

## Perth Casino Royal Commission

### Witness Statement of Travis Ean Costin

15 September 2021

- 1 I am Travis Ean Costin, General Manager Corporate Finance and Treasury of Crown Resorts, Crown Towers, Level 3, 8 Whiteman Street, Southbank Victoria 3006.
- 2 This statement is provided in response to the witness summons to give evidence dated 2 September 2021 and issued pursuant to section 9 of the *Royal Commissions Act 1968* (WA), which is directed to me by the Perth Casino Royal Commission.
- 3 In this witness statement, I set out matters of fact of which I have personal knowledge. I have also reviewed documents in preparing this statement. I cannot recall all of the documents I have reviewed but the ones that I do recall reviewing for the purpose of preparing this statement are in the attached list marked "TC-1".

### MY ROLES

(Question 1 to 2)

- 4 I have been employed within the Crown Group from June 2007 to present, originally employed by PBL Gaming, a division of Publishing and Broadcasting Limited and moving to the Crown Resorts Limited head office following demerger in December 2007.
- 5 Over the period of my employment I have had multiple roles, as outlined below:
  - a) from 2007 to 2009, Financial/Research Analyst and then Manager within the international business development team of PBL Gaming and subsequently at Crown Resorts head office;
  - b) from 2009 to 2010, Business Analyst within the Crown Resorts head office finance team;
  - c) from 2010 to 2011, Finance and Treasury Analyst within the Crown Resorts head office finance team;
  - d) from 2011 to 2018, Treasury and Finance Manager within the Crown Resorts head office finance team;
  - e) from 2018 to 2020, Head of Finance for the Crown Digital portfolio in conjunction with Group Treasury and Finance Manager within the Crown Resorts head office finance team; and
  - f) from 2020 to present, General Manager - Corporate Finance and Treasury within the Crown Resorts head office finance team.

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- 6 From around 2010 to present, my responsibilities have included:
- a) statutory reporting obligations of the ASX listed entity;
  - b) month end consolidated reporting of the Crown Group;
  - c) ongoing budgeting and forecasting for the Crown Group;
  - d) acquisitions and divestments, including acquisition and divestment accounting and funding;
  - e) oversight of the finance teams for entities within the Crown Digital portfolio;
  - f) management of the financial reporting function for international associates and joint venture entities;
  - g) management of the Crown Group treasury requirements including access to funding, appropriate debt financing and liquidity;
  - h) maintenance of ongoing relationships with key banks and lending partners;
  - i) cash flow management across the Crown Group; and
  - j) foreign exchange and interest rate risk management and ensuring compliance with treasury policy.
- 7 During my period of employment I have reported through to three different managers:
- a) from 2007-2009 I reported through to the Executive Vice President of International business development;
  - b) from 2009-2020 I reported through to the Group Financial Controller of Crown Resorts Limited; and
  - c) from 2020 to present I report through to the Chief Financial Officer of Crown Resorts Limited.
- 8 In addition, from 2010 to 2012 I had a dotted reporting line through to the Treasurer of Crown Resorts Limited and post 2012 through to the Chief Financial Officer of Crown Resorts Limited for treasury related matters.
- 9 From 2011 to 2020, in conjunction with the Group Finance Manager, I had oversight over the corporate accountant at head office.
- 10 From 2018 to present I have oversight over the finance teams for the entities within the Crown Digital portfolio.

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**QUALIFICATIONS, EXPERTISE AND TRAINING***(Questions 3 to 5)*

- 11 I hold a Bachelor of Business majoring in Accountancy from RMIT University.
- 12 I completed a Graduate Diploma of Chartered Accounting from the Institute of Chartered Accountants in Australia.
- 13 I am a member of the Institute of Chartered Accountants of Australia and New Zealand.
- 14 I have worked in the head office for Crown Resorts Limited for 14 years, predominantly in corporate finance and treasury related roles.
- 15 Prior to working at Crown Resorts Limited, I worked for a chartered accounting firm for 7 years within the global transfer pricing division of tax.
- 16 I set out my qualifications, expertise and experience in relation to each of the subcategories below:
- a) Casino operations
    - (i) My experience in relation to casino operations largely comes from ongoing discussions with management at the casino operators (Crown Melbourne, Crown Perth, Crown Aspinalls and joint venture entities) around revenue, accounting and finance related matters including budgeting and forecasting, cashflow management and similar areas.
  - b) Risk management
    - (i) Over the last three years, through acting as an intermediary and attending meetings between the banks and the legal/compliance and anti-money laundering (**AML**) teams I have gained some experience in understanding the risk of money laundering and other criminal activities at Crown's casino operations.
    - (ii) Prior to 2018, I had no expertise or experience in risk management in relation to casino operations or the risk of money laundering at Crown's casino operations.
  - c) AML/CTF compliance programs
    - (i) Similar to risk management, over the last three years I have attended meetings with the AML compliance team and banks, as well as had internal discussions with the AML compliance team around the operation of Crown's AML compliance program. This has provided me with some experience in understanding the programs, and what types of transactions may be suspicious and require reporting through to the AML compliance team.
    - (ii) Prior to 2018, whilst I had knowledge that Crown had in place AML/CTF compliance programs, I had no expertise and experience in the operation or maintenance of those programs.

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- 17 Crown have provided me with a number of training sessions throughout my employment. This has included training sessions to maintain CPD hours for professional development as well as specific training sessions around items such as Occupational Health and Safety, Responsible Service of Gaming, Cyber Security, Anti-bribery and Corruption and Emergency and Suspicious Behaviour.
- 18 Specifically, in respect of AML/CTF I completed an AML/CTF risk awareness online module in October 2020. I expect that I will be completing a refresher course in respect of AML/CTF periodically as that particular course is one that employees are required to continually undertake on a periodic basis.

**AML / CTF***(Questions 6 to 13)*

- 19 My understanding is that the policies and procedures of the identification and management of the risks of AML/CTF in relation with gaming operations at Crown Perth were managed by the operations team at the Crown Perth business. Given my role throughout my employment was at the Crown Resorts head office I have no specific knowledge or understanding of the systems, policies and procedures other than those mentioned below.
- 20 Prior to 2013, my role at head office did not require me to have knowledge of AML/CTF matters. I had limited interactions with Crown Perth and understood that they managed their own bank accounts.
- 21 In around 2013 (although I cannot recall exactly when), after the member of the Crown Melbourne finance team responsible for assisting with banking queries left I was asked to take over their role. As a result, I became a key contact for the banks regarding Crown Melbourne.
- 22 Between 2013 and 2018, I was aware that there was an AML program. I may have seen a copy of the AML program but I cannot recall whether I did or not. I did not have any detailed knowledge of the AML program and detailed policies underlying it other than knowing that one existed.
- 23 Since 2018, I have had a better understanding of how the procedures relating to AML/CTF work across the Crown group and what the AML team are responsible for. I completed an AML training course last year for the first time.
- 24 I am aware that Crown have increased resourcing for AML/CTF management in recent years and people in the organisation now have a better understanding of what AML and CTF is.
- 25 In relation to paragraphs 6(a) and (c) of the list of topics to be addressed in my statement (**List**), Josh Preston (who I understood to be the Chief Legal Officer) detailed to me the relevant policies and procedures relating to transactions undertaken through bank accounts operated in connection with gaming operations at the Perth Casino during meetings with him

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and our transactional banking partners in around 2019. Louise Lane may have also attended some of those meetings.

- 26 I am also aware of enhancements to those policies and procedures on AML/CTF since 2020. These enhancements include:
- a) Third party transfers and cash deposits are no longer allowed in any amount through Crown's patron bank accounts.
  - b) There is a prohibition on patrons transferring money from a company to use for their personal gaming activity. My understanding is that the prohibition has been strengthened to no longer allow transfers from other gaming entities as well.
  - c) A patron's full name and Crown patron ID needs to be included in the transaction description field of the funds transfer or the relevant Crown entity receiving the funds would not accept the funds and send them back.
  - d) The patron must provide sufficient evidence to staff that the funds have come from their own personal bank account.
- 27 In relation to paragraph 6(b) of the List, my knowledge as to the relevant AML/CTF policies and procedures applicable to receiving funds from patrons for gaming at the Perth Casino is as set out in the preceding paragraphs.
- 28 In relation to paragraphs 6(b) and (d) of the List, I am not aware of the AML/CTF systems, policies and procedures in connection with internal accounting and allocating funds to patrons for gaming at the Perth Casino. My understanding is that internal accounting and allocating funds to patrons is something done at Crown Perth.
- 29 In relation to paragraph 6(e) of the List, I am aware that since 2020 there is an internal policy for the Perth Casino to not allow the receipt of funds from, or transfer of funds to, third parties in connection with gaming operations. My understanding is that this is a blanket prohibition. Prior to 2020, I was not aware of the specific AML/CTF policies relevant to the receipt or transfer of third party funds.
- 30 In relation to paragraph 6(f) of the List, I am not aware of the relevant AML/CTF systems, policies and procedures relating to cage operations at the Perth Casino.
- 31 In relation to paragraph 6(g) of the List, I am aware that there is surveillance of gaming operations at the Perth Casino but am not aware of how it works or the AML/CTF systems, policies and procedures applicable to the surveillance of gaming operations at the Perth Casino.
- 32 In relation to paragraph 6(h) of the List, I am aware that the staff members responsible for internal reporting of matters that may result in a report to AUSTRAC are the front line

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operations staff, that is anyone with face to face interaction with customers or those that interact with bank accounts. I understand that such staff members would report to the AML team for further investigation. I was not aware of these matters prior to 2020 when I completed the online AML training module.

- 33 In relation to paragraph 6(i) of the List, I am aware that the team responsible for receiving and reviewing internal Crown AML/CTF reports is the AML team. Prior to 2018, I had thought that the AML issues would be dealt with by the legal team.
- 34 In relation to paragraph 6(j) of the List, I am not aware of the persons or positions that are responsible for decision-making and authority to make reports to AUSTRAC required under the AML/CTF legislation. I expect that a member of the AML team (most likely the Money Laundering Report Officer) would be responsible and have such authority but I do not know for certain.
- 35 In relation to paragraphs 6(k) and (l) of the List, I am not aware of the AML/CTF systems, policies and procedures concerning the recording of internal Crown AML/CTF reports nor the recording of decisions to make reports to AUSTRAC. I expect that it would be the AML team's responsibility but I do not know.
- 36 In relation to paragraph 6(m) of the List, I am not aware of the AML/CTF systems, policies and procedures concerning reporting internal Crown AML/CTF reports, reports to AUSTRAC and compliance with AML/CTF legislation to directors and (or senior managers). I expect that it would be the head of the AML team, Steven Blackburn, who would report to directors or senior managers but I do not know.

*Question 7*

- 37 It appears in hindsight, but I do not know, that BNL and (or) the Crown Group may have failed to properly identify and manage transactions:
- a) in 2014 notified to us by the ANZ suggestive of AML/CTF;
  - b) through the CBA accounts held during 2014 to 2019 suggestive of AML/CTF.
- 38 I am aware that Deloitte are currently undertaking a forensic review of all Crown's patron bank accounts to determine whether there are any instances of transactions that could be an indicator of money laundering in any other bank accounts. My understanding is that this work is ongoing and I have no knowledge of any transactions through any other accounts of the Crown Perth casino that may indicate money laundering occurring in those accounts.

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*Question 8*

- 39 Prior to evidence given in, and the report of, the Bergin inquiry, I did not know or suspect that processes and procedures in operation in the cage at the Perth Casino enabled, facilitated or allowed activities suggestive of money laundering or terrorism financing to take place.
- 40 Following evidence given, and the report of, the Bergin inquiry, I suspect that a process referred to as 'aggregation' used in the cage at the Perth Casino may have enabled, facilitated or allowed activities suggestive of money laundering or terrorism financing to take place. I understand that 'aggregation' involves a number of smaller transactions through a patron bank account which were then aggregated to a larger amount in the Perth Casino internal system. My understanding is that these may not have been flagged as a suspicious transaction given the AML team would not have been able to identify the multiple small transactions. Given my role at head office, I had no knowledge of the practice of aggregation prior to the Bergin Inquiry.

*Question 9*

- 41 I refer to my response to question 7. In hindsight, it appears possible, but I do not know, that the Riverbank accounts maintained with respect to the Perth Casino operations may have been used as a vehicle to facilitate money laundering or terrorism financing.

*Question 10*

- 42 I am aware of the following overseas bank accounts used by the Crown Group for the purpose of receiving funds from, or paying funds to, patrons.
- a) Crown Aspinalls London is a London casino which has patron accounts in the United Kingdom. By patron account I mean one that gaming patrons are able to transfer money into for gaming activities. The patron accounts were both in the name of Aspinall's Club Limited and Crown UK Investments Limited (the holding company that owned Aspinall's Club Limited). The Crown UK Investments account was closed in November 2020 with the Aspinall's Club Limited accounts still in existence.
  - b) Crown Australia Pty Ltd had patron deposit accounts in Hong Kong and Singapore until 2015;
  - c) Southbank Investments Pty Ltd had a patron account in New Zealand with ASB Bank until 2019; and
  - d) Crown Resorts Pte Limited had a patron account in Taiwan until late 2019 or early 2020.
- 43 Prior to the middle of 2014, I had no access to the accounts referred to in paragraph 42(a) above. I did not have any access to the accounts referred to in paragraphs 42(b) and (d)

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above. I may have had access to the account referred to in paragraph 42(c) above but I am not sure. That account was on Crown's online banking platform to which I had "admin" access until 2019. By "admin" access, I mean that I was an administrator. That allowed me to add and remove users (for example, if a staff member left, I could remove them from the account) and perform administrative tasks. I generally had no access to patron accounts because there was no need for me to have access to them.

44 I currently have "admin" access to the Crown London Aspinalls accounts which allows me to add and remove users but not to set up or authorise transactions.

45 I am aware that the above accounts are used for patron transactions but I am not aware of them being used for anything else. Given my responsibilities within head office, I did not review transactions in these accounts. My understanding is that the accounts in Hong Kong, Singapore and Taiwan were not popular. I understand that the patron accounts in London are popular because any patron who plays at Crown Aspinalls would have to use the account to access funds in the casino.

*Question 11*

46 I have a general knowledge of what the cage does in terms of it being a place at the casino where someone would exchange chips for cash. However, I have no specific understanding of the role of the cage in the Perth Casino.

*Question 12*

47 I am aware that the kind of transactions which occurred at the cage in the Perth Casino included:

- a) exchange of Gaming Machine Tickets for Cash;
- b) exchange of Gaming Chips for Cash;
- c) Cash deposits (this can be done in exchange for chips. I am also aware that a customer can put cash in a personal account without getting chips. This might be done where a customer has won and will be coming back the following day and so does not want to exchange the winnings for chips. I have no understanding of how these transactions are processed through the cage);
- d) Cheque cashing facility (I have only recently become aware of this type of transaction occurring at the cage).

48 I have no specific understanding of the following types of transactions at the cage in the Perth Casino:

- a) Funds advance facility;



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- b) Foreign currency (although I knew that the Melbourne Casino dealt with foreign currency at Crown Melbourne);
- c) Telegraphic transfers received (I am aware that cage staff viewed patron bank accounts for transfers to determine if funds could be released but I have no specific knowledge of the process undertaken or what function the cage operations performed in relation to telegraphic transfers received);
- d) Telegraphic transfers sent;
- e) Bank cheque / draft (although I knew that the Melbourne Casino accepted bank cheques which were able to be used to obtain chips for gaming activities).

49 I am not aware that the following types of transactions occurred at the cage:

- a) Transfers between casinos in respect of patrons;
- b) Third party transfers.

*Question 13*

50 I have no knowledge as to the process adopted for dealing with transactions received at the cage that were to be released into a patron's SYCO/DAB account.

**RIVERBANK**

*(Questions 14 to 20)*

*Question 14*

51 I was involved in assisting the Perth team to set up the Riverbank bank accounts first at ANZ and then later at CBA. In relation to setting up the Riverbank bank accounts at ANZ I put the Perth finance team in contact with the relevant people at ANZ. In relation to setting up the Riverbank bank accounts at CBA, I obtained the forms from CBA and sent them to the Perth finance team and then checked the forms before sending them back to CBA. I had no ongoing involvement in relation to the Riverbank bank accounts after they were opened.

*Question 15*

52 I am not aware of how it was decided or who decided that Riverbank was to hold, and continue to hold, bank accounts which were to be used by the Perth Casino's patrons to deposit funds. I first became aware of the Riverbank accounts in 2013 when I assisted the Crown Perth finance team in opening those accounts at ANZ. I understood that the Riverbank accounts at ANZ were opened as a result of HSBC closing all accounts held by the Crown Group including the Riverbank accounts and that the Riverbank accounts at CBA were opened when ANZ closed the Riverbank accounts in 2014.

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- 53 My understanding is that the Riverbank accounts were for patron transactions. That is, gaming patrons could send money to the accounts and have money sent from the account back to them if they won.

*Question 16*

- 54 I am not aware of the staff members responsible for transferring funds from accounts with financial institutions held by Riverbank for use by patrons of the Perth Casino and under whose direction they did so. I would expect, but do not know, that the accounts would have been managed by the Crown Perth finance team.

*Question 17*

- 55 I am not aware of the staff members responsible for monitoring the operation of the Riverbank accounts for compliance with systems, policies and procedures to identify and manage AML/CTF risks at the Perth Casino. I would expect that the AML team would have been responsible, but do not know.

*Question 18*

- 56 My understanding was that the Riverbank accounts were run in the same way as other Perth Casino accounts and so that they were under the rules of the AML/CTF programs. I also understood that any transactions in the Riverbank account would be reported in the same way as other Perth Casino accounts. That is, if multiple transactions under \$10,000 occurred then those transactions would be reported as suspicious and if a transaction occurred which was over \$10,000 then it would be reported as a threshold transaction.
- 57 In late 2018 I became aware that Riverbank Investments was likely not a designated reporting entity and so not specifically covered by the AML/CTF reporting but that, in practice, the Riverbank accounts were treated as if they were those of a designated reporting entity anyway. That is, any transaction going through those accounts was treated as though it was covered by the procedure.
- 58 In relation to paragraph 18(b) of the List, I recall that after the closure of the Riverbank accounts at ANZ there was a review which was conducted by a third party, Promontory, of AML processes at Crown and that this formed part of the response provided to ANZ.
- 59 I do not know if any internal Crown AML/CTF reports were prepared in connection with the Riverbank accounts. I recall Louise Lane (Group General Manager AML) was looking into investigating the Riverbank accounts (along with other patron accounts) because she asked me for copies of all statements. Although I cannot recall exactly, I believe that the investigation did not go ahead because of the inquiries and royal commissions.

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60 In relation to paragraph 18(c) of the List, I am not aware of whether any internal Crown AML/CTF reports prepared in relation to the Riverbank accounts were reported to or provided to directors of Burswood Nominees Limited and (or) other members of the Crown Group.

*Question 19*

61 In 2014, I received an email from Paul Birch at ANZ concerning transactions in the Riverbank accounts which had 'raised a series of questions on the accounts' for ANZ. I forwarded the email to Craig Spence (the CFO of Crown Perth), Vasula Kessell (Financial Controller of Crown Perth) and copied in Ken Barton (CFO of Crown Resorts Limited) to ask for their understanding of what had occurred. I was instructed by Ken Barton to attend a meeting with ANZ by myself in the first instance.

62 Prior to meeting with ANZ, Mr Spence explained to me in a telephone call the transactions which had been queried by ANZ.

63 I had a meeting with Mr Birch and Ms Brown from ANZ on 3 February 2014. There may have been a third person from ANZ that attended the meeting but I cannot recall.

64 After that meeting, ANZ were comfortable about the use of the Riverbank account names and the account being used for patron transactions but certain transactions of concern remained an issue for ANZ. ANZ had identified transactions of concern in a spreadsheet before the meeting. My meeting with ANZ ended on the basis that I would come back to them on the transactions that remained an issue as I had no specific knowledge of them. I cannot recall but I believe that the concern of ANZ was why someone would deposit multiple amounts of less than \$10,000 over the course of a couple of days.

65 After the meeting with ANZ, I spoke with Roland Theiler (a senior executive in VIP International) but he was not able to answer ANZ's questions. I may have spoken to other people as part of my investigations but I cannot recall. I responded to ANZ on the basis that there was no further information available in relation to the identified transactions.

66 On 27 March 2014, there was a further meeting between senior personnel from Crown (Josh Preston and Ken Barton, among others) and ANZ to go through generally Crown's processes and bank accounts. I attended that meeting. I cannot recall what was said at the meeting but the outcome was that ANZ was not comfortable with the Riverbank accounts but would continue to remain Crown's transactional banking partner, including for other Crown patron bank accounts. An external review of Crown's AML practices and procedures was either requested by ANZ or was something Crown's representatives at the meeting suggested, but I cannot now recall.

67 I understand that the third party review was conducted by Promontory and was provided to ANZ.

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- 68 I believe that Crown should have done an investigation of the Riverbank accounts at the time and done more work to collaborate with ANZ to prevent transactions occurring in the future or enhance our policies and procedures in line with ANZ's expectations. There could have been a more detailed review of the identified transactions so that ANZ could have been provided with a full list of transactions that Crown regarded as suspicious, if that were allowed. I say, if that were allowed because, in hindsight, there may have been tipping off and privacy issues with providing that information to ANZ.
- 69 When concerns were raised by the CBA in 2019 in relation to the Riverbank accounts, Louise Lane took the CBA representatives through Crown's AML practices. I recall at the time that there was a meeting between CBA and some senior Crown personnel (including Ken Barton, Alan McGregor, Louise Lane, among others). CBA said they would close the Riverbank accounts after a detailed review of the accounts.
- 70 Similar to my comments above in relation to ANZ, there could have also been a review undertaken with CBA to jointly determine the issues that happened in respect of those accounts with the aim to stop that occurring in the future, if there were no issues around tipping off or disclosure of information.
- 71 Crown's response to no longer operate accounts in the name of Riverbank Investments, reduce the number patron accounts and have the patron accounts in the name of the designated reporting entity was the right one. That ensures that the account is subject to all AML policies and procedures and that transactions are reported and monitored accordingly.
- 72 I am also aware that Crown has engaged Deloitte (and previously, Initialism and Grant Thornton) to review matters and report in relation to Crown's AML matters.
- 73 There have also been enhancements made to the AML policies and procedures as referred to in paragraph 26 above.

*Question 20*

- 74 I am aware that the Riverbank accounts were closed by HSBC in 2013 because HSBC made a global strategic decision to no longer be involved with the gaming industry at the time.
- 75 My understanding of the circumstances in which the Riverbank accounts were closed by ANZ and CBA is as set out above.
- 76 I do not know whether the directors of the various Crown entities would have been provided with reports or other information about the closure of one or more of the Riverbank accounts.
- 77 My understanding as to the response of the management involved in Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited to the closure of the Riverbank accounts at ANZ was to go through the various AML

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issues and processes at the meeting referred to in paragraph 66 above and to prepare the Promontory review after that.

- 78 My understanding as to the response of the management involved in Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited following the closure of the Riverbank accounts at the CBA was to no longer operate accounts in the name of Riverbank Investments and reduce the number of patron accounts. I am not aware of any other specific response. There were also enhancements made to the AML policies after the closing of the Riverbank accounts but I do not think that those enhancements were directly related. I recall that there was certainly a bolster to the AML team in 2018 and 2019 onwards and there was more resourcing provided in that area.



**Travis Ean Costin**

Dated: 15 September 2021