

**AMENDED WITNESS STATEMENT OF LONNIE BOSSI**

30 July 2021

1. I am Lonnie Dean Bossi of c/- Crown Perth, Great Eastern Highway, Burswood, WA, 6000.
2. This statement is provided in response to the witness summons to give evidence dated 9 July 2021 and issued pursuant to section 9 of the *Royal Commissions Act 1968* (WA), which is directed to me by the Perth Casino Royal Commission.
3. This witness statement has been prepared on the basis of my personal knowledge and recollection. I have stated honestly:
  - a. how well I recall matters; and
  - b. whether my memory has been refreshed by considering documents and, if so, how and when.
4. For the purposes of preparing this statement, I have referred to the documents in the attached list forming **LDB1**.
5. I believe the list specifies the documents that I have referred to for this purpose.
6. 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 of the purposes of assisting Crown in responding to the requirements of the Bergin Inquiry, the Victorian Royal Commission and this Royal Commission; and
  - b. in that same period, I have been required to review a large number of documents for the purposes of discharging my duties as Chief Executive Officer (**CEO**) of Crown Perth and before that, as Chief Operating Officer (**COO**).

*Witness Statement of Lonnie Bossi*

- c. The number of documents are too numerous for me to specifically recall or to reference in every instance, and so not everything is annexed to this statement that may turn out to be relevant.
7. I have addressed the matters raised in Schedule 1 to the witness summons using overall topic headings. I have done this so that I can provide my best response to related topics without repetition. I have addressed the matters raised in Schedule 1 that I am aware of and make clear where I have not addressed matters about which I am unable to give evidence.

**MY ROLE**

[Questions 1 – 5]

8. I am CEO of Crown Perth (comprising Burswood Limited, Burswood Nominees Limited and Burswood Resort (Management) Ltd). I have held that position since 9 December 2020. My employer is Burswood Resort (Management) Ltd.
9. When I started in the role of CEO in December 2020 I reported to Mr Barry Felstead, who was the then CEO – Australian Resorts. His departure soon thereafter resulted in my reporting to Mr Ken Barton, who was then the CEO and Managing Director of Crown Resorts Limited (**CRL**). When Mr Barton left Crown in February 2021, I reported to Ms Helen Coonan, who was the interim CEO of CRL, as well as being Chairman of the board of CRL. Steve McCann was appointed CEO of CRL commencing June 2021 (pending regulatory approval) and I now report to him.
10. The following roles report to me - Chief Operating Officer Food & Beverage and Entertainment, Executive General Manager Table Games, Executive General Manager Gaming Machines, General Manager Security and Surveillance, General Manager Design and Construction, Group General Manager Gaming Strategy, Product and Innovation and Group General Manager Product, Strategy and Innovation. The last two roles are group functions, for which my responsibility is contained to Perth related matters.
11. By way of background, I began employment with Crown Melbourne in March 1994. This extended to August 2006, when my employer became Crown

*Witness Statement of Lonnie Bossi*

Limited. In that time, I was employed as an Administration Assistant in the Compliance Department, focusing on employee licensing, before transitioning to Management Accountant, with my functions including analytics and financial support to the gaming departments.

12. I was then transferred to the Gaming Machine business unit where I was promoted to Finance and Strategy Manager. As a result of changes to the management structure, my role was expanded to General Manager – Gaming Machines Marketing, Finance and Strategy. An amalgamation of the Gaming Machine and Table Games senior management structure resulted in my assuming the role of Executive General Manager – Gaming Marketing, Finance and Strategy during 2003.
13. In 2006, it was decided that the Gaming business units separate, with the outcome being that I became the Executive General Manager – Gaming Machines, which I held for a period of approximately 6 months, until I transferred to the role of Senior Vice President – Casino Marketing and Strategy at Crown Limited (now known as CRL) from August 2006 to May 2009. In that role, my function involved travelling to various jurisdictions, reviewing current operations and potential investment opportunities being considered by Crown Limited from a business performance, marketing and operational perspective.
14. My family and I relocated to Las Vegas in August 2008, and I continued in this role, with a primary focus of supporting the acquisition of Cannery Casino Resorts LLC (**Cannery**).
15. Following a change to the investment strategy from full acquisition to a lesser direct investment, announced in early 2009, I was seconded to Cannery from Crown Limited, by way of a Borrowed Employee Agreement, in May 2009. During my employment at Cannery, I was employed as the Senior Vice President – Marketing and Strategy until relocating to Perth as Chief Operating Officer – Gaming (**COOG**), reporting to Mr Felstead as CEO, in September 2011. In this role I was employed by Burswood Resort (Management) Ltd.
16. My role with respect to gaming was to oversee the gaming operations at Crown Perth, focussed on strategic planning and maintaining the integrity of

*Witness Statement of Lonnie Bossi*

gaming. I was responsible for the gaming staff including all dealers and supervisors, which also included the VIP International hosting teams, up until September 2013.

17. Thereafter I became COO until 9 December 2020. As COO, my responsibility expanded to the integration of strategy and planning for the Crown Perth resort, inclusive of gaming, food and beverage, hotel and support operations at Crown Perth.

**Directorships**

[Questions 6, 7]

18. I am also currently a director of a number of companies within the Crown Group. The companies and the dates on which I commenced as a director are as follows:
  - a. Burswood Resort (Management) Ltd – 1 January 2021
  - b. Burswood Property Holdings Pty Ltd – 15 February 2021
  - c. Burswood Hotel Pty Ltd – 15 February 2021
  - d. Burswood Catering and Entertainment – 15 February 2021
  - e. Crown (Western Australia) Pty Ltd – 15 February 2021
  - f. Burswood Limited – 1 March 2021
  - g. Burswood Nominees Limited – 18 May 2021
19. I became a director of these companies as a result of the departure of a number of executives and directors of the Crown group of companies across the period from late 2020 to early 2021.
20. My expectation and understanding, at the time of appointment, and as advised to Mr Barton initially, and later Ms Coonan, was that these directorships were for an interim period, while CRL undertook to replenish board positions, following the resignation of members as a result of the Bergin Inquiry. These board positions would then be re-set following that recruitment process.

*Witness Statement of Lonnie Bossi***Committees**

[Question 8]

21. I have not been on any CRL level committees and do not recall attending any CRL board meetings during my time as COO. I have recently been asked to attend selected CRL board meetings for the purpose of presenting the Crown Perth CEO report.
22. None of Burswood Limited, Burswood Nominees Limited or Burswood Resort (Management) Ltd have board committees.
23. I currently sit on the following internal committees:
  - a. Executive Risk and Compliance Committee (**ERCC**) for Crown Perth
  - b. Responsible Gaming Management Committee for Crown Perth
  - c. AML (**Anti-Money Laundering**) / CTF (**Counter-Terrorism Financing**) Committee
  - d. POI (Persons of Interest) Committee
  - e. Credit and Cheque Review Committee for Crown Perth
  - f. Crown Perth Business Operations Team
  - g. Crown Resorts Executive Team
24. I address the ERCC further from 65 below.
25. I address the Responsible Gaming Management Committee further from 162 below.
26. I address the AML / CTF Committee further from 123 below.
27. The POI Committee is scheduled to meet monthly. The role of the POI Committee is to review persons of interest who are brought to the attention of the POI Committee, as a result of various patron review processes including, but not limited to, Crown's Significant Player Review (**SPR**), Law Enforcement advices, AML / CTF reviews and Responsible Gaming Reviews. The Committee reviews and assesses whether POIs should be permitted to continue business with Crown or be prevented from entering the casino and / or the Crown Perth complex.

*Witness Statement of Lonnie Bossi*

28. The POI Committee is a cross-property, cross-disciplinary group that facilitates a common process for dealing with POIs across the Crown Group, including findings and recommendations. It consists of members from Security and Surveillance, Gaming Operations, CEOs, Responsible Gaming, Legal and Compliance, and AML departments.
29. The Credit and Cheque Review Committee meets on a regular basis to assess outstanding debts and manage the recovery process and reports to the ERCC for Crown Perth. It also includes representatives from Finance, Cage and VIP.
30. From an external perspective, I am on the Problem Gambling Support Services Committee (**PGSSC**) (which I address further below), the Burswood Park Board, and more recently, CEOs for Gender Equity and Gaming Community Trust.
31. Crown Perth is consistently one of the biggest, if not the biggest, single site employer in Western Australia. Crown Perth has a number of internal committees which focus on inclusion and diversity and employee culture within our workforce, as well as on community contribution. In this regard, I am involved in:
  - a. Crown Pride – a CRL initiative focussed on the welfare and experience of LGBTIQ+ members of the Crown Community, as well as increasing internal and external awareness of the LGBTIQ+ community.
  - b. CX / EX Steering Committee – a CRL committee, focussing on employee and customer experience. To expedite the innovation and iteration of 'The Experience', in its formative period, it was decided that Crown Melbourne focus on the Customer Experience (CX), whilst Perth focus on the Employee Experience (EX). It began in or around 2018, and will continue to evolve and develop as we support and bring together our 5,500 people, 8 million annual visitors and broader community in an ever-changing environment.

*Witness Statement of Lonnie Bossi*

- c. Crownability – a program to recruit, train and develop employees with disabilities, that engages family support in providing meaningful employment to our participating team members. We now have over 150 employees within the Crownability program in Perth and are currently developing our second 5-year Action Plan.

**QUALIFICATIONS AND EXPERIENCE**

[Questions 9 – 12]

- 32. I hold a Bachelor of Commerce and a Bachelor of Arts (Hons) (Public Policy) obtained from the University of Melbourne.
- 33. Upon my commencement at Crown in March, 1994, there was no formal induction to Crown.
- 34. Upon my arrival at Crown Perth, my induction was not the standard process received by new employees. Rather, through a series of one-to-one and one-to-many meetings, I met with leaders of each area of the business to expedite my understanding of the challenges and opportunities each area faces, and the framework within which we operate. Areas included: Legal and Compliance, Responsible Gaming, Human Resources, Food & Beverage, Conventions & Entertainment, Table Games, VIP, Gaming Machines, Hotels, IT, Marketing and Finance. In my experience, in multiple jurisdictions, I have typically found this to be the most effective means of developing the local business knowledge base.
- 35. Over the course of my career, my areas of focus have included strategic planning, marketing, operational management, analytics and market assessments and their incorporation into casino and resort operations.
- 36. These have been developed through a combination of on-the-job learning, attendance at industry and non-industry conferences, and my regular interactions with various stakeholder groups including staff, customers, regulators, suppliers and subject matter experts (SMEs).
- 37. I do not have any formal qualifications in respect of:
  - a. AML / CTF risk management;
  - b. Problem gambling risk management;

*Witness Statement of Lonnie Bossi*

- c. Electronic Gaming Machine (**EGM**) risk management;
  - d. International Commission Business (**ICB**) / junket operations risk management;
  - e. marketing in foreign countries, in particular China; or
  - f. vulnerability of operations to criminal infiltration / association risk management.
38. I did not receive any training or standard induction on these topics when I commenced employment with Crown.
39. However, further in this statement I discuss my experience and any additional training received in relation to these matters.

**GOVERNANCE**

[Questions 13, 14, 16 – 20, 23 – 26, 28 – 31, 34]

40. My understanding of my responsibility as a director is to assist with the governance of Crown Perth by using my knowledge and efforts in support of the business.
41. I am required to act in the best interests of the company, within my authority limits, and its policy framework. This will include oversight of strategic planning and performance review, within the established risk and compliance framework.

**The Crown Group Structure**

42. The Crown Perth entities, including Burswood Limited, Burswood Nominees Limited and Burswood (Management) Limited, is each a subsidiary within the Crown Group. CRL is the parent company.
43. Within that structure, the overarching strategic direction for the Crown Group is set by CRL. This is then applied to Crown Perth and each of the other Crown properties in Australia, allowing for variability as a result of regulatory or environmental differences.
44. Crown Perth prepares its annual budget based on the operating requirements of each of its business units. It is then typically presented as an aggregated Budget and Strategic Plan, to senior CRL Executives and a subset of CRL

*Witness Statement of Lonnie Bossi*

board members for in-principle approval. The CRL board then approves the Group budget (including that for Crown Perth), which is then typically presented to the Burswood Limited board.

45. Due to the onset of COVID, and subsequent national lockdown, supplemented by the resourcing impact of the respective Royal Commissions, this process has been substantially truncated over the past two years. As a result, a formal budget presentation process did not occur in 2020, whilst the uncertainty of 2021, evidenced by the various lockdowns in WA, Victoria and NSW, has contracted the process this year.
46. Both Melbourne and Perth follow similar timelines and templates in presenting plans. Further, the preparation of Strategic Plans, necessarily involve group team members and common business units, which allows Melbourne and Perth to not only share resources, but develop plans that allow for more rapid iteration, development and implementation of strategies, despite differing strategic models in each business.

**The Crown Perth Operations**

47. Crown Perth operations comprises a number of gaming and non-gaming revenue centres:
  - a. Table games
  - b. Gaming machines
  - c. Food and Beverage
  - d. Conventions and Entertainment
  - e. Hotel operations
48. Previously there was another revenue centre for International and VIP gaming. This business ceased with the Crown Group's decision to permanently cease junket operations in November 2020 and the GWC direction to no longer engage with Junkets and Premium / Privileged players on 23 February 2021. I discuss this revenue centre further below.
49. There are also support functions that do not generate revenue but provide valuable support services to the revenue generating business units. Examples

*Witness Statement of Lonnie Bossi*

include Legal and Compliance, HR and Security and Surveillance. Within the Crown Group structure some of the support services are managed centrally from Melbourne. For instance, the IT and Cage and Count (ie casino "bank") functions.

50. From around 2014, the marketing of gaming has also been managed centrally by CRL. However, I have maintained a close involvement in developing a diversified marketing strategy, brand positioning and cross unit integration for Crown Perth in both my CEO and COO roles.
51. In this regard, Crown Perth's business strategy has changed in recent years.
52. Due to a combination of economic softening in WA, changes in customer and general consumer behaviour and pressure to reduce operating costs, Crown Perth materially changed its business approach during 2017. The aim was to challenge the traditional business model and strategy, particularly in relation to 'our people' with a focus on alignment, leadership development and communication. Ultimately, we wanted to equip our staff to deliver better customer service.
53. The strategic change was built on four pillars with multiple, and significant work programmes sitting beneath. The platforms were:
  - a. Strategic alignment – for example by simplifying the overarching plan and breaking down silos between revenue centres,;
  - b. Leadership development – to prepare our next generation of leaders with a focus on diversity;
  - c. Cultural enhancement – with a focus on inclusion, mindset and resilience; and
  - d. Marketing shift – broadening the visitor base and associated brand re-positioning with a focus on value.
54. All of this strategy work was carried out by Crown Perth alone, rather than as part of an overarching Crown Group initiative.

*Witness Statement of Lonnie Bossi***The Crown Perth Entities**

55. My understanding is that:
- a. Burswood Limited provides a level of governance and makes strategic decisions for the Crown Perth entities.
  - b. Burswood Nominees Limited holds the Casino Licence issued by the GWC as trustee for the Burswood Property Trust. In addition, it holds the liquor licences and is the contracting party for goods and services supplied to Crown Perth.
  - c. Burswood Resort (Management) Ltd is the main employing company for staff at Crown Perth.
  - d. Burswood Property Holdings Pty Ltd is a dormant entity.
  - e. Burswood Hotel Pty Ltd has no business activity.
  - f. Burswood Catering and Entertainment is the holder of the Special Facility Licence which is used for the provision of off-site catering services.
  - g. Crown (Western Australia) Pty Ltd is the holding company of Burswood Limited and enables intercompany financing.
56. The board of Burswood Limited comprises myself, Ms Coonan and Ms Maryna Fewster. There have been two board meetings held since I became a director.
57. Ms Fewster is an independent, non-executive director. I am in regular contact with Ms. Fewster approximately 1-2 times per week in between board meetings. I also communicate regularly with Ms Coonan and Mr McGregor.
58. Prior to becoming CEO, I regularly attended board meetings of Burswood Limited by invitation in my role as COO. This was largely in support of the CEO, Mr Felstead, so that I could deal with operational issues that arose. Mr Felstead provided a CEO's report to the board at each meeting.
59. Immediately preceding the COVID crisis, in late 2019, as part of my development, I began presenting the CEO's Report to the Burswood Limited board

*Witness Statement of Lonnie Bossi*

60. I understand that Mr Felstead also presented a report to each board meeting of CRL. I did not attend those meetings as COO.
61. There was overlap between the directors of Burswood Limited with the directors of CRL. Attendees to that meeting also included, at a variety of times, senior executives and board members of CRL.

**RISK**

[Questions 15, 22, 27, 33]

62. The Crown Group has a risk management framework. This includes three lines of defence teams working together to manage risk:
  - a. first, Operations, such as Gaming Machines, Hotels, Cage and Tables;
  - b. second, Review and Monitoring, such as AML and Risk; and
  - c. third, Audit.
63. A combination of compliance reporting, regular risk based audits, regulatory requirements and regular message reinforcement has supported the framework. This is all set out in CRL's Risk Management Strategy.
64. The risk framework was initially managed by the Legal teams. Currently, Risk is managed centrally by Anne Siegers (Chief Risk Officer).
65. Locally, the ERCC is responsible for providing risk and compliance oversight for Crown Perth and regularly provides legal, risk and compliance updates to each meeting of the Burswood Limited board. The ERCC is currently chaired by the Group Executive General Manager of Compliance, who reports directly to Steven Blackburn, who was recently appointed as Group Chief Compliance and Financial Crime Officer (**GCCFCO**).
66. The ERCC meets quarterly or as agreed by the Committee, with the meetings typically lasting 2-3 hours. Standing Items include Confirmation of Minutes; Business Arising; Internal Audit Update; Risk Update; Compliance and Regulatory Update; Litigation Update; AML / CTF Update; Health, Safety and Wellbeing Update; and Other Business. These are typically addressed by Executive and Business Operations Team subject matter experts.

*Witness Statement of Lonnie Bossi*

67. At ERCC meetings, a risk matrix for the business is reviewed by the Committee members. I understand it was subsequently provided to each board meeting together with a compliance and risk report.
68. I understand the more significant items from the ERCC were subsequently presented to the board of Burswood Limited, both in the Legal and Compliance Report, and in some instances, discussed in further detail, during the course of the meeting.
69. The ERCC is supported by Monthly Compliance Meetings. I have not regularly attended these meetings in either my CEO or COO roles. I understand that papers provided to the ERCC are prepared based on the content of these Monthly Compliance Meetings.
70. Since I became a member of the Burswood Limited board, work has been undertaken to improve the quality of information/documentation packages (board packs) and the structure and content of the meetings. The appointment of Bronwyn Weir as Company Secretary has helped in this regard.
71. The board packs include a CEO's Report which outlines key operational challenges and risks. Likewise, the Legal and Compliance report and an update on Risk and Internal Audit add to the governance framework overseen by the Burswood Limited board. A presentation is made to the board in respect of each of these reports for review and comment.
72. In my role at Crown Perth, I have tended to consider risk in terms of "risk tolerance" within the context of "risk appetite". Whilst the risk appetite provides qualitative statements relating to key categories such as Reputation, Regulatory / Legal, People, Financial, Infrastructure, Customers and Business Sustainability, risk tolerance provides the quantitative metrics around which Risk can be measured and managed.
73. My experience of Crown Perth when I first joined in 2011 was that the business had a high appreciation for risk and a generally conservative, yet considered position on risk tolerance.
74. My present experience of the Burswood Limited board as a director, is that it has become increasingly conservative in its approach to risk.

*Witness Statement of Lonnie Bossi***FINANCE**

[Questions 21, 35 – 37]

75. I have recently been made aware, that some of the assets of Burswood Nominees Limited have been used as security for the debts of entities within the Crown Group. I am not aware that the casino licence has formed part of those securities.
76. At the meeting of the board of Burwood Limited on 17 June 2021 I became aware that there is a Deed of Cross guarantee between Burswood Limited and CRL as the holding entity.
77. As CEO, I have regular access to information in respect of Crown Perth's financial performance. This includes budgets, business and strategic plans and anticipated future revenues for the business.
78. The board of Burswood Limited also receives information regarding the monthly and annual financial performance of Crown Perth in papers prepared for the board meetings and ad hoc updates.
79. Matters such as guarantees, assets, loans, and intercompany payments are otherwise generally within the remit of the Corporate Finance team who report to the CFO of CRL.

**VICTORIAN CASINO AGREEMENT**

[Question 32]

80. In my roles as COO and CEO of Crown Perth I was not aware of the effect of cl 22.1(r) and cl 22.1(ra) of the Casino Agreement between Crown Melbourne and the VCGLR, until I came to prepare this Statement. It is possible I was aware of these clauses in my previous roles with Crown Melbourne but I do not recall.

**INTERNATIONAL COMMISSION BUSINESS**

[Questions 38 – 41]

81. ICB, for the purpose of this statement is defined to reference the business of Crown that engages with Junket Operators, Junket Representatives, and Premium / Privileged players.

*Witness Statement of Lonnie Bossi*

82. When I commenced working for Crown in Perth, I had limited knowledge or experience in ICB or junket operation risk management or marketing in foreign countries. I knew that:
- a. Information regarding ICB was held in the SYCO system;
  - b. ICB was centrally managed;
  - c. the local operations provided gaming (card croupiers, tables and facilities) and non-gaming services when customers were in-house; and
  - d. the primary markets were from Asia.
83. I made Mr Felstead, who was CEO of Crown Perth at the time, aware of the limitations of my knowledge with respect to ICB operations on my arrival.
84. Through my underlying knowledge of SYCO, which I discuss below, I understood the systems under which ICB operated. However, my operational involvement in ICB was limited.
85. As mentioned previously, ICB was largely operated from CRL and Crown Melbourne.
86. In my role as COOG, I had oversight of the members of the International Team at Crown Perth until around mid-2013. This was largely limited to hosting and management of the Perth experience. The due diligence, credit evaluation and sales teams were the responsibility of Crown Resorts in Melbourne during this time.
87. From mid-2013, Mr Felstead became the CEO of Australian Resorts and he assumed direct responsibility for ICB, inclusive of VIP and junket operations, across the entire Crown Resorts group.
88. When I was COO, my role in relation to the management of VIP players was limited to matters such as staffing and ensuring the integrity of the games (that is, my team members "dealt the cards"), and approving the release of credit to pre-approved players. However, the limits of any credit were set by the International Team, as a consolidated evaluation across the Crown Group.

*Witness Statement of Lonnie Bossi*

89. Other matters that were managed by the ICB Team included, but were not limited to, sales, staff management, service models, credit approvals, patron due diligence, junket management and strategic planning. It was the role of the ICB Team to host patrons while they were visiting the property.
90. As a result, my reliance on centralised support for ICB was significant. This centralised structure led to little or no engagement in marketing and hence my knowledge related to marketing in foreign countries, in particular China, being negligible with respect to the laws and conditions of such marketing, with responsibility thereof, including budgeting, being that of the ICB team.
91. I became aware of the decision by the Crown Group to cease its operations in China. This occurred shortly after the China Arrests on 15 October 2016. Later Crown resolved to close a number of its other international offices.
92. The ICB and junket operations at Crown Perth declined steadily after these decisions were made.
93. After issues were raised at the Bergin Inquiry, Crown resolved to suspend and then cease all junket operations.
94. During my time as CEO, ICB has not operated at Crown Perth. No ICB roles exist in Perth. I understand some limited administrative and aircraft functions remain in place in Melbourne.
95. In terms of the financial model for ICB, my understanding is that it required revenue to be recorded at the local property with prescribed taxes paid accordingly. The local expenses were staff, programme-related costs and local marketing activities, whilst agreed costs were to be allocated across the group as a result of centralised support functions.
96. As I understand it, there were two primary types of programmes available to ICB customers: Premium Player Commission based programs, and Junket agreements, which are agreed to with Crown for the provision of commission rates, selected marketing support and gaming services controlled by the Crown Group.
97. Players participating in these programs did not participate concurrently in the local Crown Rewards loyalty scheme, albeit, the information recording their

*Witness Statement of Lonnie Bossi*

play and interactions with Crown were recorded within the same Casino Management System (SYCO).

98. I am aware that the Crown Group, under agreement, could extend credit to the junket operator. In return, the junket itself manages customer activity and credit management within the context of Crown's agreement.
99. Credit is provided to ICB players and junkets following a due diligence process. My familiarity and understanding regarding the provision of credit to ICB customers is limited, as this was a centralised function.
100. With respect to the persons involved in due diligence and setting policies regarding credit, my understanding is as follows.
101. In general terms, the Cage acts as the bank for the casino. It manages accounts with funds associated to the customers, within the context of CRL and Perth specifically. In addition, it is involved in managing the programs of players with the VIP Team.
102. As part of this role, the Cage and Count Team is responsible for submitting Unusual Activity Reports (**UARs**) (and previously preparing Suspicious Matter Reports (**SMRs**)) to the AML team. I refer further to AML below.
103. In my time at Crown, I am unaware of any credit or debit card transactions by customers, as they pertain to Crown Perth, which have then been made available for gaming activities.
104. I am aware that on limited occasions, gratuities have been provided to premium / privileged players, resulting from the recommendation and direction of the ICB management team.
105. With respect to the marketing activities and strategies of the ICB, I do not recall attending the annual budget meetings, nor the more regular strategy meetings, although I have knowledge that they occurred. I recall providing a welcome session to the ICB team when the group strategy meeting was held some 5-6 years ago in Perth which lasted less than 30 minutes, after which I did not attend any further sessions. The target markets for this business were almost exclusively from the Asian region due to proximity, as evidenced by the country of origin of customers visiting Crown Perth.

*Witness Statement of Lonnie Bossi*

106. My knowledge of processes and the operation of risk management within ICB is limited, other than the extent to which elements of that business appeared in the Risk Matrix managed across Crown Perth. In the event that an ICB risk management issue was relevant to the local operations at Crown Perth and I was made aware of it, my input was provided.
107. I am unable to provide insight into the understanding and oversight exercised historically by the various company boards with respect to ICB, other than the limited discussion that occurred when I was in attendance at those meetings. Since the original COVID-19 casino closure on 23 March 2020, Crown Perth has not operated ICB.

**SYCO**

[Question 42]

108. The Casino Management System at Crown Perth is called SYCO. It operates to provide a repository of information relating to Crown's customers and the management of Tables, Cage and Count, and ICB. It is at the core of the integrated network that provides compliance and security controls, as well as supporting and enhancing the customer experience. It is used to facilitate:
- a. real time patron management using an interface with another system, LUI (Loyalty User Interface);
  - b. real time loyalty program operation through systems such as IGT Advantage (point transactions and reward benefits at the gaming device),
  - c. customer communications through terminals such as the VIK (Visitor Information Kiosk);
  - d. access to restricted parking for qualified members using the Skidata system;
  - e. Table management through its integration with the ATOM system; and
  - f. hotel and food and beverage loyalty support through integration with the Opera and TASK systems respectively.

*Witness Statement of Lonnie Bossi*

109. The information is sourced largely from patrons using their membership card in interactions at Crown, whether that be at a gaming machine, table, host desk, restaurant, bar, or at the hotel, and also through data input by staff.
110. I have little direct involvement in SYCO, as various teams in operational and support areas engage regularly to manage (e.g. IT and technical support teams), operate (e.g. Gaming Machine, Cage and Count, and Table Games teams), and Audit (typically IT, marketing, risk and finance teams). With respect to oversight and interrogation, discussions in meetings, strategy sessions and various engagements with stakeholders and managers would require data, system reviews and analytics that come from questions or directions I may make. It would typically be addressed to IT and Analytical teams, and, on occasion, senior operational personnel. The more technical aspects of oversight and interrogation would be undertaken by subject matter experts (SMEs) in IT and Analytics.
111. As I understand it, the information contained within this system can be broken into key areas:
- a. Customer information including patron identification, address, contact details, account and credit information.
  - b. Ratings which include, but are not limited to, information relating to gaming behaviour by location including time of day, day of week, length of rating, spend history, point movements, point redemptions, marketing redemptions, Food and Beverage and hotel points earned and redeemed, program history, complimentary benefits generated and promotional participation.
  - c. Loyalty rewards include some of the aforementioned items, however, also extend to Tier of membership, associated benefits, access to parking in preferred and access controlled areas, and support of card-based member promotions.
  - d. Compliance and security codes also exist in relation to Responsible Gaming, security and behavioural barrings, account access, gaming room access, communication restrictions as well as staff access controls.

*Witness Statement of Lonnie Bossi*

- e. Table Management elements include opening and closing of Tables, Fills and credits in the management of chip inventory, and the source of selected transactional information including Buy-in, Table limits and game type.
- f. Cage and Count includes account management, the reverse side of the table process of fills and credits, Chip Purchase Vouchers and cheque management using Cheque Cashing Facilities and Funds Advance Facilities. In addition, the Main Bank, including cash count is operated through SYCO.
- g. With respect to VIP International, Programs for players can be managed through SYCO as either Discount on Loss or Turnover based commission programs, albeit they are currently unavailable as a result of recent Directions prohibiting Junket and Premium Player activity.

**AML**

[Questions 43 – 48]

- 112. By invitation, I attended the meeting of the board of Burswood Limited on 8 August 2019 where the board resolved to support the adoption by Burswood Nominees Limited of the Joint AML / CTF Program and the AML / CTF Corporate Policy Statement, subject to any further comments or views that the other relevant companies in the group had.
- 113. I have learnt that a revised version of Part A the Joint AML / CTF Program was approved by the Burswood Limited board in November 2020. However, I did not attend that meeting.
- 114. Over the course of the past two board meetings, there have been various updates relating to AML / CTF and remediation plans by the GCCFCO and Mr Nick Weekes, Executive General Manager, Transformation & Regulatory Response (**EGMTRR**).
- 115. Given the need for subject matter expertise, my experience in AML / CTF matters is limited to engagement with the Legal, Compliance and AML / CTF teams across the organisation, and online training provided by the Crown

*Witness Statement of Lonnie Bossi*

Group, as well as the relatively recent completion of targeted training conducted by the AML / CTF Compliance Officer and board training conducted by the GCCFCO.

116. Prior to the recent reforms the AML / CTF function was part of the Legal and Compliance function. I understand it was headed by Nick Stokes, the current AML / CTF Compliance Officer.
117. The revised AML / CTF function operates independently from the operating departments and is overseen by Mr Blackburn who reports to both CEO CRL and the CRL Board.
118. While the AML / CTF function remains a centralised function of CRL, since becoming CEO I have increased interaction with the employees of Crown Perth that work within the AML / CTF function and have had the opportunity to initiate and support a more effective customer communication program, as well as provide assistance in the development of this team's operational knowledge to enhance their engagement with operational and analytical teams.
119. The focus on AML / CTF training has been encouraged and supported by the Executive Team in Perth. Online and targeted AML / CTF training for respective operational teams, across Crown Perth, is by and large completed.
120. Led by the GCCFCO, there has been a significant increase in local and group resources with more in flight. The plan is to triple resourcing (currently doubled in Perth), whilst also encouraging an enhanced relationship with relevant WAPOL and National law enforcement units
121. In my role as CEO, I have focussed on implementing the various AML / CTF initiatives. There are processes, policies, briefing, training and resourcing that needs to be integrated across multiple business units and systems. The Crown Perth team comprises 5,500 staff and contractors, of which a substantial portion have a primary language other than English. Language, content and distilling the message is critical to understanding and successful implementation AML / CTF initiatives. I am committed to ensuring that communication on AML / CTF matters (which are complex and evolving) is appropriate for the audience.

*Witness Statement of Lonnie Bossi*

122. I have led significant work with respect to enhancing communication and explanation to our customers of the reasons for the changes and what is required of them. For example, the proactive KYC (Know Your Customer) process undertaken with Premium members, and the setting of more conservative cash deposit thresholds in Perth required an integrated approach beyond the AML team, while at the same time providing a means for the second line of defence teams to understand the mechanisms by which the first line of defence can support the objective most effectively.
  
123. As I mentioned above, I am a member of the AML / CTF Committee which meets approximately quarterly, and is chaired by the AMLCO. It uses the framework of the Joint AML / CTF Program in monitoring compliance with requirements, material changes to transaction rules and changing laws and emerging risks.
  
124. As a Crown Group committee, the membership of this committee is broad and includes the AMLCO, CEOs of each of the reporting entities, as well as senior executives from each of the key business areas including Gaming Machines and Table Games, Security and Surveillance, Cage and Count, and the second line of defence functions including Compliance, Risk and Audit. This committee provides reports to the ERCC, where there is a standing agenda item, and the CRL and Burswood Limited boards of directors.
  
125. Through my discussions with the Perth AML Team, I understand that the first line of defence teams typically raise the UARs (and formerly SMRs) that are then forwarded through a portal with digital functionality to the AML team. I understand that the AML team undertakes an investigation and assessment to understand reporting obligations with respect to AUSTRAC, and subsequently manage the process from there.
  
126. Mr Blackburn has indicated a new Financial Crime Oversight Committee will be formed to replace the AML / CTF Committee that he will chair and will comprise Group Executives.
  
127. In addition to the AML / CTF team, the vulnerability of operations to criminal infiltration is managed within the scope of the Security and Surveillance team. This team interacts with various divisions of Western Australian Police

*Witness Statement of Lonnie Bossi*

(**WAPOL**) (including at Deputy Commissioner level), other state police forces, and the Australian Federal Police. The Security and Surveillance Department historically reported to the Chief Legal Officer, however, more recently, has formally reported to the CEO.

128. I am aware that Crown Perth has an MOU in respect of the sharing of information and level of cooperation with WAPOL.
129. I am not aware of and do not suspect any bank accounts maintained with respect to the Perth Casino operations, other than the bank account of Riverbank Pty Ltd, may have been used as a vehicle to facilitate money laundering. I deal with Riverbank below.
130. I am not aware of any transactions ever being undertaken through China UnionPay (**CUP**) at Crown Perth.
131. In around 2012, I became aware that ICB was considering a proposal whereby payments made to hotels within Crown Perth could be used to make funds available for gaming.
132. I cannot recall how it was first raised with me. However, I do recall discussing the matter with Mr Josh Preston and we both agreed that it should be resisted. I recall speaking to Mr Felstead resisting the introduction of CUP and actively questioning why we would seek to introduce it. I am not aware of discussions that ensued, however, it was not introduced at Crown Perth at that time.
133. In my recollection, there were a number of subsequent conversations with the ICB Team raising CUP which Mr Preston and I continued to resist.
134. Earlier this year, I recall being asked by Ms Coonan, whether the behaviours related to the use of CUP at Crown Melbourne had occurred at Crown Perth, to which I confirmed that no such transactions had occurred in Perth.

**RIVERBANK**

[Questions 49 – 58]

135. In preparing this statement I have had cause to review certain records. From those records I understand that I was one of several signatories of the Riverbank CBA account and that I was advised of the closure of the CBA account in late 2019.

*Witness Statement of Lonnie Bossi*

136. However, I do not have any recollection of the operation of the account prior to its closure.
137. I do recall receiving in January 2021 a copy of the letter and attachments sent to Mr Duncan Ord, Chairman of the GWC on December 14, 2020. It included two reports, one from Grant Thornton and the other a detailed Initialism review of the Riverbank account.
138. Given my lack of knowledge of the Riverbank accounts, I am unable to shed light as to their risk management systems, management structure, service providers, nor how they were accounted for within the AML / CTF program of the Crown Group.
139. Being a bank account, these are likely to have been within the responsibility and understanding of the Cage and Finance teams at Crown Perth.

*Witness Statement of Lonnie Bossi***TAXES AND FEES**

[Questions 59 – 61]

140. I am not aware of any underpayment of tax payable under section 20 of the *Casino Control Act 1984 (WA)* by Burswood Nominees Limited with respect to the operation of the Perth Casino. Consequently, I do not have any knowledge or understanding of any investigations or enquiries relating to such a matter by the boards of Burswood Limited, Burswood Nominees Limited or Burswood Resort (Management) Limited.
141. I am not aware of any underpayment of casino gaming licence fees to the GWC (Licence Fees) by Burswood Nominees Limited with respect to the operation of the Perth Casino. Consequently, I do not have any knowledge or understanding of any investigations or enquiries relating to such a matter by the boards of Burswood Limited, Burswood Nominees Limited or Burswood Resort (Management) Limited.
142. To my knowledge, Casino Taxable Revenue, as defined by the Casino (Burswood Island) Agreement has not had deducted the cost of goods and services provided as gratuities or loyalty program rewards to gaming patrons on the basis they are 'winnings'.

**RESPONSES TO PUBLIC ALLEGATIONS AND REGULATORY INVESTIGATION**

[Questions 62 – 66]

143. I am aware of the matters set out in question 62 of my summons from reading about them in the media, from internal briefings and from responses made by the Crown Group.
144. I was not involved in the preparation of responses to any of these matters by the Crown Group.
145. I am aware that Crown Perth prepared updates that were given to the Department relating to allegations against the Crown Group in the media. Such updates were typically provided by either or both of Mr Preston or Mr Felstead.
146. Crown Perth made presentations to the GWC about the allegations in the media and the issues that arose at the Bergin Inquiry on 27 August 2019 and

*Witness Statement of Lonnie Bossi*

27 October 2020. I attended the meeting of the GWC on 27 October 2020. I did not attend the meeting on 27 August 2019. I did not prepare either of the presentations.

147. Crown Perth has also made presentations to the GWC on 15 December 2020 and 23 February 2021 about its immediate responses to the issues raised in the Bergin Inquiry and its reform agenda. I attended these meetings with Mr Barton and Ms Coonan on 15 December 2020, and Ms Coonan on 23 February 2021.
148. As mentioned above, some weeks following the GWC meeting of 15 December 2020, I received a copy of the letter and attachments sent to Mr Duncan Ord, Chairman of the Gaming and Wagering Commission, as reflected above. It included two reports, one from Grant Thornton and the other a detailed Initialism review of the Riverbank account
149. The Crown Group and Crown Perth's response to the matters raised in the Bergin Inquiry is set out in its remediation plan.
150. At the meeting of the board of Burswood Limited on 17 June 2021, the EGMTRR presented an update on the status and progress of the remediation plan.
151. The remediation plan is regularly updated. The latest copy of the remediation plan was sent to the GWC on 1 July 2021.
152. Crown Perth is focussing efforts on the following key elements of the Crown Resorts Remediation that was developed in response to the matters raised at the Bergin Inquiry
  - a. AML / CTF enhancements such as:
    - i. increased resourcing and further to come;
    - ii. on-line training completed for over 90% staff;
    - iii. deployed ECDD process within Financial Crime Team;
    - iv. Policy update on significant transactions, return of funds, money remitters, multiple account review; and
    - v. enhanced customer awareness communication;

*Witness Statement of Lonnie Bossi*

- b. Security system upgrades. These are underway or completed including Scantek and AnyVision in Perth and I-Trak across all Crown properties;
  - c. Western Australian Police – creation of dedicated office space and updated MOU; and
  - d. Responsible Gaming – Perth predictive model under development for trial in September; increased engagement with PGSSC.
153. With respect to the VCGLR Sixth Review, I am unfamiliar with its content. Its application to Crown Perth was largely dealt with by Mr Preston and the Department directly.

**PROBLEM GAMBLING**

[Questions 67 – 71]

154. Before I commenced working for Crown Perth, I did not have any training in relation to problem gambling risk management.
155. I have developed an understanding of problem gambling risk management from:
- a. engagement with senior members of the Legal and Problem Gambling teams across Perth and Melbourne;
  - b. participation in the Responsible Gaming Management Committee in Perth;
  - c. ad hoc discussions with the General Manager – Responsible Gambling Perth and the Group General Manager Responsible Gaming; and
  - d. completing the Responsible Gaming online training module.
156. Shortly after becoming CEO of Crown Perth, I became a member of the PGSSC. I have attended two meetings. This is not a Crown committee and is supported by Lotterywest, Racing and Wagering Western Australia, the WA Bookmakers' Association and the GWC. This meeting was chaired by Emma Thomas, a director of the Department.

*Witness Statement of Lonnie Bossi*

157. At my first meeting on 27 May 2021, I was surprised that it had been nearly two years since the previous meeting of the PGSSC, although that was pre-COVID. I was interested in understanding the funding model, the framework it supported and the perspectives of the respective participants. Whilst all members appeared enthusiastic about Problem Gambling, the committee appeared to lack direction.
158. It did not appear to have Terms of Reference, understand its objective, and approach to research, or understand how best to communicate the relevant messages to increase public awareness.
159. The funding model appeared to be an immediate decision that could be taken to provide some momentum after a two year hiatus. Consequently, I increased Crown's financial contribution to the Committee by about 25% to \$500,000 for the coming year, in advance of a better understanding of the future plan and strategy.
160. The second meeting, and its committee papers, provided a greater depth of analysis with respect to services provided which enabled more clarity in terms of the effectiveness of existing support services and potential next steps. Crown Perth committed to providing marketing and Responsible Gaming involvement and resource to support the work of the Committee.
161. There is still substantial work to do. Next steps could focus on agreeing the Terms of Reference, reviewing PGSSC membership, looking at the funding model, broadening research and frameworks for social support and creating an appropriate awareness campaign, within a more developed strategic plan.
162. As mentioned earlier, I am a member of the internal Responsible Gaming Management Committee for Crown Perth. This committee meets 3 times per year to monitor and review responsible gaming and associated activities, including, but not limited to, statistical analysis, trends, external stakeholder and research updates and innovation or changes to practices to deliver a safe and responsible environment to enhance harm minimisation.
163. This meeting typically lasts for about 2-3 hours and has been in operation for many years, preceding my arrival at Crown Perth. Leaders from each business unit form this committee, representing Gaming, Security, Marketing, Cage and

*Witness Statement of Lonnie Bossi*

Count, Legal, and Responsible Gaming. This meeting is chaired by the General Manager Responsible Gaming Crown Perth. The committee provides reports to the ERCC as a standing agenda item.

164. When I commenced at Crown Perth it had in place a responsible gaming framework. At that time responsibility for responsible gaming framework fell within the Legal and Compliance function, headed by Mr Preston.
165. Responsible Gaming in Perth now reports through General Manager Responsible Gaming Crown Perth, to the Group General Manager Responsible Gaming, and then through to Mr Blackburn.
166. I understand that there is a CRL Responsible Gaming Committee that meets approximately six times per year.
167. There is a responsible gaming framework which includes:
  - a. an on-site responsible gaming centre with dedicated responsible gaming staff;
  - b. a publicly available Responsible Gaming Code of Conduct and the initiatives summarised in it; and
  - c. a training program which requires all employees of Crown Perth to undertake training in the responsible provision of gambling. There is a requirement to undertake refresher training.
168. In June 2021, Crown Perth made a formal submission to the applicable Minister for the approval of a new Responsible Gaming Centre.
169. I am aware that on 24 May 2021 Mr Blackburn, in reporting to the CRL board, provided his recommendations for Responsible Gaming Enhancements.
170. On 17 June 2021 Mr Blackburn presented his recommendations to the Burswood Limited board and the board resolved to accept those recommendations.
171. Part of the recommendations is the increase in fulltime employees including additional Responsible Gaming Advisors, and a new Research and Evaluation Manager position.

*Witness Statement of Lonnie Bossi*

172. I am not aware of any requests being made by third parties to the Crown Perth entities to conduct research into problem gambling in respect of Perth Casino.

**ELECTRONIC GAMING MACHINES**

[Questions 72 – 79]

173. I have set out above my experience at Crown Melbourne in respect of EGMs.
174. EGM risk management is considered within the context of the Risk and Responsible Gambling backgrounds noted above. Risk pertaining to EGMs have been taken to include staff, system, technology and environment.
175. Any information I can give in relation to the EGM business, at Crown Perth, is limited to the period from September 2011 when I commenced at Crown Perth. I am not able to comment on the operation of the EGM business, prior to that time.
176. The financial model of the gaming machine business includes a local premium offering in the Pearl Room, a mid-tier offering in the Riverside Room and the main gaming floor representing the largest component of the business.
177. The financial model includes revenue generated from the activity of gaming machines, Keno and a TAB service.
178. The revenue of the gaming machine business has ranged from \$240-\$290m per annum across the 2011 to 2020 financial years. It represents approximately 30% of the revenue generated (by the revenue centres) by Crown Perth resort. This of course has been impacted by the effects of COVID (e.g. closures, restricted access) in the last two years.
179. Around 200 staff are managed across the EGM business, gaming machine operation (which includes operating teams), product maintenance teams and finance, training and associated support teams.
180. They are supported by numerous departments that include, but are not limited to Human Resources, Security and Surveillance, Responsible Gaming, Legal and Compliance, Property Services, Food and Beverage, Marketing, Finance and IT. Support from some of these areas is both local and in Melbourne, consistent with the corporate structure of the organisation.

*Witness Statement of Lonnie Bossi*

181. The management of the Crown Perth EGM business is led by the Executive General Manager Gaming Machines (**EGMGM**) (currently, with variations in titles historically), supported by a Director Casino Operations (**DCO**), Director of Premium Gaming (**DPG**) and Gaming Product Manager (**GPM**). The EGMGM has carriage of the day-to-day operations of the Gaming Machine business and reports to the CEO Perth currently, and the COO Perth prior to changes in titles.
182. The DCO manages the team delivering operational integrity, customer service and the loyalty scheme. The ~~DGP~~ DPG is responsible for the operation of the Pearl Room guest experience for gaming machines. Both of these roles are required to engage with many of the Departments noted above in delivering the experience.
183. The GPM is responsible for maintaining and monitoring gaming machine products and systems, including compliance with regulations in that process, such as engaging the regulator in game approvals and managing contracted technicians to maintain machine performance. This role also incorporates analysis of gaming products and engages with manufacturers to deliver the gaming machine layout and games mix in the casino.
184. As I understand it, the process of game approvals includes in-principle approval as a result of presentations, typically monthly, to the Gaming and Wagering Commission. From there, games are developed by suppliers, followed by testing against the WA Appendix and National Standards by an Accredited Testing Facility before final approval is sought.
185. As CEO, I work closely with Nic Emery as the Chief Marketing Officer, in respect of marketing of EGMs for Crown Perth. This is supported by various leaders within the Business Operations Team. The local Crown Perth marketing team has carriage in controlling the roll-out of marketing initiatives.
186. Marketing support is provided locally, within a context of Group resourcing and analytics. This activity includes customer communication, loyalty scheme management, offer and promotional creation, and integration into a property-wide offering within a context of broad range of visitors, utilising multiple experiences, services and staff interaction during their visit.

*Witness Statement of Lonnie Bossi*

187. Customer analysis typically, but not exclusively, emanates from the marketing department, and interacts with the marketing, gaming and non-gaming teams.
188. A supporting venue-wide loyalty scheme has operated consistently across the same period, characterised by tiers of membership which provide variable benefits, room access, ratings data, and interconnectivity across both gaming and non-gaming systems. The loyalty scheme has changed twice, from Club Burswood on my arrival, to Crown Club in September 2012, to Crown Rewards in December 2016. These involved changes to the club name, branding, benefits and frameworks of operation.
189. From my attendance at meetings of the board of Burswood Limited and more recently as CEO and a director of Burswood Limited, I am aware that the board is provided with information about:
- a. the financial performance of Crown Perth, including the performance of the EGM business through CEO's reports and financial reports in board information and oral presentations at the board meetings; and
  - b. operational and risk issues that arise in respect of EGMs through the Risk reports and the CEO's reports provided to the board.
190. I have set out above my understanding of the responsible gaming framework at Crown Perth.
191. A predictive behaviour analytical tool referred to as the Crown Model is currently under development for a trial at Crown Perth. The model is being developed to identify early signs of potential problem gambling amongst gaming customers based on a set of criteria created for the Perth market. A recent trial of the model currently implemented in Melbourne did not deliver statistically reliable results for Perth, suggesting there are some key attributes that differ in the two markets. I am hopeful this will provide some basis for further research into RG as it applies to the Perth market – which based on discussions in the PGSSC, appears to be an area requiring further research.
192. Operational teams provide additional support to the Responsible Gaming team through the lodgement of Concerning Behaviour Reports (**CBRs**) and escalation to the Responsible Gaming team. I understand such notification

*Witness Statement of Lonnie Bossi*

can occur by email, text, phone call or using ATOM at the Table Game. Once received, the Responsible Gaming team will initiate an I-Trak incident for recording purposes.

193. Alternate means of initiating an investigation include breaches of self-exclusion, typically through identification of 're-entry' and third party enquiries. I am otherwise not aware of separate investigations, enquiries or measures that are taken in respect of problem gambling issues specific to EGM players.

**DEALINGS WITH THE DEPARTMENT AND GWC**

[Question 84]

194. The gaming operations of the casino are the subject of legislation (the *Casino Control Act*) as well as Casino Directions and the Casino Manual, which is approved by the GWC.
195. The prescriptive nature of the regulatory regime means that contact between Departmental employees and Crown Perth employees is frequent.
196. Government inspectors have unrestricted access to the Crown Perth premises at any time on any day, using their own swipe cards. They can approach any member of staff to assist in the course of their duties.
197. Crown Perth is required to submit various reports to the Department over certain time periods. While I am not familiar with the detail of all of these reports, I know some are produced daily, and some with less frequency.
198. Crown Perth reports its breaches of gaming rules and licensing requirements to the Department through daily and monthly reporting mechanisms, or ad hoc as they arise, emanating from the Surveillance and Legal Departments.
199. There is ongoing engagement between Department staff and Crown personnel who work in regulatory, compliance and leadership roles. For example, making of submissions, updates on Crown Group ASX releases, responses to WA Government directions relating to the expeditious closure and associated COVID matters, and matters arising from respective inquiries and Royal Commissions across WA, NSW and Victoria.
200. When I first became COO, Crown Perth's correspondence with the GWC and Department was prepared by Mr Michael Egan, who was Senior Manager

*Witness Statement of Lonnie Bossi*

Gaming Regulation, and following his retirement, by Mr Paul Hulme, who held the role of Gaming and Regulatory Compliance Manager until his retirement effective March 2020. Thereafter, Mr Claude Marais and Ms Sasha Grist have performed this role. It is in the process of being transitioned to Mr Mark Hall, a newly appointed General Manager of Compliance for Crown Perth.

201. For the majority of substantive communications one of Mr Preston, Mr Felstead or I were the signatories to the correspondence. Prior to signing off correspondence would go through multiple internal reviews.
202. Up until March 2021 there was a monthly meeting between Departmental staff and Crown. This generally occurs two days after a GWC meeting. I do not recall having a monthly meeting since that date.
203. I regularly attended these monthly meetings, both in my capacity as COO and later as CEO. In the meetings, any business arising from the most recent GWC meeting was discussed along with operational and compliance issues. Examples include employee licensing, compliance with gaming rules, system upgrades, changes to the Casino Manual and the Directions, proposals for new table games and EGMs, surveillance manning levels, proposed technological changes and operational issues of the day.
204. In attendance for Crown Perth were Legal and Compliance representatives and the Gaming Product Manager. Attendees from the Department were the Chief Casino Officer and relevant Directors. The meeting more recently had been held at Crown and Departmental offices on a broadly alternating basis.
205. Crown Perth representatives also attend GWC meetings to talk to specific agenda items. That is, they do not stay for the entire meeting.
206. As COO I regularly attended meetings of the GWC. My attendance was typically gaming specific. I would attend to address issues such as seeking approval for the introduction of new games and seeking approval for the introduction of new technology such as Crown Perth's proposal to allow a trial of EFTPOS facilities at the gaming tables.
207. Other representatives from Crown Perth would also attend the GWC meetings. Since my employment, regular attendees also included Mr Egan,

*Witness Statement of Lonnie Bossi*

Mr Preston and Mr Felstead. They would present to the GWC any major submissions by Crown Perth. Mr James Sullivan would also regularly attend in relation to the introduction of new games.

208. I had limited contact with the Chair and members of the GWC outside of GWC meetings.

**Board involvement in communications with the Department and the GWC**

[Questions 80 – 83]

209. As mentioned above, during my time as COO I attended Burswood Limited board meetings as an invitee. A CEO report was a standing agenda item and I supported Mr Felstead, and later Mr Barton, in providing commentary on operational matters.
210. It was not common practice for management to present the board with copies of proposed correspondence to the GWC or the Department. However, key regulatory matters, would be included either in the CEO report, or the Legal and Regulatory Update as standing agenda items.
211. For example, I recall that the Burswood Limited board was notified of management's proposal to commence a trial of the use of EFTPOS on the gaming floor in around May 2019.
212. I cannot recall any instances, during my time as COO, where the board of Burswood Limited or Burswood Nominees Limited gave direction as to how to communicate with the GWC or the Department.
213. During recent months, Crown Resorts has been cognisant of keeping all regulators notified of important issues, developments and recommendations coming out of the respective Victorian and Western Australian inquiries. To ensure regulators are notified of important issues and developments in similar terms at the same time, there has been a need for Crown Perth to coordinate with other entities within the Crown Group.
214. With respect to these specific communications, they come from a variety of people within Crown, depending on the relevant Executive responsible and the level of impact on the business. During the course of preparing some of these communications, I have come to understand that the CRL board has

*Witness Statement of Lonnie Bossi*

required this level of coordinated communication as there may be disclosure requirements that need to be considered.

215. As I mention above, I recall that there have also been a number of presentations to the GWC by directors of CRL. Mr Barton gave a presentation to the GWC in October 2020. Mr Barton also attended a GWC meeting in December 2020, with myself and Ms Coonan appearing by phone. Ms Coonan also presented to the GWC in February 2021, with me in attendance.

**Relationships and Gifts**

[Questions 85 – 88]

216. I am aware that Mr Barry Sergeant travelled to Macau with Mr Felstead and Mr Preston. I was informed of this occurring shortly before the departure date. I do not know the extent to which the Crown Group paid for Mr Sergeant's trip nor the detail of any reimbursement arrangements that may or may not have occurred between Crown and the Department.
217. I have, on occasion, attended formal events, both at and away from Crown, where GWC members also attended, and on occasion greeted them. From my perspective, this was coincidental interaction that I typically informed Mr Felstead or Mr Preston about. I am aware that the Department, on at least one occasion, has held an event at Crown, with transactions being undertaken by the relevant Conventions Sales team at Crown. I do not recall other hospitality relating to the Department or its officers
218. There is a Gifts and Gratuities policy which applies to Crown Perth's operations.
219. I am aware that Mr Hulme and Mr Michael Connolly are friends. I understand that they had been friends when Mr Hulme had previously worked for the Department.
220. I am aware that Mr Marais, GM Legal and Compliance, and Mr Connolly are friends and went fishing together on occasions.
221. I am aware that Mr Marais advised Mr Preston and Mr Felstead about these fishing trips.

*Witness Statement of Lonnie Bossi*

222. After I became CEO, there was an occasion in December 2020 when Mr Marais sought my approval to go on his last fishing trip of the season with Mr Connolly.
223. During this conversation I told Mr Marais words to the effect that these trips had to come to an end and would not be repeated next season. However, I did not stop him from attending this last trip on the basis it had already been arranged. He asked whether he should advise Mr Barton, which I indicated was a good idea. I understand that he did advise Mr Barton shortly thereafter. I cannot recall the date of this discussion other than it occurred in mid-December 2020.
224. The transition of regulatory and compliance functions began around the same time, with the aim of introducing a centralised reporting framework. This was raised with members of the Department to garner feedback, using the role of licensing by way of example. It was initially met with some reservation, which led to further internal discussion with the aim of developing a transition plan to a better resourced outcome.
225. As early as 2 December 2020, initial internal discussions were had in Perth relating to a transition to a 3 lines of defence framework relating to Legal and Compliance, where the first line focussed on legal and commercial operational support, the second line to a more traditional compliance and monitoring role and the third line involving Internal Audit. Consideration was given to Compliance Frameworks, Operational Matters and Stakeholder Management.
226. In January 2021, I initiated a Crown Perth based Monthly Legal and Compliance Meeting, which was chaired by me and included the Chief Risk Officer, Group Executive General Manager Regulatory and Compliance (**GEGMRC**), Group General Manager AML (**GGMAML**), General Manager Legal and Compliance (**GMLC**) and the Group General Manager Responsible Gaming. At the 14 January 2021 meeting, the Resourcing and Transition Plan was raised and next steps agreed involving the GEGMRC, GMLC and me.
227. On 27 January 2021, a draft proposal in relation to the split of responsibilities between Legal and Compliance was prepared for discussion. This was emailed by Mr Marais to the GEGMRC and me. Not long thereafter, the Bergin

*Witness Statement of Lonnie Bossi*

Inquiry released findings, Perth Royal Commission was announced, and, subsequently, the Victorian Commission was announced. Whilst this slowed the process, the draft proposal nevertheless continued through the preparation of internal documentation, obtaining regulatory approval for the role and ultimately recruitment began.

228. The process to change Mr Marais' role and responsibility from Legal and Compliance to Legal is underway, under the remit of Ms Betty Ivanoff, Group General Counsel. The broader restructure of Compliance under the GCCFCO within Crown Resorts, involving a centralisation of the Compliance function under the GEGMRC is almost completed.
229. For the purpose of clarity, around the time of the announcement of the Perth Royal Commission, Mr Marais was removed from Regulatory and Compliance functions, with Ms Grist, General Manager Gaming Regulation and Corporate Projects, reporting to me as CEO taking over that function on an interim basis. The approval, recruitment and recent arrival of Mr Hall as General Manager Regulatory and Compliance is facilitating the transition of responsibility.
230. Under the revised structure, Mr Marais' role will be limited in scope to Legal matters.
231. I am aware that there is a Gifts and Gratuities Policy, Code of Conduct, Anti-Bribery and Corruption Policy and a Conflict of Interest Policy which apply to Crown Perth's operations with respect to interactions with individual GWC members and (or) the Department.
232. I have not reviewed all Crown Perth or Crown Resorts related policies in detail to understand their application to interactions with individual GWC members and (or) the Department. I understand that as part of the Crown Remediation Plan, Crown is currently in a policy uplift process led by the GCCFCO.

**Objectives of GWC**

[Question 89]

233. I have no knowledge or understanding of any involvement of Crown Perth in changes made to the GWC's regulatory objectives or philosophy.

**Questions 90 – 92**

*Witness Statement of Lonnie Bossi*

234. I was not involved in the approval of 'video bingo' as an authorised game in or about 2004.
235. I was not involved in changes made to the regulation of junket operations in 2010. I became aware of the change after I commenced as COO.
236. It is not clear to me which changes are being referred to in question 90(c).
237. As to paragraph 90(d) of the summons, I am aware that in around 2015, the Department ceased having a permanent presence at the Perth Casino. To my knowledge, Crown was not involved in the GWC's decision.
238. This was a significant change. Crown Perth welcomes a permanent presence of government inspectors at Perth Casino. It is beneficial because in certain circumstances, attention is required by these inspectors or Departmental representatives as significant incidences or issues occur (such as the pepper spray incident or closure of the casino due to COVID). On occasion, customers request inspectors resolve a dispute or provide independent clarification about casino games, which is made challenging when they are not on site. Likewise, the underlying knowledge base of the inspectors, and subsequently Department could be enhanced by regular engagement with the operation. It also encourages collaboration and discussion, both proactively in terms of operational and regulatory enhancements, but also in the case of review and audit responsibilities..
239. The removal of a permanent presence of government inspectors has not affected the access that the government inspectors have to Crown Perth and its surveillance systems. The facilities previously made available to Government inspectors are maintained for their use.
240. In relation to question 90(f), I repeat the matters I raised under the ICB heading above.
241. I do not recall involvement in any disclosures to the GWC or the Department in relation to:
- a. the Four Corners Program "High Rollers – High Risk ?" in September 2014;

*Witness Statement of Lonnie Bossi*

- b. the arrest, detection and conviction of Crown employees in China in or about 2016;
  - c. (subject to what I say about EGM tampering below) allegations tabled in Federal Parliament by Andrew Wilkie MP in October 2017;
  - d. the recommendations of the VCGLR Sixth Review Report, or disciplinary action taken by the VCGLR for either varying the operation of 17 gaming machines without approval in or about 2018; or
  - e. failure to adhere to internal controls relating to junkets in or about 2018.
242. In relation to EGM tampering, I recall that upon learning about the issue in Melbourne, consideration was given to whether any such activity occurred at Crown Perth. I made inquiries with the Melbourne team with respect to the details of its implementation there and followed up with a discussion with the GPM in Perth, to satisfy myself that it did not occur at Crown Perth.
243. I have been provided with a copy of the GWC minutes for 24 October 2017. Those minutes indicate that I gave an impromptu update on the issue upon request of the GWC.
244. I cannot recall exactly what was said during that meeting. However, I am confident that any commentary I provided would have been limited to Crown Perth. I was not in a position to comment on Crown Melbourne.
245. I was not involved in providing disclosures to the GWC or the Department in relation to the allegations of money laundering and criminal infiltration raised in 60 Minutes and Fairfax Media articles in July 2019.
246. Since joining Crown Perth, I recall attending one presentation to the GWC dedicated solely to Problem Gambling. This was in April 2021 at the request of the GWC.
247. A monthly revenue report is produced for the GWC. As to its accuracy, the reports are generated by the Finance team with reference to all relevant data.

*Witness Statement of Lonnie Bossi*

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**LONNIE DEAN BOSSI**

Dated: 30 July 2021

*Witness Statement of Lonnie Bossi***LDB1****DOCUMENTS LIST**

CRW.512.041.0055  
CRL.627.001.0550  
CRL.563.004.6457  
CRL.605.016.6606  
CRL.563.004.7105  
CRW.513.021.6262  
CRW.513.021.6263  
CRW.518.002.3444  
CRW.513.006.0853  
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CRW.701.004.0376  
CRW.706.005.0017  
CRW.706.005.0018  
CRW.706.005.0020  
CRW.700.046.1522  
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CRW.700.001.3191  
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CRW.709.064.9434  
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CRW.520.018.9439  
CRW.700.003.0362  
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CRW.703.001.2529  
CRW.709.003.1870  
CRW.709.003.1872  
CRW.700.025.0133  
CRW.701.004.3624  
GWC.0002.0016.0217  
CRW.709.065.3192