

Perth Casino Royal Commission

Amended Witness Statement of Claude Marais

26 July 5 August 2021

1. I am Claude Marais c/- "Crown Perth" (Burswood Resort (Management) Limited (**BRML**)) of 201 Great Eastern Highway, BURSWOOD, WA 6100.
2. This statement is provided in response to the witness summons to give evidence dated 8 July 2021 (**Summons**) and issued pursuant to section 9 of the *Royal Commissions Act 1968* (WA), which is directed to me by the Perth Casino Royal Commission (**Commission**).
3. This statement is true and correct to the best of my knowledge and belief.
4. For the purposes of preparing this statement, I have referred to the documents in the attached list marked "**CM-1**".
5. I believe the list specifies the documents that I have referred to for this purpose.
6. But there may be other documents that I came across that have assisted my memory but that I have not listed because:
 - a) throughout the course of the last two years, and particularly during the last six months, I have been required to review a large number of documents for the purposes of assisting the Crown Group (meaning Crown Resorts Limited (**CRL**) and any subsidiary of CRL) in responding to the requirements of the inquiry by the Honourable PA Bergin SC under section 143 of the *Casino Control Act 1992* (NSW) established on 14 August 2019 (**Bergin Inquiry**) resulting in the publication of the report of the Bergin Inquiry, the Victorian Royal Commission, and the Commission; and
 - b) in that same period, I have reviewed a large number of documents for the purpose of responding to the Macpherson Kelley investigation.

YOUR ROLE

Summons Question 1 – Crown Group Employment

7. I have been employed within the Crown Group for an approximate period of 13 years and 8 months, having commenced employment on 29 October 2007 (**Employment Period**).

Summons Question 2 – Roles held within Crown Group

8. During the Employment Period, I have held the following roles:
 - a) **Corporate Lawyer Crown Perth** (29 October 2007 to 20 September 2010); and

- b) **General Manager Legal and Compliance Crown Perth** (21 September 2010 to current).
- 9. In my role as General Manager Legal and Compliance, I have reported to Crown Perth senior management and generally supported business units by performing a:
 - a) **legal function:** general legal and commercial; litigation including public liability; insurance portfolio; assisting with preparing and drafting regulatory and other submissions; liquor licensing; dispute resolution; stakeholder engagement; internal investigations; training; privacy matters; and committee representation; and
 - b) **compliance function:** assisting and supporting Crown Perth's compliance framework, comprising understanding the legal and regulatory environment; maintaining a requirements register; and monitoring and reporting.
- 10. Within the Crown Group, from the commencement of my current role up to around August 2020, my contract execution authority level, as specified in Policy 3.7: Contract Approvals, was less than \$10,000 and for low risk contracts only. From around August 2020 onwards, the Crown Group implemented the Australian Resorts Operational Delegation Schedule (superseding Policy 3.7) increasing all Crown Group General Manager delegation to a limit of \$200,000.
- 11. My role has not, during the Employment Period, had specific responsibility for:
 - a) company secretarial functions;
 - b) board functions;
 - c) corporate administration;
 - d) company structures;
 - e) AML / CTF functions;
 - f) risk management functions;
 - g) audit functions; and (or)
 - h) responsible gaming functions.
- 12. Throughout the Employment Period, I understand that the functions detailed in paragraph 11 (a) – (d) have been the responsibility of General Counsel, CRL; Company Secretary, CRL and (or) Company Secretaries of the companies forming part of the Crown Group, while other functions (paragraph 11 (e) to 11(h)) have been the responsibility of other persons within the Crown Group.
- 13. Within the Crown Group, the compliance framework includes multiple dedicated compliance teams and (or) individuals. I have a high-level understanding of their systems, procedures and (or) processes. However, each area is of a technical nature and relies on subject-matter experts, with responsibility for these specific areas. For example:

- a) **AML / CTF** (being the responsibility of the Crown Group Compliance and Financial Crime Team and AML / CTF Compliance Officer);
 - b) **Responsible Gaming** (being the responsibility of the Crown Group Compliance and Financial Crime Team);
 - c) **Health and Safety** (being the responsibility of the Crown Group Health and Safety Team); and
 - d) **Food Safety** (being the responsibility of an independent food safety auditor).
14. For most of the Employment Period, the Manager of Gaming and Regulatory Compliance (previously occupied by Paul Hulme (**Paul**) between September 2007 and December 2019) had been responsible for gaming regulatory compliance and had the primary interface between Crown Perth and the Department of Local Government, Sport and Cultural Industries (formerly the Department of Racing, Gaming and Liquor) (**Department**).
15. Paul, who reported to the Chief Legal Officer, Australia Resorts (Joshua Preston) (**Josh**) and then Crown Group General Manager – Regulatory and Compliance (Michelle Fielding) (**Fielding**) (Crown Melbourne) from around 2017, had primary responsibility for gaming regulatory compliance and was in frequent contact with Department officers at all levels including on site Government Inspectors on a range of casino operational and regulatory matters such as changes to casino procedures, patron gaming disputes, game rules and procedures, and employee licensing matters.
16. On Paul departing Crown Perth in late December 2019, Sasha Grist (**Sasha**) was appointed to the position of General Manager Regulatory and Corporate Projects, Crown Perth as a replacement to Paul. However, the role, which changed from this point in time in terms of the frequency and level of engagement with the Department, was mostly shared between Sasha, the Manager Gaming and Regulatory Compliance (Denise Vanderklau) (**Denise**) and me.
17. As part of a Crown Group organisational reform agenda, my role as General Manager Legal and Compliance is currently in the process of being transitioned into two distinct roles:
- a) “Executive General Manager Legal Services”, a new role which I will fulfil subject to the position being approved by the Gaming and Wagering Commission of Western Australia (**GWC**). The role will form part of senior management (Crown Perth) and, for approximately the past 6 months, I have informally been part of the senior management team at Crown Perth; and
 - b) “General Manager Compliance”, a new role which has already been approved by the GWC and has been recruited over the past 6 months. On 12 July 2020, the person occupying this role commenced employment at Crown Perth and reports to the “Crown Group Executive General Manager – Regulatory and Compliance”

(Fielding) and is responsible for the Crown Perth compliance function including managing the relationship and engagement with the Department.

18. Through the transition period, I will assist and support the General Manager Compliance and will also provide ongoing legal assistance and support where required.

Summons Question 3 – Employer

19. Throughout the Employment Period, I have been employed solely by BRML.

Summons Question 4 – Reporting Line Manager

20. As of 21 June 2021, I report to Betty Ivanoff (Group General Counsel, CRL), together with a reporting line to Lonnie Bossi (**Lonnie**) (Chief Executive Officer, Crown Perth).
21. For the most part of the Employment Period, I reported to Josh as the Chief Legal Officer, Australian Resorts (formerly holding the position of the Executive General Manager Legal and Corporate Services, Crown Perth), who had senior management responsibility for the legal and compliance framework (originally of only Crown Perth and, from around 2017, of the Crown Group).
22. The Chief Legal Officer, Australia Resorts was also responsible for other operational areas and (or) functions, not forming part of my duties or responsibility, including:
 - a) Co-Company Secretary of multiple companies forming part of the Perth Casino;
 - b) AML / CTF;
 - c) Risk;
 - d) Security and Surveillance (Perth Casino only);
 - e) Audit; and
 - f) Responsible Gaming.
23. I have also, for a short period, previously reported to Mary Manos (General Counsel & Company Secretary, CRL) between January and February 2021.

Summons Question 5 – Direct Reports

24. The following positions currently report to me:
 - a) Senior Corporate Lawyer, Crown Perth; and
 - b) Legal Secretary, Crown Perth.
25. My reporting lines have mostly remained consistent for the Employment Period, except for a period around 2012, in which I managed the Crown Perth Health and Wellbeing Team (the worker's compensation portfolio).
26. During the Employment Period, the following positions have not reported to me:

- a) AML / CTF direct reports (including the Crown Perth AML / CTF Legal Officer; and the CRL Group General Manager – AML); and
- b) Manager of Gaming and Regulatory Compliance (occupied by Paul) between September 2007 to March 2020),

each of whom reported directly to Josh. However, I have assisted and supported these positions during the Employment Period.

Summons Question 6 – Committees

27. I sit on the following committees within Crown Perth:

- a) Executive Risk & Compliance Committee (Executive Officer);
- b) Legal Compliance Committee (Chairperson);
- c) RG Management Committee (Member);
- d) Revocation and Third Party Sub-Committee (Member);
- e) Patron Care Committee (Member);
- f) Environmental Committee (Member);
- g) Site Environmental Tobacco Management and Advisory Committee (Member);
- h) Cheque & Credit Review Committee (Member); and
- i) Internal Sources Management Committee (Crown Perth) (Member).

28. A list of details relating to each committee including duration, purpose, composition and reporting lines is annexed to my statement and marked "CM-2".

29. The Legal Compliance Committee, and Executive Risk and Compliance Committee (ERCC) have existed since around 2008, replacing formerly existing committees.

30. As part of the compliance framework, since around 2008, a Legal Requirements Register (detailing all compliance obligations applicable to business units) has formed the basis of business units' annual compliance plans, relevantly setting out for each business unit:

- a) compliance obligations relevant to that area including type of requirement, priority rating and maintenance responsibility (where relevant);
- b) licence requirements;
- c) reporting requirements;
- d) self-assessment requirements (automated through the CURA compliance system);
- e) audit and assurance requirements;
- f) training requirements; and
- g) Key Performance Objectives.

31. The annual compliance plan for each business unit is a “living document” and is reviewed each year by the Compliance Team and the business unit (ensuring all elements of the plan remain current and accurate) and the relevant General Manager and Compliance Officer of each business unit are required to acknowledge the plan both for the previous year and upcoming year.
32. As part of the self-assessment questionnaires, each business unit (relevant Compliance Officer and Manager) is required to complete a survey confirming specific business unit compliance questions (linked to the Legal Requirements Register), including monthly reporting of major and minor compliance incidents.
33. Prior to the monthly Legal Compliance Committee meeting, the survey responses are reviewed by the Compliance Team and during the meeting, amongst other things, compliance incidents are discussed and where necessary, remediation actions formed, which are continuously reviewed until such time as the action has been closed out.
34. Through the reporting of business unit compliance incidents, the Legal Compliance Committee escalates material compliance incidents (particularly compliance requirements), amongst other things, to the ERCC as part of a formal report.
35. As part of this process, other dedicated compliance teams (such as the Financial Crime and Regulatory Team in respect of AML / CTF, the Risk Team in respect of risk management and the Internal Audit Team in respect of audit activity) also provide their specific papers to the ERCC.
36. The reporting process occurs through the presentation of formal papers with a meeting of the ERCC taking place usually on a quarterly basis involving senior Crown Group management, with the papers forming the basis of reporting to various Crown Group boards.

QUALIFICATIONS AND EXPERTISE

Summons Question 7 – Qualifications, expertise and experience

37. My formal qualifications are:
 - a) Bachelor of Laws (University of Western Australia); and
 - b) Bachelor of Science (Second Class Honours) (University of Western Australia).
38. I hold a current Practising Certificate.
39. Prior to being employed within the Crown Group, I was employed by Herbert Smith Freehills LLP (United Kingdom) (FY07/08) having originally commenced employment with Phillips Fox (Perth), with a date of admission of 2 March 2005. My practice areas included general commercial, town planning, environmental and liquor licensing.

Summons Question 8 – Casino Operations, Risk Management

40. I have no qualifications or expertise in casino operations and have not undertaken any formal education or training in casino operations.
41. My experience in relation to casino operations is limited to my work history within the Crown Group during the Employment Period. In this respect, I gained knowledge and mentorship from Paul and Michael Egan (**Michael**), both having significant experience in the casino industry and having held regulatory positions with the Department.
42. I have no qualifications or expertise in relation to risk management of casino operations generally or specifically in respect of:
- a) AML/CTF risk management;
 - b) problem gambling risk management;
 - c) electronic gaming machine risk management;
 - d) International Commission Business (as defined in the *Casino (Burswood Island) Agreement*) / junket operations risk management;
 - e) marketing in foreign countries, in particular China; and
 - f) vulnerability of operations to criminal infiltration/association risk management.
43. I have limited experience in risk management of casino operations generally, which has been mostly related to my involvement in providing assistance and support to senior management and business units, together with participating in Crown Group committees.

Summons Question 9 – Training and Induction (Commencement)

44. At the commencement of my employment within Crown Perth, training or induction comprised:
- a) attending company orientation and induction training on 29 October 2007. This covered general information relating to Crown Perth operations; and
 - b) induction briefing, training and mentorship from within the Legal Services Department (mostly from Michael and Paul), including in relation to casino operations generally.
45. I was not provided specific training or induction in respect of the matters referred to in 42 (a) to 42 (f) above on commencing employment.

Summons Question 10 – Training (Ongoing)

46. Throughout the Employment Period, I have received ongoing training within the Crown Group covering a range of areas specifically including AML / CTF Online Training (16 March 2021) and AML / CTF Targeted Training (28 October 2020). A training report dated 12 July 2021 is annexed to my statement and marked "**CM-3**".

47. I have not received any specific training in respect of the matters referred to in 42 (a) to 42 (f).

GOVERNANCE

General

48. I understand governance as generally relating to how an organisation operates and is controlled including relationships, systems and processes within and by which authority is exercised and controlled.
49. I have best attempted to assist the Commission in responding to governance questions. However, I am in a limited position to do so because:
- a) I am not currently nor have I been previously a member of any Crown Group board;
 - b) I am not currently nor have I been previously Company Secretary of any Crown Group companies;
 - c) I am not currently nor have I been previously responsible for board functions, corporate administration or company structures;
 - d) I am not formally nor have I previously been a member of senior management of any Crown Group company;
 - e) I have never throughout the Employment Period reported to any director of a Crown Group company (except for recent reporting to Lonnie in his capacity as Chief Executive Officer, Crown Perth);
 - f) I have only, as recently as April 2021 and June 2021, attended, as an invitee only, a meeting of the Burswood Limited (BL) board to provide an update to the board on legal and regulatory matters; and
 - g) I have otherwise throughout the Employment Period not participated in any meetings of any Crown Group board or board sub-committee – except for one Health and Safety sub-committee meeting at least 5 years ago.
50. Subject to that qualification, my evidence in relation to the governance questions is as follows.

Summons Questions 11, 12 and 13 – BNL Governance and Management Structure

51. When I commenced employment within the Crown Group, my perception was that the governance (including risk, audit, compliance functions) and management structure of Burswood Nominees Limited (BNL) (together with other related “Burswood” companies such as BRML) occurred mostly independent to CRL and Crown Melbourne Limited (Crown Melbourne) with minimal influence, direction and (or) control.
52. From the years following my commencement within the Crown Group and now, particularly within the past 18 months, my perception is that the governance and management

structure of BNL has and continues to be influenced and directed by CRL and Crown Melbourne including performance of duties and responsibilities, the systems, policies, and procedures, particularly through the creation of a CRL executive management structure, together with Crown Group senior management roles and functions including, but not limited to:

- a) Chief Executive Officer, CRL;
- b) Chief Risk Officer, CRL;
- c) Group Chief Compliance and Financial Crime Officer, CRL;
- d) Chief People & Culture Officer, CRL;
- e) Governance Officer, CRL;
- f) General Counsel, CRL;
- g) Group Executive General Manager – Regulatory and Compliance, Crown Group;
- h) Group General Manager Responsible Gaming, Crown Group;
- i) Group General Manager Financial Crime, Crown Group; and
- j) Group General Manager Internal Audit, Crown Group.

53. I understand that the current management structure applicable to the activities of BNL (including BRML) broadly comprises a “hierarchical” type of authority and responsibility including:

- a) **“Top Management” (Executive CRL and Crown Group senior management):** Responsible for Crown Group ultimate exercise of control, decision making, strategy, governance (risk, compliance, corporate structures), and cultural leadership, including Chief Executive Officer, CRL; Chief Financial Officer, CRL; Chief Risk Officer, CRL; Group Chief Financial Crime and Regulatory, CRL; Chief People & Culture Officer, CRL; Governance Officer, CRL; and Group General Counsel, CRL;
- b) **“Local Senior Management” (Crown Perth Executive Team):** Responsible for local Crown Perth operational activity, including execution of “Top Management” direction and daily operation activities, including Chief Executive Officer, Crown Perth; Chief Operating Officer, Food, Beverage and Entertainment; Executive General Manager Hotels; Chief Marketing Officer, Australian Resorts; Group Chief Information Officer, CRL; Chief Financial Officer, Australian Resorts; Executive General Manager Table Games; and Executive General Manager Gaming Machines. I understand that, in respect of material operational matters, the Local Senior Management Team, being mostly the Chief Executive Officer, Crown Perth, reports to Top Management;

- c) **“Middle Management” (Business Operations Team):** Intermediate management level that is subordinate to the Local Senior Management Team and responsible for the delivery of day-to-day operations, including leading line managers;
 - d) **“Line Managers”:** Management of employees directly involved in Crown Perth operations (including casino, hotels, food and beverage outlets, conventions and theatre); and
 - e) **“Operational Employees”:** Responsible for execution of Crown Perth goods and services (both front line and back of house employees).
54. The terms referred to in the above structure are my descriptions and are not formal Crown Group descriptions.
55. While I hold this perception relating to governance and management structure and understand that there are and have been common directors within the Crown Group companies, I have no direct knowledge of the decision-making of the board of BNL and whether the BNL board has assessed matters itself and not been directed or influenced solely by CRL or Crown Melbourne.

Summons Questions 14, 15 and 16 – BL and Burswood Nominees Ltd Governance and Management Structure

56. I have no knowledge or understanding as to whether:
- a) the governance and (or) management structure of BNL is influenced or directed by BL; or
 - b) the management structure of BL is influenced, directed or accountable to CRL, Crown Melbourne or other entity within the Crown Group in the performance of their duties and responsibilities.

Summons Questions 17 and 18 – BRML Governance and Management Structure

57. I refer to the paragraph 53 in respect of my understanding of the BRML management structure.
58. I have no knowledge or understanding as to whether the management structure of BRML is influenced, directed or accountable to CRL, Crown Melbourne or other entity within the Crown Group in the performance of their duties and responsibilities.

Summons Question 19 – Risk Appetite and Risk Tolerance

59. Because my area of expertise does not relate to risk management, I have no direct knowledge or understanding as to the changing (if any) approach and attitude of CRL, BL, BNL and BRML to “risk appetite” or “risk tolerance”.
60. I know that, in or around June 2019, the Chief Legal Officer, Australian Resorts and Chief Risk Officer, CRL (formerly the Crown Group Risk and Audit General Manager, Australian

Resorts) implemented, with approval of the CRL board, the Crown Group "Risk Management Strategy", which articulated the Crown Group risk appetite. The Risk Management Strategy has been updated since this date.

Summons Question 20 – Gaming Operations, Organisation and Conduct

61. I understand from my casino experience and from performing a legal function that:
- a) BNL is the casino licence holder under which gaming operations at the Perth Casino are organised and conducted;
 - b) the employer of the individuals engaged in gaming operations at the Perth Casino is BRML. However, I understand that certain individuals are employed by Crown Melbourne and in group and other functions;
 - c) BNL is the "trustee" and BRML is the "manager" of the Burswood Property Trust (**Trust**) and both play a role in respect of the organisation and conduct of gaming operations;
 - d) the relationship between BNL and BRML is set out in the Trust Deed; and
 - e) as the casino licence holder, BNL has the power to supervise and control the organisation and conduct of gaming operations by any employer or operator and (or) manager. However, practically, this has occurred through the historical relationship between BNL and BRML, resulting from the Trust Deed, common ownership, shared directors and one management structure.
62. Since the commencement of my employment, commonly, there has been no Crown Group distinction made between BNL and BRML, as business has simply operated under its trading name Crown Perth.

AML / CTF

General

63. I have tried to best assist the Commission in responding to AML / CTF questions. However, I am in a limited position to do so as:
- a) I have no formal qualifications or expertise in AML / CTF;
 - b) my direct reports are not responsible for specific AML / CTF reporting obligations;
 - c) AML / CTF compliance function for the Crown Group (specifically including Crown Perth as a designated business group) is the responsibility of the Financial Crime and Regulatory Team (formerly the Crown Perth AML / CTF Team); and
 - d) I personally do not, and neither do any employees reporting to me, provide "designated services" (as defined in the AML / CTF legislation) on behalf of the Crown Group.
64. My involvement and (or) knowledge in AML / CTF has mostly comprised:

- a) assistance and support provided to the AML / CTF Team from time-to-time;
 - b) internal company-wide AML/CTF online and in-person training;
 - c) assistance and support ERCC as the Executive Officer in which the Financial Crime and Regulatory Team (formerly the Crown Perth AML/CTF Team) would provide a standalone paper to the ERCC; my involvement was mostly as the Chair of the Legal and Compliance Committee (Crown Perth) in which the Financial Crime and Regulatory Team (formerly the Crown Perth AML/CTF Team) would support this committee by attending and participating in the meeting with other compliance officers; and
 - d) matters incidental or related to AML / CTF including issues identified during the Bergin Inquiry and responded to a result of the report arising from Bergin Inquiry.
65. Subject to those qualifications, my evidence in respect of the AML / CTF questions is as follows.

*Summons Question 21 and 22 - Identifying and Managing Money Laundering and Terrorism
Financing Risks at the Perth Casino by BNL and the Crown Group*

66. My understanding is that:
- a) under the AML / CTF systems, policies and procedures the Financial Crime and Regulatory Team (formerly the Crown Perth AML / CTF Team), with the support of external consultants and input of operational teams, is responsible for carrying out risk assessments **to identify risks** (specifically including: risks associated with Crown Perth Bank Accounts as defined in the Summons; funds from, and allocating funds to, patrons; and cage operations) of money laundering and terrorism financing and ensure that effective management controls are implemented and tested to eliminate and/or mitigate such risks. This includes review of casino and other operations (such as hotels), including the provision of designated services (both existing and proposed future services) to identify risks. I have not been involved in the AML / CTF routine risk assessment;
 - b) the management responsibility within BNL and the Crown Group for **managing** money laundering and terrorism financing risks is that of operational teams as set out in systems, policies and procedures, with the support and oversight of the Financial Crime and Regulatory Team (formerly the Crown Perth AML / CTF Team). In this respect, my understanding is that the Cage Team is responsible for managing money laundering and terrorism financing risks associated with receiving funds; cage operations; internal accounting; and allocation of funds to patrons at the Perth Casino. The Finance Team is responsible for operating the bank account in connection with gaming at the Perth Casino;

- c) the Financial Crime and Regulatory Team (formerly the Crown Perth AML / CTF Team) is responsible for reviewing (ie, overseeing) internal AML / CTF reports and has decision-making responsibility and authority to make the reports to AUSTRAC required under the AML / CTF legislation; and
- d) all Crown Group personnel have a responsibility to record decisions to make reports (called "Unusual Activity Reports") to the Financial Crime and Regulatory Team for investigation and potential reporting to AUSTRAC. However, these responsibilities are mostly undertaken by those employees directly involved in the provision of designated services.

Summons Question 23 – Oversight of Directors

67. I am broadly aware that the directors of CRL have approved the Crown Group AML / CTF Program however I otherwise have no knowledge of the oversight exercised by the directors of CRL, BL, BNL and BRML as to the development and implementation of, and compliance with, its systems, policies and procedures to identify and manage the risks of the Perth Casino operations being used as a vehicle to facilitate money laundering.

Summons Question 24 – Investigations regarding Riverbank

68. I know, from my involvement, that the following investigations have been undertaken or are presently being carried out to ascertain whether any bank accounts of Riverbank Investments Pty Ltd (**Riverbank**) or other bank accounts maintained with respect to Perth Casino operations may have been used as a vehicle to facilitate money laundering or terrorism financing:
- a) report prepared by Initialism (Neil Jeans) on behalf of CRL: "*Review of Riverbank and Southbank bank accounts for Indications of Money Laundering*" dated 16 November 2020 (**Initialism Report**), which included the engagement of Grant Thornton (by Minter Ellison on behalf of CRL to support the Initialism investigation) to undertake forensic/analytical services; and
 - b) an external investigation being undertaken by Deloitte on behalf of CRL. However, I have had limited involvement or understanding as to the scope of the review or its current status other than assisting Deloitte employees through the process of obtaining casino regulatory licences.
69. In respect of the Initialism Report, I recall my involvement included the following:

Internal Review of Aggregated Cash Deposits

- a) around October 2020, I prepared a memorandum in respect of an internal review identifying incidents of cash deposits into the Riverbank bank account being "aggregated" within Crown Perth. The purpose of the internal review was not to identify potential money laundering (which I or the persons performing the internal review could not assess) but related specifically to the practice of "aggregation";

- b) the internal review in respect of Riverbank was initiated by me as a result of the evidence and questioning of Josh in respect of Riverbank during the Bergin Inquiry;
- c) I do not recall having any previous historical involvement or knowledge of money laundering issues relating to Riverbank and Southbank Investments Pty Ltd (**Southbank**) (including the historical closure of bank accounts or being asked to review Riverbank). However, I became very concerned as I heard evidence of the use the Riverbank bank accounts potentially for money laundering, and the extent of that use. I wanted to personally get to the bottom of the issues;
- d) I accordingly coordinated an internal review by instructing Crown Perth's Regulatory and Compliance Manager to urgently obtain historical bank statements from the Crown Perth Finance Team and to review these statements to initially identify the transactions referenced in the Bergin Inquiry and then to more broadly examine all statements to identify cash deposits being "aggregated";
- e) I recall subsequently, and relatively soon after the work had commenced, Josh and Ken Barton (**Ken**) (formerly Chief Executive Officer, CRL) asking for the internal review to be completed and to include Southbank , which was ultimately carried out by Crown Melbourne employees;
- f) an email was subsequently prepared by Crown Perth's Regulatory and Compliance Manager, reviewed by me, to the Crown Group General Manager Financial Crime (formerly the Crown Group General Manager AML) to advise of the outcomes of the internal review and relevantly recommend, on my advice, that an external forensic expert be engaged to confirm the accuracy of the internal review including the nature and circumstances of cash deposits including bank annotations/references;
- g) on or around late September 2020, I recall receiving a call from Ken requesting a memorandum as to the internal review of "aggregation" practices and for me to engage with Glen Ward (Partner, Minter Ellison) (**Glen**) as to the preparation of the memorandum. I had no understanding as to how the memorandum was being used other than to inform Ken;
- h) I prepared a draft memorandum on the internal review of "aggregation practices" and emailed it through to Glen;
- i) Richard Murphy (another partner at Minter Ellison) then took over and sent me an amended version of my memorandum;
- j) I read it, had some changes, and some further iterations passed;
- k) once the draft memorandum was settled, I then sent it to Ken under my name; and

- l) my recollection is that the drafting of the memorandum needed to occur urgently and was completed over a weekend and finalised on 28 September 2020, being the Queen's Birthday public holiday.

Initialism Report and Grant Thornton

- m) Due to my involvement in the internal review set out above, I recall subsequently assisting Grant Thornton in providing an overview of the internal review and forwarding materials relating to bank accounts (such as bank statements and Cage transaction materials) to allow for a forensic analysis to be undertaken and to also assist Initialism in preparing its report into indications of money laundering. This included facilitating communications and flow of information between Crown Melbourne and Grant Thornton in respect of the internal review undertaken in relation to the Southbank bank account;
- n) I recall that the work being carried out by Initialism (Neil Jeans) in respect of indications of money laundering, including discussions around "structuring scenarios", was managed by the Group General Manager AML;
- o) on 10 November 2020, I recall Grant Thornton provided to Minter Ellison an interim copy of the "Riverbank Statement Analysis" for comment and subsequently, on 16 November 2020, Minter Ellison issued the final Initialism Report and Grant Thornton Reports for both Riverbank and Southbank;
- p) I recall briefly reviewing the interim report of Grant Thornton on or around 11 November 2020, mostly out of a personal interest as to whether the internal review had been accurate and properly described by Grant Thornton and only made comments on the interim Grant Thornton report about the timing of the Southbank review and a typographical error (with "cage" being incorrectly spelt as "caged");
- q) in respect of the Initialism Report, I recall I had an initial involvement in assisting in preparing draft letters to AUSTRAC. However, ultimately (and relatively soon thereafter) my involvement ceased and I understand that the outcomes from the Initialism report were and are now being managed by the Group General Manager AML, together with Allens (Melbourne), including ongoing engagement with AUSTRAC. I know that my involvement discontinued as the matters specifically related to AML / CTF compliance and my initial involvement relating to the internal review had been completed;
- r) after receiving the Initialism Report, that I requested information from Initialism (Neil Jeans) relating to whether the indicators of money laundering at Perth Casino related exclusively to cash deposits, money remitters and junkets as I considered this to be relevant to controls being implemented by Crown Perth and the accuracy of information being provided to the GWC; and

- s) ultimately, I assisted in preparing a letter to the GWC dated 14 December 2020, which enclosed the Initialism Report; the Grant Thornton report dated 16 November 2020; and the Grant Thornton report dated 17 November 2020.

Summons Question 25 – Bank Accounts and Money Laundering

- 70. I have no direct knowledge or involvement as to whether the bank accounts maintained with respect to Perth Casino operations, other than a bank account of Riverbank, may have been used as a vehicle to facilitate money laundering or terrorism financing. However, given the past activity identified with the Riverbank account, I suspect this may have occurred.
- 71. I know that, over at least the past 12 months, significant reform has been undertaken by the Crown Group to eliminate and (or) mitigate the risks of Perth Casino operations being used as a vehicle to facilitate money laundering or terrorism.

Summons Question 26 – China Union Pay

- 72. I do not recall if BL, BNL or BRML received or assisted in receiving payments at any hotel forming part of the Perth Casino complex from international customers using a credit or debit card (ordinarily a China Union Pay (**CUP**) card), with the funds received then being made available for gaming.
- 73. In preparing this statement, I recalled, and now do know from reviewing previous emails, that:
 - a) Paul and I met with the Crown Group VIP International Team in Perth (possibly Ishan Ratnam and Jacinta McGuire) and were asked to consider how Crown Perth could implement CUP;
 - b) Paul advised senior management (including Josh) of the request and the process required to implement CUP including requirements to seek the approval of the GWC; and
 - c) following this communication, a direction was provided by senior management (specifically Josh) that CUP would not be permitted at Crown Perth.

RIVERBANK

General

- 74. Unless otherwise stated, my knowledge and (or) understanding of information relating to Riverbank, and specifically the bank accounts held by Riverbank, are mostly based on my involvement in:
 - a) matters arising during and after the Bergin Inquiry, including observing evidence given by witnesses throughout the Bergin Inquiry; and

- b) assisting with internal reviews relating to Riverbank including the aggregation practices within the Crown Perth Cage relating to Riverbank.
75. I do not recall being historically involved in or having knowledge of matters relating to Riverbank when raised in the context of AML / CTF concerns and dealings with the closure of bank accounts.
76. I understand from the Bergin Inquiry that these matters were historically being handled by others, including senior management, AML/CTF Team, Cage Team and VIP Operations Team, all within the Crown Group.
77. I have otherwise held no authority and not been involved in the day-to-day management, administration, and (or) operation of the Riverbank accounts.

Summons Question 27 – Riverbank Activities, Assets and Business

78. I understand from recently assisting with the preparation of a response to the Solicitors Assisting the Commission, taking advice from the Crown Perth Finance Team, that Riverbank has no current assets, activities or business. However, I am aware that, up to December 2019, Riverbank has held bank accounts previously used for patrons to deposit funds for gaming.

Summons Questions 28, 29 and 30 – Riverbank Accounts Opening and Operation, Risk Management System and Management Structure

79. I have no knowledge or understanding of:
- a) the circumstances in which Riverbank opened and operated any bank accounts other than an understanding gained through the matters relating to the Bergin Inquiry;
 - b) the risk management system which applied to Riverbank, both in and of itself and more broadly within the context of the Crown Group; and
 - c) the management structure which applied to Riverbank.

Summons Question 31 – Performance of Services re Riverbank

80. I understand, mostly from evidence given to the Bergin Inquiry, that the persons who performed services in relation to activities of Riverbank comprised:
- a) **Cage and Count Team** in respect of the daily monitoring of the Riverbank bank accounts in respect of funds received from patrons for gaming purposes;
 - b) **International Operations Team and Credit Team** in liaising with patrons in respect of facilitating deposits into the Riverbank bank accounts and advising the Cage and Count Team of the patron deposit;

- c) **Finance Team** in respect of the financial management/administration of the Riverbank bank accounts including transferring funds to other bank accounts within the Crown Group; and
- d) **Crown Group Treasury Team** in respect of the management of the relationship with financial institutions relating to the Riverbank bank accounts.

Summons Question 32 – Transferring of Funds in Riverbank Account

81. I understand, mostly from evidence given to the Bergin Inquiry, that:
- a) funds were not transferred from the accounts with the financial institutions held by Riverbank for use by patrons. Rather, patron casino accounts were internally “credited” on confirmation that funds had been deposited to the bank account and the funds remained within the bank accounts; and
 - b) the Crown Perth Cage Team was responsible and performed a daily review of the bank accounts and the crediting of patron casino accounts.

Summons Question 33 – Performance of Duties and Responsibilities re Riverbank

82. I have no knowledge or understanding as to whether the persons who performed services for Riverbank were influenced, directed or accountable to CRL, Crown Melbourne or any other entity within the Crown Group in the performance of their duties and responsibilities.

Summons Question 34 – Monitoring the Operation, Identifying and Managing Risks of Riverbank Account

83. I understand from the issues identified through the Bergin Inquiry that the Crown Perth AML / CTF Team, with support and input from the Cage and Count Team and Finance Team, had a responsibility to **identify** the risks related the Riverbank bank accounts (and other bank accounts) being used to facilitate money laundering and terrorism financing.
84. I understand that:
- a) the Cage and Count Team had responsibility (ie, was the risk owner, with accountability and authority to manage the risk) for **monitoring (managing)** the operations of the Riverbank bank accounts (as related to the use of the patron’s casino account linked to payments into the Riverbank bank accounts) for compliance with systems, policies and procedures to manage the risks of the Perth Casino operations being used to facilitate money laundering and terrorism financing; and
 - b) the AML Team was responsible for **supporting and overseeing** the compliance of the Cage and Count Team to manage the specific risk.

Summons Question 35 – Accounting for Riverbank in AML/CTF Program

85. I have a limited understanding as to the extent to which the operation of the Riverbank bank accounts was accounted for in the AML/CTF program of the Crown Group or entities within that group.
86. Through issues identified by the Bergin Inquiry, in particular the evidence of Josh relating to the Crown Perth AML / CTF program, my understanding is that the Riverbank bank accounts were not fully accounted for in the AML / CTF program. However, patron casino accounts were included, which indirectly captured funds credited through the Riverbank or other Crown Perth bank accounts.

Summons Question 36 – Closure of Riverbank Bank Accounts

87. I understand, from assisting and supporting the Crown Group in preparing correspondence to the GWC, that the Riverbank bank accounts were closed by the Commonwealth Bank in December 2019 due to money laundering concerns.

Summons Question 37 – Approval of new Electronic Gaming Machines

88. I am not currently and have not previously been involved in the approval of any new electronic gaming machines as this has been and is directly managed by the Gaming Machines Team.
89. Through my general interest and knowledge of the casino operations of Crown Perth, including attending the monthly meeting between representatives of Crown Perth and the Department (**Operations Division Meeting**), my vague understanding is that:
- a) the Gaming Machines Team (through the Gaming Product Manager, Crown Perth (James Sullivan) (**James**)) makes a submission to the GWC for "in principle" approval of a new gaming machine;
 - b) this usually also includes a presentation by James to the GWC demonstrating the proposed game; and
 - c) the GWC would then either not approve or approve "in principle" the gaming machine. If approved "in principle" by the GWC, James would then progress full approval of the new gaming machine by obtaining Accredited Testing Facility certifications and then submitting the game for full approval to the GWC.
90. At times, I know that James, with Paul, would provide a demonstration of new electronic gaming machines to officers of the Department following the Operations Division Meeting. I did not attend these post-meeting demonstrations and would leave prior to the demonstration.

GWC AND THE DEPARTMENT

Summons Questions 38 and 39 – Board Communication with GWC

91. I have no knowledge or understanding as to whether the management of the Perth Casino operations was or is given directions or guidance from the board of either BL, BNL or any other entity within the Crown Group about:
- a) when and how generally to communicate with the GWC or the Department about matters to do with the Perth Casino, either generally or in relation to specific subjects; or
 - b) when and how to communicate with the GWC or the Department about the subject-matter of any allegations, other than senior management of CRL (including Ken) assuming direction of communications with the GWC in respect of matters identified during the Bergin Inquiry and following the Bergin Inquiry report, including the Crown Group reform agenda, from or around October 2020.

Summons Question 40 – GWC and Department Contact

92. I know of the following contact, formal and informal, having occurred with the GWC and (or) Department:
- a) regular work-related formal and informal contact between Crown Perth employees (mostly Paul up until his retirement) and employees of the Department including meetings, telephone calls, correspondence, emails and, to a lesser extent, infrequent text messaging;
 - b) Operations Division Meetings occurring throughout the Employment Period and I understand prior to the commencement of my employment with the Crown Group;
 - c) monthly meetings of the GWC in which certain Crown Perth representatives are invited or request an opportunity to address the GWC on Crown Perth submissions and operational matters. Crown Perth representatives have included the Chief Executive Officer, Australian Resorts (Barry Felstead (**Barry**)); Chief Legal Officer, Australia Resorts (Josh); Chief Executive Officer, Crown Perth, formerly the Chief Operating Officer, Crown Perth (Lonnie); Gaming Products Manager (James); Executive General Manager – Table Games (Cori Cairns); and General Manager Responsible Gaming (Melanie Strelein Faulks). Through the Employment Period, I have only attended two meetings of the GWC (August 2019 and November 2020) and otherwise have had no contact with any members of the GWC or the Director-General of the Department and (or) Chair of the GWC;
 - d) work-related contact between senior management (previously including the Chief Executive Officer, Australian Resorts (Barry); Chief Legal Officer, Australia Resorts (Josh); and Chief Executive Officer, Crown Perth (Lonnie)) the Director-General of the Department and (or) Chair of the GWC, and Mick (usually related to material/commercially sensitive matters); and

- e) informal non work-related contact between Crown Perth employees and an officer of the Department relating to a personal relationship including social interaction, casual meetings, emails, telephone calls and text messages (excluding any social media platforms such as Facebook or WhatsApp). I only know of this contact occurring between Michael Connolly (formerly the Chief Casino Officer) (**Mick**), Paul, Jon Nichols (**Jon**) (a former Crown Perth employee and former employee of the Department) and me.

Summons Question 41 – Relationship with Department and GWC

- 93. During the Employment Period, Paul, as the Manager of Gaming and Regulatory Compliance, was the primary interface between Crown Perth and the Department including Government Inspectors, Directors and Mick. At times, Paul was in daily contact with officers of the Department on a range of casino regulatory matters and attended to regular engagement, including correspondence, with the Department.
- 94. Any matters of significance or commercial sensitivity (including escalated matters) would mostly be managed by Chief Legal Officer, Australian Resorts and be dealt with directly between him and Mick and (or) the Director-General of the Department and (or) Chair of the GWC.
- 95. For the most part of the Employment Period, I had limited involvement with the Department, including Mick, dealing mainly with liquor licence matters and (or) approvals (such as alteration/redefinition applications and amendments to licence conditions). I do recall during the Employment Period:
 - a) only sending a few letters directly to Mick, of which some letters were “attention to” other officers of the Department;
 - b) attending infrequent work-related meetings and work discussions with Mick and other officers of the Department, usually including Paul or other Crown Perth employees, to discuss matters relating to Crown Perth including submissions to gain an understanding of the regulator’s position on technical and policy matters; and
 - c) material submissions and discussions relating to significant gaming regulatory matters between Crown Perth and the Department or the GWC have mostly been the responsibility of senior management (Executive Team or higher). To the extent that I have been involved in preparing draft submissions to the GWC, my role has been to largely formulate submissions based on instructions and technical advice from others.
- 96. Between around January 2020 to February 2021, due mostly to the departure of Paul and subsequently Josh (together with other immediate and broader organisational changes), I fulfilled certain duties previously undertaken by both, with the assistance of others within Crown Perth. At the same time, I have continued to perform my legal and compliance

functions, together with being required to support multiple regulatory enquiries impacting the Crown Group. I also recall, from around 2019, being more directly involved in specific Crown Group submissions.

97. As a result of this, I had increased engagement (written and verbal) with Mick in respect of Crown Perth operational matters including matters relating to the COVID-related closure of the casino and the Bergin Inquiry. I have also, with the assistance of other Crown Perth employees, attended to requests for information from Mick, which were attended to promptly and without question.
98. Since early February 2021, I have not had any dealings or any communications with Mick, professional or otherwise. I have also personally removed myself from direct engagement with officers of the Department and understand the Operations Division Meeting has been discontinued by the Department.
99. I continue to assist in legal interpretation and drafting of submissions, where required.

Operations Division Meeting

100. Throughout the Employment Period, representatives of Crown Perth and the Department have participated in the Operations Division Meeting.
101. Typically, the Operations Division Meeting is held two days after the GWC meeting.
102. The Operations Division Meeting on 2 November 2007 was the first of these meetings that I attended.
103. It was a forum in which Crown Perth and the Department set agenda items, engaged on Crown Perth operational matters, regulatory expectations/policy and broadly fostered a working relationship.
104. During the Employment Period, Josh mostly chaired the Operations Division Meeting and draft minutes were mostly prepared by Paul and the Executive Assistant of the Chief Legal Officer, Australian Resorts (Josh) and then circulated for approval.
105. My understanding is that Paul would have a pre-meeting briefing before each Operations Division Meeting with key people from the business, including Josh, to go through agenda items. I never attended this pre-meeting briefing.
106. Throughout the Employment Period, at each Operations Division Meeting, Paul and Josh would be very active in discussions and account for most agenda items. I was not an active participant in the meetings, which I recall related largely to liquor licensing and development applications for Ministerial approval. All matters relating to new electronic gaming machines approvals were managed by James.

107. As part of the investigation by Macpherson Kelley, I requested a search be undertaken of my participation in the Operations Division Meeting for the Employment Period, which confirmed that Paul and Josh accounted for approximately 2,000 agenda items being discussed, with my contribution totalling around 100 items.
108. Following the departure of Paul and subsequently Josh, I needed to become more involved in the Operations Division Meeting, including being the Chairperson and was assisted by greater involvement from Lonnie, Sasha and Denise.
109. The meeting presented an excellent opportunity for open dialogue and assisted both the Department and Crown Perth to determine key matters and actions.

Summons Question 42 – Gifts or Benefits including Hospitality

110. I know of the following hospitality provided by the Crown Group to officers and employees of the Department:
- a) in or around December 2019, a farewell event was organised for Paul, which employees of the Department attended together with Crown Perth employees and other persons including Paul's family. Crown Perth paid for the costs of the event;
 - b) in or around April 2015, Paul provided accommodation to Mick, Jon and me at his family holiday unit during a fishing trip to Mandurah. Mick did not sleep in the unit, though he did use the unit's facilities;
 - c) occasional purchase of coffees and "Nespresso" coffees being offered for the monthly Operations Division Meetings held at Crown Perth; and
 - d) annually, at Christmas, Crown Perth provides a plate of pastries, biscuits and chocolates for the Operations Division Meeting.
111. I am unaware of any gifts or benefits, including hospitality, provided by the Crown Group to members of the GWC other than a trip paid for by the Crown Group for Barry Sargeant to travel to Macau, which was reported in the media.

Summons Question 43 – Personal Relationships and Friendships

112. I know that the following friendships existed between employees of the Crown Group and officers of Department:
- a) Mick and me;
 - b) Paul and Mick; and
 - c) Jon and Mick.
113. I understand that Paul, Jon and Mick had previously worked together at the Department. My relationship arose with Mick due to an interest in fishing, which I have enjoyed all my life from a young age through to fishing with friends and my kids nowadays.

114. From around 2012, from reviewing my emails, Mick initiated an invite for me to go fishing with him on his privately-owned, trailered boat. Since this time, over the period of a decade, together with Paul (from September 2013) and Jon (from around 2015), Mick has invited us fishing on his boat for:
- a) **one half-day trip** in around February 2014 (excluding Paul and Jon); and **seven weekend trips** together in around September 2013, March 2014, April 2015, August 2016, August 2017, September 2019 and another which occurred at some point between the last two. I do not specifically recall the details of each fishing trip. However, I have reviewed my records, including my emails and bank statements, to identify as best I can the dates of these trips; and
 - b) lobster fishing between 2014 (excluding two seasons around 2018/2019) and 2020, approximately 2 to 3 times a week through mid-November to late December (prior to Christmas) and routinely between around 4:00 am to 5:30 am, which was also attended by another person (Trevor Dutton (**Trevor**)), a retired 80-year old and former employee of the Department who had retired prior to my employment with Crown Perth. Paul only went lobster fishing on limited occasions and I cannot recall Jon ever attending. As part of the lobster fishing, I would leave my house around 3:30 am, arrive at the Ocean Reef marina around 4:00 am separately to Mick, who would always be waiting with Trevor on the boat at the marina. Mick and Trevor would travel together. We would collect six lobster pots (we each owned 2 lobster pots with a maximum boat limit of 24 lobsters being caught each trip), return to the marina by around 5:00 am and wash the boat at the marina. We would then depart our separate ways having shared the lobsters equally. Mick would rarely talk during each outing other than to give instructions about the collection of the pots and the retrieval of the boat. Occasionally in each season we (including Trevor) would all have a coffee after collecting the lobster pots and then depart our separate ways.
115. The details of those fishing trips are set out in an Investigation Report prepared for CRL by Macpherson Kelley.
116. All costs associated with each fishing trip (being bait, fishing tackle, fuel, meals and accommodation) were paid personally (ie. at no time were any of those costs paid for by Crown Perth) and shared equally between the individuals who participated. At no time did we consume alcohol on Mick's boat and we shared the fish and lobsters caught equally.
117. I have never once paid for any fixed costs associated with Mick's boat or trailer.
118. For each of the fishing trips (other than lobster fishing and the ones to Ocean Reef), we spent most of the day fishing and we would usually then dine together at night.
119. In terms of conversations during fishing trips and lobster fishing, we did not engage in any work-related conversations to ensure a separation between work and our relationship.

Conversation was generally of a casual and social nature including discussions around such things as football, skydiving, cars, fishing and food.

120. Paul, Mick and Jon would also reminisce and talk a lot about persons they had worked with and what they were up to and talk a lot about superannuation and retirement plans. I would generally have no interest in these topics.
121. For my part, we consciously decided not to discuss work-related matters while fishing. This was because:
 - a) it would not be appropriate and we wanted to maintain a separation from work;
 - b) we had an appreciation of professionalism not to discuss any work-related matters;
 - c) we all went fishing to escape work, which was the most enjoyable part of the fishing; and
 - d) Paul generally engaged with Mick and other Department officers on a weekly basis, so there was no need to discuss work-related matters.
122. I recall only two other occasions between October 2008 and February 2021 (ie, over a period of about 13 years) in which I had social interactions with Mick:
 - a) in or around 2016, Mick invited me, Paul and Jon and our partners to the Marmion Angling Club for a pub dinner. Mick was a member of the Marmion Angling Club and we paid separately for our meals and drinks; and
 - b) towards the end of 2020, Paul invited me, Mick and Jon and our partners to dinner at his house. My children attended the dinner too.
123. We did not discuss any work-related matters during either of these dinners.
124. At no stage did I consider that my relationship influenced or could in a real sense possibly influence any decision-making of Mick to achieve outcomes for me personally and (or) the Crown Group, mainly as:
 - a) while we had a friendship, I did not consider it to be a close personal relationship;
 - b) during the Employment Period, I had limited direct engagement with Mick both at work (particularly between 2007 to 2019) and outside of work (fishing and two dinners only);
 - c) I was not part of senior management and had no decision-making power within the Crown Group;
 - d) I considered Mick to be more senior to me in experience, expertise, age and standing for me to exert any influence or control over him. Indeed, my perception at all times was that I had no position of power or influence vis a vis Mick and neither did I ever attempt to or actually exert control over Mick;

- e) through my work-related dealings with Mick (including observations of him dealing with others), it was clear that there was no favourable treatment or influence and I recall his engagement being:
 - i. mostly fair and reasonable, with a high degree of professionalism and technical competence; and
 - ii. often difficult to deal with, including irrational, tense and direct engagement with a resulting level of discomfort to contact him, including from Paul, me and Sasha;
- f) I had knowledge that senior management of the Crown Group and the GWC were aware of and had approved the relationship; and
- g) at no time, did I have any power or influence in respect of the Director-General of the Department, members of the GWC or the GWC as a whole, all of which I had no relationship with.

125. I have never:

- a) attended any events including special or family events of Mick's, such as birthdays. Nor has Mick attended any special or family events held by me;
- b) attended any personal celebrations of Mick's. Nor has Mick attended any personal celebrations held by me;
- c) caught up for social occasions or for a "drink" (ie, during the week, Friday or weekend barbeques or drinks) or attend any sporting/other events with Mick; or
- d) attended any social events at Mick's house or personal gatherings arranged by Mick.

126. I have never sought to actively encourage a relationship to gain any benefit or advantage for Crown Perth and neither was I ever instructed or directed to do so by senior management.

127. I have never once used my relationship with Mick to influence or seek to influence Mick and or any officer of the Department.

128. I treated all officers of the Department in exactly the same way and manner as Mick, which I consider has been friendly, open, honest and respectful.

129. I have not at any time sought favours, exemptions or special treatment from Mick whether in a personal capacity or on behalf of Crown Perth

130.



131. In respect my relationship with Mick, I can otherwise generally confirm:

- a) I have never purchased or given any gifts to Mick or any member of the GWC, including at Crown Perth any meals, drinks (other than an occasional coffee), accommodation or theatre events; and
- b) my non-work-related contact with Mick was centred around a mutual interest in fishing. Such relationships are not unusual for me, as I also fish with people other than Mick.

132. The friendship with Mick was at all times very open and transparent and no person ever sought to conceal this relationship.

133. I have always acted with knowledge from Mick that Barry Sargeant (as the former Director-General of the Department and (or) Chairperson of the GWC) was fully aware of the relationship for a long period and had approved the purchase of the Boat (as I define and describe from paragraph 137) in 2015 at my request. Also, in or around October 2020, Mick had advised me that he had informed the GWC at its meeting that he went fishing with me and confirmed (when I asked him) that the GWC had no issue.

134. Within Crown Perth, I have proactively fully disclosed and obtained approval of the friendship with Mick (specifically including fishing) from:

- a) Josh;
- b) Barry (through Josh confirming that he had sought approval from Barry); and
- c) Ken, who was formerly the Chief Executive Officer of CRL. At the time of obtaining approval from Ken, Paul no longer worked for Crown Perth having resigned in or around December 2019.

135. In obtaining approval from Josh and Barry, I specifically mentioned when Paul or Jon would be attending the fishing trips with me.

136. I continuously disclosed the friendship with Mick because I wanted to be transparent with my managers about my interactions with Mick and also about my own movements.

Summons Question 44 – Stejcraft Runabout

137. The circumstances surrounding my purchase of an 18-foot Stejcraft runabout from Mick comprised:

- a) in October 2015, Mick offered me an opportunity to purchase a Stejcraft runabout, trailer and boating equipment (**Boat**). I had previously discussed with Mick my

interest in purchasing a reliable small boat to take my young family boating and fishing;

- b) the Boat purchase price (\$13,000) was the original price Mick paid for the Boat and trailer, plus the hard costs for him to restore the boat, which I paid by bank transfer to Mick with the narration "Boat". Annexed to my statement and marked "CM-6" is a copy of the bank transfer, which was completed as separate payments due to bank transfer limits;
- c) I consider the purchase price was fair as the Boat's outboard engine (90 Hp Mercury 4-stroke) was relatively new, having only around 100 hours (a new 90 Hp Mercury 4-stroke engine currently sells for \$14,995). The Boat also included a trailer in good condition and had been fully-restored and included new electrical wiring, lights, radio, seats, sonar equipment (including hand-held GPS), fuel tank and battery. Mick sent me a spreadsheet that had an itemised list of expenses and improvements made to the Boat, which did not include time spent restoring the Boat. Annexed to my statement and marked "CM-7" is a copy of the itemised list of expenses and improvements;
- d) I proactively obtained written approval for the purchase of the Boat from Josh and Barry. In doing so, I considered it appropriate (acting with honesty and transparency) that prior approval be obtained from Barry Sargeant (as the head of the Department and (or) Chairperson of the GWC) and recommended this course of action to Josh, which he agreed with and I confirmed with Mick that approval had been obtained;
- e) my family used the Boat for many trips on the Swan River and also to Dunsborough, Garden Island, the Mandurah canals and Rottnest Island. I also used the Boat for cray fishing and catching squid with my brother;
- f) I sold the Boat in or around December 2016, as my family moved house and we had nowhere to store the Boat, which had been temporarily stored on my brother's front lawn; and
- g) I advertised the Boat on Gumtree and received an offer of \$12,000 cash, which I accepted. The buyer did not require "sea trial", which other prospective buyers had asked for and I did not have time for. I was offered cash on the day, which I considered fair value.

Summons Question 45 – Policies and Procedures re Interactions with GWC and Department

138. I understand that the Crown Group has in place the following policies and procedures regarding integrity issues relevant to interactions with the GWC, including with individual GWC members, and (or) the Department, including officers and employees:

- a) CRL “**Code of Conduct**”, which sets the standards and professional behaviours that are expected for all employees of the Crown Group;
- b) CRL “**Anti-bribery & Corruption Policy**”, which prohibits bribery or corruption of any kind for all employees of the Crown Group;
- c) CRL “**Conflict of Interest Policy**”, which sets out procedures for employees to disclose and resolve any possible or potential conflict of interest; and
- d) CRL “**Whistleblower Policy**”, which sets out procedures for reporting misconduct and wrongdoing.

Summons Question 46 – GWC Regulatory Objectives and Philosophy

139. I have no knowledge and (or) understanding of the Crown Group being involved in changes that have been made historically to the GWC’s regulatory objectives and philosophy in respect of the regulation and oversight of the Perth Casino generally; and the risks associated with junket operations, money laundering, cash and electronic transactions and the Perth Casino and criminals infiltrating casino operations (**RISKS**) specifically.
140. Although I have an awareness that the Crown Group has sought changes relating to the regulation and oversight of the Perth Casino including matters relating to the RISKS, I am not aware that the Crown Group has been expressly involved in determining, establishing or seeking involvement in the regulatory objectives and philosophy of the GWC.
141. I have no knowledge or understanding of any senior management direction and (or) agenda to undermine or influence the regulatory objectives and philosophy of the GWC.

Summons Question 47 – Involvement in Various Matters

142. I have no knowledge or understanding of any involvement of CRL, BL, BNL or BRML concerning:
- a) approval of “video bingo” as an authorised game in or about 2004;
 - b) changes to the nature and level of on-site supervision in 2015;
 - c) approval to extend credit to ICB players, junket operators, premium players, privilege players and (or) patrons; or
 - d) changes to the Casino Manual (Operations) relating to junkets in 2017.
143. I have a limited awareness from my working knowledge that BNL:
- a) sought changes to the regulation of junkets in 2010. However, I do not recall being directly involved in this matter; and
 - b) negotiated changes to Taxes and (or) Licence Fees between 2013 and 2015. However, I do not recall being directly involved in this matter.

Summons Question 48 – Communication to GWC re Various Topics

144. I do not recall any communications with the GWC or Department by CRL, BL, BL, BNL or BRML with respect to:
- a) approval of “video bingo” as an authorised game in or about 2004;
 - b) the allegations made in the Four Corners program “High Rollers – High Risk? Australian casinos and the threat posed by organised crime” in September 2014;
 - c) changes to the Casino Manual (Operations) in respect of junkets in 2017;
 - d) disciplinary action taken by the VCGLR for failure to adhere to internal controls relating to junkets in or about 2018; or
 - e) approval to extend credit to ICB players, junket operators, premium players, privileged players and (or) patrons.
145. I know of the following communications with the GWC or Department and BNL:
- a) various correspondence between the parties relating to changes to the regulation of junkets in 2010 due to my involvement in assisting Josh prepare a presentation to the GWC in August 2019 and the discussion of the topic by the GWC. However, I do not recall being directly involved in this matter and understand that, at the relevant time, it is likely that this matter would have been managed by other employees;
 - b) various correspondence between the parties relating to changes to the manner in which Taxes and (or) Licence Fees are calculated between 2013 and 2015 due to my vague recollection that a supplementary agreement was made to the *Casino (Burswood Island) Agreement*, which I may have been requested to review a draft of. However, I do not recall being directly involved in this matter including any negotiations, as I understand that this matter was managed by other employees;
 - c) an email from Paul advising that the Department had made changes to the nature and level of on-site supervision in 2015. However, I understand that no Crown Perth employees were involved and this came as a surprise to Crown Perth;
 - d) a presentation to the GWC relating to the arrest, detention and conviction of Crown employees in China in or about 2016. My involvement in respect of the presentation to the GWC was limited to the matters set out in paragraph 146 and, although I vaguely recall a presentation being made to the GWC following the incident, I cannot recall whether or not I may have been involved and the extent of any involvement. However, as I understand that this incident had been mostly managed by the Crown Melbourne Legal Team at the relevant time, it is unlikely that I was involved or that my involvement would have been limited to assisting with the preparation of the draft presentation based on instructions and materials

provided to me. If a presentation did occur, I know that I did not attend the presentation to the GWC;

- e) I vaguely recall a presentation to the GWC relating to the allegations tabled in Federal Parliament by Mr Andrew Wilkie MP in October 2017. I cannot recall any specific involvement in respect of the presentation to the GWC. However, I may have assisted in preparing a draft presentation but cannot recall. I know that I did not attend the presentation to the GWC;
- f) a presentation to the GWC relating to the allegations of EGM tampering raised in Guardian articles in April – July 2018. I cannot recall any specific involvement in respect of the presentation to the GWC. However, I may have assisted in preparing a draft presentation but cannot recall. I know that I did not attend the presentation to the GWC;
- g) I vaguely recall a presentation to the GWC relating to the recommendations of the VCGLR Sixth Review Report, which may have been included as part of another presentation. My involvement in respect of the presentation to the GWC I vaguely recall was limited to assisting with the preparation of the draft presentation based on instructions and materials provided to me. I know that I did not attend the presentation to the GWC; and
- h) a presentation to the GWC relating to problem gaming. However, I do not recall any involvement in assisting with this topic. I am aware of this presentation as Sasha and Melanie Strelein Faulks were involved in preparing the presentation and both have offices adjacent to my office and discussed the presentation with me.

146. I know of the following communications with the GWC or Department and BNL:

- a) a presentation in respect of the allegations of money laundering and criminal infiltration raised in the 60 Minutes program and Fairfax articles in July 2019 (**Media Report**). My involvement in respect of the presentation to the GWC in respect of this topic specifically included:
 - i. on 21 August 2019, Mick emailed Josh and copied Paul and me, requesting that Josh give a presentation to the GWC on 26 August 2019 (within 5 days comprising 3 business days) addressing the specific questions in his email relating to the Media Report;
 - ii. Josh emailed me the same day and asked me to prepare a presentation for the GWC on the allegations that had been made in the Media Report;
 - iii. Josh then sent me a series of emails, attaching documents (including previous presentations he had provided to other regulators) containing information relevant to the presentation (**Materials**);

- iv. the Materials included, amongst other things, information relating to the investigations CRL had undertaken in response to the Media Report, the Crown Group AML / CTF framework, junkets, VIP structures and matters relating to the arrest, detention and conviction of Crown employees in China in or about 2016;
 - v. Josh requested that I put together a draft presentation using the Materials;
 - vi. I subsequently put together the draft presentation over the next few days, with support from other persons including Sasha and Glen;
 - vii. Josh did not require me to, nor did I see my role as being to, review in detail or verify the accuracy of the Materials, both due to timing of the presentation to the GWC and as the matters covered in the Materials (particularly junket processes, AML/CTF and the arrests in China) having already been investigated with reports prepared by others within the Crown Group, being matters not within my knowledge and (or) responsibility. I did not have an opportunity to review all the Materials in detail and relied on the Materials as being accurate;
 - viii. on instruction from Josh, I engaged with Glen as to the nature and content of the draft presentation slides specifically relating to the arrests in China and I recall Josh also specifically requested certain slides be removed relating to China arrests as he believed these topics had already been presented to the GWC;
 - ix. once I had prepared the draft presentation, I sent it to Josh for settling;
 - x. Josh settled the draft presentation, which included both discussions and written amendments;
 - xi. Josh and I attended the GWC meeting on 27 August 2019; and
 - xii. at the GWC meeting, Josh spoke entirely to the presentation and I only vaguely recall commenting on a particular item, which may have related to a question of whether the *Casino Control Regulations 1999 (WA)* had any references to junkets or something similar of that nature. Other than that, I did not speak during the presentation, which was left to Josh both due to his knowledge of the topics and also his seniority;
- b) various correspondence to the GWC; discussions with the Department (including that minuted during the Operations Division Meeting); and a presentation to the GWC in respect of the allegations raised during the Bergin Inquiry and conclusions in the Bergin Report concerning the RISKS. My involvement in respect of this topic specifically included:

- i. assisting in preparation of correspondence to the GWC dated 23 November 2020 and 14 December 2020; and
 - ii. assisting with the preparation a draft presentation to the GWC for its meeting dated ~~24 November~~ 27 October 2020 (which I know was attended by Ken (by video), Lonnie and me), which included information relating to Crown Perth's proposed and implemented controls relating to issues identified during the Bergin Inquiry and materials provided by CRL in respect of a reform agenda. The presentation was led by Ken; and
 - iii. assisting with the preparation of draft briefing notes to the GWC for its meeting dated 15 December 2020, which I understand ultimately presented by Ken, Helen and Lonnie on 15 December 2020. I did not attend this meeting.
- c) I cannot recall specific communications regarding EGM revenue other than general correspondence and a presentation to the GWC relating to changes to the Western Australian Appendix to the Australian/New Zealand "Gaming Machine National Standard" (**WA Appendix**). My involvement in respect of this topic specifically included:
- i. participating in a meeting with James, Paul and Mick to conceptually discuss the Department's receptiveness (including identifying any material concerns or policy considerations and matters to be addressed) to a proposal to amend the WA Appendix to facilitate changes to electronic gaming machines (including Speed of Play, Game Mathematics and RTP) (**EGM Proposal**);
 - ii. assisting, with Paul and James, in the preparation of a draft submission to the GWC dated 7 March 2019 relating to the EGM Proposal;
 - iii. assisting, with Paul and James, in the preparation of a draft presentation to the GWC delivered on 26 March 2019. I did not attend the GWC meeting relating to the EGM Proposal, which I understand was attended by Barry and James; and
 - iv. ongoing engagement internally and with the Department regarding the EGM Proposal including the preparation, involving Paul and James, and emailing of supplementary materials requested by Mick (post "in-principle approval" of the GWC) to facilitate and assist the Department in better understanding Crown Perth's proposed amendments to the WA Appendix, consistent with the "in-principle" approval of the GWC.
- d) I recall that, at some point, Mick requested information relating to expected projected EGM revenue resulting from the EGM Proposal, which was calculated by James and provided to Mick as an estimate and to assist him in briefing the GWC. I understand that the presentation to the GWC included information relating to projected EGM revenue, which had been provided by James; and

- e) the process adopted with respect to the changes to the WA Appendix (including prior engagement and open discussion with the Department to understand material concerns and policy considerations, presentation of submissions and assisting with the preparation of proposed amendments) is consistent with the long-standing approach and practice (prior to my commencement of employment) between the GWC, the Department and Crown Perth.

Summons Question 49 – Accuracy of Communication to GWC re Various Topics

147. Further to the Bergin Inquiry, I now know that communications to the GWC were not accurate (including by omission) and generally lacked fulsome information, particularly the GWC presentation in respect of the Media Report, including:

- a) information relating to Riverbank and not disclosing to the GWC historical concerns relating to money laundering held by the Commonwealth Bank that led to the closure of the accounts;
- b) information relating to the arrest, detention and conviction of Crown employees in China including the extent and nature of operations in China by the Crown Group including the setting up of offices in China;
- c) the extent and nature of AML / CTF processes; and
- d) the extent and nature of junket due diligence processes and dealings with junket operators.



CLAUDE MARAIS

Dated: ~~26 July~~ 5 August 2021