



Copyright in this document is reserved to the State of Western Australia. Reproduction of this document (or part thereof, in any format) is prohibited except with the prior written consent of the Attorney General or Perth Casino Royal Commission or as permitted by the *Copyright Act 1968* (Cth).

PERTH CASINO ROYAL COMMISSION

PUBLIC HEARING - DAY 43

10.00 AM TUESDAY, 28 SEPTEMBER 2021

COMMISSIONER NJ OWEN

COMMISSIONER CF JENKINS

COMMISSIONER C MURPHY

HEARING ROOM 3

MS PATRICIA CAHILL SC and MS APARNA JAYASEKERA as Counsel Assisting the Perth Casino Royal Commission

MS RACHAEL YOUNG as Counsel for Consolidated Press Holdings Pty Ltd and CPH Crown Holdings Pty Ltd

MR PETER SADLER as Counsel for the Gaming and Wagering Commission of Western Australia

MR ROBERT BATHURST and MR KEANHN SARDINHA as Counsel for the Department of Local Government, Sport and Cultural Industries

MR KANAGA DHARMANANDA SC and MR JESSE WINTON and MR RICHARD LILLY as Counsel for Crown Resorts Ltd; Burswood Limited; Burswood Nominees Limited; Burswood Resort (Management) Limited; Crown Sydney Gaming Pty Ltd; Southbank Investments Pty Ltd; Riverbank Investments Pty Ltd and Crown Melbourne Limited

MR STEVEN PENGLIS SC as Counsel for Mr Joshua Preston

MR SIMON DAVIS and MR SCOTT MEACOCK as Counsel for Mr David Brown

DR ELIZABETH BOROS as Counsel for Mr Ken Barton

10:00AM

COMMISSIONER OWEN: Please be seated. Thank you, Mr Brown.

Mr Brown, would you just give us your full name for the record, please?

5

WITNESS: David William Brown.

COMMISSIONER OWEN: Do you wish to affirm or swear an oath?

10

WITNESS: Affirm, please.

COMMISSIONER OWEN: Repeat the words after me.

15

MR DAVID WILLIAM BROWN, AFFIRMED

COMMISSIONER OWEN: Thank you, Mr Brown. Now, Mr Davis?

20

EXAMINATION-IN-CHIEF BY MR DAVIS

MR DAVIS: May it please the Commission.

25

Mr Brown, you have prepared a witness statement for the purpose of this hearing, have you not?

MR BROWN: Yes, I have.

30

MR DAVIS: Can I ask the operator to put up document CRW.998.002.0001. You can see it on the screen, Mr Brown?

MR BROWN: Yes, I can see it on the screen.

35

MR DAVIS: Is that your statement dated 26 July 2021?

MR BROWN: Yes, it is.

40

MR DAVIS: Can we turn to page 0022. On the screen, it may be blocked out, but do you have a copy and can you confirm you signed this statement?

MR BROWN: Yes, I did sign. Yes, I did.

45

MR DAVIS: And on the next page, page 0023, those are documents which you've referred to or were referred to you for the purpose of providing your statement, aren't they?

10:02AM

MR BROWN: Yes, they were.

MR DAVIS: Mr Brown, can you confirm the contents of your witness statement are true and correct to the best of your knowledge and belief?

5

MR BROWN: Yes, they are.

MR DAVIS: Thank you.

10 Commissioner, I tender that statement. That is the evidence-in-chief.

COMMISSIONER OWEN: Thank you, Mr Davis.

15 The witness statement of David Brown dated 26 July 2021 and bearing the identifier number CRW.998.0002.0001 is admitted into evidence as an exhibit.

Thank you, Ms Cahill.

20 **EXHIBIT #CRW.998.002.0001 - WITNESS STATEMENT OF MR DAVID WILLIAM BROWN DATED 26 JULY 2021**

MS CAHILL: Thank you, Commissioner.

25

CROSS-EXAMINATION BY MS CAHILL

30 Mr Brown, can I begin by gaining a better understanding of the operations at the main cage at Perth Casino and your role as the General Manager of Cage and Count at Crown Perth. While you held that position between 2006 and 2020, I'm going to ask you to answer my questions in this first section of your examination by reference to the period between 2013 and 2015 unless I specifically ask otherwise. Do you understand what I'm asking of you?

35 MR BROWN: Yes.

MS CAHILL: Do you agree that the primary function of the main cage at the Perth Casino is to process financial transactions for the purposes of gaming and to record those financial transactions?

40

MR BROWN: Yes. We also do some non-gaming but the majority of the work is for gaming, yes.

45 MS CAHILL: And do you agree that the cage's responsibility in processing and recording those financial transactions is to do so accurately?

MR BROWN: Yes.

MS CAHILL: And in accordance with any legal requirements?

10:04AM

MR BROWN: Yes.

5 MS CAHILL: And in accordance with the systems, policies and procedures of Crown Perth?

MR BROWN: Correct, yes.

10 MS CAHILL: And that was the function and those were the responsibilities of the main cage between 2013 and 2015?

MR BROWN: Yes.

15 MS CAHILL: And has always been the function and responsibilities of the main cage?

MR BROWN: Yes.

20 MS CAHILL: And remains the functions and responsibilities of the main cage?

MR BROWN: Yes.

25 MS CAHILL: Do you agree that the main cage operations are essentially process driven?

MR BROWN: I believe, yes, they are, yes.

30 MS CAHILL: And in that, the processing and recording of transactions is heavily dependent upon cage staff following written standard procedures and policies?

MR BROWN: Yes.

35 MS CAHILL: And also having clearly defined authority limits for approving the processing of transactions?

MR BROWN: Yes.

40 MS CAHILL: And the main way in which the standard procedures and policies and approval limits are followed is by creating a series of documented procedures entitled "standard operating procedures", or SOPs?

MR BROWN: Yes.

45 MS CAHILL: And cage staff are required to follow those SOPs?

MR BROWN: Yes, they are.

10:05AM

MS CAHILL: And you were required to follow the SOPs?

MR BROWN: Yes.

5

MS CAHILL: Can I ask you about the hours of operation of the main cage. The casino was open 24-hours a day, seven days a week, wasn't it? And did the main cage operate 24-hours a day, seven days a week?

10 MR BROWN: When we talk "main cage", are we talking --- there are numerous cages on the Perth Casino floor. There is the main cage, Plaza cage it is termed, and a Riverside cage, along with the cage in the Pearl Room.

MS CAHILL: I'm asking you about the main cage.

15

MR BROWN: The main cage wasn't open 24/7, no. The main cage generally during the week would close at 4.00 am, if my memory is correct, and open again at about 10 o'clock or midday depending on operational, and then it would --- on a weekend it would open longer. I can't remember 12 months ago whether it was 24/7 on the weekend, but I think it was very close to 24/7 on the weekend, yes.

20

MS CAHILL: And how many shifts per week day would operate in the main cage?

MR BROWN: The main cage --- cashiers would range from two in the morning through to three or four in the afternoon, and maybe five by night-time on the front window, plus a chip bank and a main bank, and there would always be a member of management in the main cage to oversee the operation of the main cage.

25

MS CAHILL: How many shifts per week day would operate in the main cage?

30

MR BROWN: I'm not really sure, eight to 10 on a day. Main bank, two, chip bank, three, front window, maybe two, three, maybe up to 10 shifts on the front window.

MS CAHILL: 10 shifts per day or 10 shifts per week?

35

MR BROWN: Per day. You had two starting on day shift, and then probably three in the afternoon, and four on nights. So nine to 10, depending on what day of the week in the main cage and the front window.

40

MS CAHILL: So, let's talk about the front window. How many cashiers were stationed at the front window at any one time?

MR BROWN: As a maximum, there was probably five at any one time on a busy day.

45

MS CAHILL: And those up to five staff members would be rostered on for a shift?

MR BROWN: Yes, either eight or 10 hours, yes.

10:08AM

MS CAHILL: So how many shifts per day? Was it two per day per week day?

MR BROWN: Well, it would depend. It would depend because they would stagger.
5 So the morning shift would generally be replaced by the night shift, and then there
would be a middle shift that would work in between those two. So potentially there
could be, without looking back at the roster, there could be anywhere from two in the
morning moving up to four or five in the middle of the day, and then five at night
10 shift. So it could be up to 10 at a time on a day rostered in the main cage on the front
window.

MS CAHILL: If we go to paragraph 11 of your witness statement at page 0002, you
describe the employees who work within the main cage. Is the description that you
15 give in that paragraph accurate with respect to how the cage operated between 2013
and 2015?

MR BROWN: Sorry, which paragraph?

MS CAHILL: 11, at page 0002.
20

MR BROWN: I can't see where I have got a number for in page 11 in the cage
because it's not talking main cage. It's talking --- in the witness statement, it is
talking "Cage", not main cage. So my reference to the numbers of "3-6 supervisors"
and "12-14 cashiers" would be spread across all our cages.
25

MS CAHILL: All right, and so with respect to the main cage, just in terms of the
type of role rather than the number, so you have got cashiers, supervisors and shift
managers, the evidence you have given here, is it applicable to how the main cage
operated between 2013 and 2015?
30

MR BROWN: I believe so, yes.

MS CAHILL: If we go to paragraph 12 at page 0003, that was the situation that
applied in relation to the main cage or all of the cages?
35

MR BROWN: When I talk "cage", I don't just talk main cage, I talk all of the cages.

MS CAHILL: All right. But that was the position that applied or pertained between
2013 and 2015?
40

MR BROWN: I believe so, yes.

MS CAHILL: And when we are talking about the staff in the main cage, or who
were allocated to the main cage, did they perform all of their work physically in the
45 main cage itself?

MR BROWN: No, it would depend. I mean, the cage itself would move staff

around. So when you were rostered --- a cashier may be rostered in the main cage for the shift and they would generally spend their whole shift located in the main cage. If they were rostered in the chip bank, they would be in the chip bank. If they
5 were rostered in the main bank, they would be in the main bank for the whole shift. The management would move around from cage to cage as required for operational requirements. And if somebody was rostered in the main cage and there was a sick day, or if it was busier in one of the other cages, or a break needed to be covered or something went on, they may be moved from one of the main cages to the other
10 cages as well. So a cashier could end up working in any cage, the same as a supervisor and the shift managers would move around between the cages. Generally, the only two that would generally stay in the one location or in the main cage for a shift would be a chip bank cashier and main bank cashier.

15 MS CAHILL: So in cage management, the people who you describe who move around between cages, that includes supervisors, does it?

MR BROWN: Yes, cage supervisors and cage shift manager, yes.

20 MS CAHILL: Between paragraphs 14 and 35 of your witness statement, that's at pages 0003 to 0005, you describe the kinds of transactions that occur at the cage.

MR BROWN: Yes.

25 MS CAHILL: Does that evidence accurately describe the type and details of transactions handled by the main cage between 2013 and 2015?

MR BROWN: I believe it does. It talks there about gaming tickets. I can't
30 remember when gaming tickets came into effect at Crown Perth, an actual date. So that may not have been the gaming machine tickets. It may have been more the manual gaming. I can't remember the exact date for that, sorry.

MS CAHILL: All right ---

35 MR BROWN: But it is still a function of cashing out gaming machine winnings, whether it was tickets or handwritten payments.

MS CAHILL: Coming back to paragraph 11, please, at page 0002, you describe
40 there the responsibilities of the different staffing positions within the cage and you commence at little a. with a description of the cage cashiers.

MR BROWN: Yes.

MS CAHILL: Were cage cashiers required to have any particular qualifications or
45 experience to hold that position?

MR BROWN: No. No, not effectively, no. There is no qualifications to become a cage cashier. It is an area where we bring people in, we give them some training

and give them some skills and they perform the role. There is no formal qualifications to be a cage cashier, no.

5 MS CAHILL: I understand from what you say here in little a. that cashiers could not process transactions over \$10,000. Was that for AML compliance reasons?

MR BROWN: Yes.

10 MS CAHILL: Do I understand correctly a cashier could process any transaction under \$10,000 without the involvement of any supervisor or manager?

MR BROWN: Correct. So they could perform --- it depended on how long they had been there. There are some levels set for newer cashiers with lower levels, but once
15 any transaction reached \$10,000, whether they were an experienced or inexperienced cashier, they must call a member of cage management over to assist with the transaction, to help with the verification of the patron and to make sure they had completed their AML threshold transaction reporting.

20 MS CAHILL: For the transactions under \$10,000, that didn't require the direct involvement of a supervisor or manager, were those transactions nevertheless checked, either in every case or from time to time, by a supervisor or manager?

MR BROWN: Yes, from time to time. Not in every case. So there wasn't a
25 requirement for management to check every transaction under \$10,000, but there was management rostered at the cages to be able to assist and view and monitor, and assist the cashiers in performing their duties, yes.

MS CAHILL: So if you can tell me about the monitoring, please. When assistance
30 hasn't been sought or provided to a cashier, what was the monitoring function, who carried it out and how?

MR BROWN: The supervisors would be stationed out at the front area of the cage, and they would be there to assist the cashiers and watch what was going on with the
35 patrons while the cashiers were serving patrons, and they would assist cashiers as they were called over to do so once they had reached a certain threshold level for transactions. The supervisors were there to watch what was going on.

MS CAHILL: Did supervisors, after paperwork was processed, review that
40 paperwork from time to time?

MR BROWN: They would review the next day --- there was some reporting done the next day. Would they review it after they had completed it? Probably not if they had signed off on it, agreeing to it at the time. I don't believe that they would then go
45 back and review it again later on for the transaction they completed, no.

MS CAHILL: I'm talking about transactions under \$10,000 that didn't require their involvement. Would they ever, after the event, look at the paperwork that had been

prepared and processed by a cashier to check that it was correct?

5 MR BROWN: They would, if they felt they needed to. They were in a position where they could do that, yes.

MS CAHILL: But there was no standard requirement for them to do that?

10 MR BROWN: No.

MS CAHILL: Apart from approving transactions or assisting with transactions over \$10,000 and overseeing the work of the cashiers in the way in which you've described for transactions under \$10,000, did the supervisors have any other responsibilities?

15 MR BROWN: No, their job was to supervise the area that they were located in. They had different responsibilities depending on which cage they would be located in and what time of the day and night. So there were reports that had to be run around the banking of cheques, documentation. At night, there was preparation of
20 banking processes for the next day. So there would be functions they were required to perform, depending on which cage they were located in. If they were located over in the Plaza cage, there was less reporting functions because the main bank and chip banks weren't there. If they were located in the Pearl Room, they would be dealing with more of the VIP patrons, so there was some reporting they needed to do there in
25 regards to the threshold transaction reporting and checking it the next day before it was sent off to AML.

30 MS CAHILL: Were supervisors required to have any particular qualifications or experience to hold the position they did, apart from having previously worked as a cashier?

35 MR BROWN: No. Every cage supervisor in Perth has started in the cage as a cage cashier, and then worked their way up as a cashier. After a period of time and good performance, moved up to the role of cage supervisor.

MS CAHILL: Then some of them moved up after the supervisor role to a shift manager role, didn't they?

40 MR BROWN: Correct. In the same way that every cage cashier --- every cage supervisor has worked as a cashier, every cage shift manager has also worked as a cage cashier.

45 MS CAHILL: And does that mean, therefore, that shift managers did not require any particular qualifications or experience, apart from having worked as a cashier and supervisor, to work as a shift manager?

MR BROWN: Correct, yes.

10:19AM

MS CAHILL: Was there a distinction between the manager of the cage and count and the shift managers?

5 MR BROWN: The managers --- it was --- I don't think there was a time when there was a cage manager.

MS CAHILL: All right. Thank you.

10 MR BROWN: So I was General Manager, Cage and Count, and the shift managers reported to me.

MS CAHILL: And the shift managers all reported directly to you?

15 MR BROWN: Correct, yes.

MS CAHILL: And what was the role and responsibilities of the shift managers when compared to the supervisors?

20 MR BROWN: So the supervisors were responsible for supervising the area that they worked in. The shift managers then were the overseers of the day-to-day operation of the cage. So it would be their responsibility for assigning the staff to the areas that they wanted them to work in. It was their job to make sure that the shifts were running in accordance with how they would expect them to run, to make sure that
25 there was sufficient staff on shift to meet the requirements of the shift, and they were also responsible for ensuring that the transfers into the bank accounts were completed effectively.

MS CAHILL: Were they responsible on their shift for satisfying themselves that the
30 transactions were being processed accurately and in accordance with the cage's standard procedures?

MR BROWN: I think probably that is a difficult one. There is a lot of transactions performed at the cage. The staff are accountable for those transactions and
35 accountable for their balancing processes. To say that a shift manager, when there is one on each shift, is responsible for every transaction that occurred on every shift is probably tough. They are overall responsible for checking that transactions are done and reporting if there is any errors that have come their way that they have been informed of. But I don't think they are responsible for checking every transaction on
40 every shift, no.

MS CAHILL: Did they routinely check the work of the cashiers on --- during the course of a shift?

45 MR BROWN: I wouldn't have thought they were ad hoc checking the work on a shift. I mean, the cage generally works. We've got surveillance overseeing what the operations of the staff are doing. They are completing transactions, the staff have to balance. So they are probably more checking when there is errors, more so than

10:21AM

checking ad hoc if things aren't going bad.

5 MS CAHILL: The last sentence of little c. in paragraph 11 that you should have on the screen, you say that:

The Shift Manager have the overall approval authority for Cage transactions *whilst on shift*.

10 What do you mean by that?

15 MR BROWN: If something went wrong, they were in charge of the shifts. So they were responsible. If there was anything that needed to be escalated or anything that was questioned or challenged, then it was their responsibility to make the final call of what was going on on their shifts.

MS CAHILL: Was there any approval limit that a shift manager had that a cage supervisor did not have?

20 MR BROWN: Not really, no. Not that I'm aware of at this stage, no.

MS CAHILL: I think, in answer to some of my earlier questions, you mentioned that the set-up, if you will, was slightly different for the satellite cages from the main cage?

25 MR BROWN: A little bit. I mean, there is no chip bank and main bank in the satellite cages, but the role of a front window cashier in the Plaza cage as opposed to the main cage is very, very similar in that it is performing all functions. The role of the cashier in the Riverside cage is a little bit different in that it is mainly a gaming machine area. So they are performing more functions in regards to gaming machines.

30 MS CAHILL: Was a cage supervisor, or one or more cage supervisors, stationed at each satellite cage during a shift?

35 MR BROWN: No, not always.

MS CAHILL: And each of the satellite cages applied the same procedures and processes for processing transactions as the main cage?

40 MR BROWN: Yes.

MS CAHILL: Were there any transactions that could only be processed or recorded by the main cage and could not be processed or recorded by a satellite cage?

45 MR BROWN: No, not that I'm aware of, no.

MS CAHILL: Coming to your role as General Manager, you explain at paragraph 5

of your witness statement, that prior to being employed by Crown, you worked at the State Bank of Victoria for 9.5 years in a managerial role. What was that.

5 MR BROWN: It varied as I moved through the bank. I started in the bank in a housing loans area, and then moved into a leasing and asset finance area, and then moved into a different area of business banking information system, and from there finally, as the loans support manager, I think it was, at the Commonwealth Bank 367 Collins Street.

10

MS CAHILL: Do you have any tertiary academic qualifications?

MR BROWN: No, I don't.

15 MS CAHILL: As General Manager of Cage and Count at Crown Perth, did you have regular hours of work?

MR BROWN: I did have regular hours of work because there were meetings and that, but I worked as the job required me to work. So I would generally work 9 to 20 5ish. I would start generally about 8 in the morning and finish about 6.30 at night most days, and then if we had busy weekends, be it Chinese New Year, Easter, other events, I would work as required.

MS CAHILL: And when you were performing your regular hours of work, did you 25 work physically and mainly in the main cage?

MR BROWN: I had an office in the main cage --- so out the back of the main cage. But it was --- I had to go into the main cage to get to my office, yes.

30 MS CAHILL: Did you basically locate yourself there most of the time during your hours of work?

MR BROWN: Yes. So I would probably be there a majority of the time, but I did, you know, attend a lot of meetings, and I did spend time in pretty much all the cages on a regular basis, so, yes. 35

MS CAHILL: I ask you to look at this document, CRW.529.001.8915. This is an email chain and if we go to the second half of the page, there is an email from you to Mr Hancock of 23 October 2014. The content is not really that material for the 40 purposes of my question. If we go over the page at 8916, we look at the footer --- if we can just blow that up. You say at the bottom:

Due to the nature of my work I am not always at my desk and only check my emails 2-3 times per day.

45

What would ---

MR DHARMANANDA: Can we have the personal details, including the mobile

phone number --- could be removed from the screen?

MS CAHILL: Do you see ---

5

MR BROWN: Yes, I do.

MS CAHILL: --- there, you only check your emails two or three times a day, what was that about?

10

MR BROWN: I'm not really sure why that was on there but that certainly wasn't the case. I was available at all times, and obviously if we are talking --- right throughout my time, we have a work mobile phone which is receiving emails and I'm constantly doing it. I think it was generally more to say "if you want something and you need me, you should contact me, because it is more likely if it is urgent that I will respond to a phone call rather than if you send an email". So if I'm busy in meetings, or if I'm busy with customers or busy dealing with staff, I may not be checking emails but I will certainly be available on my phone.

15

MS CAHILL: How much interaction did you have with cage cashiers in your role as general manager?

20

MR BROWN: I knew all the cashiers. I would spend time in each of their locations as time permitted throughout my day. I have a solid relationship with the cashiers and certainly I was involved with the day-to-day operation of the cage from that perspective.

25

MS CAHILL: What about the supervisors? You had daily interaction with them?

MR BROWN: Yes, so when they were on shift, yes, I would have had daily interaction with the supervisors.

30

MS CAHILL: And the shift managers?

MR BROWN: Certainly, I had daily interaction with the shift managers, yes.

35

MS CAHILL: And you talked, a moment ago, about being available to work outside regular hours at busy periods. Separately from that, were you required to be on call or available to be contacted by cage staff outside normal working hours?

40

MR BROWN: I suppose the question is "as required". There is an expectation in your contract to work additional hours and hours as required for the role. So, therefore, having a work mobile, I was contacted at any time of the day and night depending on if situations arose, yes.

45

MS CAHILL: What is the sort of situation, if you can give me an example, that would cause you to be contacted any time of the day or night?

MR BROWN: Just, if there was something the staff weren't quite sure about, so if there was an issue they thought needed escalation, or they weren't sure what to do or couldn't get hold of someone, they would contact me. If there had been a large error that they thought I might need to know about, if there was generally just something they weren't sure about, they would contact me.

MS CAHILL: And did you have to meet certain KPIs in your position as General Manager, Cage and Count?

MR BROWN: We were reviewed on an annual basis for our performance, yes.

MS CAHILL: Did you have to meet certain KPIs in your role as General Manager, Cage and Count?

MR BROWN: The KPIs were part of the performance review process, yes.

MS CAHILL: What were those KPIs?

MR BROWN: They were a range of KPIs, and I can't remember off the top because they varied on a yearly basis and would be different, but they were around customer service, compliance, budgeting. I'm not quite sure of all the other ones. There is a range of them and they have a different level of weighting effectively. But without seeing it, I can't remember off the top of my head, sorry.

MS CAHILL: Can you remember the general type of KPI that was related to customer service compliance?

MR BROWN: No. It was ensuring that we were following our processes, ensuring that we were servicing our customers and servicing within the requirements of the role, making sure that we were being compliant.

MS CAHILL: So compliance with policies and procedures was an element of your KPIs, as you recall?

MR BROWN: Yes.

MS CAHILL: In terms of your responsibilities as General Manager, Cage and Count at Perth Casino, would you agree that you bore the overall responsibility to ensure the satisfactory performance of the main cage's function?

MR BROWN: No. I think my role at Crown in the role of GM was to oversee the cage and count, just the main cage function. So it was cage and count, so it includes the count team there but it is over 100 staff, and it was making sure that we were meeting the requirements as required, and we had staff then working under me who were then performing their roles. So it was ensuring that the cage was running and running efficiently within the budgets required and working to ensure the staff were performing their roles effectively, yes.

MS CAHILL: And in relation to that last point, and in respect of the cage operation, it was your overall responsibility to ensure that transactions were recorded in accordance with the procedures and policies of Crown Perth?

5

MR BROWN: I suppose as the general manager and head of anything, you know, it was my --- the staff were responsible for completing transactions and the same, as I said, with the shift manager, I can't expect them to oversee every transaction. I wasn't in a position to oversee 100 staff and oversee every transaction that has been completed by the staff.

10

MS CAHILL: --- (overspeaking) ---

COMMISSIONER OWEN: Have you finished the answer?

15

MR BROWN: Yes, Commissioner.

MS CAHILL: Sorry, Mr Brown. It is just a bit hard with the video link. It is not clear when you've finished. I apologise for that.

20

Did you have primary responsibility for establishing the standard procedures for the cage?

MR BROWN: As the cage standard operating procedures and me being the head of the cage, I would say yes, I was the person who signed off --- well, not signed off because they weren't signed off, but needed to make sure that they were in line with what we were doing.

25

MS CAHILL: And you amended those procedures when appropriate to do so?

30

MR BROWN: I did, or the staff under me did, yes.

MS CAHILL: But you were responsible for making sure that they were amended when it was appropriate to amend?

35

MR BROWN: Yes.

MS CAHILL: Did you have primary responsibility for the contents of that part of the Casino Manual relevant to the operations of the main cage?

40

MR BROWN: That was more in consultation with our legal team. So I couldn't change those and submit them for change to the legal team. So if the main cage controls needed to be changed, they needed to be approved --- sorry, the main bank controls, as they were termed, needed to be changed, they needed to be approved by the department. So they would be done in consultation with our legal team, who would then submit them for review with the department.

45

MS CAHILL: But you certainly contributed to the technical component of the Casino Manual when technical input was required about cage operations?

5 MR BROWN: I would, and some of my team would assist in that, yes.

MS CAHILL: Were there any transactions in the cage that only you could approve? In other words, that could not be approved by a shift manager?

10 MR BROWN: No.

MS CAHILL: In around August 2014, you recall that you commenced reporting to Mr Preston as the Executive General Manager of legal and corporate services?

15 MR BROWN: Yes, I'm not sure of the date and time when I started reporting to Mr Preston, but I did, as in my statement, report to Mr Preston for a period of time, yes.

MS CAHILL: If we go to CRW.707.001.0354. This is a letter dated a few years later to GWC from Mr Hulme.

20 MR BROWN: Yes.

MS CAHILL: And what it is doing is actually explaining that the reporting structure will be reversed back to where it was before, where you then revert to reporting back to the CFO. And it attaches a modified description of the job descriptions for each of the "Chief Financial Officer - Australian Resorts", and "General Manager Cage & Count" for Perth. You see that refers to "Attachment 2".

30 MR BROWN: Yes.

MS CAHILL: If we go to 0360, and we look at the position summary box, you will see that it's got you, in the first line, reporting to the CFO.

35 MR BROWN: Yes.

MS CAHILL: And you received this document yesterday, I think, for review?

MR BROWN: Yes, I did.

40 MS CAHILL: And are you able to say whether the job description, apart from that modification, accurately reflects your job description between 2013 and 2015?

45 MR BROWN: I think --- isn't this last modified in 2017 according to this one? So I'm not sure if I looked at it to decide, when I looked at the document, to think whether it was accurate for 2013 to 2015.

MS CAHILL: Well, did anything stick out at you as "that was new, I didn't have to

do that before 2017"?

MR BROWN: I probably didn't look at it from that point of view, I'm sorry.

5

MS CAHILL: So, I will just ask you, then, a couple of questions. You see the first bullet point in the "Position Summary" --- "Delivery of quality customer service to patrons at all levels". Was that always part of your job description?

10 MR BROWN: I believe it was, yes.

MS CAHILL: How, in practical terms, did you achieve that in respect of cage operations?

15 MR BROWN: Cage operations --- it was ensuring that customers weren't made to wait, customers were provided with a good level of service. We kept wait times to a minimum as best we could. We provided accurate transactions on the main floor, and it dealt with dealing with at all levels, as it says. So it dealt with dealing with our international room patrons, so whether that be local patrons in the international room,
20 interstate, international, dealing with all patrons and making sure that we were looking after them from a cage perspective.

MS CAHILL: And if you go to the fifth bullet point down, you see the one saying:

25 *Implementing business and strategic Cage and Count projects while maximising the customer service experience.*

MR BROWN: Yes.

30 MS CAHILL: That was in your job description at all times?

MR BROWN: I'm not sure if that one was in there at all times. That doesn't seem something that I've seen a lot of before, but it was certainly in there at that time. It talks about implementing, you know, business and core --- it's about projects, and
35 about developing and looking at ways of improving our processes. So that might have been in there. I'm not sure when it went in there.

MS CAHILL: It seems to be talking about a balancing of implementing business and strategic projects, whilst at the same time maximising the customer service
40 experience. Is that how you understood the application of that requirement?

MR BROWN: That's how I would read it, yes.

MS CAHILL: The seventh bullet point talks about "enhancing Crown Perth as the preferred destination for VIP Gaming patrons". Was that always part of your job
45 description?

MR BROWN: Again, it doesn't --- like the first one does, but this doesn't ring a bell

--- as enhancing Crown Perth as the preferred destination, it seems to be a new one. It's something, again, we were trying to be a destination where patrons wanted to come to, whether that was VIP patrons or whatever. We were talking about making sure we provide a good service.

MS CAHILL: At the cage?

MR BROWN: At the cage.

MS CAHILL: And that was the limit of it on your understanding?

MR BROWN: On my understanding, yes.

MS CAHILL: In the next box, if we can go there, it talks about "Key Result Areas". Over the page at 0361, the second dot point, under "Service Focus". Do you see the heading in the left hand margin "Service Focus", "25 per cent"?

MR BROWN: Yes.

MS CAHILL: And if you move directly across, there is a bullet point that says "Negotiate contracts [et cetera]". It is highlighted, can you see that?

MR BROWN: Yes.

MS CAHILL: And if you drop to the next bullet point, it says:

Work with Crown Resorts Overseas Office Management to ensure that customer service expectations are being met.

Was that always part of your job description?

MR BROWN: I don't know. I think the job description was rewritten heavily at this stage, but I think it was always an expectation that we would work with our overseas office staff to ensure that we were providing service to our customers from overseas, yes.

MS CAHILL: So what, in practical terms, did the cage have to do in that regard?

MR BROWN: It was more about working with them to make sure that when the customers arrive, that we provided that service level in regards to front money, or cheque cashing facilities, or funds advance facilities. It was making sure that there were processes in place and systems available or funds available when the patrons arrived.

MS CAHILL: At page 0362, you can see lower down the page, the "Operational Management" box.

10:42AM

MR BROWN: Yes.

MS CAHILL: And it says:

5

Ensure staff have the knowledge to complete Junket and Premium 'buy-ins' and settlements for VVIPs.

MR BROWN: Yes.

10

MS CAHILL: That was part of your job description in 2013 to 2015?

MR BROWN: Yes, it was overseeing that and making sure that the staff were meeting their expectations in buy-ins and settlements for patrons, yes.

15

MS CAHILL: And that involved, presumably, ensuring that they had the knowledge to complete telegraphic transfers?

MR BROWN: It was part of the buy-in process or, potentially, the settlement process.

20

MS CAHILL: And the fourth bullet point talks about the "approval of TT's, bank cheques/ drafts". Do you see that?

25

MR BROWN: Yes.

MS CAHILL: And that was obviously always part of your responsibilities?

MR BROWN: Yes, I didn't really approve TTs, bank cheques and drafts. So there was nothing, as we said, that I needed to approve, as we've already discussed, that the shift manager didn't need to approve. So there was nothing that my approval level that was above a shift manager from a TTs, bank cheques and drafts. So an approval of a TT could also be done by a shift manager, could also be done by a supervisor. So TTs, bank cheques and drafts --- otherwise, I would have had to be on site 24/7.

30

35

MS CAHILL: And so, you accept you did approve TTs from time to time?

MR BROWN: On very rare occasions I would do one, but I can't remember on many occasions if we are talking 2013, 2015 doing many, no.

40

MS CAHILL: When you say not very many, what, in rough numbers, are you talking about there?

45

MR BROWN: I don't remember signing off on any.

MS CAHILL: At the bottom of 0362, under "Qualifications", do you see the third dot point:

Exceptional probity and credit clearance and ability to obtain Casino Key Employee Licence.

5 MR BROWN: Yes.

MS CAHILL: In terms of "exceptional probity and credit clearance", what did you understand that to mean?

10 MR BROWN: It means that you are able to obtain --- meet the requirements to be able to obtain a Key Casino Employee Licence. So you have to go through and complete the work or complete the documentation as required to obtain a licence. From my point of view, I think it is a standard line that is in pretty much everyone's
15 Licence, without that, you weren't able to hold the role.

MS CAHILL: Did you understand that you were required to conduct yourself at all times in your role as general manager of the cage operations with complete honesty and integrity?

20 MR BROWN: Yes.

MS CAHILL: And according to law?

25 MR BROWN: Yes.

MS CAHILL: And did you also understand that you were not to tolerate any risk of dishonest, or unlawful conduct by others related to or affecting the cage operations?

30 MR BROWN: I believe the staff were responsible for performing their function and I was to oversee and make sure that they were performing the function, yes.

MS CAHILL: What about third parties, such as patrons and others?

35 MR BROWN: Sorry, can you repeat what the question is with regards to third parties?

MS CAHILL: Did you understand that you were not to tolerate any risk of dishonest or unlawful conduct by others, whether Crown employees or third parties related to
40 or affecting the cage operations?

MR BROWN: The cage were allowed to deal with third parties. The cage were allowed to --- there was no rule to stop us from sending funds to a third party or receiving funds from a third party.

45 MS CAHILL: Just come back ---

COMMISSIONER OWEN: Just finish your answer, Mr Brown.

MR BROWN: We were permitted to deal with third parties and the staff were checking to make sure or they were trying to meet their requirements in regards to what they were required to do from a third party transaction perspective so

5

MS CAHILL: Are you finished?

MR BROWN: Yes.

10 MS CAHILL: Right. Let me ask you the question again. Did you understand that, in your role as general manager of the cage operations, you were not to tolerate any risk of dishonest or unlawful conduct by third parties that was related to or affecting the cage operations?

15 MR BROWN: I think our obligation, as I said, it is very hard to say that we could oversee every transaction from a third party perspective and expect to know the complete legal background of every transaction that happens from a third party perspective. Therefore, we were overseeing what we could. Could we oversee everything from a third party perspective, I think with the information we had, we
20 did the best we could.

MS CAHILL: Mr Brown, here I'm asking you about your role and your responsibilities. Did you understand that you were not to tolerate any risk of which you were aware of dishonest or unlawful conduct by third parties that was related to
25 or affecting the cage operations?

MR BROWN: As I said, I think the obligation is to report and do something if we think the third party transaction was wrong, or the third party was performing anything that we believed suspicious and we should be reporting that.
30

MS CAHILL: So report, but not prevent?

MR BROWN: Well, it was very hard on our rules if we were to prevent a transaction completely that had already happened. We could reject payments and we
35 did do this, but again I wasn't checking every transaction in the cage. So I can't be responsible for every transaction that occurs within the cage. I haven't checked everything.

MS CAHILL: So transactions that came to your attention, was your responsibility
40 just to report or where you could also prevent?

MR BROWN: Where I could, also prevent.

MS CAHILL: Thank you. And did you consider it your responsibility to also instill
45 that approach into the cage staff who reported to you?

MR BROWN: Yes, I believe so, yes.

MS CAHILL: And do you say you did that?

5 MR BROWN: Yes. My staff were aware of the need to report on things and report on anything that they perceived to be not within the policy. If it wasn't within the policy, they weren't to perform the role or the function. And if they thought that there was anything outside that was within the policy that they thought was suspicious, then they should be reporting that.

10 MS CAHILL: And what about the prevention of dishonest or unlawful conduct? Did you ---

MR BROWN: Well, if they believed it was dishonest, sorry to interrupt there, if they believed it was dishonest or wrong, then they should have prevented it, yes.

15 MS CAHILL: Finally, with respect to this document, at 0363 at the bottom, there is a box that talks about "Decision-Making and Advice". And in the row "Decisions this role makes alone", the first bullet point, did you understand that all cage operational decisions were within your sole authority unless the issue involved high profile patrons or approval of credit lines?

20 MR BROWN: Yes, I mean, in reading that, I think it is probably badly worded. I mean, again, it talks about decisions the makes the role --- "All Cage Operational decisions" --- I don't know if I make all cage operational decisions and all count operational decisions because, you know, a decision to, for example, issue a cheque to a patron is made by the staff involved in the transaction. So it is probably not fair to say that, again, I'm not there 24/7. I'm not the sole person operating so I have an overview of decisions made in regards to changes or policies and things like that. Was I the sole person making decisions on all cage operations and all count operations? I don't think that was something I was performing, no.

MS CAHILL: If we look at the bottom row "Decisions this role escalates", it says "issue resolution involving high profile patrons". What did you understand that to mean?

35 MR BROWN: That would be dealing with our VIP patrons and if there was an issue dealing with them, I would escalate it to who I needed to escalate it to, if there was a concern.

40 MS CAHILL: How was it determined whether a patron was "high profile" or "VIP"?

MR BROWN: I don't think there was any standard. VIP was a general term used within the Casino for --- anyone who played in our international room was considered, I think, to be a VIP. From a high profile, I don't think there was a standard. You became a high profile person when you reached a certain level. I never saw a level. It was a general term for people used in our VIP gaming area.

MS CAHILL: And where did decisions get escalated to? It would be ---

(overspeaking) ---

5 MR BROWN: It would depend on the decision. It might be through to our finance team, it might be through to depending on who I reported to, some might have been through to Mr McGregor when I reported to him, or Mr Preston. If it was a legal matter, it would have been Mr Felstead. It could have been to --- if it was an international patron and it was a Melbourne-based decision, it might have been someone in Melbourne.

10 MS CAHILL: So can I just take you now back to your witness statement at --- starting at page 0009. Between paragraph 71 and 88, you outline the nature of the training cage staff receive.

15 MR BROWN: Yes.

MS CAHILL: Does that evidence accurately outline the nature of training received for cage staff at Perth Casino between 2013 and 2015?

20 MR BROWN: I believe that the training didn't really change throughout the time I was there. The training is given to the cashiers when they start and escalated up as they move up through the ranks. So I think it is a consistent approach, 2013 --- a singular period, I'm not sure, but it was a consistent approach.

25 MS CAHILL: Is that the training program that you established, was it?

MR BROWN: I was involved in. Yes, it was something that I was aware of and overseeing, yes.

30 MS CAHILL: And as General Manager, Cage and Count, you had the overall responsibility for the implementation of that training program; is that right?

35 MR BROWN: Generally, we set it up. I had probably the overall. We worked in teams within the cage. So each of the shift managers would be allocated staff that they would work with, that they would train up and then they would sign off on their training to say it had been completed. So it was probably more, again, the operational staff that were signing off and completing and making sure the training was done for the staff and the staff were performing their roles at the required level because they work in teams and they would be in a better position to know if the staff were trained and trained efficiently or not.

40 MS CAHILL: But you accept that you had the overall responsibility for training of the cage staff?

45 MR BROWN: I would say that, yes.

MS CAHILL: You refer from paragraph 82 onwards to the particular training that cage staff received in respect of anti-money laundering or AML.

Before we get there, can I ask you this: between 2013 and 2015, you had a general understanding, didn't you, that casino operations were vulnerable to the risk of being used to facilitate money laundering?

5

MR BROWN: We had AML training, so the AML training pointed out that there were, you know, casinos could be used for money laundering and that's why we would have our AML training and we had an AML team and an AML program. So, yes.

10

MS CAHILL: Did you have a general understanding, at the time, that casino operations were vulnerable to the risk of being infiltrated by criminals and organised crime syndicates?

15

MR BROWN: Probably wasn't something I was thinking about, about criminals and organised crime syndicates, no. Generally, it was watching out and trying to watch out for each transaction and working out whether things were suspicious. I probably wasn't sitting there thinking about "is that organised crime" or "is organised crime trying to infiltrate the casino", no.

20

MS CAHILL: You had a general understanding, didn't you, between 2013 and 2015 that junket tours posed particular risks to casino operations in terms of being used to facilitate money laundering?

25

MR BROWN: No, I don't think that I had a general understanding of that at all. We were dealing with junkets that we believed were --- that we wanted to deal with and we were being asked to deal with. We were documenting what we needed to do. Was I aware that they were being used by organised crime, no, I wouldn't think that is the case, no.

30

MS CAHILL: Just to be clear, between 2013 and 2015, you didn't have an appreciation that, generally, junkets posed risks to casino operations as a means to facilitate money laundering?

35

MR BROWN: No, I don't think I did, no.

MS CAHILL: You understood in general terms though, didn't you, how money laundering could be facilitated through a casino's operations?

40

MR BROWN: I had a general understanding of how money laundering could be used through a casino, yes.

MS CAHILL: And you understood in the context of money laundering, the concept of structuring?

45

MR BROWN: I understand structuring as it is. I understand that it occurs but, yeah, it wasn't heavily on our radar from a training perspective. We talked more about

identifying suspicious matters rather than sitting down and going through structuring, yes.

5 MS CAHILL: Well, it was identified heavily, wasn't it, back in 2013 to 2015?

MR BROWN: Looking back on documents I've seen now, it was there. Was it something that we sat down and went through? We discussed generally, but we probably discussed more as an operational front window process, yes.

10

MS CAHILL: If you look at the Casino Manual, the 2014 version, CRW.709.152.8086 and we go to page 8092. This is section 3A of the Casino Manual concerning the main bank. You would have been very familiar with this at the time, of course?

15

MR BROWN: Yes.

MS CAHILL: And if we go down to section 2.1, which discusses "Suspicious Matter Reports".

20

MR BROWN: Yes. The structuring of cash transactions, being a cash transaction from window to avoid the requirement to prepare a threshold transaction, yes.

25

MS CAHILL: So it is the first bullet point in relation to what a suspicious matter may relate to.

MR BROWN: Of cash transactions, yes.

30

MS CAHILL: One of the primary means of money laundering and suspicious transactions was structuring to avoid the preparation of a threshold transaction report.

MR BROWN: Correct.

35

MS CAHILL: And you had input into this part of the Casino Manual, hadn't you?

MR BROWN: Yes.

40

MS CAHILL: And if we go to one of the SOPs for the main cage that was operative at the time, CRW.708.019 ---

COMMISSIONER JENKINS: Mr Dharmananda is on his feet.

45

MR DHARMANANDA: Commissioner, I understand that this document has matters which are the nature that ought not be on public screens because they reveal systems and processes that could be used by others in a way that would facilitate the very thing that it is designed to inhibit.

COMMISSIONER OWEN: All right. It should be limited to the screens of counsel

11:00AM

and the Commissioners.

MS CAHILL: Thank you, Commissioner.

5

If we go to CRW.708.019.2771, I will ask that not to be put on the public screen, thank you, as a precaution.

10 This is the 2011 AUSTRAC Reporting SOP. You prepared or approved the contents of this SOP, didn't you?

MR BROWN: As the overseer, yes, I approved it. I don't know if I prepared it.

MS CAHILL: I beg your pardon?

15

MR BROWN: I'm not sure if I prepared it, but I'm aware of the contents of it.

MS CAHILL: My question is whether you prepared or approved the contents?

20 MR BROWN: Well, the SOPs are not something that is signed off and approved. They are a document that we work with. But did I prepare it? I'm not sure if I did but I'm certainly aware of the contents of it ---

MS CAHILL: Did you object to it?

25

MR BROWN: No, I didn't object to it.

MS CAHILL: At the bottom of page 2772, with reference to "Suspicious Matter Reporting". You see that there?

30

MR BROWN: Yes.

35 MS CAHILL: It mentions that "a suspicious matter does not have to exceed the \$10,000 threshold", and then examples are given in the last dot point on the page of the structuring of cash outs.

MR BROWN: Yes.

40 MS CAHILL: And you will see over the page at 2773, first sub-dot point, "breaking up of transactions to amounts below the \$10,000" reporting requirement.

MR BROWN: --- (overspeaking) ---

45 MS CAHILL: And although this is expressed here as structuring in terms of cash-outs, you will appreciate, didn't you, that similar types of structuring could occur in respect of payments into the casino for gaming purposes?

MR BROWN: I think, you know, this talks specifically in SOPs about the

structuring of cash outs, yes, you are right. But if you are looking at transactions just below \$10,000 or ways to avoid some sort of reporting, yes, it would report to funds coming in or out, yes.

5

MS CAHILL: And did you appreciate that that might have a particular relevance to possible structuring in respect of junket buy-ins?

10 MR BROWN: Junket buy-ins being "junket buy-ins at the cage"? Or "junket buy-ins from a funds sent" ---

MS CAHILL: TT.

15 MR BROWN: --- for a TT. I'm not sure if it was only junket buy-ins. Certainly, it would relate to every transaction in and out for the casino, yes.

MS CAHILL: Coming back to the AML training for the cage staff that you refer to at paragraph 82 of your witness statement, you had input into specifically the AML training that was formulated for cage staff, didn't you?

20

MR BROWN: The training for the cage staff was done by a supervisor. So the cage cashiers when they first started, received training from our AML officer or a cage supervisor. It started as the AML officer and it was a training document created by the AML officer who used to come and do the training of the cage staff on a regular basis. But as they got busier and their role became more involved, they handed it over to the cage supervisors to complete. Was I involved in that? I saw the document and know the document, but it was a document that was created by the AML team.

30 MS CAHILL: You had involvement in terms of contribution to the content of the AML training program?

35 MR BROWN: Yes, but it was run by our AML team to make sure that the staff were being trained to the standard that they wanted them to be trained to. So it was an AML team-created document, yes.

MS CAHILL: In the second sentence you say, in respect of the training of cage staff, that it goes through expectations in respect of two things, "expectations in respect of their role and AUSTRAC reporting".

40

MR BROWN: Yes.

MS CAHILL: Obviously they were expected to comply with all of the legal requirements for AUSTRAC reporting?

45

MR BROWN: Around threshold transaction reporting, and incident reporting, yes.

MS CAHILL: And SMR reporting?

MR BROWN: SMR --- SMR though is an obligation, if somebody perceives something to be suspicious.

5 MS CAHILL: Yes.

MR BROWN: So, as a threshold report is an obligation regardless of whether they think it is suspicious or not because it is an amount of cash above \$10,000 and if reporting is required for overseas, but suspect matter reporting is what a reasonable
10 person considers to be suspicious.

MS CAHILL: Yes.

MR BROWN: Therefore, is it an obligation to complete a suspect, it depends on
15 whether that person reasonably considers it to be suspicious.

MS CAHILL: That was something that cage staff were trained about, that if they formed a view about a suspicious matter they had to instigate the raising of an SMR.

20 MR BROWN: Yes, absolutely.

MS CAHILL: Were they further trained, coming back to this point that I asked you about in relation to your own role a little while ago, that their AML responsibilities were not just to comply with reporting obligations, but also to prevent transactions
25 that --- where they could, that were indicative of money laundering.

MR BROWN: Yes, they were trained and trained with the cage and the AML team to look at those things, yes.

30 MS CAHILL: Coming back to the suspicious matters, if we look at paragraph 83 of your witness statement, just to confirm what you are saying here:

Cashiers are instructed to be vigilant in respect of AML and to escalate to
35 *management anything suspicious.*

So you expected cashiers to form a view about the transactions that were in front of them that they were processing as to whether or not they were suspicious?

40 MR BROWN: Yes.

MS CAHILL: And that was the position between 2013 and 2015.

MR BROWN: Yes. That comment there they talk about, management would then complete an unusual activity report, which is a more recent process. So back in those
45 days, cashiers were not the ones who would complete any suspicious matter. So they would raise it with the management, the management would then, in those days, raise a Suspicious Matter Report which would be sent directly to AML, or it might be

referred by surveillance if they needed to get a copy of the patron or a photo of the patron.

5 MS CAHILL: You gave evidence before the Bergin Inquiry that cage staff were made aware, through the online training they were given, of the concept of structuring payments for the purposes of identifying suspicious matters. You recall that?

10 MR BROWN: Yes.

MS CAHILL: And that was with respect to both the structuring of deposits and cash outs?

15 MR BROWN: I don't think the AML online training, and I might be wrong, I don't think it covers off structuring through bank accounts.

MS CAHILL: Sorry?

20 MR BROWN: I haven't --- I think it's because it is a general AML training that all staff complete. If I remember correctly, it only covers off structuring of payments more at the front window than it does of funds through the bank account. I have to check back on that one, I'm not sure. I think it's through the front window.

25 MS CAHILL: So do I understand that, what you are saying is that, the AML online training focused on cash transactions at the main cage rather than electronic transactions whether they were out or into the bank account?

30 MR BROWN: I believe so, because it was a general training, and it was performed -- every member of Crown staff do the AML training as far as I know. So it was aimed at all levels. It talked more about physical transactions within the casino complex rather than specific --- there is no specific cage-related AML online training.

35 MS CAHILL: If we go to paragraph 86, please. You say that:

The AML Team work closely with all Cage Management to ensure they have *sufficient understanding of the AML practices.*

40 You mean there the supervisors, the shift managers, and you?

45 MR BROWN: Yes, there was an open understanding. So the cage management team would be required to check the next day any transactions were entered, and they would liaise directly with the AML team to ensure that they were there and if there was any concerns, the AML team would reach out generally to the shift manager and speak to them about the concerns and may speak directly to the supervisor involved to discuss what had happened if there was an incident. Yes, I believe they worked quite closely together to oversee the operations, yes.

MS CAHILL: Did the supervisors and shift managers receive the same AML training as the cashiers?

5 MR BROWN: Well, they receive it when they obviously start as a cashier and then they do the online training. Do they receive more training? Well, they receive training in what they then need to check. They receive further training when they become a supervisor in regards to checking of the reports associated with AML and
10 into the shift manager role, then they understand the bank accounts and receive more instructions there, but the training doesn't change that much. It's more about how they report things and what they do. They already know how to report suspects.

MS CAHILL: Go to page 0018 of your statement. I want to ask you about
15 paragraphs 178 to 180.

At paragraph 179, you say in relation to the allegation of Crown Perth's bank accounts being used for money laundering:

20 *I am aware this has been raised in the Bergin Inquiry around 'cuckoo smurfing' through the Riverbank account ".*

And then at 180:

25 *Cage staff were aware of the need to report matters that they perceived were suspicious or not right. I believe they did so when dealing with each transaction. However, the staff were not reviewing activity on the account in a broader sense to see whether structuring or smurfing was taking place.*

30 What do you mean by that last sentence?

MR BROWN: We never talked specifically about just looking for certain aspects whether it be cuckoo smurfing or structuring or smurfing or whatever it might be. They were told that if they saw something that they believed to be suspicious, then
35 they needed to report it. They all understood and understand their obligation to report something that they reasonably see to be suspicious was what I was aiming at there, or speaking of there.

MS CAHILL: But they were certainly instructed, weren't they, to detect and raise or
40 report as a suspicious matter evidence of structuring of a transaction through a casino bank account to avoid the \$10,000 mandatory reporting threshold?

MR BROWN: They were instructed as part of their training to be on the look out for structuring but, as we said in the past, most of their training was in regards to cash
45 outs and front window transactions. They were aware of the need to ensure that they were reporting something that they believed to be suspicious, and whether that was at the front window or through the bank accounts, yes.

11:13AM

MS CAHILL: So were they trained to detect as suspicious structuring into a casino bank account?

5 MR BROWN: Was there specific training on it? I would have to say there is probably nothing documented on that, no.

MS CAHILL: Why wasn't there specific training on it?

10 MR BROWN: Because I think they were aware of the need to report things if they felt they were suspicious.

MS CAHILL: But there was specific training on the structuring of cash outs, yes?

15 MR BROWN: Yes.

MS CAHILL: There was specific training on structuring, either by way of payments in or payments out, at the front window?

20 MR BROWN: Yes.

MS CAHILL: But there was no training on structuring of payments into a casino bank account?

25 MR BROWN: Not from me. Whether it was from the AML team, but certainly again, they were aware of the need that if they saw something to be suspicious that they should report it. So whether that was through the bank account or over the front window, if they thought something was suspicious, their obligation was to report it.

30 MS CAHILL: Are you saying they were trained or were not trained in relation to identifying structuring as suspicious when it was a payment or payments into a casino bank account?

35 MR BROWN: I don't think they were specifically trained just for the bank accounts. They were trained to be on the look out if a transaction was considered to be suspicious, they should be on the look out for that.

MS CAHILL: Well, there was specific training for cash outs.

40 MR BROWN: Correct.

MS CAHILL: There was specific training at the front window?

MR BROWN: Yes.

45 MS CAHILL: Why not specific training for payments into the bank account?

11:15AM

MR BROWN: I can't answer that, I'm sorry.

MS CAHILL: That's a convenient moment.

5

COMMISSIONER OWEN: Mr Brown, we will take a break now for 15 minutes, so we'll come back at 11.30 our time. That would be 1.30 your time.

MR BROWN: No worries. Thank you.

10

ADJOURNED

[11.15 AM]

15

RESUMED

[11.33 AM]

COMMISSIONER OWEN: Thank you, Mr Brown.

20

MS CAHILL: Thank you, Commissioner.

Mr Brown, before the morning break, you gave some evidence to the effect that the cage cashiers, although they might identify a matter that was suspicious, they themselves didn't complete an SMR, that was for somebody higher up to do? Is that right?

25

MR BROWN: The shift managers would complete in conjunction with the cashier. They would have access to the SMR form that we were using at the time so they are able to complete the information in conjunction with the cashier. So they would do it, working with the cashier to enter the details, and make sure the information had all been completed.

30

MS CAHILL: When in fact, it was anybody higher than a cashier, so it could be a supervisor, shift manager, or it could be you ---

35

MR BROWN: Yes.

MS CAHILL: --- who, with the cashier, develop and complete the SMR?

40

MR BROWN: Yes, it could be anyone in cage management, yes.

MS CAHILL: And who was it that made the final decision about whether or not a matter was suspicious and therefore, an SMR should be completed?

45

MR BROWN: The person who had the grounds for suspicion.

MS CAHILL: So the cashier ---

MR BROWN: If a cashier came to a supervisor and said they thought something was suspicious, then my understanding would be that a Suspicious Matter Report was raised and submitted to the AML team. So, yes.

5

MS CAHILL: So if the manager, whether it is a supervisor, shift manager or you, took a different view and didn't think it was suspicious, an SMR would nevertheless be raised?

10 MR BROWN: It would depend on if --- I suppose there might be a time when they say "no, we've seen this patron, we know who they are, and we have all their details", and in our mind, that's the way they gamble. So it may not be raised, but I would have thought in the majority of cases, if somebody believes that a transaction is suspicious, then an SMR would have been raised and submitted through to the AML
15 team, yes.

MS CAHILL: So on those less common occasions where the matter is taken to the manager above the cashier, and the cashier --- sorry, the manager forms a different view, who has the final decision about whether or not an SMR is raised?

20

MR BROWN: It would be a consultation. I would have thought that if a cashier was adamant that it was a suspect matter, then it should be raised. If the supervisor then, they would --- through an explanation to the cashier explained to them that they didn't think it was, then maybe it would not be raised. But I would have thought in
25 nearly all cases it would be raised, unless there was sufficient grounds to suggest there is no reason to raise it.

MS CAHILL: And that was the position that pertained between 2013 and 2015?

30 MR BROWN: I would have thought so. I think that's the position that's been in play the whole time, yes.

MS CAHILL: And the SMR was a paper form that was completed in the first instance, wasn't it?

35

MR BROWN: Yes, it was a form that was created. So it wasn't the standard AML form for an SMR. It was a form that had all the information that was required by the AML team to complete the SMR documentation that was required. And so, therefore, it was a form that was available on each of the drives in the cage for the
40 staff to be able to upload the information, but it was a manual form, yes.

MS CAHILL: And it was then subsequently entered into SYCO, was it?

45 MR BROWN: No, SMRs are not entered into SYCO, no.

MS CAHILL: Can I then just ask you about some evidence that you gave to the Bergin Inquiry, BGN.0002.0001.2072 at page 2136.

Then if we look at line 9, you were being asked about some obligations, and you say that:

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

10 MR BROWN: Just reading it.

MS CAHILL: And then you go on to say, at line 15:

15 *They report it through to our AML team at Crown Perth.*

MR BROWN: Yes.

MS CAHILL: If we drop down to line 17, you are asked how that would have been done in the period 2013 to 2016. And you mention that it is "an internal AML report". And "was that a hard copy document or was it part of the SYCO system?", and you say that it was just a hard copy document that is forwarded on. At line 25, do you see that?

MR BROWN: Yes.

MS CAHILL: If we go back to your witness statement at paragraph 84, in relation to SMR forms:

30 *They are trained in acceptable ID and completing entering the details into SYCO from which AML reporting is completed.*

Does that anything to do with --- sorry, is that consistent with your evidence in Bergin?

MR BROWN: No. SMRs are not entered into SYCO. So an SMR is not entered into SYCO. Everything else there --- it's a hard copy form that is forwarded on to the AML team. They are trained in all aspects of how to complete an SMR, or now, a UAR form but they are not entered into the SYCO system.

MS CAHILL: So should we read the second sentence in 84 as talking only about ---

MR BROWN: The ID.

MS CAHILL: The acceptable ID?

MR BROWN: Yes.

MS CAHILL: Thank you.

MR BROWN: Sorry about that. Yes, it is to do with --- the ID is in SYCO and now into LUI, but they need to ensure that the ID details are in the system for completing their reports, yes.

5

MS CAHILL: Were cage staff required to notify you before an SMR was provided to the AML team?

10 MR BROWN: No. No, there is no obligation. An SMR, again, we know SMRs are difficult. It shouldn't be any tipping off or advising, so therefore, it wasn't something that we send copies to everybody to say we've done an SMR. An SMR was done, it was done by the staff member who completed the SMR, and they forwarded it on to the AML team.

15 MS CAHILL: But you were the general manager of the cage. Surely it was important for you to know if there was a suspicious matter occurring in relation to cage transactions or cage operations?

20 MR BROWN: It wasn't part of our agreed process. The SMR would be done and sent straight to the AML team.

MS CAHILL: In respect ---

25 MR BROWN: If the AML team then had a concern with it, they would probably come back to me if there was a concern.

MS CAHILL: So, irrespective of the process, in fact were you told by cage staff when an SMR was sent to AML?

30 MR BROWN: No. Not --- there might be the odd time if I was copied in, but in general, I wouldn't know how many SMRs were being completed and how many were being done on a daily basis. That would be the AML team to look at that and review that.

35 MS CAHILL: So the SMRs were sent to the AML team and who made the final decision about whether or not an SMR was sent to AUSTRAC?

MR BROWN: The AML team.

40 MS CAHILL: And did they do that in consultation with the cage staff?

45 MR BROWN: Not that I'm aware of, no. Once it was submitted, then my expectation would have been that, you know, if the cage staff had raised a suspicion, then based on the way the SMRs were reported, the AML team would then report the SMR through to AUSTRAC.

MS CAHILL: Were you consulted before the AML team reported to AUSTRAC?

MR BROWN: No.

5 MS CAHILL: If we come back to the SOP, CRW.708.019.2771 for AUSTRAC Reporting. Not on the public screen, thank you at page 2773. If you remember --- actually, if we can put 2772 and 2773 together on the screen, thank you, rather than 2774. So you see at the bottom of 2772, that's where it starts talking about Suspicious Matter Reporting.

10 MR BROWN: Yes.

MS CAHILL: And over at 2773, do you see halfway down at the popped out part of the text, it says:

15 *When faced with a suspicious matter the cashier must alert a member of cage management*

MR BROWN: Yes.

20 MS CAHILL: And then we drop down to --- if you miss out the next bullet point, and then the one after that:

After the transaction the person who has determined the matter to be suspicious will complete a 'Suspicious Matter Report'.

25 It is not clear precisely who that person is supposed to be, who is determining the matter to be suspicious. You would agree?

30 MR BROWN: I would have thought that it is the supervisor or the cage management member, sorry, for want of a better term, who is being informed of the suspicion by the cashier of what they've raised. So is it clear, it says "after the transaction the person who has determined the matter to be suspicious will complete", but it is completed in consultation with the cashier.

35 MS CAHILL: Yes, but that process that you described to me before where the cashier takes it to management and they consult, and then if there is a difference of view, then typically the cashier's view about whether or not it is suspicious holds ---

MR BROWN: Yes.

40 MS CAHILL: How do cashiers know that that was the position and that was the procedure?

45 MR BROWN: I'm not sure if they do. But they would be consulting with the management. I don't know if the management then --- it would depend on the discussion at the time, but, as I said, it would be a very rare occasion that a suspect matter wouldn't be created or a report wouldn't be created if a cage cashier or any

employee said that they believed something to be suspicious, then they would complete the report. So, you know, do the cashiers know it has been completed? They would be there at the time because it would be done at the time. It wouldn't be something you would take notes on and do later because the process was quite simple and it was on every PC and available on every PC. I would think that it would have been done at the time and the staff member would be aware that it was done and submitted. They may not get a copy of the email to the AML team, but they would see that it was being done and satisfied that it was done.

10 MS CAHILL: That second highlighted bullet point commencing with the words "after the transaction", was the procedure of the cage to always process suspicious transactions and raise a report subsequent to processing?

15 MR BROWN: You really can't submit a suspect matter report in front of a patron, because you would be tipping him off that you were doing it. So you are not going to do it at the time that the patron is standing in front of you, otherwise you --- you're subject to the tipping-off process. So you need to wait until you have completed your suspicion, determine what it is and then you would complete a report once you had all the facts. That's not, I don't think, saying that you will necessarily go ahead with the transaction, but you are not going to do it while the patron is standing in front of you because it would get into other sides of aspects with regards to tipping off.

25 MS CAHILL: How would a cashier reading this procedure understand that there might be, if you will, an intermediate point between ostensibly accepting the transaction in front of the patron but not processing it after the patron had left?

MR BROWN: The cage supervisor would be involved. If they came and alerted the supervisor, if they thought something was suspicious, they would alert a supervisor to the transaction. So the transaction would be involved --- would generally involve a cage supervisor, cage management member and the cashier. They would then determine what the transaction was, whether the transaction went ahead and whether it was suspicious or not. But they would wait until they had completed that to make sure they had all the information before they completed their suspect matter report.

30 MS CAHILL: I want to ask you about the process involving the release of funds received by Perth Casino by way of telegraphic transfer. Again, with respect to the period 2013 to 2015. Telegraphic transfers were a service provided to gaming patrons, weren't they, relevantly to deposit front money ahead of a visit to the casino?

MR BROWN: Or redeem an outstanding line once they finished their gaming activity, yes.

45 MS CAHILL: You understood, between 2013 and 2015, that telegraphic transfers were primarily overseas transfers received into Crown Perth's bank account?

MR BROWN: I don't have the records of the number of transactions completed. There were also local patrons who were transferring money, but I would say it would

probably be more international but I don't have the figures in front of me, I'm sorry.

5 MS CAHILL: And those international transactions were, either as part of a junket or an individual high roller, depositing monies into Perth Casino's bank accounts?

MR BROWN: Yes.

10 MS CAHILL: And if we look at this SOP --- and not on the public screen, thank you --- CRW.529.001.9093. This is the SOP for telegraphic transfers as at December 2013. And you obviously had input into this SOP, didn't you?

MR BROWN: Yes.

15 MS CAHILL: And were responsible for maintaining it?

MR BROWN: I was responsible. It's a cage document. So it was me being the head of the cage. I would say, yes, I would responsible for maintaining it.

20 MS CAHILL: I want to ask you first of all about the processing of cleared funds. I'm not going to ask you about every single step of the process as it is set out in the SOP, but just certain parts of it. So if we go to page 9095. In the bottom quarter of the page, you see "Inward Telegraphic Transfers" under the heading of "Operating Procedures". What we see there are steps to be taken by a cashier; is that right?

25 MR BROWN: I don't see where it says "cashiers". The cashiers weren't involved in the telegraphic transfer process.

MS CAHILL: I beg your pardon?

30 MR BROWN: The cashiers weren't involved in the telegraphic transfer process.

MS CAHILL: I see, so it was ---

35 MR BROWN: Sorry. So if it was a cashier in the Pearl Room, they may be involved in signing off the documentation or processing the final transaction to the account once it had been completed, but in all cases of a telegraphic transfer, it required at least one member of cage management.

40 MS CAHILL: So that is supervisor or up?

MR BROWN: Yes.

45 MS CAHILL: And so these steps are to be understood as being carried out by a supervisor or higher?

MR BROWN: Yes, I would read it that way, yes.

11:51AM

MS CAHILL: The first step is --- they go on to the bank's website where the casino holds its bank account and they check daily for any new deposits; is that right?

5 MR BROWN: Yes.

MS CAHILL: And then they check the deposited details to see if they can identify the depositor?

10 MR BROWN: Yes.

MS CAHILL: And then if we go over to 9096, second bullet point:

The TT [or telegraphic transfer] is then issued.

15

MR BROWN: Yes.

MS CAHILL: And in the second half of the page, the process for issuing the TT is set out. So the first bullet point refers to the completion of a requisition form.

20

MR BROWN: Yes.

MS CAHILL: Was that typically done, in 2013 to 2015, by a supervisor or a manager?

25

MR BROWN: I believe it would have been done by a manager in that time.

MS CAHILL: Can I just ask you about these particular forms and the roles of the people completing them. This document is not to be put on the public screen.

30

CRW.707.031.1146. We look at the top. There is a name there ---

MR BROWN: Yes.

MS CAHILL: --- as to who has prepared it. Can you tell me who that person was?

35

MR BROWN: That person is Maxine Kerimofski who, I believe, was at that time a cage shift manager.

MS CAHILL: Then if we look at this document, not on the public screen,

40

CRW.707.031.5080. Ms Fay Chantanon. What was her position at the time?

MR BROWN: She was a cage administrator.

MS CAHILL: Not a manager?

45

MR BROWN: She held a key licence. So she was part of the management team. She held a key licence and, from time to time, performed in the role of cage supervisor but she --- her official title was cage administrator. But, I think, with any

of the transactions that she completed at the time, they were signed off by a member of cage management, so she was facilitating the documentation.

5 MS CAHILL: If we just stay with this document as an example. This was the form that was filled out. In fact, this looks like an early release one. I will give you one for cleared funds so we can see exactly how it worked. CRW.707.031.0389, not on the public screen, please. So this is a typical example of a TT processed for cleared funds; is that right?

10 MR BROWN: It's not telling me that it's not cleared funds, but with what I am seeing there, I couldn't tell you if it was for cleared funds or not, because there is not enough information for me to make that determination based on just looking at that front page.

15 MS CAHILL: All right. So you would have to look at the pages behind to see the material that was provided with it?

MR BROWN: Yes. That doesn't give me that.

20 MS CAHILL: All right. We'll come to that in a moment, but it was the case, wasn't it, that this form was prepared in multiple copies, five copies, in fact?

MR BROWN: Four or five, yes, I think --- it could be five but it is at least four, yes.

25 MS CAHILL: There was a white, a yellow, a green, a blue and a pink form.

MR BROWN: Okay, there's five.

30 MS CAHILL: Is that right?

MR BROWN: I believe so. I can't quite read the bottom of the document and what it says.

35 MS CAHILL: And the person preparing the form was required to attach documentation to the form, weren't they ---

MR BROWN: Yes.

40 MS CAHILL: --- that clearly showed the deposit for the cleared funds?

MR BROWN: Yes.

MS CAHILL: Into the casino's bank account?

45 MR BROWN: Yes.

MS CAHILL: And that, of course, was vital in order that the cage could release the

funds to know that the monies were actually cleared and sitting in the casino's bank account?

5 MR BROWN: If they haven't been early released, yes.

MS CAHILL: And if we go to page 0390, that's what we have got here, isn't it, evidence of the transaction ---

10 MR BROWN: Transactions into the Riverbank bank account, yes.

MS CAHILL: And then at 0391. We have got some information from Crown Melbourne about the identity of the depositor?

15 MR BROWN: Yes.

MS CAHILL: And at 0392 and following ---

MR BROWN: Copies of the individual transactions, yes.

20

MS CAHILL: And that is fairly typical as to how these paper forms for a telegraphic transfer were prepared; is that right?

25 MR BROWN: The request was that for every transfer that was prepared, it required supporting documentation showing where the money had come into the bank account and any additional supporting documentation that was available to support the transaction, yes.

30 MS CAHILL: If we go back to the SOP, not on the public screen, thank you --- CRW.529.001.9093 at page 9101, it tells you, at the top, where each of the coloured copies goes, right?

MR BROWN: Yes.

35 MS CAHILL: Now, once you've got the paperwork, the multiple copies and the supporting documentation, is it at that point that the transaction is entered into SYCO?

40 MR BROWN: Generally, it would be, because it needs to establish a number. So it would be established with a number into SYCO, but not attributed to the patron until the funds were --- the patron was --- the funds were being applied to their account.

45 MS CAHILL: But here, we had that depositor identified so the SYCO transaction could be processed at that point, couldn't it?

MR BROWN: It would be entered as a transaction, but it wouldn't be, in my eyes and my understanding and probably the rest of the cage's understanding, is that it wasn't processed until the patron was actually there, or in the case that it was

redeeming an outstanding line, it would be processed based on the request of the patron to do so. But there are two steps of entering it into SYCO, obtaining the name, number, and then that records it and gives it a number in the system from a reporting perspective, but it is not applied against their account until such time as we are prepared to do so.

MS CAHILL: All right. I'll come back to the SOP as it is on the screen at page 9101, looking at where the coloured copies go. So the white and green copies, so that is the white original and the green copies with all of the original documentation attached to it, goes to the Pearl Room cage. That was at a time when the Pearl Room hosted international patrons.

MR BROWN: Yes, we were hosting international patrons back then, yes.

MS CAHILL: And the idea behind sending these two copies to the Pearl Room cage was so that when the patron presented to basically receive their chips for the deposit, the transaction would be noted on the white and green copies, and the patron would take the green copy, would they?

MR BROWN: I'm not sure the patron got a copy of the document, no. I don't believe they got a copy of any of the documentation. They got a copy of the receipt when the funds were transferred into their SYCO account, but I don't believe they got a copy of any of the TT portion of it.

MS CAHILL: What then happened to the white and green copies after the patron arrived and the transaction was completed?

MR BROWN: I'm not sure about the green copy, my memory doesn't run on what happened to the green copy. The white copy was the document that the patron signed agreeing that the transaction was going to go ahead, and that was then used to deposit the funds into the patron's account, and then that would become supporting documentation for the cage to balance their float, effectively, at the end of the shift.

MS CAHILL: And did that go into a file in the cage?

MR BROWN: No, all supporting --- that would then at the end of the shift when the cashier finished, they would turn that document into our main bank account area to reconcile the daily documentation and complete their reporting for the day, and then it would have been forwarded on with that paperwork to our income control team down in finance.

MS CAHILL: Let's have a look at this SOP. The blue copy, that's the third dot point, goes to income control.

MR BROWN: Yes.

MS CAHILL: So do you say the white copy and the blue copy go to income control?

12:01PM

MR BROWN: Income control, yes.

MS CAHILL: And where is income control housed?

5

MR BROWN: It is part of finance. It sits within the finance team.

MS CAHILL: So that is where the reconciliation happened?

10 MR BROWN: Yes, all paperwork from the cage, on a daily basis, is completed and forwarded to the income control team for their review and for them to ledger and report as required.

15 MS CAHILL: So the yellow copy, which attaches a copy of all the original attachments that are on the white copy, is forwarded to the finance telegraphic transfers office officer?

20 MR BROWN: I don't know if that's an official title but it's what the cage referred to it as. And it was a person within the finance team and whether they were --- I don't think their title would have been finance TT officer, but they would have been a person within the finance team that were responsible for the telegraphic transfer process.

25 MS CAHILL: What do you mean by that, "responsible for the telegraphic transfer process"?

30 MR BROWN: The finance team monitors the bank accounts, the same as we do, but they --- if we were sending a TT to a patron, there was a person in finance generally who was the person responsible for sending the telegraphic transfer to a patron. They would be the person that would receive this copy of the funds coming in as well. What they did with it, I'm not sure, but they certainly received a copy with the attachments to it.

35 MS CAHILL: And then the pink copy at the bottom, is filed in the cage, is it in the cage's TA release file?

MR BROWN: Yes.

40 MS CAHILL: And "TA" stands for, in rough terms, "TTs approved"?

MR BROWN: It's "Transfer Acknowledgement", "TA". Transfer Acknowledgement is funds coming in and a "TR" is a Transfer Request for funds going out.

45 MS CAHILL: Now, the SOP does not provide for any copy of the paperwork to be provided to the AML team. Yet, when we go to paragraph 27 of your witness statement at page 0004, you describe the TT paperwork as being split up and,

amongst other things, being provided to the AML team.

5 MR BROWN: The AML team, and more recently they have received copies, I believe, of all TTs because, after this time, and I'm not sure what was happening in 2013 to 2015, but they had copies of all TTs because they were saved additionally into a shared file that could be viewed by the AML team with all supporting documentation as well.

10 MS CAHILL: Just to be clear, at paragraph 27, you are not suggesting that as at 2013 to 2015, the AML team received any of the TT paperwork?

15 MR BROWN: According to that, no. They wouldn't have potentially received it back in 2013 to 2015.

MS CAHILL: And if we go to page 0014, paragraph 133, last sentence, you are talking about the TT process again. You are not suggesting that between 2013 and 2015, supporting paperwork for TTs was sent to AML team for review?

20 MR BROWN: According to what the documentation suggests, no. But it was available for him to review but it wasn't sent to them, no.

25 MS CAHILL: If we go to paragraph 163 at page 0017 --- if you go to 0017, please. You say:

All transactions were fully documented and passed on to the Finance and AML teams.

30 You are not suggesting there that between 2013 and 2015, the paperwork supporting a TT clearance was provided to the AML team?

MR BROWN: I don't think it was provided, but it was available, yes.

35 MS CAHILL: And coming back to the TT forms and the paperwork that was prepared, the SOP was set up in such a way that you didn't need to be involved at all in the completion of that paperwork; is that right?

40 MR BROWN: That's right. I mean, the paper work could come in at any time of the day or night. So, again, I wasn't there enough time, 24/7 to be doing it. So the responsibility lay with the shift managers at the time or generally the most senior person, or who it was delegated to in the management team to perform that function.

45 MS CAHILL: You, therefore, wouldn't have seen the paperwork for every single TT that was prepared?

MR BROWN: No.

MS CAHILL: But did you make it your business to check some of those transactions

periodically to satisfy yourself that the standard procedures were being followed?

5 MR BROWN: Probably not as a routine checking it, no, because, again, it was split up and sent to so many areas that I felt that if there was an issue with it, it would have been referred to me.

10 MS CAHILL: Well, shouldn't you have just, from time to time, had a look at the paperwork to make sure it was all in order?

MR BROWN: In hindsight, I probably should have, yes.

MS CAHILL: You authorised some TTs yourself, though, didn't you?

15 MR BROWN: I would have thought very few, but I was part of the management team. So if there was a need to, I could have done it, but I wouldn't have thought that I would have done many, no.

20 MS CAHILL: Now, not on the public screen please, CRW.707.031.4047. That is your signature authorising the TT at the bottom?

MR BROWN: Yes.

25 MS CAHILL: And is it the case that when Ms Chantanon, if that's how you say her name, prepared one of these forms you typically authorised it?

30 MR BROWN: I wouldn't say "typically "but if there was no one else around to complete the transaction, then I may have signed off on some, but I wouldn't say typically, no.

MS CAHILL: Can I take you to paragraph 129 of your witness statement at page 0014. You have given evidence of Crown Perth's bank accounts. I just want to understand what you mean by the last sentence.

35 MR BROWN: What I mean there is we were, as it says there, users and viewers of the bank accounts. So if it came to --- we would process the transaction. So we would view the transaction, process it through the SYCO system and make the funds available to the patron. But if the patron was the person wanting to send a telegraphic transfer, we would again facilitate the process. We would forward it to
40 our finance team who had the ability then to actually process the transaction through the account. We weren't operating on the bank account.

45 MS CAHILL: So let me just understand that. You processed all of the paperwork, but it was then finance who actually went into the bank account and released the funds to the patron?

MR BROWN: No, we released it into SYCO to the patron. What I'm saying is, we weren't --- we didn't have ability to process official --- what we were doing was

transferring the funds to the patron into their casino management account to allow them access to gaming. We weren't there transferring funds into --- we didn't have the ability to transact officially on to the bank account, or process transactions through the bank account, or move funds from one account to another, or transfer funds out to a patron.

MS CAHILL: Well, you did, to the extent that you were a signatory on accounts such as Riverbank, didn't you?

MR BROWN: I was a signatory but I didn't process any that I'm aware of. Apart from signing gaming cheques, because we are all signatories for gaming cheques, I don't believe I would have processed any transactions apart from being a signatory on the Riverbank account, yes.

MS CAHILL: Can I ask you some questions about the processing of telegraphic transfers for the early release of funds before they were cleared into the casino's bank account, which I think was described as an early release of funds. Do you know what I'm talking about here?

MR BROWN: Yes.

MS CAHILL: A manager could not normally process such a TT by themselves, could they?

MR BROWN: To do an early release of funds, a manager can process it into the patron's account once they have obtained approval from somebody within the approval matrix.

MS CAHILL: That was the CEO, CFO or COO under the SOP, wasn't it?

MR BROWN: I believe so, yes.

MS CAHILL: So you couldn't provide that authority for the early release?

MR BROWN: No, I had no authority to approve an early release. It had to come from at least, I believe it was as you said there, CFO, CEO or COO. I think for a period of time, Mr Preston could do it in his role as Chief Legal Officer, or whatever his title was at the time. I'm not sure.

MS CAHILL: Can we go back to the SOP, please, not on the public screen, CRW.529.001.9093, page 9102. Here is a checklist that is attached to the SOP.

MR BROWN: Yes.

MS CAHILL: It actually provides for different circumstances in which an early release of funds can be approved by different members of Crown staff; do you see that?

12:14PM

MR BROWN: Yes, I do.

5 MS CAHILL: So a TT from Crown Melbourne could be approved by the cage shift manager on an initial basis, at least, couldn't it?

10 MR BROWN: If it was coming from Crown Melbourne, though, it wasn't really considered an early release because it was coming from Melbourne. So I can't remember back to what was happening back in 2013 with that, but coming from Crown Melbourne, it wasn't considered to be an early release as far as I'm aware.

15 MS CAHILL: Well, under this heading of "Early release Authority", it then talks about a TT sent from an "other Crown Property", which meant that either you, or was it Mr Mitchell, could release the fund?

MR BROWN: Yes.

MS CAHILL: Did that happen?

20 MR BROWN: I'm not sure what an "other Crown Property" would be considered to be at that stage. Obviously, the first reference is to Crown Melbourne. The other Crown property, I'm not quite sure what that is referring to there.

25 MS CAHILL: You see underneath that "TT Sent From External Bank Account", it had approval to release must be sought from you or Mr McGregor as CFO. What happened in practice, as that seems different to the process you just described to me?

30 MR BROWN: I never had approval to do an early release. I'm not sure why that is there. Certainly, I was not in a position to approve an early release and it had to be one of our executive people, which was again, Alan, at the time, CFO, would have been one of those people. But I certainly didn't have any approval authority for early release of funds.

35 MS CAHILL: If we go back to your witness statement at paragraph 24, page 0004, in the second sentence, you say that the:

40 *Early release process is an approved process by the regulator and requires approval from those within the approval matrix, but generally at least one of the Level 1 executive management would be required for such an early release.*

MR BROWN: Yes.

MS CAHILL: What do you mean by "Level 1 executive management" there?

45 MR BROWN: Again, we had different --- in the approval matrix, it listed the different people, so executive management would from time to time change. If they were level 1 executive management, they could approve under the approval matrix,

and that was again, CFO, CEO, COO, and I think Mr Preston in his title, which I think was Executive General Manager legal services, also fell into that area with the ability to sign off as an approver.

5

MS CAHILL: You express that as a general position. Were there exceptions as they were set out in the checklist attached to the SOP, that is ---

10 MR BROWN: There was an approval matrix that would have been attached to the SOP, yes.

MS CAHILL: Well, they ---

15 MR BROWN: Sorry, there may also be, I believe, from time to time, Mr Theiler from Melbourne and Jacinta Maguire were included in that Level 1 executive management who could sign off on an early release.

20 MS CAHILL: But there is that checklist attached to the SOP that identifies exceptions to that general position for Crown Melbourne and other Crown properties where someone else can approve.

MR BROWN: Yes.

25 MS CAHILL: Is that what you are referring to here as the ---

MR BROWN: No, I think as far as I know, operationally, we always obtained from one of the Level 1 executives to early release funds. I don't remember going to anyone but a Level 1 executive to release funds. And even to this day in Perth, I believe that is still the case.

30

MS CAHILL: So when there was an early release of funds, did you typically involve yourself in checking the process for approving that early release and the preparation of the paperwork?

35 MR BROWN: No, because the early release was approved and there would have been a discussion between the person preparing it and the Level 1 executive. There was an option in SYCO then when it was entered as an entry and recorded as an early release of funds, and it was also noted on the documentation that it was an early release of funds.

40

MS CAHILL: When the paperwork was prepared, obviously because it was an early release, you wouldn't have a bank statement showing the deposits into the casino's bank accounts; correct?

45 MR BROWN: In most cases, yes.

MS CAHILL: So what was required to be attached to the paperwork was any information that proved that a deposit had been made but not cleared. Is that right?

12:18PM

MR BROWN: Yes.

5 MS CAHILL: And when the transaction was entered into SYCO, was it required to note that an early release had been authorised?

10 MR BROWN: At some stage and I can't tell you whether it was between 2013 and 2015, SYCO, I believe, was updated with a field in there that asked whether it was an early release, "yes" or "no". But I couldn't tell you when that was done.

MS CAHILL: An important component of the paperwork attached to the paper forms was that email or other written authorisation from the person who was authorised to approve the early release?

15 MR BROWN: Yes, the early release would be done via a phone call because it could occur at any time of the day or night. The transactions occurred at all times. But there would be a follow-up email from the person obtaining the early release to whether it was Mr McGregor, for example, it would be an email to Mr McGregor asking him to confirm his verbal authorisation for the early release of the funds.

20 MS CAHILL: Mr Brown, the SOP provides that the paperwork for an early release is not to be distributed until the funds are cleared in the casino's bank account. When the funds were cleared and the paperwork was distributed, did it attach also evidence of the bank deposits?

25 MR BROWN: It would have attached everything that came in from an early release perspective, yes.

30 MS CAHILL: Can I show you this one on the public screen. Not on the public screen, I meant to say. CRW.707.031.4604. And this is an early release that you signed off on at 4604.

MR BROWN: Yes.

35 MS CAHILL: We go to 4604. Cage staff were notified of the early release and that was a typical requirement, but everyone in the cage had to be notified if funds were released early; is that right?

MR BROWN: Yes.

40 MS CAHILL: So that they weren't paid twice?

MR BROWN: Yes.

45 MS CAHILL: And then at 4607 to 4608, if you could put those side-by-side, please. 4608 is barely legible, but you get the sense of the thing by looking at 4607. 4608 is a bit eligible. But that is the sort of information that would be provided before the

funds were cleared in the casino's account to show that the deposits had actually been made; is that right?

5 MR BROWN: Yes.

MS CAHILL: I think that is the end of that form. We don't see any bank statement showing the cleared funds.

10 MR BROWN: As you will see there, and you will note it talks about a funds collection receipt. A funds collection receipt is coming from City of Dreams. So the funds collection receipt is from City of Dreams, which is a Crown affiliated property at that time, when it was, I think, 2013. They were holding funds on behalf of a patron that were early released at Crown Perth for their gaming activity. Now
15 without seeing more of the transaction, if the patron had a win, that funds may have been handed back to the patron at the end of their gaming rather than the funds being sent to Perth only to be returned back to Macau for facilitation, but I can't see that from the documentation you've shown me there.

20 MS CAHILL: It is your evidence that if the funds were cleared --- ultimately cleared into the casino's account and used for gaming, when the paperwork was distributed, it ought to have attached to it the bank statement from the casino's bank account with the clear deposits shown in it?

25 MR BROWN: If the transaction --- if there was no deposit made, though, it couldn't show a transaction that was made.

MS CAHILL: But if it did, if there was a deposit ---

30 MR BROWN: If there was a deposit, I would expect the deposit paperwork would be shown to it, yes.

MS CAHILL: Thank you. Now if we go back to your witness statement at paragraph 26, page 0004, first sentence. Do I understand from that first sentence, Mr
35 Brown, that even if the funds were cleared in the casino's account at the time that the telegraphic transfer was being processed, it had to be treated in terms of process and form as an early release?

40 MR BROWN: More recently, and I couldn't tell you more recently means and when that started, all TTs that haven't been in the bank account for a period of 24-hours will be treated as an early release.

MS CAHILL: In 2013 to 2015, were transactions that were cleared on the same day that they were paid, treated as an early release within the cage?

45 MR BROWN: I'm not --- I couldn't tell you for sure. I'm not sure, as I said, when it started. I think they may have been, but I'm not sure of that one, I'm sorry.

MS CAHILL: I want to ask you some questions about the Riverbank accounts, Mr Brown. Were you aware at the time in early to mid-2013, that HSBC shut down the Riverbank accounts held with that bank on the basis that it had decided to no longer
5 provide banking services to the gaming sector; is that right?

MR BROWN: My understanding was that HSBC closed all our accounts due to not wanting to deal with the gaming sector, yes.

10 MS CAHILL: And it was then that the Riverbank accounts were moved to ANZ in October 2013?

MR BROWN: I assume so. I think there was --- it was some stage after the HSBC closed or just prior to them closing, accounts were established with ANZ, yes.

15 MS CAHILL: You became a signatory on the ANZ accounts in the name of Riverbank Investments?

MR BROWN: I'm not sure. I'm a --- I was a signatory on the ANZ AUD account.
20 I'm not sure whether I signed any further documentation to further become a signatory on the overseas accounts. I'm not sure about that.

MS CAHILL: On the AUD account, you had the capacity, therefore, to review transactions on the accounts at any time?

25 MR BROWN: Yes.

MS CAHILL: In February 2014, Mike McGreevy, the general manager of security and surveillance, at Crown Perth discussed with you, didn't he, unusual deposits
30 made into the Riverbank accounts?

MR BROWN: I don't remember talking to Mike McGreevy about unusual deposits in the bank accounts, no.

35 MS CAHILL: Not on the public screen, please, CRW.529.001.9157. We go to 9158 because these email chains work backwards, Mr Brown.

MR BROWN: Yes.

40 MS CAHILL: You will see that --- no, if you can pop that back, please. Can you read the two documents side-by-side reasonably easily?

MR BROWN: Yes, that's fine.

45 MS CAHILL: You will see at the very bottom of 9157, the AFP email header?

MR BROWN: Yes.

MS CAHILL: And notification from AFP about a money laundering investigation? The target having "made structured deposits into an ANZ bank account for Riverbank Investments" --- asking some questions.

5

MR BROWN: Yes, I can see that.

MS CAHILL: You will see at 9157, Mr McGreevy then forwards that to Mr Preston?

10

MR BROWN: Yes.

MS CAHILL: And do you see he says:

15

Josh, this arrived today. It relates to the patron [that is nominated there] we discussed last week with Craig Spence and David Brown re the unusual deposits into their (our) account.

So that was something that you were aware of at the time?

20

MR BROWN: According to what is written there, but I don't remember speaking to Mike about a particular incident, no.

MS CAHILL: Was the patron mentioned at 9157 a "high value patron"?

25

MR BROWN: I couldn't tell you off the top of my head and I am not sure what you determine to be a "high value patron".

MS CAHILL: A "high value patron" as is written in your job description?

30

MR BROWN: He was a Malaysian patron and coming in and depositing money in our account. He would have been a VIP into our gaming room, so

MS CAHILL: In any event, you accept, by looking at this email, that at the time, you had raised with you a suspicion of structuring occurring through deposits made to the Riverbank account by this patron.

35

MR BROWN: That is what is stated there, but I don't remember having that discussion with Mr McGreevy at the time, no.

40

MS CAHILL: Do you recall whether you checked at this time to see whether an SMR had been raised with respect to the transaction identified here?

MR BROWN: No, I don't.

45

MS CAHILL: Ms Vanderklau has provided this Royal Commission with a schedule, we'll display it, but not on the screen, Mr Brown, CRL.725.001.0166, which shows at page 0168. You see the middle entry there?

MR BROWN: Yes.

MS CAHILL: "No SMR" for that transaction.

5

MR BROWN: Yes.

MS CAHILL: Can you explain that?

10 MR BROWN: No, I cannot explain that.

MS CAHILL: Do you agree it was a failure on the part of the cage to have not submitted an SMR in relation to that transaction?

15 MR BROWN: Again, if the person doing it perceived it to be suspicious, they should have raised an SMR.

MS CAHILL: Do you accept it was a failure of the cage not to have raised an SMR in respect of this transaction?

20

MR BROWN: In looking at that transaction there and knowing what we know, then I would expect an SMR would have been raised, yes.

25 MS CAHILL: Do you accept that it was a failure on the part of the cage to have not raised an SMR with respect to that transaction?

MR BROWN: It looks like it should have been raised an SMR for that transaction.

30 MS CAHILL: Do you accept that it was a failure on the part of the cage to not raise an SMR in respect of that page?

MR BROWN: I don't know if it is a failure of the cage. It is a failure of the person who performed the transaction who should have completed an SMR if they believed it was suspicious.

35

MS CAHILL: You say at paragraph 66a at page 0008 of your witness statement that you were involved in ongoing monthly compliance meetings, weren't you?

MR BROWN: Yes, I was.

40

MS CAHILL: And you mention at 97, page 0011 that you sat on the Risk & Compliance Committee between 2005 and 2020. That was sometimes called the Legal Compliance Committee; wasn't it?

45 MR BROWN: Yes.

MS CAHILL: Do you recall reporting this transaction as a non-compliance to the

risk or Legal Compliance Committee?

5 MR BROWN: I'm not sure, I don't have a record of whether I reported it or didn't report it.

10 MS CAHILL: Let's go to the minutes of the legal compliance meeting of 21 March 2014 which you attended, CRW.008.002.1167. This is the month after the transaction I just showed you, Mr Brown. If we go to page 1168. See at the top:
[AML] *Certificate completed - no incidents.*

MR BROWN: Yes.

15 MS CAHILL: And for the cage, there is no reference to that transaction. You see that?

MR BROWN: Yes.

20 MS CAHILL: Can you explain why you didn't raise this with the committee of the non-compliance?

25 MR BROWN: No. Again, I wasn't aware that an SMR hadn't been completed, because I'm not aware of all SMRs being completed. So the way the compliance certificates also work, and in the meetings, would be the AML team would be, if they had concerns that a transaction had completed, and they felt that an SMR was required, they would have raised it in their portion of the legal compliance.

30 MS CAHILL: But, Mr Brown, this was a transaction that was expressly and specifically raised with you by others as something that was the subject of an AFP investigation. You would have, I suggest, been very keen to understand whether an SMR had been raised or not.

35 MR BROWN: Yes, and in hindsight I should have looked more into whether an SMR had been raised for that transaction.

40 MS CAHILL: Coming back on the way through to ask you about risk and compliance meetings, you normally didn't attend those even though you were a member, is that right?

45 MR BROWN: If I wasn't available to attend, I would delegate to one of the staff to attend that on my behalf, so at times Mr Mitchell would attend when he was there and after that time Ms (inaudible) would attend from time to time on my behalf or I would attend some of the meetings, yes.

MS CAHILL: Well the "from time to time" on your behalf, was that about

70 per cent of the time?

MR BROWN: It was regularly, yes.

5

MS CAHILL: So you only attended roughly about 30 per cent of the time?

MR BROWN: I would attend as required, yes.

10 MS CAHILL: Well, you were a member so you were required to attend all the time, weren't you?

MR BROWN: No, because you are a member or you have a delegate who can attend on your behalf. So there needs to be somebody from the cage but it doesn't
15 necessarily, and it was never an instruction that I had to attend, and if I was asked or told that I must attend, in those days I would attend. Now I think that has changed a little bit more recently with the approach, but at the time there was you or a delegate could attend, as long as there was somebody from the cage there to attend the meetings.

20

MS CAHILL: Did you place much importance on the work of the Compliance Committee between 2013 and 2015?

MR BROWN: I believe we did. I believe we completed our requirements in regards
25 to what we needed to report from a compliance perspective, so, yes. And those meetings would call out if they felt there was something that hadn't been reported or needed to be reported.

MS CAHILL: I'm talking about you, Mr Brown. Did you place much importance on
30 the work of the Compliance Committee between 2013 and 2015?

MR BROWN: I believe I did, yes.

MS CAHILL: Do you recall ever having reported a non-compliance by the cage to
35 the Compliance Committee?

MR BROWN: For AML or for anything?

MS CAHILL: For AML.

40

MR BROWN: I'm not sure. Without seeing it, no.

MS CAHILL: Well, do you mean unless I show you a document, you won't
45 remember?

MR BROWN: I can't remember. They were monthly certificates and you are talking
a two-year period, I can't be sure what I completed on monthly certificates over a two-year period, I'm sorry.

MS CAHILL: Let's expand the time frame for the purposes of this question. Do you remember ever yourself reporting an AML non-compliance to the Compliance Committee?

5

MR BROWN: Yes.

MS CAHILL: And when was that?

10 MR BROWN: I couldn't tell you but I did complete AML non-compliance and it formed part of compliance certificates but I couldn't give you dates and times. But I know they were done. I couldn't tell you when they were but they were done and Ms Vanderklau, we used to work with her at times to complete non-compliance with AML, yes.

15

MS CAHILL: And about how many times do you recall reporting AML non-compliances?

MR BROWN: I couldn't tell you, I'm sorry.

20

MS CAHILL: Well, one or ten or 100?

MR BROWN: No, it is certainly more than one, whether it is 10 or 20, I'm not sure. But AML non-compliance was reported on compliance certificates.

25

MS CAHILL: Coming back to this particular transaction in February 2014 that was the subject of the AFP investigation. As a consequence of learning of that transaction, did you take any steps at that point in time to ensure that the cage cashiers were alert to reporting to case management --- cage management possible structuring of deposits to casino bank accounts so that an SMR could be raised?

30

MR BROWN: I don't believe so, no.

MS CAHILL: Well, why not?

35

MR BROWN: I don't remember the incident. I don't remember the discussion with Mr McGreevy and I don't know if there was any further follow-up. So I'm not sure.

MS CAHILL: So you don't remember whether or not you took any steps to amend the SOP or Casino Manual?

40

MR BROWN: No.

MS CAHILL: Do you recall alerting Mr McGregor of the issue?

45

MR BROWN: No, I don't remember alerting but Mr Spence was also involved so I don't know at that time if I was reporting to Mr McGregor or Mr Spence.

MS CAHILL: Did you raise with Mr Bossi or Mr Felstead whether Perth Casino should continue to accept that patron to Perth Casino?

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

MS CAHILL: A month later, March 2014, you became aware that ANZ was concerned about potential structuring of transactions through the Riverbank account; weren't you?

10

MR BROWN: I'm not sure. I don't remember having any discussions with the ANZ about their concerns over that, no.

MS CAHILL: You became aware, didn't you, irrespective of whether you recall discussions, that ANZ was concerned about potential structuring of transactions through the Riverbank account?

15

MR BROWN: I was aware that ANZ were concerned about the accounts, hence they closed the accounts on us. But I'm not sure I was aware of whether they were looking at structuring or just general transactions through the accounts.

20

MS CAHILL: If we go to this document not on the public screen, CRW.529.001.9090. This is not an email that was written by you or sent to you on the face of it, Mr Brown. I want to be clear about that. Ms Vanderklau to Mr Preston says in the second paragraph:

25

DB feels that the ANZ concerns are regarding numerous deposit amounts under the threshold completed at multiple branches of the ANZ. In most cases, if not all, the patron presents the funds to the moneychanger or overseas staff in one amount and then the overseas moneychangers splits up the amount prior to sending or the moneychanger in Australia splits up the funds to deposit cash in Crown Perth's account in amounts under \$10k.

30

That was something you said to Ms Vanderklau at the time?

35

MR BROWN: Well, again, it says that I did. I don't remember having the conversation but it states I did so I won't dispute that it says that's what I did, yes.

MS CAHILL: Mr Brown, it is a conversation I suggest that you clearly would remember if you had it.

40

MR BROWN: I have a lot of conversations with a lot of people about a lot of things. I don't remember every conversation I had back in 2013 and 2014.

MS CAHILL: I'm not suggesting you remember every conversation you had between 2013 and 2015, Mr Brown, I'm suggesting that you must remember a conversation with Ms Vanderklau where you explain to her your understanding of ANZ's concerns

45

about structuring on the ANZ bank accounts.

5 MR BROWN: And I'm sorry, I don't remember having that conversation. I'm not saying --- it says there I did, I'm not saying I didn't have it, I don't remember. I'm sorry.

10 MS CAHILL: Ms Vanderklau has given evidence to this Royal Commission that you did have that conversation with her in terms of the email that she sent to Mr Preston. You don't dispute that?

15 MR BROWN: As I said there, if she's stated in it that we had the conversation and she's put it in her evidence, then I'm not disputing what she's saying, I just don't remember having the conversation.

20 MS CAHILL: For an example of what Ms Vanderklau is talking about in this email can we go, not on the public screens please, to CRW.707.031.0286. This is the paperwork for a TT. You can see the date there, August 2013 for a deposit of \$165,563. Can I just ask you on the way through, down the bottom there is a reference in "Comments: Redemption/safekeeping".

MR BROWN: Yes.

25 MS CAHILL: What is the "safekeeping" reference to?

30 MR BROWN: In 2013, if I remember correctly, the patron would have sent this money in to redeem an outstanding amount that he or she would have owed Crown Melbourne, sorry, Crown Perth. But if it wasn't sufficient funds to redeem the full amount that they owed it may be placed in a safekeeping offset account under their name until sufficient funds came in to redeem the line in full.

MS CAHILL: Why wouldn't it be just partially redeemed at that point?

35 MR BROWN: Because to do a partial redemption of a credit marker in those days required a new marker to be signed and if the patron is not there to be signed, because a new marker for the reduced value would replace the value of the initial so we would then have an unsigned marker which would have no value to us. So funds were placed in safekeeping which was used as an offset until sufficient funds were received to redeem the full outstanding line.

40 MS CAHILL: Also on the way through, can I just point you to the patron's signature row a third of the way up.

45 MR BROWN: Yes.

MS CAHILL: That says "NA to sign".

MR BROWN: Yes.

MS CAHILL: Do I understand correctly that the patron hasn't signed for funds?

MR BROWN: Correct.

5

MS CAHILL: And is that because it is a redemption arrangement?

MR BROWN: Yes, because they've sent it in. Our terms and conditions under a patron deposit account is we can apply funds to their account to redeem outstanding if they have been sent in. So in that regard it is permissible to "not available" to sign
10 if they are sending funds in to redeem an outstanding line.

MS CAHILL: If we go to page 0287, this is the bank deposit slip in relation to this aggregate amount of \$165,563.

15

MR BROWN: Yes.

MS CAHILL: And we see multiple deposits close to but under the threshold for mandatory reporting and we can see that they are at all different branches of the ANZ?
20

MR BROWN: Correct.

MS CAHILL: That immediately raises a suspicion in your mind, doesn't it?
25

MR BROWN: Yes, looking at that.

MS CAHILL: Well, it is obvious, isn't it?

MR BROWN: I think it looks obvious, yes.
30

MS CAHILL: And if we go to 0289 and following we've got the receipts that reflect what we've just seen in the bank statement ---

MR BROWN: Yes.
35

MS CAHILL: --- different branches at which these deposits had been made. Did you understand at the time, that is 2013, that activity as is evidenced in the paperwork for this transaction was occurring regularly on the Riverbank account?
40

MR BROWN: No.

MS CAHILL: I suggest to you that you did which is why you explained to Ms Vanderklau that you understood the concerns of the ANZ Bank at this time regarding the structuring of cash deposits through its accounts.
45

MR BROWN: I don't think --- you use the term "regularly". I wasn't viewing the

accounts. I'm not regularly viewing the accounts and seeing how many transactions. Was I aware, as you pointed out, Denise or Ms Vanderklau has given her evidence that we had the conversation. But as you've said, "regular occurring", I'm not sure
5 whether it was regularly occurring or occurring as a one-off or more than one-off or whether it was daily or weekly or monthly or what was considered to be regular.

MS CAHILL: You certainly knew at the time it was more than a one-off?

10 MR BROWN: I really can't remember what I knew at the time.

MS CAHILL: Let's go back to Ms Vanderklau's schedule of deposits for 2013. Not on the public screen, CRL.725.001.0155, please. Starting in July 2013, if you just page through, all of this looks suspicious to you, doesn't it?

15 MR BROWN: Yes, I would look at that now and think that they look suspicious.

MS CAHILL: That's what you knew was happening on the account, which is why ANZ expressed concerns about how the account was being operated.

20 MR BROWN: I don't know if I knew of all the transactions that were occurring in the account, I don't remember ever having seen a list like this or going through a list like this with the transactions occurring in the account.

25 MS CAHILL: Coming back to the transaction that I just showed you the paperwork for at page 0155, down the bottom there, 20 August 2013, you see that?

MR BROWN: That one, I couldn't see the date. Sorry. Yes.

30 MS CAHILL: No SMR. See that?

MR BROWN: Yes.

MS CAHILL: Patently a suspicious transaction, Mr Brown. You accept that?

35 MR BROWN: It certainly looks to be a suspicious transaction, yes.

MS CAHILL: And a failure of the cage operations to have not determined and actioned it as such?

40 MR BROWN: I would think it should have been reported as a suspect matter, yes.

MS CAHILL: And if we come back to the document as a whole, the schedule, if you can pop that back in, please. Of the four transactions on the first page, only one ---
45 sorry, I withdraw that. On the first page, three transactions not the subject of SMRs; do you see that?

MR BROWN: Yes.

MS CAHILL: The next page, two transactions not the subject of SMRs. Next page, none of those the subject of SMRs.

5 MR BROWN: I have to say, though, just in supporting that, you've got one on there which is the third bottom one which is the \$6,000 deposit and a \$4,000 deposit. It could not always be determined that one transaction would make up an SMR. I appreciate some of the other ones but there are some that if they come in, depending on what they are without looking at all the documentation, they may not always
10 trigger an SMR because they were different types of deposits. They might have been processed by the bank in a different way.

MS CAHILL: Let's go back to the front page then, 155, which of those do you say are obviously --- sorry, are not obviously SMRs?

15 MR BROWN: Well, potentially without viewing, without knowing, the first two are possibly different.

MS CAHILL: The last one obviously?

20 MR BROWN: The last one looking at it as we look at it now clearly looks, you know, with all those transactions around the branches of Sydney as I know them to be now clearly would be considered to be suspicious.

25 MS CAHILL: Well not obviously now Mr Brown, obviously then, and irrespective of whether they were cash deposits in different branches, just the method of depositing is very suspicious, isn't it?

MR BROWN: Yes. I appreciate that.

30 MS CAHILL: Over the page, please, 156. Transaction in the middle of the page?

MR BROWN: That clearly looks suspicious, yes.

35 MS CAHILL: Next page? You see that last one, go back to 0156, you've got two deposits there, and then over the page, third one, that's suspicious, isn't it?

MR BROWN: That would look suspicious, yes.

40 MS CAHILL: And all of them bar the one for 5 September that you pointed out to me on 0157, highly suspicious?

MR BROWN: Suspicious, yes.

45 MS CAHILL: Next page, please. That might be the end of it. So the middle transaction, that's suspicious, isn't it?

12:51PM

MR BROWN: Again it would look to be multiple transactions under the threshold, yes.

5 MS CAHILL: So the cage is missing a lot of suspicious transactions, isn't it?

MR BROWN: It would appear to be, yes.

MS CAHILL: And that's a failure of the cage operation.

10

MR BROWN: It would appear so, yes.

MS CAHILL: Coming back to Ms Vanderklau's email, please, not on the public screen, CRW.5029.001.9090. I won't read out the second sentence again where it says "In most cases". It explains how it is done. You don't dispute that you were the source of the information in that second sentence?

15

MR BROWN: I'm not --- I can't confirm that it was me but if Denise said it is me, I'm not in a position to --- because I can't remember it and she can then I have to accept that is per opinion.

20

MS CAHILL: Mr Brown, what this second sentence suggests is that you've actually made some inquiries about how it gets to the point that these under \$10,000 multiple cash deposits are being made into different --- into the bank account through different branches of the ANZ insofar as the patron presents the funds to the moneychanger in one amount overseas and it is split up by the moneychanger or overseas staff. So did you make inquiries about how these deposits were being made to the ANZ account?

25

MR BROWN: No, I didn't make inquiries.

30

MS CAHILL: Are you sure about that?

MR BROWN: I'm not --- I don't remember making any inquiries into how the monies were in the ANZ. I don't remember the transaction so if I don't remember that, I wouldn't have made inquiries.

35

MS CAHILL: So if Ms Vanderklau is correct that the source of the information in this second sentence was you, it is possible, isn't it, that you had made some inquiries in order to ascertain that information?

40

MR BROWN: I don't remember making inquiries with the ANZ, no.

MS CAHILL: I'm not sure I asked you about whether you made inquiries with the ANZ. Did you make inquiries generally?

45

MR BROWN: I don't remember making inquiries, no.

MS CAHILL: You could have though, couldn't you?

5 MR BROWN: I could have. I had access to information but I don't remember making them.

MS CAHILL: I suggest to you that if you had made those inquiries it is certainly something that you would have remembered and remember now?

10 MR BROWN: If I'd made those inquiries I think I would remember it, yes.

MS CAHILL: So you are saying you don't remember making those inquiries?

15 MR BROWN: I don't remember making those inquiries is what I'm saying, yes.

MS CAHILL: The reason why you would remember if you made those inquiries, is this isn't, that that second sentence creates an obvious suspicion in the mind of the person who learns of it that there is cuckoo smurfing going on?

20 MR BROWN: I think that, you know, it doesn't look good. As we said, it should have been raised as a Suspicious Matter Report based on the information we have there, yes.

25 MS CAHILL: In March 2014 when ANZ expressed its concerns about operation of the Riverbank account, did you check the cage's TA file to see whether SMRs had been raised with respect to transactions that involved multiple cash deposits to different branches of the ANZ Bank?

30 MR BROWN: I don't believe I would have because this was as suspicious matter file --- there wouldn't have been suspicious matters attached to the transactions. So did I check it, no, I don't believe so, no.

35 MS CAHILL: Did you take any steps at that point to ensure that the cage staff were alert to reporting suspicious matters in respect of possible structuring such as were evidenced in the transaction I just took you to?

MR BROWN: I don't remember, no. I'm not sure.

40 MS CAHILL: Did you take any steps at this point to consider whether the SOPs and Casino Manual in respect of cage operations adequately addressed the risk of structuring of deposits to casino bank accounts to avoid the mandatory AUSTRAC threshold reporting requirements?

45 MR BROWN: No, I don't remember making changes to the SOP at that time.

MS CAHILL: Did you alert Mr McGregor as CFO to the issue of what was happening on the ANZ bank accounts in terms of multiple cash deposits under the threshold occurring at different branches?

MR BROWN: As I said at the time, I'm not sure Mr McGregor --- was Mr McGregor CFO at that time or was it Mr Spence, I'm not sure.

5 MS CAHILL: Yes, I will just check that. Thank you. Did you raise it with Mr Spence?

MR BROWN: Mr Spence according to the previous email was involved in the conversation I had with Mr McGreevy if that happened so Mr Spence from that point
10 of view must have aware in the same regard as what I was if that is what Mr McGreevy was saying. I'm not sure back at that time whether Mr McGregor or Mr Spence was CFO. I know Mr Spence was for a period of time, but I'm not sure of the exact time.

15 MS CAHILL: Did you alert Mr Bossi or Mr Felstead to the issue?

MR BROWN: Not that I'm aware of. I'm not sure whether Mr Preston would have done so.

20 MS CAHILL: Whether Mr Preston would have done so?

MR BROWN: He was involved in that discussion with Mr McGreevy if there was a concern.

25 MS CAHILL: Did you take any steps at the time to prevent deposits such as the one that --- the ones in the transaction I've just identified being made to Perth Casino's bank accounts?

MR BROWN: I'm not aware if I did, no.
30

MS CAHILL: Do you remember attending a meeting with ANZ with other members of Crown Perth in late March?

MR BROWN: I don't have a recollection of attending a meeting with Crown --- with
35 ANZ, no.

MS CAHILL: Really, Mr Brown?

MR BROWN: Yes, I really don't have a recollection of attending a meeting with the
40 ANZ.

MS CAHILL: Commissioners, just a couple of minutes before 1 and I'm about to start on another document.

45 COMMISSIONER OWEN: All right. Mr Brown, we break for an hour now so we'll come back at 2 pm our time, which is 4 pm your time.

12:58PM

MR BROWN: No problems. Thank you.

5 **ADJOURNED** [12.58 PM]

RESUMED [2.00 PM]

10

COMMISSIONER OWEN: Please be seated, thank you, Mr Brown.

MS CAHILL: Mr Brown, before the lunch break I had raised with you this email from Ms Vanderklau of March 2014 where she ostensibly referred to something you had said about ANZ's concerns in respect of the Riverbank accounts; you recall that?

MR BROWN: Yes. I want to show you this document, not for the public screens, please, CRL.557.001.0719. You will see, if we go to the tab of 2 January 2014, this is an Excel spreadsheet setting out eight transactions between 2 and 21 January 2014 on the Riverbank Investments account. Did you see this Excel spreadsheet at any time between 31 January and 26 March 2014?

MR BROWN: I don't believe I ever saw this document, no.

MS CAHILL: Can I take you then to 2 April 2014 and show you this email, not on the public screen, please, CRW.529.011.1745. This is an email from Jarrod Campbell of 2 April 2014 to a number of addressees, including Cage Management; you see that?

MR BROWN: Yes.

MS CAHILL: Which included you?

MR BROWN: Yes.

35

MS CAHILL: Do you recall receiving this email?

MR BROWN: I would have received it because I'm part of that group, but do I recall this particular email, no, I don't recall this email, but I would have received it, yes.

40

MS CAHILL: What Mr Campbell is doing there is instructing another officer of Crown to arrange for a moneychanger to deposit monies into the Burswood Nominees's account rather than the Riverbank account; you see that?

MR BROWN: Yes.

MS CAHILL: And he refers to attempts that are being made to keep the ANZ Riverbank account open. And then he says in the third sentence that there is "no

doubt the money changer will distribute the \$75K into amounts under \$10k which is the reason for [ANZ's] concern"; you see that?

5 MR BROWN: Yes.

MS CAHILL: Were multiple cash deposits to the Riverbank account under \$10,000 happening routinely at this time?

10 MR BROWN: I don't know how often they were occurring, I'm sorry.

MS CAHILL: I beg your pardon?

15 MR BROWN: I'm sorry, I don't know how often they were occurring to the account at this time, no.

MS CAHILL: But you knew that they were occurring?

20 MR BROWN: I was included in this email, so

MS CAHILL: So you knew that this was a transaction that was about to occur?

25 MR BROWN: Yes, well, I don't remember reading the email, but I'm included in the email so I can only assume that I was aware of the email.

MS CAHILL: When you say you don't remember the email, this must have been of great concern to you to read this, Mr Brown; would you agree?

30 MR BROWN: If I had read it at the time and taken it in, I would think it is a concern, yes ---

MS CAHILL: If you read it at the time?

35 MR BROWN: Yes. I don't know if I read it at the time.

MS CAHILL: Is that truthful evidence?

40 MR BROWN: That is truthful evidence. I can't remember if I read it. I may have read it. I didn't read every email possibly that came across my desk because I was copied in as part of a cage management group. I was copied into a lot of emails. But I don't remember this specific email.

45 MS CAHILL: Reading this now, it obviously raises a significant concern about potential money laundering through the Riverbank account, doesn't it?

MR BROWN: It raised a concern around structuring of transactions through the Riverbank account, yes.

02:04PM

MS CAHILL: It's potential money laundering, Mr Brown, isn't it?

5 MR BROWN: Potential money laundering through the account, multiple transactions under 10 as we discussed previously, yes.

MS CAHILL: Did you do anything in response to receiving this email?

10 MR BROWN: I don't remember the email, so I don't know if I did anything in response to it.

MS CAHILL: Do you remember doing anything in April --- early April 2014 to address concerns about possible money laundering through the Riverbank accounts?

15 MR BROWN: Not that I can remember, no.

MS CAHILL: Then in late April 2014 you received this email from Mr Costin, CRW.529.001.9117. You see in the second half of the page at 9117. You see this?

20 MR BROWN: Yes.

MS CAHILL: You and a number of others received this email where Mr Costin informs you and others that ANZ have advised that they will be closing the Riverbank and Southbank accounts; you see that?

25 MR BROWN: Yes. Yes, I can.

MS CAHILL: Do you see at the bottom of 9117 he says in the first sentence at the last paragraph that the closure of the Riverbank accounts was expected; you see that?

30 MR BROWN: Yes.

MS CAHILL: Did you expect the Riverbank accounts held with ANZ to be closed at this time?

35 MR BROWN: I wasn't involved, I don't believe, in the opening and closing of bank accounts, so I wasn't expecting them to be closed, but they were closed and Mr Costin would be more involved in the opening and closing of bank accounts. I don't get involved in that side of things at all.

40 MS CAHILL: Did Crown Perth offer to ANZ to stop accepting multiple deposits under the reporting threshold into the bank account in order to try and keep it open?

45 MR BROWN: Sorry, I didn't quite hear that one.

MS CAHILL: Did Crown Perth offer to ANZ, before it advised that it was closing the Riverbank accounts, to stop accepting multiple cash deposits under the reporting threshold?

MR BROWN: I don't know. I don't know even to this day whether you can stop transactions to an account with the ANZ.

5 MS CAHILL: Again, at the bottom of 9117 where he says that Mr --- Mr Costin mentioned that the bank accounts would be transitioned to CBA, it says:

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

That is written in red.

15 MR BROWN: Yes.

MS CAHILL: It goes on to say:

20 *..... as we don't want this process to occur again with CBA in six months time deciding to close the Riverbank and Southbank accounts due to the suspect transactions.*

See that?

25 MR BROWN: Yes.

MS CAHILL: You were absolutely on notice by this stage that ANZ were closing the Riverbank accounts because of its concerns that suspicious transactions were being affected on those accounts; you would agree?

30 MR BROWN: I would agree based on that email, yes.

MS CAHILL: Did you agree with Mr Costin at the time that patrons should be told that the multiple cash deposits would not be accepted into the new CBA accounts?

35 MR BROWN: Well, that's the instruction there, that it would not be accepted, and to inform the patrons.

MS CAHILL: Did you agree with that approach?

40 MR BROWN: I would have thought there should be --- in looking at that now, there should be a stronger approach than saying to a patron "Please don't do it".

MS CAHILL: And not just in relation to cash deposits either; any deposits into the accounts that reflected potential structuring?

45 MR BROWN: I would have thought any transaction into the account should have been --- that there should have been an arrangement with the bank to ensure those

transactions weren't permitted rather than just instructing a patron not to do it, yes.

5 MS CAHILL: Moving forward after this email that you received of 29 April 2014, did you take steps to ensure that the cage was not going to accept any transactions evidencing possible structuring into the Riverbank accounts?

MR BROWN: I'm not sure what I did after this email. I'm not sure ---

10 MS CAHILL: You're not sure, Mr Brown? It is a significant point, isn't it?

MR BROWN: It would be a significant point, but the instruction there is to inform the patrons, which is not the cage dealing with the patrons not for the transactions not to occur. So I'm not sure what I did from a cage perspective in regards to the staff and then monitoring and tracking. I don't know what numbers were done after this time and if any transactions were performed after this time.

15 MS CAHILL: Mr Brown, it was the cage and its operations that were at the frontline of carrying out the instruction to advise patrons that deposits would not be accepted under the threshold?

MR BROWN: I think if you look at that, it was the international team who had the liaison with the patrons to inform them. The cage weren't dealing with the patrons on a regular basis, they were dealing with them when they arrived at cage.

25 MS CAHILL: You knew very well that you had to stop multiple cash deposits under the threshold reporting limit into the CBA accounts, didn't you?

MR BROWN: It was in that email that it was to stop and we were to monitor that, yes.

MS CAHILL: And you knew you had to stop that?

MR BROWN: I'm aware by the email that it was not to be permitted and the patrons were to be informed.

MS CAHILL: From the end of April 2014 you, as the General Manager of Cage and Count, had the responsibility to ensure that multiple cash transactions under the threshold reporting limit stopped being deposited into the Riverbank accounts, isn't that so?

MR BROWN: I think as Crown, and anyone who was responsible for the bank accounts, had a role to play that there were not multiple transactions going into the account.

45 MS CAHILL: You had a responsibility, didn't you?

MR BROWN: I had a responsibility along with other parties involved in it, yes.

MS CAHILL: And you had the ability to change the procedures in the cage to say, "Well, if you see one of these, they come in, you reject the payment". You could have done that then, couldn't you?

5

MR BROWN: It could have been done then, yes.

MS CAHILL: You could have done that then, couldn't you?

10 MR BROWN: I could have instructed that then, yes.

MS CAHILL: And you didn't, did you?

15 MR BROWN: I don't believe I said to stop the payments, no, I don't think that was the instruction in the email.

MS CAHILL: I'm talking about your responsibility as the General Manager, Cage and Count, Mr Brown. Don't worry about what anyone else told you to do. You are a General Manager of the cage operations. You didn't take it upon yourself to make sure that those multiple cash deposits in the future were not accepted.

20

MR BROWN: No, I think I accept that, yes.

MS CAHILL: And that was a failing on your part, wasn't it?

25

MR BROWN: It would appear to be a failing, yes.

MS CAHILL: And a fairly significant one, you would agree?

30 MR BROWN: It would depend on how many transactions were done after that time whether it was a significant one, yes.

MS CAHILL: And you should have also taken steps that not just cash deposits, but any form of multiple deposits under the reporting threshold, those should have been rejected; you accept that?

35

MR BROWN: It would appear we should have rejected them, yes.

MS CAHILL: You should have put procedures in place to prevent that happening; you agree?

40

MR BROWN: I should have (inaudible) procedures.

MS CAHILL: I wanted to ask you something else about this email while it remains on the screen. Do you say, the gentleman's name who responds at the top, is his name Theiler?

45

MR BROWN: Theiler.

5 MS CAHILL: And he responds to Mr Costin and talks about the ANZ accounts in Hong Kong and Singapore, and articulates the concern ANZ expressed at the meeting, because of the high cost of compliance these accounts were unprofitable. He then says:

10 In any case we would prefer it if you were able to find another bank for HK *and Singapore as the ANZ have been quite restrictive in the use of the accounts hence [they] are now being used less often*

15 And he gives examples: cash deposits not accepted. That is not a restrictive use of an account, that is a reasonable measure to mitigate the risk of money laundering, isn't it?

MR BROWN: I'm not sure exactly what Mr Theiler is getting at so

20 MS CAHILL: I'm asking for you to give me your opinion. If a bank restricts cash deposits and says that they are not accepted, that's not a bank being restrictive in your view, is it, it's a bank ---

25 MR BROWN: No, it's a bank taking steps that they think they need to take to stop transactions.

MS CAHILL: Well, it is a reasonable money laundering mitigation?

MR BROWN: Yes.

30 MS CAHILL: And similarly not accepting company deposits?

MR BROWN: Company deposits wasn't against our controls at that time, so we were prepared to accept company deposits if they could be identified.

35 MS CAHILL: That's a money laundering risk, isn't it?

40 MR BROWN: Not --- the process at the time that we were allowed to do was we were allowed to accept company deposits if we could identify that the person who was sending the funds was the sole shareholder of the company or owned the company. So if we could be provided reasonable evidence in, we would be prepared to accept the company deposit. Now, is that money laundering? Well, at the time it was an accepted process that Crown was prepared to accept. So it's not in this --- in this regard it would be restrictive if we weren't accepting them, but I get that that was an accepted process of Crowns at the time to accept company deposits. It didn't
45 happen very often, but if the patron could prove that they were a sole shareholder or a sole owner, then we could accept company deposits with some approvals.

MS CAHILL: You see the last two dash points:

- Cheque deposits in the Singapore account can only be made by Singapore residents. - *Cheque deposits in the HK account can only be made with cheques drawn on a HK based bank.*

5

MR BROWN: Yes.

MS CAHILL: Those were reasonable money laundering mitigation measures, weren't they?

10

MR BROWN: I don't --- I mean, if the banks see it that way, but from a Crown perspective I didn't think a cheque deposit into an account which is a process that Singaporean patrons would follow would be such an issue.

15 MS CAHILL: The closure of the ANZ accounts, of which you were advised in this email, was that something you discussed at the time with Mr McGregor?

MR BROWN: No, I'm not sure whether I discussed it with Mr McGregor. Again, Mr Spence was involved in this email. So I'm not sure whether it was Mr Spence that was the CFO at the time or Mr McGregor again.

20

MS CAHILL: Do you know if the closure of the ANZ Riverbank accounts was brought to Mr McGregor's attention at this time?

25 MR BROWN: I'm not aware, no.

MS CAHILL: Do you know if Mr McGregor was involved in any of the discussions either internally or with ANZ about the closure of the Riverbank accounts?

30 MR BROWN: No, I'm not aware of whether Mr McGregor was involved, no.

MS CAHILL: Did you discuss the closure of the ANZ accounts with Mr Bossi or Mr Felstead?

35 MR BROWN: No, I don't believe so.

MS CAHILL: Do you know if they were involved in any discussions internally or with ANZ about their closure?

40 MR BROWN: No, I'm not aware.

MS CAHILL: Just to confirm, in response to the closure, you didn't amend the SOPs or the casino --- seek to amend the Casino Manual?

45 MR BROWN: Not that I'm aware of, no.

MS CAHILL: And you didn't take any other steps to prevent deposits under the threshold, multiple deposits under the threshold being made to the new CBA accounts?

5

MR BROWN: No, I don't believe I did.

MS CAHILL: Why didn't you take steps in response to the closure by ANZ of the bank accounts to change the SOPs or the Casino Manual in order to prevent the same thing happening again with CBA?

10

MR BROWN: I'm not sure why it didn't happen.

MS CAHILL: Not "sure". I'm asking you why you didn't do things.

15

MR BROWN: Well, I'm not sure why I didn't do things.

MS CAHILL: Do you mean you can't remember why you didn't do something?

MR BROWN: It was 2014, and I'm sorry I cannot remember why I didn't do anything.

20

MS CAHILL: Now, the CBA new Riverbank accounts were opened up in April 2014 and you sent this internal email on 14 April 2014 at CRW.529.012.1616. Who is the group you are sending the emails to, VIP?

25

MR BROWN: They would be VIP staff located in overseas offices, so that would be "to", and then cc, it would be credit control in Melbourne, Heather Ryan who was our Credit Control Manager in Perth. So that would be informing the overseas offices that we now have CBA Riverbank accounts.

30

MS CAHILL: Why were you giving them that information about the opening of the accounts rather than Mr Costin?

MR BROWN: I don't know if Mr Costin had any relationship with the overseas office or dealt with the overseas office so.

35

MS CAHILL: So did you tell the overseas office about the closure of the ANZ bank accounts?

40

MR BROWN: I think there might have been previous correspondence, but I can't remember whether it was. But I mean, it doesn't mention in there that the ANZ are closed, so I would imagine there was correspondence from somebody informing people that the ANZ were closed, but I can't remember if I sent that or it was sent by somebody else.

45

MS CAHILL: But you may have told ---

MR BROWN: I may have told people. I can't remember if I sent out one. I certainly sent out one advising them of CBA opening, and I can't see in this where it mentions that CBA are opening and ANZ are now closed so, therefore, there must
5 have been communication somewhere to people that the ANZ were closed, otherwise you would assume the assumption would be that people would think we have a (inaudible) ---

10 MS CAHILL: Was it logical that if anyone was going to tell the VIP staff overseas that the ANZ accounts were closed or closing, it would have been you?

MR BROWN: No, I think it would have been more likely the VIP team from Melbourne to tell them the accounts were closed. It probably would have come from Mr Theiler.

15 MS CAHILL: Why didn't he tell them about the CBA accounts opening?

MR BROWN: Each property had their own CBA account, so this would have been coming out of Perth that these are the new accounts, rather than telling --- Melbourne
20 would have sent out a similar email, I would imagine.

MS CAHILL: So then in relation to the ANZ Perth accounts, the Riverbank accounts, it was you who would have been the person most likely to tell them that the accounts were closed?

25 MR BROWN: I'm not sure. I think it may have been Mr Theiler advising that all ANZ accounts with Crown had been closed. But I'm not sure if I would have sent because - clearly it's not saying that they are closed in this email so, therefore, it would appear there may have been another email at some stage. I'm not sure whether
30 I sent that or whether that would have come from Mr Theiler or somebody under the credit control area in Melbourne, I'm not sure.

MS CAHILL: You see that second-last paragraph of your email here, "as with all our bank accounts"; you see that?

35 MR BROWN: Yes.

MS CAHILL:
40 we come under scrutiny from AML legislation in Australia and all unusual transactions AUD multiple transactions under the \$10,000 reporting threshold will mean even greater scrutiny of these accounts.

You see that?

45 MR BROWN: Yes.

MS CAHILL: So in your mind, suspicious transactions at this stage were not limited to ones involving cash deposits at bank branches were they?

5 MR BROWN: It just talks about unusual transactions, again, multiple transactions and unusual transactions ---

MS CAHILL: Yes.

10 MR BROWN: --- so it is talking about, as I've said before, a suspicious --- suspicion should be raised over anything that is suspicious, not just multiple transactions or specific things like, you know, (inaudible) multiple transactions.

15 MS CAHILL: It was clear in your mind at this point that any form of multiple transactions to those accounts under the reporting threshold would need close consideration as to whether the transaction was a suspicious matter and therefore should be reported to AUSTRAC?

20 MR BROWN: That's what's in the email, yes.

MS CAHILL: The prudent approach would have been to report all multiple transactions under \$10,000 from the same depositor or to the same patron account; do you agree?

25 MR BROWN: The prudent approach should have been, yes, to report all transactions.

30 MS CAHILL: And yet still no amendment to the Casino Manual or the SOPs at this point?

MR BROWN: I'm not sure, but I'm not aware that we would have changed it, no.

MS CAHILL: Well, you, Mr Brown, you didn't change it, did you?

35 MR BROWN: I'm not aware that I changed it, no.

MS CAHILL: Well, why not?

40 MR BROWN: Again I can't answer why not.

MS CAHILL: The risk is staring you in the face at this point, isn't it?

MR BROWN: It appeared from the emails that there were concerns around it, yes.

45 MS CAHILL: And your reason for not acting?

MR BROWN: I'm not sure why I didn't act, I'm sorry, it was 2014.

MS CAHILL: Can I ask you here about paragraph 150 of your statement at page 0016. You say that:

5 *At the time I was with Crown Perth, I did not suspect money laundering activity through the accounts.*

When you say "at the time I was with Crown Perth", that includes the period between 2013 and 2015; doesn't it?

10

MR BROWN: Correct.

MS CAHILL: You clearly thought that there were transactions occurring in 2013 and 2014 that were suspicious and warranted SMRs being made to AUSTRAC; do you agree?

15

MR BROWN: Yes.

MS CAHILL: In particular, multiple cash deposits at different bank branches?

20

MR BROWN: Yes.

MS CAHILL: That led to ANZ closing the Riverbank accounts in 2014?

25

MR BROWN: Yes, it would appear so, yes.

MS CAHILL: And you, therefore, had to have at least suspected, in respect of the ANZ account, in that late 2013/early 2014 period, that there had been possible money laundering activity through those accounts?

30

MR BROWN: It would appear yes, possible.

MS CAHILL: So it is not correct to say, as you do, at paragraph 150, that at the time you were at Crown Perth that you did not expect money laundering activities through the accounts?

35

MR BROWN: In what we've looked at today, it would appear that I should have done more to monitor the transactions, yes.

40

MS CAHILL: Well, not what we've looked at today, Mr Brown; it was plain in 2013 and 2014 what was going on with Riverbank, wasn't it?

MR BROWN: It was looking --- looking at the transactions, it should have been raised more suspicion, yes.

45

MS CAHILL: Well, you knew that ANZ had closed the accounts because of concerns about structuring through those bank accounts.

MR BROWN: Yes, it looks like there were concerns with the account for that reason.

5 MS CAHILL: And it is simply false evidence, isn't it, to say at paragraph 150 that you did not expect money laundering activity through the accounts at the time you were with Crown Perth?

10 MR BROWN: I don't know that it's false evidence. I think it wasn't something that jumped out at me that I, you know, it was something we were dealing with, and it should have been raised suspicion, yes.

15 MS CAHILL: Not something that jumped out at you, Mr Brown? ANZ closed the accounts. And you knew why, didn't you?

MR BROWN: By the email that I've seen, it was discussed, yes.

20 MS CAHILL: Well, it's a very significant event for a bank to close its accounts with an organisation, isn't it?

MR BROWN: It is, but HSBC had done it previous for just not wanting to deal with gaming. So, you know, I think banks close and deal with different entities from time to time, so yes, it is, but it's also new accounts were opened up, so

25 MS CAHILL: Mr Brown, they never close an account without giving a reason, do they?

MR BROWN: Not that I'm aware of, no.

30 MS CAHILL: And you got a reason from ANZ in 2014?

MR BROWN: There must have been a reason for it, yes.

35 MS CAHILL: There was a reason, and you knew what the reason was, didn't you, Mr Brown?

MR BROWN: I'm not sure that I was aware --- involved in the discussion and aware exactly why it was closed.

40 MS CAHILL: You were aware of the discussion because you had the email from Mr Campbell, and you yourself wrote to the overseas staff in respect of ---

MR BROWN: Opening the CBA ones, yes.

45 MS CAHILL: So you well understood what the problem was with ANZ, didn't you?

MR BROWN: What the concerns were with ANZ, yes.

MS CAHILL: So it is quite wrong to suggest that you didn't know.

MR BROWN: Okay, yes.

5

MS CAHILL: Now, in September 2014 you saw the Four Corners program "High Rollers, High Risk", didn't you?

MR BROWN: Yes, I did.

10

MS CAHILL: And also in September 2014, an internal audit report was prepared at Crown Perth in respect of telegraphic transfers; do you recall that?

MR BROWN: I have seen it in some of the evidence pack.

15

MS CAHILL: So 16 September 2014, CRW.709.132.7527. Telegraphic transfers. "Overall reporting rate: Good". Executive summary at 7528.

20 The results of the audit identified that a sound control environment exists in *relation to [TTs], which provides adequate risk mitigation*

Now, you knew that wasn't so at the time, didn't you?

25 MR BROWN: The audit was undertaken and the audit came back and checked and didn't have the concerns that are there now so, you know, it wasn't my point to go and question the audit and question the auditors and asked them what they had checked and what they had done.

30 MS CAHILL: It absolutely was, Mr Brown, wasn't it? It was absolutely your role. If the internal auditors had come back with a good rating and you knew there was a material risk in the TT process, it was absolutely your responsibility to speak up; do you agree?

35 MR BROWN: I don't know if I --- if the auditor had gone through and checked and completed their independent internal audit of the processes, the documentation and the transfers and reported it and said they didn't have a concern with it, I'm not sure it is my position to then turn around and say "Are you sure, can you please check again, can you please go back and check the transactions."

40 MS CAHILL: Not "are you sure", Mr Brown; "You must be wrong because I can tell you about a material risk of which I am aware." Why didn't you say that?

MR BROWN: I'm not sure what the discussion was with the auditors.

45 MS CAHILL: You were aware of a risk of structuring of deposits to the casino bank accounts through inward telegraphic transfers to avoid the threshold for mandatory reporting to AUSTRAC; don't you agree?

MR BROWN: Sorry, can you repeat that one.

5 MS CAHILL: You were aware of a risk of structuring of deposits to the casino bank account to avoid the threshold for mandatory reporting to AUSTRAC?

10 MR BROWN: I'm not sure about the threshold of mandatory reporting but certainly there was the transactions under the \$10,000 that were being done to make up the limit, yes.

MS CAHILL: To avoid a TTR having to be raised?

MR BROWN: A TTR would not necessarily be raised by the casino.

15 MS CAHILL: The casino and in particular the cage raised a TTR for every deposit over \$10,000, didn't it?

20 MR BROWN: If it was cash. If it was cash at the cage it would, if it was cash through an ANZ bank account, it wouldn't be raised as a TTR by the casino.

MS CAHILL: When you had an inward telegraphic transfer for over \$10,000, did not the SOP stipulate that a TTR had to be made?

25 MR BROWN: TTR is a transaction involving cash so the TTR, if it was \$10,000, would be raised at the point that the cash was deposited to the transaction, which would have been done at a branch.

30 MS CAHILL: Why did this internal audit report not mention that the ANZ had closed the Riverbank accounts because of a compliance risk?

MR BROWN: I cannot answer that, I'm sorry, I don't know.

35 MS CAHILL: Let's just have a look at this comment that you make as General Manager, Cage and Count. You say that you are:

..... happy with the audit and the findings. The role for maintaining the bank accounts at Crown Perth falls with the Cage Management Team which means a great deal of responsibility to get it right as we create the TT and release the funds.

40 That was a true statement, wasn't it?

MR BROWN: Well, it's true in line with the audit, overall audit comment.

45 MS CAHILL: But the responsibility for maintaining the bank accounts rested with cage, not with finance.

MR BROWN: I think if you look at Ms Kessell's comment there that the checking of

TTs and reconciliation of the bank account falls within the finance area as well.

5 MS CAHILL: To check TTs and reconciliation of the bank accounts, you say the role for maintaining the bank accounts at Crown Perth falls with the cage management.

10 MR BROWN: I think --- maintaining the interaction with the customer falls to cage management but as Ms Kessell states there, the checking of TTs and reconciliation of bank accounts falls within the finance area.

15 MS CAHILL: So here you say the cage management team does an excellent job in maintaining the bank account information and ensuring compliance in this essential area of our business. In what way do you say cage management did an excellent job in that regard?

MR BROWN: I think what they've documented and what came back out of the audit was they were happy with what they had done.

20 MS CAHILL: This is you saying:

The Cage Management Team does an excellent job in maintaining bank account information and ensuring compliance in this essential area of our business.

25 MR BROWN: Well, this is just talking about this audit, from what has happened with this audit.

30 MS CAHILL: Can I take you to page 7529 under "Background Information", please. The second sentence:

Administration and monitoring of [TTs] is controlled by Cage Management.

You don't disagree with that statement?

35 MR BROWN: No, and I don't disagree with the one after it that says:

Finance employees are responsible for bank reconciliations relating to these transfers.

40 MS CAHILL: Thank you. In October 2014, some months after the CBA bank account had been opened and Mr Costin had given his instructions that patrons be instructed not to make multiple cash deposits, one of the cage managers sent an email to Mr Preston if we look at CRW.709.134.1143_R. And you are cc'd into the last email, see down the bottom of 1143?

45 MR BROWN: Yes.

MS CAHILL: The last email at 1143, the second half of the page you were cc'd into 24 October email at 9.43 am, and you therefore received the whole of the email chain that preceded it. If we go to 1145, the manager says to Mr Preston in terms that with
5 respect to this patron, there are cash deposits at branches all under the threshold without reference to the depositor, and they've all gone into Riverbank by the looks. He says that he will monitor and advise accordingly.

If you go up to the response, Mr Preston says that he has to ask the necessary
10 questions. And then at the bottom of 1144, the manager says, the second sentence:

*Still under the threshold but opportunity for the bank to report as suspicious.
Are we happy to accept*

15 You see that?

MR BROWN: Yes.

MS CAHILL: When you received this email chain, why did you not simply seek to
20 have Crown Perth not accept the deposit?

MR BROWN: I'm not sure. This occurred at 6 o'clock at night. I'm not sure when I read this or when I saw the transaction, or when I saw the email chain, so

25 MS CAHILL: Do you remember? Obviously this would be something you would remember as a highly suspicious transaction?

MR BROWN: I wasn't included in the initial one here with Mr Preston and Mr
30 Girando.

MS CAHILL: You got the email chain.

MR BROWN: I got the email chain after that, yes.

35 MS CAHILL: Yes. And do you remember doing anything in response to getting this email chain?

MR BROWN: Not that I'm aware of. Mr Preston instructed Mr Girando that ---
40 what I've seen of the email chain just to go ahead and complete an SMR on the transaction.

MS CAHILL: Did you check to see whether a suspicious matter report had been made?

45 MR BROWN: No, I don't believe I did.

MS CAHILL: CRL.725.001.0166, not for the public screens, please, Ms

Vanderklau's schedule for 2014, bottom of page 0171, 21 October, that's the start of the transaction. Can you see "no SMR"?

5 MR BROWN: Yes, I can see that.

MS CAHILL: And you see the balance of it over at 0172.

10 Now, clearly the cage should have raised an SMR as a matter of course without referring to Mr Preston; do you agree?

MR BROWN: I would agree that Mr Girando should have raised an SMR, yes.

15 MS CAHILL: You'd said in an internal audit report a month before that that the responsibility for the management of the bank accounts rested with the cage, and it was doing an excellent job with compliance. It just wasn't true, was it?

20 MR BROWN: Well, in looking at this, in fact, I wasn't aware that no SMR had been raised for this, and wasn't aware until more recently that it was brought to my attention that no SMR was raised for this. And so I would have expected that if Mr Preston had requested Mr Girando to do something, that he would have followed that direction.

25 MS CAHILL: Mr Costin had said that cash deposits shouldn't have been accepted into the account.

MR BROWN: Agree.

30 MS CAHILL: So how did that happen?

MR BROWN: How did it happen that the cash deposits were made?

MS CAHILL: Yes.

35 MR BROWN: Cash deposits, I'm not sure they could be stopped from being made to the account.

40 MS CAHILL: I want to check something you said in evidence at 196, page 0019. Back in your witness statement, please, page 0019, paragraph 196. What do you mean by:

..... staff were not reviewing activity on the account in a broader sense to see *whether structuring*

45 MR BROWN: What I mean by that is they weren't just looking for structuring or smurfing, they were looking to anything they believe --- staff were informed to look for things that they believed were suspicious. So we didn't go through and complete things. We would say, anything at all suspicious. Staff were expected to report that

they believed something was suspicious.

5 MS CAHILL: Can I just clarify, please, your evidence that you gave to the Bergin Inquiry on this point, that's BGN.0002.0001.2129, line 32. Counsel Assisting says:

10 *I just wanted to be a little bit more specific here. To the best of your knowledge, in the period 2013 to 2016, is it right that the people at the Crown Perth cage who did look at these actual bank account statements for Riverbank were not looking at whether structuring or smurfing was taking place within those accounts? Answer: No, I don't believe that to be the case, no.*

15 MR BROWN: That lines up with the fact that we were talking more about reporting anything they believed to be suspicious, rather than just looking at structuring or looking at smurfing. They were not terms that we generally used across the training documents that were in the cage. We used it generally as anything they considered to be more suspicious, rather than just strictly talking about structuring or smurfing.

20 MS CAHILL: They clearly knew to look for structuring or smurfing, didn't they?

25 MR BROWN: Yes, but they didn't just document something as this is structuring or smurfing, they were looking for general transactions of anything that anything, to them, looked suspicious, whether that be structuring, smurfing or any transaction at all that they thought was suspicious.

MS CAHILL: So what they looked for were signs of money laundering broader than but including structuring and smurfing?

30 MR BROWN: Yes, if you just ask people to look for one thing, they will look for one thing. They need to look at anything that they perceive to be suspicious.

MS CAHILL: Yes, but including structuring and smurfing?

35 MR BROWN: Yes, it would include anything in an AML realm.

MS CAHILL: Including structuring and smurfing?

MR BROWN: Yes.

40 MS CAHILL: Thank you. Now, moving away from telegraphic transfers, can I ask you about this email exchange in October 2014, CRW.709.004.8530. At 8531 we begin. You will see at 8531 at the bottom, this is your email to Mr Hancock, the manager of cage and count in Melbourne.

45 MR BROWN: Yes.

MS CAHILL: Refer to a patron wanting to send \$3 million through a moneychanger

5 MR BROWN: Yes.

MS CAHILL: --- and the moneychanger wants to send one of his people into Crown Melbourne with \$3 million in cash, and then have Crown Melbourne TT some or all of that to Crown Perth; you see that?

10

MR BROWN: Yes, I can see that.

MS CAHILL: And you mention that the moneychanger you want to do this has recently been using the same people to make multiple deposits around Melbourne, Sydney or Perth, which you say "is not good for us" and the reason you lost the Riverbank accounts with ANZ; see that?

15

MR BROWN: Yes, I can see that.

MS CAHILL: And you say, therefore, in effect what they are proposing is better; you see that?

20

MR BROWN: Yes, it's a one transaction, yes.

MS CAHILL: What do you mean by that?

25

MR BROWN: Well, it would be reported, because they would bring the cash directly to us. So there would be no structuring, no multiple transaction, the moneychanger would deal with us.

30

MS CAHILL: It is going to go in bank notes to Melbourne, \$3 million in cash to Melbourne, and TTed to Perth. How is that better?

MR BROWN: It would be reported as a transaction, as a threshold transaction. It would be reported as a suspicious matter if it was considered to be suspicious, better than ---

35

MS CAHILL: Well --- sorry, you finish.

MR BROWN: Better than what you are saying there, what you've talked about in the past with multiple transactions under any sort of reporting threshold.

40

MS CAHILL: A transaction such as that would have to be reported not only as a TTR but also as an SMR, would you agree?

45

MR BROWN: I would agree, yes.

MS CAHILL: Clearly what this moneychanger wants to do is send the money in

cash rather than by traceable electronic transaction.

5 MR BROWN: Yeah, I'm not sure how the moneychangers were working and where they were getting their cash from, sorry.

MS CAHILL: In the next paragraph you say:

10 The question is are we happy with this approach.

Were you happy with it, Mr Brown?

15 MR BROWN: According to this, I referred it on to Mr Preston, so therefore, if I referred it on to Mr Preston, then I had some concerns around the approach for the transaction, yes.

MS CAHILL: Why didn't you just say "I'm not happy with it, I don't want us to do this"?

20 MR BROWN: Because I referred it on to see whether it was an appropriate transaction for us to be completing and whether Crown had any comfort in doing that.

25 MS CAHILL: What was your opinion as to whether Crown should be involved with this transaction or not?

30 MR BROWN: I'm not sure whether I had an opinion on it at the time is why I referred it to Mr Preston who was my manager at the time, or the head of our legal area.

MS CAHILL: It had a gigantic red flag hanging over it, didn't it, Mr Brown?

35 MR BROWN: It would have a flag over it. But I don't know, I mean, with anything, if they are doing it and it is a front and they are reporting it, I don't know if it's a giant flag, but it's a flag.

MS CAHILL: \$3 million in cash?

40 MR BROWN: I don't think it is the only time we would have dealt with \$3 million in cash that was reported.

MS CAHILL: And all those occasions would be highly suspect as money laundering transactions, don't you agree?

45 MR BROWN: I think they would be reported as threshold transactions and they would have suspicious matter reports completed on them, so, yes, I agree with that.

MS CAHILL: So there was no question in your mind it had to be reported as

a suspicious matter, is that right?

5 MR BROWN: The transaction went ahead. Where there was a discussion on the transaction and it went ahead, I believe we would have reported it as a suspicious matter report.

10 MS CAHILL: Then there was a separate question as to whether the transaction should go ahead at all; you agree?

MR BROWN: Well, there is a question if they could meet the requirements of what we were asking for, the transaction could go ahead.

15 MS CAHILL: You go on to say that Mr Preston says that the transaction should be okay if the person making the deposit opens an account. You see that?

MR BROWN: Yes.

20 MS CAHILL: Was that okay with you?

MR BROWN: It wasn't against the process that we would follow. Was it okay with me? If Mr Preston, who is our head of our legal department, thought that it was okay, and also the head of our AML compliance area thought it was okay, then I was prepared to accept that it was okay, from Crown's perspective.

25 MS CAHILL: Did you not see yourself as having some independent responsibility to maintain standards at Crown Perth?

30 MR BROWN: I did but I also referred it up to the head of our AML department who was the person who would make a call if he believed it was sufficient and met the requirements that we had. So, from that point of view, I think that we had addressed it to the level that it needed to be addressed to.

35 MS CAHILL: Mr Hancock had some brief email changes with you that continue up the page. If we get to the bottom of 8530, please, he says:

40 *Just a quick question which I think will come up from our Legal team. If the moneychanger is going to send/TT the money to his staff member in Melbourne, why doesn't his staff member then TT it straight to you guys [he means in Perth] instead of trying to obtain cash and bring it to us? You see that? MR BROWN: Yes. MS CAHILL: Do you think that is a very good question?*

5 *MR BROWN: Not really. I'm not sure, if the moneychanger had the money in Melbourne, why they would want to get on a plane with \$3 million in cash and fly to Perth, and take that risk when they could have brought it in to Melbourne to do the transaction there. So I'm not sure that that's the case.*
MS CAHILL: You understood the moneychanger to be overseas, didn't you?
MR BROWN: No, his staff member was in Melbourne. MS CAHILL: Did you understand the moneychanger to be overseas? MR BROWN: I'm not sure where the moneychanger was located. MS CAHILL: You don't know whether they were in Melbourne or overseas? MR BROWN: Not based on this email here, I'm not sure. MS CAHILL: He then asks you if you know who the mutual patron is in the middle of 8530. And then in response to that question about why the funds couldn't be TTed to Crown Perth, you say: Hey mate, I don't believe they TT to these people otherwise they could to us. I believe it is a
10 *strange deal involving cash*
15

See that?

20 MR BROWN: Yes.

MS CAHILL: That "strange deal" you clearly understood to be a likely money laundering arrangement, didn't you?

25 MR BROWN: I don't know that I believed it to be a money laundering, it was a strange deal involving cash.

MS CAHILL: It was clearly very suspicious to you, wasn't it, that's why you called it "strange"?

30 MR BROWN: It had been raised with our legal team and raised with Mr Preston. I don't know if the transaction went ahead, but it was an inquiry that was made to us, and we were looking at what options we had to go ahead and do a transaction. I don't know whether the transaction ever eventuated and went ahead, but it was in our realms to look at what was being requested by a patron to see if it was reasonable
35 that we could perform a function.

MS CAHILL: If we go to 8530 at the top, please. Mr Hancock's response in terms considers the \$3 million in cash is already with the person in Melbourne, and there won't actually be a transfer of money from the moneychanger to that person; do you

see that?

MR BROWN: Yes.

5

MS CAHILL: And then he expresses the nervousness of the legal people at Crown Melbourne taking the risk by accepting cash from someone they know nothing about; you see that?

10 MR BROWN: Yes.

MS CAHILL: And he says:

15 From your end it will be sweet though as it just look like a TT from Crown
Melbourne to Perth.

MR BROWN: Yes.

20 MS CAHILL: Was that an arrangement that you would have been content to
proceed with if the legal team at Crown Melbourne had agreed to it?

MR BROWN: I don't know. It would have been depending on what the legal team
in Crown Melbourne had said. It would have depended on who the legal team in
Crown Melbourne was.

25

MS CAHILL: It had suspiciousness written all over it, didn't it?

30 MR BROWN: Yes. Looking at what you are saying there, but again it wasn't a
transaction, it was something we were asked to look at, and something we referred
on to our head of AML and head of Legal to have a look at and see if it was a
transaction that Crown Perth and Crown Melbourne would want to be involved in.

35 MS CAHILL: Was your attitude on this occasion that although you suspected the
proposed transaction to be money laundering, it was acceptable to you for Crown
Perth to permit that transaction as long as it was acceptable to the legal team in
Melbourne?

40 MR BROWN: Well, the legal team in Melbourne asked us to look at --- to obtain
information from the customer, which I don't know whether we ever got. It doesn't
look like the transaction went ahead, so it was a discussion to see what would go
ahead and see what could happen, but it didn't look like it went ahead.

45 MS CAHILL: I just ask the question again: was your attitude on this occasion that
although you suspected the proposed transaction to be money laundering, it was
acceptable to you for Crown Perth to permit that transaction to proceed as long as it
was acceptable to the legal team in Melbourne?

MR BROWN: I think I said it looks like an unusual cash transaction, but I don't

think it was something that we looked at from a money laundering perspective until we knew more about the facts.

5 MS CAHILL: It was plainly suspicious as possible money laundering, wasn't it, on its face?

MR BROWN: It was an inquiry from a patron.

10 MS CAHILL: Mr Brown, the proposed transaction with the \$3 million in cash in Melbourne then being TTed to Perth was, on its face, plainly suspicious as a money laundering transaction.

MR BROWN: It was plainly an unusual cash transaction.

15

MS CAHILL: It was plainly suspicious as a money laundering transaction, wasn't it?

MR BROWN: I don't know if it was plainly suspicious as a money laundering transaction.

20

MS CAHILL: Is that serious evidence, Mr Brown?

MR BROWN: It is serious evidence. We referred it on to Mr Preston. I don't think Mr Preston came back, and if Mr Preston, who was the head of our AML team and head of our Legal team, thought it was clearly a red flag and clearly money laundering, then he wouldn't have pushed back and said that if we can get some information we could go ahead with it. So Mr Preston also was aware of it and didn't push back on it.

25
30 MS CAHILL: Can I ask you about deposits made to bank accounts by third parties on behalf of patrons. You say at paragraph 33 on page 0005 of your witness statement that after 31 July 2020, the cage was directed not to accept transfers from third parties any more. Do you see that?

35 MR BROWN: Yes, I do.

MS CAHILL: You understood this to be because of the money laundering risk attached to third party deposits?

40 MR BROWN: Yes.

MS CAHILL: At paragraph 35 you explain that previously deposits could be accepted from moneychangers as long as they were authorised in their home jurisdiction; do you see that?

45

MR BROWN: Yes, I do.

MS CAHILL: Do you say that was the position between 2013 and 2015 at Crown

Perth?

MR BROWN: I'm not sure what the policy exactly was without seeing it at that
5 time, but I believe that was the case in Crown Perth at that time, yes.

MS CAHILL: That wasn't the subject of an SOP though, was it?

MR BROWN: I believe it was documented in an email, but maybe not in the SOP
10 about what the staff needed to look at in regards to what they could accept and what
verifications they needed to do to ensure that the moneychangers were registered
moneychangers in their jurisdictions, yes.

MS CAHILL: Now, if you go to this document, not on the public screen, please,
15 CRL.505.010.5420. This is an email you were included in on 16 September 2016
from Mary Gioras, the group credit manager, about a change to the AML rules. The
second half of the page on 5420, that's on the left-hand side, she talks about a change
to the AML rules, you now need to obtain information about the individual sending
the funds?

MR BROWN: Yes.
20

MS CAHILL: From outside Australia. Could be a patron or a third party, full name,
25 home address and date of birth?

MR BROWN: Yes.

MS CAHILL: And previously you were not required to have that details in respect
30 of a third party, that is how it went?

MR BROWN: I believe so, otherwise they wouldn't have been so clearly instructive,
but I can't remember what was exactly happening before that time. But I'm not sure
we needed those details before that time, no.

MS CAHILL: That direction was given in September 2016. Then in the middle of
35 October 2016, so that's the following month, you receive an email from another
officer of Crown. Not on the public screen, please, CRW.709.133.8650. At 8653
you will see there that Mr Campbell, who is one of your shift managers at the time?

MR BROWN: Yes.
40

MS CAHILL: He's emailed another Crown officer so say that they've received some
monies in respect of a patron and can you please confirm the depositor, full name,
45 address and date of birth.

If we go up to the top of that page, she responds that the moneychanger refuses to
give details.

MR BROWN: Yes.

MS CAHILL: And then you respond at 8652. They say:

5

I have spoken with our AML team not ideal as it is to pay off against an outstanding debt we do not want to reject the payment because it does not meet with AML legislation. Therefore as the receipt reflects that [the patron] has provided the funds to the Money Changer then we can accept [him] as the

10

depositor but what we do require is the address of the Money Changer which does not appear on the document.

That wasn't in accordance with Ms Gioras's instructions?

15

MR BROWN: No, it wasn't in accordance with Ms Gioras's instructions, but if the AML team had given their approval for us to go down this path and accept the address of the moneychanger, and that AML team came under the control of Mr Preston who is more senior than Ms Gioras, then I believe that we obtained approval that outweighed what Ms Gioras had sent and we accepted the transfer.

20

MS CAHILL: But surely standard procedures to mitigate money laundering risk are important to be followed?

25

MR BROWN: They are, but in this case we sought advice as to whether it was acceptable on this occasion to obtain another means of address, based on what had gone on, to allow us to accept the transfer of funds to the account. Now, if our AML team there had given approval for that to go ahead, based on having the knowledge they had that it was okay, then whilst there's an email from Ms Gioras that --- the AML team do have the ability to make that call.

30

MS CAHILL: At 8651, you say:

Thanks but he must have an address that we know of, the patron must have *delivered the money somewhere. This is all we require.*

35

The place where the patron delivered the money; you see that?

MR BROWN: Yes, which would be the moneychanger.

40

MS CAHILL: So you put the patron's name and the patron's date of birth with the moneychanger's address as the details of a third party deposit; is that right?

MR BROWN: I can't remember if that's what it was ---

45

MS CAHILL: That's what you are saying here, Mr Brown.

MR BROWN: The patron must have --- I mean that must have been what we had been told we could accept. I wouldn't have made that call, spoken to our AML team for approval for the transaction, got approval for that address without --- and then not followed that rule, so

MS CAHILL: What about exercising some independent judgment, Mr Brown?

MR BROWN: If I seek advice from the people who are supposed to be the people who are running our AML program, and they provided me with advice that this is okay to go ahead and do it, I'm not the resident AML expert, otherwise I would work in the AML team; that's why we have independent AML team to make those decisions and tell us whether we can or can't do a transaction. That's why it would have been referred to the AML team.

MS CAHILL: At 8650, you are given the address at the bottom.

MR BROWN: Yes.

MS CAHILL: Then you say in response:

Thank you Augustine, I realise this is challenging but unfortunately AML laws are difficult to manage.

What did you mean by "AML laws are difficult to manage"?

MR BROWN: Well, just that we need to follow the rules. We need to manage the rules as they are. As I said, I would have reached out and sought it, and Augustine would have been going backwards and forwards with his patron, so I was just letting him know that we have been able to accept this based on what we were being permitted to do, but AML rules are difficult to manage.

MS CAHILL: Is that how you saw the task of complying with AML legislation, managing the compliance?

MR BROWN: We are obligated to comply, so I think you do manage compliance, you do --- the rules are there and you try and work with your patron and the AML rules to come up with the best result that we can do for our patron.

MS CAHILL: If I take you forward, we were here at 2014. Sorry, 2015, Mr Brown, and we roll forward 4 to 5 years, in late July 2019 there was a 60 Minutes program that aired in Australia, do you recall that?

MR BROWN: I'm aware of the 60 Minutes. Yes.

MS CAHILL: Well, you saw it or were made aware of its contents in July ---

MR BROWN: I was made aware of the contents, but, yes.

MS CAHILL: And you were aware that it included within it commentary on Crown's relationship with junket operators?

5 MR BROWN: Yes.

MS CAHILL: And included allegations of money laundering by overseas patrons at Crown's casinos?

10 MR BROWN: Yes.

MS CAHILL: That must have heightened your concerns about AML risk around, in particular, the Riverbank and Southbank accounts?

15 MR BROWN: I think the 60 Minutes report, though, was more talking about transactions to the accounts in Melbourne. So we looked at it, but I don't know if we --- you know, it wasn't a lot of meetings had after it or discussed what it was --- I mean, we were still dealing with junkets at that time, I think, it was --- after --- I'm not sure if it was after that we were still dealing with Chinese junkets, we were still
20 dealing with junkets at that time.

MS CAHILL: What do you mean that you looked at it?

25 MR BROWN: Looked at the program, I saw the program.

MS CAHILL: The 60 Minutes program?

MR BROWN: Yes.

30 MS CAHILL: Did you do anything in response to seeing that program?

MR BROWN: In regards to?

35 MS CAHILL: risk, Mr Brown.

MR BROWN: I think Crown were looking at AML risk at that stage as a result of the program.

40 MS CAHILL: Crown as distinct from you?

MR BROWN: I didn't go into anything. Crown were looking at it from a program point of view.

45 MS CAHILL: You didn't look at the cage operation and say, "Let me think about where I can smarten things up to mitigate AML risk"?

MR BROWN: I can't remember if I looked at anything as a result of it, no.

MS CAHILL: That was July. And then in October 2019, CBA closed both the Southbank and Riverbank accounts?

5 MR BROWN: Yes.

MS CAHILL: Do you recall that? Do you recall it?

10 MR BROWN: I recall that CBA closed our Riverbank accounts, yes.

MS CAHILL: So it's happened again.

MR BROWN: Yes.

15 MS CAHILL: First ANZ and now CBA.

MR BROWN: Yes.

20 MS CAHILL: Did it cause you any concern?

MR BROWN: That caused concern, yes.

25 MS CAHILL: CRL.605.016.7020. You were copied into this email. Take this off the public screen, please.

MR BROWN: Yes, I was copied into that email, yes.

30 MS CAHILL: And you understood that the reason why CBA was closing the accounts was because of AML risk that the bank was not happy to continue to accept?

MR BROWN: I believe I was aware of that, yes.

35 MS CAHILL: Did you consider it at the time to be a very serious matter that the CBA had decided to close the Riverbank accounts?

MR BROWN: I think it was a serious matter that a bank had closed our accounts, yes.

40 MS CAHILL: Did you discuss it with Mr Bossi or Mr Felstead?

MR BROWN: Mr Bossi is included in that email, the same as Mr Walsh is included in that email.

45 MS CAHILL: Did you discuss it with Mr Bossi or Mr Felstead?

MR BROWN: No, I don't think I did, no.

MS CAHILL: Did you take any steps at that point to ensure that the cage staff were alert to reporting, to cage management and AML, possible money laundering through casino bank accounts?

5

MR BROWN: I'm not sure whether I did or what happened with that, but we certainly didn't have those accounts, and I'm sure there were discussions with the staff about those accounts because we were --- obviously had only left with our ANZ AUD account in the name of Crown --- sorry, Burswood Nominees, so therefore there would have been discussions with the staff around what had happened and what we needed to do and the fact that we'd lost the bank accounts with the CBA, yes.

10

MS CAHILL: Did you have those discussions?

15 MR BROWN: There would have been a discussion with the staff, yes.

MS CAHILL: Did you have discussions with cage staff about the closure of the CBA bank accounts?

20 MR BROWN: I believe I would have.

MS CAHILL: Does that mean you don't remember?

25 MR BROWN: I don't remember having specific ones about --- I'm sure I did, but I'm not sure that I sent an email or whether it was a discussion or whether we sat down and talked about it, I'm not sure.

MS CAHILL: I will ask the question again: did you have discussions with the cage staff about the closure of the CBA accounts?

30

MR BROWN: I believe I had discussions with the cage staff about the closure of the CBA bank accounts, yes.

35 MS CAHILL: Did you take any steps at this point to consider whether the SOPs and Casino Manual in respect of cage operations adequately addressed the risk of money laundering occurring through the casino bank accounts?

MR BROWN: I'm not sure I looked at the SOPs at that stage, no.

40 MS CAHILL: Surely that was the thing you ought to have been doing right there, before you did anything else, was sort out the procedures in the cage so make sure that this sort of thing did not happen again?

45 MR BROWN: I think the first thing you do is you talk to the staff and tell them that it can't happen before you --- the SOPs take time to rewrite and change, and our internal control manuals, if we are going to change them, take time to reapprove and rewrite, so

MS CAHILL: Did you take any steps, apart from speaking to the cage staff, to prevent money laundering through Perth Casino's bank accounts at this time?

5 MR BROWN: In October 2019, I'm not sure. I think we were then monitoring the accounts far more actively, and I believe that the steps that were taken, the staff were very aware to be looking out and monitoring and reporting anything if they thought it was needed to be reported.

10 MS CAHILL: Now, you give some evidence in your witness statement about the process of aggregation from paragraph 151, that's page 0016 onwards. You say at 151 that you understand how the process of aggregation could have led to money laundering activity not being identified or reported. See that there?

15 MR BROWN: Yes.

MS CAHILL: Aggregation being the way in which multiple deposits by or on behalf of a patron to a casino bank account within a short period of time were aggregated as a single deposit and entered into SYCO; yes?

20 MR BROWN: Yes.

MS CAHILL: And your understanding of how that could have led to money laundering activity not being identified or reported was because the SYCO entry didn't disclose the initial multiple deposits?

25 MR BROWN: Yes.

MS CAHILL: And because the AML team did not receive the underlying paperwork, they only were working off the SYCO transaction, that's where they didn't see the multiple deposits?

30 MR BROWN: I didn't see that at the time, though. That has more come about in more recent times because, as I've said all through, that with the four to five copies of every TT, that all supporting documentation was attached. So there were other departments that were available to view and see, and the AML team were in a position to view those transactions rather than just ticking off a report against a one page of a document that has multiple pages.

40 MS CAHILL: The AML's team review of SYCO or its review of the paperwork generated by the cage was only a second line of defence in respect of AML, though, wasn't it? Primarily the responsibility rested on cage staff to first of all identify a suspicious matter at the time the multiple deposits were received, and to then prepare an SMR to be sent to the AML team?

45 MR BROWN: Correct.

MS CAHILL: And by not later than March 2014, you were well aware of the risk of structuring occurring on the casino's bank accounts through the placement of multiple deposits for the benefit of the same patron within a short period of time,
5 weren't you?

MR BROWN: Sorry, can you repeat that.

MS CAHILL: By not later than March 2014, you were well aware of the risk of
10 structuring occurring on the casino's bank accounts through the placement of multiple deposits for the benefit of the same patron into the bank account within a short period of time?

MR BROWN: As what we've seen today, there was evidence that we were aware,
15 yes.

MS CAHILL: You were aware --- you, Mr Brown, I'm not talking about anybody else in the cage --- you were aware, well aware, at March 2014?

MR BROWN: Aware there was an instance of it, yes.
20

MS CAHILL: And you agree that from that time, and while you were General Manager, Cage and Count at Crown Perth, you did not take adequate steps to ensure that such deposits that were possibly structuring were not made or accepted into the
25 casino's accounts?

MR BROWN: I didn't make the changes to our SOPs to reflect that the staff should be looking at it, but the staff were aware that they should be looking at things they believed to be suspicious, yes.
30

MS CAHILL: You agree, don't you, that you did not take adequate steps to ensure that such deposits that were possibly structuring were not made or accepted to the casino's bank accounts?

MR BROWN: I agree that we could have made changes to the --- I could have made changes to the SOP to instruct the staff to look out for those things, yes.
35

MS CAHILL: Well, you didn't take adequate steps to ensure that those deposits were not made, did you?
40

MR BROWN: I should have taken --- in hindsight I should have taken greater steps to ensure the staff were checking those things, rather than just being aware that they need to report things they perceive to be suspicious.

MS CAHILL: Well, you would agree that also you didn't take adequate steps to ensure that if such deposits were made or accepted into an account, that in every case an SMR was raised?
45

MR BROWN: I didn't check to see if an SMR was raised on every occasion.

5 MS CAHILL: You accept that you didn't take adequate steps to ensure that they were raised on every occasion that they should have been?

10 MR BROWN: I wasn't the person responsible for checking that SMRs were raised, but I could have checked to make sure SMRs were raised as part of my checking process, yes, I could have done that.

MS CAHILL: And that's what you should have done?

15 MR BROWN: I think our AML team could have done that too, and then should have checked to make sure it was done, yes.

MS CAHILL: It was a cage responsibility to prepare the SMRs, wasn't it, Mr Brown?

20 MR BROWN: But it was the AML team responsible for checking the process and submitting the SMR to AUSTRAC, yes.

MS CAHILL: Are you trying to dodge responsibility, Mr Brown?

25 MR BROWN: No, I'm not trying to dodge responsibility, I'm saying that in any organisation there are not just one person involved or one person responsible for the whole AML of Crown Perth. There were numerous bodies and numerous processes involved, and numerous people had access to that information, and whilst the cage were the initiators, there were other entities that were also involved that were checking processes.

30 MS CAHILL: But you had primary responsibility to ensure (a) that the deposits weren't accepted and (b) if they were, that an SMR was raised; you would accept that?

35 MR BROWN: The cage were --- yes, the person completing it, the transaction, yes.

MS CAHILL: But you were responsible ---

40 MR BROWN: --- (overspeaking) --- and they report to me. But, as I said earlier, I don't think I could be responsible for every transaction that occurred within the department on a daily basis.

45 MS CAHILL: But you are, Mr Brown, as General Manager of Cage and Count, aren't you?

MR BROWN: Then I would need to be there 24/7, if you are saying as a first line of defence, I would have to work 24 hours a day, seven days a week to ensure that those transactions weren't going ahead. So I think that is a difficult call. I think that you

03:17PM

rely on your staff to be doing the right thing. I think that's the same in any role.

MS CAHILL: Can I ask you about paragraph 163 of your witness statement.

5

MR BROWN: Would we be able to have a break shortly?

MS CAHILL: I beg your pardon?

10 MR BROWN: Would we be able to have a break shortly, a toilet break?

COMMISSIONER OWEN: Yes. How long do you need, Mr ---

MR BROWN: 5 or 10 minutes.

15

COMMISSIONER OWEN: Okay, we'll break for 10 minutes and we'll come back at --- it will probably be about seven minutes. We'll come back at 3.25. Is that all right?

20 MR BROWN: That'll do, thank you.

COMMISSIONER OWEN: That is enough?

MR BROWN: Yes, that's fine. Thank you.

25

ADJOURNED

[3.18 PM]

30 **RESUMED**

[3.28 PM]

COMMISSIONER OWEN: Please sit down. Ms Cahill.

35 MS CAHILL: Thank you, Commissioner.

I was taking you to paragraph 163 of your witness statement, Mr Brown. I touched upon this point, I think earlier in your examination, that where you say that all transactions were fully documented and passed on to finance and AML teams, your evidence is not that the paperwork was provided as a matter of course to the AML teams, but rather that they had access to it if they wished to?

40

MR BROWN: They had access to everything that was available, and that's why every copy had all the supporting documentation attached to it, so that it was available to whatever department wanted to view it, and whatever department needed to view it, whether that be AML, audit or the finance teams.

45

MS CAHILL: In this second sentence you say:

In that sense, my understanding was that the process of aggregation itself should not have been an issue

5 Because you've got the finance and AML teams reviewing the documents that the cage provided to them. It was, however, the cage primarily who had to identify the suspicious matter; you'd agree with that?

10 MR BROWN: Yes, the cage should --- on the documentation, raise the suspicious matter, and then finance could have raised one and then AML would be in a position to review it and raise one if they felt there was suspicion with it as well, yes.

MS CAHILL: If they felt that the cage had missed something?

15 MR BROWN: Yes, well, all --- every SMR that was raised ended up with the AML team for them to raise with AUSTRAC or enter with AUSTRAC. They would know if any SMR had been raised on any of those transactions.

20 MS CAHILL: A general question, Mr Brown. In relation to money laundering more generally - so we take it away from the telegraphic transfers, structuring payments into the Riverbank and other casino bank accounts - in relation to money laundering more generally, do you agree that while you were General Manager of Cage and Count at Crown Perth, you did not take sufficient steps to mitigate the risk of money laundering occurring through the cage operations?

25 MR BROWN: I think we --- I think the staff were aware of their obligations in regards to AML and money laundering. I think they understood that they needed to report threshold transactions and suspect matter transactions. But clearly there's been issues where staff haven't reported it as they should have done.

30 MS CAHILL: I'm asking about you, Mr Brown. Do you accept that you did not do enough to mitigate risks of money laundering through the cage operations?

35 MR BROWN: Again, I think that the staff were aware of their obligations and aware of the fact that they should be reporting suspect matter. Now, maybe our approach in hindsight should have been that I was copied in on every suspect matter report, but that was never the approach and not something that had ever been the approach. Now, going forward, that may be an approach we look at now, that the suspect matter report, so that they could be uploaded in a sufficient time frame, always went
40 directly to our AML team for them to upload, and if they had a concern they would have come back.

45 So I think that we did --- there are certainly ways that we could have done better, but I don't think we turned a blind eye to what we were doing and disregarded AML and suspect matter reporting on transactions, though.

MS CAHILL: Do you say you did enough to mitigate the risk of money laundering

occurring through the cage operations when you were General Manager at Crown Perth?

5 MR BROWN: I think in hindsight, we should have done better.

MS CAHILL: You, Mr Brown.

10 MR BROWN: In hindsight I could have done a lot more to make sure and change the processes to make sure I was copied on every SMR so I would be aware of the transactions that were occurring, yes, I could have done that.

15 MS CAHILL: Mr Brown, you are aware that Mr Preston gave evidence in the Bergin Inquiry in around September 2020 which exposed concerns around (inaudible)?

MR BROWN: Sorry, it dropped out. I couldn't really hear you properly then.

20 MS CAHILL: You are aware that Mr Preston gave evidence in the Bergin Inquiry in around September 2020 which exposed concerns around possible structuring on the Riverbank and Southbank accounts?

MR BROWN: Yes, I'm aware Mr Preston gave evidence about that, yes.

25 MS CAHILL: Were you aware of the evidence as it was being given? Did you follow it?

30 MR BROWN: I didn't sit there and watch it. At the time I was transitioning into a new role here in Sydney, so I did go through the evidence and read the evidence after the fact, but I didn't sit there and watch Mr Preston's evidence.

MS CAHILL: Did you go through the evidence shortly after the fact?

35 MR BROWN: Sometime after the fact, but I'm not sure exactly when it was. But obviously I was up at the Bergin Inquiry as well, so I had my own things that I looking at and dealing with at the time, so, yes.

40 MS CAHILL: A couple of internal Crown investigations commenced operating in tandem, didn't they, about this possible structuring through the Riverbank and Southbank accounts?

45 MR BROWN: I know that there were investigations done in regards to it. But, again, because I'm no longer over in Perth, I'm not sure --- I certainly know of investigations looking at it, but I couldn't tell you exactly how many and who was completing them all, no.

MS CAHILL: Well, were you involved in providing information to those investigations?

MR BROWN: To some of them.

MS CAHILL: Which ones?

5

MR BROWN: I don't know how many there were, so I couldn't tell you. I've provided a lot of information and met with a lot of people since the Bergin Inquiry in regards to our approach moving forward and looking at some of the transactions going back. But I couldn't tell you. I mean, it's been numerous people that have approached me to look at it, but they've also been looking at things independently and looking at it without me being involved in some of it as well, I'm sure.

10

MS CAHILL: So did you engage with and provide information to McGrathNicol or Initialism?

15

MR BROWN: I don't believe they were any of the organisations I've spoken about, no.

MS CAHILL: Did you speak to people within Crown, internally, to provide information?

20

MR BROWN: I've also spoken to other external agencies that are looking at it, I believe, but I don't know those two names that you just mentioned then, I'm sorry.

MS CAHILL: Going back in time to 2014 after ANZ closed the Riverbank accounts at that time, were you involved at all in providing information for the purposes of the preparation of an external report by Promontory?

25

MR BROWN: I don't believe I've been involved with any --- I may have provided information, but I haven't heard the name Promontory. I've heard it recently, but I certainly don't know the name back then, no.

30

MS CAHILL: You weren't provided with a copy of the report once it was completed in September 2014?

35

MR BROWN: I don't believe I've seen a Promontory report, no, I don't believe that to be the case.

MS CAHILL: All right. Now, in your new role as General Manager, Cage and Count Sydney, Mr Brown, is it to be expected that you will liaise from time to time with your coordinators in Melbourne and Perth, that is the General Managers of Cage and Count at each of those casinos?

40

MR BROWN: Yes, it will be a role where we will liaise with Jarrod and Stephen (inaudible) yes.

45

MS CAHILL: Part of that liaison will be about cage and count operations at each casino?

MR BROWN: Yes.

5 MS CAHILL: Including information about procedures and policies in respect of the operations at each casino?

10 MR BROWN: Yes. Certainly since in more recent times it's been more group type policies in regards to what is expected so that the cages are being more aligned, but are of course being run by three independent regulators, it is a little bit more challenging to align all the processes because there is different rules in different States as to the way things are done, but certainly where processes can be aligned, and we can look at each other's processes to come up with a best practice, we will look at doing a best practice across the three properties, yes.

15 MS CAHILL: So if I understand from some of what you've just said, you can expect that there --- well, there has been and you can expect that there will continue to be attempts to assimilate aspects of the cage operation procedures and policies between each of the casinos to conform them as much as is appropriate?

20 MR BROWN: As much as is possible, given the three separate legislations, yes.

MS CAHILL: So to that extent you will continue to have some influence on cage operations at Crown Perth?

25 MR BROWN: No, Jarrod. Jarrod will have the influence on Crown Perth, but we will certainly look at Perth's processes to see if it is better than Sydney, and Perth will probably look at what happens in Sydney and what happens in Melbourne to see if their processes could be improved based on what is happening at the other property. But Jarrod, who is now in charge in Perth, will be the person who makes
30 decisions on what happens, and I certainly won't be reporting or providing Jarrod with that direction, no.

MS CAHILL: Thank you, Mr Brown.

35 I have nothing further, Commissioners.

COMMISSIONER OWEN: Thank you, Ms Cahill.

40 Do we have any counsel offsite? Dr Boros, do you make an application to ask questions?

DR BOROS: No, Commissioner, thank you.

45 COMMISSIONER OWEN: There is no one else offline?

MR DAVIS: No one else offline.

COMMISSIONER OWEN: Or online or something to do with ---

MR PENGLIS: I'm not sure whether I'm on or off, but I'm here, and to that extent I
5 do seek leave to ask Mr Brown some questions.

COMMISSIONER OWEN: Yes, Mr Penglis.

10 **CROSS-EXAMINATION BY MR PENGLIS**

MR PENGLIS: Mr Brown, can you see and hear me?

15 MR BROWN: Yes.

MR PENGLIS: I represent Mr Preston.

MR BROWN: Yes.

20

MR PENGLIS: Can the operator please call up Mr Brown's witness statement,
CRW.998.002.0001_0016.

25 Mr Brown, I want to ask you some questions about aggregation and your knowledge
of it. You say at 152 that:

Aggregation was used by the cage for what I[sic] perceived to be simplicity of
reporting.

30 Is that something you've ever discussed with anyone in cage at the time as to why
they did it?

MR BROWN: Yes, it has been discussed with the cage staff and it was just an easier
process for them to do.

35

MR PENGLIS: And when did you discuss that?

40 MR BROWN: Not until aggregation became an issue and raised --- I mean,
"aggregation" was never a term that the cage used prior to the Bergin Inquiry. That
was a word and terminology that effectively came out of the Bergin Inquiry, so the
discussion was about then why that was happening, so

MR PENGLIS: So is it your evidence that you didn't know it was happening until ---

45 MR BROWN: No, no, the term "aggregation" was a term that we never used.

MR PENGLIS: All right, you know what I'm referring to. I'm referring to the
concept that Ms Cahill explained to you as her definition of "aggregation", which

was understood and accepted. So when I use the term aggregation, I'm talking about the concept rather than a label. All right?

5 MR BROWN: Okay, yes.

MR PENGLIS: All right, so speaking of the concept, when did you first come to know that it was occurring?

10 MR BROWN: Well, obviously by what we've seen today, there was some evidence that it was occurring back in 2013 or 2014, based on the email that Mr McGreevy sent around the two (inaudible) transactions.

15 MR PENGLIS: Is it your evidence that you don't actually recall but for the fact that your memory has been refreshed by what you've seen today; is that correct?

MR BROWN: I wasn't going through the accounts and monitoring the accounts and checking the accounts, so yes.

20 MR PENGLIS: All right. When did you first have a discussion with somebody within cage as to why that concept was occurring?

25 MR BROWN: I can't remember but I certainly had more conversations in recent times as to why it was occurring and how it occurred and what was going on. And as an ongoing review, as I just explained to Ms Cahill, there has been more and more discussions in regards to the historical transactions since the Bergin Inquiry last year, and being reviewed by external agencies looking at it, so

30 MR PENGLIS: Did you have an understanding of why it was occurring prior to the Bergin Inquiry?

MR BROWN: I hadn't spent a lot of time looking at it ---

35 MR PENGLIS: Did you have an understanding of why it was occurring before the Bergin Inquiry?

40 MR BROWN: No, I would have to say I didn't have a great understanding of why it was occurring, and it hadn't been a discussion I had had with a lot of the staff at that stage, no.

MR PENGLIS: All right. So when you get to paragraph 157 you say:

..... I knew some 'aggregation' occurred.

45 That is the second sentence. What are you referring to?

MR BROWN: This is of now. So again we are using the term "aggregation". So I knew it was occurring based on a couple of transactions but I hadn't been speaking to

the shift managers until the Bergin Inquiry with regards to why it was happening on those occasions.

5 MR PENGLIS: You say ---

MR BROWN: Sorry.

10 MR PENGLIS: You keep going.

MR BROWN: No, that's okay. Thank you.

MR PENGLIS: You say in the next paragraph:

15 *I did not instruct the Cage staff to adopt that process. I am not aware that anyone else did either.*

Is that because you made inquiries?

20 MR BROWN: No, I never instructed the cage staff to combine transactions for the simplicity of processing documentation.

MR PENGLIS: Then you say at 159:

25 *I did not realise at the time that it was a significant issue*

What time are you referring to, sir?

30 MR BROWN: As has been pointed out in the previous ---

MR PENGLIS: No, it is a simple question. I just want, if you can, a simple answer -
- -

35 MR BROWN: Okay.

MR PENGLIS: - - - when you wrote and confirmed today on oath, "I did not realise at the time that it was a significant issue", just tell the Commission what you are referring to by "at the time".

40 MR BROWN: The time was when the transactions were occurring that I believed it was being reported and reported accordingly with supporting documentation.

MR PENGLIS: So "at the time" is 2013 to 2015?

45 MR BROWN: I would say that would be the time, yes.

MR PENGLIS: Thank you.

You then go on to say that you didn't think it was a significant issue in effect because no one told you not to do it. Is that a fair reading of the rest of that sentence, sir?

5 MR BROWN: Yes, it hadn't been --- they had never been through our internal audits, our finance team looking AT it, our AML team looking at it and the times where it was referred up to other parties within the organisation, that there was a clear instruction to "Stop, it must not happen".

10 MR PENGLIS: So the aggregation issue was never referred up by you or anyone; correct?

MR BROWN: People were aware of it. Whether I referred it up, but people were aware of it through communication, the way I've been asked to be aware of it through
15 the communication that has been shown to me today.

MR PENGLIS: We can read documents for ourselves, so I'm seeking to try and get some evidence from you to assist the Commission about what you did, sir. All right?

20 MR BROWN: Yes.

MR PENGLIS: Now, is it correct to say that you did not confer with anyone about whether or not this process of aggregation was something that should or should not occur?
25

MR BROWN: I didn't confer with people to say whether aggregation should or should not occur, yes.

MR PENGLIS: In fact, you didn't even raise it yourself with the AML team, did you?
30

MR BROWN: No, I don't remember raising it myself with the AML team. But, sorry, on that, Ms Vanderklau, who has sent that email saying that she was aware, based on a discussion that she had with me, was Crown's AML officer at the time that she prepared the documentation for Mr Preston. So, based ---
35

MR PENGLIS: That's not aggregation.

COMMISSIONER OWEN: Just finish your answer.
40

MR BROWN: Sorry, you told me before that aggregation was a term that we are using now, but it was the concept that we were discussing. So, therefore, the concept that we are discussing is structuring of payments into one for simplicity of process. So, therefore, what we are discussing is what, according to Ms Vanderklau's
45 evidence, was what I discussed with her at the time which she provided to Mr Preston back in 2014.

MR PENGLIS: Can you recall any discussion yourself with Mr Preston about it?

MR BROWN: No. But if Mr Preston was aware --- I can't remember discussing it with him and I can't remember him discussing with me based on the evidence that he would have had from Ms Vanderklau, so, no.

5

MR PENGLIS: I see. Let me take you to the next paragraph then, 160:

I assumed that this was not an issue, because the individual transactions making up the bulk total were still fully documented.

10

That is an assumption you made at the time, correct?

MR BROWN: That is an assumption that I have made in everything that we do, in that the staff were instructed to provide all documentation for every transaction that they did. So all supporting documentation as per the instructions was attached to every transaction that was completed and made available to all our departments that were viewing those transactions.

15

MR PENGLIS: You say "because the individual transactions making up the bulk total were still fully documented", you made an assumption. The Commission should take from that that you consciously turned your mind to the matter at the time; correct?

20

MR BROWN: No, I think this is more --- from a more recent when --- at the time, we were documenting every transaction. Every transaction that went through the account, that we viewed the account, was there and attached and provided with documentation to show the transaction, and not just a one-off documentation. So I had comfort in the fact that the transactions were being documented and all transactions were being documented including all supporting documentation.

25

30

MR PENGLIS: So the Commission is to understand that you took comfort from the fact that somewhere in the documents, if someone had looked for it, they may have been able to expose the fact that there had been aggregation. Is that your evidence to the Commission?

35

MR BROWN: As I said, I would have expected that the staff members who were responsible for completing the transaction in line with their understanding of AML and believed it to be suspicious, would have raised a Suspicious Matter Report based on the documentation that they had and attached it to everything. Now, if they didn't do that, that's probably --- they were the ones who would have had to raise the suspicion. Now, that documentation was then sent to all our other areas and made available for all our other areas to view with all the supporting documentation.

40

MR PENGLIS: It wasn't sent to all other areas, sir. You've conceded that today; correct?

45

MR BROWN: There was ---

MR PENGLIS: Correct?

5 MR BROWN: Yes, it wasn't sent to the AML team, but it was available for the AML team to view if they decided to view the transactions or had some concerns.

10 MR PENGLIS: And why would they have some concerns or decide to review the transaction if, one, there was no Suspicious Matter Report provided to them, and, two, the information put into SYCO was not each individual transaction but was the aggregated amount. Why would they?

MR BROWN: As you would see from the evidence of Ms Vanderklau that she obviously had some concerns around in 2014 about the transactions.

15 MR PENGLIS: Sorry, just answer it from your perspective, sir. Can you explain how you take comfort from the fact that, although it is not sent to them, AML might go and look at a transaction even though there is no SMR and even though the information put into SYCO does not show each individual deposit or withdrawal. Why would they, sir? Give the Commission a reason.

20 MR BROWN: The AML team don't report through to the cage. The AML team are an independent body within Crown that can check whatever they need to check. Now, they were checking transactions that the cage were completing, they were checking to make sure that the cage had done suspect matter reports on players that hadn't completed ratings, they were checking on certain matters independently of the cage and they could review whatever they wanted to review of whatever documentation we had. Just because we didn't send it to them didn't mean that they weren't checking those transactions.

30 MR PENGLIS: Do you accept the fact that the cage did not complete an SMR for these matters meant that the relevant transactions were not brought to the immediate attention of AML?

35 MR BROWN: I would say they weren't brought to the immediate attention but they were available to AML, yes.

MR PENGLIS: They were available to AML and anyone else in Crown if for some reason they wanted to look at them; correct?

40 MR BROWN: I would have thought the AML team's job was to do some independent checking of the processes being completed rather than just relying on one document that they receive from the cage that they would tick and flick.

45 MR PENGLIS: And an independent way that they did check was to look at SYCO. You knew that, didn't you?

MR BROWN: I do not know what AML were checking. I wasn't involved in the

AML team. And I couldn't tell you what they were checking but it wasn't my area and they didn't report to me.

5 MR PENGLIS: Can we please go in your witness statement to page 0014, paragraph 126 at the top:

10 *Crown uses the information collected by Cage staff and entered into the SYCO and LUI systems to ensure compliance with the AML/CTF reporting obligations.*

You see that?

15 MR BROWN: Yes.

MR PENGLIS: Are you seriously saying, on oath, that you didn't think that AML would be looking at the information in SYCO as part of its processes?

20 MR BROWN: No, I didn't say --- the AML team would certainly be looking at what's in SYCO, but it also says "Crown uses the information collected by Cage staff and entered into SYCO to ensure compliance with the AML/CTF obligations". So therefore, that information was collected by the cage staff, it was available.

25 What I'm saying is that the AML team worked independently and were in a position to be able to check things if they wanted to check things rather than just relying on what they were provided by cage.

30 MR PENGLIS: So your evidence is, sir, to this Commission, is that you did not know that AML would be relying upon information input into SYCO by cage for carrying out its duties. Is that your evidence to this Commission?

35 MR BROWN: No, no, what I'm evidence is that the AML team would not rely solely on the information entered into SYCO for their reporting as their only means of truth for reporting.

MR PENGLIS: The primary source of information, sir, would you agree, was provision of SMRs from various departments such as cage; correct?

40 MR BROWN: I assume that's part of their primary --- I don't know if it was their primary source but it was --- part of the AML role, was to accept and enter the SMRs from the cage and other areas of the casino, yes.

45 MR PENGLIS: And another primary source was the information put into SYCO by cage; correct?

MR BROWN: Yes, correct.

MR PENGLIS: And if that information is not entered correctly, would you agree that

it then has a knock-on effect through to AML's ability to do its job?

5 MR BROWN: No, I don't necessarily agree with that, no. I believe that the information in SYCO is a reporting tool and if AML were doing --- wanting to do their job and doing and investigate they would be looking at more than just "that's what is in SYCO, we must accept it".

10 MR PENGLIS: Why would they investigate something unless there is some reason for them to do so, sir?

15 MR BROWN: They were investigating other aspects of what we were doing in regards to non-player ratings. So I'm not aware of everything that the AML team did, because again, they didn't report through to me.

20 MR PENGLIS: Do you still, on oath, contend before this Commission that AML should have been able to identify these relevant transactions in accordance with AML's usual processes when there is no SMR report and where there has been aggregation. Is that your evidence?

25 MR BROWN: My evidence is that the information goes into SYCO and is entered into SYCO for them to be able to check the information that is in SYCO. You know, if the cage then had raised a suspicious matter that would have then gone straight to AML, but AML shouldn't just be relying on the departments that are there. They are also in a position to do some checking themselves if they felt there was any need to do so.

30 MR PENGLIS: And what is it that you say should have caused AML in regard to these transactions that weren't the subject of SMRs and were aggregated, that should have cause them to investigate them? What is it ---

35 MR BROWN: I think that as your AML team though there is a responsibility to be checking what is going on and what is occurring in each area, rather than just accepting what appears on one SYCO report that may or may not have all the information that they require.

MR PENGLIS: So is your evidence that it is your understanding that AML would effectively do audits throughout the whole of Crown ---

40 MR BROWN: Yes.

MR PENGLIS: --- on all matters. Is that it?

45 MR BROWN: Yes.

MR PENGLIS: That's the effect of your evidence, isn't it, sir?

MR BROWN: I'm saying that the information was there, the information is in SYCO

and that the AML team were able to obtain whatever information they wanted from any of the documentation that we had as they wanted to, because that's what they could do and that is what they were doing from time to time in other areas.

5

MR PENGLIS: Do you accept that the aggregation by cage cloaked from AML the ability to identify promptly suspicious transactions?

10 MR BROWN: I agree that the aggregation and then entering it as one transaction would certainly have clouded the issue from an AML perspective, but I don't think it was the total stop there. I think it just clouded the issue, yes.

15 MR PENGLIS: And you would accept, therefore that if, although not intentionally, it inadvertently compromised the team to perform its function; correct?

15

MR BROWN: I don't think it was a deliberate act to do that, but I think that the way ---

20

MR PENGLIS: I said --- keep going.

MR BROWN: --- the way AML were performing their role in just using the information in SYCO made it difficult for them to then get the information they needed, yes.

25 MR PENGLIS: So, just to be clear, you would accept that it was unintentional, but it did inadvertently compromise AML's capacity to perform its function?

30 MR BROWN: Based on the fact that they weren't reporting, yes. I think that AML would have struggled with it, but certainly the information was available to them.

30

MR PENGLIS: Can I then take you back to your witness statement --- can we go to paragraph 163, over the next page. When did you realise you were wrong about the documentation being passed on to AML?

35 MR BROWN: Only when it came up today. I still think in more recent times, the AML team --- all TTs have been saved into a folder that, even back to Denise's time, was available for Denise to view at any time. And that is still available for the AML team to view or save documents into a folder that is available to them.

40 MR PENGLIS: So when you gave evidence to the Bergin Inquiry, that was your understanding, wasn't it? You thought the AML team received fully documented copies of the papers we saw today. Correct?

45 MR BROWN: Well, I believe they have access to them in a folder that is available to them.

MR PENGLIS: Sir, I'm looking at your words. Counsel Assisting took you on several occasions to several paragraphs where you repeat the same concept.

MR BROWN: Yes.

MR PENGLIS: And that is that copies of the documents were passed on to, amongst
5 others, finance and AML.

MR BROWN: Yes.

MR PENGLIS: And that is wrong.
10

MR BROWN: I don't know it's wrong. It's available ---

MR PENGLIS: Sorry. 2013 to 2015, the documents were not passed on to the AML
15 team; correct? Copies were not provided to the AML team; correct?

MR BROWN: I don't believe copies were provided but I think they were available
to the AML team.

MR PENGLIS: When did you realise that copies weren't actually provided to the
20 AML team?

MR BROWN: When it was discussed today with the five copies, but I still believe
that the AML team, to a shared folder within the cage, would have access to those
TTs.
25

MR PENGLIS: In other words, you are saying AML could, if they want, walk down
to the cage and take a look at them. That's the --- (overspeaking) ---

MR BROWN: I said there is a shared folder that is set up so Denise, in her role as
30 AML, spoke to me many, many years ago, and I can't give you an exact time, and
she was given access to all cage areas through our shared drive folder so that she
could view any transactions at any time that the cage were performing as she
required to do.

MR PENGLIS: But until today, you were of the view that they actually got copies of
35 them; correct?

MR BROWN: I thought they got copies of them, yes.

MR PENGLIS: And that was your state of mind when you gave evidence at the
40 Bergin Inquiry; correct?

MR BROWN: I was of the belief, that they, and certainly for the last few years, have
been getting copies of all TTs, yes.
45

MR PENGLIS: And 2013 to 2015, you thought they were but you accept they didn't;
correct?

MR BROWN: I thought they were, but if they weren't getting copies of it, then I accept they weren't getting them.

5 MR PENGLIS: To be clear, for 2013 to 2015 when you gave evidence at the Bergin Inquiry, that was your belief and understanding, that they were getting copies; correct?

MR BROWN: I believe they were getting copies, yes.

10

MR PENGLIS: Now, I'm almost finished. I want to take you back to your statement at page 0010. Paragraph 85, I want to understand what you are saying. Just read that to yourself.

15 MR BROWN: Yes.

MR PENGLIS: So when we were looking at the transactions, for instance, that you saw that no --- that Ms Cahill showed you on the screen where there was apparent smurfing and no SMR reports. Do I understand this to be the case that the first
20 opportunity to identify that was whoever it was on the day who was doing the TTR, preparing the TTR report?

MR BROWN: No, because an SMR and TTR are totally separate things. So this
25 comment here in 85 is talking about the completion of threshold transaction reports and whether they were --- so there is a report that --- I don't know if I can say all of this but, there is a report that comes out that the staff check to make sure that reports have been completed in full, and it's done by the cage staff prior to any TTRs going to the AML team for them to upload to AUSTRAC.

30 MR PENGLIS: All right. One final area, you were asked questions by Ms Cahill in regard to training. Do you recall that? It was earlier in the morning.

MR BROWN: Yes.

35 MR PENGLIS: In that context, you were shown a couple of documents. One was the cage SOP and the other was the Casino Manual; do you remember?

MR BROWN: Yes.

40 MR PENGLIS: Do you actually, sitting here today, have any recollection of exactly what was the training in regard to this issue back in 2013 and 2015, and by "this issue", I mean smurfing?

45 MR BROWN: No, I can't sit back and say exactly what I know the training was in regards to smurfing, or in this case structuring, as we discussed it, back in 2013 and 2015, no.

MR PENGLIS: So are you aware of --- so the short answer is, sitting here today, you simply have no recollection of what the training was other than it included an element in regard to this topic?

5

MR BROWN: It was an element in regards to structuring. It was a three-page document, I think it is a three-page document, that all staff are taken through when they join up, and that's completed by the AML team and informed by the AML team when they commence, which is then since been handed over for the cage management team to perform rather than the AML team. And then, there is the online training that talks about structuring but for cash deposits and not so much for the bank accounts, as I said earlier.

10

MR PENGLIS: But you don't actually remember the content of that?

15

MR BROWN: Not from 2013 to 2015, no.

MR PENGLIS: And do you recall the content of whatever refreshers were done in regards to structuring?

20

MR BROWN: No, I don't believe there was a lot of refresher done for training in relation to structuring apart from the obligation to complete their online training.

MR PENGLIS: And the final area I want to ask you a question about is this: again by reference to the SOP and reference to the Casino Manual, there were different aspects of --- sorry, hold on a moment, yes it was the Manual --- different aspects of structuring. But what I understand your evidence to be is that although there were specific examples where structuring may occur, you are not suggesting that the cage staff were only looking out for those and not other forms of structuring such as TTs?

30

MR BROWN: They were looking --- they were looking at all forms of what they believed anything to be suspicious.

MR PENGLIS: And that included structuring whether it is cash or by telegraphic transfer; correct?

35

MR BROWN: I believe that they were fully aware of their need to report anything they believe to be suspicious. Now most of the training, because it is general training, is targeted towards cash deposits or cash transactions over the counter, whether that be at a table or a cage or whatever it might be. But the cage staff were aware of the fact that if they thought something to be suspicious, they were obligated to report it.

40

MR PENGLIS: Finally, can we go to the evidence you gave in the Bergin Inquiry, BGN.0002.0001.2192. Down in line 25 ---

45

MR BROWN: That's not me, I don't think.

MR PENGLIS: Tell me when it arrives. Sorry, page --- I have 2132 down the bottom. I'm sorry, I hope it is 2192 for the operator.

5 MR BROWN: That's got my name on it.

MR PENGLIS: Similar to the questions I've just put to you, Ms Sharp just before line 25:

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

And you answered it in a similar way that you just answered my question:

15 *I believe the staff are aware of their role from an AML perspective*

You can read the rest to yourself. Then Ms Sharp wants to be more specific here:

20 *To the best of your knowledge, in the period 2013 to 2016, is it right that the people at the Crown Perth cage who did look at these actual bank account statements for Riverbank were not looking at whether structuring or smurfing was taking place within those accounts?" And you say:*

25 *No, I don't believe that to be the case, no. And then:*

And certainly, you never instructed any of them to do that.

And you say:

30 *No.*

Are you saying they were looking for structuring and smurfing but that was only a part of a whole lot of other things that they were looking for?

35 MR BROWN: They were looking for anything that was suspicious. Not just structuring or smurfing. They were aware of their obligation that if they believed something to be suspicious, they needed to report it, whether it be structuring, smurfing or anything unusual that they felt needed to be reported.

40 MR PENGLIS: Then you were asked if things had changed at all in that respect after 2016; did you see that down the bottom?

MR BROWN: Sorry, I can't see down the bottom. It only shows me to page 940.

MR PENGLIS: Do you see down the bottom there, line 42?

MR BROWN: Yes.

5

MR PENGLIS: Or 44, "Did things change?"

MR BROWN: I believe that people, obviously, as --- as they worked through things and look at things and understand things, their understanding becomes better of transactions, but I think it was just there's greater understanding as we transact more

10

MR PENGLIS: What I want to put to you is that you seem to give the impression, or it could be construed that what you were trying to communicate was that and I will continue reading:

15

But it is right that you don't really know if things changed in relation to Riverbank account after 2016? No, I'm not sure, no, if there was a specific instruction for them, no.

20

The impression one might glean from those answers is that over time there was a better understanding in regard to structuring. Is that what you intended to mean by those words?

MR BROWN: I think as staff perform their function more often and look at transactions and you have more sets of eyes looking at transactions they have a better understanding of things that they have a concern for. So I think, you know, a lot of our staff have worked there longer and have a better understanding and as more things have come out in the media and more reports have come out about, as we've discussed today, about the 2016 cases and that, that the staff look for things more and probably have a better understanding, yes.

25

30

MR PENGLIS: That is simply an understanding you have without any discussion; correct?

35

MR BROWN: We --- I talk to the cage staff on a regular basis. When I was in Perth, and I've been gone for a period of time now, I had a close working relationship with the staff where I would speak to the staff and we would have discussions about things, yes. So am I aware that their understanding got better as time went on? Yes, I am.

40

MR PENGLIS: And one final question. Can I take you back to a paragraph you've already been taken to before but I will be very short. That's paragraph 163. When you say that all transactions were fully documented, you are referring to the fact that the various receipts were stapled on to the cover sheet; is that right?

45

MR BROWN: Cover sheet and the supporting documentation is my understanding, yes.

5 MR PENGLIS: And just to be very clear, you accept that that paper work was not physically passed on to the AML teams in 2012 --- sorry, 2013 to 2015?

MR BROWN: Based on what we are seeing, yes, I accept that that was not physically passed on to the AML team but it was available to them as we've
10 discussed.

MR PENGLIS: May it please the Commission.

COMMISSIONER OWEN: Thank you. Is there any other applications?
15 Commissioner Jenkins?

QUESTIONS BY THE COMMISSIONERS

20 COMMISSIONER JENKINS: Thank you, Mr Brown. I have one area I want to ask you about; that is about releasing money to third parties rather than patrons. Did that occur at the Perth cage in the past?

25 MR BROWN: In the past there was no restriction as such. Let me start again. Currently we cannot deal with third parties and we don't transfer to third parties. Previously prior to that we weren't restricted from dealing with third parties and sending funds to third parties if we were in a position to establish the relationship between the person wanting to do it and the third party.
30

COMMISSIONER JENKINS: So if the parties --- if the third party was related to the patron, I suppose you could understand how that might be acceptable, what if it was just a third party who was able to produce evidence that they were authorised by the patron to accept the money; was that satisfactory?
35

MR BROWN: If at the time under the approach, then as long as we could establish a relationship, we weren't restricted from sending it to a third party, no.

40 COMMISSIONER JENKINS: Do you recall there ever being any discussion about how that was a money laundering risk?

MR BROWN: No, I don't perceive or remember there being a discussion about that being a money laundering risk, no.

45 COMMISSIONER JENKINS: In relation to the authorisation or the relationship, would you expect that to be recorded, the nature of that relationship and authorisation to be recorded on the document releasing --- whereby the funds were released or not?

MR BROWN: Yeah, I would expect that it would be documented as to the relationship and who had informed us of the relationship between the person, you know, if the staff member knew of the relationship. So if it was husband and wife,
5 for example, you still should have recorded it on the documentation to say that the relationship is husband and wife or a friend or a business partner or a associate or what it might be. Yes.

10 COMMISSIONER JENKINS: Thank you, Mr Brown. Nothing further.

COMMISSIONER OWEN: Mr Brown, I have one question for you.

15 In an exchange with Ms Cahill you agreed that all of the staff in the cage had a responsibility as well as to report to prevent if they could, if it was appropriate, to prevent the transaction occurring but that care needed to be taken not to tip-off the patron. Do you remember that evidence?

MR BROWN: Yes.

20 COMMISSIONER OWEN: Can I ask you this: you also said in relation to the multiple transactions, the structured transactions in the Riverbank account that seemed to have repeated, that were you unsure whether there was any way in which you could stop monies being deposited to the account. So a patron --- any way you could prevent the deposit by the patron into the account; do you remember that?

25 MR BROWN: Yes.

COMMISSIONER OWEN: Can I ask you this question: might it not have been possible, perhaps not to stop the money going into the account but once it had been --
30 - come to attention that structuring was a possibility that the monies could have been returned?

MR BROWN: Yes. That is a case and that is something that our policy now requires us to do. So the problem that we've got and that we've identified now is
35 even now it is not possible with our bank to stop cash deposits to our bank account. So should it occur now we've got steps in place where the process, the cash would be given back to the patron and they would be informed that they are not permitted and there would be a series of steps taken, including barring of the patron should they do it on more than one occasion.

40 COMMISSIONER OWEN: And that in simple terms is a method of prevention; would you agree with that?

MR BROWN: Yes. It doesn't --- what I was getting at before, it doesn't prevent a
45 patron from doing it but the patron would only do it once because they would be officially warned then that you can't do this and we won't commit it and there will be a series of actions taken to stop it from happening, which is the approach that we've

04:19PM

now been informed that we would take from now going forward.

COMMISSIONER OWEN: All right. Thank you. Anything arising?

5

MS CAHILL: No.

COMMISSIONER OWEN: Mr Davis? Do you need to re-examine?

10 MR DAVIS: Can I just have one moment?

COMMISSIONER OWEN: Certainly.

MR DAVIS: No.

15

COMMISSIONER OWEN: Just before we close, my associate has drawn to my attention that there may have been an occasion this afternoon where inadvertently where the witness in looking at an email that was the subject of cross-examination they have disclosed the name of the patron. We will check the transcript for that and if that is the case, the name will be redacted. In the meantime, can I remind everyone of the general non-publication order in relation to the naming of a patron unless the name is already in the public arena.

20
25 Mr Brown, thank you for your evidence and thank you for your time. The summons will remain in place because we may need to tidy things up. So the summons will remain in place, but in the interim you are free to go about your normal activities. Thank you.

30 **THE WITNESS STOOD DOWN**

MR BROWN: Thank you.

35 COMMISSIONER OWEN: We will adjourn until 10 am tomorrow morning.

ADJOURNED AT 4.21 PM UNTIL WEDNESDAY, 29 SEPTEMBER 2021 AT 10.00 AM

Index of Witness Events

MR DAVID WILLIAM BROWN, AFFIRMED	P-4600
EXAMINATION-IN-CHIEF BY MR DAVIS	P-4600
CROSS-EXAMINATION BY MS CAHILL	P-4601
CROSS-EXAMINATION BY MR PENGLIS	P-4702
QUESTIONS BY THE COMMISSIONERS	P-4716
THE WITNESS STOOD DOWN	P-4718

Index of Exhibits and MFIs

EXHIBIT #CRW.998.002.0001 - WITNESS STATEMENT OF MR DAVID WILLIAM BROWN DATED 26 JULY 2021	P-4601
---	--------