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PERTH CASINO ROYAL COMMISSION (Private Hearing)

PRIVATE HEARING

02.17 PM MONDAY, 25 OCTOBER 2021

COMMISSIONER NJ OWEN

COMMISSIONER CF JENKINS

COMMISSIONER C MURPHY

HEARING ROOM 3

MR MICHAEL FEUTRILL SC and MS ELLY STURGEON as Counsel Assisting the Perth Casino Royal Commission

MS FIONA SEAWARD as Counsel for the Department of Local Government, Sport and Cultural Industries

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

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

MR KANAGA DHARMANANDA SC and MR LEON FIRIOS 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 DAVID SHAW as Counsel for Ms Danielle Slattery

MR STEVEN PENGLIS SC as Counsel for Mr Joshua Preston

MR DAVID TOWNSEND as Counsel for Mr Barry Felstead

COMMISSIONER OWEN: We have Danielle Slattery and Mr Shaw, I think.

5 MR SHAW: Yes. I will move off the screen once I have covered a couple of the initial things, Commissioners, if that's okay.

COMMISSIONER OWEN: Thank you. I will just make it clear that this is a restricted hearing.

10 Until further order, the evidence heard this afternoon is taken in a restricted hearing. There will be no publication outside the hearing room of anything said in today's hearing, the fact of the hearing itself or anything that identifies or is likely to identify the witness except by officers of the Commission for any purpose related to the Commission, and by those authorised by the Commission to the extent it is necessary
15 to do to arrange the conduct of the hearing, and everyone must leave the room other than a person who has been given leave to appear, and we will identify those persons.

We have Mr Feutrill and Ms Sturgeon for the Commission?

20 MS YOUNG: Young for the CPH parties and I understand Kevin Jacob is in the virtual hearing room, who is from Ashurst in Sydney.

COMMISSIONER OWEN: Thank you. Mr Evans?

25 MR EVANS: I appear with Mr Sadler for GWC.

COMMISSIONER OWEN: Ms Seaward.

30 MS SEAWARD: Yes, for the department. Thank you.

COMMISSIONER OWEN: Mr Penglis?

MR PENGLIS: For Mr Preston.

35 COMMISSIONER OWEN: Mr Dharmananda?

MR DHARMANANDA: With Mr Firios, Ms Lehman and Ms Jasper for Crown Resorts.

40 COMMISSIONER OWEN: Thank you. There is only you, Mr Shaw, with Danielle Slattery?

MR SHAW: Yes, Commissioner.

45 COMMISSIONER OWEN: All right. Thank you.

MR TOWNSEND: I appear for Mr Felstead, my name is Townsend, initials DJ.

COMMISSIONER OWEN: Is there anyone else in a remote room? No. All right.

Mr Shaw.

5

MR SHAW: Perhaps if Danielle Slattery could take the oath or affirmation first, and then I will deal with the matters. Is that ---

10 COMMISSIONER OWEN: We've only had two witnesses today, and I have forgotten that on both occasions. At least I'm consistent.

MS SLATTERY, AFFIRMED

15

COMMISSIONER OWEN: Can I just confirm we are not being live-streamed, that's correct, isn't it? Thank you.

20 **EXAMINATION-IN-CHIEF BY MR SHAW**

MR SHAW: Could I ask for Danielle Slattery's witness statement, please, 998.002.0952. Thank you. Operator, if we could have paragraph 13, please.
25 Danielle Slattery, on the fourth line there where the word "investigators" appears, should that be deleted and the word "investigations" be inserted?

MS SLATTERY: Yes.

30 MR SHAW: If I could ask for that correction to be made, please, Commissioners.

Then paragraph 23, on the second line, "This arose out of", should it be that the words "out of" are deleted and inserted are the words "in conjunction with"?

35 MS SLATTERY: Yes.

MR SHAW: Thank you. Then at paragraph 75(d), thank you, on that first line, "I understand that", there should be an insertion of ",previously," so it reads:

40 I understand that, previously, inactive PEPs would potentially be a risk lower

MS SLATTERY: Yes.

MR SHAW: Thank you. I would ask that those corrections be made, and I will
45 arrange for the amended statement, which has been signed, Commissioners, to be circulated now.

COMMISSIONER OWEN: Thank you, Mr Shaw. The witness statement of Danielle Slattery dated 20 October 2021 with the changes that have been signified and which bears the identifying number CRW.998.002.0952 will be admitted into evidence as an exhibit. Thank you.

MR SHAW: Thank you, Commissioner.

MR DHARMANANDA: May I, just before my learned friend commences, make mention that also in attendance in the virtual hearing room are the following: Chris Kerrigan, Caroline Marshall, Naomi Zhang, Bronte Hearn and Guy Lemmon.

COMMISSIONER OWEN: Are they all from Allens?

MR DHARMANANDA: Yes.

COMMISSIONER OWEN: That's noted.

20 CROSS-EXAMINATION BY MR FEUTRILL

MR FEUTRILL: I'm one of the counsel assisting the Royal Commission, I'm going to ask you some questions. Do you have your statement in front of you in paper?

MS SLATTERY: I do, yes.

MR FEUTRILL: It might be easiest if you operate off that, Danielle Slattery. Can I direct your attention to paragraph 17, under the heading "My role at Crown", page 3 of your statement, and the pinpoint is 0954 of the ringtail number. You indicated there when you first joined Crown in January this year, you reported to Mr Adam Sutherland. Is that still the case?

MS SLATTERY: No, that's not the case anymore. As you see in the next paragraph, I now report to Shannon Lindner.

MR FEUTRILL: Shannon Lindner, okay. So that position, then, the change from AML compliance manager to manager FC advisory, has that taken place, has it?

MS SLATTERY: Not formally, because we need to get that approved by the regulator prior to my position actually changing name but practically, yes.

MR FEUTRILL: I see. So practically the position has changed and you now report to Mr Lindner?

MS SLATTERY: That's correct.

MR FEUTRILL: Or Ms Lindner. Okay. Perhaps to assist with this exercise, could I

call up CRW.701.009.5021 and 5022, they should be together, I hope, I think the second page, which is pinpoint 5022.

5 Insofar as this deals with the AML team, broadly speaking, I think the positions are -- Adam Sutherland, which is group GM financial crime governance, AML, which is --- if you have that in about the middle of the page?

MS SLATTERY: Yes.

10

MR FEUTRILL: And I understand that his position is based in Melbourne?

MS SLATTERY: That's correct, he's a group role.

15 MR FEUTRILL: All right. And then Shannon Lindner --- by the way, is that a man or a woman?

MS SLATTERY: It's a male.

20 MR FEUTRILL: Male, okay. So that position is in Melbourne as well?

MS SLATTERY: Yes, and again group role, yes.

25 MR FEUTRILL: A group role. And Simon Wiseman, again that's a Melbourne-based position, I take it.

MS SLATTERY: Yes. A group role, but the person is Melbourne-based, yes.

30 MR FEUTRILL: Yes. Shannon Byrne, group role Melbourne-based?

MS SLATTERY: Correct.

MR FEUTRILL: And TBC, that's a position currently being filled, is it?

35 MS SLATTERY: Yes, I believe that's Responsible Gaming, a new position.

40 MR FEUTRILL: All right, thank you. In your statement you've made a reference to the financial crime and compliance change program, which is, I think, in paragraph 19 of your statement, and you've referred specifically to page 13 of that document, CRW.512.081.1762. It seems that your area falls in the first column on the far left of that chart ---

MS SLATTERY: Yes.

45 MR FEUTRILL: --- under FC advisory. What falls within FC governance?

MS SLATTERY: Well, that's currently Adam Sutherland's --- he's the group GM of that area.

MR FEUTRILL: And what's ---

MS SLATTERY: And he's recruiting.

5

MR FEUTRILL: What is that area?

MS SLATTERY: FC Governance? Financial crime governance?

10

MR FEUTRILL: Yes.

MS SLATTERY: As in what area does that of responsibility for?

MR FEUTRILL: Correct.

15

MS SLATTERY: Well, I guess the governance of ensuring that the AML/CTF --- yes, complying with the Act and rules and all the documents that we have within Crown are correctly implemented.

20

MR FEUTRILL: I see. Is there a person in Perth with responsibility for the Crown Perth component of that role or those responsibilities?

MS SLATTERY: No. No, however, they are undergoing recruitment currently.

25

MR FEUTRILL: For Perth?

MS SLATTERY: For group roles, so they could be anywhere.

30

MR FEUTRILL: I see. And by "anywhere", does that mean irrespective of where the person may be domiciled, in Australia, they will have responsibility for financial crime governance for Crown Perth's component of the AML/CTF?

35

MS SLATTERY: Sorry --- yes, anyone who falls in any part of financial crime will operate, like, a group role essentially, so, yes, everyone will have oversight of all the properties.

MR FEUTRILL: I see. Does that apply for the financial crime intelligence unit as well?

40

MS SLATTERY: Absolutely, yes.

MR FEUTRILL: And what about financial training, is there a person based in Perth specifically in that role?

45

MS SLATTERY: So, training actually comes under advisory. I don't know whether that's different now, or whether they --- there's a training manager that's in the recruitment phase at the moment that sits under financial crime advisory.

MR FEUTRILL: I see. You have been undertaking some training in Perth, have you not, this year?

5 MS SLATTERY: Yes, yes.

MR FEUTRILL: So are you currently the person who fulfils the function of financial crime training in Perth?

10 MS SLATTERY: Yes, but I will also be, even when that manager is recruited for, because that role will be to more sort of do the development of the training and ensure consistency across the properties with training and looking forward to how we build more training, and I think we'll still have this role that I'm in, performing a lot of that training perhaps alongside whoever that person ends up being and where they
15 end up being.

MR FEUTRILL: Okay. What is FC reporting? What is that function?

MS SLATTERY: Again, I think that would be, similarly to the governance, ensuring
20 that all the reporting requirements are in line with the Act and rules, and of course our program, and, yes, I don't know exactly what that area will be functioning like, but that will be a broad stroke of what that area would be about.

MR FEUTRILL: Okay. Now, apart from yourself, how many members of the
25 financial crime team are working out of the Crown Perth facility?

MS SLATTERY: As of today, there are four, but there is ongoing recruitment, so that will probably likely be more within the next week or two, even.

30 MR FEUTRILL: Is that four including you or excluding you?

MS SLATTERY: Four including me.

MR FEUTRILL: Okay. Who are the other three? What are their names?
35

MS SLATTERY: Their names are Chrissie Hart. She's an analyst in the --- if you look at the operations division, she's in financial crime investigations and screening. Deb Cassar is also in the same area as an analyst. Whether their roles have been formally approved by the regulator just yet might not be the case, but that's the roles
40 that they have essentially won and signed the contracts for. Laura Jones is a senior manager, and she's just moved into the financial crime intelligence unit, as a senior manager.

MR FEUTRILL: I see. So the three people you've mentioned all fall within the
45 financial crime intelligence unit?

MS SLATTERY: No, Laura is in the financial crime intelligence unit, and Deb and Chrissie are both in the financial crime investigations and screening that sit in the

operations division.

MR FEUTRILL: Okay. Where does that fit in the column, the first column of
5 investigations, which box is that?

MS SLATTERY: Sorry, it's in the operations division, so two across from financial
crime risk.

10 MR FEUTRILL: I have got you, all right. And to whom do they report?

MS SLATTERY: The investigations and screening, they report through senior
analysts and managers up to Jon Yeats, who is the senior manager of investigations
and screening.

15 MR FEUTRILL: All right. His role is Melbourne-based, is it?

MS SLATTERY: Melbourne-based and a group role, and Laura Jones reports direct
to Simon Wiseman, who is the group general manager of the FCIU.

20 MR FEUTRILL: Thank you. Now, in the financial advisory area, financial criminal
advisory area, if I could draw your attention to paragraph 20 of your statement, you
set out in very general terms your role, and you make mention in the last sentence to
the three lines of defence model.

25 MS SLATTERY: Yes.

MR FEUTRILL: Can you explain to the Commissioners what you mean by the
"three lines of defence model"?

30 MS SLATTERY: Yes. It's, like, essentially three lines of accountability, whereby
you've got the first line being people who are customer facing, the frontline, and they
own the AML/CTF risks in their area, and they perform the function of the business.
In line 2 you have financial crime as an example, among others. Risk as well, and
35 we provide, like, an advisory role, and things are escalated from line 1 up to line 2,
and we review the business decisions and operations, essentially. And then line 3 is
internal audit. That obviously has the audit function across both lines.

40 MR FEUTRILL: Now, you mentioned that FC advisory forms part of the first line
of defence.

MS SLATTERY: No, the second line.

45 MR FEUTRILL: Okay. You indicate:

Our objective is to help the business units operate as an effective line 1 defence *by
giving them the tools and knowledge to make informed decisions about financial
crime.*

MS SLATTERY: Yes. Sorry if that's not articulated well, but, yes, I mean by that they offer advice to line 1 to ensure that they are operating effectively.

5 MR FEUTRILL: I see. As part of the function of the AML team relying on a defence, is that the ---

MS SLATTERY: Yes, so sitting in line 2 but assisting line 1.

10 MR FEUTRILL: All right. Now, you mentioned there also in the second sentence:

This is part of the risk based approach to management and mitigation of *financial crime risk*.

15 What do you mean "by management and mitigation of financial crime risk".

MS SLATTERY: I guess every part of the Act and rules talks about taking a risk-based approach to the money laundering and terrorism financing risks, so it's essentially ensuring that the way we write our program is fit for purpose for Crown
20 to adequately assess the risks that are presented to a casino, entering the day-to-day businesses mitigating those risks.

MR FEUTRILL: Can I ask you some questions about paragraph 21 where you give
25 some examples of what your day-to-day functions are. I want to come back to (a) and (b), and (c) appears to be self-explanatory. Could I ask you about 21(e) where you refer to working with the Cage and premium gaming on a review of missing DAB accounts. What's the role or the function you are performing in respect of that item?

30 MS SLATTERY: So that's come about when we obviously ceased business with Junkets and premium program players, and looking at their --- to be able to formally cease business, we were looking at sending letters, or the business units, regulatory, were looking at sending letters to those patrons to formally cease business, but also if
35 they had balances in their DAB accounts, then we were looking to be able to facilitate giving that money back to them. So obviously we'd sought advice from our lawyers as to how to best go about this.

And, practically speaking, we need to give their money back, but we also need to be
40 assessing the risk of, first of all, how that money came to us in the first place, but also assessing the risk of the customer, the jurisdiction, and at the same time as also facilitating that movement of money back to the correct bank account and identifying the person is still using that bank account or finding out which bank account it is.

So I guess I was working with the business units to properly help them do a risk
45 assessment of their customers, either prior to this occurring or at the same time of this occurring, so that we can assure that we've --- mitigating any risks that are presented through that.

MR FEUTRILL: So is it the financial crime function to assess or assist those returning the funds, to assess the risk associated with the patron?

5 MS SLATTERY: Essentially I was offering advice and guidance on how best to assess the risk of their customers, of Crown's customers, and if risks were presented to them, that they would escalate it to AML through the UAR process and they would be adequately assessed through financial crime that way as well.

10 MR FEUTRILL: Was part of that assessment, then, to determine if the funds would not be returned, or was it (audio distorted)?

MS SLATTERY: No, not necessarily. I think that the funds, practically speaking, would need to be returned to the person. However, if there was some information
15 that we had with regards to the person being charged with a money laundering offence, then we could potentially let law enforcement know, and they could seize those funds, as an example of something that could occur. Otherwise it is us assessing the risk of us dealing with that customer, but also potentially how the funds came to us in the first place.

20 MR FEUTRILL: To your knowledge, were there any examples where after making a risk assessment, you gave law enforcement that information and funds were seized.

MS SLATTERY: No, I believe that may have happened in Melbourne, but I wasn't
25 involved in that process. I only heard about that. However, no, not in Perth, and this is a current process that's occurring at the moment.

MR FEUTRILL: I see. I think in addition to the patron itself, I think you mentioned
30 jurisdictions. Does that mean if the funds were to be returned to a jurisdiction where the risk is higher, they may not be returned to that jurisdiction? Is that the point?

MS SLATTERY: Well, we would just --- at the moment we were triaging with the
35 lowest risk so we could deal with that first and foremost, and if there were high-risk countries presented, as an example, China, how we aren't able to send funds back, being gambling funds. We would have to, yes, potentially hold on to those funds, and we would deal with that as a separate project.

MR FEUTRILL: So this is a project that is underway and is still ongoing, is it?

40 MS SLATTERY: Yes, that's correct.

MR FEUTRILL: With respect to paragraph 21(g), is this a reference to your involvement in implementing what is broadly known as the Crown remediation plan?

45 MS SLATTERY: Yes, correct, the Perth-based elements of that with respect to weekly ongoing meetings with action items.

MR FEUTRILL: Does that involve also implementation of the recommendations of external advisers as well?

5 MS SLATTERY: Potentially, I think it maybe came off --- I think this specific remediation is off the back of ILGA recommendations, I believe. It's not that we are operating on just a Perth basis, it's just purely the way the year has played out with regards to Melbourne having their Royal Commission just prior to us and us being able to implement some changes and almost pilot some changes so we can see how they worked and they'd be broadly rolled out.
10

MR FEUTRILL: Are you familiar with the work of Deloitte in relation to making recommendations to Crown?

15 MS SLATTERY: I am familiar, as in terms of the fact that people are working on it, but I'm not very familiar with all of the recommendations.

MR FEUTRILL: What about Promontory, are you familiar with the Promontory reports and the work that they have done.

20 MS SLATTERY: Similarly, I have read that report. It was a while ago now, and I know that there are changes that are implemented or are being implemented. However, I'm not absolutely involved in pushing for those changes to occur. I might just help when they --- when the business unit needs to be advised on what's occurring or whether they need a guidance with making the change.
25

MR FEUTRILL: Okay. Now, really, in paragraph 22 to 25, you describe some training-related work you've performed. Starting with training, who did you deliver the training to?

30 MS SLATTERY: I've done lots of different types of training. Which ones specifically?

MR FEUTRILL: Well, you've indicated in paragraph 22 that delivering training and providing education across Crown Perth has been a big part of your role to date?
35

MS SLATTERY: Yes.

MR FEUTRILL: Which business unit have you delivered training to in Crown Perth?
40

MS SLATTERY: So every Monday I give a half an hour presentation to new starters at the orientation, which is a PowerPoint presentation. So that's essentially capturing all new people at Crown. Also capturing some people that might have just come back from lengthy maternity leave or paternity leave, something to that effect. And then also from that, I do targeted training to certain areas of the business that obviously would require further training with regards to AML.
45

So if they are a new starter, and based on their role type, they would be automatically

enrolled or asked to enroll themselves in targeted training through Crown Learn, and then I will present to them targeted training usually within three to five weeks after them starting. A lot of the other targeted training occurred to the business units prior
5 to me starting, because I started in January.

When the new program was written or approved in November 2020, I believe there was a lot of targeted training rolled out then, as they would of have updated the actual training slides. So a lot of the areas --- albeit the Cage and training table
10 would have had their training delivered by somebody else other than me.

MR FEUTRILL: As part of your role, you deliver targeted training, do you, to Cage staff?

15 MS SLATTERY: I haven't actually up to this point because I believe, like I said, they were all --- I would, obviously, but they were all trained, I believe, in November, or prior to me starting, anyway.

MR FEUTRILL: Who do you understand delivered that training before you started?
20

MS SLATTERY: I'm not one hundred per cent sure. I think that if it was delivered by --- yes, I'm not exactly sure.

MR FEUTRILL: To your knowledge, was it delivered by a member of the AML
25 team, or was it someone within the Cage team itself?

MS SLATTERY: Possibly delivered by AML. If so, it could have been Jon Yeats, but, again, I don't know that. I think I may have heard that from other evidence given, but --- but there are trainers in the specific business units as well that do
30 perform multiple other training and they do --- they have been --- they have also performed the AML training as well.

MR FEUTRILL: All right. What about remedial training --- have you provided any remedial training to anyone in the Cage business unit?
35

MS SLATTERY: Yes. If there is any kind of incident that occurs, then I will reach in to see whether they need, you know, to have a conversation or any kind of training needed. I haven't had to go down there or actually deliver specific training since I have begun, but I know that it occurred just prior to me starting.
40

We also have, as I mentioned before, Chrissie Hart. She was previously from the Cage. She was in the Cage for probably 10 to 12 years, so she has quite a lot of engagement with the Cage staff on a daily basis, with anything that they require, with any questions that they have, and she's able to give them the response they require.
45 Potentially sometimes she'll talk to me as well, but because she understands their business very well, she's able to give that kind of remedial training.

MR FEUTRILL: Have you delivered any targeted training to the table games

business unit?

5 MS SLATTERY: Like I said, I just need to clarify. So when someone starts, they're getting rolled. So I might get sent an invite and get three people, one could be from marketing, security, and table games, as an example, to attend my targeted training, and then I'll be able to work out who's in the room at the time and deliver it then. So I can't say for sure whether I have done a person from table games with regards to that ongoing targeted training.

10 However, I have been in front of the business units quite a lot, especially their bosses, in terms of their, like, gaming integrity managers and compliance managers to offer advice on tipping off, as an example. That was an issue that came up recently. Then furthermore to that, which I will go into later, I think in the next
15 paragraph, talking about the responsible practices and ethical decision-making training program that we developed and recently rolled out the pilot of. That got delivered to about at least five table games managers recently.

20 MR FEUTRILL: Insofar as the targeted training to table game staff goes, was there particularly any training on identifying what you might describe as money laundering typologies?

MS SLATTERY: Yes. Sorry?

25 MR FEUTRILL: Such as how to spot bill-stuffing or things of that nature?

MS SLATTERY: Yes, absolutely. That's outlined in the orientation and targeted training. In the orientation, that --- I touch on that, because obviously I'm dealing with people who aren't on the gaming floor, but I will give them an overview of
30 general bill structuring and bill-stuffing and smurfing, as the three that obviously are quite topical and very, like, obviously quite casino related. In the targeted training, we go through different red flag indicators that are relevant and give a few examples.

35 With regards to table games specifically, they have extensive training themselves within their own business unit, and they have good trainers there as well. What I found is when I hear about this other training that's going on --- as an example, if there's some inspectors that are putting forth information to be acting table games managers, there was essentially a targeted training that they had that had an AML component to it. So I made sure that I attended that and gave some examples on that
40 day and requested to see the training material so I could ensure that it was in line with how we had our training material.

45 MR FEUTRILL: Are the red flag indicators the things you refer to in paragraph 22 of your statement? There's a document you refer to?

MS SLATTERY: Yes, that's correct.

MR FEUTRILL: Do you have experience in identifying in the table games

environment money laundering activities yourself?

5 MS SLATTERY: I haven't come from a gaming background, but I guess I have a
good breadth of knowledge of money laundering typologies in general, and I think
they are very much --- could be used in any sector but no different with a cash-based
business like a casino. So I guess I would more focus my experience on explaining
the risks associated with accepting large cash, as an example, and, you know,
10 obviously understanding the structuring reporting and smurfing as an example. With
regards to bill-stuffing, we've got lots of controls in place, especially in Crown Perth,
that, you know, go a good way to mitigating that risk of bill stuffing.

15 MR FEUTRILL: The question really is how difficult is it for a person on the floor,
who is running the games, to identify some of these typologies? In other words, is it
a good first line of defence to have people on the floor who are operating the games
as your first line for that kind of typology?

20 MS SLATTERY: Yes, and I think, like, when you think about table games, you've
got the dealer there, but then you've got anything over \$1,000, they'd have to call an
inspector over to watch them count that money, and then if it was over \$5,000, they'd
have to call the table games manager over as well. So it's not just within that first
line there. You've got multiple lines of defence within the first line of defence, if that
makes sense.

25 So I think you've got lots of breadth of experience there. It's not just the dealer
having to consider the risks or think about what, you know, unusual activity needs to
be reported. They have got a lot of, yes, bosses above them that can also offer that
support to them, and many, many years of experience in understanding customers
and seeing if there is a difference in a customer from one day to another.

30 MR FEUTRILL: What about identifying things like minimal play?

35 MS SLATTERY: I think that that has to go to communication within the first line,
so if they were to see someone walking up to a table and buying chips and then
walking out, if they happened to see that, then we would expect that and we would
get an unusual activity report. However, if they are to walk to another table and they
can't see them, it might be that they might tell their inspector and the inspector might
speak to someone else across the other side of the floor. I think there's quite good
communication within table games for that kind of activity.

40 MR FEUTRILL: Are they trained to identify and keep an eye out for that kind of
activity as part of the training.

45 MS SLATTERY: Yes, they are. And I have to say the other thing --- the other
training I have been involved in with regards to table games is the actual dealer
school. So when dealers start, they undergo a six-week training, and an element of
that is AML, as you can imagine.

So I've made sure that I went down and viewed that training. I had it sent to me, and also I have been attending all of the training schools for that AML component to ensure that they are the ones --- I have been encouraging them --- they are the ones
5 who are the eyes and ears, and they are able to, you know, see changes in customer behaviour. So I have been, you know, essentially empowering them to also report themselves because everyone has access to the other report, the unusual activity report.

10 MR FEUTRILL: I think you mentioned in your statement you look to UARs from time to time for quality control purposes. Are you seeing your training reflected in the nature of the UARs that are coming through?

MS SLATTERY: Absolutely, actually. There was a good example recently where I
15 gave a quick presentation just to some premium gaming hosts, and there was a UAR that flowed in not long after that training where they could completely akin that UAR to the training that I'd provided.

MR FEUTRILL: Are you providing targeted training to those who work in the
20 electronic gaming area as well?

MS SLATTERY: Yes. As I said, they'll all be enrolled in targeted training, and there will be that two-year or one-year, whatever their --- the risks associated with their role are. However, if there is ever --- I'm quite close, you know, I see all of the
25 line 1 general managers in different meetings all the time, so if there is anything that's presented, I will make sure I go and speak to the staff or provide some guidance via email, but usually face-to-face, to look at that specific risk that's being presented or at least query that's being presented.

30 And for gaming machines specifically, when I showed them the --- when the UAR portal --- when the AML portal was first introduced in April, I went to most business units to give a high-level overview of the online form, which it is, but I took the opportunity, because I hadn't met a lot of them, to make sure that I did essentially a mini-targeted training with regards to what their red-flag indicators are in their area.
35 So I could give a practical example of showing them through the AML portal, and I did that with gaming machines as well.

MR FEUTRILL: Are there any specific typologies that those involved in AML, in
40 the game area, should be aware of?

MS SLATTERY: In gaming machines?

MR FEUTRILL: Yes. Specifically in gaming machines.

45 MS SLATTERY: Yes, I guess, like, bill-stuffing would be one that's obviously mentioned quite a lot. I guess people --- I guess if they were to have a TITO ticket, the ticket which gets presented out of the machine, if someone was trying to buy that ticket off someone, that would obviously be quite a red flag indicator of someone

trying to pay cash for something that they could present as a casino instrument, essentially. So that would be an example.

5 MR FEUTRILL: Has there been an introduction in the TITO area to printing of names on the TITO receipts?

MS SLATTERY: I have heard that that is something that is planned for the future, potentially.

10

MR FEUTRILL: It's not yet in place in Perth, then?

MS SLATTERY: It's in place. If it was over a certain threshold, they would see --- they would get the person's name because they would need to go up to the Cage and obviously show ID at that time.

15

MR FEUTRILL: It doesn't at the moment print off the name of the patron on the TITO ticket at this stage?

20 MS SLATTERY: I don't believe it prints off the name or the Crown Rewards number at this point, no.

MR FEUTRILL: All right. We received some documents earlier today, Danielle Slattery, and I would like to take you to some of them. Some of them are minutes of meetings you appear to have attended in a group called the Crown Perth remediation plan. I think it's a working group. Are you familiar with the work of that organisation, or that group?

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MS SLATTERY: Yes.

30

MR FEUTRILL: Could I ask you be shown CRW.700.104.4837, which appear to be an agenda or a combination of an agenda and perhaps minutes from a meeting on 14 October. Can I just ask you a few questions. The item numbers in the first column correspond to item numbers of a Perth-based remediation plan, a broader plan?

35

MS SLATTERY: Yes, initially, but then I believe since then, as we have all been meeting once a week, there's been things that we've found that we are doing anyway that have been added to here.

40 MR FEUTRILL: Okay. I want to take you to a very long and large spreadsheet, which I will take you to in a moment, but before I do, I'd like to look at some of these entries and just understand a little more about them. The first item which refers to the TAB, is that a reference to the organisation by that name, the TAB? Have I lost you? No, you are there.

45

MS SLATTERY: Yes, the TAB. Yes, there is a TAB within the gaming floor at Crown.

MR FEUTRILL: In an earlier minute --- I won't take you to it --- there's a reference to TAB to cease the practice of accepting gaming chips. "SB", which I take to be a reference to Shannon Blake:

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To arrange update of SOP/staff previous briefings with the target date of 23 *August*.

It was recorded as having been completed in that minute. Are you familiar with that topic?

10

MS SLATTERY: Yes.

MR FEUTRILL: So what was the issue there? What was the gaming chip issue with respect to the TAB?

15

MS SLATTERY: It's just that they were able to accept, like, Crown chips for TAB bets at that time, which then they would exchange back at the Cage. It was a practice that I, being new to Crown, was trying to understand where chips are used outside the gaming floor, and that was one place that we found it was. So we sort of worked out that that's probably not best practice, and they have stopped accepting chips now.

20

MR FEUTRILL: Was that practice something that had a name LCTF risk, from your perspective?

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MS SLATTERY: It's hard to completely define where exactly in the outdoor rules it would say that it's not against anything, necessarily, but I think it's just blurring the lines between the two reporting entities to accept casino's --- casino value instrument, essentially, for placing of a bet of another reporting entity.

30

MR FEUTRILL: Okay. In that entry that's on the page, there's a reference to RWWA. Is that racing, wagering, WA, is it?

MS SLATTERY: I believe they are the regulator for TAB.

35

MR FEUTRILL: Right. Then there's a reference to two broader projects in progress, dealing with financial crime and review of hotel SOPs re chips, and financial crime review of the use of chips throughout the complex more broadly. What's that about?

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MS SLATTERY: Again, like I mentioned, I just wanted to understand where chips were used. I believe in practice, you are able to, as an example, use some amount of chip up to a certain threshold to be able to pay for dinner at some of the restaurants within Crown. At the hotels as well, I think, for hotel rooms. But, yes, I was just trying to understand that process and potentially think about moving forward, whether we put --- make it so that casino chips are just for the casino floor.

45

MR FEUTRILL: Does the use of chips outside the casino floor create a risk, from a

money laundering, terrorism financial perspective, in terms of chip walking?

5 MS SLATTERY: Chip walking, I would probably think of maybe being more outside the actual doors of the complex entirely, but, yes, I think that probably just needs to --- as I said, for casino value instruments to be used on the gaming floor is best practice.

10 MR FEUTRILL: The next entry refers to SCT. Is that significant cash transactions, is it, the acronym for that?

MS SLATTERY: That makes sense. Yes, I can see it written in the next column, so yes.

15 MR FEUTRILL: There's a reference there to a meeting scheduled between DS, which I take to be you, and Wayne Carrie, and JC, to discuss new limit and how it aligns with the group policy. Somewhere else I have read that the current configuration in SYCO doesn't allow a limit on the \$5,000 limit. That's the case, isn't it?

20 MS SLATTERY: It's probably more that when we were looking to roll this out, it was going to be not much of a change at all to table games to be able to roll it out, because they already do record over \$1,000 as buy-ins, but they would record it just to the table not to the person specifically. So all they would need to do to update this process would be to ask the person for ID, or they may already know their Crown Rewards details, and therefore record that transaction against that person as a buy-in.

30 Whereas at the Cage, it probably wouldn't be recorded as a buy-in, and it's not a financial transaction either because that's where we record our over-the-threshold transactions to be reported to AUSTRAC. So we are just trying to work out a way to record it at the Cage as well.

35 MR FEUTRILL: Is it not the case that SYCO is not configured for the Cage to facilitate that limit; there needs to be a change?

40 MS SLATTERY: There may need to be a change or that they would just use the same process as the table, and they would just be a buy-in. It would be a bit of a difference in practice for the Cage. So we would just need to have a bit more consideration for rolling that out. Whereas, as I said, it was a lot easier to roll it out for tables first to see how that would work. So, yes, I'm not exactly sure what technical change would need to occur. It might just be that it's just more of a training to the Cage.

45 MR FEUTRILL: Is this a change that's required to give effect to that policy of reducing the limit of the minimum buy-in?

MS SLATTERY: Yes, that's correct.

MR FEUTRILL: All right. The next item refers again to this significant transaction

area and a reference to your meeting with the Pearl Room staff.

MS SLATTERY: Yes.

5

MR FEUTRILL: What does that entail?

MS SLATTERY: That was actually what I mentioned earlier about the --- about tipping off. I gave a presentation to the Pearl Room hosts, and I think there were some gaming machine hosts as well, actually. That was probably highlighted as an area of concern, as they are the ones talking to customers quite a lot, and I just didn't want to be stepping towards the tipping off.

So I was kind of just alleviating their concerns in a lot of ways, to talk about line 1 and line 2, with regards to SMR reporting and why we don't talk about it so that they're not going to step into that realm of potentially tipping off but also just helping them have the correct conversations with customers when they are asking certain questions about thresholds and things like that.

MR FEUTRILL: Thank you. The next item makes reference to training to contractors. What does that mean?

MS SLATTERY: I haven't been involved specifically with that one. I think that was Adam Sutherland working with HR, but I believe there's --- they are just working out how they were going to pick out certain contractors that needed to perform the training, whether it be online or --- yes, I haven't been involved specifically with that one.

MR FEUTRILL: Do you know what they mean by "contractors"? What sort of people are they referring to who have been described as a contractor?

MS SLATTERY: I imagine just anyone on a contract, not a full-time staff member that's attending Crown.

MR FEUTRILL: Are they people who would be involved in either operations in the Cage or on the casino floor?

MS SLATTERY: No. Well, I guess they could be on the casino floor in the sense of whatever their job would be --- require them to do, but it was probably more just looking at developing some training that was more akin to people like that and ensuring that other contractors that are ongoing could do the online training.

MR FEUTRILL: What I mean to say, are there people on contracts who are dealers and fulfilling ---

45

MS SLATTERY: No, I would more think of it as trade people, like coming into the casino more broadly, yes.

MR FEUTRILL: All right.

MS SLATTERY: They wouldn't have a casino licence, I can say that much.

5

MR FEUTRILL: On page 4839 there's a reference to ROF --- I take that to be return of funds --- deposit accounts. Is this what you were referring to earlier, about the program or the work you've been doing to work out how to return funds to former Junket operators and premium and privileged players?

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MS SLATTERY: Correct.

MR FEUTRILL: Can I ask you about item 10.1, which is on page 4840, and if you know about the culture project.

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MS SLATTERY: So what I mentioned earlier about the responsible practice and ethical decision-making training program that we rolled the pilot out of just a couple of weeks ago, that's this. So it initially came from, I believe, out of the culture survey, which I'm not privy to. However, this was, I think, what sparked a conversation with regards to building a bit of a long-term plan of certain different remediations and training programs that we could develop to ensure that kind of ethical decision-making and responsible practice was embedded within the Cage and table games and other areas.

20

MR FEUTRILL: All right. Item 12, which is a little further down the page, talks about policies. Is that something you were involved in? Was that a review of all of the policies?

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MS SLATTERY: No, I'm not involved in the review of all policies, if you're talking about the policy uplift program. However, there are if --- if --- there are policies that sometimes I get asked to read, but a lot of the time, it will go to the general managers or senior managers in Melbourne.

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MR FEUTRILL: Can I show you another document, and it may be a series of documents. I don't know how it's been put together yet for the presentation on electronically, it's CRW.700.104.4856. I don't know if you are familiar with this document or not, Danielle Slattery. That's the cover sheet for it. You might be more familiar with the next page, which is where it starts to deal with various items. Have you seen this document before?

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MS SLATTERY: Yes. It's essentially the running action item from the agenda that you showed earlier.

MR FEUTRILL: That was my question. I thought that may have been the case. It shows essentially --- it has a sort of traffic light element to it, which demonstrates where various of the items are in terms of green, amber or red to the state of completion. The item I wanted to ask you about is on page _0004. I don't know whether you were answering that one or looking at answering something

45

different --- there's a reference to AML-related business unit standard operating procedures being updated with input from you.

5 MS SLATTERY: Yes. Is this 3.1?

MR FEUTRILL: Yes, sorry, 3.1. I take it "BU" means business unit?

MS SLATTERY: Yes.

10

MR FEUTRILL: In your statement you've made reference to a number of policies that you were involved in. I think they are all connected with the table games area. Have you undertaken a review of any other business unit areas with policies from an AML perspective since you joined ---

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MS SLATTERY: Sorry, yes. Not policies, but standard operating procedures, and, yes, in about April, I think, a few were sent to me and I'm not sure if that was --- I think that Sasha had asked some of the business units to send them to me as well. She was probably doing a review from a regulatory perspective, and I was sent --- I think it was from security surveillance, table games, gaming machines and Cage. I just got sent some that they had either just updated, I think, that they were getting probably Sasha to also review, yes, or they had relevance --- that they'd made some change to that they wanted me to review. I assume they were all drafted or implemented following the new program in 2020.

25

MR FEUTRILL: Okay. Have you completed that review from an AML perspective?

MS SLATTERY: Yes. For the ones that were sent to me. I haven't reviewed every single SOP out of every single business unit, but they are the ones sent to me, and I reviewed them at the time.

30

MR FEUTRILL: Do I understand from that someone within the relevant business unit has sent to you a copy of what they think you need to review and you've reviewed it?

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MS SLATTERY: Correct.

MR FEUTRILL: I just wanted to ask you, there's a reference in here also --- I'm not one hundred per cent sure if it's an area of your responsibility or not, but there's a reference to the closure of safe deposit boxes.

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MS SLATTERY: Yes.

45 MR FEUTRILL: Are you familiar with that process?

MS SLATTERY: Yes, I was involved in that process, yes.

MR FEUTRILL: And at what stage is Crown Perth at with that process?

MS SLATTERY: They are all closed.

MR FEUTRILL: Has all the property been returned to the owners.

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MS SLATTERY: Yes, I believe so. Sorry, when I say closed, they were all opened to be closed.

10 MR FEUTRILL: I understand. Okay. In this long document, there's also a reference to, on _0011, to branding awareness, and it seems to be in your area of responsibility. What's that item directed to?

15 MS SLATTERY: So it ended up being marketed branded as responsible practices, so I make reference to that in my statement. That ended up --- it came forth from, I think, Lonnie Bossi wanting to ensure that we are engaging with our customers to let them know about all the changes that we have made with regards to certain procedures, and when we are asking for more information at different times, and the way that we want to receive funds through our bank accounts, and the different membership tiers and how they will be asked for, you know, further KYC throughout that process.

20 So we undertook a project, and we engaged marketing and all the business units to put together this responsible practices package, and it got sent out to customers, generally at the tiers of people that would be in the Pearl Room --- or I think it was gold tier and above, with regards to, yes, the way that we are doing business, and it was marketed as responsible practices. When we rolled out that training program that I was talking about earlier, we also used the same branding, best responsible practices.

25 MR SHAW: Sorry, the lights have just gone out. It's because we are not moving enough.

MS SLATTERY: Apologies.

35 MR FEUTRILL: Can I take you back to your statement now, then, Danielle Slattery, to --- I think you may have covered most of my questions on paragraph 23 already and 24, this responsible practices issue. In 25 you mention that as part a workshop you engaged with the Western Australian Police Force, but I'm more interested in the last sentence of that paragraph where you indicate that you have been working with the WAPF more broadly to increase the flow of information on financial crime matters. What have you been doing in that area?

40 MS SLATTERY: Well, I guess since coming to Crown, I understand that security have a very good relationship with WA police. They speak to a lot of different areas of WA police that would obviously call them, or they would call --- like, you know, it's a two-way street there, but generally they deal with the money laundering squad.

I wanted to sort of reach in and have a bit more of an engagement from the state

intelligence area, because I understand that they have access to sometimes more information, being analysts and having access to all the different parts of their databases. So, yeah, I was trying to build a relationship where we could have ongoing meetings, and try and share information that way.

But also with a view to, once I am out of the intelligence world for a length of time, I will perhaps need some advice from them with regards to what is happening in the world and what other money laundering typologies are in existence that we might need to know about. So just having that ongoing conversation moving forward.

MR FEUTRILL: Have you been working on a memorandum of understanding at all with the WA police force?

MS SLATTERY: I haven't been working on it, but I know that one is drafted and will be signed following the Royal Commission, I believe.

MR FEUTRILL: All right. And what about the AFP, is there similar arrangement in play with the AFP?

MS SLATTERY: I believe the ACIC has drafted an MOU as well with Crown and will sign afterwards. I think AFP were planning on doing the same.

MR FEUTRILL: Are you aware of a process that's being undertaken referred to as an enterprise-wide risk assessment for AML and CTF?

MS SLATTERY: I'm aware of it, but I haven't been involved in the implementation design or the actual process when it was rolled out, yes.

MR FEUTRILL: Do you know if anyone in Crown Perth has been involved in the design of that program?

MS SLATTERY: No, not in Crown Perth, but obviously group GMs or senior managers have oversight of Perth as well.

MR FEUTRILL: What about in the process of identifying Perth's specific risks for the enterprise-wide risk assessment? Was anyone, to your knowledge, involved in that from Perth?

MS SLATTERY: If you're talking about the actual implementation of it prior to rolling it out, as I said, the senior managers and group managers in Melbourne have oversight of Perth as well. So, yes, they would be considering Perth the same way they were consider Melbourne or Sydney.

MR FEUTRILL: Have you been involved in the sense of has anyone asked for your views or input into any specific risks associated with money laundering or terrorism finance in Perth?

MS SLATTERY: Like, not specifically, but they may have taken things that I've said and used it for that, but I believe that --- yes, it's at a more higher level where it's been rolled out that I haven't been involved with, the process of that.

5

MR FEUTRILL: So there's not been a formal process where someone's sat down with you and said, "Tell me what you think about money laundering and terrorism financing risk in Perth and the vulnerabilities of that casino?"

10 MS SLATTERY: No, but I don't think that the vulnerabilities or risks are any different to Melbourne, in my opinion. And they have complete oversight of this property as well, even if they aren't located here.

MR FEUTRILL: Are you familiar with the procedure at Crown Perth for --- and the e expression used is on-boarding of new customers?

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MS SLATTERY: Yes. Sorry, what was the question?

MR FEUTRILL: Are you familiar with that expression of on-boarding of new customers?

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MS SLATTERY: Yes, yes, I am.

MR FEUTRILL: Do you know what it means? What is it referring to?

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MS SLATTERY: I guess the signing up of someone to the Crown Rewards.

MR FEUTRILL: Do you know if the citizenship of a prospective new customer is captured in that process for Crown Perth?

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MS SLATTERY: I'm unsure, but I do think that that is something they are looking to changing in the system --- as in there are going to be changes in the system to what is asked for at that time, moving forward. That might be one of them.

MR FEUTRILL: Do you know if it captures the occupation of the prospective patron?

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MS SLATTERY: Not yet, I don't think, but it may do, and it also does at the point of Pearl Room application.

40

MR FEUTRILL: I see. So in other words, is the process or procedure for on-boarding under review and not yet been completed in its reformulation?

MS SLATTERY: I believe there's been some changes recently or at least some conversations about changes moving forward.

45

MR FEUTRILL: Okay. Do you know if there's been any cost benefit analysis undertaken for hosting of high-stakes private poker games at Crown Perth?

MS SLATTERY: I'm unsure.

5 MR FEUTRILL: I think I asked you earlier about whether customer names are captured on ticket-in and ticket-outs for \$2,000 or above, and I can't recall what your answer was. Can you remind me what you said?

10 MS SLATTERY: I believe that is the plan. I know that they are captured, as in if someone has a --- at certain thresholds, an actual gaming machine attendant might have to come over and ask the person's name, and they might write it on the ticket. That's so the person can --- I think they actually sign it, and they can match that signature if it is going to be an over-the-threshold amount that they are going to be getting paid out.

15 But I have heard that the plan or thought is to have people's Crown reward numbers or names printed on the TITO. I don't believe that is rolled out yet.

MR FEUTRILL: Do you know whether another change has been made which makes ticket-in, ticket-out tickets non-transferable?

20 MS SLATTERY: Well, I guess that would be non-transferrable if they had the Crown Rewards person's name or number on there.

MR FEUTRILL: So there are moves afoot, but it hasn't yet been implemented?

25 MS SLATTERY: Correct.

MR FEUTRILL: Have you undertaken as part of your training any enhanced staff training for chip walking?

30 MS SLATTERY: Not specifically. I haven't --- was your question whether I have conducted targeted training with regards to that.

MS SLATTERY: Yes, or enhanced staff training for chip walking.

35 MS SLATTERY: No, I have not.

MR FEUTRILL: Do you know if there are any plans for undertaking such training in the future?

40 MS SLATTERY: No, I don't know of any plans for that.

MR FEUTRILL: Are you aware of the process, or if there is a process, for employees of Crown Perth who occupy high-risk roles completing a compliance declaration?

45 MS SLATTERY: Sorry, can you say that again?

MR FEUTRILL: Do you know if there's a process by which persons in high-risk roles in Crown Perth complete a compliance declaration from an AML/CTF perspective?

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MS SLATTERY: I believe they sign a code of --- I believe they sign that they have read the code of conduct after orientation. There is an element of AML in that. That's to the best of my knowledge.

10 MR FEUTRILL: I'm referring to a specific document for high-risk occupations, positions within Crown Perth, to annually sign a compliance document?

MS SLATTERY: I'm not aware of that.

15 MR FEUTRILL: Do you know if there's any plan to introduce one, a document of that nature?

MS SLATTERY: Not that I'm aware of, but, again, I'm not aware of all of the implementations that are planned.

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MR FEUTRILL: Can I go back to your statement, Danielle Slattery. I might take you to paragraph 33, and I appreciate this is an area which is not specifically part of your role; it's to do with transaction monitoring. You have indicated that it's the responsibility of the operations division and management. Who are you referring to in that expression "operations division and management"?

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MS SLATTERY: So when I was operations division and investigation and screening team specifically --- as I said, there are two analysts in Perth that sit in that team and broader group members that are in Melbourne and Sydney as well.

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MR FEUTRILL: So the analysts who are in Perth are performing that function in respect of transactions in Perth?

35 MS SLATTERY: Correct. And obviously as I go into, there is lots of automated transaction monitoring that occurs for all properties.

MR FEUTRILL: All right. I asked you a question earlier about the three lines. Is this in the first or second line of defence?

40 MS SLATTERY: This is a financial crime function, so in the second line of defence.

MR FEUTRILL: To your knowledge, are there any processes in place to test to see if that monitoring is being undertaken effectively?

45 MS SLATTERY: Well, I know there is a whole testing assurance section, so they are building an assurance plan which will do exactly that.

MR FEUTRILL: Is this in distinction to the audit function within Crown, or are you talking about an assurance within financial crime itself?

5 MS SLATTERY: An assurance function within financial crime and compliance.

MR FEUTRILL: I see. Can I take you to paragraph 39. I think I know what this means, but it might help if you explain this. What does that first sentence mean?

10 MS SLATTERY: So the UAR is completed online within an AMR portal, which is an online form. Yes, analysts are accessing that system on a daily basis.

MR FEUTRILL: Is there some form of alert or something that goes to the analyst, or are they just viewing it daily?

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MS SLATTERY: They are looking at it all day. That's what they are doing.

MR FEUTRILL: I understand you've set out in general terms the process that is then followed for the first three phases, or increasing degrees of scrutiny to the UAR, if it makes it through each phase. In the last phase, which is in paragraph 43, there's a reference there to submission of an SMR. Who is making that decision at that point in the process?

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MS SLATTERY: There are multiple people that are delegated to form the suspicion, and they are outlined just below that, in 44, I believe.

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MR FEUTRILL: So the analyst is one of those people who could make a decision about an SMR?

30 MS SLATTERY: No. They might put their recommendation, but then the levels that are outlined in 44 who are actually delegated to form a suspicion.

MR FEUTRILL: 45, yes.

35 MS SLATTERY: Sorry, 45.

MR FEUTRILL: Your job description falls within (f), does it? Is that right?

MS SLATTERY: Correct.

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MR FEUTRILL: Is there anyone else in Perth who has that level of authority on submission of SMRs?

MS SLATTERY: No, I don't believe so.

45

MR FEUTRILL: So do I understand if an analyst is going through the process of phases 1, 2 and 3, when it gets to submission of an SMR, the decision will be made by someone in Melbourne. Is that the gist of it?

MS SLATTERY: Correct. Someone in the group function, yes.

5 MR FEUTRILL: Can I ask, in 43, the last sentence refers to a phase at which there may be a reassessment of a customer's risk rating. Who is making that decision?

10 MS SLATTERY: Again, it could be a recommendation from the analysts themselves, but the ultimate decision is likely to be made by whoever's forming the suspicion on the SMR or --- actually if it was --- if it was a UAR and they decided to go to no further action, but still decided to raise the risk rating, I believe they'd just have a conversation with their senior analyst or with their manager to adjust that adequately.

15 MR FEUTRILL: So does that --- do I understand from that answer that anyone within the AML team has the ability to change a patron's risk rating based on information that's received?

20 MS SLATTERY: Yes, I believe that is the case, but I imagine there would still be oversight by their senior analyst manager when making that decision.

MR FEUTRILL: Okay. Now, you are a member of the, as you mentioned, Perth POI subcommittee?

25 MS SLATTERY: Yes.

MR FEUTRILL: And that committee meets, or subcommittee, I should say, meets once a month, roughly?

30 MS SLATTERY: Every fortnight, actually.

MR FEUTRILL: Every fortnight, okay. And who are the other members on that subcommittee with you?

35 MS SLATTERY: Well, the members can change; however, it's financial crime, and that includes the analysts that are in the investigations area; myself; and security and surveillance.

40 MR FEUTRILL: So the business units involved are financial crime, security and surveillance --- anyone from the other business units involved?

45 MS SLATTERY: No, there was recent discussions with regards to including the table games, sort of gaming integrity or compliance managers, just for oversight of the customers themselves as well. But that hasn't changed --- that hasn't occurred just yet.

MR FEUTRILL: Decisions made in respect of Perth Casino customers to increase their risk rating or if circumstances give rise to a UAR or an SMR, do those events, are they brought to the attention of this POI subcommittee in Perth?

MS SLATTERY: No, I wouldn't think that that would be something that we would generally discuss. The POI subcommittee is a historical committee that was occurring for quite some time in Perth, and I think that gave good --- a good way for
5 AML to meet with security and surveillance to discuss persons of interest. Late last year, when they made the group POI committee, which actually was formed to more make decisions on cross-property barrings from a Crown resort's perspective, so they could cover off on all the properties, that's --- I think this committee stopped and only started again when I joined.

10 But I think that's that based on because Perth --- the business units and legal and the CEO were happy. They liked the fact that AML and security were able to meet and discuss customers and also discuss the engagement that was going back and forth with WA police, that it was actually recorded and the action items were appropriately
15 recorded.

MR FEUTRILL: I just want to take you to an example. CRW.700.020.0002, which is a meeting agenda from May this year. There seems to be a number of items discussed, so there's an AML update, which I will come back to. There's a security
20 update. There are references there to NRL/POI. I take that to be a notice revoking licence, an NRL.

MS SLATTERY: Correct.

25 MR FEUTRILL: Is that to do with law enforcement, is it?

MS SLATTERY: Yes, LEA, law enforcement agency, LEA.

MR FEUTRILL: And then in general business, there are some action items which
30 make reference to various patrons. Can I just come back to the first item here which refers to some look-back work which is currently happening with Riverbank and Southbank accounts, and you advised that 123 names had been given to Brian Lee for review and stop codes. Can you expand what that entry is about?

35 MS SLATTERY: So 123 names are from the initial review. Like, there's been lots of --- obviously there's been look-backs done by AML with respect to the AML/CTF risk associated with those patrons and the transactions. So in this meeting, I think I was just advising --- I believe Brian might not have been there, I'm not sure, but I was just advising security and surveillance that the Melbourne integrity team that
40 they had chosen to do a significant player review on these people, and therefore during the course of doing that review, they were going to be putting stop codes on so that they could, you know, see whether the person was coming into Crown or not and that that was going to be passed on to Perth to do the same. So I was basically just giving them a heads up that that's something that would be coming their way.

45 MR FEUTRILL: So can I just understand, then. What's the significance of a stop code?

MS SLATTERY: So --- sorry.

MR FEUTRILL: What is a stop code?

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MS SLATTERY: It's a code that goes into SYCO so that it would alert if someone used their card, essentially.

10 MR FEUTRILL: I see. So the names --- patrons identified in connection with Riverbank or Southbank had a code associated with them but then signalled an alert in SYCO if they undertook any gaming activity at Perth or Melbourne; is that the ---

MS SLATTERY: Yes, correct, and there would have been an adequate comment to explain who needed to be contacted, if that was the case.

15

MR FEUTRILL: Can I take you to another example of these minutes, which is in June of this year, which is CRW.700.072.1484. I just want to focus on AML update area. Do I understand the reference there to update on SOW and SOF to be statement of wealth --- sorry, source of wealth and source of funds?

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MS SLATTERY: Correct.

25 MR FEUTRILL: Does this mean, then, if a customer or patron presents at a table game with funds exceeding the threshold --- I think it's \$5,000 --- they have to complete a source of wealth or source of funds form?

MS SLATTERY: No. No, not \$5,000, but it's currently at \$25,000 for all properties, for source of funds.

30 MR FEUTRILL: Quite right, sorry, my mistake. If they refuse to complete that form, what then happens to the ---

35 MS SLATTERY: Sorry. If they actually refused, then they would be --- they would be escorted off the property and would a ban --- an NRL issued for a certain time period that they were able to account for that. I don't think we have had a flat-out refusal, to be honest, at this stage. Like, the refusal's probably more speaking in this paragraph to source of wealth.

40 So when patrons are being asked --- and that wouldn't necessarily be when they are at the venue, they could be asked that through Salesforce, so it's an online request that they would be delivered that to. If they just hadn't completed it by a certain timeframe, then they would be NRLED, but they may come back --- once they have read their email and actually completed it, they would be able to come back in. But some people did just absolutely refuse, and they were issued with NRLs as well.

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MR FEUTRILL: All right. This might explain the next entry. If I take you to CRW.700.072.2602, which are the minutes from July this year, again, under the

AML update, the last part of that entry refers to two times NRLs issued from three SOW campaigns. What's an SOW campaign?

5 MS SLATTERY: I think that's --- campaign is just a word that's used in Salesforce. So they might speak of a campaign --- I think that they might refer --- if AML was requesting a source of funds --- sorry, a source of wealth, then they would have that in a separate campaign. If it was as a result of a significant player review, that might be a separate campaign. I think it's just a Salesforce wording.

10 MR FEUTRILL: I see. So this is recording that, as a consequence of this process, two NRLs were issued, but as I think you said earlier, they have an opportunity to come back with demonstration of the source of wealth and then have it revoked, or have it ---

15 MS SLATTERY: Correct.

MR FEUTRILL: Revoked twice?

20 MS SLATTERY: Yes, rescinding, yes.

MR FEUTRILL: In your statement, you made reference to this committee in paragraph 26(b), and at the end of the paragraph, that's a sentence that says:

25 This subcommittee does not make decisions on notice to revoke patron *licences*, *but discussions in the subcommittee may prompt escalation as necessary which may ultimately result in an NRL.*

30 So the references to NRLs in those minutes, what are they, if they are not a decision of the subcommittee?

MS SLATTERY: That would be security letting us know.

35 MR FEUTRILL: So the NRL's issued by someone in security.

MS SLATTERY: Correct.

40 MR FEUTRILL: I see. When you say "escalation", so there is some discussion necessary which may result in escalation, do I take it, as to the group POI committee?

45 MS SLATTERY: Yes, it can mean that, but also it may mean that they also --- that they prompt security to make a decision to NRL someone based on a conversation that may have occurred in that meeting, but that's not the purpose of the meeting.

MR FEUTRILL: I see. So independently, security has the ability to issue one of those notices under the Act?

MS SLATTERY: Yes.

MR FEUTRILL: And there may also be an escalation to the group POI committee; is that ---

5 MS SLATTERY: Correct.

MR FEUTRILL: So how does that escalation process work in practice?

10 MS SLATTERY: So I'd have to say that it's not --- we are not a feeder committee to that committee, necessarily. That's now how I see it. I guess what I'm saying there in my statement is that obviously we are going to have discussions and from time to time that may prompt security to make a decision to NRL someone.

15 Also, AML may get information from security which may cause a critical risk escalation form as well, but, yes, like I said, it's not the purpose of the subcommittee to be --- although I understand how it can sound with it being called a subcommittee, it's not the purpose to be feeding sort of POIs to the group POI, if that makes sense.

20 MR FEUTRILL: I understand. I understand what you're saying, but leaving aside the name, if in one of your POI subcommittee meetings a decision is reached that a patron should be designated a high risk or a critical risk, what is the process by which that is escalated?

25 MS SLATTERY: So first of all, it wouldn't be that we would --- it wouldn't be that -- so when you talk about high risk and critical risk, like, that's our financial crime risk ratings. So we wouldn't necessarily discuss that at that meeting with security, but that might be something that occurs through the process of the UAR or investigations occurring within the investigation team, where they may consider high-risk or critical risk, but security, if they have information where they are just not willing to accept the risk of that customer any more, they might NRL them following a conversation that occurs during that meeting.

35 The process of the group POI committee --- I believe with security because they have a good relationship --- or a good process now where they would share, I think weekly Melbourne's, they call it WOL, withdrawal of licence, the same as an NRL, they share that weekly. So therefore the cross-property barring is working anyway without the need to go through the group POI committee, yes.

40 MR FEUTRILL: Just coming back to my question, if a discussion leads to a prompt to escalate, how does that happen in practice? How does that ---

MS SLATTERY: In practice?

45 MR FEUTRILL: Yes.

MS SLATTERY: Sorry. Well, Brian Lee sits on the committee, and he would say, okay --- like, it would be a decision he makes as the general manager of security and

surveillance.

5 MR FEUTRILL: So it's not escalated to the group POI committee, or to anyone else?

MS SLATTERY: It may do, but he has the ability to make that decision at his level.

10 MR FEUTRILL: All right. Has there been an occasion that you've been involved in when, as a result of a discussion at the POI subcommittee, there's been an escalation to someone else other than Brian Lee?

15 MS SLATTERY : Not that I can recall. It may have been a flow-on effect of someone that we discussed, and then an investigation was done, and then critical risk was considered potentially, but I can't think of a specific example right now.

MR FEUTRILL: All right. So within the AML function, who is it that's making decisions about high-risk and critical risk for Crown Perth patrons?

20 MS SLATTERY: That would be, like, as I said, through the investigation process, when the analysts are doing their investigation, they may consider critical risk or high risk within that investigation, and therefore they would notify their senior analyst manager or senior manager, and I think that it would be the senior manager that would approve a critical risk escalation form or high-risk escalation form which
25 they would then seek approval from senior management, albeit who is going to be the CEO of the property.

MR FEUTRILL: Just to under the process, then, leaving aside the POI committee, through the UAR process, if an analyst believes that a patron's risk has become
30 critical, they would inform in this case someone in Melbourne, the group manager for that area. If that person agreed, it would then go --- where does it go, back to Perth, to Mr Bossi for consideration as to whether an NRL should be issued?

35 MS SLATTERY: Correct. And that is done through an actual critical risk escalation form that the analyst would complete.

MR FEUTRILL: I see. To your knowledge, has that taken place during the period of time you've been working in Perth?

40 MS SLATTERY: Yes.

MR FEUTRILL: Is a decision to issue the NRL been that of Mr Bossi or someone in Melbourne?

45 MS SLATTERY: It would be --- a decision by Mr Bossi, but it would be essentially agreeing with a recommendation from the critical risk escalation form and from the senior manager of the investigations area.

MR FEUTRILL: Okay. You've also mentioned you sit on the legal compliance committee.

5 MS SLATTERY: Yes.

MR FEUTRILL: I just want to ask you questions about that committee and its work. If I could ask that you be shown minutes from a meeting in March this year, which are CRW.709.139.2472. I have got the wrong number, sorry. If we go to pinpoint
10 2473, this is shortly after your arrival at Crown Perth. There's a reference at 4.1 to politically exposed persons, and one having been issued with an NRL in February 2021. This is a different process, I take it, to the UAR escalation to critical risk?

MS SLATTERY: I'm not exactly sure how that would have occurred back then. It
15 probably was. Yes, I don't know how that would have occurred back then, but as I said, any security manager can issue an NRL. So that might be what occurred back then, but I'm not sure.

MR FEUTRILL: Do you recall how it came that you were discussing seven
20 politically exposed persons with Mr ---

MS SLATTERY: Yes, absolutely, because in my QR compliance certificates that I complete monthly, one of the questions is, you know, have there been any politically exposed persons that have been identified this month? If so, has there been ECDDs
25 done on them? That's one of the questions.

So I would have answered question to that, and that's because there is daily screening on all Crown customers and they are treated as a group, because it's not specific
30 potentially which property they might be going to or they might be going to multiple properties. Because there is daily screening, there was a backlog of that; therefore, there was a project going on from --- with some analysts and secondes in Crown Sydney whereby they were identifying potential politically exposed persons and adding them to a tracker, and therefore there was consideration and ECDD ongoing. However, each month there were some that were presented.

35 So I was just seeking --- I was just have just giving some further detail to Claude on that because he wanted to know the numbers. I think in the next meeting I explained that process that was going on with the bulk process going on in Sydney to give some --- a level of comfort that there was going to be probably more numbers shown,
40 but it wasn't to do with their being more PEPs, necessarily, but it was more people working through the daily customer screening.

MR FEUTRILL: When it is says one was issued with an NRL in February 2021, do you know how that process took place?
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MS SLATTERY: No, I'm not aware.

MR FEUTRILL: You just know it was issued?

MS SLATTERY: I would have just asked for an update on the numbers that they'd given me, and then that was the response I would have given, and I just pass that back on to Claude.

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MR FEUTRILL: I think you mentioned a couple of times the ECDD. That's enhanced customer due diligence under the AML/CTF program; is that correct?

MS SLATTERY: Correct.

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MR FEUTRILL: Can I just ask that you be shown CRW.700.103.7077 at pinpoint 7078 to 7079. I just want to ask you --- this was in June, I think, so I hope you can remember the incident. There's a reference there to an error, an incorrect field being entered and a failure to report a TTR on a transaction in the Cage, in item 5.2. The error was detected by a Cage supervisor and reported to the AML team, and then there was a reference to the employee involved received a documented discussion. Do you know what that entails?

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MS SLATTERY: No, not specifically. It would have been with --- within Cage, that would have been done.

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MR FEUTRILL: Did you understand it to be some form of disciplinary action having been instigated by someone in the Cage area, then?

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MS SLATTERY: Yes, I do believe that whenever there is any kind of breach, or this was one that was picked up within line 1, so it wasn't any legislative breach, they had a documented incident report that they would write on or type out with regards to the conversation that they would have with that person at the time.

30

MR FEUTRILL: Okay. So do you know, of your own knowledge, if the employee in question received any disciplinary action at all?

MS SLATTERY: I don't recall specifically with this one, but, as I said, I would have --- they would send the report to me, and I can add comments in as well. So I can't remember specifically what I said about this comment, but I would be asking for generally if they needed any extra remedial training or if there were any residual issues out of this so we could adequately address that.

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MR FEUTRILL: As to the remedial training, whose decision would that be to --- for where the employee received remedial training, yours or someone supervising the employee?

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MS SLATTERY: It could absolutely be mine. If I could see this is potentially something that had been ongoing, or I'd seen a few people make the same mistake, then maybe I would make sure that I noted that and did some training with those staff members, or with a few Cage members, but I think within the Cage, they also would have their own remedial action in terms of talking to the actual employee in making

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sure that they are completely aware of what the process is.

5 MR FEUTRILL: Had there been occasions since you've been employed by Crown Perth where you've given remedial training in that situation you've just described where you have made a decision it needs to be done.

10 MS SLATTERY: Probably not specifically with regards to a --- minor breaches that have occurred since I have started because they have all been something that someone might of forgotten, an aspect of reporting a financial transaction, but within their line 1 QA process it's been picked up. In my view, that means that the system they have in place is actually working. So just ensuring that they are aware. And on all occasions I have seen the customer write that, you know, this was just an oversight for this reason and that's why they are --- this occurred at that time.

15 MR FEUTRILL: So is that, no, you haven't?

MS SLATTERY: Not that I can remember.

20 MR FEUTRILL: Can I ask you to turn to paragraph 52 of your statement. There's a reference there to the third-party transfers policy. This is 52 and 53. You've referred to, I think, the section 29 of the casino manual. Are you familiar with the manual? Do you understand where you find this exception in it?

25 MS SLATTERY: I'm familiar with where the manual is stored, if I need to. This section was sent to me when I asked about when this occurred, because I wanted to know the dates for my statement with regards to when we actually stopped third parties with regard to our WA regulator.

30 MR FEUTRILL: Okay. Were you involved in the process by which this amendment was made to the casino manual, or did it happen before you joined?

MS SLATTERY: I think it may have happened in February, but, no, I wasn't involved.

35 MR FEUTRILL: Okay. So do I understand from paragraph 52 the position to be that there was a third-party transfer policy that allowed for certain exceptions to be made to the policy --- the decision was with the CEO, I think, of the relevant property --- and is it the case that that exception, the ability to make an exception and receive funds contrary to third-party policy has been removed as a consequence of a request of the GWC; is that right?

MS SLATTERY: Yes. I'm not sure whether it was a request by Crown or GWC to update the manual to reflect that, but yes.

45 MR FEUTRILL: Do I understand it that the third-party transfer policy, insofar as it operates in Perth, to your knowledge and understanding, does not have any exception for where the CEO or any other person could permit a third-party transfer?

MS SLATTERY: No, actually that's a Crown Resorts Group policy now, the new one that was written in October. Everyone is in agreeance that there are no exceptions now.

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MR FEUTRILL: Just to clarify, in paragraph 55, you have made a reference to the statement that Mr Stokes gave in the Victorian Royal Commission. That was his statement referring there to exceptions that had taken place at Crown Melbourne, was it not, not Crown Perth?

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MS SLATTERY: I believe so. I would need to be shown that statement to be sure.

MR FEUTRILL: Right. Well, I don't think I need to, but you've referred to it, so I assumed you were referring to it for a reason. Is it because it deals with Crown Perth, to your knowledge?

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MS SLATTERY: No, I'm actually not sure. I think I put it in there because it was spoken about in detail with regards to the third-party changes.

MR FEUTRILL: Okay, all right. Now, I want to take you back to the beginning of your statement now, if you don't mind, to your qualifications and experience. It's fair to say you've had quite a significant amount of experience in the area of law enforcement, dealing with money laundering and terrorism financing. You had 15 years with the ACIC.

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MS SLATTERY: 14.

MR FEUTRILL: Okay. And you described yourself as a subject matter expert relating to contemporary money laundering environments and AML trade craft; correct?

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MS SLATTERY: Yes, yes.

MR FEUTRILL: So you have a good understanding of money laundering typologies and predicate offending?

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MS SLATTERY: Yes.

MR FEUTRILL: What do you mean by "predicate offending"?

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MS SLATTERY: Predicate offending with regards to what the actual crime is. That's where the process of crime have been derived.

MR FEUTRILL: I see. You have a good understanding of money laundering and terrorism financing vulnerabilities?

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MS SLATTERY: Yes. Well, yes, I worked on a lot of different jobs from all around the world, so I saw, I guess, the vulnerabilities for different sectors, for sure.

MR FEUTRILL: That includes those faced by cash-intensive businesses like a casino, doesn't it.

5 MS SLATTERY: Correct.

MR FEUTRILL: Now, you've indicated that you regularly reviewed and analysed data provided by casinos under the AML/CTF legislation.

10 MS SLATTERY: Yes.

MR FEUTRILL: Do I understand from that you became very familiar with the sorts of typologies of money laundering and terrorism financing that takes place in the casino environment?

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MS SLATTERY: Yes. Like, as I said, I was a user of AUSTRAC's information, so, yes, I would have read SMRs that came from the casino and banking sector, yes.

MR FEUTRILL: One of your roles, I think you mentioned, when you were at the ACIC, was you played a part in risk management?

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MS SLATTERY: More to the point, like, in a daily working life there, I guess there was a lot of elements of risk management throughout my actual role.

25 MR FEUTRILL: Would you say you had a good understanding of risk management?

MS SLATTERY: I would say that it was certainly something that I had to consider on a daily basis, but I also would have had to consider the threat and risk when writing assessments, writing actual intel products. I would have been --- when I was making or forming a assessment or a judgment, I would have had to assess the risk of that at the time.

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MR FEUTRILL: Okay. Now, you've worked at Crown Perth since January this year; correct?

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MS SLATTERY: Correct.

MR FEUTRILL: And you worked in the role of AML compliance manager for much of that time.

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MS SLATTERY: Yes, correct, although I have to say that probably the role that I'm in has been the role that I've done the whole time. It's just that it changed title when the structure --- like, when there was a restructure, which is probably --- the title is now more akin to the work that I actually do because the compliance function and the work that was probably done by previous AML compliance managers has now been split up between multiple different sections that are now in the broader financial crime and compliance organisational chart.

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MR FEUTRILL: All right. In your AML role, though, however described, would you agree with me that you've --- I should say have you familiarised yourself with the operations of the Perth Casino?

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MS SLATTERY: Yes. I would say that I have certainly learnt a lot since starting, that's for sure.

10 MR FEUTRILL: Given that, your experience in this field and your observations of the Crown Perth operations, you must have made observations yourself about the vulnerabilities of the Crown Perth operation to money laundering or terrorism financing risks?

MS SLATTERY: Yes.

15

MR FEUTRILL: You're nodding, yes. Now, that must allow you, I would have thought, to form a view about the extent to which those risks that the Crown Perth casino faces are adequately and appropriately mitigated or managed by the AML program, CTF program?

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MS SLATTERY: Yes. As I said in my statement, I can't compare a program --- this program to another program, so it's hard for me to speak to that, but with regards to risks that I was seeing in my previous role, I would say that cash deposits and essentially the use of cash couriers and third-party transfers are two things that I would see were probably the major risks, and they have been very adequately mitigated through ceasing that existence --- and also Junkets.

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MR FEUTRILL: There's obviously been an element of change over the course of 2021; would you agree with that?

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MS SLATTERY: Yes, there has been, a constant state of change, I would call it.

MR FEUTRILL: Right. Are you able to describe to the Commissioners what your first impressions were on arrival in January of this year as to the state of Crown Perth's AML and CTF program then?

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COMMISSIONER OWEN: Mr Feutrill, sorry, we need to take a break for the benefit of our transcribers. So I think perhaps Danielle Slattery can ponder on that question. We'll come back at 20 minutes --- we'll take 10 minutes, so that will be 20 minutes past 4. Is that okay?

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MS SLATTERY: No worries, thank you.

45 **ADJOURNED**

[4.10PM]

RESUMED

[4.20PM]

5 MR FEUTRILL: I think I just finished asking you a question about your first impressions of the state of the Perth component of the AML/CTF program when you arrived.

10 MS SLATTERY: Yes. Well, I mean, there's no Perth component, obviously, but it's --- yes, I guess when I first arrived, I read it. I hadn't read a program before, and I thought that it adequately outlined the rules and the Act. That's probably what I can say about that when I first started.

15 MR FEUTRILL: The question really, Danielle Slattery, is more directed towards the application of it on ground in Perth, not so much what the words were on the page.

MS SLATTERY: Yes.

20 MR FEUTRILL: Did you have any impressions about how it was being applied by the Crown staff Perth in practice?

25 MS SLATTERY: Yes. Well, with respect to the fact that they all have their separate SOPs in their areas that have been written, based on the policies and procedures and the program, to me, makes it that it is implemented in Perth.

MR FEUTRILL: Insofar as you were the AML compliance officer, were you seeing a reflection of a well-trained organisation in the nature of the new ARs or SMRs that you received?

30 MS SLATTERY: Yes, and it's an ongoing --- you know, the training is continually embedding the program, I believe, but, yes, the actual UARs that are being produced are, you know, mostly of a high standard, and when they aren't, when there is lacking information, then there's, you know, either go back to the person to be able to provide more information, which in that case, then, they would know to provide
35 more next time. Does that explain it?

MR FEUTRILL: Somewhat. What about --- did you form a view at all about the general attitude of Crown Perth staff towards AML/CTF compliance?

40 MS SLATTERY: Yes. I think that I probably --- when I first started, I definitely heard --- I probably formed the view that a lot of people are very much aware of their obligations with regards to reporting, and probably, in my view, weren't realising how much enhanced customer due diligence or ongoing customer due diligence that they were doing, and now we are just finding the best practice to be reporting that
45 properly.

I guess what I'm trying to say is I know that --- because it's a small casino, there is a lot of people who have been here for a very long time, so they do actually understand

5 their customers and know their customers quite well. So when we are --- when the investigations team, at least, are reaching out for enhanced customer due diligence, they are able to provide detail with regards to the patrons because they know them quite well.

MR FEUTRILL: Did you form a view about whether the risk rating for those customers accurately reflected the information available to the casino more broadly?

10 MS SLATTERY: Yes. Well, in the program, or in our policies and procedures, at least, if someone has an SMR on them, then they get rated high, or if they have a law enforcement interest, they get rated to high. So there is quite a lot of customers that are rated high, but that doesn't mean necessarily that they --- what that means is that they get treated --- they get looked at through transaction monitoring on a daily basis.
15 So therefore we can have more oversight to understanding if they are presenting as a high risk.

MR FEUTRILL: Just to come back to my question, did you form the impression that the ratings had been adequately made at the time of your arrival on the patrons based
20 on the information that was available to those at Crown Perth casino?

MS SLATTERY: Sorry, do you mean risk ratings already on customers ---

MR FEUTRILL: You said earlier there was a lot of information available to the
25 Crown Perth staff about their customers. Did you form a view at all about whether that information was being accurately reflected in the risk ratings that were being given to the customers?

MS SLATTERY: Yes. I think that --- I definitely think that now, in light of the new
30 program, that risk ratings are being adequately placed on the customers, yes. But I haven't seen --- like, I've only seen customers from a while ago popping up occasionally, and when I do see the risk ratings, I can see that they probably had a different risk appetite before I started, like, in the past, especially with regards to law enforcement as an example.
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In light of today, if someone had a law enforcement interest, then they would probably be looked at as critical risk, if that was presenting as a money laundering risk.

40 MR FEUTRILL: So are you suggesting by that answer that there's been some improvement in the way in which risk is rated by the Crown Perth casino?

MS SLATTERY: Yes, absolutely.

45 MR FEUTRILL: Has there been, in your view, any improvement, if any was needed, in respect of general attitude that you've noticed of the Crown Perth staff towards AML/CTF compliance?

MS SLATTERY: I believe that people, as I said, were always aware of their reporting requirements, but I think that they are probably more aware now of our obligation of that enhanced customer due diligence. They were probably aware of it because they'd been sent an email to ask to give more information, but they probably didn't understand, in my view, potentially, that that was actually an obligation of ours to also do that with regards --- as opposed to just the reporting of TTRs, SMRs and IFTIs.

10 So I certainly in the training that I've done I've explained, you know, why we need to know our customer and why we need to continue to know our customer, and the reasons for that have been very clearly outlined in media articles and through Royal Commissions. So it's quite easy for me to explain that now to staff and new starters as well.

15 MR FEUTRILL: So is it fair to say, then, there was, in your view, a good degree of compliance with the letter of the law, if you like, for AML/CTF, maybe under-appreciation of the reason for it, that is to say, risk mitigation before you get to the point of making a report?

20 MS SLATTERY: Yes. I think that's probably the case. There's a vast --- a big --- there's a lot of employees at Crown that are in roles which are very process driven. I think that probably they have known what their job is, and I've made sure that whenever I get in front of anyone, I'm giving them training with regards to the reasons why we are doing things, not just what you have to do. When we have made this decision, it is actually like why we've stopped cash, why we aren't having Junkets here and being able to give practical examples as to what's occurred in the past so that they can understand the why, because otherwise they'll just feel like they are reporting and not ever finding out the reasons for it.

30 MR FEUTRILL: What about your engagement with managers?

MS SLATTERY: With respect to what, sorry?

35 MR FEUTRILL: Have you had engagement with managers in respect of the AML/CTF component of risk?

MS SLATTERY: Yes. Like I said, being Perth, we haven't been in many lockdowns. We have been in the office, so I've been in a lot of face-to-face meetings all the time with the executive, with the general managers, especially through building these responsible practices and ethical decision-making program. That was the GM of table games and the GM of Cage, myself, the manager from risk and one of the risk advisors as well as a training manager, all coming together to talk constantly about what training we were going to be delivering. So, yes, I think that we are having those conversations all the time.

45 And I'm hearing my advice being projected back to me in many meetings and when I'm hearing them talking to their staff. So that's a way that I can test to show that

they have learnt what I have told them.

5 MR FEUTRILL: Okay. And your observation about, if you like, the under-appreciation of the risk aspect of AML/CTF program, is the observation equally applicable to the managers you interacted with when you first arrived, as well as staff on the floor?

10 MS SLATTERY: I wouldn't say that they had an under-appreciation of the risks specifically, probably just not enough examples for the real world outside of Crown -- not the real world, but outside of Crown, with regards to potentially where their SMRs might have led or what I've seen with regards to the vulnerabilities of large cash.

15 So I guess it's probably more just that I have been able to give practical examples. It's not that they didn't understand the risks; it's just that I have been able to give them examples that help them understand it better.

20 MR FEUTRILL: I see. I have no further questions.

COMMISSIONER OWEN: Thank you, Mr Feutrill. I will ask for applications. Is there anyone who is not in the room, any counsel that are at a remote location who wish to ask questions? No. All right. Anyone in the room?

25 **CROSS-EXAMINATION BY MR EVANS**

30 MR EVANS: Danielle Slattery, my name is Evans. I appear for the Gaming and Wagering Commission. We've had a lot of information in recent times about the enhancements of the resourcing of the AML/CTF team across Crown can you indicate whether to your understanding the recruitment for the positions is now complete --- in other words, you are now fully staffed?

35 MS SLATTERY: No, that's not correct. There is multiple recruitment going on for all new sections and any of them could be from Perth. So there are some that are starting that I think potentially may have been formally offered or about to, but there's also --- there could be further with regards to other areas that are being recruited for.

40 MR EVANS: Thank you. I understand, thank you.

COMMISSIONER OWEN: Mr Dharmananda.

45 **CROSS-EXAMINATION BY MR DHARMANANDA**

MR DHARMANANDA: Danielle Slattery, Mr Feutrill asked you some questions in relation to paragraph 47 and following of your statement, which concerns the customer's risk rating in accordance with chapter 3 of the policy and procedures. Do you recall that?

MS SLATTERY: Yes.

MR DHARMANANDA: I think you gave some evidence concerning how that process operates. In circumstances where there is to be a decrease in the status, could you inform the Commissioners how that operates? Do you recall how that operates and who makes the decision?

MS SLATTERY: I believe it would have to go up to senior management now to decrease. I think there was going to be an ongoing look-back at risks --- high-risk-rated customers to see whether they were still remaining at high after a year or two years or whether they needed to be reduced, but I think it would be senior management that have that approval.

MR DHARMANANDA: Thank you. You were also taken early on in the course of your examination to a chart with respect to the FC&C change program, that is CRW.512.081.1750. If you go to 1762, which is the start of the charts, Danielle Slattery, you didn't draw these charts, did you?

MS SLATTERY: No.

MR FEUTRILL: They are not your creation. To your knowledge, who created these charts and documents?

MS SLATTERY: I believe Steve Blackburn potentially in conjunction with PwC.

MR FEUTRILL: If we go, please, to 1781, when it comes up, do you have a hard copy there, Danielle Slattery? You'll see at 1781 that this is within the financial crime risk section, and there's a group money laundering risk officer at the top of it. Where are you located within those boxes, Danielle Slattery?

MS SLATTERY: Under the group GM financial crime advisory. I'm the manager FC Perth.

MR FEUTRILL: So you are lower down the chain in respect of this chart, Danielle Slattery?

MS SLATTERY: Correct.

MR DHARMANANDA: Thank you. Nothing further. Thank you.

COMMISSIONER OWEN: Thank you, sir. Are there any other applications. Commissioner Jenkins.

QUESTIONS BY THE COMMISSIONERS

5

COMMISSIONER JENKINS: Having regard to your position there, can I ask you where you sit in regards to the other three financial crime officers in Perth. Are they junior to you, at the same level of you, or what?

10 MS SLATTERY: They are at the analyst level. So junior to me, but Laura Jones is a senior manager, but in the financial crime intelligence unit.

COMMISSIONER JENKINS: Right. So do Chrissie Hart, Deb Cassar, I think you said, Laura Jones, do any of them report to you?

15

MS SLATTERY: No, I don't have any direct reports. However, I think in my statement I outline that it's, I guess, a location-based supervisory role over the analysts because I'm here and they sit outside my office, but they do actually have senior analyst managers and senior managers in Melbourne in the group function.

20 But purely for the fact that I'm here, I obviously help them and advise them with regards to their writing of their grounds for suspicion or performing ECDD.

COMMISSIONER JENKINS: You discussed that there is ongoing recruitment in the financial crime unit. Is any of that recruitment in respect of a position to be located in Perth that would be senior to yours? Do you understand?

25

MS SLATTERY: Yes. In my function, advisory, the only person above me is the group GM who is in Melbourne and then it's --- so there's no-one in my area that could be recruited for here, essentially.

30

COMMISSIONER JENKINS: So whilst you describe yourself as relatively junior, you are the person really in terms of financial compliance in Perth?

MS SLATTERY: Not compliance. Sorry, not for compliance but for the advisory function. It is probably worthwhile to mention that, yes, the group function is that they have complete oversight over our property even if they aren't located here, and if we didn't have border closures, they would be here quite regularly.

35

That's what I had seen when there had been breaks in border closures, group roles that were in Perth, that they also exist in Perth and have oversight over the other properties as well, they were flying back and forth quite regularly. That's what I believe would occur if the borders weren't closed. I probably would have been over there a few time and had bosses over there as well. But we are on WebExes all day every day as they are from their homes because they are not in the office as well.

40

COMMISSIONER JENKINS: So you use the testimony "complete oversight" just then and I think earlier in your evidence as well. What did you mean by that? What

do you regard as complete oversight?

5 MS SLATTERY: Well, as I said, it's been broken up into multiple different functions now, or sections, underneath Steve Blackburn, so whatever their function is, if it's governance or if it's the investigations and screening or customer intelligence, when they are making any changes or looking into any kind of data, they'll do it as a group, they'll do it for all properties. If they are engaging in the business units, they will engage directly with the business units.

10 As an example, with the Deloitte implementations, the investigations team are engaging directly with the Cage in Perth, and I might be involved just from a --- sometimes attend meetings just because I'm purely on the ground, but we're trying to really make it very clear what the separate sections are responsible for. They all are licensed in all properties, so they can access all the data.

15 COMMISSIONER JENKINS: I wanted to ask you, then, about your ongoing training. Has there been any discussion about you participating in further education in the financial crimes area and, in particular, in respect of casinos?

20 MS SLATTERY: Yes, absolutely. With respect to financial crime, I like to do the ACAMS and the ICA diploma to further my financial crime knowledge, or theory behind it, I guess. And, yes, there is a --- within the ICA, which is the International Compliance Association, there is a specific one related to gaming as well.

25 COMMISSIONER JENKINS: So you say you would like to do that. Has there been any action in that regard?

30 MS SLATTERY: I have spoken to bosses about that, and there was supposed to be one starting in September, although now I had an email recently to show that there is one starting in January that's actually going to be Australia-centric, which obviously makes more sense to do that, so I'll wait until January. But, yes, I think there was a business case written for Crown to have some funding to put financial crime staff through ACAMs.

35 COMMISSIONER JENKINS: In respect to the lodging of a UAR, that's a fairly new process at Crown; is that your understanding?

40 MS SLATTERY: Well, the online form is new, but the process of --- I guess it's something that has been mentioned a few times. When the business units would have done SMR, I guess that was always an internal SMR. It was just referred to as an SMR even though obviously they weren't the ones reporting it to AUSTRAC. I guess if you think of it, the old SMR as an internal SMR, if it wasn't one completed by financial crime, but that's the reason why we changed the name or it was changed
45 before I started to unusual activity reports.

Similarly to banks. Some of them, I know, have unusual matter reports that they have as their internal SMR. So the process --- it has developed, and now obviously

in April the rollout of the online form, but the process of the business units actually reporting the unusual activity is not new.

5 COMMISSIONER JENKINS: So how long is it since the staff have been able to lodge those UARs online themselves?

MS SLATTERY: Since April.

10 COMMISSIONER JENKINS: April. Is there any feedback given to staff members who file a UAR as to the result of the UAR or whether their UAR was --- valid might not be the right word, but justified?

MS SLATTERY: Yes. Obviously there's --- not within the --- within the Act we
15 have to, with the tipping off offence, we have to be careful of when we are giving information with regards to when an SMR has been submitted or will be submitted, so that's why we generally don't talk about what happened with the unusual activity that they reported. However, I understand that there has been sort of comments from the business frontline to say that they sometimes just report this and don't
20 contactually understand what happens with it, so that's fair enough.

There is in the AML portal a tick box that would be completed by the analyst that might say "training required" or "best practice example", and there has been some
25 advice given back to the business units when there has been best practice examples, and/or once we build up those risk metrics, we will provide training based on the UARs that are coming in.

But also with regards to the responsible practices and ethical decision-making program, we actually got WA police, detective inspector, to come in and give a
30 presentation on a job that was a result of a referral out of Perth. And so that gave a lot of weight to what happens when we are actually identifying unusual activity within Crown Perth and what can happen outside of here.

COMMISSIONER JENKINS: Because you would understand that there might be a
35 problem if a staff member makes a UAR and then sees that conduct continuing to occur without management attempting to stop it at all, they'd be justified in assuming that the behaviour was to be tolerated?

MS SLATTERY: Yes. That's fair enough. I think that there's a lot of, you know,
40 probably instances where in my role I've seen things that maybe are continuing to be reported, and I have stepped in and tried to bring business units together to try to understand what's missing. Like, what is a Cage, as an example, not being able to see to make the right --- like, the fact that they are finding the activity unusual when there might be something that they could get access to that might eliminate that in
45 terms of another system of where they might see --- where they can't see ratings. They might be able to see gaming machine data as an example, to give them more --- a level of comfort that there has been play.

COMMISSIONER JENKINS: You spoke about controls on bill-stuffing, and I think either in your statement or elsewhere, you talked about fully automatic table games and those controls not being so great in respect of fully automatic table games. What
5 is the current bill limit, or the limit that can be put into a fully automatic table game?

MS SLATTERY: I believe it's \$2,000, but that wasn't in my statement.

COMMISSIONER JENKINS: No, all right. It must have been somewhere else that
10 I heard that.

MS SLATTERY: That was the project that, whilst I have been at Perth, was initially led by Perth, as a pilot to actually bring down that limit, because it sat just underneath the reporting threshold in the 9,000s, and we brought it down to 2,000.
15

COMMISSIONER JENKINS: Was that in order to try and minimise the risk of bill-stuffing?

MS SLATTERY: Absolutely.
20

COMMISSIONER JENKINS: Why is it thought that 2,000 will do that, whereas 9,000 wouldn't?

MS SLATTERY: It's just a lesser amount. We are here to reduce risk, essentially.
25 You can't ever get rid of all risk.

COMMISSIONER JENKINS: I just noticed in the course of your evidence there is no reference to the Perth executive risk committee. Does that committee no longer exist?
30

MS SLATTERY: I was never involved in it, and I think there may be some changes with regards to what those committees will be called.

COMMISSIONER JENKINS: Do you will know if it still exists or what the situation is?
35

MS SLATTERY: I'm not sure. I know that there was changes occurring. I wouldn't be a member of that committee anyway.

COMMISSIONER JENKINS: I've just seen that some of the responsibilities of the POI committee might have been in the past responsibilities of the ERC committee. So I wondered whether you had any understanding of that transfer of roles?
40

MS SLATTERY: Do you mean the group POI?
45

COMMISSIONER JENKINS: Yes.

MS SLATTERY: I'm not involved in the group POI.

COMMISSIONER JENKINS: You are involved in the local POI.

MS SLATTERY: Yes, yes.

5

COMMISSIONER JENKINS: You don't understand that it has undertaken now some of the roles that the Perth ERC committee used to undertake in terms of customer ratings?

10 MS SLATTERY: No, I'm not aware of that.

COMMISSIONER JENKINS: You talked about the improvements to the AML/CTF program that have been made to ensure that what you described as the high-risk areas of third-party transfers and cash couriers, et cetera, have been eliminated. I just want to ask about criminal activity on the floor of the Perth Casino and use it as an example --- Mr Petkov. Are you aware of the example of Mr Petkov and what he did on using stolen funds to gamble at Perth Casino in EGMs?

MS SLATTERY: I'm aware somewhat of this example, yes.

20

COMMISSIONER JENKINS: Just using that kind of activity as an example, what do you see in the current financial crime program at Perth Casino that would stop that kind of activity occurring again at Perth Casino or being detected earlier at Perth Casino?

25

MS SLATTERY: Lots of different things. So the framework has changed dramatically since then.

30

There's also source of funds forms that we would ask for, if someone had over \$25,000 on a cumulative day. So that would --- we maybe have would have asked for more information then as to where their source of the funds actually came from. If it hadn't been adequately completed, then we would have rejected the funds and put some barrings in place until we were adequately happy with the source of those funds. There are multiple things that would have occurred.

40 Also obviously occupation, that gets looked at when it's presented to us, and that gets looked at from the investigations analyst when they are doing their investigation on any UARs. They would, you know, consider the risks of occupation when doing their investigations as well.

45 COMMISSIONER JENKINS: If I can just asks a few questions about those three matters that you raised. We have heard his occupation was considered and the information was considered to substantiate his legitimacy of his source of funds. So what would be different today?

MS SLATTERY: Well, source of funds is not about someone's occupation. That's more akin to the source of wealth declaration. So source of funds is actually about where that particular cash has come from. So there's only certain ways you can
5 actually account for that, you know, getting it out of your bank account or having a win at the casino. If they had come --- if he couldn't account for that, then it wouldn't be --- it would be refused.

10 With the occupation, you know, there's lots of different occupational risk assessments being done with regards to the --- I believe with regards to the enterprise-wide risk assessment and also when people are moving through the membership tiers and asking --- they are putting processes in place whereby different level of risks of occupations will be potentially asked for more information or put
15 into a category where we would be doing more transaction monitoring on that person.

COMMISSIONER JENKINS: In terms of occupation checks, is in effect what you are saying that the quality of those checks, you would say, is better now than it was
20 previously?

MS SLATTERY: I know that they used to do occupation audits, which is not something that I do in my role now, but I believe that's because we have a lot of this automated transaction monitoring and the business units are assessing this information as it's presented to them as well, but I think probably more when
25 situations like this occur, you know, not everyone who works in the banking sector is going to be the same as him; however, because of this specific example, I'm sure it will be looked at differently.

COMMISSIONER JENKINS: Then the second matter you mentioned was the
30 \$25,000 a day limit, so if someone comes in with cash, using cash at an EGM, at the time they are using it, there wouldn't be an assessment, would there, of how much they were using that day; that could only be done subsequently?

MS SLATTERY: No, because I think if someone was at that kind of a level, where
35 they are putting in up to \$25,000 a day, they wouldn't be sitting at a machine feeding in \$100 notes and playing it down and doing it again; they would be more likely to have an actual DAB where they would walk up and get --- put money in through that way, or send it in and --- yes, so someone sitting at a machine feeding in cash, with the limits that we have, would adequately be noticed by someone for sheer amount of
40 hours that they'd have to be there to do that.

45

COMMISSIONER JENKINS: Thank you, Danielle Slattery, those were my questions.

5 COMMISSIONER OWEN: I only have one question, Danielle Slattery. The updating of the SOPs, can I ask you, the ones you've been involved in where you've identified a need to update an SOP, what's the physical process that you go through to do that and to whom is it submitted and how is it approved?

10 MS SLATTERY: Well, an example I can use is when the table games have gone down to a \$5,000 threshold where they'll ask for ID and record that person in the system, they had to update their SOPs to reflect that, and so they went through after financial crime had offered advice on the \$5,000 cash change. They went and updated their SOPs, and then they sent them to me via email, via PDF to review. In
15 that instance we actually used the Adobe Sign, so it was going around to each person to sign it electronically to say that we'd reviewed it.

COMMISSIONER OWEN: Thank you.

20 Mr Shaw, do you wish to re-examine?

MR SHAW: Only one question, if I may, Commissioner.

25 **RE-EXAMINATION BY MR SHAW**

MR SHAW: If Danielle Slattery statement could be put on the screen, please. And if we could go to paragraph 26, page 6 of the statement, please. You were asked
30 some questions, and I just want to clarify --- it may already be clear to the Commissioners --- in respect of the POI subcommittee and the making of decisions in relation to NRLs, if you could read, please, the last sentence in paragraph 26(b), which is on the top right of that screen, three lines down on "This subcommittee", just read that to yourself. That's your evidence, that the subcommittee, the POI
35 subcommittee, does not make decisions on NRLs; is that correct?

MS SLATTERY: Correct. It's not the purpose of the subcommittee. However, it may --- conversations that are had during those meetings may prompt escalation, as it mentioned.

40 MR SHAW: Thank you. Commissioner, I don't have any further questions.

COMMISSIONER OWEN: Thank you, Mr Shaw.

45 Just before we close, I'm going to have to recall the order that I made about the restricted hearing, and the reason for that is it's been pointed out to me that Danielle Slattery's name was published, and it's on the website and the effect that this hearing is being held as a restricted hearing is on the website, so there is very little point in an order that says that nothing can be said outside this room about the fact of

the hearing which identifies the witness. So the order will be limited to the fact of the restricted hearing, no live streaming and no-one other than a person granted leave was able to be present.

5

If there is anything, Mr Shaw, about the use of the transcript afterwards or what people who are in the room can do with the material, perhaps you could correspond with the Solicitors Assisting the Commission.

10 MR SHAW: Thank you, Commissioner.

COMMISSIONER OWEN: The order is simply that it is a restricted hearing, it's not live streamed and only those who have actually been granted leave can be in the room.

15

Danielle Slattery, thank you very much for your evidence. It's been of great assistance to us. You have our gratitude. The formalities of the summons have been finalised, so we can discharge the summons and you are free to return to your normal activities. Thank you very much indeed.

20

THE WITNESS WITHDREW

25 COMMISSIONER OWEN: We will adjourn until 10am tomorrow.

HEARING IN CAMERA ENDED

30

**HEARING ADJOURNED AT 4.58PM UNTIL TUESDAY, 26 OCTOBER 2021
AT 10AM**

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