

AMENDED WITNESS STATEMENT PAUL HULME

I Paul Hulme of Contains sensitive information provide the following statement, to the best of my knowledge and belief, to address the list of topics detailed in the Summons I received.

In providing this statement it is important to note that I:

- ceased working at Crown Perth in December 2019;
- I do not have access to nor have I been provided with any documents relevant to the list of topics raised. Moreover, this statement was prepared whilst in a caravan, mid holiday in Broome; and
- I have not sought legal advice in preparing this statement, though this assistance was offered by Crown Perth.

My Role**Q 1 and 2**

In September 2007 I commenced employment at Crown Perth as Gaming & Regulatory Compliance Manager, ceasing working in December 2019 and formally retiring on 20 March 2020.

Q 3

~~Burswood Nominees Ltd~~ Burswood Resort (Management) Ltd.

Q 4

The persons and position titles of the persons I reported to did change over time.

Their position titles are /were: GM Governance & Corporate Projects, then Chief Legal Officer – Australian Resorts and finally Group Executive General Manager – Regulatory and Compliance at Crown Resorts.

Q 5

Gaming and Regulatory Compliance Officer

Q 6

I am unable to recall all committees and working groups I attended at Crown Perth. Detailed below are those which I do:

Casino Gaming License Area and Complex Development

There was a number of occasions that Crown Perth sought Regulatory approval to vary the Casino Gaming License foot print and/or other buildings in the Complex.

The duration of the working group meetings would depend on the size of the project. A Crown Perth Executive ordinarily Chaired such meetings, which were intended to ensure, amongst other things, that appropriate resources and equipment is be available, minimize the disruption to business, ensure various Regulatory requests and approvals were submitted and obtained during and prior to opening and that the project was completed in a timely manner. Depending on the size of the project, managers from different Departments would attend to report on their area(s) of responsibility.

I understand the relevant Crown Perth Executive reported the progress of each project to the Crown Perth Executives at their monthly meetings.

New Electronic Gaming Machine Monitoring System

Crown Perth initially sought provisional approval of the GWC's to upgrade its electronic gaming machine (**EGM**) monitoring system.

The EGM monitoring system was aging and is used to monitor revenue and performance of EGM's in the Casino. A Crown Perth Executive Chaired these meetings, which was also attended by various managers and representatives from affected Departments, a Crown Melbourne IT project manager, Internal Audit and at times a senior representative from an Accredited Testing Facility (**ATF**).

An ATF is a company that has been approved by the GWC, who has been determined to have appropriate skills, knowledge and technical expertise to examine and independently report on gaming related systems and products within the Casino. A board spectrum of person from different Departments attended these meetings, over approximately 15 months.

I understand the relevant Crown Perth Executive and at times Crown Melbourne IT representative reported the progress of project to the Crown Perth Executives at their monthly meetings.

Burswood Casino Directions – Gaming Table Supervision Levels

A working group was formed (approximately 2014) and overseen by a Crown Perth Executive to assess the merits and then seek approval of the GWC to amended the Burswood - Casino Directions in relation to Gaming Table Supervision Levels.

The composition of the working group was made up of Table Games Management, Legal Service employees, several Crown Perth Executives with supporting information and data source from various Crown Perth departments. The duration of the working group was approximately 7 months.

I understand this proposal was presented to and/or discussed at Crown Perth Executive Meetings and at Crown Resort Board meetings before a written submission was made to the GWC.

Executives of Crown Perth attended and provided a power point presentation(s) to the GWC.

Use of Direct Debit Cards at Table Games

Due to the uptake in the use of Debit and Credits, as opposed to cash, to acquire goods and services in the Australian community Crown Perth felt it necessary to seek the views and approval of the GWC to utilize Debit Cards only at gaming tables, with restricted withdrawal limits.

My recollection of this matter is following a submission (approximately 2019) to the GWC, the GWC granted its "in principle" acceptance of this matter. Crown Perth's working party then continued its testing and examination of this proposal. The proposal was not implemented at the time of my retirement.

I understand this matter was presented to and discussed at Crown Perth Executive and at Crown Resort Board meetings.

Changes to WA Appendix for electric gaming machines

Proposed introduction of ticket in/ticket out (TITO)

Qualifications and Expertise

Q 7

I have a Diploma In Accounting and have performed various roles in private companies, within Government agencies and have been a Director of my own private company.

Q8

(a) & (b)

For 13 years I assisted in the Regulation of Crown Perth Casino on behalf of the GWC. Then for 12 years I worked as the Gaming & Regulatory Compliance Manager for Crown Perth.

Specifically, my expertise and experience in relation to casino gaming operations are as follows:

October 1985 – Commenced as a Government Casino Inspector within the Casino Control Division, a Division of the Department of Racing Gaming & Liquor (now known as Department of Local Government Sport and Cultural Industries (**Department**)). I participated in a 3-month intensive training course in aspects of casino gaming operations.

1990 - Appointed Supervising Government Casino Inspector and responsible for overseeing the duties of (3 x) Government Casino Inspectors.

1994 –1998 Appointed Senior Regulatory Officer - overseeing two Regulatory Officers.

The purpose of this new role was to:

1. develop risk-based audit programs in relation to all aspect of casino gaming operations, such as:

- Table Games and EGM Operations
 - Security & Surveillance Operations
 - Junket Operations
 - Legislative Requirements associated with Foreign Shareholding and Controlling Interest Provisions
 - Cage and Count
 - Revenue Control
 - Develop yearly audit plans which established the priority and frequency of the audits of the above areas each year to be conducted by the government casino inspectors. This was ultimately approved by the GWC
2. Assist with the review of submissions received from the Casino Operator
 3. Provide support to the Chief Casino Officer (**CCO**)
 4. Assist with the preparation of agenda papers to the GWC

2006 – 2007 Commenced as Senior Government Casino Inspector with the Department. My duties were, amongst other things:

- Managing rostering, duties, tasks performed by Government Casino Inspectors and review their reports – all of whom worked shift at the Casino 24hrs/7 days per week
- Examine reports and recommendations provided by Government Casino Inspectors
- Respond to patron complaints
- Assisting the Manager of Compliance, CCO and the GWC in regulating the Casino
- Review submissions from the Casino Operator
- Prepare agenda papers to the GWC
- Attend monthly Department Operation Division Meetings with Senior Casino Management

September 2007 – Commenced as Gaming & Regulatory Compliance Manager with Crown Perth.

My duties were, amongst other things:

- Liaise with various Gaming Operational Departments to assist them in relation to their operational and business needs
- Provide guidance and regulatory assistance in relation to casino gaming legislative and regulatory obligations
- Liaise with Crown Perth Executives
- Prepare and/or assist in the preparation of submissions to the GWC on behalf of Gaming Operational Departments and/or Crown Perth Executive Management
- Review, meet and prepare responses to selected patron complaints
- Investigate and prepare responses to GWC or Department enquiries
- Attend and later became Chair of Crown Perth's compliance meetings
- Liaise with Officers of the GWC, in particular senior management within the Department, on submissions which I had involvement and other Regulatory queries or matters that arose
- Attend monthly Department Operational Division meetings

I have no formal qualifications in Risk Management. However, due to my previous studies, analytical skills and work experiences I have endeavored to ensure, where possible, that appropriate controls were put in place in the areas of Casino Gaming Operations that I was involved in.

My experience in relation to risk at Crown Perth and specifically the topics raised is that I was a member of the Compliance Committee (and later chair). At the time of my retirement, risk management was primarily the responsibility the Chief Risk Officer at Crown Resorts.

(c)

The two committees which I believe are relevant to this topic, are:

Compliance Committee:

Each Department Manager within the Casino Complex, including those involved in casino gaming operations and assisted by Legal Services, were responsible for developing a yearly compliance plan, identifying areas of risk, ensuring compliance with various legislative obligations, procedures etc.

On a monthly basis a formal report was submitted to the Legal Services Department via a system known as CURA by each Department Manager and Compliance Officer confirming compliance with those key risks, legislative obligations, procedures etc. detailed in their monthly compliance plan. Importantly the Department Manager and Compliance Officer were responsible for reporting risk events and matters of non-compliance, rating each incident as either low, medium or high risk.

There were compliance programs in place for the following areas: AML/CTF, problem gambling, electronic gaming machines, international commission business and junket operations.

I was the Chairperson of the Compliance Committee for approx. 2 - 3 years prior to my retirement. Before each meeting, I would review Departmental Compliance Reports and then identify and discuss relevant risk matters with the parties involved during the Compliance Committee meeting, ensuring the matter was corrected and appropriate steps put in place to limit/stop reoccurrence.

Following the compliance meeting the General Manager, Legal and Compliance would consider and determine the matters to be referred to the Executive Risk and Compliance Committee. As I understand it, this committee would consider and determine the matters to be referred to the Crown Resorts Board.

In relation to the marketing in foreign countries, these matters were responsibilities of other Executives/Managers within the Crown Group, ordinarily based in Melbourne I had no involvement.

I was very conscious and aware of the importance of ensuring Casino Gaming Operations should be free of criminal infiltration.

Whilst employed by Crown Perth, I was aware of regulatory and control measures necessary to ensure where possible that the Casino was free from criminal activity. These included for example (most of which I had no direct responsibility), all employees associated with Gaming Operations must hold a Casino Employee License, the Casino Operator being required to call the WA Police in instances of suspected criminal activity associated with gaming operations, adequate segregation of duties, accountability of transactions, well documented policies and procedures, probity of casino shareholdings and person of controlling interest etc.

Q 9 & 10

I trust the above information addresses these topics.

GOVERNANCE

Q11

In 2016/2017 there was a major restructure whereby group managers were appointed to oversee Crown Perth and Crown Melbourne Casino operations, which affected all operational departments. As my Manager changing positions, my direct report was located in Melbourne, whose position title is now known as Group Executive General Manager – Regulatory and Compliance at Crown Resorts. When this Manager was appointed they obtained a Casino Key Employee License in Western Australia.

Q12 - 17

In regards to questions 12 – 17 in the “List of Topics”, I had no real knowledge or involvement in such matters, beyond the fact that on occasions I was requested by the former Chief Legal Officer - Australia Resorts to prepare a covering letter to the GWC advising of the intended appointment or resignation of a Director to the Board of companies associated with Crown Perth. In this respect, the GWC required Directors of certain Crown companies to hold a Casino Key Employee License, while others were required to lodge a “Personal Particulars” form before being appointed.

Q 18

With the exception of my comments below, I was not aware of any notable change in the risk appetite or risk tolerance at Crown Perth during my period of employment.

When I commenced employment at Crown Perth there were two committees in place; Compliance Committee and the Executive Risk and Compliance Committee; designed to identify risk, monitor and report on compliance with legislative obligations, policies and procedures and to ensure such matters of non-compliance were appropriately addressed by the various Operational Departments at Crown Perth, Refer Topic 8.

In my opinion, the Executive Management with whom I dealt were conscious of ensuring compliance with all aspects of its business and minimizing risk where possible.

To improve the reporting methodology and accountability of each Department a new risk, legal and audit computer system was introduced known as CURA, moving away from a paper-based system.

Around 2017, Crown Resorts appointed a specialist Audit, Risk, Insurance, Fraud and Compliance Officer and at the same time added 3 additional staff in this area. Based in Melbourne. Crown Perth also had an existing employee involved in this as aspect of work who ultimately reported to this new manager.

AML/CTF**Q 19**

I was aware that the Casino Manual (Operations), approved by the GWC, enabled select patrons to conduct a transaction at the hotel service desk so as to source funds from the Main Cage within the casino. I cannot recall the specific details of these procedures.

Gaming & Wagering Commission and the Department**Q 20**

The Burswood Casino Directions issued by the GWC, require all casino employees to co-operate and assist with matters being reviewed and investigated by the GWC or its Officers. I am unable to recall the exact wording of the particular Direction.

I am unaware of any direction or guidance from the board or other entity mentioned in this question, about when and how generally to communicate with the GWC or the Department beyond those contained in the Burswood Casino Directions.

I can also say that in my dealings with my former direct Manager who subsequently was appointed Chief Legal Officer - Australia Resorts, the philosophy of being respectful, open and transparent with the Regulator was encouraged.

Q 21

I am unaware of any direction or guidance given from the board or other entity mentioned in this question in relation to the allegations referred in Q 29.

Any direction or guidance I personally received in relation to the matters I was involved in and referred to in Q 29 were provided by me by the Chief Operating Officer - Gaming and Chief Executive of Australian Resorts or Chief Operating Officer - Gaming.

Q 22

1. During my employment in the Department, I recall the following contact, occurring between the GWC and (or) Department:
 - a) The Chief Casino Officer would at times meet with the Chairman of the GWC, outside of monthly GWC meetings to discuss Casino Operational matters.
 - b) The Department would prepare agenda papers in regards to any and all Casino Operational matters that needed to be addressed/considered by the GWC.

- c) The Chief Casino Officer would attend GWC meetings.
 - d) Department employees were at times requested to attend GWC meetings to address/discuss any agenda paper put before the GWC.
 - e) The GWC would direct the Chief Casino Officer to investigate, review, report on specific areas of Casino operations.
2. I have no knowledge or understanding of any contact, formal or informal, occurring between Crown Resorts Limited, Burswood Ltd, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited.

Q 23

I have no knowledge or understanding of any relationship, formal or informal, between the GWC and (or) Department, on the one hand, and Crown Resorts Limited, Burswood Ltd, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited, on the other.

Q 24

The only hospitality that I can recall/aware was of a relatively minor nature and entailed:

- Morning tea being made available at the year-end Department Operation Division Meetings held at Crown Perth.
- Once a year Crown Perth would provide a meeting room and morning tea for a GWC meeting.
- A number of Department employees, along with Crown Perth employees, attended my retirement celebration, during which food and beverages were available.

Q 25

The relationships and friendships that I am aware or can recall are:

- a) Having worked at the Department between October 1985 through to approximately 1998 and then for a further 10 month period in 2006 I am reasonably acquainted with a number of employees in the Department and the former Chairman of the GWC.
- b) During my final 5 years of work at Crown Perth a friendship rekindled between myself and the GWC's Chief Casino Officer. I was involved in this Officers training when he first commenced as a Government Casino Inspector in 1990. I worked alongside this person up until the time I left the Department in 1998 and then again in 2006/07 when I rejoined the Department for 10 months.
- c) Crown Perth's General Manager, Legal and Compliance also has a friendship with the same person. I understand this friendship has existed for about 5 years.

Please note, that around 2014, the friendship that my colleague and I had with the Chief Casino Officer was raised (in context of a proposed fishing trip) with senior management of Crown Perth to provide full disclosure of any risk of a conflict of interest and to seek approval.

Further, the Chief Casino Officer advised us that he had spoken to the Chairman of the GWC who at that time was the Director General of the Department who also had no objections.

- d) A Manager within the Department was married to a Crown Perth table games employee. I cannot recall when I first became aware of this relationship.
- e) A Government Casino Inspector's son worked at Crown Perth. I recall becoming aware of this relationship in early 2007.

Q 26

My recollection is Crown Perth had a number of policies and procedures in relation to integrity, conflicts of interest and detecting and reporting misconduct. I am unable to provide any specific comment, whether these policies included *"integrity issues relevant to interactions with the GWC, including with individual GWC members and (or) the Department, including with individual officers and employees"*.

Q 27

Crown Perth has during my period of employment made a number of submissions to the GWC seeking amendments to legislation, to policies of the Commission and to Crown Perth's approved policies, procedures and rules of games etc.

There were various reasons why these changes were sought which were detailed in each submission to the GWC, for example:

- To improve Crown Perth's access to a broader range of EGMs as opposed to having them purposefully manufactured and designed. For example, changes to the WA Appendix to National Standards for Gaming Machines
- To enable Crown Perth to remain competitive with Casino's in other Australian jurisdictions, without reducing the integrity of gaming operations. For example, changes to Burswood Casino Directions – Table Supervision Levels

In regard to 27(b), I cannot recall any instance of the submissions altering the objectives and philosophy of the GWC.

In my view the changes sought by Crown Perth during my period of employment have not changed the regulatory objectives and philosophy of the GWC.

Q 28

- a) *approval of "video bingo" as an authorized game in or about 2004;*

I was not employed by the Department or Crown Perth at this time.

b) changes to the regulation of junkets in 2010;

The Chief Executive of Australian Resorts requested I prepare a written submission to the GWC seeking approval to dispense with relevant legislation associated with junkets. In this respect, he explained the Victorian Commission for Gambling and Liquor Regulation had dispensed with regulations associated with junkets and Crown Perth was keen to align the regulatory process with Victoria. We also briefly discussed, the expected role and responsibility of other Government agencies determining the suitability of person entering Australia.

c) Changes to the manner in which Taxes and (or) License Fees are calculated between 2013 and 2015;

I have only a vague recollection of changes to International Commission Business tax around this time. I expect that these matters were dealt with at an Executive level.

d) Changes to the nature and level of on-sight supervision in 2015;

If this matter relates to an amendment to the Burswood Casino Directions in relation to table games supervision levels, I can confirm that either the Chief Operating Officer - Gaming or Chief ~~Executive Legal Officer~~ of Australian Resorts convened a meeting with various management stakeholders to examine and prepare a submission to the GWC seeking approval to amend the Directions. Myself and another officer within the Legal Services Department prepared the submission following input from various Operational Departments.

Crown Perth Executives attended a number of GWC meetings and provided power point presentation(s) for this proposal.

e) Changes to the Casino Manual (Operations) relating to junkets in 2017;

~~I am unable to recall any involvement in these changes.~~

f) Approval to extend credit to ICB players, junket operators, premium players, privileged players and (or) patrons.

I was not employed by the Department or Crown Perth at the time of this approval.

Q 29

In regard to communications between Crown Perth and the GWC in which I recall being involved, I am not aware of any inaccuracy or misrepresentation.

Specifically, in regards to the topics listed in which I can recall being involved, I offer the following comments:

e) Changes to the nature and level of on-sight supervision in 2015;

If this matter relates to an amendment to the Burswood Casino Directions in relation to table games supervision levels, I can confirm that the information contained in the written

submission sent to the GWC was provided by various Operational Departments within Crown Perth and I am not aware of any accuracy of this information.

i) The allegations of EGM tampering raised in Guardian Articles in April – July 2018.

My recollection of this matter relates to Crown Melbourne making available “picks” for patrons to utilize whilst playing at EGM’s.

If this is correct, I recall the Chief Operating Officer of Gaming and Chief Executive of Australian Resorts convening several meetings with various EGM management and others including myself to discuss this matter. It was confirmed by the various management stakeholders that Crown Perth did not provide “picks” for patrons use. Further, EGM staff were required to observe and record instances where patrons themselves were using some sort of “pick” whilst playing EGM’s. In such instances, patrons were required to immediately cease this practice. I further recall a letter being sent to the Department following information and input from relevant departments at Crown Perth.

(p) EGM Revenue

There are a number of departments at Crown Perth that are involved in ensuring the accountability of EGM Revenue. These departments include; Finance, Security, EGM, Cage & Count and Surveillance.

The formula describing how EGM revenue is calculated is detailed in the Casino Manual (Operations).

I recall the GWC annually (for approximately 4 years prior to my retirement) engaging the services of an ATF to independently verify the EGM revenue processes.

(q) Problem Gambling

There were a number of instances whereby patrons who had been prohibited from entering the Casino by Crown Perth, sought the assistance of the GWC to review and over turn this prohibition. I assisted in preparing several responses to the GWC on these matters, following input from the Responsible Service Gambling Team, Surveillance and Security Departments.

In 2018/2019 I further recall being involved in assisting with the preparation of a letter to the GWC about Crown Perth Responsible Service of Gambling Program, again following input and data from various Departments, in particular the Responsible Service Gambling Team.

Q 30

I cannot recall any formal instruction from the Crown Group and (or) Burwood Nominees Ltd that reinforced the importance of ensuring or verifying the accuracy of communications etc to the GWC and (or) Department.

I can only talk and refer to practices performed by myself and by other employees within the Legal Services Department who would ordinarily prepare most formal submissions to the GWC and (or) Department, beyond those prepared by the Crown Perth Executives themselves and routine daily and monthly reports sent by various Crown Perth departments. It was always

our practice to assess the reasonableness of the information supporting submissions provided by the Operational Department(s). We would then forward the draft letter to the General Manager of the relevant Operational Department(s) to confirm the accuracy of the communications, representations and information intended to be sent to the Regulator.

Further, submissions which were considered of highest importance were always reviewed and signed by Crown Perth Executives. There were a number of instances that the Crown Perth Executives would convene a meeting of all relevant stakeholders to check and cross examine the contents of the submissions to the Regulator with various managers before signing and lodging such submissions.

Signed Paul Hulme _____

Date: _____