's right, yes.

11:20AM

MR FEUTRILL: And was a matter that would have --- was taken to the Crown Resorts Board?

5 MR BARTON: Yes.

MR FEUTRILL: And endorsed by the Crown Resorts Board?

MR BARTON: Yes, that's right.

10

MR FEUTRILL: Commissioners, I'm about to move to a different topic. I know it's a little early. I can start on it or we can break now and come back 10 minutes earlier than planned.

15 COMMISSIONER OWEN: All right. Mr Barton, is it convenient to you if we break now and take half an hour and come back at 11.45 our time or 1.45 your time; is that convenient?

MR BARTON: Either way, I'm in your hands.

20

COMMISSIONER OWEN: We'll come back at 1.50 your time.

MR BARTON: Thank you, Commissioner. So we adjourn to 11.50.

25

**ADJOURNED**

**[11:21A.M.]**

**RESUMED**

**[11:50A.M.]**

30

COMMISSIONER OWEN: Please be seated. Is the screen on? Thank you, Mr Barton. Mr Feutrill?

35 MR FEUTRILL: May it please the Commission.

Mr Barton, I want to ask you some questions about the time you were a director of Burswood Ltd. At that time, I take it you received board papers before each meeting?

40

MR BARTON: Yes.

MR FEUTRILL: Was it your practice to read those before the meeting took place?

45 MR BARTON: Yes.

MR FEUTRILL: Approximately how long would it take you to --- I know the papers

were of varying sizes, but what sort of preparation time did you spend before each meeting?

5 MR BARTON: It would be some hours, particularly if we were travelling to Perth.

MR FEUTRILL: In general terms, in the course of the meeting --- I appreciate for the majority of the time there was Mr Poynton, Mr Roberts and, effectively, two other executives of the Crown Group on the boards. To what extent was there  
10 discussion, either from yourself asking questions or the independent rep asking questions of the CEO during meetings?

MR BARTON: Probably the executives had some familiarity with the material from other opportunities, so I think the questioning probably, if there was, would have  
15 been more for clarification from the external directors.

MR FEUTRILL: What about you, because you sat in a slightly different position to Mr Felstead and the other director whose name now escapes me, in that you were CFO of Crown Resorts, you were not involved in the operations as such of Crown  
20 Perth.

MR BARTON: Up until 2017, the other director of Burswood Ltd was Rowan Craigie.

25 MR FEUTRILL: Yes.

MR BARTON: Who was the CEO of Crown Resorts.

MR FEUTRILL: In terms of Mr Craigie and you, you were not as intimately  
30 involved in the operations of Crown Perth. Were you using the Burswood Ltd meetings as a means of obtaining (inaudible)?

MR BARTON: That was part of the benefit of being in the meetings, yes.

35 MR FEUTRILL: From your own perspective, were you using it as an opportunity to interrogate the executives of Crown Perth about the operations at Crown Perth?

MR BARTON: Where it was relevant to my role as CFO, yes.

40 MR FEUTRILL: You might recall earlier I asked you some questions about the extent to which AML/CTF matters came before the Burswood Ltd board. I want to show you a board pack from 2014, CRW.702.001.1721. It is an agenda from a meeting in February 2014. I take it this is something you would have read before you attended the meeting in 2014?  
45

MR BARTON: Yes.

MR FEUTRILL: Could we please go to the pinpoint at page 1839. Do you have that

in front of you, Mr Barton?

MR BARTON: Yes, I do.

5

MR FEUTRILL: It is a memo, effectively, from Mr Preston to Mr Felstead about an update to the AML/CTF program in 2014 and attached to it is an AML/CTF program. Do you recall or are you familiar with that document?

10 MR BARTON: I'm familiar with it. I'm not sure I recall reading it at the time.

MR FEUTRILL: But at the time, do you recall gaining a general familiarity with the nature of the AML/CTF program?

15 MR BARTON: Some familiarity, yes.

MR FEUTRILL: For instance, can I draw your attention to some aspects of it. Clause 6, for instance, makes reference to a risk awareness training program. That's on page 1847, operator. I want to draw your attention to some other aspects of it before I ask you a question. Can we scroll to 1849, which is clause 12, which deals with transaction monitoring. You will see there is identification of monitoring of, effectively, transactions that are equal to or greater than the thresholds for the AML purposes. A little further on, there is reference to suspicious matter reports, towards the bottom of the page. Clause 13 on the following page, addressing risk rating. Clause 14, know your customer information. On the next page, enhanced customer due diligence, clause 15. Clause 16, exclusion of high risk customers. Clause 17, reporting obligations.

20  
25  
30 Do I take it you were at least familiar in 2014 and throughout the period you were a director of Burswood Ltd with the existence of the AML/CTF program and that it dealt with, at least, these topics I have just taken you through?

MR BARTON: Yes.

35 MR FEUTRILL: Can I ask you a question regarding clause 16 in particular, which is a risk-based issue in terms of the risk appetite of Crown Resorts Ltd and/or Burswood Ltd itself, in particular. Can I draw to your attention that it reads:

40 *The AML/CTF Compliance Officer should consider whether a High Risk customer who is known to have engaged in money laundering or terrorism financing, or is currently an extreme ML/TF Risk, should cease to be a customer and be the subject of an Exclusion Order issued under Casino law or Notice Revoking Licence.*

45 My question really is, a person of that character, should they not simply be excluded rather than the compliance officer should consider whether to exclude them?

MR BARTON: Yes. If somebody was found to have been one of those types of

customers, yes.

5 MR FEUTRILL: Did you consider this at the time and whether there should be really any discretion for the compliance officer to continue to --- for the casino to continue to provide services to such a customer? That is to say, a customer who is known to have engaged in money laundering or is an extreme risk?

10 MR BARTON: No.

MR FEUTRILL: Given that, was there any discussion, to your recollection, of provisions of this nature in the AML/CTF program during the period you were a director of Burswood Ltd?

15 MR BARTON: Well, that's quite a --- obviously the joint program was replacing this program in 2019, which revisited some of these provisions.

20 MR FEUTRILL: What I mean to say is, do you have any recollection of having considered, yourself, in the period you were a director of Burswood Ltd, the extent to which a person known to have engaged in money laundering or to be an extreme risk should be a person with whom the Perth Casino should be doing business?

MR BARTON: No.

25 MR FEUTRILL: With the benefit of hindsight, do you think a provision like that really sums up the Crown Perth Casino's attitude towards AML/CTF risk in a nutshell, in the sense that even in the face of the existence of an extreme risk of money laundering, there remained a discretion on the part of a compliance officer as to whether to continue doing business with such a person? In other words, the risk  
30 appetite is set fairly extremely to one end rather than the other, is it not?

MR BARTON: Yes. I think a high-risk customer who is actively and known to have engaged in those things, there shouldn't be a discretion.

35 MR FEUTRILL: Really, it is indicating there is a willingness on the part of the casino operator, notwithstanding that risk, that patent risk, to continue to carry out and offer services to them, presumably for reasons of financial gain?

40 MR BARTON: Well, that's a discretion. What actually happened in practice might be different, but I agree that discretion leaves that opportunity open.

MR FEUTRILL: It leaves it open to the AML/CTF compliance officer in this program at that time?

45 MR BARTON: Yes.

MR FEUTRILL: Not to the CEO of Australian Resorts, not to the CEO of Crown Resorts, not to the board of Burswood Ltd.?



12:01PM

MR BARTON: Yes.

MR FEUTRILL: I take it at least now you are familiar with the name Riverbank  
5 Investments Pty Ltd?

MR BARTON: Yes.

MR FEUTRILL: You were a director of that company for a period of time? It is one  
10 of Burswood Ltd's subsidiaries?

MR BARTON: Yes.

MR FEUTRILL: You know it operated some bank accounts?  
15

MR BARTON: Yes.

MR FEUTRILL: It received funds from patrons who wish to gamble at the Perth  
20 Casino?

MR BARTON: Yes.

MR FEUTRILL: To the best of your knowledge, were the accounts of Riverbank  
25 Investments operated primarily for the purpose of receiving funds from overseas  
patrons?

MR BARTON: I don't know whether it was overseas. It was certainly receiving  
funds from patrons, I don't know if it was predominantly overseas.

30 MR FEUTRILL: Is it your understanding that the use of the name "Riverbank  
Investments" was adopted as a means of masking the destination of the funds? In  
other words, masking that the purpose for which the funds were deposited was for  
use for gambling at the casino?

35 MR BARTON: Well, the account was in existence when I joined the company. But  
I did have some understanding, from the operating businesses' perspective, there was  
a desire by some patrons to not have the name of the casino as the counterparty to  
some financial transactions.

40 MR FEUTRILL: Yes, and the reason for that was because the patron did not want to  
--- or wanted to have the ability to disguise that they were using the funds for  
gambling at the casino?

MR BARTON: To not have it obvious that they were remitting funds to a casino,  
45 yes.

MR FEUTRILL: You understand that was one of the reasons for the operation of the

Riverbank Investments account?

MR BARTON: One of the reasons it was set up that way, yes.

5

MR FEUTRILL: When did you gain that understanding, at what point?

MR BARTON: I'm not sure of the specific time. I know that when the accounts were --- well, when ANZ closed the account, it was indicated to me by the operations that they thought those accounts were valuable to have open and that patrons were used to dealing with the name of that account and there was a desire by patrons to continue to deal with the entity with that name.

10

MR FEUTRILL: Do I understand then from that answer that you became aware of this purpose around the time of the closure of the accounts by ANZ in 2014?

15

MR BARTON: Yes.

MR FEUTRILL: To your recollection, who within the Crown Group was the person who made you aware of that purpose for the accounts, or the desirability of patrons to use the accounts in that way?

20

MR BARTON: I don't recall specifically who that was.

MR FEUTRILL: Did you make some inquiries at the time?

25

MR BARTON: I don't recall if I made inquiries. I think these may have been discussions that took place with people in the Treasury team, who relayed them to me.

30

MR FEUTRILL: By that, do you mean Mr Costin?

MR BARTON: Yes.

MR FEUTRILL: Are you suggesting Mr Costin himself had knowledge of this, or he acquired the information from someone else?

35

MR BARTON: This would have been from discussions with the VIP team about the desirability of having these types of accounts.

40

MR FEUTRILL: Who in the VIP team, to your knowledge, was promoting the desirability of these accounts?

MR BARTON: Well, there was a commercial function within the VIP team and at the time it was Mr Theiler.

45

MR FEUTRILL: Anyone else within that team, that you can recall, who had a desire to maintain accounts of this nature?

MR BARTON: Not that I can recall.

5 MR FEUTRILL: Did you understand it to be an important part of the VIP business that they have available accounts of this character?

MR BARTON: It was important that we had the ability to receive funds, particularly from overseas patrons, in advance of gaming.

10 MR FEUTRILL: Did you understand there to be some impediment to some players gambling at one of the locations in Australia if there were not such an account available to them?

15 MR BARTON: Well, I think it was important for people who were travelling from overseas to make sure that when they came to the casino, they had access to funds to be able to gamble.

20 MR FEUTRILL: Yes, but they could have placed those funds into an account in the name of Burswood Nominees, for example?

MR BARTON: Yes, yes, they could have.

25 MR FEUTRILL: There wasn't any requirement to have an account operating in the name Riverbank Investments in order to receive patron funds was there?

MR BARTON: No, there wasn't.

30 MR FEUTRILL: Did you understand it to be the case that Crown Perth would lose business from patrons if it did not operate the Riverbank Investments account in this way?

MR BARTON: I don't know if that position was ever put to me, that patrons wouldn't come to Australia or Crown if that account didn't exist.

35 MR FEUTRILL: What then was the reason for maintaining the account after its closure in 2014?

40 MR BARTON: Only a preference from the VIP team to have an account in that name for patrons to continue to access.

MR FEUTRILL: To your knowledge, who was the person within Crown Group who gave effect to the desire to open a new account for Riverbank Investments in 2014?

45 MR BARTON: Well, account opening and closing was a function of the Treasury team.

MR FEUTRILL: Does that apply across the board, as in all bank accounts were

operated through the Treasury?

5 MR BARTON: Opening and closing of accounts would have been coordinated through Treasury.

MR FEUTRILL: Treasury was under your supervision; is that right?

10 MR BARTON: Yes, that's right.

MR FEUTRILL: Does that mean to say you ultimately knew and had authority and were the person who had the authority to open the CBA accounts in 2014?

15 MR BARTON: Ultimately, yes, I had authority to.

MR FEUTRILL: Did you authorise the opening of the CBA accounts in 2014?

20 MR BARTON: I was aware they were being opened. I didn't need to provide any authorisation. I think that was being able to be done within the delegations in the Treasury department.

MR FEUTRILL: Was a person primary responsible for that Mr Costin?

25 MR BARTON: Yes.

MR FEUTRILL: Was there anyone else, to your knowledge, involved in the opening of the CBA accounts in 2014?

30 MR BARTON: The CBA accounts. The VIP operations team would have been aware of that because they would have needed to have worked with the customers to give them the details of the new banking arrangements.

MR FEUTRILL: Who are they?

35 MR BARTON: Again, that would have been coordinated through Mr Theiler.

MR FEUTRILL: What about the people on the ground in Perth and Melbourne dealing with the customers?

40 MR BARTON: Yes. So I think the finance teams in both locations would have needed to be aware of the new accounts being established, given they had oversight of that, plus the cage would have needed to have been aware of that as well.

45 MR FEUTRILL: By the "cage", do you mean the general managers the cage in Perth and Melbourne?

MR BARTON: Yes.

MR FEUTRILL: Was that Mr Brown for Perth?

MR BARTON: Yes.

5

MR FEUTRILL: And Mr Howell, was it, for Melbourne?

MR BARTON: No, I think at the time it might have been Mr Hancock.

10 MR FEUTRILL: Right, Mr Hancock. Did you understand, when you became aware of the purpose for the operation of these accounts, whether it was understood to be a Crown Group specific phenomenon or something that was undertaken more widely in the casino industry?

15 MR BARTON: I may have had some understanding that it was a practice that existed in other places but I don't recall specifically.

MR FEUTRILL: Upon becoming aware of the purpose for which the account was operated, did it raise in your mind any red flags, to use that expression, or alarm bells that an account of this character may facilitate money laundering?

20

MR BARTON: Not at the time.

MR FEUTRILL: Are you aware and do you understand the existence of informal or underground banking systems?

25

MR BARTON: Not in any detail, no.

MR FEUTRILL: Are you aware of the existence of people who are referred to as moneychangers or money remitters?

30

MR BARTON: I have some knowledge of that but not in detail.

MR FEUTRILL: What is your knowledge of the operations of a moneychanger or a money remitter, whichever way you want to describe them?

35

MR BARTON: My understanding extends to some knowledge that in some overseas jurisdictions there are organisations that will accept funds in a local currency and transmit those to a recipient in another jurisdiction.

40

MR FEUTRILL: When did you gain that understanding of a moneychanger or money remitter?

MR BARTON: Probably only over the last couple of years, as I've become more familiar with the AML programs.

45

MR FEUTRILL: Did you understand in 2014, around the time of the closure of the ANZ account, that there was an association between the operation of that account

and moneychangers?

MR BARTON: Not in the way I understand moneychangers now.

5

MR FEUTRILL: Did you make any inquiries at that time around the meaning of what a moneychanger was?

MR BARTON: No.

10

MR FEUTRILL: Did you understand there to be some form of relationship between either Crown Perth or Crown Melbourne and moneychangers, either locally or overseas?

15 MR BARTON: In 2014?

MR FEUTRILL: Yes.

MR BARTON: No.

20

MR FEUTRILL: At all?

MR BARTON: No, not in the way I understand moneychangers now.

25 MR FEUTRILL: No, what I mean to say is did you understand there to be a relationship between either Crown Perth or Crown Melbourne, operationally, and moneychangers, either located overseas or in Australia, for the purpose of receiving patron funds?

30 MR BARTON: Not in 2014.

MR FEUTRILL: Well, at any time?

35 MR BARTON: I've become aware of moneychangers who Crown has dealt with over the last couple of years.

MR FEUTRILL: You are aware then that Crown had some form of a relationship with some moneychangers?

40 MR BARTON: Yes.

MR FEUTRILL: And you became aware of that in the last ---

MR BARTON: Two or three years.

45

MR FEUTRILL: Two or three years. When did Crown have the relationship with the moneychangers?

12:15PM

MR BARTON: I don't know the commencement of that relationship.

MR FEUTRILL: Do you know ---

5

MS BOROS: I wonder if we could be more specific about what the relationship is. It seems like the witness is being asked to comment on this without really knowing what exactly it is.

10 COMMISSIONER OWEN: Just clarify that, Mr Feutrill.

MR FEUTRILL: What I mean is, to your knowledge, did Crown Perth understand that a moneychanger would be used to remit funds for use in gaming at Crown Perth?

15 MR BARTON: In what time period, Mr Feutrill?

MR FEUTRILL: At any time?

MR BARTON: Not specifically in relation to Crown Perth.

20

MR FEUTRILL: Crown Perth or Crown Melbourne, then?

MR BARTON: Yes. Yes.

25 MR FEUTRILL: Was this in connection with the VIP business?

MR BARTON: Yes.

30 MR FEUTRILL: Was it your understanding that the relationship concerned knowledge of who the moneychangers were and that those people would be remitting funds for patrons to Crown Melbourne or Crown Perth?

MR BARTON: Yes.

35 MR FEUTRILL: Did you understand the moneychangers to be overseas or in Australia or both?

MR BARTON: The ones I was aware of were overseas.

40 MR FEUTRILL: Do you know the names of the money remitters overseas?

MR BARTON: Not the specific name. I know of one name that was used, but I'm not sure if that's their formal name or if it was the name that the business referred to it.

45

MR FEUTRILL: What was the name the business used to refer to them?

MR BARTON: It was described as "Nene".

12:17PM

MR FEUTRILL: How would you spell that, Mr Barton?

MR BARTON: I believe that was N-E-N-E.

5

MR FEUTRILL: Where overseas was Nene located?

MR BARTON: I don't recall specifically where they were located.

10 MR FEUTRILL: Any others whose name you can recall?

MR BARTON: No, that's the only one raised with me.

15 MR FEUTRILL: Was there --- only one raised with you. Did you understand there to be more than one?

MR BARTON: I don't know.

20 MR FEUTRILL: Did you have any understanding of any other arrangements that either Crown Perth or Crown Melbourne had for receiving funds used for gaming in Perth or resettlement of gaming debts in Perth or in Melbourne where the funds were received overseas?

MR BARTON: No.

25

MR FEUTRILL: What was your understanding of the way in which the moneychangers operated?

30 MR BARTON: Only that they would be able to accept funds in their jurisdiction and then transfer those funds to Crown.

35 MR FEUTRILL: Can I ask you to turn to your statement at 154. We have covered a bit of this territory already, Mr Barton. You've made reference to your Bergin Inquiry third statement at paragraph 41. I wonder if we could have that document, Mr Barton's third statement in Bergin, brought up as well, which is CRL.697.001.0033, at page 40. I think we've been dealing with the topic in 41 and 154 to some extent already, Mr Barton.

40 I want to understand a bit more about what you mean in paragraph 154 where you have in the last sentence --- taking into account you have prefaced it with your reference to paragraph 41. I want you to explain to the Commission, if you don't mind, in the last sentence of 154, you say:

45 *These accounts were maintained by the finance team at Crown Perth and overseen by the VIP International business with AML controls implemented by the AML team in Perth under Mr Preston.*



There appear to be three areas dealing with these accounts, as I understand that sentence. Could we start with what you mean by they "were maintained by the finance team at Crown Perth"?

5

MR BARTON: Yes.

MR FEUTRILL: What do you mean by that?

10 MR BARTON: So, bank statements and entering the detail, the banking arrangements, doing bank reconciliations and managing, if you like, the financial aspects of the bank account would have been managed by the finance team in Crown Perth.

15 MR FEUTRILL: In the course of a reconciliation, is it the case they would be provided with either the original bank statements or records of a bank statement, in order to undertake a reconciliation between, I take it, the deposits --- let's stick with Riverbank here, for instance, deposits into Riverbank Investments accounts and the correlation whereby they were allocated to a patron in an internal Crown Perth patron  
20 account?

MR BARTON: Yes, they would need the bank statements to do that work.

MR FEUTRILL: I may have been operating on an assumed state of affairs, so let's  
25 make sure I understand this correctly. There was a process by which Crown Perth opened what they refer to as a patron account, correct?

MR BARTON: Sorry, they opened a patron account?

30 MR FEUTRILL: Yes, in the system called SYCO.

MR BARTON: Right.

MR FEUTRILL: There was a patron account where a patron would have the facility  
35 to open an account with Crown Perth?

MR BARTON: There would be a customer created within SYCO.

MR FEUTRILL: I will put some propositions to you and you can tell me if I'm  
40 wrong or agree with me or, if you don't know, you can say so. Is it the case that funds received from patrons, whether it be into the Riverbank account or some other account, were allocated to a particular patron who had a patron ID and a patron account in SYCO?

45 MR BARTON: Yes, I understand that is the case.

MR FEUTRILL: In effect, wherever the money was sitting in the accounts of Crown Perth, whether it be in Riverbank Investments or in a Burswood Nominees account or

some other account, they were treated in an omnibus fashion, where the funds were obviously in the bank account of the relevant Crown entity but were recorded as belonging, in SYCO, to the relevant patron?

5

MR BARTON: Yes, that's correct.

MR FEUTRILL: Somewhat like a trust account but without being held on trust?

10

MR BARTON: I'm not sure about that but certainly from a record-keeping perspective, SYCO would record that the funds have been received on account of that patron.

15

MR FEUTRILL: In the process of reconciliation then, is it the case that one of the aspects the finance team in Perth was interested in was to ensure that funds received from a patron were correctly allocated to the patron's SYCO patron account?

20

MR BARTON: No, that was probably being done more by either part of the VIP International team, particularly for overseas patrons, and also the cage would have had a role in that as well.

MR FEUTRILL: In what respect was the finance team undertaking reconciliations, then? Was it just at the month end?

25

MR BARTON: I'm not sure how regular they did it, but the responsibility for making sure all the receipts and payments out of that account were properly recorded in the accounting system would have been the Finance Department.

30

MR FEUTRILL: Did that extend to ensuring that, for example, if someone deposited \$50,000 into Riverbank Investments account, \$50,000 was recorded in SYCO in that patron's SYCO account?

35

MR BARTON: No, that would have been more the responsibility of either the VIP team or the cage.

MR FEUTRILL: So what parts of reconciliations were the Finance Department concerned with, then? That the \$50,000 was received and recorded as a receipt?

40

MR BARTON: And if it was disbursed out of the account, then that was accounted for as well.

45

MR FEUTRILL: Does that mean to say that the finance team had a role to play in reconciling --- let's say customer A deposits funds, games and ends up at the end of the gaming period with a positive balance. The funds are disbursed at the end of that period. The finance team would be involved in identifying the reconciliation process?

MR BARTON: No, I think that would have been done within the SYCO system.

MR FEUTRILL: Is it the case the finance team had nothing to do with the SYCO system? They weren't reviewing it?

5 MR BARTON: I'm not completely sure of what processes they adopted, but their interest was not in allocating those funds to the customer accounts or accounting for how the customer's play activity ---

10 MR FEUTRILL: All right. As part of the reconciliation and what the finance department was doing, did they have occasion to consider the individual transactions in the Riverbank Investments account, to your knowledge?

MR BARTON: I don't know.

15 MR FEUTRILL: Did you understand the finance team members in Perth to have received AML/CTF training?

20 MR BARTON: I don't know specifically, but it would have been part of the induction and part of the ongoing training.

MR FEUTRILL: Do you know if they received specific training or was it the online version we saw earlier?

25 MR BARTON: I don't know.

MR FEUTRILL: Can I ask you then, and you may have already in part answered this, but specifically then what you mean by "overseen by the VIP International business"?

30 MR BARTON: Yes. So they had the relationship with the customer, so from their perspective, they wanted to ensure that if there were funds received from one of their customers, that those were properly made available when the patron came to visit.

35 MR FEUTRILL: Do you understand then that members of the VIP International team had access to the online banking platform for Riverbank Investments?

MR BARTON: I don't know if they did.

40 MR FEUTRILL: Do you now understand the process, if any, by which they were able to ensure the overseas patron received the correct allocation in SYCO?

MR BARTON: Not the specific process they would have used to do that.

45 MR FEUTRILL: Do you understand they had access to the SYCO system itself and the reporting function?

MR BARTON: They certainly had access to SYCO.

MR FEUTRILL: I've forgotten, Mr Barton, if you have answered this question or if I asked it. Did they have access to the Riverbank Investments account statements?

5 MR BARTON: I'm sorry, I missed the start of that question.

MR FEUTRILL: Did members of the VIP International business team have access to Riverbank Investments bank statements?

10 MR BARTON: I don't know specifically but I would expect so.

MR FEUTRILL: Sorry, I missed the last part of the answer. Did you say you would expect so?

15 MR BARTON: I would expect so.

MR FEUTRILL: How large was the VIP International team in the period between 2013 and when the junket periods stopped in 2020?

20 MR BARTON: I wouldn't have an accurate estimate of that. It was a sizeable team, but I couldn't give you a number.

MR FEUTRILL: Are they all located in Melbourne?

25 MR BARTON: The commercial and marketing teams were in Melbourne. There were some VIP employees in Perth on the hosting side.

MR FEUTRILL: Those employed on the hosting side, they were not the people interested in whether the funds were allocated correctly though, were they?

30 MR BARTON: No, that was principally the commercial team.

MR FEUTRILL: Do I understand those people to have been predominantly or entirely in Melbourne, at least from 2017?

35 MR BARTON: Predominantly, if not entirely.

MR FEUTRILL: The last aspect of this paragraph refers to AML controls implemented by AML team. Did you have an understanding of what the AML controls were?

40

MR BARTON: Some understanding, yes.

45 MR FEUTRILL: I am now talking about something more specific than merely the AML/CTF program I showed you earlier. Did you have an understanding of the operating procedures of the AML team?

MR BARTON: Some understanding of the procedures, yes.

MR FEUTRILL: When did you gain that understanding?

5

MR BARTON: In 2014 I did attend some meetings where there were discussions or presentations from the AML team about the way they managed AML processes across the bank accounts.

10 MR FEUTRILL: I want to come back to those meetings in a moment, Mr Barton. But before I do, I want to finish off on this section of your statement. In paragraph 154 you mentioned the three areas I have described; finance team, VIP International and AML team. A little earlier in response to one of my earlier questions, you indicated that the Riverbank Investments account was also used not only by  
15 international patrons but local patrons as well. Did you have any understanding of who, if anyone, at Crown Perth was exercising the same function as VIP International with respect to domestic patrons? That is to say, ensuring that the relevant patron's funds are allocated to the correct patron in SYCO?

20 MR BARTON: Most of that activity was done at the cage.

MR FEUTRILL: Is it your understanding that the point of contact for domestic patrons, to the extent that Riverbank Investments operated, was the cage?

25 MR BARTON: Yes, and also they may have done some of that work for international patrons as well.

MR FEUTRILL: Then that might also answer the next question I have. Could I draw your attention to paragraph 159, dealing with transfer of funds between  
30 accounts. You might recall a little earlier we asked you some questions about the collection or sweeping of Crown Perth accounts and then moving funds into a central account for the Crown Group. Do you know or understand if there was a similar process undertaken within Crown Perth itself? That is to say, at some point during the day or the week or the month, funds would be swept from the Riverbank  
35 Investments account and taken into an operating account of Crown Perth?

MR BARTON: I wouldn't have any knowledge of that process.

40 MR FEUTRILL: In paragraph 159 you say you have no specific knowledge of the person responsible for transfer of funds for use by patrons. You say it typically occurs as part of the cage operations. What are you describing there? Let's take the example of Riverbank Investments. An amount is deposited into the account. It becomes available for use in gaming at what point?

45 MR BARTON: When the patron typically presents themselves at the cage with the ability to demonstrate evidence that they were the party that deposited the funds. At that point, the patron would have access to those funds.

MR FEUTRILL: At that point, the funds can sit or remain in the Riverbank Investments account or be somewhere else within the Crown Perth Group. But the point is, the patron presents and there is an allocation process undertaken at the cage; is that the nub of it?

5

MR BARTON: Well, again, this is an understanding. That would be funds they would record in SYCO as available to the patron and then the patron would be able to obtain an instrument against those funds in their SYCO balance, be it chips or a chip purchase voucher or some instrument.

10

MR FEUTRILL: Do you have any knowledge or understanding of the process, if any, by which the funds were ultimately moved from Riverbank Investments to another Crown Group account?

15 MR BARTON: Not the detail of that process.

MR FEUTRILL: Well, without knowing the detail, what do you know of the process?

20 MR BARTON: Well, I know that within the Treasury team, if there was surplus funds across Crown's bank accounts, they would typically be swept into one consolidated account.

25 MR FEUTRILL: Could I take you back then to the earlier issues we were dealing with, in terms of the sweeping. Did the Treasury function apply equally to the Riverbank Investments account as it did to the Burswood Nominees accounts?

MR BARTON: Yes.

30 MR FEUTRILL: Would it be the case then that --- again I'm paraphrasing what you said earlier. I think you described it as a more ad hoc arrangement. So when someone in Treasury noticed a large balance, there may be a sweeping of the funds. Is it your understanding that is how it operated with Riverbank Investments as well?

35 MR BARTON: That is my understanding, yes.

MR FEUTRILL: Who within the Treasury function, in the period 2013 to when you left, had the primary responsibility for that function?

40 MR BARTON: There may have been others in the Treasury function early on in that period but at the end it was --- the treasury function was essentially just Mr Costin.

45 MR FEUTRILL: Do I understand that Treasury would have had or did have access to the online banking system for Riverbank Investments, Burswood Nominees and any subsidiaries in the Crown Group?

MR BARTON: They would have had access to whatever online banking information was available.

MR FEUTRILL: Presumably as part of their function in considering the sweeping of accounts, they would have been able to view the individual transactions either online or by way of a paper record?

5

MR BARTON: I don't know specifically that.

MR FEUTRILL: It was not something you understood yourself, Mr Barton, I take it?

10

MR BARTON: No, I didn't.

MR FEUTRILL: Again I think we may have already touched on this, Mr Barton, but I want to take you to it, in any event. Paragraph 161 of your statement makes reference to the division of responsibilities in respect of the account. I think we have dealt with the first sentence, which is the process of reconciliation by finance. The second sentence I think we have also dealt with, which is the process of allocating money to the individual patron. I want to ask you to elaborate on the third sentence, which is the responsibility for ensuring compliance with the AML/CTF programs and procedures. What is your understanding of the nature of the responsibility the AML team had for ensuring compliance with the AML/CTF programs and procedures?

15

20

MR BARTON: As it relates to the bank accounts of Riverbank, what I am referring there to is the transaction monitoring program.

25

MR FEUTRILL: Are you referring here to the process by which a printout or a report will be prepared periodically and reviewed manually by members of the AML team and considered for AUSTRAC reporting requirements?

30

MR BARTON: Yes, in relation to some aspects of reporting. I am not completely familiar with the detail, but international funds transfer instructions would be one aspect of the reporting, threshold transactions would be another, but I think specifically the reporting out of SYCO was used for any suspicious matters reporting.

35

MR FEUTRILL: Yes. For example, if they noticed that a cash deposit took place at the cage exceeding \$10,000, they would ensure a threshold transaction report had been made to AUSTRAC?

40

MR BARTON: I understand that is the case but I'm not sure they would have been reviewing it, but I expect they would have been.

MR FEUTRILL: When you talk about suspicious matter reports, is your reference there to reviewing --- having a look at the entries in the SYCO system and considering patterns and whether there is some reason that some activity by a particular patron may be suspicious and whether a suspicious matter report should be made to AUSTRAC?

45

12:41PM

MR BARTON: Yes, that's correct.

5 MR FEUTRILL: Did you understand or did you know whether it was any part of their function to consider source information? For example, to review the Riverbank Investments bank statements themselves?

MR BARTON: The AML team?

10 MR FEUTRILL: Yes.

MR BARTON: My understanding is at the time the Riverbank accounts were being reviewed, that wasn't part of what they did.

15 MR FEUTRILL: When you say "at the time", are you referring to this period 2013 until something changed?

20 MR BARTON: Quite recently. I understand that now part of the AML program, as of last year, is they also get information directly from the bank statements.

MR FEUTRILL: That was one of --- the last point, which is the change where the AML team reviewed bank statements to source information, that happened during the period you were CEO of Crown Resorts, didn't it?

25 MR BARTON: That's right.

MR FEUTRILL: It happened after the Bergin Inquiry commenced?

30 MR BARTON: It happened through the course of --- after it commenced, yes. After it commenced.

35 MR FEUTRILL: Prior to that, the AML team, to your knowledge and your understanding of the system, was not reviewing Riverbank Investments or any account of Burswood Nominees as a source of information from an AML/CTF perspective?

MR BARTON: My understanding is their information came from the SYCO system.

40 MR FEUTRILL: Insofar as the SYCO system goes, that was also a manual process, wasn't it? Sorry, I should start by saying in the period 2013 until more recently, that was a manual process?

MR BARTON: Sorry, when you say "a manual process"?

45 MR FEUTRILL: A person had to take a report and look at it and form a view about whether there was anything suspicious in the transactions?

MR BARTON: There was some automation underway, I think, towards the end of



2019 but more significantly in 2020. But before that, it was a manual process of reviewing SYCO printouts to prepare suspicious matter reports.

5 MR FEUTRILL: All right. So when you are referring now to the automated process, is that a reference to the Sentinel system?

MR BARTON: Yes, that's right.

10 MR FEUTRILL: And it began during the end of 2019 and throughout 2020?

MR BARTON: That's my recollection.

MR FEUTRILL: Prior to that it was an entirely manual operation?

15

MR BARTON: Yes, that's right.

MR FEUTRILL: And even when Sentinel began, you continued the manual aspect, didn't you?

20

MR BARTON: Yes, that's right.

MR FEUTRILL: So can we break this up into periods; to your knowledge how many members of the AML/CTF team were undertaking the review of transactions in SYCO for Crown Perth?

25

MR BARTON: My understanding is there was one full-time employee on AML from 2013 until 2018/19.

30 MR FEUTRILL: And after 2018?

MR BARTON: The team was growing over time. I believe by around 2020 I think there was either two or three people in Perth. And I think it was growing since then as well.

35

MR FEUTRILL: And during the period you were CEO did you make any changes to those numbers?

MR BARTON: We were adding numbers. The total team in 2020 by around September/October I think was up to 15 positions. Some of those were being filled. Since then I think it has grown more.

40

MR FEUTRILL: When we talk about 15, is this across both Perth and Melbourne?

45 MR BARTON: Yes, that's right.

MR FEUTRILL: Or does that relate only to Perth?

MR BARTON: That's Perth and Melbourne.

5 MR FEUTRILL: Were any specifically dedicated to the function in Perth or was it simply a group function?

MR BARTON: There were some dedicated in Perth and then people in the group function also supported both Perth and Melbourne.

10 MR FEUTRILL: So far as Perth is concerned, am I right to understand up until 2018, one person?

MR BARTON: I may not be completely right with that but I know at one stage there was one person. I don't know in 2018 if there was one or more.

15

MR FEUTRILL: Then 2018 to 2022, there were two people, again, give or take?

MR BARTON: I think that's right.

20 MR FEUTRILL: And in 2020 you undertook an increase of the size of the team by a significant margin?

MR BARTON: Mr Stokes at the end of 2019 and into 2020 was building out the team and I think since then it has been built out more.

25

MR FEUTRILL: Can I just ask you to confirm something. If I take you to 162 to 166 of your statement, and in particular at 162, this is in response to a question about your awareness of the extent to which the operation of the Riverbank accounts were accounted for in the AML/CTF program of the Crown Group. And some of the same subject matter we've just been traversing, Mr Barton. You make a reference to previous answers to previous topics and also to your Bergin Inquiry statements without any specific reference to which one. Could I take you to some of those statements and ask you what you had in mind because I think that might be the most efficient way of dealing with this. So in your third statement, CRL.697.001.0033, 30 and on page pinpoint 0042, there is a heading "AML/CTF". And there are a number of paragraphs that follow from that. It ends --- think it goes on from 54 to 79. Are they at least some of the paragraphs you had in mind when you made reference to your Bergin Inquiry statements?

35

40 MR BARTON: I've only got 54 to 56 on the screen at the moment.

MR FEUTRILL: You can take your time, Mr Barton. In fact, what I might do, Mr Barton, because I think we are about to run into the lunch break, if I give you the references and you can look at them over the lunch if it might assist.

45

COMMISSIONER OWEN: I think that is an appropriate course, yes.

MR FEUTRILL: All right. So, Mr Barton, the references I wish to draw your

attention to are your third statement, paragraphs 54 to 79, your fourth statement,  
paragraph 14 to 21, and that is CRL.730.001.1547, and your sixth statement, which is  
CRL.744.001.0001 at paragraphs 23 to 33. And if there are any others I've missed,  
5 can you let me know when we come back from the luncheon adjournment.

MR BARTON: Yes.

10 MR FEUTRILL: Sorry, Mr Barton, while I've got you, and before we break, I have  
another question for you. Similarly with respect to your answers to topic 54(b) and  
(c), I think they are addressed in paragraphs 11 to 22 of your sixth witness statement  
in the Bergin Inquiry. And while I'm on the subject, again this should make things  
more efficient Mr Barton, you've dealt with the question of the closure of accounts,  
you recall this, to do with the closure of the ANZ and CBA account in your witness  
15 statement in this matter at paragraphs 168 through to 174. Again you've referred to  
your Bergin Inquiry statements. In that respect, I understand --- could you confirm  
the paragraphs in question are in your third witness statement, paragraphs 22 to 53,  
in your fourth witness statement paragraphs 5 to 11 and 13, and in your fifth witness  
statement paragraphs 5 to 6 and 8 to 10. Again, if there is anything else you wish to  
20 draw my attention to, sorry, the Commission's attention to, or feel that is incorrect,  
please let me know after the luncheon adjournment.

MR BARTON: Yes.

25 MR FEUTRILL: Sorry, in my mind we were going to keep going until we got to 10  
to 1 but I realise it is 1 o'clock. My apologies, Commissioners. What time are we  
breaking?

COMMISSIONER OWEN: 1 pm.

30 MR FEUTRILL: If that's right then I will just see if there are any others I can add to  
this list. I think that is all.

COMMISSIONER OWEN: I have a short question. Unless you ---

35 MR FEUTRILL: No, I would be prepared if it is convenient for the Commission to  
break now because it will take Mr Barton some time to read through.

40 COMMISSIONER OWEN: Mr Barton, just before we break, you may not be able  
to, but I wonder if you can help me with this. It is about the Riverbank accounts.  
What I'm interested in is the process by which the money goes from the bank, ANZ  
or CBA, into the Crown Perth accounts. Are you able to tell me the process --- let  
me go back and see if my understanding is correct.

45 MR BARTON: I'm sorry, Commissioner, the line dropped out there for a moment.

COMMISSIONER OWEN: Okay, I'm interested in the process by which the money  
gets from the bank, ANZ or CBA, into the Crown Perth accounts. That's the broad

topic. I'm wondering if you can help me with that.

5 So a depositor, be it domestic or international, deposits money into the Riverbank  
account at the bank. So there is a transaction between the depositor and the bank in  
that sense. Eventually the money is credited to the patron's account within, as I  
understand it, the cage structure of Crown Perth. So my question is what is the  
process by which --- what is the trigger by which the money leaves the bank and  
arrives at Crown Perth?

10 MR BARTON: I may be misunderstanding the question, but the funds once they are  
received into the bank account would be considered to be Crown Perth's funds. The  
patron would have access to those funds. So there would be a credit, if you like, to  
their customer balance in the SYCO system. And that's just an internal accounting  
15 entry. So the patron would have access to a balance that is created in an internal  
ledger account, if you like, within the SYCO system for that patron. So they are able  
to use that to draw down to gamble and receive chips. But the funds are always ---  
the actual cash funds are always within Crown's control. There may be payouts for  
winnings or other reductions to the balance but essentially once they are in that bank  
20 account they are in Crown's hands.

COMMISSIONER OWEN: I think perhaps I phrased that badly. The Riverbank  
account is of course an account under the control of Crown Perth but the patron has  
made a deposit. What is the process by which the people within the cage, or  
25 whoever it is that is responsible, the finance team, become aware that there must be a  
removal of funds from the Riverbank account into the patron's ledger account, if you  
like. Is that something that happens automatically on a review of the bank  
statements? I'm asking if you have personal knowledge of this or whether there was  
some communication between the patron and the Crown finance team that  
30 precipitated the creation of that ledger entry?

MR BARTON: So within the SYCO system what would, if you like, would create  
the change in the balance of the patron's, if you like, credit account would be when  
the patron is at the cage with evidence of the funds that were being deposited on their  
35 account through the banking system. So they would present themselves at the cage,  
they would demonstrate that the deposit was on their account, there would typically  
be some details in the deposit and once that was matched and verified by the cage,  
then they would, in a sense, release that balance to the patron to draw down on out of  
their SYCO system balance.

40 COMMISSIONER OWEN: So this then is still part of what has been referred to as a  
manual operation rather than some automated system by which the transaction at the  
bank between the depositor and the bank was automatically entered into SYCO; is  
that right?

45 MR BARTON: It is a manual system, Commissioner, yes, that somebody needs to  
intervene to verify that the money that was received in Crown's bank account is  
properly for the credit of that patron.

12:59PM

COMMISSIONER OWEN: All right. Thank you. Mr Barton, we've left you with some home work.

5 MR BARTON: Yes, indeed.

COMMISSIONER OWEN: We'll break for a full hour and come back at 2 pm our time, which is 4 pm your time.

10 MR BARTON: Thank you, Commissioner.

COMMISSIONER OWEN: So 2 pm.

15 **ADJOURNED** **[12:59P.M.]**

**RESUMED** **[2:01P.M.]**

20 COMMISSIONER OWEN: Thank you. Please be seated. Can we get Mr Barton back. Good afternoon, Mr Barton.

MR BARTON: Good afternoon.

25 COMMISSIONER OWEN: Mr Feutrill?

MR FEUTRILL: Mr Barton, have you had an opportunity to consider the paragraphs of the statements I took you to before the adjournment?

30 MR BARTON: Yes, I have.

MR FEUTRILL: Are you content that they are the paragraphs that you had in mind?

35 MR BARTON: Could I perhaps give you a few more comments, if that's possible?

MR FEUTRILL: Sure.

40 MR BARTON: I think in relation to 54(a) in my third statement, you referenced paragraphs 54 to 79.

MR FEUTRILL: Yes.

45 MR BARTON: I would also add paragraph 33. In my fourth statement, you referred to paragraphs 14 to 21, and in my sixth, 23 to 33. I agree with those. I think you were joining 54(b) and (c) together.

MR FEUTRILL: I was.

5 MR BARTON: In relation to my third statement, I think you made reference to 22 to 53. I would also add 73 to 79. In my fourth statement you referred to 5 to 11 and 13. I agree with that. In my fifth, I think you said 5 to 6 then 8 to 10, which I agree with. And in my sixth, you said 11 to 22 and I would add in my sixth statement, paragraphs 7 to 10.

10 MR FEUTRILL: Thank you, Mr Barton. I will try to keep all that in my mind when I ask a series of questions of you. It is fair to say you obviously addressed the subject matter of the Riverbank Investments accounts through a number of statements in the Bergin Inquiry ---

15 MR BARTON: (Nods head).

MR FEUTRILL: --- and a number of topics in the topics you have provided, so I appreciate your answers are in different places. What I will try to do is bring it together in one place to, to some extent, summarise. But if you feel that anything needs elaboration in order for your evidence to be complete, then please feel free to do so.

20 Can I start really at the beginning. Riverbank Investments had accounts with the HSBC before the ANZ; correct?

25 MR BARTON: I understand that's the case, yes.

MR FEUTRILL: Those accounts were closed in around 2013?

30 MR BARTON: I understand that's the case, yes.

MR FEUTRILL: If I understand your evidence correctly, you understood or understand those accounts were closed because HSBC had made a strategic decision to get out of the gaming sector?

35 MR BARTON: That's correct.

MR FEUTRILL: At what point during your tenure with the Crown Group did you become aware of or reach the understanding about HSBC's reasons for closing the HSBC accounts?

40 MR BARTON: My understanding of the HSBC accounts, I only became aware of that closure in the last year.

45 MR FEUTRILL: Is it your evidence you were not aware of the closure of the HSBC accounts in around 2013?

MR BARTON: No.

MR FEUTRILL: How did you become aware of it in more recent times?

5 MR BARTON: Really, through the material produced as part of the NSW Inquiry.

MR FEUTRILL: I think in answer to questions I had earlier regarding the opening and closing of accounts, you indicated that was a function of Treasury?

10 MR BARTON: Yes.

MR FEUTRILL: Treasury reported to you as CFO?

MR BARTON: Yes.

15 MR FEUTRILL: Are you quite sure you had no knowledge or understanding in 2013 of the closure of the HSBC accounts and the opening of the ANZ ones?

MR BARTON: I have no recollection of the closure of the HSBC accounts.

20 MR FEUTRILL: And the opening of the ANZ accounts?

MR BARTON: No recollection of that either.

25 MR FEUTRILL: You weren't a recipient of this email but I have some questions I would like you to answer about it, if you don't mind, for information purposes. Can I take you to CRW.529.011.7641 and if we could call up the attachment to it at the same time, which is the same commencement but final digits 7643. Sorry, Mr Barton, we're having a few issues. That is the attachment. Can we have the earlier document, ending 7641 alongside it, please.

30 As I said to you, Mr Barton, you were not a recipient of this email, so I don't expect you to have seen it before. I want to ask you some questions about who the addressees are, if you might be able to assist with that. It has been sent to darrenharding@crownlimited.com.sg. Are you aware of who Darren Harding was at  
35 that time?

MR BARTON: I know he was an employee in the VIP International business, but I'm not sure what position he had at the time.

40 MR FEUTRILL: "sg", is that a Singapore designator, is it?

MR BARTON: I would expect so, yes.

45 MR FEUTRILL: What about Stefan, do you know who the reference to Stefan may be?

MR BARTON: No.

MR FEUTRILL: What about Michael C, is that Michael Chen?

MR BARTON: Possibly. That would make sense.

5

MR FEUTRILL: Then there is a plenvat@crown.co.th. Is that a reference to Thailand?

MR BARTON: I would expect so, yes.

10

MR FEUTRILL: Do you know who that recipient is?

MR BARTON: No.

15 MR FEUTRILL: Then there is rickyl@crownltd.com.hk, do you know who that may be a reference to?

MR BARTON: That is probably Mr Ricky Lee.

20 MR FEUTRILL: Again, was he a person in the VIP International group?

MR BARTON: Yes. Yes, he was.

MR FEUTRILL: Then there is a Joe Agarhari; do you know who that may be?

25

MR BARTON: I'm familiar with the name. I think he was also in the VIP International team.

MR FEUTRILL: The next one, Alfreagd?

30

MR BARTON: Probably Mr Alfread Gomez, he was also in the VIP International team.

35 MR FEUTRILL: In the cc line there are some areas. There is Credit Control Crown Melbourne. Who would fall in that functional group?

MR BARTON: I'm not sure. I would be speculating.

MR FEUTRILL: What is "Funds"? What does the designator "Funds" mean?

40

MR BARTON: I don't know.

MR FEUTRILL: Cage Management Crown Perth, that seems fairly self-explanatory?

45

MR BARTON: I would have thought so.



MR FEUTRILL: And Vasula Kessell?

MR BARTON: In the Crown Perth finance team.

5

MR FEUTRILL: And Roland T, I take it that is Roland Theiler, the person you mentioned earlier in today's evidence.

MR BARTON: I would expect so, yes.

10

MR FEUTRILL: Neil de Lima?

MR BARTON: He was a Perth-based member of the VIP team.

15 MR FEUTRILL: Indira Davis?

MR BARTON: I don't know Indira.

MR FEUTRILL: Albert Yap?

20

MR BARTON: No, I don't know Albert.

MR FEUTRILL: Heather Ryan?

25 MR BARTON: No, I don't know Heather.

MR FEUTRILL: Steven H, is that a reference to the General Manager of Cage, Crown Melbourne?

30 MR BARTON: Possibly Mr Hancock.

MR FEUTRILL: And Jacinta C?

MR BARTON: Probably Jacinta Carrera, who was also in the VIP team in Melbourne.

35

MR FEUTRILL: And Phillip B?

MR BARTON: I'm not sure about Phillip B.

40

MR FEUTRILL: Would it be fair to say this email appears to have been directed to those concerned largely with the VIP International business and the cage operations in Perth and Melbourne? Correct?

45 MR BARTON: Yes.

MR FEUTRILL: And some credit control and finance people as well?

MR BARTON: Yes.

5 MR FEUTRILL: Can I take you to your witness statement in this Commission at paragraphs 168 and 169. Can we also have the third Bergin witness statement, which is CRL.697.001.0033 at pinpoint 0039, where it commences at paragraph 22.

10 Do I understand your evidence to be that you became aware in the early part of 2014 that the ANZ Bank was concerned that there had been suspicious transactions on the ANZ Riverbank Investments account?

MR BARTON: Yes.

15 MR FEUTRILL: You became aware, through discussions or communications with members of your finance team in Melbourne, that at least some of the transactions related to overseas patrons and the use of moneychangers?

MR BARTON: Yes.

20 MR FEUTRILL: I think you said earlier today your understanding of the role that moneychangers play was not particularly well advanced in 2014?

MR BARTON: That's right.

25 MR FEUTRILL: Did you ask any questions at that time of your AML/CTF compliance managers in Perth and Melbourne about what the significance of moneychangers was?

MR BARTON: No.

30 MR FEUTRILL: Were you aware Mr Costin had been in communications with Mr Birch of the ANZ Bank about transactions under the \$10,000 threshold in the Riverbank Investments account?

35 MR BARTON: Yes.

MR FEUTRILL: You were aware that Mr Costin had a meeting with Mr Birch of the ANZ Bank?

40 MR BARTON: Yes.

MR FEUTRILL: After that meeting, was it the case that Mr Costin informed you that the ANZ Bank remained concerned about the reasons for moneychangers depositing cash of less than \$10,000 into the Riverbank account?

45 MR BARTON: I'm not sure if Mr Costin advised me of that. I know he had a meeting and said he had provided information to ANZ in response to their questions.

MR FEUTRILL: But you were aware at the time that the issue, from ANZ's perspective, was the deposit of amounts under \$10,000 into the Riverbank Investments account?

5

MR BARTON: Yes.

MR FEUTRILL: And that one of the issues in connection with that was why moneychangers would be breaking up transactions into smaller parcels?

10

MR BARTON: I think the moneychangers information came back in response to Mr Costin's questions of the finance team in Perth and I think the response was that there were overseas patrons who had foreign currency they needed to convert to Australian dollars and did that with some moneychangers in Perth.

15

MR FEUTRILL: Can I direct your attention to paragraph 28 of your third statement in Bergin. You had a meeting with Mr Birch in February 2014 at which you were informed that the ANZ had decided to close the Riverbank account?

20

MR BARTON: Yes.

MR FEUTRILL: What reason did Mr Birch give in that conversation for the ANZ's decision to close the account?

25

MR BARTON: I can't recall if he gave me a specific reason.

MR FEUTRILL: Well, did you ask him?

MR BARTON: I can't recall the conversation.

30

MR FEUTRILL: To best that you can recall, was it part of the reason Mr Birch gave you that they had not received a satisfactory response to the questions that had been asked of Mr Costin?

35

MR BARTON: I don't recall if that was one of the things he said to me.

MR FEUTRILL: This may refresh your memory, CRL.557.001.0911, which I think is referred to in your statement. Could I just ask you to start at the top, although it ends in a chain of emails from you to Mr Costin on 31 January, but what I want to draw your attention to is that you were copied on an email from Mr Birch to Mr Costin at the bottom of the first page and the top of the second page, where he sets out a series of questions in relation to the Riverbank Investments account. Can I just direct your attention to those questions that start "What is the purpose of the account/what is it currently being used for?", and through to the end of that passage.

45

Have you finished reading that, Mr Barton?

MR BARTON: Yes, I have.

MR FEUTRILL: They are all fair questions from an AML/CTF perspective, are they not?

5 MR BARTON: Yes.

MR FEUTRILL: Do you remember reading this email at the time you received it in 2014?

10 MR BARTON: Not specifically, no.

MR FEUTRILL: Having considered those questions, does that refresh your memory at all about the subject matter of your conversation with Mr Birch in February 2014?

15 MR BARTON: No, I don't recall that February conversation.

MR FEUTRILL: Following that meeting in February 2014, there were arrangements made to have a further meeting with the ANZ Bank?

20 MR BARTON: Yes.

MR FEUTRILL: You have made reference to that in your witness statement to this Commission in paragraph 171. I think it is also referred to in paragraphs 32 and 33 of the third witness statement in Bergin, if we could have that back, please. In fact,  
25 we need to do a bit more juggling, operator. I want to show you an email and a meeting agenda, to see if we can jog your memory somewhat. CRW.529.008.8581 and alongside that, please, CRW.529.001.9086. The first reference seems to be wrong. Sorry, Mr Barton, I'm just trying to find the right document for you. Do you recall receiving an agenda around this time for a meeting they were proposing?

30 MR BARTON: Yes, I recall that meeting.

MR FEUTRILL: Can you look at the document ending in 9086, which is an agenda, and consider it and see if it recalls your recollection of what ANZ wanted to discuss  
35 at that meeting?

MR BARTON: Yes, that looks like the content they were proposing to discuss.

MR FEUTRILL: Your comment in the earlier email to Mr Neilson, who was the  
40 General Counsel, and Mr Costin is that looking at the agenda, you might need more time to prepare?

MR BARTON: Yes, I see that.

45 MR FEUTRILL: The meeting didn't take place, did it, until towards the end of the month, 27 March 2014 I think you said in your statement?

MR BARTON: That's right.

MR FEUTRILL: Was Christina Smith your executive assistant at this time?

5

MR BARTON: Christina, she was. Both Michael Neilson and I shared Christina as a PA.

MR FEUTRILL: Can I ask that you be shown CRW.529.001.9136. Could I draw your attention to the bottom of the first page, an email commencing "Dear Josh, Deb and Travis" and it's signed off by Christina Smith?

10

MR BARTON: Yes.

MR FEUTRILL: Do you know, given what you have just said about she being an executive assistant shared between you and Mr Neilson, if you gave her the instructions to set up this meeting?

15

MR BARTON: I don't recall. It could have been either me or Mr Neilson. The attendees being basically the top legal officers for each property was more in line with Mr Neilson's functional role.

20

MR FEUTRILL: Can I draw your attention to the bullet point on the page beginning 9137 with "Josh Preston - (leading the discussion, please Josh)".

25

MR BARTON: Yes.

MR FEUTRILL: Do you know if that instruction came from you for Mr Preston to lead the discussion?

30

MR BARTON: I don't know. It perhaps looks more like the language that Mr Neilson might have used.

MR FEUTRILL: Was it your understanding though at that meeting that Mr Preston was to lead the discussion on the topics?

35

MR BARTON: I think I would have expected both Mr Preston and Ms Tegoni, as the AML Compliance Officers, to be part of the presentation or leading the presentation.

40

MR FEUTRILL: In your statement to the Bergin Inquiry at paragraph 33, you have given a description in a general sense of the subject matter for discussion at the meeting in March?

45

MR BARTON: Yes.

MR FEUTRILL: You have said there that:

Mr Preston and Ms Tegoni provide an overview of the AML/CTF controls that *were applied to transactions in Crown Perth and Crown Melbourne, including the controls on the Riverbank account and Southbank account.*

5

To the best of your recollection, was there any explanation of the standard operating procedures for each of those sites in respect of transactions on the Riverbank Investments account and the Southbank Investments account?

10 MR BARTON: I can't recall all of the content of the conversation.

MR FEUTRILL: The ANZ Bank was interested to understand the process by which transactions on the Riverbank Investments account were recorded in the SYCO system?

15

MR BARTON: Yes.

MR FEUTRILL: They wanted to understand what controls, from an AML/CTF perspective, were in place, particularly in respect of the Riverbank Investments account for Crown Perth?

20

MR BARTON: Yes. Well, they had accounts in Crown Perth and Crown Melbourne, so I think their interest was probably across both properties.

25 MR FEUTRILL: Yes. They wanted to understand the process by which the individual deposits into the Riverbank Investments accounts were treated by Crown Perth and, in the case of Southbank, Crown Melbourne from an AML/CTF perspective; correct?

30 MR BARTON: I would agree with that.

MR FEUTRILL: An explanation was given by Mr Preston in respect of Perth and presumably by Ms Tegoni in respect of Melbourne; is that right?

35 MR BARTON: I don't have a specific recollection but that sounds right.

MR FEUTRILL: Was there a discussion concerning if there are a series of deposits for a single patron, the way in which the aggregated sum was treated from an AML/CTF perspective at each location?

40

MR BARTON: I can't recall if that was discussed in that meeting.

MR FEUTRILL: I appreciate you were not a recipient of this email, Mr Barton, but I ask you be shown CRL.557.001.0815. I draw your attention to the paragraph that commences:

45

Just to clarify in respect of the accounts (eg Riverbank), when multiple deposits *are made* .....

MR BARTON: Yes, I see that.

5 MR FEUTRILL: Does that assist you to remember anything about the nature of the conversation on 27 March 2014?

10 MR BARTON: No, it doesn't, and I guess what's not clear from this is whether that was a topic of discussion at the meeting or if this was a question that was raised after the meeting.

MR FEUTRILL: Well, to the best of your recollection, was it raised with you at any time?

15 MR BARTON: No.

MR FEUTRILL: Can I just refer you again to your Bergin Inquiry witness statement at paragraphs 34 to 37. Just to understand the sequence of events, Mr Barton, you met with Mr Birch at the end of February and he told you that the ANZ intended to close the ANZ Riverbank accounts?

20 MR BARTON: Yes.

MR FEUTRILL: You met again with him towards the end of March and had some discussion around the AML/CTF program of Crown Perth and Crown Melbourne?

25 MR BARTON: Yes.

MR FEUTRILL: Was, in your mind, one of the purposes of that conversation or that meeting with Mr Birch and others from ANZ in March to attempt to persuade the ANZ Bank not to close the Riverbank Investments accounts?

30 MR BARTON: The purpose of the meeting was to respond to their concerns they were raising about Crown's AML processes.

35 MR FEUTRILL: Was it your understanding their concerns went beyond the mere operation of Riverbank Investments but to Crown Resorts Group or Crown Perth in their interests more broadly?

40 MR BARTON: Well, I think the purpose of the meeting was to discuss overall Crown's AML processes, which brought in both the Melbourne and the Perth properties.

45 MR FEUTRILL: According to your statement in Bergin, you had then had a conversation with Mr Birch in April, when you said you would undertake some form of review of Crown's AML/CTF program; correct?

MR BARTON: I can't quite recall the date we discussed that but I did indicate that

we were engaging a third party to review aspects of our AML program.

5 MR FEUTRILL: That eventually was Mr Jeans and Promontory that produced a report later that year?

MR BARTON: Not Mr Jeans, it was Promontory who produced the report.

10 MR FEUTRILL: I appreciate this has been dealt with on another occasion, Mr Barton, but I would like to draw to your attention correspondence involving you towards the end of April and ask you some questions about it. CRL.605.016.4170. Again, this is a chain of emails. Mr Barton, you are not a participant of the final couple at the top, but further down you were copied on an email from Mr Costin to a number of people, which appears about three quarters of the way down the first page  
15 of the email. It makes reference to, if I can draw your attention to the last page ---

MR BARTON: Yes.

20 MR FEUTRILL: --- where notice is given that ANZ will be closing the Riverbank Investments account. There is a reference also to closing some accounts for Southbank Investments in Hong Kong and Singapore.

MR BARTON: Yes.

25 MR FEUTRILL: In the next paragraph there is a reference to transitioning to the CBA accounts and an instruction:

30 *Can customers be advised by relevant people that multiple cash deposits in branch under \$10,000 reporting threshold will not be accepted in the new CBA account.*

MR BARTON: Yes.

35 MR FEUTRILL: To the best of your knowledge, was any procedure put in place in the standard operating procedures or by some other means, to prevent multiple deposits under \$10,000 being deposited into the CBA accounts?

40 MR BARTON: My understanding was that notification was given to all customers that it wouldn't be accepted, but I'm not sure if that was incorporated into SOPs within the business,

MR FEUTRILL: Do you know whether, to your knowledge, it was incorporated into an internal audit program to see if there was compliance with that instruction?

45 MR BARTON: I don't know.

MR FEUTRILL: In your view, who within the Crown Resorts Group had



responsibility for giving effect to that instruction?

5 MR BARTON: It would be the operating business that interacted with the customers.

MR FEUTRILL: What does that mean?

10 MR BARTON: To the extent these accounts were being used for VIP patrons, to communicate to the VIP patrons, which would have been most of the activity in the account.

15 MR FEUTRILL: Having given that instruction, was it your expectation there would be a formal procedure put in place to ensure it was adhered to?

MR BARTON: My expectation is the business would ensure that was the case, but I didn't turn my mind to what that would have translated to in terms of a procedure or a policy.

20 MR FEUTRILL: Did you consider it within part of your responsibilities to ensure that a procedure was put in place to prevent cash deposits under the threshold being made in the CBA bank account, multiple cash deposits?

25 MR BARTON: No.

MR FEUTRILL: Did you consider that to be within the remit of the AML/CTF Compliance Officer?

30 MR BARTON: No, I would have expected that to be somewhere in the business unit. Perhaps not the AML compliance officer, perhaps the business unit that interacted with customers.

MR FEUTRILL: Would that be the cage?

35 MR BARTON: Possibly the cage or possibly the commercial team in VIP.

MR FEUTRILL: Do you mean the sales team?

40 MR BARTON: The sales, and with the commercial team as part of that conversation.

45 MR FEUTRILL: Could I ask you to look at paragraph 72 in that same statement, which is your third statement. Part of your statement has obviously dealt, also, with measures that Crown was taking during the course of the Bergin Inquiry and earlier, to address some of the AML/CTF issues. You indicate there, with effect from 8 April 2020, Crown determined it would no longer make or receive payments from third parties without prior notice and approval. Do you recall why that step was taken in April 2020?

MR BARTON: Not specifically, but I think there were concerns about the ability to do sufficient due diligence on payments that were received or made to parties other than our customer.

5

MR FEUTRILL: This is dealing with a slightly different topic to the multiple deposits, is it not? This is about whether or not an amount is transferred to a third party by Crown --- from a patron account to a non-related party?

10 MR BARTON: Correct.

MR FEUTRILL: Was there any event that had taken place that prompted Crown, from your perspective, to take this step in April 2020?

15 MR BARTON: That was initiated by the business and I can't recall if there was a single event that led to that decision.

MR FEUTRILL: Going back to the events in 2014, it was within the power of Crown Perth in 2014 to put in place a system whereby they wouldn't receive, would  
20 not accept cash deposits in the Riverbank Investments account?

MR BARTON: Whether they could prevent it, I'm not sure, or whether they would need to put in place processes to deal with it if it did occur.

25 MR FEUTRILL: Yes. Taking the first step, you couldn't stop someone depositing a cash amount into the account, most likely?

MR BARTON: I think that's the case.

30 MR FEUTRILL: But you could put in place a procedure that indicated that if such a deposit took place, the funds would not be available to that patron for gaming purposes?

MR BARTON: Yes.

35

MR FEUTRILL: In other words, Crown could have put in place a policy whereby it did not accept cash into its Riverbank Investments accounts or any other accounts for gaming purposes?

40 MR BARTON: Yes.

MR FEUTRILL: The third party procedure that was implemented in April 2020, that could easily have been put in place at an earlier point in time as well, could it not?

45 MR BARTON: Yes, it could have.

MR FEUTRILL: Can I just take you back to your statement at 72(b). There is

a reference to a maximum amount of cash that a junket can deposit at the cage in any given day of \$300,000. Again, that is a policy that could have been implemented at any time by Crown Resorts, isn't it?

5

MR BARTON: Yes, it is.

MR FEUTRILL: You might recall in one of the documents we took you to earlier, there was a reference to a decision by ANZ to not only close the Riverbank Investments and Southbank Investments accounts, but also some accounts Southbank Investments held in Hong Kong and, I think, Singapore?

10

MR BARTON: They didn't have a Southbank account with ANZ at the time.

15 MR FEUTRILL: They were accounts of Crown Melbourne, were they?

MR BARTON: They had accounts at Crown Melbourne, yes.

MR FEUTRILL: Do you recall that Mr Hancock expressed some frustration in an email to you about the closure of those overseas accounts?

20

MR BARTON: I'm not sure if it was frustration, but I know those accounts were important to the business.

25 MR FEUTRILL: They wanted to have overseas accounts available for their patrons to deposit funds into overseas?

MR BARTON: Correct.

30 MR FEUTRILL: Was it your intention in 2017 to open accounts in the name of Riverbank Investments with the Bank of China overseas?

MR BARTON: There were discussions with Bank of China about potentially having transaction banking relationships with them, although that never proceeded.

35

MR FEUTRILL: Why did it not proceed?

MR BARTON: I can't recall why it didn't proceed. I think it was discussions we were having with them generally about a relationship and no aspect of that respect ever eventuated.

40

MR FEUTRILL: To your knowledge, did Riverbank Investments attempt to open accounts overseas with any other institution?

45 MR BARTON: Not to my recollection.

MR FEUTRILL: Mr Barton, I think it is fair to say that in a number of statements you made during the Bergin Inquiry you made some acknowledgements about the

nature of the Promontory engagement in 2014. I think you acknowledged it wasn't an adequate response to the ANZ Bank's decision to close those accounts in 2014?

5 MR BARTON: Yes.

MR FEUTRILL: I don't intend to take you back through all that again, Mr Barton, but I do want to ask you some questions about the steps that were taken and your views about the reasons that responses were not as fulsome as they may have been or  
10 could otherwise have been. Could I draw your attention to, essentially, paragraphs 38, 39 and 40 of your third statement in the Bergin Inquiry.

At 38, you address some of the findings of the Promontory report but I think you acknowledge it didn't really take into account the concerns that ANZ Bank had raised  
15 in that year about the operation of the Riverbank Investments accounts. Then in 39, you have set out some responses that could have been taken. Then 39(a) includes a thorough review of the Riverbank Investments account and other patron accounts controlled by Crown Perth and Crown Melbourne. To your knowledge, up to the point in time you left the Crown Group, was a thorough review of the Riverbank  
20 Investments account of the kind described in 39(a) undertaken?

MR BARTON: Yes.

MR FEUTRILL: Are you referring to the reviews undertaken towards the end of  
25 2020 by Initialism and Grant Thornton and the process that commenced then?

MR BARTON: Yes.

MR FEUTRILL: Is it your evidence that it was completed by the time you left the  
30 Crown Group?

MR BARTON: We'd received reports from Grant Thornton and Initialism on the Riverbank and Southbank accounts, yes.

MR FEUTRILL: That process, it's fair to say, did not commence until towards the  
35 end of the Bergin --- September or around September 2020; correct?

MR BARTON: Probably October.

MR FEUTRILL: So it took some years, it's fair to say, before anyone in Crown  
40 Group undertook an investigation into the operation of the Riverbank Investments accounts?

MR BARTON: Certainly an external investigation, yes.  
45

MR FEUTRILL: I will come back to the steps you took, Mr Barton. Can I draw your attention to 39(b) and the step is "an immediate escalation to Mr Preston and Ms Tegoni as the relevant AML Compliance Officers". They were in the meeting in

March 2014, were they not?

MR BARTON: They were, yes.

5

MR FEUTRILL: They were well aware, were they not, then of the nature of the concerns of ANZ Bank?

MR BARTON: Certainly no later than March 2014.

10

MR FEUTRILL: That, effectively, is a step that was taken in 2014?

MR BARTON: Yes, yes, although between January and March.

15

MR FEUTRILL: That didn't result, to your knowledge, in any internal investigation of the Riverbank Investments accounts?

MR BARTON: Not to my knowledge, no.

20

MR FEUTRILL: Can I draw your attention to 39(g), where you reflect on the instruction to not deposit amounts below the \$10,000 threshold. You make a reference there:

25

*This is because I can now see that it was unlikely to be an effective response to the root cause of the problem.*

In your view, what was the root cause of the problem?

30

MR BARTON: It was the ability for patrons to deposit cash into our bank account without our ability to, in a timely way, either identify it and reject it or prevent it, and then those funds being available to patrons to transact with the casino.

35

MR FEUTRILL: In the period during which you were employed in the Crown Group, do you understand there to have been any investigation undertaken to ascertain the root cause, the reason why, if you like, not only were the deposits made in this way but, seemingly, the AML monitoring didn't pick them up?

40

MR BARTON: I'm not sure about the last part of that question, Mr Feutrill, the AML monitoring not picking them up.

MR FEUTRILL: Is it not the case that there was an aggregation of amounts that were deposited into the Riverbank Investments account by cage staff?

45

MR BARTON: Yes, yes, there was for a period an issue with the process of aggregating the deposits, yes.

MR FEUTRILL: Then when it was reported in SYCO, the AML team were unable to identify the individual transactions from an AML monitoring perspective?

MR BARTON: That was an issue that arose, yes.

5 MR FEUTRILL: What I am asking you is whether there was an investigation during the period you were employed in the Crown Group of the root cause of that event, why there was aggregation and why there was, therefore, the inability for the AML team to undertake the monitoring correctly?

10 MR BARTON: Yes, there was a review that was commissioned. When I left it wasn't complete, but that piece of work was within the scope of some work that was being done by Initialism to understand the root cause of the aggregation issue.

15 MR FEUTRILL: The Initialism report revealed not only some difficulties in respect of some typologies in relation to money laundering, insofar as structuring and other characterisations go, but they also identified transfers to third parties unrelated to patrons, didn't they?

20 MR BARTON: I'm not sure if that was one of the issues that they identified in their report.

MR FEUTRILL: I will come to that in a moment. It is probably easier to deal with when I deal with some of the --- I will come back to that, Mr Barton.

25 Again, to understand the sequence of events --- I suppose before I deal with that, you have made a point, I believe, in your statements to the Bergin Inquiry that you formed the view that Crown was focused on compliance in this period, in the period of Riverbank Investments, 2013 to 2020. Do you mean by that --- sorry, this is to go back to your statement in 40(b). Do I understand from that, the view you are expressing is that at the time, Crown was really focused on strict compliance with the letter of the law but not the spirit of the law?

30 MR BARTON: I think complying with the obligations under the AML/CTF Act. I think my point there is that continuing to see particularly suspicious matters that are reported should at some point prompt somebody to look at that more broadly and say: are we seeing behaviours here that are indicative of the wrong kinds of customers.

40 MR FEUTRILL: One of the things you identified in your statements in the Bergin Inquiry was a more recent emphasis on prevention, if I could put it that way. You have taken some time to step through the changes that were being implemented during 2020, with an emphasis on prevention.

MR BARTON: Yes.

45 MR FEUTRILL: Is it your view that prior to those steps in that period where steps were being taken for prevention purposes, the focus of the Crown Group was really on compliance and not prevention?

MR BARTON: I think we were building capability from about 2018 onwards but I don't think it was until more recently that we were taking very active steps to try and prevent the sorts of transactions that we have seen go through those accounts.

5

MR FEUTRILL: Do I understand from your evidence that in 2014 there was no report of a closure of the ANZ account or the reasons for it to any board within the Crown Group?

10 MR BARTON: That's correct.

MR FEUTRILL: So it evidently did not occur to anyone who knew of that that the closure of the account may be an indication of a heightened money laundering risk that ought to be elevated to consideration at the board level?

15

MR BARTON: Yes.

MR FEUTRILL: You are aware there were some allegations made in the media in the middle of 2019 concerning, amongst other things, the Riverbank Investments accounts?

20

MR BARTON: Yes.

MR FEUTRILL: You have addressed that at some length in your Bergin Inquiry statements. Do I understand from that that you have largely given evidence based on your conversations after the event with Ms Lane and Mr Preston about what steps were taken in 2019 to investigate the Riverbank Investments accounts?

25

MR BARTON: I did have some contemporaneous knowledge in 2019 and then some information that I obtained afterwards.

30

MR FEUTRILL: Did you understand in 2019 there to be anyone within the Crown Group undertaking a review, as in looking at the transactions on the Riverbank Investments accounts?

35

{Technical Disruption}

MR FEUTRILL: I think we may have lost Mr Barton.

40 COMMISSIONER JENKINS: I don't know if it is significant but it happened at 3 o'clock.

COMMISSIONER MURPHY: That's when the meter ran out.

45 COMMISSIONER JENKINS: We had a booking to 3 o'clock.

MR FEUTRILL: Shall we adjourn and find out what the ---

03:01PM

COMMISSIONER OWEN: I think we will. We will need to take a break for the transcribers. This is probably wise to take a break now.

5 MS BOROS: Sorry, Commissioner. I have put in a call to see what has happened to Mr Barton.

COMMISSIONER OWEN: Ms Boros, we will break for 10 minutes and see if we can resume the link. We will break for 10 minutes.

10 MS BOROS: Thank you, Commissioner.

15 **ADJOURNED** **[3:01P.M.]**

**RESUMED** **[3:11P.M.]**

20 COMMISSIONER OWEN: Please be seated.

MR BARTON: Apologies, Mr Commissioner.

COMMISSIONER OWEN: That's all right. Mr Feutrill?

25 MR FEUTRILL: May it please the Commission. Welcome back, Mr Barton.

MR BARTON: Thank you.

30 MR FEUTRILL: I asked you a question before we lost you whether, to your knowledge, any person in the Crown Group was undertaking a review of the Riverbank Investments account specifically in the middle of 2019.

MR BARTON: Yes.

35 MR FEUTRILL: And I'm talking about your knowledge in 2019 ---

MR BARTON: Oh, in 2019. There was some work being done in relation to the allegations in 2019.

40 MR FEUTRILL: Were you aware in 2019 of the specific nature of any investigation or review by any person within the Crown Group of the bank account statements of Riverbank Investments?

45 MR BARTON: In 2019?

MR FEUTRILL: Yes.



MR BARTON: No.

5 MR FEUTRILL: Did it occur to you that it was necessary to undertake such an investigation in 2019?

MR BARTON: Not at the time.

10 MR FEUTRILL: After the allegations were made public via, effectively, the Fairfax press and I think 60 Minutes may have dealt with this as well, you had a meeting with the CBA to discuss the Riverbank CBA accounts?

MR BARTON: Yes, that's right.

15 MR FEUTRILL: You were given some information at that meeting that the CBA couldn't share with Crown but indicated they wanted to have an understanding of Crown's AML controls?

20 MR BARTON: They didn't give us information but they did want to have a meeting with our AML team to understand our AML processes, yes.

25 MR FEUTRILL: I take it you understood from that meeting that the concern of the CBA bank centred on money laundering through the CBA Riverbank Investments accounts?

MR BARTON: Yes, I understood that. Louise Lane, who was our AML manager, had been meeting with CBA to discuss our AML processes.

30 MR FEUTRILL: But you understood their concern was relating to operation of that account in a way that may lead to or facilitate money laundering?

MR BARTON: I'm not sure they were as specific as that, but that would certainly be an assumption to draw.

35 MR FEUTRILL: Yes, but in terms of what you understood, you put two and two together, I presume, and understood the concern to be in relation to money laundering?

40 MR BARTON: Certainly that would be something that would be in my contemplations.

MR FEUTRILL: It was in your contemplation, wasn't it, in 2019? That was the ---

45 MR BARTON: Yes.

MR FEUTRILL: In your statement you mention that notice was given to the Burswood Ltd board and, I think, to the Crown Resorts Ltd board of the closure of the CBA accounts?

MR BARTON: And the Crown Resorts Risk Management ---

MR FEUTRILL: Yes, there was a reference in ---

5

MR BARTON: --- Committee.

MR FEUTRILL: --- your statement to that, yes. To your knowledge, in any of those meetings in which you participated, whether it be Burswood Ltd, Crown Resorts or the Risk Management Committee, was there discussion around the reason for closure of those accounts?

10

MR BARTON: I recall there was some discussion at the Crown Resorts Risk Management Committee about the environment for access to banking arrangements.

15

MR FEUTRILL: Was there a reference there to something that Ms Halton had to say about that?

MR BARTON: I think that's right, yes.

20

MR FEUTRILL: Was it the case then at the Risk Management Committee meeting there was discussion about closure of the accounts because of AML/CTF concerns?

MR BARTON: I can't recall if it was in that level of detail.

25

MR FEUTRILL: I ask you to look at CRW.507.004.5742. Do you see there is a reference at the bottom of the page:

Jane Halton noted that the closure of the Commonwealth Bank accounts *seemed* .....

30

MR BARTON: Yes.

MR FEUTRILL: Are you able to elaborate on what the nature of the discussion was at the Risk Management Committee meeting?

35

MR BARTON: No, I can't recall.

MR FEUTRILL: Do you know if, after closure of the Riverbank Investments accounts in 2019, there were any steps taken to open accounts with another institution?

40

MR BARTON: In the name of Riverbank or Southbank?

MR FEUTRILL: Yes.

45

MR BARTON: Not that I can recall any attempts by Crown to talk to banks about

opening new accounts.

MR FEUTRILL: I beg your pardon? I missed that.

5

MR BARTON: Not that I can recall any conversations that Crown had with banks about opening new accounts in those names.

10 MR FEUTRILL: Were there conversations within Crown itself, the Treasury team, for example, to see if further accounts could be opened?

MR BARTON: Not that I can recall.

15 MR FEUTRILL: Can I ask you to go to your sixth witness statement in the Bergin Inquiry at paragraph 12. I want to establish, Mr Barton, if I may, the point at which the Crown Group turned its mind to and reviewed, specifically, the Riverbank Investments accounts. Am I right in thinking or do I understand correctly, leaving  
20 aside the discussion you had with Ms Lane where her review didn't lead to the appointment of external consultants, it ended, that the first time, to your knowledge, a person within Crown Group reviewed the Riverbank Investments accounts for the purpose of considering if there had been any structuring or typologies of money laundering was after you prepared your third statement, which is after 16 September 2020?

25 MR BARTON: Yes.

MR FEUTRILL: Can I ask you to be shown CRL.663.001.0001. Mr Barton, I want to know if you remember receiving that or reading it in 2020?

30 MR BARTON: I don't recall seeing that letter.

MR FEUTRILL: I notice it's not mentioned in any of your witness statements. Is it your evidence that you were not made aware of a letter from Mr Preston and Mr Stokes to AUSTRAC in August 2020?

35

MR BARTON: No.

MR FEUTRILL: Out of interest, Mr Barton, have you seen the letter before today at all?

40

MR BARTON: I believe it was in the witness bundle, maybe yesterday or the day before.

MR FEUTRILL: Is that the first time you can recall seeing this letter, is it?

45

MR BARTON: Yes.

MR FEUTRILL: In your statement you have made reference to sending an email to

the board of directors on 29 September, attaching a memorandum that Mr Marais prepared for you. Do you recall that part of your evidence?

5 MR BARTON: Yes.

MR FEUTRILL: I think we may have been through this relatively briefly earlier today, but did you understand from Mr Marais' review that he had identified a number of instances of multiple deposits under \$10,000 within a 72-hour period into  
10 the Riverbank Investments accounts?

MR BARTON: I think Mr Marais' analysis was focused on the issue of aggregation at the time.

15 MR FEUTRILL: Yes, and did you understand that he identified a series of transactions over a 72-hour window period, all of which involved aggregation when the amounts were recorded in SYCO?

MR BARTON: Yes, that's correct.  
20

MR FEUTRILL: At the time, and I'm referring to September 2020, were any steps taken at that time to identify the reason for the aggregation in the way in which the cage operated during that period?

25 MR BARTON: I recall a conversation with Mr Preston where he was having a conversation with the heads of the cages in both Melbourne and Perth, to understand the reasons for that occurring.

MR FEUTRILL: What was Mr Preston's explanation for the reasons it occurred in  
30 Crown Perth, at least?

MR BARTON: I think at the time he didn't have an explanation. They couldn't understand why that process would not have followed the normal procedure, which is to record each transaction separately in SYCO at the cage.  
35

MR FEUTRILL: Did you yourself have any conversations directly with the General Manager of the cage in Perth and Melbourne about this matter?

MR BARTON: Not in Melbourne, but the head of the cage in Perth, Mr Brown, was  
40 in Sydney and I asked him if he could explain it and he had no explanation for why that would have occurred.

MR FEUTRILL: Insofar as your conversation with Mr Brown is concerned, did he describe to you the process he understood that the cage cashiers were to follow?  
45

MR BARTON: I don't recall if he went into that level of detail.

MR FEUTRILL: Was it your understanding, after your conversation with

Mr Brown, that the cashier process was recorded in some operating procedure, for instance?

5 MR BARTON: Yes, I understand there is a mandated procedure for recording cash deposits.

MR FEUTRILL: Was it your understanding they were not to aggregate in that procedure and to record individual transactions? Is that your understanding?  
10

MR BARTON: That's my understanding.

MR FEUTRILL: Irrespective of the aggregation question, the absence of anyone within the cage identifying that the multiple deposits within a short window of time may be an indication of money laundering and, therefore, need to raise a suspicious matter report?  
15

MR BARTON: I didn't have that conversation with Mr Brown about that.

20 MR FEUTRILL: Mr Barton, you provided a presentation to the Gaming and Wagering Commission in Western Australia in October 2020?

MR BARTON: Yes.

25 MR FEUTRILL: Can I ask we call up CRW.709.136.4783. I think this is referred to in your statement, Mr Barton. I have been through this. I would like to ask you whether, in the course of your presentation to the GWC, you provided any explanation for the reasons for the closure of the CBA account?

30 MR BARTON: Not that I can recall.

MR FEUTRILL: The presentation notes they were closed in December 2019, but there is no reference to it being closed because of, or by reason of, concerns about an AML/CTF perspective?  
35

MR BARTON: Other than, if I recall correctly and I can't with precision recall, but that was a comment in relation to Crown's processes around AML/CTF.

MR FEUTRILL: I'm just wondering if there was any discussion, if you made plain during your presentation to the GWC that it wasn't at the initiative of Crown Resorts, for example, to close the accounts, it was because the bank decided to close them itself?  
40

MR BARTON: I can't recall if that was part of the presentation.  
45

MR FEUTRILL: Again, I don't remember seeing any reference in there to the issue of aggregation of deposits into the Riverbank Investments account and an inability of the AML team to monitor those, in the presentation to the GWC. Was that the

subject of any discussion during the presentation?

MR BARTON: I can't recall.

5

MR FEUTRILL: It's fair to say there is a focus on the future, I suppose, in terms of the presentation and what steps Crown was then taking to address things. In fairness to you, Mr Barton, did you have an understanding or appreciation that the GWC may have been following the Bergin Inquiry quite closely and the revelations that were taking place throughout 2020 before you met with them?

10

MR BARTON: I'm not sure, Mr Feutrill. I offered to do a presentation to the GWC on whatever topic was considered relevant and this was the material, I think, that was viewed as being relevant to, or of interest to, the Commission.

15

MR FEUTRILL: The focus wasn't really on, if you like, past failings, things that happened in the past that you were seeking to redress, it was really just on the redressing component; is that a fair assessment?

20

MR BARTON: I can't recall all of the content but part of the future was also acknowledging the issues that had been surfaced during the course of the inquiry.

25

MR FEUTRILL: The nature of that acknowledgement, was that expressed during the meeting or was it taken --- I suppose it was taken as implicit they knew, because they had been following the Bergin Inquiry?

30

MR BARTON: I think to introduce the reform program, it needed to be in the context of these are issues that have, basically, been brought to our attention through the course of the inquiry.

35

MR FEUTRILL: Is it fair to say, and you were taking it as read, there were issues that needed to be addressed and this is how you were addressing them?

40

MR BARTON: I'm not sure "take it as read", but certainly this was a presentation in response to issues that we had identified.

45

MR FEUTRILL: How long was the presentation with the GWC? How long did it take?

50

MR BARTON: I think I recall perhaps half an hour.

MR FEUTRILL: Were there questions from GWC members to you about the subject matter of your presentation?

55

MR BARTON: I can't recall.

MR FEUTRILL: I think you did a second presentation in December 2020. Was that in person or via Teams or something?

MR BARTON: That was in person.

5 MR FEUTRILL: Can I ask that you be shown CRL.513.021.6263. This is a letter sent to the GWC the day before the meeting. It is quite a long letter, Mr Barton.

MR BARTON: I did see a final copy but I wasn't part of the group that actually prepared the letter.

10 MR FEUTRILL: When you say you saw a final copy, was this sent with your --- well, it's signed by you, so presumably it had your approval?

MR BARTON: Yes.

15 MR FEUTRILL: It obviously expands a little bit on the nature of the earlier presentation in October 2020 and gives a little more detail, including attaching copies of Grant Thornton's work and Initialism's work to this point in time?

MR BARTON: Yes.

20 MR FEUTRILL: Obviously the members of the GWC, having received it the day before and given the length of the document, may not have had an opportunity to fully familiarise themselves with all of those annexures?

25 MR BARTON: No, of course.

MR FEUTRILL: How long was your presentation on that occasion?

30 MR BARTON: I think again it was perhaps less than half an hour.

MR FEUTRILL: Did you take them to any of the attachments, in particular I'm thinking of the Initialism report and the Grant Thornton report, and identify for the members the key findings in those reports?

35 MR BARTON: No, I don't believe I did.

MR FEUTRILL: Again, was the focus of this presentation on the future and what steps you considered that Crown Resorts was taking at that time to address, if you like, past failings?

40 MR BARTON: I think for that meeting we didn't come with a prepared presentation, it was more of a discussion and it was open to discuss any topic. But, as it eventuated, most of the conversation was about the reform agenda.

45 MR FEUTRILL: Was that the nature of the presentation you gave, then, on what you were proposing to do looking forward?

MR BARTON: I think most of the discussion was about the things we were doing to remediate the issues.

5 MR FEUTRILL: I said earlier I would take you back to something. It is referred to  
in, I think, the extended version of the Initialism document. I will give you one  
example and then ask you a question about it. Can the operator take us to pinpoint  
0696. CRW.513.021.6263 and the page reference is 6353, I'm sorry. It has two  
10 document IDs, that's the problem. Can you scroll down the page to underneath the  
heading "PID". There are a number of these summaries attached to this report, Mr  
Barton, but I want to draw your attention to the third last bullet point on that page.  
There is a reference there to the release of funds occurring and the patron not  
signing.

15 You might recall earlier I asked you a question around the explanation for the change  
of procedure in April 2020 concerning third-party transactions. Is it your  
understanding that prior to that change being implemented in 2020, a patron could,  
essentially, give an instruction to the cage to transfer funds held to the credit of the  
patron in the SYCO system to any third party?

20

MR BARTON: I'm not sure what the process was before that.

MR FEUTRILL: Did you read this report when it came in from Initialism?

25 MR BARTON: I did read it, yes.

MR FEUTRILL: Did you understand from the contents of it that one of --- there are  
a number of typologies of potential money laundering that are identified. Not only  
those that were identified in respect of the Riverbank Investments account itself, but  
30 the possibility for transactions to third parties to be used for money laundering  
purposes?

MR BARTON: Yes, I think that's right.

35 MR FEUTRILL: For instance, if a patron is able to transfer to a non-related third  
party, funds, that can be an indication of money laundering?

MR BARTON: Yes.

40 MR FEUTRILL: Up until the point in time that your employment with the Crown  
Group ended, do you know, of your own knowledge, if any investigation has been  
undertaken or inquiry has been undertaken in respect to identifying any historical  
transactions to non-related third parties where the relationship between the patron  
and the third party cannot be established?

45

MR BARTON: Not to my knowledge.

MR FEUTRILL: Mr Barton, I would like to take you to a document you may not



have had the opportunity to read. We referred to it quite late yesterday. It is DTT.0000.0005.0009. This is a statement by Ms Whitaker given, we understand, to the Victorian Royal Commission. In it, a number of statements are attributed to you.  
5 The pinpoint is 0016. I understand from reading this document, and you can correct me if I'm wrong about this, that toward the end of 2020 you, as CEO of Crown Resorts, commissioned Deloitte to undertake an assessment of Crown's cultural framework?

10 MR BARTON: Yes.

MR FEUTRILL: As part of that assessment, you were interviewed by Ms Whitaker?

15 MR BARTON: Yes, that's right.

MR FEUTRILL: Can I draw your attention to page 16. Paragraphs 71 to 78 attribute statements or views to you. Can you just read those and confirm they actually reflect your view?

20 MR BARTON: I've read that, thanks.

MR FEUTRILL: Do you accept that is an accurate representation of your views in December 2020?

25 MR BARTON: Well, I think the conversation with Ms Whitaker was more asking questions of things for Deloitte to investigate, rather than an expression of my perception. So some of those are worded that way, others should have been worded that way, but it was a question of are these issues and, as part of their review, could they explore and examine whether these issues were real.

30 MR FEUTRILL: If you take 71, for example, is that an accurate representation of your view or not?

MR BARTON: I think the first sentence was an observation.

35 MR FEUTRILL: Yes.

MR BARTON: The second sentence was more in the nature of a question.

40 MR FEUTRILL: And so ---

MR BARTON: Is there a culture that is reactive to risk and people raising things but not continuing to raise risks.

45 MR FEUTRILL: Okay. And 72?

MR BARTON: Again, the wording there is there are perceptions and it's more is there any accuracy to those perceptions or is there a question that needs to be

answered about people holding others to account.

MR FEUTRILL: 73?

5

MR BARTON: Again, that is a question.

MR FEUTRILL: And does that apply ---

10 MR BARTON: The second sentence obviously is factual but the first sentence is more in the nature of a question.

MR FEUTRILL: And is 74 of the same character, is it?

15 MR BARTON: Yes.

MR FEUTRILL: 75?

MR BARTON: Yes.

20

MR FEUTRILL: 76. 77, surely that's a view you expressed at the time and would adhere to?

MR BARTON: Yes, I agree.

25

MR FEUTRILL: In relation to 78, which does appear to be expressed in a more investigative way than the other ones, you express the desire to focus on the VIP business when examining subcultures, with a view they may have focused on revenue generation sales. Is that you expressing a view that the VIP business requires specific attention because of its focus on revenue and sales, as opposed to compliance?

30

MR BARTON: I think my view was there was a particular focus in the VIP business about revenue generation and perhaps a greater tolerance for risk, although I'm not sure about a real focus because the business, basically, was shrinking by the time we got to the end of last year.

35

MR FEUTRILL: Your employment with the Crown group came to an end in February this year; is that right?

40

MR BARTON: That's correct.

MR FEUTRILL: Do you continue to have any role or relationship with any entity in the Crown group today?

45

MR BARTON: Yes, I've got an arrangement where I'm available to provide services as needed.

MR FEUTRILL: Is that some form of consultancy agreement, is it?

MR BARTON: Yes, it is.

5

MR FEUTRILL: Do the terms of that agreement require you to advance the interests of the Crown group?

MR BARTON: No.

10

MR FEUTRILL: What is the scope of that arrangement?

MR BARTON: I'm available to respond to any issues that arise in relation to any of the work that was underway when I left the employment.

15

MR FEUTRILL: Does that take into account the various reform proposals that you implemented under your stewardship?

MR BARTON: Yes.

20

MR FEUTRILL: Does it include dealing, for example, with the various Royal Commissions that are taking place?

MR BARTON: I can't recall if that's specifically included.

25

MR FEUTRILL: May it please the Commission, I have no further questions.

COMMISSIONER OWEN: Thank you, Mr Feutrill. Are there applications for leave to ask questions of Mr Barton.

30

MR PENGLIS: May it please the Commission. I seek leave to cover three topics, very short.

COMMISSIONER OWEN: Mr Penglis.

35

MR PENGLIS: Thank you.

40 **CROSS-EXAMINATION BY MR PENGLIS**

MR PENGLIS: Mr Barton, my name is Penglis and I appear for Mr Preston.

45 A short time ago you gave evidence of a conversation with Mr Brown on the aggregation issue. Do you recall giving that evidence?

MR BARTON: Yes.

MR PENGLIS: Can you expand a little further on that conversation? Firstly, it's a  
5 conversation you had after the conversation with Mr Preston?

MR BARTON: I can't recall if it was before or after.

MR PENGLIS: This was a conversation about 10 months ago, is that fair?  
10

MR BARTON: That's probably right.

MR PENGLIS: Where was it --- you said it was in Sydney. Was it face-to-face or  
15 by telephone?

MR BARTON: No, no. It was in the Crown Sydney offices.

MR PENGLIS: What did you say to him, to the best that you can recall?

MR BARTON: It was a relatively short conversation. I asked him if he could  
20 explain what the cause or the issues were around the aggregation, to which he said he  
couldn't explain it.

MR PENGLIS: When he said he couldn't explain it, did he give you any  
25 understanding as to his views as to whether or not it was something that should have  
or should not have happened?

MR BARTON: I think it was clear in the way he expressed it that it was something  
30 that shouldn't have happened.

MR PENGLIS: The remaining two topics I want to cover with you arise out of the  
evidence you gave to the Bergin Inquiry. What I will do, Mr Barton, is show you  
your evidence and ask you to read it, they are only short passages, and then I will ask  
you some questions. Okay?  
35

MR BARTON: Yes.

MR FEUTRILL: Operator, can we call up document BGN.0002.0001.2853, please.  
40 Can we scroll down a little bit. Mr Barton, I would like you to read the transcript  
that is on the screen, up to and including the words "Commissioner: Yes." Do you  
see that?

MR BARTON: At about paragraph 29 or line 29?

45 MR PENGLIS: Correct. Read up to and including 29.

MR BARTON: Yes.

MR PENGLIS: If I asked you those same questions today, would you give the same answers?

5 MR BARTON: Yes.

MR PENGLIS: Further on in this document at pinpoint 2870, Mr Barton, I would like you to read to yourself this whole page and tell the operator when you want him to scroll.

10

MR BARTON: Yes.

MR PENGLIS: This can be summarised as follows, tell me if you agree: you put up a board report to Crown Resorts, dated 10 September 2020. I can take you to the document. Do you recall the document or would you like to see it?

15

MR BARTON: No, I recall the document.

MR PENGLIS: You proposed a restructuring in that document, did you not?

20

MR BARTON: Yes, I did.

MR PENGLIS: As the transcript suggests, that restructuring saw two roles being removed, namely, the CEO Australian Resorts and the Chief Legal Officer Australian Resorts; correct?

25

MR BARTON: It was a restructuring that created new positions and removed existing positions.

MR PENGLIS: Correct, and they are the two positions that were existing that were to be removed; correct?

30

MR BARTON: Correct.

MR PENGLIS: They were occupied at the time by Mr Felstead and Mr Preston, respectively; correct?

35

MR BARTON: Correct.

MR PENGLIS: As you indicated down the bottom answer, this was a proposition you were putting forward to the board at the time but the board had not yet agreed to that; correct?

40

MR BARTON: That's correct.

45

MR PENGLIS: You subsequently did put it to the board and the board did accept your recommendation; correct?

MR BARTON: That's right.

5 MR PENGLIS: That resulted in the then existing positions of CEO Australian Resorts and Chief Legal Officer Australian Resorts being made redundant; correct?

MR BARTON: Well, those roles didn't exist in the (inaudible).

10 MR PENGLIS: As a result, both Mr Felstead and Mr Preston left the employ of Crown; correct?

MR BARTON: They did leave the employment of Crown, yes.

15 MR PENGLIS: They did so on the basis of redundancies; correct?

MR BARTON: Yes, that's correct.

20 MR PENGLIS: Would you agree it would be wrong for anyone to suggest that either of those gentlemen left Crown for any reason other than that their positions had been made redundant?

25 MR BARTON: No. This was an organisation structure that was driven by some imperatives that were coming from the work we were doing through the course of the restructuring.

MR PENGLIS: To be clear, when you say "no", you were agreeing with the proposition that it would be wrong for anyone to suggest that they left the employ for any reason other than the structural reorganisation that you have referred to?

30 MR BARTON: Yes.

MR PENGLIS: May it please the Commission.

35 COMMISSIONER OWEN: Thank you, Mr Penglis. Other applications? Mr Evans.

40 MR EVANS: A couple of topics, if I might, Commissioners, largely to clarify a couple of things Mr Feutrill took Mr Barton to. **CROSS-EXAMINATION BY MR EVANS** MR EVANS: Mr Barton, my name is Evans. I act for the Gaming and Wagering Commission.

MR BARTON: Mr Evans.

MR EVANS: You were taken by Mr Feutrill in the last part of your evidence to the  
5 presentation you made to the GWC on 15 December 2020. Do you recall that?

MR BARTON: Yes.

MR EVANS: You accept, from your decade with Crown Resorts, that casinos are a  
10 regulated industry?

MR BARTON: Yes.

MR EVANS: They are a heavily regulated industry?  
15

MR BARTON: Yes.

MR EVANS: It is necessary in a regulated industry of the nature of a casino that  
20 there be a relationship of collaboration to a degree but, in particular, openness and  
transparency on the part of the regulated party; is that correct?

MR BARTON: Yes, I would agree with that.

MR EVANS: You or, I should say more properly, Crown Resorts was aware from  
25 August 2020 that there was sufficient information in relation to the structuring of  
transactions in the Riverbank and Southbank accounts to require an AUSTRAC  
report. My learned friend Mr Feutrill took you to the AUSTRAC report which was  
made in August 2020?

30 MR BARTON: Yes, I have seen that.

MR EVANS: You said in your evidence in the Bergin Inquiry that it would have  
been of significance for the Victorian regulator to be advised that there was  
structuring in those accounts? Do you recall your evidence in that regard?  
35

MR BARTON: No, not specifically.

MR EVANS: Can I bring up BGN.0002.0001.2814 at 2846. I appear to have the  
40 wrong reference. My apologies, I'll withdraw that question.

It is apparent, however, that by the middle of November, that is 16 and 17  
November, the company had in its possession, and you read shortly thereafter, the  
Initialism and the Grant Thornton reports; is that correct?

45 MR BARTON: Yes, I think it was mid to late November, yes.

MR EVANS: Did you give consideration at the time to the disclosure of those

matters to the BCGLR or the GWC?

5 MR BARTON: I didn't personally but I know the relevant executives who had the relationship with both Commissions gave consideration to it.

MR EVANS: Despite those consideration, at least in the case of GWC, no disclosure was made until the eve of your presentation on 15 December, was it?

10 MR BARTON: No. I understand those reports were provided some three to four weeks later.

MR EVANS: At 5.15 pm on the eve of a presentation you were to make the next day?

15 MR BARTON: Yes.

MR EVANS: You indicated that was not a prepared presentation. Do you mean by that there was not a slide deck for it?

20 MR BARTON: We didn't work off a slide deck, from what I recall. There was an opportunity for Ms Coonan, who I think was for the first time meeting with the Commission, to introduce herself. Then, as I recall, we asked the Commission if there were any issues they would like us to address and the only matter that we  
25 discussed was an update on the reform agenda.

MR EVANS: You did work off speaking notes, didn't you?

30 MR BARTON: I basically worked off my understanding of where we were up to in terms of the reform agenda.

MR EVANS: Can I bring up CRW.513.021.3859. Do you recognise this as the briefing notes that were prepared for the purposes of that presentation?

35 MR BARTON: I see the heading and I don't specifically recall it, but I would have expected that a document like that would have been produced.

MR EVANS: It allocates time, effectively, between Ms Coonan, Mr Poynton and yourself?

40 MR BARTON: Yes.

MR EVANS: With her speaking first, then Mr Poynton and then yourself?

45 MR BARTON: Yes, although Mr Poynton didn't attend that meeting.

COMMISSIONER OWEN: Do you mean Mr Preston?



MR EVANS: Sorry, it was actually Mr Poynton, I think.

5 MR BARTON: Yes, although Mr Poynton had another commitment and he wasn't able to make it.

10 MR EVANS: If you scroll down, I understand it was Mr Poynton. If the operator can scroll down. That was the intended messaging by Mr Poynton, which he didn't ultimately deliver. Other than a reference in those prepared notes to the Riverbank account being closed, there are no notes for discussion which would indicate that Crown had at that stage had for more than a month a report indicating there was structuring of money laundering transactions in the Riverbank account; is that correct?

15 MR BARTON: The report was probably under a month but, no, there's nothing in those notes, from what I can see, that talks about the outcome of the external reviews.

20 MR EVANS: To your recollection, it was not something that was volunteered by either Ms Coonan or yourself?

MR BARTON: Not that I can recall.

25 MR EVANS: Thank you. I move to another topic. Again, it is something Mr Feutrill has taken you to but I want to go into a little more detail, if I could. You made in your statement in a number of places the assertion that Burswood Ltd effectively provides board oversight of the operations of the Crown Perth business units. Do you recall that?

30 MR BARTON: Within the Crown Perth group, yes.

MR EVANS: The Crown Perth group, for that purpose, is Burswood Ltd and its subsidiaries, relevantly Burswood Nominees, Burswood Resort (Management) and including Riverbank?

35

MR BARTON: Yes.

40 MR EVANS: For that purpose, we know from previous witnesses and from your own evidence that there are information packs provided for the board for the meetings which are held roughly four times a year? You are familiar with those?

MR BARTON: Yes.

45 MR EVANS: From your roles as Chief Financial Officer for most of the period, and CEO, you were a member of the board of Burswood Ltd for much of that period of 10 years from 2010 to 2020?

MR BARTON: Yes.

MR EVANS: For most of that period, the board comprised the two most senior executives of Crown Resorts Ltd and the most senior executive of Crown Perth?

5 MR BARTON: Yes.

MR EVANS: For the latter part of that period, the most senior executive of Crown Perth was also a senior executive of Crown Resorts?

10 MR BARTON: Which period are you referring to there, Mr Evans?

MR EVANS: From 2013 onwards, when Mr Felstead assumed the Australian Resorts responsibility.

15 MR BARTON: Yes, so from 2010 to 2017, it was Mr Craigie.

MR EVANS: Yes.

MR BARTON: Then from 2017 to 2020, it was Mr Alexander who was the  
20 executive chairman.

MR EVANS: That's right, with yourself for much of that period?

MR BARTON: Yes.

25 MR EVANS: And with Mr Felstead for all that period or almost all that period?

MR BARTON: I think that's right, yes.

30 MR EVANS: And two non-executive directors, and we have heard from them.

Mr Feutrill took you to a series of questions, saying that you would look to the minutes to find out what Burswood Ltd actually determined to do; is that right?

35 MR BARTON: Yes.

MR EVANS: You would expect to find in the minutes of that company, as a public limited company, dispositive resolutions where the company decided to do something as a board?

40

MR BARTON: Yes.

MR EVANS: Can I take you to the last board meeting which considered the financial position of the company in great detail for the 2020 year. That's the last  
45 meeting in which you participated. The board pack for that meeting, for the meeting of 20 August 2013, is CRW.703.001.3302. That's a board pack you are familiar with?

04:04PM

MR BARTON: I can see the agenda.

5 MR EVANS: It includes as the first item the confirmation of the minutes of meeting on 12 June 2020?

MR BARTON: Yes.

10 MR EVANS: I'm reminded that --- I'm not sure whether, given the audio visuals, this document is going up on the public screens as well but, if so, previously we have handled this on private screen.

15 COMMISSIONER OWEN: Can you manage that?

MR EVANS: Can I take you down to the minutes of the previous meeting, which was the June meeting, which commences at page 3304. You will see in the June meeting you are recorded as being present at that meeting. Do you recall it, Mr Felstead (sic)?

20 MR BARTON: Yes. Mr Barton. Yes, by Webex.

MR EVANS: Sorry, Mr Barton. In the usual way, that goes through the financial results for the period to date, that goes through the CEO's report, it goes through developments, and it goes through an internal audit report which Mr Preston presents. The first resolution one reaches there is 5.1:

30 The board resolved to recommend that an audit charter be approved by the *Burswood Nominees Ltd board*.

That is at page 3307. Do you see that?

35 MR BARTON: Yes.

MR EVANS: It's not a resolution that the charter be adopted, it's that the BNL board adopt it. The BNL board, of course, comprised the three executives; is that correct?

40 MR BARTON: That's right.

MR EVANS: Who had recommended the adoption of that charter. Again, if one goes down to 6.2, at page 3308, the other resolution is to recommend that a policy be approved by the Burswood Nominees Ltd board. That's the delegation policy?

45 MR BARTON: Yes.

MR EVANS: To understand, the delegation policy actually determines who can do

what within the organisation; that is, who can spend money, who can authorise various activities to be undertaken?

5 MR BARTON: It's limits on what can be contracted on behalf of the company.

MR EVANS: The only other business is the formal business of adopting the AML Compliance Certificate and the Deed of Cross Guarantee to participate in the consolidated group.

10

The substantive business of this meeting was, wasn't it, to consider the financial results of Crown Perth for the period 30 June 2020? This commences at 3311. That would be the usual practice, would it not, for a board meeting following the end of the financial year, to consider the financial results?

15

MR BARTON: Yes.

MR EVANS: It's a lengthy document. I want to take you to the minutes of this meeting, if I can, and they are the minutes of the meeting of 13 August, which are CRW.702.001.5829. Again, you are recorded as being there?

20

MR BARTON: Yes.

MR EVANS: Again, you speak to the financial report, and so on. What I notice in reading through these minutes, Mr Barton, is that there is no resolution to adopt a budget or financial plan for the following financial year, that is the 2021 financial year, or for the following financial period. Do you recall there was no such resolution?

25

30 MR BARTON: I haven't gone through all the minutes but I don't dispute that.

MR EVANS: In fact, that would be the norm, wouldn't it, that Burswood Ltd didn't adopt a budget for the business unit?

35 MR BARTON: They were presented with a plan. I'm not sure if there was ever a resolution to accept it.

MR EVANS: Go down to page 5832 and if we look at item number 3. In relation to the financial plan and the financial 2021 budget, Mr McGregor --- Mr McGregor is the Group Chief Financial Officer, isn't he?

40

MR BARTON: That's right.

MR EVANS: It notes that he will provide to Ms Fewster --- Ms Fewster was the new director on the board at that point --- a separate briefing on the financial plan, which had already been presented to the Crown Resorts Ltd board. That's correct?

45

MR BARTON: Yes, that's what the minutes reflect.

04:10PM

MR EVANS: And that's the fact, isn't it? It had, in fact, been presented to the Crown Resorts Ltd board in its meeting some months before? In fact, at the meeting of the board of directors of Crown Resorts Ltd on 16 June 2020?

5

MR BARTON: That sounds like the right timing for that approval, yes.

MR EVANS: At that board meeting, the Crown Resorts board had approved the financial plans and budget for 2021 to 2024 and the budget for 2021, as agenda item number 4?

10

MR BARTON: I would imagine that would be the case.

MR EVANS: Yes. Commissioners, the reference for that is CRW.507.005.1714, agenda item 4 with the accompanying documents.

15

It's the case, isn't it, that in fact the entire financial planning for Burswood or for Crown Perth, as a business unit, was adopted and resolved at the Crown Resorts Ltd board rather than at the Burswood Ltd board level?

20

MR BARTON: Yes. And the presentation which was done to the Burswood Ltd board, which was done by way of an extensive slide deck, was simply a subset of the Perth segment of the Crown Resorts group slide deck presented two months previously?

25

MR BARTON: That would often be the case, yes.

MR EVANS: The one other item which was considered at the 13 August board meeting was the appointment of new auditors. You will recall that new auditors were appointed in the course of financial year 2021, Messrs KPMG?

30

MR BARTON: Yes, I recall that.

MR EVANS: Burswood Ltd is a public company, despite being a controlled public company. It would normally pass a resolution for the appointment of new auditors, would it not?

35

MR BARTON: I think the appointment of the auditors would have been subject to approval of the shareholders at the next general meeting.

40

MR EVANS: Yes. The appointment of the auditors had, in fact, been announced, however, by Crown the preceding day, hadn't it, in an ASX announcement?

MR BARTON: I don't recall.

45

MR EVANS: If you don't recall, that's fine. Can I take you to the financial presentation because I want to understand a couple of aspects of it. In document

CRW.703.001.3302, which is the pack for the board meeting on 13 August, item 2 is the financial results for the full year. They commence at page 3311. We need to make sure these are off-screen, on private screen only. Can I take you down to page  
5 3312. From your time as Chief Financial Officer, you are well familiar with this form of reporting for the financial year, Mr Barton?

MR BARTON: Yes.

10 MR EVANS: There is a very granular analysis in this page on a consolidated basis. I think that is a consolidation of all of the operating units of Crown Perth under Burswood Ltd?

MR BARTON: Yes.

15

COMMISSIONER JENKINS: Sorry, I missed that. All or not all?

MR EVANS: "All of the", yes. All of the operational businesses. I gather there are companies within the group that are not operational, but these are the operational  
20 businesses?

MR BARTON: Yes.

MR EVANS: It includes the gaming business, the hotel business, the convention  
25 centre business, and so on?

MR BARTON: Yes.

MR EVANS: On the first part of that page, there is an identification of the principal  
30 source of revenue; table games, electronic gaming machines, food and beverage, conventions and entertainment, hotel operations, other non-gaming operations and support departments, each of which has an ascribed revenue?

MR BARTON: Sorry, what was the last part of that question?

35

MR EVANS: Each of those has an ascribed revenue for the actual and budget ---

MR BARTON: Contribution, rather than revenue.

40 MR EVANS: Contribution. The contribution is assessed on the basis of determining income minus expense?

MR BARTON: Correct. Revenue less cost, yes.

45 MR EVANS: Then following that, there is what I assume is a deduction for the support departments because they are regarded as being an overhead cost of carrying on business?

MR BARTON: Yes, that's right.

MR EVANS: On that page you can see what is local contribution. Am I right in  
5 assuming that is the gross contribution from the Crown Perth business unit?

MR BARTON: Gross before interest and tax and depreciation.

MR EVANS: EBITDA, effectively?  
10

MR BARTON: Yes.

MR EVANS: It's apparent from that that it is a profitable business, even in difficult  
15 times?

MR BARTON: Yes.

MR EVANS: There is lots and lots of detail that follows and I won't take you to it  
20 because in many cases it is repetitive and in some cases it is granular beyond  
relevance. But I do want to take you to the balance sheet for, again, the local  
business unit, which is at page 3340. This, effectively, is the balance sheet of assets  
and liabilities for the subgroup comprising Burswood Ltd and its subsidiaries?

MR BARTON: I would say based on that description, that's right.  
25

MR EVANS: So one can see in the normal way, current assets, cash and cash  
equivalents, et cetera, noncurrent assets, which include property, plant and  
equipment, so that would be the hotel with the physical buildings and the  
infrastructure within them for the conduct of the resort?  
30

MR BARTON: Yes.

MR EVANS: The value ascribed to the licenses and mastheads, of course the casino  
35 licence and some other things?

MR BARTON: Yes.

MR EVANS: Below that, there are current liabilities in the usual way, things you  
40 have to pay to keep going in business, including tax. Can I take you to noncurrent  
liabilities, to the third and fourth items in noncurrent liabilities.

MR BARTON: Yes.

MR EVANS: A noncurrent intercompany payable loan from PBL (WA) Pty Ltd. Mr  
45 Owen suggested the other day that might be Crown (WA) Pty Ltd now. Do you  
know which company that is?

MR BARTON: Yes, that would be PBL (WA) or it would be Crown (Western

Australia), which I think is the intermediate company between Burswood Ltd and Crown Entertainment Group Holdings.

5 MR EVANS: That represents a loan from that company, repayable by entity or entities within the Burswood Ltd group?

MR BARTON: Yes, that's the way I'd read that.

10 MR EVANS: The following line is a noncurrent intercompany payable loan from PBL Finance. Do you know what that company is?

MR BARTON: PBL Finance is not a company that's used, typically. I think both of those lines should probably read "Crown" rather than "PBL". I'm not sure what the historical reason for that is, but most of the financing within the Crown Group goes through Crown Group Finance.

MR EVANS: Yes, when I looked at your annual report for 2020, the corresponding period, there is in fact a couple of historical Publishing and Broadcasting Ltd companies in that report, including a PBL CI Finance Pty Ltd, which ordinarily would be a Cayman Islands company, but it's an Australian company, and a Publishing and Broadcasting Finance Ltd, also an Australian company. But you say that should probably be Crown Finance or Crown ---

25 MR BARTON: I would say that's probably a legacy description on that line.

MR EVANS: That's expressed as a negative number, which means that rather than being money owed by Burswood Ltd to that company, it's money owed by that company to Burswood Ltd, is it or the Burswood Ltd group?

30 MR BARTON: That's the way I'd read that, yes.

MR EVANS: To the point where in these consolidated subgroup accounts, total noncurrent liabilities are negative and liabilities, in fact, become an accrual to net assets, total assets?

MR BARTON: Yes.

MR EVANS: That's because of something which Mr Feutrill took you to earlier, which is the notion of a Crown sweep or a sweep of the accounts on a periodic basis; is that right?

MR BARTON: It could be that or it could be loans that have been separately made from the Crown Perth group to Crown Group Finance.

45 MR EVANS: Can I take you to page 3341. This is a cash flow report for the 2019-2020 period, again reported as part of the results. If I can take you towards the bottom of that, there is a line, "Repayment of borrowings, PBL Finance". So, on a



periodic --- do you know if that is, in fact, a repayment of loans or a sweep of surplus cash?

5 MR BARTON: Given it's a negative, it looks like it's been given the balance of PBL Finance or Crown Group Finance, those look to be loans being made to Crown Group Finance from Crown Perth.

MR EVANS: Thank you. No further questions. Thank you, Commissioners.

10

COMMISSIONER OWEN: Thank you, Mr Evans. Are there any other applications?

MR GARAS: There is, Commissioner, yes.

15

### **CROSS-EXAMINATION BY MR GARAS**

20 MR GARAS: Mr Barton, my name is Garas, and I act for the Crown companies. In your statement you explained that AML was not part of your role as CFO but that, following your appointment as CFO in 2020, you worked closely with the AML team on expanding and improving management of the AML risk.

25 Can I ask you to outline the major steps that you implemented before your departure from Crown on AML and more broadly what's often referred to as the remediation program?

MR BARTON: Yes.

30

MR GARAS: Can I invite you to in particular address these topics: structural reform, personnel and culture.

MR BARTON: Structure, personnel and culture?

35

MR GARAS: Yes.

MR BARTON: I think one of the most significant changes that was implemented last year was to move the regulatory and compliance functions from within the  
40 business unit to be a standalone function outside the business units, the operating business units, and that was announced late last year, a new financial crimes and compliance function that would have direct accountability through to the board. And that would be led by a very senior executive out of the banking sector, with significant financial crimes experience, and would also have carriage of all of our  
45 compliance matters.

An important feature of that structure is it creates a direct line of accountability, without having any revenue or business unit oversight and so those compliance and

regulatory functions can be kept away from the business unit and have a completely independent view. We have also added an independent internal audit function that again has a reporting line outside of the operating business units, through to the audit committee and the Chief Financial Officer.

And so in the classic model of three lines of defence, with the first line of defence being around the organisation --- I'll come back to culture --- the second line being a regulatory and compliance function and the third line being an internal audit function, in the case of the second and third lines of defence, in both of those cases they are now outside of the operating business unit, having reporting and accountability through to the board. So that was the structural change that we implemented at the end of last year.

The other change was to have the promotion of the heads of the properties to be at the CEO level, so there are now three property level CEOs who have got basically CEO responsibility for the three main casino properties.

In terms of other structural changes within the AML department, there were some additions to people, so that function grew. By the middle of last year, the head count, although positions were still being filled, was at 15. And in particular there was an increased analytical capability that was built in the AML team and that was supplemented by a series of projects that would support technology that would support the roles and functions of the AML team. In particular --- and I think it was mentioned before --- the Sentinel project, which came online through the course of last year, which gave an automation to the processes around the transaction monitoring program, but also gave us access to information around the patterns of play and other intelligence around information that could be obtained through Crown's various reporting systems. So information from SYCO and other places was imported into the Sentinel system and then screens and rules were run across that data to enable more visibility and transparency around the AML reporting; as well as an automated or an online capability to have a streamlined reporting of what were called unusual activity reports. So anything that came to the attention of people in the organisation at whatever level could be quickly captured with a UAR, or unusual activity report, which was then fed into the AML team for review and triage and basically dealt with in whatever form the program required. I think that was structural.

In terms of personnel, as I mentioned, Crown recruited and announced at the end of last year that Mr Steve Blackburn, who was the former head of AML at National Australia Bank, was appointed to lead the financial crimes and compliance function within Crown. There was a new role created, the head of people and culture, which was important from the cultural aspect. That role was filled by Mr Tony Weston, who has now commenced with the group and also there has been recruitment since I left of the new head of internal audit who is in the organisation as well.

In terms of culture, there were some steps taken. Towards the end of last year, Deloitte was appointed to do a review of Crown's culture. Some of that work was

discussed in the course of this meeting and work was undertaken to review the culture and meet with top executives and also to start getting some of the cultural aspects from the board messaged through the organisation. So there was a work plan that was put together towards the end of last year on some steps to be taken outside of the Deloitte work, to move towards a program to identify the existing culture; some work to be done to look at where there were gaps in the culture and a plan to address those gaps; and that work commenced at the end of last year.

10 MR GARAS: Now, what was the length of time you estimated it would take to fully implement that remediation program, if such an estimate was made?

MR BARTON: There was no estimate made of how long it would take to undertake all of those tasks.

15

MR GARAS: At the time of your departure, which was February of this year, how far had the remediation program progressed and in your view what further measures needed to be taken?

20 MR BARTON: Well, the program was underway across all of those areas. Some of the immediate steps were implemented, particularly around things like incentive programs, particularly around some of the AML functions. So some of the AML work had been done but I think there was a recognition that the AML improvements would need to be reviewed by Mr Blackburn, once he commenced. So there was work that we could do which was obvious and immediate. Those things were being done around the organisation structure, the personnel, the capability and technology, so those were being implemented at the time and some of those were advanced, but there was always an expectation that those things would need to be reviewed once Mr Blackburn started.

30

The culture program was in its infancy, that was only just getting started, and it was really an expectation that that would be driven with a lot of support from the new head of people and culture.

35 MR GARAS: Moving on to a new topic, in your experience did the Crown Group operate in a way that corporate groups typically operate, at least in most respects?

MR BARTON: Sorry, Mr Garas, could you perhaps ----

40 MR GARAS: There have been a lot of questions about decision-making either at the Crown Resorts level or at the property level. In your experience, as a corporate group, did this group function in the usual way in which corporate groups operate?

45 MR BARTON: Yes, I think the corporate function was quite typical of a corporate function and the operating business units decision making, at operational and business level, was consistent with my experience in ----

MR GARAS: We have lost Mr Barton temporarily.

Mr Barton, you froze for a minute. Can you hear me now?

MR BARTON: Yes, I can hear you.

5

MR GARAS: Again, in your experience, and I'm asking in general terms, can an organisation or a business benefit from being part of a larger organisational group?

MR BARTON: Yes, yes, it can.

10

MR GARAS: And I'll come back to that topic. But during your time as CFO, you oversaw several major developments including the Perth Crown Towers development and other major improvements. I think you mentioned previously that you understood the budget in relation to Crown Towers was about \$650 million; is that correct?

15

MR BARTON: I think that was the final cost, yes.

MR GARAS: You were aware that there were other developments that totalled into the hundreds of millions?

20

MR BARTON: Yes.

MR GARAS: At the (unclear) complex?

25

MR BARTON: Yes, I think the total capital expenditure in Perth over a 10-year period was something like \$1.4 billion.

MR GARAS: And in your experience was there ever any suggestion that Crown Perth's interests or business should be subordinated to that of Crown Melbourne?

30

MR BARTON: No. In fact, Crown Towers Perth was the biggest single capital investment within the Australian Resorts business, obviously excluding Crown Sydney, over that time, and the capital expenditure in Perth, which was a smaller property and generated less revenue than Melbourne, was roughly the same as the capital expenditure in Melbourne over the last 10 years.

35

MR GARAS: Coming back to benefits of being in a larger corporate group, in your view has and does Crown Perth or has it benefited from being part of the Crown Group of companies?

40

MR BARTON: Yes, it has. Yes, that would be my view.

MR GARAS: Can I ask you to address some particular topics, like branding and corporate support at head office?

45

MR BARTON: Yes, the Crown brand was taken to Crown Perth, which used to be

Burswood Entertainment Complex. Being part of the Crown Group meant that in areas like hotels there was the ability to market multiple properties. In terms of branding with the three properties in Australia, plus historically a presence overseas, it meant that being able to market the hotels under the Crown brand certainly had value. The ability to leverage off relationships in areas such as food and beverage, to be able to bring food and beverage offerings to Crown Perth was a benefit that came from that aspect of the business, plus also the ability to leverage some of the capability at a group level around some of the support functions, such as technology, marketing and other areas.

MR GARAS: What about efficiencies in relation to costs?

MR BARTON: Yes. So to the extent that we could --- that Crown could bring support functions which are a cost centre into one location and leverage the scale that comes with bigger functions, that would have existed in --- certainly existed in areas like back office accounting, finance, in technology, the ability to leverage one core group of IT executives, in procurement and purchasing, in the scale you get from having multiple properties, so that the cost of purchasing and the benefits of scale purchasing would translate to Perth as well.

MR GARAS: What about efficiencies and quality of compliance?

MR BARTON: I think compliance historically has been a property level function, mainly because of the difference in regulations across both jurisdictions as it relates to casino regulatory. But areas like AML, which is a national compliance obligation, there's benefits from having a single location from two respects; one is built-in capability and attracting the right calibre of person from a larger scale employment opportunity, plus also the ability to leverage technology and developments across multiple properties rather than having to recreate the wheel in each jurisdiction.

MR GARAS: What about responsible service of gaming?

MR BARTON: Again, like AML, it's --- there's a lot of commonality across the casinos on the benefits or the right approach to responsible gambling. And having a team in one location, we can invest the time and resources into developing RSG capability that could be leveraged across multiple properties.

MR GARAS: And, lastly, corporate social responsibility?

MR BARTON: Yes. Again, programs, particularly around employment opportunity, equal employment opportunity, gender diversity, Indigenous employment, a lot of those programs can be developed in one place and made available to multiple jurisdictions.

MR GARAS: Thank you, Mr Barton. Commissioners, I have no further questions.

COMMISSIONER OWEN: Thank you, Mr Garas.

Any other applications? I know we have some people that are not present in the room. No? Alright.

5 COMMISSIONER JENKINS: Thank you, Mr Barton. I have some questions for you.

In respect to the ANZ Bank, could you clarify with me, was Crown Perth banking with ANZ before the Riverbank account was opened in 2014?

10

MR BARTON: I believe it was. There was a Burswood Nominees account with ANZ, which I think existed before the 2013 account opening.

15 COMMISSIONER JENKINS: And that was the Perth Casino's main operating account?

MR BARTON: I don't know precisely but it certainly was an account that was opened --- I know it was available for patron deposits, it may have also been used for other transaction banking as well.

20

COMMISSIONER JENKINS: At paragraph 36 of your statement you say that you were the primary contact for Crown's relationship with ANZ. Does that mean that when Crown opened the account, the Riverbank account, with ANZ, you would have been the primary contact person?

25

MR BARTON: My relationship with ANZ was, in my capacity as CFO, more around the capital markets or the debt side of ANZ, rather than the transactional side. So the discussions I would typically have with ANZ would be around some of our banking --- access to debt capital markets and their ability to provide funding to Crown. I didn't have a lot of discussions with ANZ or any ongoing dialogue with ANZ around the specific banking accounts and transactional banking.

30

COMMISSIONER JENKINS: In 2014, when ANZ expressed concerns about the account, the Riverbank account, you did have dialogue with them, didn't you?

35

MR BARTON: Yes, Commissioner, from a relationship perspective, I think it was important that they wanted to raise with me those concerns.

40 COMMISSIONER JENKINS: But you have no recollection of having that kind of contact with them when Crown opened the account, the Riverbank account?

MR BARTON: No, not (inaudible).

45 COMMISSIONER JENKINS: In respect of the financial and operating aspects of the Perth Casino, in general what regard was had to the requirements in the Burswood property trust deed in respect to accounting for the finances of the Perth Casino and in terms of operating the Perth Casino?

MR BARTON: I'm not familiar with what the accounting between the various subsidiaries was. That was a matter that was managed within the Crown Perth finance team.

5

COMMISSIONER JENKINS: So do you recall ever reading the Burswood property trust deed?

MR BARTON: Not that I can recall.

10

COMMISSIONER JENKINS: You said that surplus funds in the Perth Casino bank account would have been transferred or swept up to the group level; is that your evidence?

15

MR BARTON: Yes.

COMMISSIONER JENKINS: So do I take it from the fact that you don't recall having read the Burswood property trust deed, you wouldn't know whether that was in accordance with the requirements of the trust deed ---

20

MR BARTON: No.

COMMISSIONER JENKINS: --- for dealing with how net income was to be distributed?

25

MR BARTON: No.

COMMISSIONER JENKINS: In respect of the cross-guarantees between the various entities in the group, can I ask you whether you know whether in Victoria, if Crown Melbourne was a party to those cross-guarantees, ministerial approval had to be obtained for that commitment?

30

MR BARTON: So the two being guarantees of the banking facilities and under the ASIC class order?

35

COMMISSIONER JENKINS: Yes.

MR BARTON: I'm not aware whether ministerial approval was required.

40

COMMISSIONER JENKINS: Do you know whether Mr Costin still works for Crown?

MR BARTON: Yes, he does.

45

COMMISSIONER JENKINS: In what role?

MR BARTON: Group treasurer.

COMMISSIONER JENKINS: Do you know whether Mr Theiler still works for Crown?

5 MR BARTON: No, he doesn't.

COMMISSIONER JENKINS: In answer to a question from Mr Evans, you agreed that Crown Perth was a financially profitable business, even in difficult times. Can you tell me, is that the case even without ICB, that is, international commission  
10 business?

MR BARTON: Yes, it is, Commissioner.

COMMISSIONER JENKINS: And in respect of the conversation you had with Mr  
15 Brown about structuring occurring in the Riverbank account, can you clarify or tell me when that occurred?

MR BARTON: It was after Mr Preston's evidence, which I think was in around  
20 August ---

COMMISSIONER JENKINS: 2020?

MR BARTON: --- August of last year. And the aggregation issue was identified or  
25 was flagged through the course of that evidence and it was some time shortly after that.

COMMISSIONER JENKINS: In that conversation, did he or you discuss whether  
further inquiries should be made as to why it had occurred?

30 MR BARTON: I don't recall if we had that discussion.

COMMISSIONER JENKINS: In respect of that, in essence in 2014, when ANZ  
closed the account, you knew that ANZ suspected that some of your customers were  
35 money laundering at the Perth Casino; is that right?

MR BARTON: They had concerns about structuring the account.

COMMISSIONER JENKINS: And they had concerns about that because it was an  
40 indication or a possible indication of money laundering?

MR BARTON: Yes, that's right.

COMMISSIONER JENKINS: That was money laundering at the Perth Casino?

45 MR BARTON: Yes.

COMMISSIONER JENKINS: And as CFO, the result of that concern being



expressed to you was that you did nothing to prevent those patrons who were so suspected continuing to do business at the Perth Casino; is that right?

5 MR BARTON: Well, there was the steps taken to understand the basis of ANZ's concerns, which was a review that was --- or some questioning that was made of the CFO of the Perth Casino. And then, further, the engagement of the AML team, for them to respond to or deal with the concerns raised by ANZ, so the --- I think the  
10 requirement would be that if we become aware of issues around AML, to raise it with the appropriate team within the business that's got carriage of AML matters, which was the AML team within both Crown Melbourne and Crown Perth.

COMMISSIONER JENKINS: In answer to my question, you did nothing to prevent those customers continuing to do business at the Perth Casino?

15

MR BARTON: Me? No, I did not, no.

COMMISSIONER JENKINS: And as far as you are aware, Mr Theiler did nothing, Mr Costin did nothing, Mr Brown did nothing and Mr Preston did nothing to prevent  
20 those patrons who were so suspected continuing to do business at the Perth Casino?

MR BARTON: That's right.

COMMISSIONER JENKINS: And then in respect of the question of the  
25 aggregation of the accounts --- put that to one side. In respect of who in the finance team or in the cage team at Perth Casino had not brought these suspicious transactions to the attention of more senior management, there was no investigation done to ascertain who those people were?

30 MR BARTON: I'm sorry, Commissioner, I'm not sure about that question.

COMMISSIONER JENKINS: There was no investigation done to see who in the finance team or the cage had failed to bring to the attention of senior management these suspicious transactions?

35

MR BARTON: In 2014?

COMMISSIONER JENKINS: In 2014.

40 MR BARTON: What I don't know, and I guess it's careful territory, is in 2014 what the AML team did in relation to those matters.

COMMISSIONER JENKINS: So you don't know that anything was done to ascertain who those people were and why they had not brought the transactions to the  
45 attention of senior management?

MR BARTON: I don't know whether the AML team had ---

COMMISSIONER JENKINS: I accept that. I'm asking you for your personal knowledge at that time.

5 MR BARTON: No, I don't know.

COMMISSIONER JENKINS: Were you aware that in May 2018, Mr Poynton entered into an agreement with CPH in respect of services he was providing to them? I should not say "he", because it was his family company that did that.

10

MR BARTON: I was aware that Mr Poynton joined the board as a representative of CPH. I don't know if I recall what knowledge I had of his contractual arrangements with CPH.

15 COMMISSIONER JENKINS: Did you know he had a contractual arrangement with CPH?

MR BARTON: I don't recall whether I had that knowledge.

20 COMMISSIONER JENKINS: In 2018/2019 the Bergin Report says that you were under pressure from Mr Packer to meet budget and to reduce costs in the Melbourne and Perth properties in order to meet budget. Do you agree with that?

MR BARTON: Certainly there was always a focus on achieving budget. I don't recall if that conversation extended to whether that was going to be achieved by reducing costs.

25

COMMISSIONER JENKINS: Or increasing revenue?

30 MR BARTON: Well, it could be either.

COMMISSIONER JENKINS: In the Bergin Report, there is a reference at page 201 to Mr Johnson sending you an email on 21 May 2019 which refers to an assumption of a more significant impact from the tap and go initiative for the financial year 2021 and beyond at the Perth Casino. Do you have any recollection now as to what the tap and go initiative was back in 2019 for the Perth Casino?

35

MR BARTON: No, other than if it was the use of EFTPOS cards at gaming tables to buy into chips.

40

COMMISSIONER JENKINS: What I'm really interested in, Mr Barton, was whether that was under consideration in May 2019 within Crown?

MR BARTON: I don't recall.

45

COMMISSIONER JENKINS: Finally, you said that you have a consultancy agreement with CRL. Could you tell me whether you will be paid by CRL to prepare your witness statement that you have provided to the Commission?

MR BARTON: It's not a consultancy that's based on any particular work product, it's a consultancy to be generally available.

5 COMMISSIONER JENKINS: So you get paid according to the consultancy agreement, whether you perform work or not?

MR BARTON: That's right.

10 COMMISSIONER JENKINS: And so you get paid on the basis that you are available to do what?

MR BARTON: Provide any assistance to Crown that they require.

15 COMMISSIONER JENKINS: How do you know whether you are required to do something or not, like ----

MR BARTON: The ---

20 COMMISSIONER JENKINS: Sorry?

MR BARTON: I was cutting over you. Sorry.

25 COMMISSIONER JENKINS: My question was, how do you know whether you are required to do something for Crown or not?

MR BARTON: I'm available to anybody from Crown who wishes to engage me to do any work. I'm in discussions with people at Crown from time to time. But it's known that if there are specific pieces of work that are required that call on my  
30 knowledge and experience, that I'm available to do that.

COMMISSIONER JENKINS: Thank you.

35 COMMISSIONER OWEN: Mr Barton, I only have one question for you --- or two actually.

In your exchange with Mr Garas about the group structure, Burswood operating within a group structure and the efficiencies that could emerge from that, I'm wondering if then when Commissioner Jenkins asked you if you had read the  
40 Burswood property trust deed, if having drawn your attention to the fact that there is this historic structure which the PBL entities inherited, whether the existence of the trust makes this a little bit different from a normal corporate group operation. That's the first question.

45 And the second question, the other point of difference --- or for your comment --- is whether or not the fact that at the end of this chain of companies is a licence and it's a very particular type of licence, which carries with it obligations to the State of

Western Australia, whether that would impact on your thinking on the normality of the operations of Crown as a group structure?

5 MR BARTON: Yes. If there are specific provisions in the trust deed that go to the question of where work or service is performed, I'm not aware of that, so I'm not sure if the trust itself creates any different treatment.

10 In relation to the obligations to Western Australia, I think my observation would be that the functions that are being, if you like, combined across the group are by and large support functions, and so the decision-making, the optimising of the business and the operations is really within the remit of the head of the Crown Perth business, the now CEO of Crown Perth. They have the opportunity to draw on the services  
15 that are provided on the group and so if they choose to accept some of the support, they can choose to or choose not to, and that's around areas like marketing, IT, where that's available, there's local IT capability.

There are some parts of those functions that are for efficiency purposes and for consistency purposes rolled out on a group basis. Those are available to the Crown  
20 Perth business to draw on, but ultimately the decision on whether to use those services rests with the leader of the Crown Perth business.

COMMISSIONER OWEN: Thank you. And my other question relates to the topic that both Mr Feutrill and Commissioner Jenkins have explored with you, and it's  
25 around the September 2020 reaction to the knowledge that you had gained that the Riverbank accounts had elements that suggested structuring and taking that back to 2014, to a similar knowledge --- I'm not suggesting directly to you but that there was a knowledge in officers of Crown of the same problem, that there were elements of the Riverbank account that were indicative of structuring. Do you accept that  
30 premise?

MR BARTON: Yes.

COMMISSIONER OWEN: You said in relation to your conversation with Mr  
35 Brown that you can't recall any discussion about making investigations as to staff members who might have failed to bring matters to the attention of senior management. But if we go back to the response of Mr Costin in that email that's been shown to you today, where he says, "Please let the patrons know that they are not to deposit cash under \$10,000," that appears from that email to be the only  
40 instruction given.

So my question to you is: I'll ask you whether you accept that an AML program that is going to work depends on it being imbued not just with management but the  
45 people on the floor? Do you accept that?

MR BARTON: Yes.

COMMISSIONER OWEN: Given that, would it not have been appropriate --- I'm

sorry, I'll ask you the question. Are you aware of any instruction being given, as a result of what the ANZ Bank had disclosed to you, any instructions to staff members to increase their level of vigilance on these matters?

5

MR BARTON: I'm not aware.

COMMISSIONER OWEN: I'm talking about 2014.

10 MR BARTON: Yes, I'm not aware.

COMMISSIONER OWEN: And as you sit there now, because in your third statement in the Bergin Inquiry, you have indicated areas in which the response could have been better, is that another one that could have been done at the time?

15

MR BARTON: Yes, yes. Yes, it could have.

COMMISSIONER OWEN: Thank you.

20 Ms Boros, do you wish to re-examine?

DR BOROS: Thank you, Commissioner, just one or two questions.

25 **RE-EXAMINATION BY DR BOROS**

DR BOROS: Mr Barton, you were asked earlier by Counsel Assisting about a letter that went to the GWC on 14 December, which touched, amongst other things, a report by Initialism. Do you recall that?

30

MR BARTON: Yes.

DR BOROS: And that was a report --- there were two reports, but the Grant Thornton and Initialism reports were both reports in relation to the transactions in the Riverbank and Southbank accounts; is that right?

35

MR BARTON: That's correct.

40 DR BOROS: Was that the only work that Initialism was undertaking for Crown?

MR BARTON: No, they were also undertaking a broader review of the AML processes, including a look at how information was introduced into the AML processes. So the way data was collected and input into the transaction monitoring program and also a specific piece of work around a root cause analysis of why the aggregation issue occurred.

45

DR BOROS: I will come back to those in a moment.

5 I'm sorry, Commissioners, but the document by which Initialism was engaged I don't believe is in the hearing book but I can arrange for it to be provided to the Commission.

10 Given that there was all this work that Initialism was undertaking, how were they prioritising that work?

MR BARTON: From what I recall, the priority was given to the detailed review of the potential for structuring transactions within the Southbank and Riverbank bank accounts, so that was the first priority. And then following the completion of that work in November, then the next piece of work they were engaged to undertake was around the potential for those types of transactions to be identified in Crown's other bank accounts, outside of Southbank and Riverbank. So those were the two main priority tasks.

20 DR BOROS: Who formally engaged Initialism?

MR BARTON: That was MinterEllison.

25 DR BOROS: So were Initialism and MinterEllison in discussions about the priorities of these tasks?

MR BARTON: I believe so.

30 DR BOROS: You were asked some questions by Mr Feutrill and again by Commissioner Jenkins about --- and you mentioned also a moment ago a root cause analysis. Now, as I said, this document unfortunately isn't before the Commission so I can't call it up but I'll read something from this, and does this correspond with what you mean by this? Reading from the letter of engagement from MinterEllison to Initialism in October 2020, it has eight tasks in it, and the third one is:

35 Undertake a root cause analysis of the failure to identify and/or non-escalation of *potential structuring to avoid threshold transaction reporting requirements*.

40 Is that what you were referring to when you said something about root cause analysis?

MR BARTON: Yes, that's right.

45 DR BOROS: And you mentioned in response to a question from Mr Feutrill that that work had been commissioned. Did you see the outcome of it?

MR BARTON: No. To my recollection, it wasn't complete when I left.

DR BOROS: And do you know why that was?

MR BARTON: I think it was a question of priorities. I don't think they had completed the second stage of work, which was the review of the bank accounts outside of Southbank and Riverbank.

5

DR BOROS: Moving to another topic, you were employed by Crown for over a decade. For the majority of that period, from 2010 until January 2020, you had one role, which was CFO, and then for about a year after that, until February 2021, you had a different role, which was CEO. You have given evidence about that.

10

In your first role, so that's the first large chunk of that decade up until January 2020, when you were CFO, did that position have any responsibility for anti-money laundering?

15 MR BARTON: No, it did not.

DR BOROS: You have mentioned a lot of times in your evidence that there were AML teams in the properties. Did those teams report in any way through to the CFO?

20

MR BARTON: No, they did not.

DR BOROS: And you have given evidence in response to a question from Mr Feutrill about your experience and training in the field of AML and how you had become more familiar with AML in recent times. Did that correspond with your becoming CEO?

25

MR BARTON: Yes, most certainly.

DR BOROS: And when you were describing in response to a question from Mr Garas the reforms that you introduced to respond to AML and other issues in your role as CFO, you mentioned separation from operations of the AML function. Was that --- did I understand that correctly?

30

MR BARTON: Yes, as CEO, one of the significant changes was to separate and elevate the AML, the financial crimes and the compliance functions from within the business unit to have clear accountability and transparency through to the board of directors, without having any operational oversight.

35

DR BOROS: Thank you. I have no further questions, Commissioners.

40

COMMISSIONER OWEN: Thank you, Ms Boros. Mr Barton, thank you very much. That has been of great assistance to us, we are grateful to you. There may be tidying up to do, so we will leave the summons in place. But you are now --- that completes what we need for the moment. Thank you very much. We will adjourn until 10 am tomorrow. Thank you.

45

05:08PM

**THE HEARING ADJOURNED AT 5.08 PM UNTIL 10.00 AM ON  
WEDNESDAY, 11 AUGUST 2021.**



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