

**Perth Casino Royal Commission**

**Amended Witness Statement of Vasula Kessell**

22 September 1 October 2021

- 1 I am Vasula Kessell of c/- Crown Perth, Great Eastern Highway, Burswood 6100.
- 2 This statement is provided in response to the witness summons to give evidence dated 9 September 2021 and issued pursuant to section 9 of the *Royal Commissions Act 1968* (WA), which is directed to me by the Perth Casino Royal Commission.
- 3 In this witness statement, I set out matters of fact of which I have personal knowledge. This witness statement sets out only my personal knowledge and recollection.
- 4 For the purposes of preparing this statement, I have referred to the documents in the attached list marked "VK-1".

**MY ROLES**

*Question 1 to 2*

*Former roles and reporting*

- 5 I commenced employment at Crown Perth on 3 October 2006 as the Assistant Financial Controller. This position was renamed to Senior Financial Accountant in 2009.
- 6 Between October 2006 and April 2013, in these roles I reported to the Financial Controller. That role was held by:
  - a) Dean Humphries from October 2006 to February 2008; and
  - b) Craig Spence from February 2008 to April 2013.
- 7 From what I can recall, as Senior Financial Accountant, the following roles were my direct reports:
  - a) Accounts Payable Supervisor;
  - b) Assistant Accountant
  - c) General Cashier (Non-Gaming);
  - d) Inventory Control Supervisor; and
  - e) Fixed Asset Manager.

*My current role and reporting*

- 8 In April 2013 I was promoted to my current role as Financial Controller.

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- 9 As the Financial Controller, I report directly to the Chief Financial Officer. That role was held by:
- a) Craig Spence (CFO Perth) from April 2013 to October 2014;
  - b) Alan McGregor (CFO Australian Resorts) from October 2014 to August 2020; and
  - c) John Salomone (CFO Australian Resorts) from August 2020. I still report to John Salomone currently.
- 10 Currently, the following staff members at Crown report directly to me:
- a) Finance Manager – Hotels;
  - b) Finance Manager – Catering & Entertainment;
  - c) Senior Financial Accountant;
  - d) Management Accountant;
  - e) Revenue Audit Manager;
  - f) Payroll Manager;
  - g) EGM Compliance Manager; and
  - h) Personal Assistant.

**QUALIFICATIONS, EXPERTISE AND TRAINING**

*Questions 3 to 5*

- 11 I completed a Bachelor of Business with a double major in Accounting and Finance in 1990.
- 12 I have been a Chartered Accountant since 1996 and have around 30 years of accounting experience, including my 15 years at Crown Perth.
- 13 Prior to commencing at Crown Perth in 2006, I did not have any specific knowledge in relation to casino operations.
- 14 When I started at Crown Perth I had two days of induction. I have also received ongoing on the job training.
- 15 Over the last 18 months, I have completed various training programs including:
- a) AML/CTF Business Operations Team Training, completed on 5 November 2020;
  - b) AML/CTF Risk Awareness Training Module – Online, completed on 13 October 2020
  - c) Anti-Bribery and Corruption – Online, completed on 5 February 2020

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- d) Emergencies & Suspicious Behaviour – Online Compliance, completed on 12 August 2021
  - e) Cultural Insights – Online Diversity and Inclusion, completed on 30 April 2021
  - f) RSG Refresher – Online, completed on 13 January 2021
  - g) Fatigue Management – Online, completed on 6 January 2021
  - h) Respecting Each Other – Online, completed on 4 September 2020
- 16 In addition to the above, I have completed various other Accounting, RSG, AML, HR and Health and Safety training over the years. Some of this training has been completed online and some training has been completed in face to face presentations.

**CASINO TAXABLE REVENUE**

*Question 6*

- 17 To the best of my knowledge, Crown Perth has paid the correct amount of Casino Tax to the State Government.

*Question 7*

- 18 One of my direct reports, Ishak Atan, who is the Revenue Audit Manager, manages a team of Income Control Officers. I understand that Ishak has been in this role since 1995.
- 19 The Income Control Officers input the casino's daily revenue, jackpot and other key numbers into the Casino Tax spreadsheet, which is an internal Crown document prepared on a monthly basis used to calculate the Casino Tax payable. Ishak then checks these numbers against the source data from Crown's gaming systems and completes any further calculations necessary. Checks will also be made back to a revenue report generated from the accounting system.
- 20 Between May 2013 and December 2020, after completing the calculation and his checks Ishak would send the documentation to me. I checked the revenue result (against the daily revenue report and / or the monthly management report), the jackpot figure (against the jackpot account in the accounting system) and the unredeemed chip numbers (against the ~~unredeemed~~ chip accountability reports from the SYCO system) and signed the paperwork.
- 21 Prior to 2015 there was a daily pack which I reviewed, as the Financial Controller, and signed which was in turn passed to the Gaming Inspectors to complete their reconciliation. I do not recall the exact checks I made in relation to this pack.
- 22 Since December 2020, there has been a change to this process, in that Ishak now sends the documentation to the Global Head of Tax, Angelina Bowden-Jones, who completes her own checks.

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- 23 The documentation then comes to me for a secondary check. I complete my checks in the way I have described above in paragraph 20.
- 24 The above process is undertaken prior to making payment of the Casino Tax. After making payment, further reconciliation procedures are carried out by the Finance team.

*Question 8*

- 25 During the period of my employment, I understand that the following transactions have not been treated as deductions for the purpose of calculating Casino Taxable Revenue:
- a) loyalty rewards points accrued by a patron's gaming turnover and used as credits for electronic gaming machine play; and
  - b) loyalty points given to patrons regardless of patron gaming turnover and used as credits for electronic gaming machine play.
- 26 To my knowledge, during the period of my employment, jackpot payments including bonus jackpots and random prizes on a time based gaming event have been treated as deductions for the purposes of calculating Casino Taxable Revenue. The reason for this position is that a jackpot involves the payment of winnings to a patron from a gaming activity and winnings are treated as deductions when calculating the Casino Taxable Revenue.

*Question 9*

- 27 In June 2021, I recall that representatives from the Department asked me about how complimentary food and beverage, complimentary hotel accommodation, loyalty points and complimentary parking credits were dealt with in relation to the Casino Taxable Revenue. I responded to them in an email dated 25 June 2021. I attached to that email documentation on how complimentary accommodation, meals, parking and loyalty points were accounted for. I also attached a Casino Taxable Revenue document which reconciled the Casino Tax calculation back to the profit and loss / general ledger. Subsequently, John Busby and Philip Pride from the Department attended the Finance team's offices in person and asked to review documentation. I instructed Ishak to give Mr Busby and Mr Pride access to whatever documents they requested. After this, I did not hear anything further from the Department on this issue.
- 28 I understand that Ernst & Young (**EY**) has been engaged to conduct a review of Crown Perth's approach to calculating the Casino Tax payable in relation to EGM activity. I have not seen a final version of EY's report but I understand it has been received and that Crown's solicitors have communicated with the solicitors assisting the Commission in relation to that privileged report.
- 29 I am aware that the Director of Casino Operations – Gaming Machines, Melissa Smith, was also looking into Crown's handling of non-cash prizes. No information was provided by the

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Finance Team to Melissa Smith, that I can recall. I am not aware of whether Melissa Smith produced a document summarising the details.

- 30 I recall that in March 2020, I had a meeting with Angelina Bowden-Jones and others to review the treatment of poker tournaments. It is my recollection that we came to the view that the treatment of poker tournaments was appropriate and that it did not affect the Casino Taxable Revenue.

*Question 10*

- 31 During the course of my employment, for the purpose of calculating Casino Taxable Revenue it is my understanding that:

- a) Non-Cashable Credits have not been included as sums received; and
- b) Non-Cashable Credits have not been included as winnings.

- 32 However, I understand that if a patron were to win money when they had used Non-Cashable Credits to play, the amount won by the player is included as winnings in the calculation of Casino Taxable Revenue.

*Question 11*

- 33 Crown Perth uses the IGT Advantage system to calculate Gaming Machines Casino Taxable Revenue.
- 34 It is my understanding that the cost of food, beverages, parking, accommodation and travel is not included in winnings nor is it otherwise deducted when calculating Casino Taxable Revenue.

**SELF REPORTING TAX PORTAL**

*Questions 12 to 15*

- 35 Following the introduction of the Self Reporting Tax Portal, the revenue data was initially entered into the portal manually on a daily basis which over time has evolved into entering the daily data on a monthly basis, which is the current practice.
- 36 To my knowledge, the categories of revenue data required to be entered into the portal are:
- a) Local Gaming (Table Games including semi-automated table games);
  - b) International Commission Business (Table Games);
  - c) Foreign Currency Chip Programs HKD;
  - d) Fully Automated Table Games;
  - e) Electronic Gaming Machines;

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- f) Keno;
  - g) Trackside; and
  - h) Unredeemed Chip movements.
- 37 The revenue data is entered into the portal by the Revenue Audit Manager, Ishak Atan.
- 38 I am not aware of any other Crown employee checking the accuracy of the data entered into the portal. However, I understand that Ishak checks that the data matches back to the calculation of Crown Perth's Casino Taxable Revenue. The control in place is that Ishak signs a record which confirms the entries recorded in the portal. As stated above at paragraphs 22 and 23, the Casino Taxable Revenue calculation submitted on a monthly basis (upon which the Casino Tax is paid) is checked by the Global Head of Tax, Angelina Bowden-Jones, and me.
- 39 I am unsure of whether the Department checks the data entered into the portal. To my knowledge, the portal is not audited. As far as I know, Crown has not undertaken any audit to verify the accuracy of the revenue data recorded in the portal, nor has it engaged any external body to do so. I do not recall Crown receiving any indication from the Department that the information contained in the portal is inaccurate.
- 40 In my view, the change in reporting has reduced the workload undertaken by myself and the Finance team, because prior to the introduction of the portal hard copy documents needed to be prepared on a daily basis.

**PATRON CREDIT FACILITIES**

*Question 16 to 19*

- 41 During the course of my employment, the extension of credit to Crown Perth patrons for gaming purposes has always been a function of the VIP Credit Team rather than the Finance Team.
- 42 Accordingly, I do not have any substantive knowledge or understanding of the facilities available to extend credit to Crown Perth patrons, or the provision of Cheque Cashing Facilities or Funds Advance Facilities.

*Question 20*

- 43 In my role as Financial Controller, I sit on the Cheque and Credit Review Committee.
- 44 The Cheque and Credit Review Committee meets on a quarterly basis to review and discuss outstanding gaming debts.

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- 45 My role on the Committee is to gain knowledge in relation to provisioning for doubtful debts. I am not substantively involved in any decision-making regarding who credit is extended to or what debts are written off, although I am required to formally sign off on write-offs. I am familiar with a report called the Perth International Gaming Debtors Report which lists matters including gaming debtors, comments on discussions with patrons or Crown's Credit Team, age of debt and doubtful debt provisions made.

**ELECTRONIC FUNDS DRAWDOWN**

*Question 21*

- 46 I am unaware of any procedure or policy at Crown Perth that would allow the electronic draw down of funds by patrons at Crown Perth Hotels for the purpose of gaming.
- 47 While there are EFTPOS facilities at Crown Perth Hotels, it is my understanding that these facilities are used exclusively for non-gaming transactions.

*Question 22*

- 48 During the period of my employment, the policy and procedure in relation to inward and outward telegraphic transfers for the purposes of gaming has been contained in the Casino Manual. The policy and procedure is currently set out in Section 29 of the Casino Manual. The Finance team also has a Standard Operating Procedure (**SOP**) for Patron Receipts and Payments – Gaming Bank Account. This was created in October 2020.
- 49 During the period of my employment, the process for release of inward telegraphic transfer funds for the purposes of gaming has always been managed by the Cage.
- 50 The Finance team is not involved in the decision-making process as to whether outgoing telegraphic transfer funds are payable to a patron. The Finance team facilitates the payment of funds (i.e. using the banking system) at the request of and under instruction from the Cage team.
- 51 In my role as Financial Controller, I am currently required to personally sign off on the release of telegraphic transfer funds to patrons. A request for a telegraphic transfer of funds from the Casino to the patron is made by the Cage team in the form of a "Telegraphic Transfer Request" form which is completed and then sent to the Finance team to action. The form records the following information about the transfer request: the date, the amount, the patron's name and address, the patron's signature, the details of the bank account into which the funds will be transferred and the currency. It is signed by two members of the Cage team who are required to be signatories on Crown's bank account. This request process has recently been amended and Cage now attaches a copy of the patron's bank statement to demonstrate that it is their individual account. Recently, in the last three or four months, an

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additional requirement has been introduced and Jarrod Campbell, General Manager Cage and Count, and I are both required to electronically sign these forms as well.

- 52 The approval process for release of inward telegraphic transfer funds received in a Crown bank account is handled by the Cage. The Finance team records the accounting transaction of an inward telegraphic transfer of funds by processing a form received from the Cage. The form is called "Requisition To: Release Deposited Funds at Cage". The form includes the following information: patron name, patron number, date, who it is prepared by, Transfer Accept number, amount and currency. It is signed by two Cage employees and by the patron.
- 53 It is my understanding that currently, telegraphic transfer funds cannot be accepted from a company for the purposes of gaming. Prior to this it is my understanding that the funds could only be accepted once the directorship of the company was determined.

**AML/CTF**

*Question 23*

- 54 In relation to what the impact was on patrons if suspected money laundering notifications were made in respect of them, I am not aware of any suspected money laundering in relation to any particular patron of Crown Perth. As a result, I do not know what the impact would have been on the customer or their continued gaming activities at Crown Perth.

*Questions 24*

- 55 My knowledge of the systems, policies and procedures for the identification and management of money laundering and terrorism financing in connection with gaming at Perth Casino is set out below.
- 56 The Finance team's responsibility is to ensure that transactions are recorded into the accounting system and reconciled on a monthly basis.
- 57 In relation to payments, the Finance team is responsible for making payments based on the paperwork received from Cage. The relevant member of the Finance team ensures that the Telegraphic Transfer Request details correspond to the supporting documentation and is signed by approved signatories of the Crown bank account. The payment is made via the banking system. As a signatory to the Crown bank accounts, I have authority to make payments out of the Crown bank accounts and for other administrative purposes.
- 58 If Cage requests Finance to reject a deposit into the Crown gaming account for not meeting Crown's deposit guidelines, then it is the Finance team's responsibility to contact the relevant bank and request that funds be returned to the account from which they came.

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- 59 I have structured my answers to question 24(a)-(m) using the same numbering that was used in question 24.
- a) The transactions within the patron gaming accounts at Crown Perth are monitored by the Cage team with support from the AML team. I understand that previously AML only reviewed the transfers into patron gaming accounts based on the reports entered into SYCO and did not review the individual bank statements. I understand that now AML receives the individual bank statements. There have been other changes to the systems and processes used to monitor those accounts. I believe some of this information is now included in the Casino Manual in the section dealing with Telegraphic Transfers.
  - b) Receiving funds from, and allocating funds to, patrons for gaming at the Perth Casino is the responsibility of the Cage team. I am aware that some of the procedures in relation to this are set out in Section 29 of the Casino Manual.
  - c) Operating and overseeing any bank account in connection with gaming at the Perth Casino – such as patron gaming accounts – in relation to the risk of money laundering is the responsibility of the Cage and AML teams.
  - d) As set out above in relation to question 24(b), in terms of allocation of funds to patrons, Cage was responsible for recording the deposit against the patron's name in the SYCO system. Finance was responsible for the accounting of the deposits in the accounting system (not SYCO) and reconciling the general ledger accounts.
  - e) Based on the rules in the Casino Manual (in Section 29) funds are no longer able to be received from or transferred to third parties. Previously the Finance team would facilitate a transfer to a third party based on the transfer documentation received from Cage. Since the introduction of the SOP, the Finance team checks to ensure the payment is made to the patron bank account based on supporting documentation provided by the Cage (as per the SOP for Patron Receipts and Payments – Gaming Bank Account noted in paragraph 48 above).
  - f) I understand that both historically and today AML issues were dealt with by Cage but I am not across the detail of the processes.
  - g) I am not familiar with the surveillance of gaming operations at the Perth Casino and so I do not know how they monitor for activities suggestive of money laundering or terrorism financing activities such as bill stuffing, minimal play, jackpot purchasing or collusive betting.
  - h) When I first started working at the Perth Casino the Finance team was responsible for International Funds Transfer Reports to AUSTRAC. That responsibility was

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subsequently shifted to the Legal and Compliance team (including the AML officer) around October 2010. I am not aware of which specific staff members within the Cage or AML team are responsible for other internal reporting of matters which may result in a report to AUSTRAC.

- i) I am not sure who at the Perth Casino is responsible for receiving and reviewing internal Crown AML/CTF reports.
- j) As far as I know, the AML Officer is responsible for decision-making and has the authority to make reports to AUSTRAC under the AML/CTF legislation.
- k) I do not know who within the AML team at Perth Casino is responsible for recording internal Crown AML/CTF reports.
- l) I do not know who within the AML team at Perth Casino is responsible for recording decisions to make reports to AUSTRAC.
- m) I do not know who within the AML team at Perth Casino is responsible for reporting internal Crown AML/CTF reports, reports to AUSTRAC and compliance with AML/CTF legislation to directors or senior managers at Crown.

*Question 25*

- 60 As a result of the Bergin inquiry, I heard about the Cage team in Perth aggregating payments. I understand that the aggregation occurred in relation to payments which had been made into Crown Perth's patron accounts in the form of multiple smaller payments. I understand that multiple small payments into a bank account can be an activity suggestive of money laundering. Before the Bergin inquiry I did not know or suspect that Crown Perth had failed to identify or manage activities which were suggestive of money laundering.

*Question 26*

- 61 I did not know and did not suspect any of the processes in the Cage team in Perth enabled, facilitated or allowed activities suggestive of money laundering until I became aware of the aggregation issue during the Bergin inquiry.

*Question 27*

- 62 When I started working at Burswood in October 2006 I believe Burswood had overseas bank accounts with HSBC in the following places: Hong Kong, Singapore, Indonesia, Malaysia and Macau. I do not recall what access I had to these accounts but I may have been a signatory to all of them. I do not recall the transactions from these accounts or precisely how they were used by patrons. I believe all of the overseas accounts were closed by 2013.

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- 63 My understanding is that the Cage is responsible for matters including the cash and chips on site at the Casino, reconciling the Cage transactions, providing Cage service for gaming patrons on the gaming floors, daily reviews of bank accounts to determine patron receipts, preparing paperwork to record patron transactions and directing Finance to make any necessary payments or returns of funds. The Cage team and the AML team are also responsible for addressing AML risks.

*Question 29*

- 64 My knowledge and understanding of the kind of transactions that occurred in the Cage at Perth Casino are set out below. I have structured my answers using the same numbering that was used in question 29(a)-(l).
- a) I am not aware of how transactions at the Cage worked in relation to patrons wishing to exchange Gaming Machine Tickets for cash.
  - b) I understand that the Cage pays out cash to patrons in exchange for returned gaming chips. I understand that the Cage pays out chips to patrons in exchange for cash but only within the Pearl Room.
  - c) I understand that patrons are able to make cash deposits at the Cage.
  - d) I am not aware of how the 'funds advance facilities' at the Cage work.
  - e) I am not aware of how the cheque cashing facilities at the Cage work.
  - f) I am not aware of how the 'This Time Only' facilities at the Cage work.
  - g) In relation to foreign currency, I know that the Perth Casino can receive and hold foreign currency. I am not aware of any particular details about how the Cage transacts foreign currency.
  - h) In relation to receiving telegraphic transfers, I have set out my understanding of the relevant Cage processes at paragraph 52 above.
  - i) In relation to sending telegraphic transfers, I have set out my understanding of the relevant Cage processes at paragraph 51 above.
  - j) I know that the Cage team can raise cheques and bank certain types of cheques but I am not familiar with the processes involved.
  - k) In relation to transfers between casinos in respect of patrons, I believe that used to be something which the Cage could arrange for patrons if the necessary paperwork was filled in. I believe this is no longer permitted.

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- l) In relation to third party transfers, Crown previously accepted third party transfers and made third party payments. This is no longer permitted.

*Question 30*

- 65 My knowledge and understanding of the process for dealing with transactions received in the Cage, including transactions received in the bank accounts of Riverbank Investments Pty Ltd (**Riverbank**), and that were to be credited into a patron's SYCO/DAB account is set out below.
- 66 Before I address the sub-issues raised in question 30, I want to clarify that SYCO is a software system used by the Perth Casino. There is no actual transfer of funds from a bank account to the patron's SYCO account. If funds are received by Perth Casino and are to be credited to a patron, the Cage team will record the funds against the patron's name in SYCO and this will entitle the patron to chips or chip vouchers to a value equivalent to the funds transferred into Crown's account. This process is the same in all patron accounts including Riverbank.
- 67 I have structured the rest of my answers using the same numbering that was used in question 30(a)-(e).
- a) I have set out my knowledge in respect of these matters in my answer to question 22, set out in paragraph 52 above.
- b) I am not familiar with precisely what information was entered into SYCO by the Cage team.
- c) Other than the process referred to above at paragraph 52, I am not familiar with the approvals required from the Cage management or other management for receipt of funds.
- d) I am not aware of any SYCO reports in relation to the specific kinds of transactions referred to in question 30(d) that are reviewed by anyone within the Finance team. I do not know what forms the AML team reviews.
- e) I am not familiar with any other reports, including suspicious or threshold transaction reports which might be completed in relation to these transactions.

**RIVERBANK**

*Question 31*

- 68 I oversee the Finance team and the Finance team's responsibility in relation to the operation of Riverbank and other bank accounts is to record any transactions which occur in the

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accounts in the accounting system. My team ensured that the bank accounts were reconciled on a monthly basis (including, historically, the Riverbank accounts). I was (and remain) a signatory on all the Crown Perth bank accounts.

- 69 The Finance team is also responsible for facilitating the transfer of funds to the patrons based on the forms received from the Cage team and for facilitating transfers of funds between Crown Perth's bank accounts.

*Question 32*

- 70 The Riverbank accounts were set up prior to my arrival to Crown and are now closed. I am not aware of the reason behind the Riverbank accounts being established. The decision to open an account would have been made by senior management within Crown. As far as I am aware, during my time in the Finance team, the purpose of the account was to receive funds from gaming patrons.

*Question 33*

- 71 I do not know specifically who within the Cage team would have been responsible for recording the deposits within SYCO based on the information received from the patron.

*Question 34*

- 72 Historically, the Cage team was responsible for monitoring the operation of the bank accounts of Riverbank for compliance with systems, policies and procedures to identify and manage AML risks. I do not know who specifically within the Cage team dealt with these matters.

*Question 35*

- 73 I am not aware of the extent to which the operation of the bank accounts of Riverbank was accounted for in the AML/CTF program of the Crown Group or entities including whether those accounts were subject to the AML systems and procedures and whether any internal Crown AML reports were prepared in relation to Riverbank.

*Question 36*

- 74 I recently became aware of an email in relation to suspicious transactions dated 31 January 2014 from the Treasury and Finance Manager to the Chief Financial Officer, Perth, and myself which was copied to the Chief Financial Officer. I vaguely recall receiving this email in 2014. I do not know if there was any response to it.
- 75 I recently became aware of an email regarding the closure of the Riverbank accounts dated 29 April 2014 which was sent by the Treasury and Finance Manager to a number of recipients including me. The email referred to ANZ closing the account and the fact that there had been multiple cash deposits in branches under \$10,000 which had given rise to AML concerns. I do not recall receiving this email in 2014. I do not know if there was any response to it.

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*Question 37*

- 76 I am aware that the Riverbank Accounts were closed. I recall that the HSBC accounts were closed because the bank was exiting the gaming business. Other than the emails referred to in paragraphs 74 and 75 above, I do not recall the reasons behind the accounts being closed. I am not aware whether the directors of Crown and Burswood were provided with reports about the closure of the Riverbank accounts. I am not aware of any response by Crown or Burswood to those closures.



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Dated: ~~22 September~~1 October 2021