

Perth Casino Royal Commission

Amended Witness Statement of Melissa Smith3016 September 2021

1. I am Melissa Smith of c/- Crown Perth, Great Eastern Highway, Burswood 6100.
2. This statement is provided in response to the witness summons to give evidence dated 2 September 2021 and issued pursuant to section 9 of the *Royal Commissions Act 1968* (WA), which is directed to me by the Perth Casino Royal Commission, as supplemented by the list of topics to be addressed provided by the Commission.
3. This statement is true and correct to the best of my knowledge and belief.
4. For the purposes of preparing this statement, I have referred to the documents in the attached list marked "MS-1".

MY ROLE*(Topics 1 – 7)*

5. I am currently the Director of Casino Operations – Gaming Machines Perth.
6. I have held this position since October 2019.
7. In 2008, when I commenced employment at what was then known as Burswood Casino, I was employed as a 'Electronic Gaming Machine Supervisor'. In 2009, I was promoted to the role of 'Electronic Gaming Shift Manager'. In February 2015, I was promoted again to the role of 'Operations Manager – Gaming Machines'. I worked in that role for four years before I was promoted to my current role.

Reporting lines

8. In my current role, I report to Shannon Blake, Executive General Manager – Gaming Machines.
9. My role falls within the Crown Perth Business Operating Team. I am responsible for the Gaming Machine Operations Team. My portfolio consists of overseeing gaming machines and the games of Keno and Trackside. Along with these areas, I am responsible for the operation of Crown Rewards, the casino's loyalty program and I facilitate services provided in our TAB Agency. In practice, that means I am responsible for (a) managing the staff who perform transactional activity and interact with our gaming machines, Keno and Trackside customers, (b) managing the staff who facilitate the Crown Rewards loyalty program and perform sales relating to Crown Gifts, and (c) managing the staff who work in the TAB facility at the casino.

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10. There are approximately 120 people in my team. They are made up of approximately 16 managers or supervisors, 48 staff who work in the loyalty team and 47 gaming machine staff. There are 8 people who report directly to me. They are the four Gaming Machine Shift Managers, Workforce Planner, Systems Development Coordinator, Learning and Development Coordinator, and TAB Supervisor.

Current role and responsibilities

11. The Gaming Machines Operations Team is responsible for the delivery of services to our customers who play the Electronic Gaming Machines (**EGMs**), the Electronic Table Games (**ETGs**), Keno and Trackside, and for the management of our loyalty membership database and provision of services to our members. Our TAB employees provide service to customers and operate terminals in our TAB agency operating within the casino.
12. In relation to EGMs, my team are responsible for assisting customers who are playing on the EGMs, Keno or Trackside by facilitating the payouts and completing transactions, assisting with any queries relating to their play, dealing with any faults which arise, monitoring the area to ensure our product is functioning as expected, that the presentation of the EGMs meets expectations and that we create enjoyable experiences for our guests. All attendants carry pagers so that they can be alerted to machines which require repair or customers who need assistance on the gaming floor. Part of my team's responsibilities involves observing customers who are playing the EGMs and ETGs and identifying any concerning behaviours in terms of responsible service of gaming (**RSG**), suspicious activity or anti-money laundering (**AML**) risks, as well as other security or welfare issues which might arise.
13. In relation to the ETGs, the team are responsible for assisting with transactional activity or component related faults. Any queries about how the game operates or disputes about a particular game's outcome are directed to the Table Games team.
14. Along with managing the staff operations in relation to the EGMs, Keno, Trackside and ETGs, I am also responsible for the staff at Crown Perth who provide service to our guests in relation to the Crown Rewards program. In particular, my team arranges for new members to join the program, assists existing members with managing their membership accounts and addresses any concerns or queries which arise from members regarding the Crown Rewards program. This team also facilitates the sale of Crown Gift cards purchased both in person and online for our customers.

KPIs & bonuses

15. In the most recent financial year, KPIs were not provided. In previous years, my KPIs were linked to the financial performance of my department (including adherence to the budget for areas like labour costs) as well as the casino's overall financial performance; team achievement of service quality and times objectives; achieving program database objectives; supporting sales targets for Crown Gifts, meeting TAB performance and cost

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targets; developing and maintaining a positive team culture; ensuring compliance in regulatory, legislative, procedural and policy requirements; audit outcomes; learning completion; the health and safety of our team; and the delivery of efficient and effective operations.

16. My role is eligible to participate in the STIP (Short Term Incentive Plan). Currently, and in the previous year, I was not invited to participate in the STIP program and therefore was not eligible for a bonus.
17. The incentive payment is calculated based on the achievement of business and individual performance. My individual performance rating is derived from the professional behaviours and KPIs achieved in my annual Performance Evaluation Plan.

QUALIFICATIONS AND EXPERTISE

(Topics 8 - 11)

General

18. I do not have any relevant tertiary qualifications. I began working in hospitality venues in South Australia when I was approximately 20 years of age. I have gained my experience and expertise by performing a variety of roles in hospitality venues and casinos.
19. In 2001, I commenced working at SkyCity Adelaide Casino as a Gaming Machine Attendant. I was subsequently promoted to VIP Host and then VIP Executive Host.

Training

20. I completed training when I was working at Skycity Adelaide Casino including in relation to RSG and Responsible Service of Alcohol (**RSA**).
21. When I commenced in 2008 at the then Burswood Casino, I completed an induction program. As best as I can recall, this introduction to my employment covered information about the casino's operations and my role as a Gaming Machine Supervisor. It also covered our responsibilities as Crown employees in terms of AML, RSG, Health and Safety, RSA, general safety and awareness, respect and employee awareness.
22. I, along with the rest of my leadership team, completed in-person AML training in November 2020 called 'AML Targeted Training for Gaming Machines'. Additionally, I completed AML Business Operations Team Training in November 2020. All employees within the Gaming Machine Operations team have completed the AML / CTF Risk Awareness Training module and Online AML module.
23. I and my team also regularly complete an online training course in respect of RSG. Until recently that training had to be completed every two years. Crown employees are now required to complete this training annually. In addition, myself and all Supervisors,

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Managers and acting Supervisors have completed a "Responsible Gaming for Managers" module in 2021, with recompletion of this module also required annually.

GOVERNANCE / MANAGEMENT

(Topic 12)

24. I am not involved in regularly creating reports for or reporting matters to the senior managers of the Crown group, save for weekly operational reports in meetings.
25. I regularly receive reports relating to the performance of the business, including my department.

AML/CTF

(Topics 13 & 14)

26. A number of changes have been introduced in relation to AML/CTF requirements at the casino. New Joint Program AML and CTF policies were distributed. One of the highest impact changes to our team was the change in Acceptable Identification required to both join the loyalty program and when accessing the membership account. It is also now mandatory to request the occupation of each member. I am also aware that there are a number of new processes in relation to customer due diligence and the request of financial information, ~~however my team and I are not involved in these processes.~~
27. From September 2019, I was a member of the AML/CTF Committee. My line manager, Shannon Blake, was also a member of that Committee. I understand that this committee will be replaced by the Financial Crime Working Group and Financial Crime Oversight Committee. At this stage, I am not certain who the required attendees of that new committee will be.
28. I was recently involved in preparing a risk report which identifies various risks to business operations. This included consideration of the risk of AML breaches in relation to EGMs, TITOs, Keno and Trackside.
29. In terms of the EGMs in operation at Crown Perth, certain product limits are in place that make it difficult to launder money on gaming machines. This includes a Bill Note Acceptor (**BNA**) limit which means you can only insert a maximum cash amount of \$100 at a time (allowing credit on the EGM to reach a maximum of \$199.99). Only once the credit meter drops below \$100 will the BNA become enabled again, therefore 'bill stuffing' is not possible on EGMs.
30. The ETGs are enabled to accept higher BNA limits compared to EGMs. Previously ETGs were able to accept up to \$9,995.00 insertion of notes, however the limit was recently modified to \$2,000 maximum bill insertion.

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31. In terms of concerns about 'minimal play', I am aware of Unusual Activity Reports (UAR) that the team made in respect of customers who were noticed collecting large payouts where we could identify minimal play had been recorded in the EGM monitoring system. On another occasion, we assisted the AML team with queries related to a member engaging in regular cashless transactions of \$1,900. Other teams believed the member appeared to be engaging in minimal play before returning to the Cage to withdraw funds. My team was consulted to assist with the AML team's investigation, to provide a better understanding of how the customer was playing and to provide insight into playing behaviours and play records in relation to that customer in particular.
32. I am not familiar with the term 'collusive betting'. I know that on occasions customers will play in what we refer to as a 'syndicate' style of play, appearing to be playing collectively through a shared wallet or working together to prevent other customers from playing on an EGM so they can try to win a jackpot themselves. Whilst this style of play is illegal in South Australia, is not an illegal form of play in Western Australia.
33. I have never seen any evidence, nor am I aware, of jackpot purchasing or similar activities at Crown Perth.
34. In terms of AML/CTF, the team is made aware of the impact of money laundering. The Gaming Machine department has its own procedure to guide the team in their own role and department responsibilities in respect of AML and CTF risks. Gaming Machine employees are required to monitor for any suspicious activity on the gaming floor and the team has completed online learning which outlines how to report any suspicious events and identify concerns to their Supervisor and the AML team through the completion of an UAR. The equivalent of this report was previously named a Suspicious Matter Report. Examples of the types of behaviour they are trained to look for are customers attempting to purchase winning tickets off other customers, minimal play (like the incident described above) and "smurfing", where a number of customers play relatively small amounts of money to try to evade the threshold reporting requirements. The TAB team is required to complete threshold transaction reports for payouts or bets placed above \$10,000. These reports are lodged with Racing and Wagering Western Australia. All Gaming Machine payouts are made either by the Cage or the Ticket Redemption Terminal, and any Keno payouts above \$10,000 are made at the Cage who are responsible for completing the relevant Threshold Transaction reports.
35. If I or anyone else in my team observes anything like the behaviours described above, we report it to the AML team in the form of an UAR. Where suspicious activity is observed, we may also contact the Surveillance team to conduct a review of the behaviour. I do not have access to UARs that are sent to the AML team unless I fill out an UAR myself or someone in my team requests my assistance to fill out an UAR. There are occasions when the AML team may contact me or an employee in my team to obtain more information relating to an UAR. The AML team may contact us to obtain an understanding of our processes,

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behaviour or actions of our customers due to our knowledge of our product and the operations. This allows the AML team to better understand the context around an UAR and the potentially problematic behaviour.

36. In addition, the AML team might contact employees within the team in relation to specific customers in order to discover more information. As our employees spend their time on the floor interacting with customers, they may be able to provide more information or insights about individuals, the way they play and their relationships with other customers.
37. The AML team can flag customers on our system to alert us to any issues. The AML team will do this by flagging the particular member in the Crown Rewards database through the use of stop codes and comments. By doing this the AML team can indicate what actions are required in respect of that customer's account. For example, the AML team might note that the customer needs to provide updated identification or confirm personal details on their account.

INTERNATIONAL COMMISSION BUSINESS AND JUNKETS

(Topics 15 – 18)

38. I am not involved in International Commission Business or junkets.

RESPONSIBLE SERVICE OF GAMING

(Topics 19 – 24)

39. After the COVID-19 related shutdown of the casino in 2020, all staff in the Gaming Machine Operations team who perform a role on the gaming floor were required to complete online RSG training upon returning to work.
40. A total of 78 employees have completed "Provide Responsible Gaming Services", accredited training required to achieve Certificate III in Hospitality. Any future inductions into the department are required to complete this training module.
41. I have recently joined the Responsible Gaming Management Committee at Crown Perth. This committee meets 3 times a year. Prior to April 2020, I was not a member of the Committee. I am not aware of the extent to which the Responsible Gaming (RG) team are involved in decisions affecting gambling operations or the selection of new electronic gaming machines games at the casino.
42. As I noted above, I was recently involved in preparing a risk report which identifies various risks to business operations. This included consideration of the risk posed by failure to comply with RSG principles in relation to EGMs.

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43. As part of the loyalty program there is an option for members to set what is known as "Play Safe Limits". These limits are set at the request of the member and allow the customer to set a limit on either their daily loss or daily time played (in hours). Loyalty program, Premium or RG employees will access the member's account and set the limits as requested by the customer.
44. Player Activity Statements are also provided to customers upon request at our Crown Rewards desk, or they are available for a member to access and print direct from our Voucher Issuance Kiosks. These statements contain information including amount won and lost, total duration played, current daily time limit (if a limit has been set by the member), and current loss limit (if a limit has been set by the member). The activity displayed on the Player Activity Statement is based on the period selected or since the last date a Player Activity Statement was printed for this customer. An example of a Player Activity Statement is CRW.701.005.5076. Many customers obtain print outs of their Player Activity Statements and customers often use them as a means of tracking their spend. In July 2021 approximately 1,500 Player Activity Statements were printed.
45. The gaming operations team are obligated to observe and report where any customers exhibiting concerning RSG behaviours or making concerning comments. The types of behaviours we look for can be subtle, like customers who appear unkempt, as well as more overt behaviour like customers getting visibly upset or frustrated. Customers who are upset will sometimes be agitated and seem to not understand how they are losing or they will become angry and bang on the machines. If we observe these types of behaviours we may approach the customer. If, for any reason, staff are intimidated or concerned about approaching the customer, they can contact their Supervisor or a member of the RG team and ask them to attend and speak with the customer.
46. Another way my team is involved in addressing RSG concerns is if the Play Period reporting software system sends an alert. The system will send an alert to the RG and Operational teams when a member has been playing carded (meaning playing with their loyalty card logged in) for greater than 12 hours consecutively. Our Gaming Machine Shift Managers support our RG team in addressing customers who are the subject of a Play Period alert, specifically those located playing an EGM on the Main Gaming Floor. When a customer is identified as having played for more than 12 hours consecutively, someone from the RG team will go and speak with the customer. If the customer continues to play for a further three hours (therefore a total of 15 hours consecutive play) one of the Gaming Machine Shift Managers or Gaming Machine Supervisors on duty will receive a further Play Period alert on their phone. The supervisor or manager will then go and speak to the customer. When the team speaks with the customer in these situations we remind them of how long they have been playing, reinforce the maximum play time of 18 hours and encourage them to take a break. We remind them that someone from RG is always available to speak to 24/7.

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47. The RG team share faces of customers who have been excluded due to RG reasons. This assists my team who will often identify customers in the casino who are excluded. When that occurs we will either speak to security or the RG team to arrange for them to be escorted off the gaming floor.
48. It is the RG team's responsibility to determine when a customer is to be excluded or a third party exclusion is actioned at Crown Perth for RSG related reasons. I am not involved in that decision making process. Our team may refer customers to the RG team and those customers may subsequently be excluded.
49. Similarly, I am not involved in the self-exclusion process, although I know that it is a mechanism which exists whereby customers can self-exclude. That is also a matter dealt with by the RG team.

LOYALTY PROGRAM*(Topics 25 – 27)*

50. Since I commenced my employment at Crown Perth there have been varying names and structures for the loyalty program. It is now called Crown Rewards and it is the only loyalty program in operation.
51. The loyalty program provides benefits and rewards for customers based on their activity at Crown. It also allows us to communicate with customers about what is available on site. This means the customer has the best sense of what entertainment Crown has on offer. The Crown Rewards system also helps us to know who our customers are and what they enjoy so that they can gain the maximum benefit from their membership.
52. I am involved in working groups around the Crown Rewards system and provide input about development of functionality, site specific requirements, review the benefits and functionality of the program and its systems and provide input into what areas we could improve or change. Because of my role, I can feed back what works best for customers based on their discussions with my team members and feedback received from members. The ownership of the loyalty program sits with the Marketing department and the decisions about how the Crown Rewards program is designed does not sit with me. Those kinds of decisions are made by Executive or Group based levels of management at Crown (either at Crown Perth or across all properties).
53. I am not aware whether the RG team is involved in decision making around the loyalty program or the extent to which RSG principles were taken into account by Crown when it designed the loyalty program. Those are not matters which fall within my job role. I am aware that details of new marketing initiatives, promotional material or significant change to the functionality of the loyalty program system are provided to the RG team for

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consideration through the submission of a Gaming Initiative Form. I am not and have not been responsible for submitting this form to the RG team.

54. My role in terms of the loyalty program is to manage the staff who assist the customers in relation to Crown Rewards membership. The team assists both existing and prospective Crown Rewards members. There are three physical Crown Rewards desks around the casino. Two of them have varying hours based on demand and one of them is open 24/7. There are also occasionally pop-up Crown Rewards desks around the casino which my team staff.
55. The employees within the loyalty team work either at the Crown Rewards desks or elsewhere within the Crown Perth complex assisting customers with any matters related to the Crown Rewards program. Their responsibilities include joining new members; updating member details; providing a card, PIN or membership information; facilitating or issuing promotional activity or information; sales of gift cards and merchandise; parking validation; assisting with queries relating to the loyalty program and the complex, both in person or by responding to the Crown Rewards Hotline.
56. Customers can join Crown Rewards in person at Crown Perth provided they have sufficient identification with them. Customers can only join the Crown Rewards program online as 'provisional members'. To become a Full member with complete account access and functionality, the member must attend a Crown Rewards desk with Acceptable Identification to have their account updated. 'Acceptable Identification' examples include a driver's licence or passport.
57. Crown Rewards members are assigned a class based on their status of membership. For example, the class may be 'Full' indicating a full member of the program, 'PRMR' which is a provisional member, 'VIP' which indicates the member is a VIP domestic or international member, 'CAGE' which is a financial customer or account created for a transaction, 'RSG' which is a customer with a RSG exclusions, or 'SEC' which is a Security barred customer.
58. 'Provisional members' are able to earn Crown Reward points for non gaming-related spending at food and beverage outlets, hotels and retail outlets, or by holding an event or conference. However, they are not able to redeem any of the points they have earned until they have obtained full membership.
59. Crown Rewards members will similarly earn Crown Rewards points for their spending at food and beverage outlets, hotels and retail outlets, by holding an event or conference (which all earn 'lifestyle points'), or through play on the EGMs, ETGs or at the table games (which earns 'casino points'). On an EGM, points are earned based on the player's bet placed. Points on table games are based on table level and time played. 100 Crown Rewards points is equal to \$1 in redemption value.
60. Points can be redeemed in a variety of ways including payment for food and beverages at Crown outlets, hotels rooms and services, purchase of gift cards for Crown Perth, payment

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for an event or conference, complimentary chips for use at the gaming tables and what we refer to as 'Point Play' on the EGMs. 'Point Play' allows a member to convert their points to 'Extra Play'. The member is then able to use this extra play to refund their bet until either all extra play credit has been depleted or the member ends their session. Points are able to be transferred between Crown Perth and Crown Melbourne properties.

61. In order to earn points as part of the Crown Rewards program, members must insert their card when they are playing on the EGMs or ETGs, present their membership card at a table game and be logged as playing, or present their membership card at the time of payment for food and beverages, hotels or retail outlets at Crown Perth.
62. Status credits are awarded when a member earns a certain number of points. 500 Casino points (ie. points earned from Table Games or EGMs) earn 1 status credit. 1500 lifestyle points (ie. points earned from hotels, restaurants, bars, retail, events and conferences) earn 1 status credit.
63. There are 5 levels of tiers in the Crown Rewards program at Crown Perth: Member, Silver, Gold, Platinum and Black tier. Progressing through the tiers is based on the number of status credits earned during a membership cycle. Membership cycles are reviewed every six months, on 1 April and 1 October. To achieve Silver tier, you must earn 5 status credits, Gold 40 status credits and Platinum 150 Status Credits. Black tier is by invitation only.
64. Internal comments or "stop codes" may be applied to a member's account to limit activity, request that a member provide information or to act as an alert for the Security, AML or RG teams.
65. Cashless or 'Card Play' is only available for Pearl Room members playing EGMs in the Pearl Room. The maximum account balance is dependent on their Crown Rewards tier. I am not involved in deciding who becomes a member of the Pearl Room. The Premium Gaming team are responsible for the application and enabling of cashless play on members' accounts. My team are responsible for resolving any faults or enquiries relating to cashless transactions on the EGMs. The Cage team are responsible for facilitating member deposits and withdrawals into the accounts.
66. Currently there are more than 880,000 members who have Crown Perth listed as their "Home Property" in the Crown Rewards database. Of these members, 162,000 are active members, meaning their account was active within the last 12 months.
67. At present, approximately 53% of EGM play is carded. This number can fluctuate based on participation in the loyalty program. In our member rooms, such as the Riverside and Pearl Rooms, carded activity on EGMs is higher. I am aware of this information because as a Director with oversight of the Crown Rewards program I am provided with this information on a regular basis.

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CORPORATE CULTURE / STAFFING*(Topics 28 – 30)*

68. I do not have any examples where customers, including VIP customers, are prioritised above staff welfare. The employees and leaders I engage, collaborate and interact with have shown a balance in terms of (a) being a business and making money and (b) looking after staff and their welfare.
69. Historical surveys conducted within our department have shown that Crown's reputation is important to our team and they understand the service standard and expectations and how they contribute to the achievement of objectives. They appreciate flexibility to meet their personal needs, job security, recognition, feedback and celebration of achievements. Cultural diversity is highly valued, as is working in a respected team in a friendly environment with everyone treated fairly. Our team has low employee turnover rates which may indicate that our employees enjoy their role and working at Crown Perth.
70. In my experience, the correct processes and procedures are followed in relation to staff complaints and grievances. To my knowledge, there is no mistreatment by management of anyone who complains. Investigations are carried out fairly and as thoroughly as possible.
71. The welfare and protection of the team is achieved by ensuring the safety and protection of all employees and their rights, delivering fair and equitable practices, being respectful and understanding.
72. Any reports of misconduct are immediately escalated to senior management, with Human Resources always engaged to manage any employee grievance, investigation or review of misconduct. On occasion, external providers have been engaged to carry out the investigation so that there is no perception of impropriety in that investigation.


POLICIES AND PROCEDURES – GENERAL*(Topic 31)*

73. In relation to junket operators, premium and privileged players and Pearl Room members, I am not involved in conducting due diligence and probity investigations. However, I am aware that the Gaming Integrity and AML teams at Crown Perth and Crown Melbourne are conducting these types of investigations.
74. I understand Crown Perth is no longer permitted to participate in the conduct of junkets as outlined in the *Casino Control Act*. In terms of who was previously responsible for approving and cancelling junket operators or premium/privileged players, I understood that to be the VIP International team.
75. I am not involved in or aware of who at Crown in Perth would be responsible for extending any credit to patrons and reporting those decisions to patrons.

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76. Senior managers, including in the operational and surveillance teams, are responsible for reporting relevant operational information to the legal and compliance team. The Executive and legal and compliance team are then responsible for providing that information to the Gaming and Wagering Commission.
77. I have some awareness but not in-depth knowledge about the systems, policies and procedures involved in the due diligence/probity investigations into junket operators, premium/privileged players and Pearl Room members.
78. I have very limited knowledge about the systems, policies and procedures involved in:
- a. the approval and cancellation of arrangements with junket operations or premium/privileged players; and
 - b. extending credit to patrons and reporting those decisions to patrons.

Contains sensitive information



Melissa Smith

Dated: 30~~16~~ September 2021