
TRANSCRIPT OF PROCEEDINGS

COMMISSIONER: HON. RAY FINKELSTEIN AO QC

**IN THE MATTER OF A ROYAL COMMISSION
INTO THE CASINO OPERATOR AND LICENCE**

MELBOURNE, VICTORIA

10.00 AM, WEDNESDAY, 26 MAY 2021

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| Counsel Assisting the Commission (instructed by Corrs Chambers Westgarth as Solicitors Assisting the Commission) | MS MEG O’SULLIVAN |
| Counsel for Crown Resorts Limited | MR MICHAEL BORSKY QC MS CATHERINE BUTTON QC |
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| Counsel for the State of Victoria | MR PETER GRAY QC MR GLYN AYRES |
| Counsel for Deloitte (Gilbert + Tobin) | MR RICHARD HARRIS |

10:01 1 COMMISSIONER: Ms Button.
10:01 2
10:01 3
4 **MR NEIL GEORGE JEANS, PREVIOUSLY AFFIRMED**
5
6
7 **CROSS-EXAMINATION BY MS BUTTON**
8
9
10:01 10 MS BUTTON: Thank you, Commissioner.
10:01 11
10:01 12
10:01 13 Mr Jeans, you were asked yesterday some questions about
10:01 14 a change of language in the report that you gave on the 2018 to
10:02 15 2019 transaction monitoring review. Do you recall that?
10:02 16
10:02 17 A. I do, yes.
10:02 18
10:02 19 Q. You were asked some questions about the change in
10:02 20 language in a couple of points from "appears to be meeting" to be
10:02 21 "is meeting".
10:02 22
10:02 23 A. Yes.
10:02 24
10:02 25 Q. You confirmed in the transcript yesterday you made the
10:02 26 change at the request of Louise Lane but you were comfortable to
10:02 27 remove the "appears to be" and you were not leant upon?
10:02 28
10:02 29
10:02 30 A. That is correct, yes.
10:02 31
10:02 32 Q. You were also taken to a couple of points in the executive
10:02 33 summary to that report where the words "is meeting" were used,
10:02 34 and you thought then the "is meeting" language was in your
10:02 35 original draft but you would have to refer to the draft to be sure of
10:02 36 that?
10:02 37
10:02 38 A. That is correct, yes.
10:02 39
10:02 40 Q. Can I ask that the operator to bring up INI.0004.0001.079.
10:03 41 Sorry, that might be wrong. Can I try INI.0001.0001.2717.
10:03 42 Thank you, operator. Could you move through to page 2722.
10:03 43
10:03 44 Can you see there the comment bubble "LL"? And do you see
10:03 45 there that Ms Lane has attached the first comment to the end of
10:03 46 the paragraph which has, at the start, the "appears to be"
10:03 47 language?

- 10:03 1
10:03 2 A. That is correct, yes.
10:03 3
10:03 4 Q. You can see Ms Lane's query is:
10:03 5
10:03 6 Should this be updated to align with the findings at page 2
10:03 7 - ie "is" not "appears"?
10:03 8
10:04 9 A. That is correct, yes.
10:04 10
10:04 11 Q. She has repeated her comment in the next paragraph.
10:04 12
10:04 13 A. That is correct, yes.
10:04 14
10:04 15 Q. If the operator can go to page 2719, if the operator could
10:04 16 just go up a little bit, the executive summary findings you've used
10:04 17 in the first two paragraphs, the "is meeting" language?
10:04 18
10:04 19 A. That is correct, yes.
10:04 20
10:04 21 Q. Can you confirm that in your draft that you provided to
10:04 22 Crown, you had already expressed findings that it was meeting,
10:04 23 and Ms Lane's request was merely whether you should update the
10:04 24 body of your report to match the front end?
10:04 25
10:04 26 A. That is correct, yes.
10:04 27
10:05 28 Q. You were asked some questions yesterday about
10:05 29 Recommendation 17 made by the VCGLR in its Sixth Review;
10:05 30 do you recall that?
10:05 31
10:05 32 A. I do, yes.
10:05 33
10:05 34 Q. You gave some evidence yesterday, and I will paraphrase it,
10:05 35 but to the effect that you were concerned that Crown had
10:05 36 pretended --- may have been pretended that the report was more
10:05 37 than what it actually was; do you recall that?
10:05 38
10:05 39 A. I do, yes.
10:05 40
10:05 41 Q. Can I just confirm with you that your concerns that you
10:05 42 expressed in giving that evidence were based on what you had
10:05 43 heard or seen about the evidence given by Mr Cremona last
10:05 44 week?
10:05 45
10:05 46 A. That and that alone, yes.
10:05 47

10:05 1 Q. Any media reports or just Mr Cremona's evidence?

10:05 2

10:05 3 A. Just Mr Cremona's evidence.

10:05 4

10:05 5 Q. You weren't, I take it, privy to what was actually

10:05 6 communicated to the VCGLR by Crown?

10:05 7

10:05 8 A. Not at all, no.

10:05 9

10:05 10 Q. Can I ask the operator to bring up --- sorry, before I move

10:06 11 on to that, can I tender that draft of the 2018/19 transaction

10:06 12 monitoring report that I just took Mr Jeans to.

10:06 13

10:06 14 COMMISSIONER: Yes. I think we are up to Exhibit 77.

10:06 15

10:06 16 Can I have the first page of the document, please, Mr Operator. It

10:06 17 doesn't say draft on the front sheet, but I will refer to it as the

10:06 18 draft transaction activity monitoring review by Initialism for

10:06 19 2019.

10:06 20

21

22 **EXHIBIT #RC0077 - DRAFT TRANSACTION ACTIVITY**
 23 **MONITORING REVIEW BY INITIALISM FOR 2019**

24

25

10:06 26 MS BUTTON: Thank you, Commissioner.

10:06 27

10:06 28 Could the operator next bring up RCW.510.029.8711. You don't

10:07 29 have that number? Commissioner, it may be that this document is

10:07 30 not on the system. We'll have it put on the system but I want to

10:07 31 read to Mr Jeans something that is in it. It is a letter, 13 June

10:07 32 2019 from Barry Felstead --- sorry, from Joshua Preston at Crown

10:08 33 to the VCGLR about Recommendation 17. It refers to a letter

10:08 34 from VCGLR of 23 May 2019 and it says amongst other things:

10:08 35

10:08 36 *In response to Recommendation 17 Crown has also*

10:08 37 *recently submitted these ICSs and the proposed changes*

10:08 38 *to an independent AML/CTF expert and requested that*

10:08 39 *the expert provide his view on the changes proposed*

10:08 40 *by Crown and any other input or commentary he has*

10:08 41 *regarding the relevant ICSs.*

10:08 42

10:08 43 A. (Nods head).

10:08 44

10:08 45 Q. I will ask you to hold those two things in your mind. I'm

10:08 46 sorry we don't have the document to put up for you, but I can go

10:08 47 back to them if you would like. I then want to bring up your

10:08 1 letter of instruction, CRW.514.001.0001. I think you were shown
10:09 2 the letter of instruction yesterday?
10:09 3
10:09 4 A. I was, yes.
10:09 5
10:09 6 Q. Can the operator go to page 8712, please. If the operator
10:09 7 goes to the first page, in "Background" there is reference to your
10:09 8 earlier assignments that you've been asked to do for Crown?
10:09 9
10:09 10 A. That is correct, yes.
10:09 11
10:09 12 Q. --- (speaking over) --- review of the Crown Melbourne and
10:09 13 Perth transaction monitoring, and your discussions about Crown's
10:10 14 review of its internal control statements and Recommendation 17.
10:10 15
10:10 16 Was it your understanding that in addressing this assignment
10:10 17 about recommendation, you are essentially being asked by Crown
10:10 18 to draw on your experience of Crown's systems through other
10:10 19 assignments that you've done for Crown?
10:10 20
10:10 21 A. Again, through the documents provided and also my review
10:10 22 work purely linked to transaction monitoring, yes.
10:10 23
10:10 24 Q. If we go over the page, do you see the paragraph saying
10:10 25 "As you have completed"; do you see that?
10:10 26
10:10 27 *As you have completed your review of our Transaction*
10:10 28 *Monitoring Program, we now seek your expert advices,*
10:10 29 *having regard to Crown's existing AML/CTF Compliance*
10:10 30 *Framework, as to:*
10:10 31
10:10 32 *1) Initialism's view on the changes proposed by Crown;*
10:10 33 *and.*
10:10 34
10:10 35 *2) any other input or commentary from Initialism*
10:11 36 *regarding the relevant ICSs.*
10:11 37
10:11 38 A. That is correct, yes.
10:11 39
10:11 40 Q. So, do you agree that the letter that I just read to you
10:11 41 accurately states what your assignment was?
10:11 42
10:11 43 A. As per the engagement letter, yes.
10:11 44
10:11 45 Q. Now, can we go to 0005 of this document. I just want to
10:11 46 show you there, towards the bottom, if the operator could blow
10:11 47 up the document, Initialism's review part.

- 10:11 1
10:11 2 You agree you were given by Crown the relevant ICSs in
10:11 3 annexure A which provided details of the ICSs, the purpose of
10:11 4 them, whether there was money laundering, terrorism financing
10:11 5 risk, other matters relevant, and the recommended amendments?
10:11 6
10:11 7 A. That is correct, yes.
10:11 8
10:11 9 Q. And the recommended amendments were those that Crown
10:11 10 itself was proposing to make to the internal control statements?
10:11 11
10:11 12 A. That is correct, yes.
10:11 13
10:12 14 Q. Then you were provided as annexure B the ICSs with the
10:12 15 contemplated amendments marked up?
10:12 16
10:12 17 A. That is correct, yes.
10:12 18
10:12 19 Q. And a recent draft in annexure C of the risk register?
10:12 20
10:12 21 A. That is correct also, yes.
10:12 22
10:12 23 Q. There was a further letter from Crown to the VCGLR of 1
10:12 24 July 2019, CRW.510.029.8076. I take it you haven't seen this
10:12 25 letter before?
10:12 26
10:12 27 A. Not before, no.
10:12 28
10:12 29 Q. You can see though, there, that it is a letter from Crown to
10:12 30 the VCGLR and concerning Recommendation 17?
10:12 31
10:12 32 A. I can see that, yes.
10:12 33
10:12 34 Q. Now, can the operator go to the second page and blow up
10:12 35 the "external assistance "part. This is what was reported to the
10:13 36 VCGLR about essentially your exercise:
10:13 37
10:13 38 *Crown provided a copy of the Relevant ICS Review and*
10:13 39 *Crown's annual ML/TF risk assessment together with*
10:13 40 *details of Recommendation 17 to Initialism*
10:13 41
10:13 42 That is correct, isn't it?
10:13 43
10:13 44 A. That is correct, yes.
10:13 45
10:13 46 Q. It is then reported to VCGLR that Crown sought
10:13 47 Initialism's advice on the changes to the relevant ICSs proposed

- 10:13 1 by Crown and any other input or commentary that might be
10:13 2 relevant regarding the ICSs; you see that?
10:13 3
- 10:13 4 A. I do indeed, yes.
10:13 5
- 10:13 6 Q. That is also correct, isn't it?
10:13 7
- 10:13 8 A. That is correct, yes.
10:13 9
- 10:13 10 Q. The amendment then goes on to report the results of your
10:13 11 review, the information you've provided, back to Crown, and it
10:13 12 says, in that, that its advice is that Initialism noted that Crown had
10:13 13 adopted a methodology consistent with internationally recognised
10:13 14 and appropriate for an entity such as Crown, there is reference to
10:13 15 ISO3000, et cetera. You see that paragraph?
10:13 16
- 10:13 17 A. I do indeed, yes.
10:13 18
- 10:14 19 Q. And you can confirm that is part of what you reported back
10:14 20 to Crown?
10:14 21
- 10:14 22 A. That is contained within my report, yes.
10:14 23
- 10:14 24 Q. Similarly, the next paragraph that reports on Crown
10:14 25 obtained Know Your Customer information, matters concerning
10:14 26 due diligence and the like, that was also included in the report
10:14 27 that you gave to Crown?
10:14 28
- 10:14 29 A. Based on the information provided, yes.
10:14 30
- 10:14 31 Q. Yes, but it was in your report that you gave to Crown?
10:14 32
- 10:14 33 A. Yes, absolutely, yes.
10:14 34
- 10:14 35 Q. Now, do you agree that that letter also faithfully records
10:14 36 what you were asked to do and the contents of your report back to
10:14 37 Crown?
10:14 38
- 10:14 39 A. I do, yes.
10:14 40
- 10:14 41 Q. In your evidence yesterday you were concerned, as we've
10:14 42 just gone back to, that Crown may have pretended your report
10:14 43 was more than it was. Do you agree with me that based on the
10:14 44 letters that you have been shown, in fact your report was
10:14 45 accurately conveyed to the VCGLR in those two letters?
10:15 46
- 10:15 47 A. In the two letters shown, absolutely, yes.

10:15 1
10:15 2 Q. I then want to ask you a few questions about your 2021
10:15 3 patron account review exercise you undertook.
10:15 4
10:15 5 COMMISSIONER: Before you go to that, can I ask Mr Jeans
10:15 6 some questions.
10:15 7
10:15 8 In the letter that is on the screen at the moment, in the first
10:15 9 paragraph under "External Assistance", it says that you were
10:15 10 provided, line 2 in brackets, "access to the Sixth Review report".
10:15 11
10:15 12 A. That is correct, yes.
10:15 13
10:15 14 Q. What does "access to the Sixth Review report" mean?
10:15 15
10:15 16 A. They provided a web link to the VCGLR's website where
10:15 17 the report was contained.
10:15 18
10:15 19 COMMISSIONER: Thank you. Did you read the commentary in
10:15 20 relation to Recommendation 17 before you wrote your report?
10:15 21
10:15 22 A. I did, indeed, yes.
10:15 23
10:15 24 COMMISSIONER: Did you notice the VCGLR's reason for
10:16 25 making Recommendation 17?
10:16 26
10:16 27 A. Possibly at that time, but not within my recollection
10:16 28 today, what I remember there.
10:16 29
10:16 30 COMMISSIONER: Do you recall, in the course of your
10:16 31 discussions with representatives of Crown that led to your
10:16 32 retainer to do this particular job, did they explain to you what had
10:16 33 been explained to them by the regulator concerning the purpose
10:16 34 and object of Recommendation 17?
10:16 35
10:16 36 A. From my understanding, Recommendation 17 was to
10:16 37 review the internal control statements to make sure they were
10:16 38 aligned. That was my understanding.
10:16 39
10:16 40 COMMISSIONER: That wasn't my question.
10:16 41
10:16 42 A. Sorry, Commissioner.
10:16 43
10:16 44 COMMISSIONER: Did Crown tell you that VCGLR had
10:16 45 explained to Crown what it was after, so far as Recommendation
10:17 46 17 was concerned? That is, the reason behind it.
10:17 47

10:17 1 A. I have no recollection of that, Commissioner.
10:17 2
10:17 3 COMMISSIONER: Thank you. My associate says this is not in
10:17 4 evidence yet.
10:17 5
10:17 6 MS BUTTON: Can I remedy that.
10:17 7
10:17 8 COMMISSIONER: Yes.
10:17 9
10:17 10 MS BUTTON: I tender this letter to the VCGLR.
10:17 11
10:17 12 COMMISSIONER: It is a letter from Crown to the CEO of
10:17 13 VCGLR, dated 1 July 2019; Exhibit 78.
10:17 14
10:17 15
10:17 16 **EXHIBIT #RC0078 - LETTER FROM CROWN TO CEO**
10:17 17 **OF VCGLR DATED 1 JULY 2019**
10:17 18
10:17 19
10:17 20 MS BUTTON: I believe it was referred to in Mr Cremona's
10:17 21 statement, but ---
10:17 22
10:17 23 COMMISSIONER: I see.
10:17 24
10:17 25 MS BUTTON: --- nonetheless we've tendered it now.
10:17 26
10:17 27 COMMISSIONER: We'll leave it there.
10:17 28
10:17 29 MS BUTTON: Commissioner, the letter that I read from to
10:18 30 Mr Jeans, we will want to tender but it might be convenient to
10:18 31 come back to that when it is on the system properly.
10:18 32
10:18 33 COMMISSIONER: Yes, that's good. Thank you.
10:18 34
10:18 35 MS BUTTON: Thank you.
10:18 36
10:18 37 Mr Jeans, I was going to then go to your 2021 patron accounts
10:18 38 review. This was the document that you set out in annexure N to
10:18 39 your statement, you know the one I'm talking about?
10:18 40
10:18 41 A. That is correct, yes, I'm aware of it.
10:18 42
10:18 43 Q. You had done some work on the annexures but you hadn't
10:18 44 completed the body of the report?
10:18 45
10:18 46 A. That is correct, yes.
10:18 47

10:18 1 Q. I understand that everyone should have available to them
10:18 2 a version of that same document which has the comment bubbles
10:18 3 visible. Have you been provided with that?
10:18 4
10:18 5 A. I'm aware of it, yes. I haven't necessarily been provided
10:18 6 with it.
10:18 7
10:18 8 Q. I think you are about to be provided with it.
10:18 9
10:18 10 A. Thank you.
10:18 11
10:18 12 MS BUTTON: Commissioner, have you got one?
10:18 13
10:19 14 COMMISSIONER: I will now, thank you.
10:19 15
10:19 16 MS BUTTON: Can you confirm, first of all, Mr Jeans, that this
10:19 17 is a report of --- a draft --- it is the same draft of your annexure N
10:19 18 report but it has the comment bubbles visible.
10:19 19
10:19 20 A. That is correct, yes.
10:19 21
10:19 22 Q. Now, I think as you explained yesterday, the first few
10:19 23 appendices are dealing with cash deposits or potential cash
10:19 24 deposits?
10:19 25
10:19 26 A. That is correct, yes.
10:19 27
10:19 28 Q. It is the case, is it not, and as is reflected in your comment
10:19 29 bubbles, that it would be necessary to review the bank statements
10:19 30 and/or Crown records to identify the patron and confirm whether
10:19 31 each was a cash or cheque deposit?
10:19 32
10:19 33 A. That is correct, yes.
10:19 34
10:19 35 Q. So as at the date of this work having been done, you didn't
10:19 36 in fact know if it was a cash deposit or not?
10:19 37
10:19 38 A. That is correct, yes.
10:19 39
10:19 40 Q. If you would go to appendix E, which is on page 4, you've
10:20 41 again recommended a course of action to work out in fact
10:20 42 whether it was cash or not, review the banking records of
10:20 43 transaction, whether cash or not, and if cash, to identify the
10:20 44 patron and the nature and purpose to determine whether it meets
10:20 45 a scenario, and then once that had all been done, determine the
10:20 46 course of action taken by Crown; if there is insufficient
10:20 47 information available to Crown, then they may need to go and get

10:20 1 the deposit slip from ANZ?
10:20 2
10:20 3 A. That is correct, yes.
10:20 4
10:20 5 Q. So you were there setting out quite a process that had to be
10:20 6 undertaken in respect of annexure E transactions?
10:20 7
10:20 8 A. That is correct, yes. As discussed yesterday, I explained to
10:20 9 both Crown and their legal advisors that there were next steps
10:20 10 that needed to be taken to reach a conclusion.
10:20 11
10:20 12 Q. If I can ask you to turn through to page 13 where we get to
10:21 13 annexure F, can you see there your comment bubble records that
10:21 14 for transactions marked in amber --- is that the orange?
10:21 15
10:21 16 A. That is the orange, yes.
10:21 17
10:21 18 Q.
10:21 19
10:21 20 *Consider whether the transaction is in fact a third party*
10:21 21 *payment using Crown's system to determine the nature*
10:21 22 *and purpose of the transaction and the relevant to gaming*
10:21 23 *activity and if necessary identify the patron.*
10:21 24
10:21 25 See that?
10:21 26
10:21 27 A. Yes, indeed.
10:21 28
10:21 29 Q. So for the amber ones it wasn't known if there they were
10:21 30 a third party payment at all?
10:21 31
10:21 32 A. There was more work that had to be done, absolutely.
10:21 33
10:21 34 Q. In the comment bubble you go on to say:
10:21 35
10:21 36 *For all transactions marked red, search Crown's systems*
10:21 37 *to identify the patron and then follow the amber state*
10:21 38 *process above.*
10:21 39
10:21 40 A. That is correct, yes.
10:21 41
10:21 42 Q. So for the ones identified in red in this document, likewise
10:21 43 it wasn't known whether they were in fact third party payments at
10:22 44 all?
10:22 45
10:22 46 A. That is correct. Further work had to be done.
10:22 47

10:22 1 Q. Can I then ask you about some matters to do with ANZ
10:22 2 Banking. Are you aware that ANZ Bank has a field character
10:22 3 limit, or a character limit for the fields in the banking system?
10:22 4 You can't go on typing endlessly?
10:22 5
10:22 6 A. I am aware, yes.
10:22 7
10:22 8 Q. Did your review get as far as reviewing that the patron
10:22 9 whose identified in red had a very, very long name?
10:22 10
10:22 11 A. We were aware that there was a long name and potentially
10:22 12 the transactions were potentially undertaken by her partner or
10:23 13 somebody with a similar name.
10:23 14
10:23 15 Q. If we go down in this document to one of the red ones on
10:23 16 page 14, could the operator blow up one of the red ones. You can
10:23 17 see you've noted there, there is the same last name?
10:23 18
10:23 19 A. That is correct, yes.
10:23 20
10:23 21 Q. Now you wouldn't necessarily know this, but Crown has
10:23 22 undertaken investigations which reveal the patron's name has four
10:23 23 parts, four distinct parts, and only three of them could fit within
10:23 24 the ANZ field?
10:23 25
10:23 26 A. That would be logical, yes.
10:23 27
10:23 28 Q. So you would agree, if that explanation was the case, these
10:23 29 aren't third party payments at all?
10:23 30
10:23 31 A. That is correct, yes.
10:23 32
10:23 33 Q. And they've just shown up in your analysis as ones that had
10:23 34 to be investigated?
10:23 35
10:23 36 A. That is correct, yes.
10:23 37
10:23 38 Q. Are all the red ones the same patron?
10:24 39
10:24 40 A. From memory, I think certainly the vast majority appear to
10:24 41 be the same patron, yes.
10:24 42
10:24 43 Q. If you look at the comment bubble on page 14 it says:
10:24 44
10:24 45 *From this deposit onwards, the patron number referenced*
10:24 46 *in each transaction changed from*
10:24 47

10:24 1 A. Yes.
10:24 2
10:24 3 Q. But it was from number 1 to number 2.
10:24 4
10:24 5 A. Yes, that is correct then, yes. Thank you for refreshing my
10:24 6 memory.
10:24 7
10:24 8 Q. Just to be clear, there is one instance of a different
10:24 9 patron --- one or two instances of a different patron but they are
10:24 10 green, I believe.
10:24 11
10:24 12 A. That is correct, yes.
10:24 13
10:24 14 Q. Now, as at the state of this, as we've confirmed, you still
10:24 15 had to make inquiries to determine if there were cash deposits at
10:24 16 all?
10:24 17
10:24 18 A. That is correct, yes.
10:24 19
10:24 20 Q. You still had to make inquiries to determine if there were
10:24 21 third party payments at all?
10:24 22
10:24 23 A. That is correct, yes.
10:24 24
10:24 25 Q. So your work was a long way from complete in
10:24 26 determining whether there had been any breach of any Crown's
10:25 27 policies?
10:25 28
10:25 29 A. That is correct, yes.
10:25 30
10:25 31 Q. In fact, the status of it was really saying here are things that
10:25 32 need to be looked at and it will require digging to get to the
10:25 33 bottom of whether there is an issue or not?
10:25 34
10:25 35 A. That is correct, that was the outcome of the meeting which
10:25 36 is to say we need to do further investigations to reach
10:25 37 conclusions.
10:25 38
10:25 39 Q. So the tenor of the meeting you had with Allens and
10:25 40 Crown, was not that you had discovered anything untoward, it
10:25 41 was that you had uncovered things that needed to be looked at?
10:25 42
10:25 43 A. That is correct, yes.
10:25 44
10:25 45 Q. Now, yesterday in your examination --- for the
10:25 46 Commissioner's reference, it's at transcript page 778 --- you agreed
10:25 47 with Counsel Assisting in respect of annexure F that it was a list

10:25 1 of transactions which were contrary to the new policy. Can I ask
10:25 2 you to confirm that in fact appendix F does not reveal
10:25 3 transactions contrary to the new policy, but just transactions that
10:25 4 had to be looked at because they might be?

10:25 5
10:25 6 A. I agree that they might be. They required further
10:26 7 investigation, yes.

10:26 8
10:26 9 Q. It was also put to you at transcript page 781 that the results
10:26 10 of the work that you had done as reflected here did not reflect
10:26 11 well on Crown. I don't know that the transcript got your answer
10:26 12 very accurately, but would you agree with me that this draft in
10:26 13 fact does not tell you anything about Crown, it doesn't reflect
10:26 14 poorly on Crown or doesn't tell you anything beyond there are
10:26 15 things that need to be examined?

10:26 16
10:26 17 A. That is correct. This is just simply a report that says we
10:26 18 need to take further action and undertake more detailed
10:26 19 investigations.

10:26 20
10:26 21 Q. And, for all the reasons that we've discussed, nothing can
10:26 22 be made of the absence of any report of a return of funds to the
10:26 23 patron until you've worked out whether they should have been
10:26 24 returned to the patron?

10:26 25
10:26 26 A. That is correct, yes.

10:26 27
10:26 28 Q. And your analysis hadn't reached the stage of working out
10:26 29 that there were funds that should have been returned to the
10:26 30 patron?

10:26 31
10:26 32 A. That is correct, yes.

10:26 33
10:26 34 Q. So do you agree that your evidence that you gave yesterday,
10:27 35 that based on the information provided, there was --- provisional
10:27 36 results suggested Crown was not adhering to the return of funds
10:27 37 policy, might, on reflection, be a bit overstated?

10:27 38
10:27 39 A. On reflection, obviously we had identified transactions that
10:27 40 appeared to be not aligned to that policy, but as I've stated clearly,
10:27 41 there was further work needed to be done to reach a definitive
10:27 42 conclusion, that's correct.

10:27 43
10:27 44 Q. I wanted to then ask you further matters about the meeting,
10:27 45 the online meeting, the Zoom meeting you had with ---

10:27 46
10:27 47 A. It was, yes.

10:27 1
10:27 2 Q. --- with Allens and Crown?
10:27 3
10:27 4 A. That is correct.
10:27 5
10:27 6 Q. I think yesterday you said you thought it was in early
10:27 7 February. I want to suggest to you it was 24 February.
10:27 8
10:27 9 A. Okay.
10:27 10
10:27 11 Q. Now, you gave evidence yesterday that you explained to
10:27 12 Crown and Allens what next steps would be required, and you
10:27 13 would have to investigate all of these transactions, and you hadn't
10:27 14 been instructed to do that.
10:27 15
10:28 16 A. That is correct, yes.
10:28 17
10:28 18 Q. Do you recall that? Now, you also gave some evidence
10:28 19 yesterday to the effect that you weren't asked to effectively
10:28 20 complete that work.
10:28 21
10:28 22 A. That is correct, yes.
10:28 23
10:28 24 Q. I want to suggest to you that in the meeting you had with
10:28 25 Allens and Crown on 24 February you took them through your
10:28 26 document on the screen, and then there was discussion about
10:28 27 information that you would need from Crown, and you said that
10:28 28 you would need information going to whether they are cash
10:28 29 deposits or cheques; do you recall that?
10:28 30
10:28 31 A. As per the notes on the exhibit, yes, correct.
10:28 32
10:29 33 Q. Or whether there were vouchers to understand how the
10:29 34 money was paid in?
10:29 35
10:29 36 A. Again, as per the bubbles on the exhibit, yes.
10:29 37
10:29 38 Q. You also said you would need access to some SYCO data?
10:29 39
10:29 40 A. That is correct, yes.
10:29 41
10:29 42 Q. Then there was discussion about the fact that Deloitte was
10:29 43 going to be looking at all that anyway.
10:29 44
10:29 45 A. I don't recall, that but I am aware Deloitte had been
10:29 46 engaged on multiple matters.
10:29 47

10:29 1 Q. Yes, well, you were aware from at least 19 February that
10:29 2 Deloitte was being retained by Crown to, amongst other things,
10:29 3 review the efficacy of the patron account controls?

10:29 4
10:29 5 A. I don't recall that in specificity.

10:29 6
10:29 7 Q. You knew Deloitte had a retainer ---

10:29 8
10:29 9 A. I knew Deloitte had been retained to undertake certain
10:29 10 matters of work but was not given details of that work.

10:29 11
10:30 12 Q. Okay. Can I ask the operator --- this is another one we
10:30 13 have to go back to hard copies, they have been provided
10:30 14 electronically but are not yet on the system --- an email of
10:30 15 Caroline Marshall who is a senior associate at Allens, to Chris
10:30 16 Kerrigan, Simon Sherwood, who are both of Allens, copied to
10:30 17 Peter Haig of Allens, dated 19 February 2021. Has that been
10:30 18 provided to you?

10:30 19
10:30 20 A. Not that I'm aware of.

10:30 21
10:30 22 MS BUTTON: While that is coming through, Commissioner,
10:30 23 may I tender the --- I will come back to that.

10:31 24
10:31 25 COMMISSIONER: Thank you. You wanted to tender this with
10:31 26 the side bubbles?

10:31 27
10:31 28 MS BUTTON: Yes, if I haven't done so already.

10:31 29
10:31 30 COMMISSIONER: For convenience, I might put it together as
10:31 31 part of Mr Jeans' documents in N so it will be the version with
10:31 32 the side comments and the version without the side comments
10:31 33 together, if that suits.

10:31 34
10:31 35 MS BUTTON: Thank you, Commissioner.

10:31 36
10:31 37 Have you now been provided with this email of 19 February
10:31 38 2021?

10:31 39
10:31 40 A. I have, yes.

10:31 41
10:31 42 Q. You can see that Ms Marshall reports back to her
10:31 43 colleagues:

10:31 44
10:31 45 *I've just had a call back from Nell*

10:31 46
10:31 47 And then she provides a summary. Do you accept that she spoke

10:32 1 to you?

10:32 2

10:32 3 A. That is correct, yes.

10:32 4

10:32 5 Q. She reports on the status of your work, that you were
10:32 6 looking at the bank statements, that your review is hampered by
10:32 7 the fact that you have no access to SYCO, and as we noted you
10:32 8 came back to that matter in the meeting you had online, and you
10:32 9 would need the data to have a final conclusion. Then it goes on
10:32 10 to say:

10:32 11

10:32 12 *He anticipates Deloitte will require SYCO access very*
10:32 13 *early on as well*

10:32 14

10:32 15 And then you made a suggestion to expedite Deloitte's review,
10:32 16 and the basis of that was because you thought giving Deloitte
10:32 17 access to SYCO directly would be difficult due to the need to get
10:32 18 regulatory approvals from three places?

10:32 19

10:32 20 A. That is correct, a general comment around the fact that we
10:32 21 hadn't had direct access to SYCO because of going through the
10:32 22 approval process by the gaming regulators in each of the States.

10:32 23

10:32 24 Q. What did you understand that Deloitte would be looking at
10:32 25 that they needed SYCO data?

10:32 26

10:32 27 A. That we assumed was the Burswood and the Crown
10:33 28 Melbourne accounts at this time.

10:33 29

10:33 30 Q. Are you saying you weren't sure of the precise parameters
10:33 31 of their retainer and whether it included the patron account
10:33 32 controls?

10:33 33

10:33 34 A. I wasn't aware of that. We were in conversation around
10:33 35 that time regarding Burswood and Crown Melbourne. I was
10:33 36 aware that they were going to be doing some work in that space,
10:33 37 and I was trying to make helpful comments to say that, "look, this
10:33 38 might delay it because ultimately if they need direct SYCO access
10:33 39 it is going to take a long time to get approvals."

10:33 40

10:33 41 Q. Can I ask that you be provided, if you haven't already got it,
10:33 42 the file note that Allens --- can I first tender this email,
10:33 43 Commissioner?

10:33 44

10:33 45 COMMISSIONER: Yes. Email from Caroline Marshall to
10:33 46 Christopher Kerrigan and Simon Sherwood, 19 February 2021,
10:33 47 I think that will be Exhibit 81.

10:34 1
2
3 **EXHIBIT #RC00081 - EMAIL FROM MS CAROLINE**
4 **MARSHALL TO MR CHRISTOPHER KERRIGAN AND**
5 **MR SIMON SHERWOOD DATED 19 FEBRUARY 2021**
6
7
10:34 8 MS BUTTON: Thank you, Commissioner.
10:34 9
10:34 10 COMMISSIONER: I will never keep up to date with them.
10:34 11
10:34 12 MS BUTTON: The next document you are being provided with
10:34 13 is Allens' file note of a conversation with you. This is the
10:34 14 presentation 24 February 2021. You see that?
10:34 15
10:34 16 A. I see that, yes.
10:34 17
10:34 18 Q. Now, feel free to skim through it. I think I've taken you to
10:34 19 what occurred at that meeting and you've agreed with. I want you
10:34 20 to look particularly at the last section on the second page, what
10:34 21 information Neil needs from Crown.
10:34 22
10:34 23 A. That is correct, yes.
10:34 24
10:34 25 Q. You see the last entry there, "Deloitte will do this work"?
10:34 26
10:34 27 A. Yes, that is correct, yes.
10:34 28
10:34 29 Q. It was the case, was it not, that at this meeting, what
10:34 30 emerged was that you would need so much information and data
10:34 31 to complete it, meanwhile Deloitte was already accessing the
10:35 32 same material and effectively it didn't make any sense for you to
10:35 33 complete the task when Deloitte was already going to be looking
10:35 34 at all of that same material.
10:35 35
10:35 36 A. That wasn't shared with me, that last bit.
10:35 37
10:35 38 Q. Do you now know that in fact at that time Deloitte was
10:35 39 retained to undertake, amongst other things, a review of the
10:35 40 patron account controls?
10:35 41
10:35 42 A. Based on the information that I've been provided today, yes.
10:35 43
10:35 44 Q. Do you also know that they did not find any cash deposits
10:35 45 in that review?
10:35 46
10:35 47 A. I have not been made aware of the results of the review.

10:35 1
10:35 2 Q. And they didn't find any third-party deposits in that review?
10:35 3
10:35 4 A. Again, I haven't been made aware of any results of that
10:35 5 review.
10:35 6
10:35 7 Q. And presumably then you don't know that the only
10:35 8 discrepancies they identified in the controls concerning
10:35 9 transactions were what they described as technical minor matters
10:35 10 of what had been recorded, patron numbers and things of that
10:35 11 kind?
10:35 12
10:35 13 A. I'm not aware of that findings.
10:35 14
10:36 15 Q. Given that now you know, even if you didn't know exactly
10:36 16 then, that Crown had retained Deloitte to undertake a full review
10:36 17 of the patron account deposit controls, amongst other things ---
10:36 18
10:36 19 A. Yes.
10:36 20
10:36 21 Q. --- do you agree that any suggestion that Crown did not get
10:36 22 you to complete your work because it didn't want to find out the
10:36 23 answers is wholly unjustified?
10:36 24
10:36 25 COMMISSIONER: That is a question not for the witness, but
10:36 26 a question for me.
10:36 27
10:36 28 MS BUTTON: As you wish.
10:36 29
10:36 30 COMMISSIONER: Thank you.
10:36 31
10:36 32 MS BUTTON: I want to then turn to the scenarios that were used
10:36 33 in examining the Southbank and Riverbank accounts. Do you
10:36 34 recall yesterday there was discussion and evidence concerning ---
10:36 35
10:36 36 COMMISSIONER: Before we move on, do you want to tender
10:36 37 the file note?
10:36 38
10:36 39 MS BUTTON: Yes, please, Commissioner. I'm indebted to you.
10:36 40
10:36 41 COMMISSIONER: Exhibit 82 will be a file note of a meeting
10:37 42 with Mr Jeans and others, 24 February 2021. Sorry to interrupt.
10:37 43
10:37 44
10:37 45 **EXHIBIT #RC00082 - FILE NOTE OF A MEETING WITH**
10:37 46 **MR JEANS AND OTHERS DATED 24 FEBRUARY 2021**
10:37 47

10:37 1
10:37 2 MS BUTTON: No, I'm grateful to you, Commissioner. I was
10:37 3 saying yesterday to my colleagues I've spent too long in the
10:37 4 commercial court where, if it is referred to, it is in, so I am
10:37 5 indebted to the Commission for the reminders. We were turning
10:37 6 to the question of the narrowing of the nine scenarios to the three.
10:37 7 Do you agree that there is no industry standard about how far out
10:37 8 you go timewise when you are looking for structuring?
10:37 9
10:37 10 A. That is correct, yes.
10:37 11
10:37 12 Q. Do you agree that it is appropriate to consider the scenarios
10:37 13 you examine in the light of the industry that you're dealing with?
10:37 14
10:37 15 A. Yes.
10:37 16
10:37 17 Q. Do you agree that in the industry of gaming, it would be
10:37 18 relevant to take into account player behaviour, such as the fact
10:37 19 that patrons might quite legitimately put \$5,000 in their account
10:38 20 one Friday and put \$5,000 in their account two weeks or a month
10:38 21 later?
10:38 22
10:38 23 A. I agree. I agree, and I think that was part of my evidence
10:38 24 yesterday as well.
10:38 25
10:38 26 Q. Yes. Doesn't that give rise to the issue of potentially
10:38 27 creating noise in your results or false positives if you go too wide
10:38 28 so that your analysis may not be as useful because you are not
10:38 29 going to be targeting the clear structuring by identifying things
10:38 30 that would require a lot more investigation to work out whether
10:38 31 they were structuring at all?
10:38 32
10:38 33 A. I agree with the contention regarding noise. The further
10:38 34 you go out, the more potential you have for noise and to identify
10:38 35 things that aren't structuring and then obviously do work around
10:38 36 those, yes.
10:38 37
10:38 38 Q. Do you agree also that the three scenarios that were used
10:38 39 are the scenarios that would best and most directly identify
10:38 40 structuring in the Riverbank and Southbank accounts?
10:38 41
10:38 42 A. Yes, that's why we settled on those, yes.
10:38 43
10:39 44 Q. Do you recall you had a conversation about scenarios with
10:39 45 Mr Stokes before Crown undertook its internal review? You
10:39 46 recall that Claude Marais September 2020 analysis?
10:39 47

- 10:39 1 A. I do, yes.
10:39 2
10:39 3 Q. And do you recall discussing with Mr Stokes the scenarios
10:39 4 that Crown should use in its internal review?
10:39 5
10:39 6 A. I recollect that conversation, yes.
10:39 7
10:39 8 Q. And you recollect that that conversation settled on the same
10:39 9 three scenarios that Grant Thornton was ultimately told to
10:39 10 proceed with?
10:39 11
10:39 12 A. That is correct, yes.
10:39 13
10:39 14 Q. And that was with your input?
10:39 15
10:39 16 A. Yes.
10:39 17
10:39 18 Q. You didn't, in the subsequent conversation that you had
10:39 19 with Mr Stokes in October 2020 about what Grant Thornton
10:40 20 should be looking at, after you put up the nine potential scenarios,
10:40 21 you didn't ever say to Mr Stokes that it was inappropriate to limit
10:40 22 it to the three that had been used in the internal review, and that
10:40 23 Grant Thornton was instructed to use?
10:40 24
10:40 25 A. I certainly don't recollect saying it was inappropriate to
10:40 26 reduce it down to those. It was a conversation regarding what
10:40 27 was the minimum we should be doing, and obviously then the
10:40 28 benefits of extending that beyond those three scenarios.
10:40 29
10:40 30 Q. It was part of that discussion that Mr Stokes was raising,
10:40 31 essentially that the noise or the false positives that would be
10:40 32 thrown up due to the nature of the casino business and legitimate
10:40 33 patron behaviour of the kind that I've just taken you to?
10:40 34
10:40 35 A. That would be a fair reflection.
10:40 36
10:40 37 Q. You had an exchange with the Commissioner yesterday
10:40 38 about whether, at the time that the scenarios were narrowed from
10:41 39 the nine to the three, you wouldn't have known that the further
10:41 40 work that was in fact done to look more widely didn't actually
10:41 41 throw anything up. You didn't know that at the time?
10:41 42
10:41 43 A. I didn't know that at the time, but obviously having done
10:41 44 that work as part of my work, I was aware of it, yes.
10:41 45
10:41 46 Q. I think you also had a discussion to the effect, and this is at
10:41 47 transcript 764, the Commissioner referred you to the fact that

10:41 1 there was evidence from Grant Thornton that the work that they
10:41 2 would have had to do, to do the further searches, was not really
10:41 3 significant, it wouldn't have taken them a whole lot longer to do
10:41 4 the work?

10:41 5
10:41 6 A. That is correct, yes.

10:41 7
10:41 8 Q. But it could have taken you, if there had been results
10:41 9 thrown up by searches, for example, over three months, quite
10:41 10 a lot of time to undertake the kind of analysis that you did for
10:41 11 appendix A. You remember, when you went through all the
10:41 12 details of all the records to work out whether it was structuring
10:42 13 and whether it was cuckoo smurfing, it would have taken you
10:42 14 quite a while to go through all of that sort of material if there had
10:42 15 been a much wider set of results, for example, involving patrons
10:42 16 depositing cash for legitimate playing activities?

10:42 17
10:42 18 A. Obviously that would have been dependent on the results,
10:42 19 but, yes, there would have been additional work required.

10:42 20
10:42 21 Q. Thank you, Mr Jeans. That's all.

10:42 22
10:42 23 A. Thank you.

10:42 24
10:42 25

10:42 26 **RE-EXAMINATION BY MS O'SULLIVAN**

10:42 27
10:42 28

10:42 29 MS O'SULLIVAN: Mr Jeans, some follow-up questions.

10:42 30
10:42 31 You've been asked about whether you might get false positives if
10:42 32 you extend the structuring scenarios beyond the three that were
10:42 33 used, so beyond the 72-hour period, to a longer period, and
10:42 34 you've agreed that there is the chance if you extend out the time
10:42 35 period you might get some false positives. I presume you also
10:43 36 agree that if you extend the time out you will get some true
10:43 37 positives; is that right?

10:43 38
10:43 39

10:43 40 A. Again, I would not necessarily at that point characterise
10:43 41 them as false or true positives, I would characterise them as
10:43 42 articles for further investigation that would need to be
10:43 43 undertaken.

10:43 44
10:43 45

10:43 46 Q. I see. But because the scenarios were limited to only three
10:43 47 of the nine, in a sense Crown deprived itself of the opportunity to
find the red flags which could be further investigated if those did

10:43 1 in fact involve structuring or money laundering; do you agree?
10:43 2
10:43 3 A. Well, obviously my review was limited so therefore we
10:43 4 didn't specifically look for beyond the 72-hour time sequence.
10:43 5
10:43 6 Q. Yes. So you could extend the period out ---
10:43 7
10:43 8 A. Yes.
10:43 9
10:43 10 Q. --- you might, if you extend that period out, you might find
10:43 11 some false positives and some true positives?
10:43 12
10:43 13 A. Yes.
10:43 14
10:43 15 Q. And then you might investigate further to determine which
10:43 16 are the false positives and which are the true positives?
10:43 17
10:43 18 A. That is correct, yes.
10:43 19
10:43 20 Q. And none of that occurred; is that right?
10:43 21
10:44 22 A. It occurred, but within my review doing a limited sample.
10:44 23 As I explained yesterday, as part of the work I did, after Grant
10:44 24 Thornton had put the data into the tool, I actually did extend the
10:44 25 time sequence with them out beyond 72 hours to a week and
10:44 26 beyond, to see whether there were any additional cash
10:44 27 transactions that were identified, and through the limited work we
10:44 28 did there we did not identify any qualifying transactions that
10:44 29 would have resulted in further investigation.
10:44 30
10:44 31 Q. I see. So that further investigation which you've just
10:44 32 described, sorry, the one that you've done, not the one that could
10:44 33 have been done ---
10:44 34
10:44 35 A. Yes.
10:44 36
10:44 37 Q. --- that was done on a sample basis; is that right?
10:44 38
10:44 39 A. That is correct, yes.
10:44 40
10:44 41 Q. As opposed to Grant Thornton, they didn't do it on a sample
10:44 42 basis, did they?
10:44 43
10:44 44 A. They simply, obviously altered the model to go out
10:44 45 beyond 27 hours. So we said, okay, let's do seven days, let's do
10:44 46 30 days to see whether there are any cash transactions meeting
10:45 47 that criteria.

10:45 1
10:45 2 Q. I see. So you did it on a sample basis and therefore there
10:45 3 could have been instances of both false positives but also true
10:45 4 positives in the other parts of the data that weren't sampled; do
10:45 5 you agree?
10:45 6
10:45 7 A. That is possible, yes.
10:45 8
10:45 9 Q. And in respect of the ones that weren't sampled, they
10:45 10 weren't investigated; is that right?
10:45 11
10:45 12 A. That is correct, yes.
10:45 13
10:45 14 Q. Thank you.
10:45 15
10:45 16 Now, you were asked some questions about the different version
10:45 17 of annexure N, which include the comment bubbles to the right.
10:45 18
10:45 19 A. Yes.
10:45 20
10:45 21 Q. A number of questions were put to you on the premise that
10:45 22 the comment bubbles were your comments?
10:45 23
10:45 24 A. That is correct.
10:45 25
10:45 26 Q. Can I just clarify, the comment bubbles, each of them, it
10:45 27 says "commented" and then "CP".
10:45 28
10:45 29 A. Yes.
10:45 30
10:45 31 Q. Whose initials are CP?
10:45 32
10:45 33 A. That is Mr Christopher Pitt who works with me in
10:45 34 Initialism.
10:45 35
10:45 36 Q. Okay, so am I right to understand they are not your
10:45 37 comment bubbles but you don't disagree with the content
10:46 38 bubbles?
10:46 39
10:46 40 A. They are not my comment bubbles but actually I was
10:46 41 involved in drafting them as we were going through the
10:46 42 document.
10:46 43
10:46 44 Q. Okay, thank you.
10:46 45
10:46 46 Can I ask you just a follow-up question from yesterday. I asked
10:46 47 you some questions about the verbal warning that you gave to

10:46 1 Crown --- sorry, I withdraw that.

10:46 2

10:46 3 I asked you about a verbal recommendation that you gave to
10:46 4 Crown in August 2019 to conduct a review of their bank accounts
10:46 5 in light of the media allegations that had been made about money
10:46 6 laundering on those accounts. And hopefully I'm not misquoting
10:46 7 you, but you told the Commission that you had had that
10:46 8 discussion with Louise Lane and had it with her as the two of you
10:46 9 were waiting to go into a Crown board meeting; is that right?

10:46 10

10:46 11 A. That is correct, yes.

10:46 12

10:46 13 Q. Was that the full board meeting or was that a board
10:47 14 subcommittee meeting; can you recall?

10:47 15

10:47 16 A. That was a full board meeting.

10:47 17

10:47 18 Q. Full board meeting. Can I ask you this: when you went into
10:47 19 the full board meeting, did you also give that recommendation to
10:47 20 the board members and others present?

10:47 21

10:47 22 A. Not that I recollect.

10:47 23

10:47 24 Q. Okay. And did you give that --- so in this period, because
10:47 25 obviously you gave evidence about recommendations you gave in
10:47 26 the later period, but did you recommend it to anyone at Crown
10:47 27 other than Louise Lane?

10:47 28

10:47 29 A. Not that I recollect, no.

10:47 30

10:47 31 MS O'SULLIVAN: They are all the questions I have for the
10:47 32 witness.

10:47 33

10:47 34

10:47 35 **QUESTIONS BY THE COMMISSIONER**

10:47 36

10:47 37

10:47 38 COMMISSIONER: Thank you. I have some.

10:47 39

10:47 40 Mr Jeans, I want to take you right away from the evidence you
10:47 41 have been giving. Assume the questions that I might ask might
10:47 42 be relevant in any event.

10:47 43

10:47 44 A. Of course.

10:47 45

10:47 46 COMMISSIONER: If I was a gaming venue, I don't have to be
10:47 47 a casino, but I can be a casino, but a gaming venue where people

10:48 1 ordinarily bring in cash, sometimes transfer funds into accounts
10:48 2 they hold so they can gamble at the venue. What sort of steps ---
10:48 3 let's say I'm really, really conscientious and I wanted to stop as
10:48 4 much money laundering activity as I can in my venue ---

10:48 5

10:48 6 A. Yes.

10:48 7

10:48 8 COMMISSIONER: --- knowing that I won't stop it completely
10:48 9 because you just can't ---

10:48 10

10:48 11 A. No.

10:48 12

10:48 13 COMMISSIONER: --- what sort of physical steps would I take
10:48 14 when I'm doing my best to either prevent or discourage money
10:48 15 laundering at my venue?

10:48 16

10:48 17 A. So, one of the major requirements or support activities for
10:48 18 money laundering is anonymity. So one of the first things I
10:48 19 would consider is mitigating or reducing the level of anonymity
10:49 20 possible. That ultimately means identifying people that are
10:49 21 undertaking gaming and bringing money to my casino, being in
10:49 22 a position to be able to identify them.

10:49 23

10:49 24 COMMISSIONER: And what sort of vouching would I be
10:49 25 looking for, ordinarily, to make sure that I know who these
10:49 26 people are?

10:49 27

10:49 28 A. Well, I would suggest the ability to present authoritative
10:49 29 identification, so if you look at the registered clubs legislation,
10:49 30 there is a requirement to be identified before entering a club, and
10:49 31 that usually results in provision of a driving licence or some form
10:49 32 of photo ID to confirm the person's identity before entering the
10:49 33 establishment.

10:49 34

10:49 35 COMMISSIONER: Okay. Let's say they come from overseas?

10:49 36

10:49 37 A. Overseas passport.

10:49 38

10:49 39 COMMISSIONER: Okay. And if they don't show a passport,
10:49 40 they don't come in?

10:49 41

10:49 42 A. That's correct, yes.

10:49 43

10:49 44 COMMISSIONER: What else will I do? That will show me the
10:49 45 persons, I know this is Ms or Ms X.

10:49 46

10:50 47 A. Exactly.

10:50 1
10:50 2 COMMISSIONER: From driver's licence if they're local,
10:50 3 passport if they're from another country.
10:50 4
10:50 5 A. That's correct, yes.
10:50 6
10:50 7 COMMISSIONER: What about the money that they bring?
10:50 8
10:50 9 A. Ultimately you need to then link the money to the person
10:50 10 and therefore the gaming activity to the person. So obviously
10:50 11 there is a lot of debate in the industry around cashless and
10:50 12 card-based only gaming, both here and in NSW.
10:50 13
10:50 14 COMMISSIONER: What is the debate?
10:50 15
10:50 16 A. Well, whether gaming should go cashless but also card
10:50 17 only.
10:50 18
10:50 19 COMMISSIONER: If it is cashless, or card only --- no, I will
10:50 20 treat them separately.
10:50 21
10:50 22 A. Yes.
10:50 23
10:50 24 COMMISSIONER: If it is cash or bank transfer, that's when you
10:50 25 trigger the requirement, I assume, that the cash has to come from
10:50 26 the account of the patron?
10:50 27
10:50 28 A. That is correct, yes.
10:50 29
10:50 30 COMMISSIONER: But let's say I have a patron who transfers
10:51 31 cashlessly by bank transfer, electronic transfer, a million dollars
10:51 32 into the account that he holds with me at my gaming venue.
10:51 33
10:51 34 A. Yes.
10:51 35
10:51 36 COMMISSIONER: How do I know where the cash comes from?
10:51 37 I know the person ---
10:51 38
10:51 39 A. Yes.
10:51 40
10:51 41 COMMISSIONER: --- by identification or passport, good, and I
10:51 42 know he's just deposited from his account into his account at my
10:51 43 institution, \$1 million cash; what does that tell me?
10:51 44
10:51 45 A. Again, it creates a barrier for the people that are seeking to
10:51 46 launder, because ultimately you now have two organisations
10:51 47 looking at it. In order to effect that transfer, the bank would have

10:51 1 to receive an instruction, so the bank were obligated to look at
10:51 2 that behaviour and activity to see whether it is normal and
10:51 3 unusual, as well as the casino. But I don't think cash, or
10:51 4 prohibiting cash in its own right would work particularly well
10:51 5 because ultimately there are people who would want to come in
10:51 6 and use diminished levels. I think the key issue is around carded
10:52 7 play. And the fact that if I'm gambling at the casino over
10:52 8 a certain threshold, I need to basically use a card which obviously
10:52 9 records how the money came in to the casino, because it is
10:52 10 actually now on a physical card and therefore what gaming is
10:52 11 attached to that money and that deposit.

10:52 12
10:52 13 COMMISSIONER: What will that tell me? Assume that I
10:52 14 haven't ---

10:52 15
10:52 16 A. Well, it would give you the opportunity to monitor the
10:52 17 complete behaviour and the complete activity and therefore
10:52 18 identify where things were unusual. So the fact that somebody
10:52 19 had deposited a large amount of money and actually hadn't
10:52 20 played, but then obviously got the chips and then brought them
10:52 21 back, so it would give you the opportunity of greater transparency
10:52 22 of the behaviour of the patrons, and their behaviour around the
10:52 23 money they are depositing, which, again, going back to the whole
10:52 24 modus operandi of money laundering, it is taking money to make
10:53 25 it appear to be legitimate.

10:53 26
10:53 27 COMMISSIONER: (Nods head).

10:53 28
10:53 29 A. If you are creating barriers from then concealing the true
10:53 30 activity or segmenting the activity, that actually would work
10:53 31 against the money launderer. So a key focus of money laundering
10:53 32 is to break the audit trail, So therefore, the money cannot be
10:53 33 flowed through. So if I've taken money and put it into my bank
10:53 34 account, I have then transferred it to another bank account, I have
10:53 35 then transferred it to the casino and taken it out in chips, I've then
10:53 36 got those chips and taken cash, from a law enforcement
10:53 37 perspective, it is very difficult to follow that money trail.

10:53 38
10:53 39 COMMISSIONER: Yes.

10:53 40
10:53 41 A. So effectively the way that I would look at strengthening
10:53 42 the regime in casino and other gaming establishments is to make
10:53 43 it harder to break that audit trail.

10:53 44
10:53 45 COMMISSIONER: And what are the various ways I could
10:53 46 employ to make it harder?

10:53 47

10:53 1 A. Again, I think it comes back to those three things that I
10:53 2 explained: one, making anonymous activity impossible or
10:54 3 reducing it down to a very low level, and obviously under the
10:54 4 federal legislation it is currently \$10,000, under State-based it is
10:54 5 slightly different, in each state they have different standards.
10:54 6
10:54 7 I think limiting the amount of uncarded play that can take place,
10:54 8 so effectively I know who is undertaking that gaming activity,
10:54 9 associated obviously with the money that is moving through that
10:54 10 gaming activity.
10:54 11
10:54 12 Then I think potentially putting restrictions around cash that
10:54 13 would mean that that is easily identifiable and easily investigable,
10:54 14 why somebody is turning up with a particular level of cash.
10:54 15
10:54 16 COMMISSIONER: One thing that occurred to me, if I didn't
10:55 17 want to be a crass money launderer and put my funds into
10:55 18 a gaming venue, exchange it for chips and go to the cage and cash
10:55 19 it out as chips but actually gamble to make it look like they are
10:55 20 winnings that I am taking out ---
10:55 21
10:55 22 A. Yes.
10:55 23
10:55 24 COMMISSIONER: --- if I go to, say, a roulette table where the
10:55 25 odds are --- and the house takes a bit, if I'm sufficiently
10:55 26 sophisticated, couldn't I take my chips, gamble, pay the house
10:55 27 5 per cent take, which is my cost of doing business, so I pay a fee
10:55 28 to in fact show that I'm earning money --- this is earned money,
10:55 29 gambling winnings, I pay a fee because the house takes --- the
10:56 30 way it is set up, the house has advantage of a couple of points so
10:56 31 they take their money, and that's a cost to me. So I start off with
10:56 32 a million dollars' cash from drug money, I lose \$50,000, the cost
10:56 33 of converting it to clean money, and then walk out after I've
10:56 34 gambled.
10:56 35
10:56 36 A. Yes.
10:56 37
10:56 38 COMMISSIONER: I might do badly on the tables, but isn't that
10:56 39 a method which I could use to overcome what you might
10:56 40 otherwise catch by your method?
10:56 41
10:56 42 A. To a certain degree, but if you think about how criminals
10:56 43 launder money through gaming activity ---
10:56 44
10:56 45 COMMISSIONER: That's what I'm trying to work out.
10:56 46
10:56 47 A. It's the money in and the money out, and it is breaking that

10:56 1 audit trail. So effectively they are trying to create a veneer or
10:56 2 a view that that money has been won by legitimate gambling. So
10:56 3 effectively, they want the money to be transferred from, in this
10:56 4 case, Crown to their bank account, and if the bank says, "Where
10:57 5 did you get the money from", they say "I won it on the tables". It
10:57 6 is the same with the poker machines and EGMs. Effectively
10:57 7 I have a cheque from a pub or a club because it is over the \$2,000
10:57 8 value in Victoria, "Where did you get the money from", "I got it
10:57 9 from my winnings from the pokie machines." However, the bank
10:57 10 is not aware how that money got into the pub or club or casino's
10:57 11 system because effectively it is physically --- it's possible that I
10:57 12 could walk up to a gaming table --- to use your analogy,
10:57 13 Commissioner, and put \$9,000 on the table, cash some chips,
10:57 14 spend \$50, walk away with those chips, go to the cage and say,
10:57 15 "can I have a cheque, please".

10:57 16
10:57 17 I deposit that cheque into my bank and the bank asks "where did
10:57 18 you get the money from", "well, I won it from my gambling, you
10:57 19 prove otherwise." It's clean money at that point. That is the
10:58 20 whole modus operandi laundering through gaming, is to
10:58 21 effectively get the money through the system and out the other
10:58 22 end so therefore it appears the money has come through
10:58 23 legitimate gaming rather than other avenues such as criminal
10:58 24 activity.

10:58 25
10:58 26 COMMISSIONER: Again, how can I put barriers in the way of
10:58 27 that happening?

10:58 28
10:58 29 A. Again, the question comes back to who is allowed on to the
10:58 30 casino floor at a particular level --- over a particular level of
10:58 31 gaming. I think there should be level of identification required as
10:58 32 there is currently at \$10,000. So I think it would be sensible to
10:58 33 think about reducing that limit down potentially further.
10:58 34 Obviously there is a balance between the casual low-value
10:58 35 gambling and somebody is obviously undertaking nefarious
10:58 36 activities. So I think that identification at a particular level would
10:58 37 be something worth considering.

10:58 38
10:59 39 MS O'SULLIVAN: (Nods head).

10:59 40
10:59 41 A. Also then, limiting the amount of money that can be
10:59 42 gambled purely in cash that doesn't have to go through a carded
10:59 43 system that ultimately therefore links the money to the person. So
10:59 44 I think those things would make it far more difficult for the
10:59 45 criminal to move the money through the gaming environment to
10:59 46 get to their ultimate end, which is the money being transferred
10:59 47 into their bank account from Crown or from a gaming

10:59 1 establishment.
10:59 2
10:59 3 COMMISSIONER: Can you explain the carded system a bit
10:59 4 more so I follow exactly what that would do?
10:59 5
10:59 6 A. Yes, so the carded system basically in Crown basically
10:59 7 requires that --- well, if you have a Crown Rewards card, you can
10:59 8 tap that on a machine or at the table, and it records the level of
10:59 9 gambling activity being undertaken, and you are rewarded points
10:59 10 for that activity. That means that Crown know the level of
11:00 11 gaming activity that is taking place by that person, and they can
11:00 12 then marry that up with other information they've got in terms of
11:00 13 cash exchanges for chips by that person over \$10,000. So,
11:00 14 effectively, uncarded play in my opinion actually limits the ability
11:00 15 to monitor the activity that is going on in the casino. So
11:00 16 effectively, what carded play does is it identifies the person that is
11:00 17 actually playing. Whereas if you have uncarded play, it is
11:00 18 completely anonymous.
11:00 19
11:00 20 COMMISSIONER: And the technology is presently existing so
11:00 21 that if that became compulsory, the casino, non-casino, maybe
11:00 22 other institutions, could implement it without undue cost or time?
11:00 23
11:00 24 A. The technology is available and there are pilot schemes in
11:01 25 NSW which I'm working with in the pubs and clubs space to
11:01 26 bring that technology to the fore, yes.
11:01 27
11:01 28 COMMISSIONER: Any other tips you can give me?
11:01 29
11:01 30 A. Well, I think the risk is, as I've said, it is the money in and
11:01 31 money out, all money laundering. I think also there is obviously
11:01 32 a realisation as I'm sure there is with you, Commissioner, the
11:01 33 criminals will seek to exploit any weakness in the system. So it is
11:01 34 only as good as the system we put in, basically.
11:01 35
11:01 36 COMMISSIONER: When you deal with somebody either locally
11:01 37 or from overseas who puts in a million dollars, or half a million
11:01 38 dollars, a significant sum of money ---
11:01 39
11:01 40 A. Yes.
11:01 41
11:01 42 COMMISSIONER: --- would it be sensible to do more than
11:01 43 check the identification, driver's licence or passport of the person,
11:01 44 like do some other background checks, and if so, how would you
11:02 45 do it?
11:02 46
11:02 47 A. That is a very good question, Commissioner. So effectively

11:02 1 there is the legislative requirements already around enhanced
11:02 2 customer due diligence and additional customer due diligence
11:02 3 that are in the AML/CTF Act, which allow Crown, based on its
11:02 4 risk appetite and risk settings, to undertake more due diligence.
11:02 5 The key task is okay, at what point does that occur, and to use
11:02 6 your analogy, somebody travels from overseas, deposits in
11:02 7 whichever way a million dollars into Crown's financial system in
11:02 8 order to gamble while they are present on the premises. I would
11:02 9 suspect that would --- that should potentially result in further due
11:02 10 diligence being done on who the person is, what is their
11:02 11 background, what is their source of funds, their source of wealth,
11:02 12 in order for Crown to understand the risk that that customer poses
11:02 13 from a money laundering and terrorist financing ---

11:03 14

11:03 15 COMMISSIONER: So from the inquiries that could be
11:03 16 undertaken, are they inquiries that could be made reasonably
11:03 17 quickly or this is a time-intensive operation?

11:03 18

11:03 19 A. It depends on how far you go, but certainly there is
11:03 20 technology available, there are services available that can do this
11:03 21 level of due diligence relatively quickly. Obviously there is
11:03 22 a difference between understanding what their source of funds is
11:03 23 and definitively evidencing their source of funds. Obviously,
11:03 24 definitive evidencing source of funds will take a lot longer
11:03 25 because you have to ask them to provide documentation to prove
11:03 26 it. So it really depends where you draw the line in terms of the
11:03 27 due diligence you undertake.

11:03 28

11:03 29 COMMISSIONER: And that is a value-laden decision, but you
11:03 30 could draw a line and say, I will do, for example, quite extensive
11:03 31 background inquiries for people who want to put into their
11:03 32 electronic transfer account above 50,000 or \$100,000, or
11:04 33 whatever the appropriate figure might be.

11:04 34

11:04 35 A. Yes.

11:04 36

11:04 37 COMMISSIONER: It might not be perfect, but that wouldn't be
11:04 38 a bad place to begin in deciding who you will do deeper
11:04 39 background searches?

11:04 40

11:04 41 A. That is correct, and you may have a sliding scale in terms of
11:04 42 the level of activity, so you may do more as the value goes up.

11:04 43

11:04 44 COMMISSIONER: Yes, okay. And would it be logical, if you
11:04 45 introduced a mandatory card playing system, so you can't just
11:04 46 walk in through the foyer, you could do those sort of checks
11:04 47 before you allow somebody to have the card to gamble before the

11:04 1 person becomes a patron, it is a logical place to begin?
11:04 2
11:04 3 A. Absolutely, it is a logical place to begin because if you are
11:04 4 gambling say, over, a hypothetical 1,000, it needs to be carded
11:04 5 and, therefore you need to be identified, and therefore you can
11:05 6 then identify the level of gaming activity and the level of financial
11:05 7 transactions they are undertaking through the casino, and when
11:05 8 they get to your level of \$50,000, you can then start to do the
11:05 9 additional level of due diligence. So they may not get there
11:05 10 immediately, but over time they may get there.
11:05 11
11:05 12 COMMISSIONER: And you can program your computers,
11:05 13 technology ---
11:05 14
11:05 15 A. Yes.
11:05 16
11:05 17 COMMISSIONER: --- to point out that this person, card #500,
11:05 18 is now wanting to bet \$50,000 whereas for the past six months it's
11:05 19 been \$2,000 per week or per month, whatever it might be?
11:05 20
11:05 21 A. That is correct, yes.
11:05 22
11:05 23 COMMISSIONER: Do institutions like casinos or like kind of
11:05 24 gaming venues use this kind of checking to reduce or limit as
11:05 25 much as possible the incidence of money laundering? In other
11:05 26 words, is this what people do in the real world?
11:05 27
11:05 28 A. This is the way I think we are moving. Obviously there are
11:05 29 organisations that are adopting some of these elements. Certainly
11:06 30 from my perspective in the last year, that has increased focus
11:06 31 particularly in NSW as a result of the Bergin Inquiry, and at
11:06 32 a NSW Government level they are looking into these types of
11:06 33 technologies, and there are some pubs and clubs and venues that
11:06 34 are adopting these. But again, there is no clear guidance at this
11:06 35 point from anybody about the way it should work, basically.
11:06 36
11:06 37 COMMISSIONER: What is the Singaporean ---
11:06 38
11:06 39 A. I have no knowledge about that, sir, unfortunately. I'm not
11:06 40 aware what the Singapore authorities or casinos are doing.
11:06 41
11:06 42 COMMISSIONER: Okay. Thank you. That is very helpful.
11:06 43
11:06 44 A. Thank you.
11:06 45
11:06 46 MS O'SULLIVAN: Thank you, Commissioner. I just have one
11:06 47 document that I took Mr Jeans to yesterday that I omitted to

11:06 1 tender. Can I tender that. It is in tab 3 of your bundle.
 11:07 2 INI.0003.0001.0212.
 11:07 3
 11:07 4 COMMISSIONER: A transcript?
 11:07 5
 11:07 6 MS O'SULLIVAN: No, email dated 6 April 2021 from Jon
 11:07 7 Yeats to Neil Jeans. Sorry, tab 2.
 11:07 8
 11:07 9 COMMISSIONER: I have it now. Email from Jon Yeats to Neil
 11:07 10 Jeans and others, 6 April 2021, Exhibit 83.
 11:07 11
 11:07 12 MS O'SULLIVAN: Thank you, Commissioner.
 11:07 13
 11:07 14
 11:07 15 **EXHIBIT #RC0083 - EMAIL FROM MR JON YEATS TO**
 11:07 16 **MR NEIL JEANS AND OTHERS DATED 6 APRIL 2021**
 11:07 17
 11:07 18
 11:07 19 MS O'SULLIVAN: Otherwise, can the witness be excused, but
 11:07 20 obviously, on the proviso, given the late production by Crown of
 11:08 21 documents, a substantial amount of them are relevant to money
 11:08 22 laundering, perhaps the witness can be excused on the proviso
 11:08 23 that there is at least a possibility that we may be need him to
 11:08 24 return.
 11:08 25
 11:08 26 COMMISSIONER: Mr Jeans, you are excused for the time being
 11:08 27 and you may or may not be called back.
 11:08 28
 11:08 29 A. Thank you, Commissioner. Understand that. Thank you.
 11:08 30
 11:08 31 **THE WITNESS STOOD DOWN**
 11:08 32
 11:08 33
 11:08 34 MS O'SULLIVAN: Thank you, Commissioner. The next
 11:08 35 witness is Lisa Dobbin, but I notice the time.
 11:08 36
 11:08 37 COMMISSIONER: We'll have a 10-minute break.
 11:08 38
 11:08 39
 11:08 40 **ADJOURNED** [11:08A.M.]
 11:30 41
 11:30 42
 11:30 43 **RESUMED** [11:30A.M.]
 44
 45
 46 COMMISSIONER: Sorry about the delay. Ms O'Sullivan.
 47

1 MS O'SULLIVAN: Thank you, Commissioner, there is a new
2 appearance. Can I take the opportunity --

3

4 MR HARRIS: Commissioner, Richard Harris. I appear, with
5 your leave, for Deloitte Touche Tohmatsu.

6

7 COMMISSIONER: Thank you, Mr Harris.

8

9 MS O'SULLIVAN: Thank you, Commissioner. The next
10 witness is Lisa Dobbin who is here already in the witness box.
11 Can the witness be sworn, please.

12

13

14 **MS LISA ANN DOBBIN, AFFIRMED**

15

16

17 **EXAMINATION-IN-CHIEF BY MS O'SULLIVAN**

18

19

20 MS O'SULLIVAN: Ms Dobbin, can you please state your full
21 name for the Commission.

22

23 A. It's Lisa Ann Dobbin.

24

25 Q. If need be, you can adjust the microphone so you don't have
26 to lean each time. Can you state your business address, please.

27

28 A. Apologies?

29

30 Q. Your business address.

31

32 A. It's 225 George Street, Sydney.

33

34 Q. You are a partner at Delotte Touche Tohmatsu?

35

36 A. That's right.

37

38 Q. You appear today pursuant to a Notice to Attend?

39

40 A. That's right.

41

42 Q. You have prepared a witness statement dated 16 April 2021
43 for the Royal Commission?

44

45 A. Yes.

46

47 Q. If that document can be brought up to the screen, please,

1 operator, DTT.0000.0005.0031.
2
11:30 3 That is tab 1 of your folder.
11:30 4
11:30 5 Ms Dobbin, we might do this in a variety of ways. There will be
11:30 6 documents brought up on the screen. You are welcome to look at
11:30 7 it on the screen and there will be occasions where I might ask you
11:30 8 to look at a hard copy of the documents in the folder in front of
11:30 9 you, just because on the screen we can only see one page at
11:30 10 a time. Can I ask you to open the folder and turn to tab 1. I will
11:30 11 be asking you to confirm for me that is your witness statement
11:30 12 dated 16 April 2021?
11:30 13
11:30 14 A. Yes, it is.
11:30 15
11:30 16 Q. Is that true and correct to the best of your knowledge?
11:30 17
11:31 18 A. Yes, at the time it was prepared, that is true.
11:31 19
11:31 20 Q. I see. We might come to --- sorry, do you know now
11:31 21 whether there are any specific parts of your statement which are
11:31 22 no longer true and correct?
11:31 23
11:31 24 A. It's probably less that they are untrue, it's just the work we
11:31 25 are performing is underway, so things have progressed since the
11:31 26 statement was made.
11:31 27
11:31 28 Q. I understand that entirely. We will get to those parts
11:31 29 hopefully throughout the course of your giving evidence today.
11:31 30
11:31 31 I tender that statement, Commissioner, there is just one exception.
11:31 32 I tender it but excluding appendix 3 and all of the documents
11:31 33 which are referred to in appendix 3, which are irrelevant to the
11:31 34 Commission's Terms of Reference.
11:31 35
11:31 36 COMMISSIONER: Statement of Lisa Ann Dobbin, 16 April
11:31 37 2021, will be Exhibit 84, that is with the attachments other than
38 those behind appendix 3.
39
40
41 **EXHIBIT #RC00084 - STATEMENT OF MS LISA ANN**
42 **DOBBIN WITH ATTACHMENTS (OTHER THAN**
43 **APPENDIX 3) DATED 16 APRIL 2021**
44
45
11:32 46 MS O'SULLIVAN: Ms Dobbin, you graduated in 2003 from
11:32 47 Bond University with a Bachelor of Laws; is that right?

- 11:32 1
11:32 2 A. Yes.
11:32 3
11:32 4 Q. Thereafter you practised for about five years as a lawyer; is
11:32 5 that right?
11:32 6
11:32 7 A. That's correct.
11:32 8
11:32 9 Q. In those five years you specialised in disputes but also
11:32 10 financial crime investigations; is that right?
11:32 11
11:32 12 A. Yes.
11:32 13
11:32 14 Q. After that five-year period as a lawyer, you then joined
11:32 15 Deloitte; is that right?
11:32 16
11:32 17
11:32 18 A. That's right.
11:32 19
11:32 20 Q. At Deloitte, you specialise in financial crime and advisory
11:32 21 matters; is that right?
11:32 22
11:32 23 A. Yes.
11:32 24
11:32 25 Q. You were admitted as a partner of Deloitte in 2014; is that
11:32 26 right?
11:32 27
11:32 28 A. That's right.
11:32 29
11:32 30 Q. Insofar as you practice in financial crime, I presume that
11:32 31 includes money laundering; is that right?
11:32 32
11:32 33 A. That's right, anti-money laundering.
11:32 34
11:32 35 Q. Anti-money laundering is a good distinction, thank you.
11:33 36 Now, I understand that Deloitte was engaged in February 2021 by
11:33 37 Crown Resorts to perform a forensic review and controls
11:33 38 assessment; is that right?
11:33 39
11:33 40 A. That's correct.
11:33 41
11:33 42 Q. The area for review and assessment is anti-money
11:33 43 laundering/counterterrorism financing; is that right?
11:33 44
11:33 45 A. That's correct.
11:33 46
11:33 47 Q. There is a letter of engagement setting out the terms of

11:33 1 Deloitte's engagement and the scope of work; is that right?
11:33 2
11:33 3 A. That's correct, yes.
11:33 4
11:33 5 Q. That letter was signed on 22 February 2021; is that right?
11:33 6
11:33 7 A. I don't recall the exact date but --
11:33 8
11:33 9 Q. That is about right?
11:33 10
11:33 11 A. --- I think that is about right, yes.
11:33 12
11:33 13 Q. Thank you.
11:33 14
11:33 15 Operator, can we bring up the document DTT.002.0001.6479.
11:33 16
11:33 17 Commissioner, that is tab 2 of your folder. Ms Dobbin, that is the
11:34 18 Deloitte engagement letter dated 22 Feb; is that right?
11:34 19
11:34 20 A. Yes.
11:34 21
11:34 22 Q. And am I right to understand, obviously that is quite a long
11:34 23 letter. We'll --- you are no doubt familiar with it, but generally
11:34 24 speaking, in respect of this forensic review and controls
11:34 25 assessment, there are, roughly speaking, three phases to the entire
11:34 26 project; is that right?
11:34 27
11:34 28 A. Yes, that's right. When the work was set up, it was
11:34 29 established to be done under three phases, sequential, roughly.
11:34 30
11:34 31 Q. Phase 1, it is right, isn't it, that phase 1 is what is called
11:34 32 a money laundering controls assessment?
11:34 33
11:34 34 A. We called it a controls assessment of a specific subset of
11:34 35 controls which we described as the patron account controls. Yes,
11:34 36 it had the purpose of assessing it relevant to money laundering
11:34 37 risk.
11:34 38
11:35 39 Q. So it was a controls assessment, but not of all money
11:35 40 laundering controls, just of specific money laundering controls; is
11:35 41 that right?
11:35 42
11:35 43 A. That's right, yes.
11:35 44
11:35 45 Q. Phase 2, am I right to understand that that was a forensic
11:35 46 review of bank accounts for indications of money laundering?
11:35 47

- 11:35 1 A. Yes, phase 2 is ongoing and is, as you described, yes.
11:35 2
11:35 3 Q. Phase 3 is a further controls assessment; is that right?
11:35 4
11:35 5 A. That's right.
11:35 6
11:35 7 Q. This work is known internally at Deloitte as Project Libby;
11:35 8 is that right?
11:35 9
11:35 10 Yes.
11:35 11
11:35 12 Q. Deloitte have a large team of people working on the
11:35 13 project?
11:35 14
11:35 15 A. We do, yes.
11:35 16
11:35 17 Q. Are you the lead partner on the project?
11:35 18
11:35 19 A. That's right, yes.
11:35 20
11:35 21 Q. What does it mean, what does it entail that you are the lead
11:35 22 partner on the project?
11:35 23
11:35 24 A. So I certainly have a team assisting me, including other
11:35 25 partners, but it means I'm accountable for the work that my team
11:35 26 perform and, you know, predominantly front the discussions with
11:36 27 Crown, and clearly review and sign off on all the work that we
11:36 28 produce.
11:36 29
11:36 30 Q. In terms of the status, I understand that the project as
11:36 31 a whole is still ongoing, but I want to ascertain the status of the
11:36 32 different phases. Am I right to understand that phase 1 is
11:36 33 complete?
11:36 34
11:36 35 A. That's right, yes.
11:36 36
11:36 37 Q. Phase 2 is underway but not yet complete; is that right?
11:36 38
11:36 39 A. That's right.
11:36 40
11:36 41 Q. Phase 3 has not commenced in any substantial way other
11:36 42 than some preliminary matters; is that right?
11:36 43
11:36 44 A. Yes, that's right.
11:36 45
11:36 46 Q. I'm going to ask you to start with phase 2, and although it is
11:36 47 not in order, we will come back to phase 1 and I will explain why

11:36 1 later.
11:36 2
11:36 3 A. That's fine.
11:36 4
11:36 5 Q. Phase 2, you've told us is a forensic review, and it is
11:36 6 a forensic review of transactions on Crown's bank accounts; is
11:36 7 that right?
11:36 8
11:37 9 A. On --- yes, that's right, on select bank accounts.
11:37 10
11:37 11 Q. That was going to be my next question. It is a forensic
11:37 12 review not of all of Crown's bank accounts, but a subset of
11:37 13 Crown's bank accounts; is that right?
11:37 14
11:37 15 A. Yes, except that --- perhaps I can explain in more detail.
11:37 16 We are looking at quite a broad set of accounts, but there is
11:37 17 a subset that we are describing as patron accounts, into which we
11:37 18 will be doing more the detailed assessment to the extent to which
11:37 19 we can see indicia of money laundering activity.
11:37 20
11:37 21 Q. Yes. I will be coming to all of that detail in due course.
11:37 22 So, the forensic review will happen on --- so many things are
11:37 23 happening, but in terms of there being a review of bank
11:37 24 transactions, that is happening on a subset of Crown's bank
11:37 25 accounts; is that right?
11:37 26
11:37 27 A. That's right, yes.
11:37 28
11:37 29 Q. Deloitte was engaged by Crown to do the phase 2 work as
11:38 30 a response to specific suggestions of the Bergin Inquiry; is that
11:38 31 right?
11:38 32
11:38 33 A. Yes. That's right.
11:38 34
11:38 35 Q. I presume you've read the Bergin Report or certain parts of
11:38 36 it; is that right?
11:38 37
11:38 38 A. I haven't read it end-to-end but I've certainly read relevant
11:38 39 elements of it, yes.
11:38 40
11:38 41 Q. So you will see --- on the screen here, can we go to the
11:38 42 page ending, operator, 6479? That is the first page of the
11:38 43 document. If we can just enlarge the bottom half of the
11:38 44 document, the "Background" section. So you can see there,
11:38 45 Ms Dobbin, can you not, the second paragraph says:
11:38 46
11:38 47 *The purpose of the Services*

11:38 1
 11:39 2 And that is the services that Deloitte is providing; is that right?
 11:39 3
 11:39 4 A. That's right.
 11:39 5
 11:39 6 Q.
 11:39 7
 11:39 8 *..... is to assist you in addressing specific suggestions*
 11:39 9 *made in the Bergin Report as part of a broader pathway*
 11:39 10 *to render Crown Sydney and Crown Resort as a 'suitable'*
 11:39 11 *Casino Licensee*
 11:39 12
 11:39 13 That is an accurate statement for the purpose of the project as
 11:39 14 a whole, is that right?
 11:39 15
 11:39 16 A. Yes.
 11:39 17
 11:39 18 Q. Has Crown told you of any other purpose for the work that
 11:39 19 it has engaged you to undertake?
 11:39 20
 11:39 21 A. Not explicitly but I think it is fair to say that given, you
 11:39 22 know, the Commissions and the AUSTRAC matters, for
 11:39 23 example, that I think our work is now being part of a broader, you
 11:39 24 know, review of the anti-money laundering controls at Crown.
 11:39 25 So it probably now has a broader purpose.
 11:39 26
 11:39 27 Q. I see. But it is the case, is it not, that phase 2 specifically of
 11:39 28 Project Libby is being undertaken as a step on the pathway to
 11:40 29 conversion to suitability for Crown Sydney; is that right?
 11:40 30
 11:40 31 A. Yes, my understanding is it is considered an important part
 11:40 32 of the considerations for that, yes.
 11:40 33
 11:40 34 Q. Then in the letter it goes on to say:
 11:40 35
 11:40 36 The suggestions to which our services are related
 11:40 37
 11:40 38 And I will pause there, they are suggestions that are made in the
 11:40 39 Bergin Report; right?
 11:40 40
 11:40 41 A. Yes, they are extracts from that report.
 11:40 42
 11:40 43 Q. They are set out firstly to --- the first suggestion is:
 11:40 44
 11:40 45 *conducting a full and wide-ranging forensic audit of*
 11:40 46 *Crown Resorts' and Crown Sydney's bank accounts to*
 11:40 47 *ensure that the criminal elements that the Commissioner*

11:40 1 *found had infiltrated the accounts of Southbank*
 11:40 2 *Investments Pty Ltd and Riverbank Investments Pty Ltd*
 11:40 3 *..... have not infiltrated any other accounts*

11:40 4
 11:40 5 So you agree that is really a critical context for the work in which
 11:40 6 Deloitte is doing; is that right?

11:40 7
 11:40 8 A. Yes.

11:40 9
 11:40 10 Q. And the second suggestion was:

11:40 11
 11:40 12 *building strong barriers against criminal infiltration of*
 11:40 13 *Crown's bank accounts, with certification to the*
 11:41 14 *satisfaction of the Authority*

11:41 15
 11:41 16 That remains still one of the important contexts for the work
 11:41 17 which Deloitte is undertaking; is that right?

11:41 18
 11:41 19 A. Yes, it is context for the scope of work set out in the letter.

11:41 20
 11:41 21 Q. Yes. So I am going to summarise, and I want you to tell me
 11:41 22 if I have the summary accurate, and if I haven't got it accurate,
 11:41 23 tell me where it is inaccurate.

11:41 24
 11:41 25 If I summarise like this: the Bergin Report essentially said that
 11:41 26 before Crown Sydney could be found suitable to hold the
 11:41 27 Barangaroo gaming licence, the NSW Independent Liquor and
 11:41 28 Gaming Authority would need to be satisfied that Crown's other
 11:41 29 bank accounts had not been infiltrated by criminals? Is that
 11:41 30 an accurate summary?

11:41 31
 11:41 32 A. Yes.

11:41 33
 11:41 34 Q. Am I right to think, therefore, that Deloitte's engagement by
 11:41 35 Crown to forensically review Crown's bank accounts is not really
 11:41 36 an initiative of Crown, it is something that Crown is doing in
 11:42 37 order to be found suitable to hold the Sydney gaming licence,
 11:42 38 casino licence? Do you agree with that proposition?

11:42 39
 11:42 40 A. I can't speak as to whether Crown had broader motivations,
 11:42 41 but certainly that has been the trigger for engaging us on this
 11:42 42 work.

11:42 43
 11:42 44 Q. To illustrate my point, I'm right, aren't I, that when Deloitte
 11:42 45 was engaged to do this project, the written terms of engagement
 11:42 46 weren't set out on a blank piece of paper with Deloitte header on
 11:42 47 it or Crown header on it; in fact, the terms of Deloitte's

11:42 1 engagement were set out in the context of a draft letter from
11:42 2 Crown to the NSW ILGA; is that right?

11:42 3

11:42 4 A. Correct. Yes.

11:42 5

11:42 6 Q. So Crown were drafting a letter to the ILGA to say what it
11:43 7 was going to do in response to the suggestions in the Bergin
11:43 8 Report, and that was how your terms of reference were first
11:43 9 foreshadowed and developed; do you agree?

11:43 10

11:43 11 A. Yes, that's right. Yes.

11:43 12

11:43 13 Q. Now, the letter of engagement up on the screen, you can
11:43 14 see the second bullet point there says at the end:

11:43 15

11:43 16 *..... certification to the satisfaction of the Authority*

11:43 17

11:43 18 I presume the authority there is the NSW ILGA; is that right?

11:43 19

11:43 20 A. That is my understanding, yes.

11:43 21

11:43 22 Q. Is it Deloitte that is going to provide the certification or is it
11:43 23 another body?

11:43 24

11:43 25 A. My understanding is that the review that we will perform
11:43 26 will be provided to the Commission, and that it will consider ---
11:43 27 sorry, will be provided to the authority, to ILGA, to consider
11:43 28 whether it considers that satisfactory in the context of the issues
11:43 29 that were raised in the Bergin Inquiry.

11:43 30

11:44 31 Q. Am I right to say you are kind of hesitating --- you are not
11:44 32 really ---

11:44 33

11:44 34 A. I'm hesitating on the term of "certification". It is a term I
11:44 35 wouldn't describe, but we are performing a review, we've
11:44 36 described the procedures and the approach we are taking to that
11:44 37 review, and the outcome of our work will then be documented in
11:44 38 a report and provided to the authority. Yes.

11:44 39

11:44 40 Q. Okay.

11:44 41

11:44 42 A. That is how we are responding to that, that aspect.

11:44 43

11:44 44 Q. I see. In terms of the time frame, am I right to understand
11:44 45 that phase 2 involves reviewing bank account transactions over
11:44 46 a definite period, has a definite start date and a definite end date;
11:44 47 is that right?

11:44 1
11:44 2 A. Yes, that's right.
11:44 3
11:44 4 Q. Operator, can we move in this document to the page ending
11:44 5 _0002.
11:44 6
11:45 7 There you can see, Ms Dobbin, I will draw your attention to the
11:45 8 heading "Phase 2: Forensic Review". If you look at (i), can you
11:45 9 see there that that refers to the period for the bank transaction
11:45 10 review being the three-year period to the date of this engagement
11:45 11 letter, so, therefore, the three-year period to 22 February 2021;
11:45 12 you can see that?
11:45 13
11:45 14 A. Yes.
11:45 15
11:45 16 Q. Yes. And that, indeed --- we'll come to the changes in
11:45 17 a moment, but as at 22 February 2021, the scope of your
11:45 18 engagement was limited to reviewing the bank transactions for
11:45 19 a three-year period; that is right, isn't it?
11:45 20
11:45 21 A. Yes.
11:45 22
11:45 23 Q. You will agree with me, no doubt, that notwithstanding that
11:45 24 that says three years, the original proposal for this project was for
11:46 25 a review of seven years' worth of bank statements; do you agree?
11:46 26
11:46 27 A. Yes, I think that is right, yes.
11:46 28
11:46 29 Q. Operator, can we go to this document, DTT.007.0002.6036.
11:46 30
11:46 31 Tab 19, Commissioner.
11:46 32
11:46 33 Ms Dobbin, you might recognise this document because it is
11:46 34 a document that Deloitte has provided to the Commission. You
11:46 35 can see the date at the bottom of the page, can you, Ms Dobbin?
11:46 36
11:46 37 A. Yes.
11:46 38
11:46 39 Q. The date of 13 February 2021. So this is a draft letter prior
11:46 40 to the formalisation of Deloitte's engagement; do you agree?
11:46 41
11:46 42 A. Yes, that's right.
11:46 43
11:46 44 Q. In the "Background" section, I just want you to have a look,
11:46 45 it refers to the steps suggested in the Bergin Report to render
11:47 46 Crown Sydney and Crown Resorts suitable; you can see that?
11:47 47

- 11:47 1 A. Yes.
11:47 2
11:47 3 Q. And then you can see, if you look at the last paragraph
11:47 4 under the "Background" section, you can see there it says:
11:47 5
11:47 6 *This letter sets out the review that the Board of Crown*
11:47 7 *Resorts proposes to cause to be undertaken to address*
11:47 8 *these recommendations*
11:47 9
11:47 10 And immediately underneath the heading "The Reviewer", you
11:47 11 can see:
11:47 12
11:47 13 *Crown will appoint Deloitte to conduct the Review*
11:47 14 *(Reviewer).*
11:47 15
11:47 16 That is all accurate; you agree?
11:47 17
11:47 18 A. We had not been engaged at this time, so this was a draft.
11:47 19 Yes, that's right.
11:47 20
11:47 21 Q. Can we turn to the second page, operator, of that letter.
11:47 22
11:48 23 You can see there, Ms Dobbin, at section 4.1, it says:
11:48 24
11:48 25 *The timeframe the subject of the Forensic Audit*
11:48 26 *will be the seven years prior to the commencement of the*
11:48 27 *Forensic Audit*
11:48 28
11:48 29 A. Yes.
11:48 30
11:48 31 Q. So you agree, do you not, that before you were formally
11:48 32 engaged, the original proposal was that Deloitte would review
11:48 33 seven years of bank accounts rather than three years of bank
11:48 34 accounts; do you agree?
11:48 35
11:48 36 A. Yes, I agree.
11:48 37
11:48 38 Q. Do you agree therefore that sometime between 13 February
11:48 39 2021 and 22 February 2021 there was a change to the scope of
11:48 40 the review; do you agree?
11:48 41
11:48 42 A. Yes.
11:48 43
11:48 44 MS O'SULLIVAN: Commissioner, can I tender that draft letter
11:48 45 to the ILGA dated 13 February 2021 at tab 19 of your folder.
11:49 46
11:49 47 COMMISSIONER: I've got a question about that. Just

11:49 1 a procedural question. Will you, during the course of
11:49 2 Ms Dobbin's evidence, be tendering all of the documents that I
11:49 3 have been given in the various tabs?
11:49 4
11:49 5 MS O'SULLIVAN: Yes.
11:49 6
11:49 7 COMMISSIONER: I might treat them, instead of giving them
11:49 8 separate exhibit numbers, if everybody is content, I will treat
11:49 9 them as Ms Dobbin attachment 1, Ms Dobbin attachment 2, Ms
11:49 10 Dobbin attachment 3, and keep the sequence, or do you want to
11:49 11 do it differently? Does anybody have a view?
11:49 12
11:49 13 MS O'SULLIVAN: Sorry, Commissioner, I might have
11:49 14 misunderstood. Are you proposing to essentially tender this as
11:49 15 a bundle?
11:49 16
11:49 17 COMMISSIONER: As a bundle.
11:49 18
11:49 19 MS O'SULLIVAN: Yes.
11:49 20
11:49 21 COMMISSIONER: And just keep the numbers, the tab numbers.
11:50 22 I don't mind.
11:50 23
11:50 24 MS O'SULLIVAN: The only issue is that the tab numbers are,
11:50 25 Commissioner, for your benefit with the hard copy. Everyone
11:50 26 else is working partly electronically, and I'm working across both
11:50 27 to assist you. The others don't have the tab numbers.
11:50 28
11:50 29 COMMISSIONER: Separate exhibit numbers. This is the
11:50 30 old-fashioned way of looking at documents, I should tell
11:50 31 everyone, in case they don't realise it.
11:50 32
11:50 33 At the moment I can just describe it as a draft letter proposed to
11:50 34 be sent by Crown, undated. That will be Exhibit 85.
11:51 35
11:51 36
11:51 37 **EXHIBIT #RC0085 - DRAFT LETTER PROPOSED TO BE**
11:51 38 **SENT BY CROWN (UNDATED)**
11:51 39
11:51 40
11:51 41 MS O'SULLIVAN: You will agree with me, Ms Dobbins, so this
11:51 42 is a draft letter to the ILGA, but the final letter that was sent to
11:51 43 the ILGA referred to a three-year period to review; do you agree?
11:51 44
11:51 45 A. Yes. That's right.
11:51 46
11:51 47 Q. Perhaps I can take you to the letter.

11:51 1
11:51 2 Operator, can we go to DTT.006.0001.1356.
11:51 3
11:51 4 That is tab 20 of your folder, Commissioner.
11:51 5
11:51 6 Can you look through and see that that is essentially a signed
11:51 7 version to the ILGA from Crown Resorts?
11:51 8
11:51 9 A. Yes.
11:51 10
11:51 11 Q. Can we please go to, operator, the page ending _0003.
11:51 12
11:52 13 Ms Dobbin, can you see the second paragraph there from the top,
11:52 14 it says:
11:52 15
11:52 16 *The timeframe the subject of phase 2 will be three years*
11:52 17 *prior to the date of the engagement of the Reviewer.*
11:52 18
11:52 19 A. Yes.
11:52 20
11:52 21 MS O'SULLIVAN: I tender that, Commissioner.
11:52 22
11:52 23 COMMISSIONER: Exhibit 86 will be letter from Crown to
11:52 24 ILGA dated 22 February 2021.
11:52 25
11:52 26
11:52 27 **EXHIBIT #RC0086 - LETTER FROM CROWN TO ILGA**
11:52 28 **DATED 22 FEBRUARY 2021**
11:52 29
11:52 30
11:52 31 MS O'SULLIVAN: Am I right to assume it wasn't you who
11:52 32 made the decision to limit to three years?
11:52 33
11:52 34 A. That's correct.
11:52 35
11:52 36 Q. Who was it who made the decision that the seven-year
11:52 37 review period that was originally proposed be cut back to three
11:52 38 years?
11:52 39
11:52 40 A. I don't know.
11:52 41
11:52 42 Q. Were you not involved in the discussions around that?
11:52 43
11:53 44 A. We were certainly involved in the discussions of elements
11:53 45 of the content of the letter. I was simply informed at a point in
11:53 46 time that the preference was to adopt a three-year review period.
11:53 47 I don't know who made that decision.

11:53 1
11:53 2 Q. Okay. So you were told that the preference was for
11:53 3 a three-year period. I presume that you were told that it was
11:53 4 Crown's preference; is that right?
11:53 5
11:53 6 A. I don't recall the specific words that were used, all I know
11:53 7 is that ultimately it was determined that the scope would be
11:53 8 limited to a three-year period at that time.
11:53 9
11:53 10 Q. Whose other preference could it have been? If someone
11:53 11 said to you, "the preference is to limit it to three years", whose
11:53 12 preference could that be other than Crown's?
11:53 13
11:53 14 A. No, you are right, ultimately Crown would have been
11:53 15 involved in that decision, yes.
11:53 16
11:53 17 Q. When you say "we have been" do you phrase it that way
11:54 18 because you weren't privy to the actual conversation where the
11:54 19 decision was made, is that right?
11:54 20
11:54 21 A. That's right, yes.
11:54 22
11:54 23 Q. Who was it who communicated to you that the preference
11:54 24 was to limit the review to three years and not seven years?
11:54 25
11:54 26 A. I think it was one of the Allens partners that we are
11:54 27 working with.
11:54 28
11:54 29 Q. Did they give you any reason for why that was the
11:54 30 preference?
11:54 31
11:54 32 A. I don't recall at the time.
11:54 33
11:54 34 Q. Were you surprised by the proposed limitation of the
11:54 35 review?
11:54 36
11:54 37 A. I don't think I would say I was surprised. You know, we
11:54 38 understood that Crown was keen to get the work started --- I will
11:54 39 rephrase that. No, look, I wasn't surprised.
11:54 40
11:54 41 Q. So when you were told "look, it is the preference that the
11:54 42 review be reduced from seven years to three years", at that time
11:55 43 did you think that three years was a sufficient period of time on
11:55 44 which to do a review for the purposes that we talked about
11:55 45 earlier?
11:55 46
11:55 47 A. Certainly I agree that seven years is an appropriate period,

11:55 1 given the rate of retention requirements, and it's typically what I
11:55 2 recommend around these sort of lookback exercises. So I felt that
11:55 3 the seven-year period was appropriate.

11:55 4

11:55 5 Q. You said it is appropriate, but is the seven-year period more
11:55 6 appropriate than a three-year period?

11:55 7

11:55 8 A. Yes, for the purposes of determining the extent to which
11:55 9 there has been money laundering activity, certainly the longer
11:55 10 period gives you a better opportunity to identify that activity.

11:55 11

11:55 12 Q. Thank you. It is the case, isn't it, that ultimately the review
11:55 13 period was changed back to seven years; is that right?

11:55 14

11:55 15

11:55 16 A. That's right, yes.

11:55 17

11:56 18 Q. In fact, that was formalised in a variation to your terms of
11:56 19 engagement; is that right?

11:56 20

11:56 21 A. That's correct.

11:56 22

11:56 23 Q. Operator, DTT.002.0001.6480.

11:56 24

11:56 25 Tab 3 of your folder, Commissioner.

11:56 26

11:56 27 Ms Dobbin, you can confirm that is a letter signed by you to
11:56 28 Crown just setting out the variation to your terms of engagement;
11:56 29 is that right?

11:56 30

11:56 31 A. That's right.

11:56 32

11:56 33 Q. You've set out there two variations, is that right?

11:56 34

11:56 35 A. Yes.

11:56 36

11:56 37 Q. The first one was to confirm really that the three-year
11:56 38 period was being varied from a seven-year period to a three-year
11:56 39 period?

11:56 40

11:56 41 A. Yes, that's right.

11:56 42

11:57 43 Q. I will ask you, and you've told me about what you know
11:57 44 about how the original proposal for seven years was reduced to
11:57 45 three years. I now want to ask you, how did it come about that
11:57 46 the three-year period was then extended out to seven years?

11:57 47

11:57 1 A. My understanding is that Crown sought feedback from
11:57 2 ILGA in response to the scope of work that we had agreed, and in
11:57 3 discussions between Crown and ILGA, it was expressed that they
11:57 4 would prefer a longer period of time, and we were later provided
11:57 5 with a letter that ILGA had sent Crown, where they described that
11:57 6 they would prefer that the period be longer.
11:57 7

11:57 8 Q. Okay. Can we go to this document, operator, DTT.00 ---
11:57 9

11:57 10 COMMISSIONER: Do you want to tender the 30 March ---
11:57 11

11:57 12 MS O'SULLIVAN: Sorry, Commissioner, that is already
11:57 13 tendered as part of her statement. So I think it is tabs 1 to 6 ---
11:58 14 sorry, 1 to 7 are already tendered as part of the statement and the
11:58 15 remaining ones aren't.
11:58 16

11:58 17 COMMISSIONER: All right.
11:58 18

11:58 19 MS O'SULLIVAN: Sorry, operator, DTT.002.0002.4020.
11:58 20

11:58 21 That is at tab 21 of your folder, Commissioner.
11:58 22

11:58 23 Ms Dobbin, is that the letter you just mentioned?
11:58 24

11:58 25 A. Yes.
11:58 26

11:58 27 Q. You can see there at the first bullet point that Mr Crawford
11:58 28 from the ILGA has set out the authority's preliminary comments
11:58 29 in respect of the scope of the proposed review, and you will agree
11:59 30 with me there that what Mr Crawford is there suggesting is that
11:59 31 the time period for the forensic review of the bank accounts
11:59 32 should commence from 1 January 2012 to 1 February 2021; you
11:59 33 can see that?
11:59 34

11:59 35 A. Yes.
11:59 36

11:59 37 Q. If my calculations are correct, that is about a nine-year
11:59 38 period; is that right?
11:59 39

11:59 40 A. Yes, that's right.
11:59 41

11:59 42 Q. But ultimately it was reduced to a seven-year period. A lot
11:59 43 of variation, but that happens when you're negotiating the scope
11:59 44 of these terms?
11:59 45

11:59 46 A. Yes.
11:59 47

11:59 1 Q. Do you understand why it was reduced from the ILGA
11:59 2 suggestion of nine years to seven years?

11:59 3

11:59 4 A. Yes. So I was part of this discussion together with Allens
11:59 5 and with Crown, and we talked about the feasibility of doing
11:59 6 a nine-year review, and explored that together with Crown and
11:59 7 with Allens, and we agreed and felt it would be difficult to access
11:59 8 records beyond a seven-year period so that the review would be
12:00 9 quite challenging, and we felt there was probably limited utility
12:00 10 beyond the seven-year period and also that, as I said before,
12:00 11 a seven-year period is quite usual for a lookback of this nature.
12:00 12 So we collectively agreed that a seven-year period, if ILGA
12:00 13 would accept that, would have been more appropriate. And
12:00 14 I believe that feedback was provided to ILGA by Crown.

12:00 15

12:00 16 MS O'SULLIVAN: Thank you.

12:00 17

12:00 18 I tender that letter, Commissioner.

12:00 19

12:00 20 COMMISSIONER: Exhibit 87, letter dated 10 March 2021 from
12:00 21 ILGA to Crown Resorts.

12:00 22

23

24 **EXHIBIT #RC0087 - LETTER DATED 10 MARCH 2021**
25 **FROM ILGA TO CROWN RESORTS DATED 10 MARCH**
26 **2021**

27

28

12:00 29 MS O'SULLIVAN: In terms of the finalised scope of the review,
12:00 30 you are looking at seven years' worth of bank transactions. Can I
12:00 31 ask, are you looking at each transaction or are you doing a sample
12:00 32 exercise?

12:00 33

12:00 34 A. We are looking at all transactions, but we are applying
12:00 35 analytical models. That may not necessarily include
12:01 36 a line-by-line, sort of a human review, but we will be applying the
12:01 37 models across all transactions.

12:01 38

12:01 39 Q. I understand this works, like you have to build essentially
12:01 40 an analytical tool, which will review the transactions, and you
12:01 41 instruct the analytical tool what to look for; is that right?

12:01 42

12:01 43 A. Yes, and there will be a combination of manual review and
12:01 44 analytical methods.

12:01 45

12:01 46 Q. We will come to that in some detail at a later point, I want
12:01 47 to start with your original terms of reference. I want to ask you

12:01 1 some questions which explore the differences between what
12:01 2 Deloitte are doing and what the suggestions that were made in the
12:01 3 Bergin Report. We specifically asked you about this and in your
12:01 4 witness statement you've given us some responses.

12:01 5
12:01 6 A. Yes.

12:01 7
12:01 8 Q. Just so that we are all on the same page, operator, can you
12:01 9 bring up a copy of the Bergin Report? That is
12:02 10 COM.0005.0001.0334. Operator, if you can go to page 567 of
12:02 11 that document. Sorry, operator, are you able to go to page 567 of
12:02 12 the document in terms of page reference numbers at the bottom
12:02 13 rather than the document ID? 69, sorry. No, you are right, 567.
12:03 14 Apologies. If we can look at the top of the page, thanks,
12:03 15 operator.

12:03 16
12:03 17 You can see here I've turned to chapter 4.2 of the Bergin Report,
12:03 18 which is "Conversion to Suitability". Is this the part of the report
12:03 19 you would have read?

12:03 20
12:03 21 A. Yes.

12:03 22
12:03 23 Q. Operator, can we move to page 569, two pages over. In
12:03 24 particular, if we can highlight paragraph 16. That is where the
12:03 25 Bergin Report sets out the "Full and wide-ranging forensic audit".
12:03 26 You can see there, can't you, Ms Dobbin, that there is a reference
12:03 27 to:

12:03 28
12:03 29 *..... a full and wide-ranging forensic audit of all of their*
12:03 30 *[bank] accounts to ensure that the criminal elements that*
12:04 31 *infiltrated Southbank and Riverbank have not infiltrated*
12:04 32 *any other accounts.*

12:04 33
12:04 34 A. Yes.

12:04 35
12:04 36 Q. In your witness statement, you have pointed out some
12:04 37 differences between what Bergin suggests and what Deloitte is
12:04 38 doing; is that right?

12:04 39
12:04 40 A. That's right.

12:04 41
12:04 42 Q. In particular, you have pointed out that there are two types
12:04 43 of Crown bank accounts which will not be the subject of the bank
12:04 44 account transaction review part of Project Libby; is that right?

12:04 45
12:04 46 A. That's right.

12:04 47

12:04 1 Q. The first of those types of those bank accounts that are not
12:04 2 the subject of the forensic review, you've called them the
12:04 3 accounts used for payroll and corporate operations; is that right?

12:04 4
12:04 5 A. We are describing them in our work as non-patron
12:04 6 accounts, though what you just described are examples of
12:04 7 accounts that would fit into that category.

12:04 8
12:04 9 Q. Okay. So you've divided the accounts up into patron
12:04 10 accounts and non-patron accounts; is that right?

12:04 11
12:04 12 A. That's right, yes.

12:04 13
12:04 14 Q. Also, there is a second set of accounts, not bank accounts,
12:05 15 but there is a second set of accounts that aren't being reviewed; is
12:05 16 that right?

12:05 17
12:05 18 Yes, that's right.

12:05 19
12:05 20 Q. And that is the customer deposit accounts; is that right?

12:05 21
12:05 22 A. Yes, although we will be reviewing some elements of the
12:05 23 customer deposit accounts where there are related transactions in
12:05 24 the patron accounts.

12:05 25
12:05 26 Q. I see. But in respect of --- actually, I am going to take
12:05 27 a step back for a moment because some of the terminology,
12:05 28 especially the phrase "patron accounts" can be confused with the
12:05 29 notion of customer deposit accounts. Just to make it clear,
12:05 30 Crown, obviously like many other corporate entities, has bank
12:05 31 accounts; you agree?

12:05 32
12:05 33 A. Yes.

12:05 34
12:05 35 Q. It has some bank accounts on which --- well, in respect of
12:05 36 which customers can pay money into that account for their later
12:05 37 use on the gaming floor; do you agree?

12:05 38
12:06 39 A. Yes.

12:06 40
12:06 41 Q. You've called them the patron accounts; is that right?

12:06 42
12:06 43 A. Yes, that's right. That is a defined term we are using in this
12:06 44 engagement.

12:06 45
12:06 46 Q. So they are bank accounts on which customers of Crown
12:06 47 can pay money into Crown for their later use at the casino?

12:06 1
12:06 2 A. Yes, that's right.
12:06 3
12:06 4 Q. That later use, that might be the following day or it might
12:06 5 be three weeks later or it might be three months later; is that
12:06 6 right?
12:06 7
12:06 8 A. Yes, that's right.
12:06 9
12:06 10 Q. Separately, Crown has a series of accounts that aren't bank
12:06 11 accounts but are, I think you called them DAB accounts?
12:06 12
12:06 13 A. Yes, my understanding is that is what they are called,
12:06 14 within Crown.
12:06 15
12:06 16 Q. So Crown's own language is that they are called the DAB
12:06 17 accounts?
12:06 18
12:06 19 A. Yes, that's right.
12:06 20
12:06 21 Q. Am I right to understand that they are more like a ledger
12:06 22 account?
12:06 23
12:06 24 A. Yes, that's my understanding.
12:06 25
12:06 26 Q. So they are kind of like bank accounts but not held at
12:06 27 a bank?
12:06 28
12:06 29 A. Yes, that's right.
12:06 30
12:06 31 Q. They don't attract interest but they are essentially the
12:06 32 customer's account?
12:07 33
12:07 34 A. I don't know about the interest side of it, but certainly they
12:07 35 are used by patrons to facilitate their gaming activity within
12:07 36 Crown.
12:07 37
12:07 38 Q. Okay. So in respect of the DAB accounts, we will call
12:07 39 them that?
12:07 40
12:07 41 A. Yes.
12:07 42
12:07 43 Q. The DAB accounts are --- you've just explained, I
12:07 44 suggested that they were excluded from the review and you said
12:07 45 that you might have reference to them at some point, but in
12:07 46 respect of the DAB accounts, it is not the case, is it, that you are
12:07 47 going to upload seven years' worth of transaction data from the

12:07 1 DAB accounts, and then build a forensic analytical tool which
12:07 2 will review those accounts. That is not happening; is that right?
12:07 3

12:07 4 A. No, that's right. Our work is being driven by the activity
12:07 5 that we see in the patron accounts and related activity, for
12:07 6 example, patrons that may have used that channel. We will then
12:08 7 go and retrieve other records for those patrons, or other related
12:08 8 transactions from other systems which would include the DAB
12:08 9 accounts.
12:08 10

12:08 11 Q. Okay.
12:08 12

12:08 13 A. But you are right, we are not doing a complete lookback on
12:08 14 non-related --- activity in the DAB accounts that is unrelated to
12:08 15 the patron accounts.
12:08 16

12:08 17 Q. I see. So when you are doing the forensic review of the
12:08 18 bank account transaction data, there might be occasions in which
12:08 19 you look into corresponding DAB accounts; that's right?
12:08 20

12:08 21 A. Yes, that's right.
12:08 22

12:08 23 Q. But that will be on a case-by-case basis; is that accurate?
12:08 24

12:08 25 A. We're still working through, you know, the scope of the
12:08 26 data that we will request. But, yes, that is right, it will be on
12:08 27 a case-by-case basis.
12:08 28

12:08 29 Q. Am I right to assume that when you get to the end of this
12:08 30 project you are not going to be able to say to anyone, whether that
12:09 31 be Crown or the ILGA, that there is no money laundering on the
12:09 32 DAB accounts?
12:09 33

12:09 34 A. No, we won't be able to say that.
12:09 35

12:09 36 Q. You won't be able to say one way or the other, that there is
12:09 37 or isn't money laundering on the DAB accounts; is that right?
12:09 38

12:09 39 A. Correct.
12:09 40

12:09 41 Q. And do you see transactions on the DAB accounts to be
12:09 42 a significant area of potential money laundering activity which
12:09 43 could be the subject of a review?
12:09 44

12:09 45 A. I would see them as accounts that will have relevant
12:09 46 transactions or relevant behavioural patterns that will help us to
12:09 47 understand what we are seeing in the bank accounts.

12:09 1
12:09 2 Q. Yes, I do accept that they are going to be relevant but my
12:09 3 question was slightly different. I will ask it again. Do you see
12:09 4 that the transaction activity on the DAB accounts, in and of itself,
12:09 5 is a significant area of potential money laundering activity that
12:10 6 could be the subject of a review?
12:10 7
12:10 8 A. Yes, I would agree with that.
12:10 9
12:10 10 Q. And you are not doing that review. Do you know if anyone
12:10 11 else is doing that review or if it is proposed that anyone else do
12:10 12 that review?
12:10 13
12:10 14 A. I'm not aware of that, no.
12:10 15
12:10 16 Q. There is obviously very many transactions occurring on the
12:10 17 DAB accounts that won't be examined by you or to your
12:10 18 knowledge to anyone else; is that right?
12:10 19
12:10 20 A. To my knowledge, that is correct.
12:10 21
12:10 22 Q. Does that mean that the results of the Deloitte bank account
12:10 23 review couldn't be considered to be any type of comprehensive
12:10 24 analysis as to the extent of money laundering that is occurring on
12:10 25 Crown's accounts generally?
12:10 26
12:10 27 A. I think it would depend on how you interpreted the term
12:10 28 "accounts", which is why I made the distinction in my statement.
12:11 29 We have interpreted it as meaning accounts similar to those that
12:11 30 were referenced in the Commission Inquiry, which were the
12:11 31 Riverbank and Southbank accounts, and so we have interpreted
12:11 32 that as bank accounts. Yes, if you consider "accounts" to include
12:11 33 DAB accounts, then our review is not comprehensively covering
12:11 34 all of those accounts.
12:11 35
12:11 36 Q. Yes, and would you agree with me that money laundering
12:11 37 can occur on the DAB accounts?
12:11 38
12:11 39 A. Yes.
12:11 40
12:11 41 Q. So that is one of the types of accounts that aren't being
12:11 42 looked at. Now I want to look at the second type of account that
12:11 43 is not being looked at.
12:11 44
12:11 45 A. Yes.
12:11 46
12:11 47 Q. I understand that what you've done is essentially tried to

12:11 1 look at accounts which were operated in a manner similar to the
12:11 2 way Southbank and Riverbank were operated; is that right?
12:11 3
12:11 4 A. Yes. We've looked for accounts, as you described earlier,
12:11 5 we've looked for accounts into which patrons were able to make
12:12 6 deposits.
12:12 7
12:12 8 Q. Okay. I might take a step back. As I understand it, the
12:12 9 phase 2 --- was one of the first things you do was map out all the
12:12 10 various Crown entities?
12:12 11
12:12 12 A. Yes, that's right. Step one was to assess legal entities
12:12 13 associated with Crown's Australian gaming operations as a step one.
12:12 14
12:12 15 Q. So you weren't looking at any Crown entities that were not
12:12 16 associated with their Australian casino operations; is that right?
12:12 17
12:12 18 A. Crown originally provided us with a list of entities that they
12:12 19 considered to be associated with their Australian gaming
12:12 20 operations. We did a broader search, deployed a number of
12:12 21 methods to do that of potential other entities, which we then
12:12 22 brought back to discuss with Crown but ultimately ended up with
12:12 23 a list of entities that were relevant to the Australian gaming
12:12 24 operations. So we did go broader, and then were able to kind of
12:12 25 condense back down to entities that were relevant to gaming
12:13 26 operations in Australia.
12:13 27
12:13 28 Q. Okay. So as I understand it, you originally went to Crown
12:13 29 and said, "can you give us a list of all your entities" and they
12:13 30 gave them to you ---
12:13 31
12:13 32 A. Yes.
12:13 33
12:13 34 Q. --- and then in a sense you didn't take that on at face value,
12:13 35 you did your own searches. I presume that was in the form of
12:13 36 company searches and the like?
12:13 37
12:13 38 A. We did a range of things. So, for example, we looked
12:13 39 through previous public reports, we looked at common
12:13 40 directorships of past and current directors of Crown to look for
12:13 41 entities with which they had been associated, and we did other
12:13 42 public searches to come up with a long list, if you like, of
12:13 43 possible entities, and then we applied a series of tests across that
12:13 44 long list to get back to the point of entities that we had further
12:13 45 questions to talk through with Crown or entities where we were
12:13 46 satisfied that they were not associated with Crown's gaming
12:13 47 operations.

12:13 1
12:13 2 Q. I see. So, in a sense, you independently verified --- you
12:14 3 tried to find the whole universe of Crown entities, and that was
12:14 4 larger than the original list than Crown had given; is that right?
12:14 5
12:14 6 A. That's correct.
12:14 7
12:14 8 Q. You didn't want to look at the entire universe because
12:14 9 Crown had some international operations, is that right, and you
12:14 10 wanted to confine it to just the Crown entities that had some
12:14 11 relationship with the Australian casino operations; is that right?
12:14 12
12:14 13 A. That's right. But one of the tests that we applied was the
12:14 14 extent to which a patron, again the extent to which a patron could
12:14 15 apply a deposit into Crown's gaming operations and, as a result,
12:14 16 for example, we will be looking at one of Crown's overseas
12:14 17 operations where we understand the patrons do have an ability to,
12:14 18 just as you would from any other casino, they do have an ability
12:14 19 to move funds from their casino account at that property to the
12:14 20 Australian property.
12:14 21
12:14 22 Q. Is that like the Hong Kong --- there was an account in Hong
12:14 23 Kong --
12:14 24
12:14 25 A. It is Aspinall's in the UK, which is a UK entity. So that
12:15 26 will be included in the scope of our patron account population.
12:15 27
12:15 28 Q. So you have now got to the point where you have a landing,
12:15 29 or a set list of Crown entities. Am I right to understand the next
12:15 30 step is you said, well, how many of these have bank accounts?
12:15 31 Because there might be entities that don't have bank accounts; is
12:15 32 that right?
12:15 33
12:15 34 A. Yes, that's right.
12:15 35
12:15 36 Q. Then you assess what subset of that list has bank accounts,
12:15 37 and then you are essentially looking to divide that list of bank
12:15 38 accounts into two groups; is that right?
12:15 39
12:15 40 A. Yes.
12:15 41
12:15 42 Q. And the criterion on which it goes either into Group A or B
12:15 43 is whether or not a customer is able to make a deposit and
12:15 44 withdrawals on that account; is that right?
12:15 45
12:15 46 A. Yes, that's right.
12:15 47

- 12:15 1 Q. Am I right to understand, let's just say Group A, that's my
12:15 2 terminology, tell me if you have a different term, Group A is the
12:15 3 bank accounts on which customers can make deposits and
12:15 4 withdrawals, and they are the ones that you've assessed are the
12:16 5 ones that operated in a similar manner to Southbank --- the
12:16 6 Southbank and Riverbank accounts; is that right?
12:16 7
- 12:16 8 A. Yes, we've assessed them as having the ability to accept, or,
12:16 9 as you say, withdraw patron deposits.
12:16 10
- 12:16 11 Q. Yes, and so the Group B, which are the bank accounts on
12:16 12 which customers are not able to make deposits or withdraw
12:16 13 funds, they are the ones that are excluded from the full
12:16 14 transaction report; is that right?
12:16 15
- 12:16 16 A. That's right, they've been excluded from the transaction
12:16 17 review, but we have undertaken a process where we have done
12:16 18 some sample testing of transactions in those accounts to, I guess,
12:16 19 verify, if you like, that the purpose that has been described to us
12:16 20 of those accounts is in fact not a patron deposit purpose. So we
12:16 21 have tested, if you like, on a sample basis, that the accounts that
12:17 22 are in the non-patron category in fact do not have patron deposits
12:17 23 going through them.
12:17 24
- 12:17 25 Q. Yes. Because, I mean, all you really need in order to make
12:17 26 a deposit is the BSB number and the account number; is that
12:17 27 right?
12:17 28
- 12:17 29 A. That's right. Yes.
12:17 30
- 12:17 31 Q. So there is a bit of difficulty in the distinction in an account
12:17 32 on which a customer can make a deposit and an account on which
12:17 33 a customer can't make a deposit; do you agree?
12:17 34
- 12:17 35 A. Yes, it requires someone at Crown with knowledge of the
12:17 36 bank accounts to have shared that information with the patron.
12:17 37
- 12:17 38 Q. Yes. It is, of course, equally possible for a money
12:17 39 launderer to put money into one of the bank accounts that you
12:17 40 have put into category B; is that right?
12:17 41
- 12:17 42 A. It is. But the ability to access that money again is obviously
12:17 43 challenged if Crown would need to know that the money had
12:18 44 gone there and the money launderer would need to have a way of
12:18 45 doing something with that money.
12:18 46
- 12:18 47 Q. I see. In respect of category B, the types of accounts that

12:18 1 are in there, I think you described them in your statement,
12:18 2 an example of the types of accounts in category B are like payroll
12:18 3 and operations accounts; is that right?
12:18 4
12:18 5 A. Yes.
12:18 6
12:18 7 Q. So in the Deloitte documents, am I right to understand
12:18 8 category B is essentially called "out of scope" accounts and
12:18 9 category A is "in scope" accounts, is that right?
12:18 10
12:18 11 A. Category B is called non-patron accounts, and they are in
12:18 12 scope for our work, but not in scope for the detailed transactional
12:18 13 review --
12:18 14
12:18 15 Q. I see.
12:18 16
12:18 17 A. --- and the other category is patron accounts which are in
12:18 18 scope for the detailed transactional review.
12:18 19
12:19 20 Q. Okay. Now, just returning briefly to the DAB accounts,
12:19 21 which I understand will be relevant at times to your review but
12:19 22 there is no comprehensive review of seven years of transactions
12:19 23 on those accounts. I think you agreed with me earlier that you
12:19 24 can have money laundering on the DAB accounts. Can I take you
12:19 25 to this document.
12:19 26
12:19 27 Operator, can you bring up DTT.010.0005.0041.
12:19 28
12:19 29 That is at tab 23.
12:19 30
12:19 31 Can we have that brought up to hearing room only, just as
12:19 32 a portion. So, there is obviously a document that Deloitte has
12:19 33 provided to the Commission. Are you --- yes, I see. Ms Dobbin,
12:19 34 you can see that is a Deloitte document that is in draft and it is
12:20 35 dated February 2021. Is that a document you are familiar with?
12:20 36
12:20 37 A. Yes, it is.
12:20 38
12:20 39 Q. Is that essentially one of the very many working documents
12:20 40 you are using for the purpose of Project Libby?
12:20 41
12:20 42 A. Yes. This is a working document. In fact, this document
12:20 43 has now been superseded.
12:20 44
12:20 45 Q. Yes, okay.
12:20 46
12:20 47 If it is superseded in a relevant --- I will take you to one part and

12:20 1 if it is superseded in that part, could you please let me know.
12:20 2
12:20 3 Operator, can we go to the page _0018.
12:20 4
12:20 5 Ms Dobbin, if you are familiar with this, otherwise I will give
12:20 6 you a moment to familiarise yourself with the document. Thank
12:21 7 you.
12:21 8
12:21 9 Just in terms of the document generally, am I right to understand
12:21 10 that this document, albeit a draft, sets out a whole series of money
12:21 11 laundering typologies; is that right?
12:21 12
12:21 13 A. Yes, that's right.
12:21 14
12:21 15 Q. Is "typologies" a fancy word for "technique"?
12:21 16
12:21 17 A. "Scenario", "technique", yes.
12:21 18
12:21 19 Q. All right. So "typology", "technique", "scenario", they are
12:21 20 interchangeable in this context?
12:21 21
12:21 22 A. Yes.
12:21 23
12:21 24 Q. Do you agree with me that what is set out on this page is
12:21 25 a money laundering scenario?
12:21 26
12:21 27 A. Yes.
12:21 28
12:21 29 Q. Would you agree with me that this is a scenario of money
12:21 30 laundering on DAB accounts? Sorry, I said DAB accounts,
12:22 31 which is a specific term in respect of Crown, but essentially what
12:22 32 I'm asking you is this a scenario about money laundering in
12:22 33 casino accounts that are not bank accounts?
12:22 34
12:22 35 A. I would say it is a scenario that is relevant to casinos. What
12:22 36 we are talking about here is probably more likely --- and yes, you
12:22 37 are right, in the context of opening or accessing an account, this
12:22 38 behaviour might be evident. But there may also be other ways
12:22 39 that the casino could detect this. It may not necessarily always
12:22 40 happen on the account itself.
12:22 41
12:22 42 Q. I see. But am I right to understand that insofar as this sets
12:22 43 out a money laundering technique on a customer account or
12:22 44 a DAB account, this type of technique is not being captured by
12:22 45 the Deloitte review; is that right?
12:22 46
12:22 47 A. Essentially what we've looked at is our ability, if you like,

12:22 1 to detect certain of these typologies through the transactional
12:23 2 details that we'll see in the bank accounts and the associated data
12:23 3 that we will pull through. This particular typology really goes
12:23 4 more to the onboarding procedures or Know Your Customer
12:23 5 procedures performed by the casino.
12:23 6
12:23 7 There may be some cases where we will be able to look at this
12:23 8 typology, for example, through the bank account review we may
12:23 9 identify patrons of interest, for example, into which we will
12:23 10 conduct a deeper dive, which might include collecting Know
12:23 11 Your Customer information that the casino may have collated.
12:23 12 So, it is possible that we will be able to identify some of this type
12:23 13 of activity, but this will be a difficult --- this sort of typology will
12:23 14 be difficult to analytically search for, in the data that we have.
12:23 15
12:24 16 Q. Okay, and you haven't been tasked specifically to search for
12:24 17 this type of behaviour; is that right?
12:24 18
12:24 19 A. No. So we've been given the brief, as we described earlier,
12:24 20 to look for behaviour that is potentially indicative of money
12:24 21 laundering as part of our, I guess, research for that. We've
12:24 22 collated a series of casino typologies; not all of those will be
12:24 23 relevant to the bank accounts. That is, if you like, a going-in
12:24 24 position that we are starting with, but ultimately our review will
12:24 25 be led by what we see in the data.
12:24 26
12:24 27 Q. Okay, and that is the data on the bank account transactions;
12:24 28 is that right?
12:24 29
12:24 30 A. Starting with the bank account transactions and then
12:24 31 leading to other data on a case-by-case basis.
12:24 32
12:24 33 Q. It is right to say, isn't it, that there can be a whole suite of
12:24 34 different types of money laundering at a casino that don't involve
12:24 35 a bank account at all?
12:24 36
12:24 37 A. Yes, that's right.
12:24 38
12:24 39 Q. And also a whole suite of money laundering that might
12:24 40 occur on the floor of the casino that doesn't involve the DAB
12:25 41 accounts; is that right?
12:25 42
12:25 43 A. Yes.
12:25 44
12:25 45 Q. And all of that is out of scope for the Deloitte review, that's
12:25 46 not being looked at --
12:25 47

12:25 1 A. That is not in scope for our review.

12:25 2

12:25 3 Q. I want to ask you some questions about the method that you
12:25 4 are using to conduct the phase 2 review. What I'm interested in
12:25 5 understanding is you have identified a whole series of in-scope
12:25 6 bank accounts, and am I right to understand that you essentially
12:25 7 take the data but there has to be some process where the data is
12:25 8 converted into a data that can be read by a computer, I mean, does
12:25 9 it have to be transitioned into Excel or something like that, is that
12:25 10 right?

12:25 11

12:25 12 A. Yes, that's right. Particularly some of the older bank
12:25 13 account statements are in PDF form, so they have needed to be
12:25 14 converted into lines of data, if you like. Yes.

12:25 15

12:25 16 Q. So, we might come back to the data conversion in a minute,
12:26 17 but once that data conversion has been done, are you taking each
12:26 18 of the accounts that are in-scope, one by one, and looking at them
12:26 19 individually to see whether there are indications of money
12:26 20 laundering on that account?

12:26 21

12:26 22 A. We haven't gotten to that stage yet. At the moment we are
12:26 23 still, if you like, aggregating and collecting all the data in. So we
12:26 24 haven't gotten to that stage yet.

12:26 25

12:26 26 Q. I will propose something and you can tell me whether it is
12:26 27 likely to happen or not. I'm interested to know whether you will
12:26 28 be looking for money laundering --- for evidence of money
12:26 29 laundering only within each account individually or whether you
12:26 30 will be looking for money laundering across accounts.

12:26 31

12:26 32 A. It will certainly be holistic, so we will be looking across
12:26 33 accounts. We will be looking at patterns of behaviour across all
12:27 34 the data we have.

12:27 35

12:27 36 Q. Okay. For example, if I was interested in laundering
12:27 37 money, and I knew that Crown had multiple accounts on which
12:27 38 they accepted customer deposits, one of the ways in which I
12:27 39 might try and hide my money laundering, or hide my money, is I
12:27 40 might deposit a little bit into account A, a bit into account B,
12:27 41 a large amount into account C and so on and so forth. Will the
12:27 42 tool that you are building be able to recognise that type of pattern
12:27 43 of money laundering as opposed to just looking at the accounts
12:27 44 individually one by one?

12:27 45

12:27 46 A. Yes, that's right. So there is a number of ways or angles, if
12:27 47 you like, that we'll be analysing the data. One will be, for

12:27 1 example, patron-led or depositor-led or account-led. So there
12:27 2 will be lots of different angles that we'll come at the review from
12:27 3 when we have the data collated.

12:27 4

12:28 5 Q. You told us earlier there might be times when you need to
12:28 6 refer to the information in the DAB accounts.

12:28 7

12:28 8 A. Yes.

12:28 9

12:28 10 Q. Is it your understanding there might be some customers
12:28 11 who have multiple the DAB accounts?

12:28 12

12:28 13 A. I suspect that is a possibility. I haven't explored that yet in
12:28 14 detail.

12:28 15

12:28 16 Q. Can I put it that way, if you don't grapple with that
12:28 17 prospect, is there a real prospect that you might miss some money
12:28 18 laundering because a money launderer individually or together
12:28 19 might be using multiple DAB --- might be withdrawing --- might
12:28 20 be depositing money into Crown's patron accounts and indicating
12:28 21 that it be allocated to multiple different DAB accounts --

12:28 22

12:28 23 A. So, certainly if we are looking at a particular patron, we
12:28 24 will be requesting from Crown all of the accounts relating to that
12:29 25 patron. Part of the review will also include looking at ---
12:29 26 typically what we see is the transaction in the bank account will
12:29 27 specify a patron ID or a name in the narrative field of the
12:29 28 transaction, and we are also requesting and, you know, the
12:29 29 expectation is in a lot of cases they will be the patron making the
12:29 30 deposit, but in some cases they won't be and in that case we will
12:29 31 also be looking for the accounts of those patrons referenced in the
12:29 32 transactions, whether or not they are the ones who made the
12:29 33 deposit.

12:29 34

12:29 35 Q. Yes. So --- but if I am a money launderer and I'm making
12:29 36 multiple deposits into Crown's patron accounts, to their bank
12:29 37 account, and in each one I'm specifying a different DAB account
12:29 38 because I've been tricky and I've managed to get myself more
12:29 39 than one DAB account, notwithstanding that I'm more than one
12:29 40 person, aren't you going to miss some of the signs of money
12:30 41 laundering unless you can identify that in some instances there are
12:30 42 multiple DAB accounts for a single patron?

12:30 43

12:30 44 A. I think we will identify that. So if there are multiple DAB
12:30 45 accounts referenced, we will get those multiple DAB accounts.
12:30 46 The only way they might be missed is if somehow the DAB
12:30 47 accounts were set up with different names such that they look like

12:30 1 completely different people. But if someone had set up two
12:30 2 accounts in their name, then we would see that those are the same
12:30 3 customer, and we would be able to associate that patron with
12:30 4 those two accounts.

12:30 5

12:30 6 Q. But if they have set up multiple DAB accounts using fake
12:30 7 identification or in different names, you won't be able to identify
12:30 8 that, essentially and, therefore, you might miss some of the
12:30 9 signs of money laundering; is that a real prospect?

12:30 10

12:31 11 A. If there are accounts set up in names other than the patron's
12:31 12 name, then we won't be able to associate them with other DAB
12:31 13 accounts that they've taken out. That may not necessarily mean
12:31 14 that we will miss the indications of money laundering, depending
12:31 15 on how obvious the patterns of behaviour are in the transactions
12:31 16 that we are looking at.

12:31 17

12:31 18 Q. How? How do you know? How could you find out if
12:31 19 when they are putting the money into separate transactions into
12:31 20 Crown's bank accounts with indications to credit it to
12:31 21 different DAB accounts, how can you find out that they are
12:31 22 related?

12:31 23

12:31 24 A. We may not necessarily know that they are related, but that
12:31 25 in itself would be a suspicious indicator, if you like, if you saw
12:31 26 a single depositor, the same depositor using multiple different
12:31 27 accounts, that itself would be an indicator we would want to
12:31 28 explore further.

12:31 29

12:31 30 Q. In respect of the status of the phase 2 work, you told me
12:32 31 earlier that it was under way but not yet complete. Are you able
12:32 32 to tell us where you are up to on the journey, so to speak? Are
12:32 33 you over halfway, are you still at the beginning, are you getting
12:32 34 close to completion; where are you up to?

12:32 35

12:32 36 A. I would say we are probably halfway. We've completed our
12:32 37 review of the legal entities that we were talking about earlier.
12:32 38 I think we now have all the bank account data, or close to, we're
12:32 39 very close to having all the data we requested. We have built
12:32 40 some of our models. We are now in the process of starting to
12:32 41 look through the data.

12:32 42

12:32 43 So, if you like, the preliminary analysis is underway now,
12:32 44 following which we'll refine that analysis and then do some
12:32 45 further, what we are calling deep dives into specific activity that
12:33 46 either may require different or additional data or may require
12:33 47 more manual review to understand.

12:33 1
12:33 2 Q. So, I presume you have, therefore, settled on the final list of
12:33 3 legal entities; is that right?
12:33 4
12:33 5 A. Yes, that's right.
12:33 6
12:33 7 Q. How many legal entities are there as part of the final list?
12:33 8
12:33 9 A. Yeah, I think there is 11 legal entities that we are looking
12:33 10 at.
12:33 11
12:33 12 Q. Have you got a landing on the number of bank accounts
12:33 13 that are in scope and out of scope?
12:33 14
12:33 15 A. So at this stage, it is 11 legal entities with 44 associated
12:33 16 bank accounts.
12:33 17
12:33 18 Q. So 44 that are in scope; is that right?
12:33 19
12:33 20 A. No, actually --- yes, I think it is 44, yes. Apologies, I'm just
12:33 21 trying to remember.
12:33 22
12:33 23 Q. It's not a memory test so we've got some documents but
12:33 24 obviously --- we've required Deloitte to provide some
12:34 25 documents ---
12:34 26
12:34 27 A. Yes.
12:34 28
12:34 29 Q. --- but there is a delay between when we get them and you
12:34 30 are in the interim still going through the process ---
12:34 31
12:34 32 A. Yes.
12:34 33
12:34 34 Q. --- and so I'm conscious that some of the documents we
12:34 35 might have are already out of date. I will take you to some of
12:34 36 them just to help structure the questioning.
12:34 37
12:34 38 Operator, can we go to document DTT.010.0004.0168.
12:34 39
12:34 40 Commissioner, that is tab 24, although, I think I haven't tendered
12:34 41 the previous document, which was the typologies draft. I will
12:34 42 tender the draft typologies document, February 2021, for the
12:34 43 transcript, that is DTT.010.0005.0041.
12:34 44
12:34 45 COMMISSIONER: I will mark that Exhibit 88, describing it as
12:34 46 Deloitte's selection of money laundering typologies, explanatory
12:35 47 guide in draft.

12:35 1

2

3

**EXHIBIT #RC0088 - DELOITTE'S SELECTION OF
MONEY LAUNDERING TYPOLOGIES, EXPLANATORY
GUIDE IN DRAFT**

6

12:35 7

12:35 8 MS O'SULLIVAN: Thank you, Commissioner.

12:35 9

12:35 10 Ms Dobbin, can you see this document that has been brought up
12:35 11 to the screen? There are black marks.

12:35 12

12:35 13 A. Yes.

12:35 14

12:35 15 Q. That is just to ensure people's private emails are not
12:35 16 publicly disclosed, but you can see this is an email that you
12:35 17 received from Paul Curwell on 22 March 2021. You might not
12:35 18 remember receiving that. Who is Paul Curwell and what is his
12:35 19 role, if any, in Project Libby?

12:35 20

12:35 21 A. Paul is a director in our forensic team and he is part of the
12:35 22 team working on phase 2.

12:36 23

12:36 24 Q. Am I right to understand this is an email to Crown
12:36 25 concerning the upload of bank transaction data?

12:36 26

12:36 27 A. Yes.

12:36 28

12:36 29 Q. This email was sent after the review period was extended
12:36 30 from three to seven years; is that right?

12:36 31

12:36 32 A. Yes.

12:36 33

12:36 34 Q. He is emailing Crown to say it is no longer three, and it is
12:36 35 now seven, you'd better give us more documents; is that right?

12:36 36

12:36 37 A. yes.

12:36 38

12:36 39 Q. The email attached a bank account tracker as an Excel
12:36 40 document. Is a bank account tracker a document whereby you are
12:36 41 tracking all of the bank accounts that you are either looking at or
12:36 42 you are receiving bank transaction data in respect of; is that right?

12:36 43

12:36 44 A. Yes, that's right, we use the tracker to assess the status of
12:36 45 the data that we've received and to communicate with Crown
12:36 46 about statements we are still missing.

12:36 47

12:36 1 Q. So it is a document that goes to and fro, between Deloitte
12:36 2 and Crown --

12:36 3

12:36 4 A. Yes.

12:36 5

12:36 6 Q. --- and you might do things like highlight in yellow things
12:37 7 that you are missing?

12:37 8

12:37 9 A. I'm not sure how we specifically flagged gaps, but it is
12:37 10 a working document between Crown and Deloitte.

12:37 11

12:37 12 MS O'SULLIVAN: I will tender that email.

12:37 13

12:37 14 COMMISSIONER: Email from Paul Curwell to Mary Gioras
12:37 15 dated 22 March 2021 is Exhibit 89.

12:37 16

17

18 **EXHIBIT #RC0089 - EMAIL FROM MR PAUL CURWELL**
19 **TO MS MARY GIORAS DATED 22 MARCH 2021**

20

21

22 MS O'SULLIVAN: I am going to turn to the attachments to that
12:37 23 email. Commissioner, I haven't printed out the attachment
12:37 24 because it is an Excel spreadsheet in native format, there is a few
12:37 25 of these and some of them have multiple tabs, and they are so
12:37 26 large when you print them out you either can't see everything on
12:37 27 one page, or if you can the typeface is so small you can't read it.
12:37 28 So I will ask you to follow on the screen.

12:37 29

12:38 30 Can we bring up this document, please, operator,
12:38 31 DTT.010.0004.0169? To the hearing room only, please. I might
12:38 32 say, in respect of all the Excel spreadsheets, can we bring them
12:38 33 up to hearing room only. Just so that people understand, that is
12:38 34 because they have bank account details in them and the specific
12:38 35 numbers are not relevant to the Commission, but there is a risk, if
12:38 36 we show the bank account details, that that might be exploited.

12:38 37

12:38 38 Ms Dobbin, you can see there --- perhaps we can start with the
12:38 39 summary tab, operator --- there are three tabs down the bottom,
12:38 40 a summary tab, a patron accounts and non-patron accounts. That
12:39 41 is the division we've been speaking about before; is that right?

12:39 42

12:39 43 A. Yes.

12:39 44

12:39 45 Q. So the patron accounts will end up being in-scope and the
12:39 46 non-patron accounts will be out of scope; is that right?

12:39 47

12:39 1 A. Yes.

12:39 2

12:39 3 Q. So there --- and obviously, so I don't seek to confuse you,
12:39 4 this is an attachment to an email dated 22 March, so this
12:39 5 information might be out of date (inaudible). Am I right to
12:39 6 understand the summary results are saying that when you were
12:39 7 just looking for bank account statements over a three-year period,
12:39 8 there were 28 that were in scope, and that when it was extended
12:39 9 out to the seven-year period, that meant that there were
12:39 10 an additional 10 bank accounts that were in scope; is that right?

12:39 11

12:39 12 A. Yes.

12:39 13

12:39 14 Q. In terms of the out-of-scope bank accounts, the ones that
12:39 15 are not going to have the full transaction analysis conducted on
12:40 16 them, when you were only looking for a three-year period there
12:40 17 were 117 of them, but when it was extended out to the seven-year
12:40 18 period there were 130?

12:40 19

12:40 20 A. Yes, so I would say, as we talked about before, this was
12:40 21 a draft document so those numbers may not be the right numbers
12:40 22 now. They might be more or less.

12:40 23

12:40 24 Q. Yes. So before, you had said you thought there were 44
12:40 25 accounts in scope?

12:40 26

12:40 27 A. Yes, I think that is where we have landed, but I would need
12:40 28 to come back to you on the specific number. It is somewhere in
12:40 29 that region.

12:40 30

12:40 31 Q. Okay, but certainly the number here, which is 38, that has
12:40 32 been superseded; is that right?

12:40 33

12:40 34 A. Yes, that's right.

12:40 35

12:40 36 Q. That is presumably because you found more accounts, is it,
12:40 37 or some accounts went from category B back into category A?

12:40 38

12:40 39 A. I'm not sure specifically, but certainly through the course of
12:40 40 the analysis and the procedures that we described earlier, the
12:41 41 number has changed.

12:41 42

12:41 43 Q. I want to pause there. I am going to take you to tab 1 in
12:41 44 a moment, I want to pause there and just to check with you: you
12:41 45 are aware, no doubt, are you not, of the Grant Thornton and
12:41 46 Initialism reports on the Southbank and Riverbank bank
12:41 47 accounts?

12:41 1
12:41 2 A. Yes.
12:41 3
12:41 4 Q. Am I right to presume that when you were first engaged in
12:41 5 this project, one of the first things you would have read was the
12:41 6 Grant Thornton reports on each of Riverbank and Southbank, and
12:41 7 the Initialism report on Southbank and Riverbank; is that right?
12:41 8
12:41 9 A. Yes.
12:41 10
12:41 11 Q. I presume you read them carefully so that you understood
12:41 12 the methodology that was used and the results that they revealed;
12:41 13 is that right?
12:41 14
12:41 15 A. Yes.
12:41 16
12:41 17 Q. Operator, can we go to tab 1, titled "Patron Accounts".
12:42 18 Admittedly this is obviously not the most up-to-date information,
12:42 19 but certainly a long list of accounts that at this stage were in
12:42 20 scope, which we now think there is probably more of these. If we
12:42 21 can look --- I will ask you to look down the left-hand side. Look,
12:42 22 and this doesn't need to be highlighted unless you can't see it ---
12:42 23
12:42 24 A. Okay.
12:42 25
12:42 26 Q. --- in which case we'll enlarge it, but if you can see it easily
12:42 27 on the screen, can you look at line 17 there where it says
12:42 28 "Southbank Investments Pty Ltd south, AUD, CBA"? If you look
12:42 29 across the columns there, you can see it was opened in December
12:42 30 2014 and closed in December 2019. Is it your understanding that
12:43 31 that was one of the accounts that Grant Thornton looked at in the
12:43 32 Southbank and Riverbank analysis?
12:43 33
12:43 34 A. Yes, that is my understanding.
12:43 35
12:43 36 Q. If you can look down to line 39 --- thank you, operator --
12:43 37 you can see the Riverbank Investments Pty Ltd AUD account
12:43 38 with ANZ?
12:43 39
12:43 40 A. Yes.
12:43 41
12:43 42 Q. Is it your understanding that that was also one that Grant
12:43 43 Thornton looked at?
12:43 44
12:43 45 A. Yes.
12:43 46
12:43 47 Q. If we go to line 44, which shows the Riverbank Investments

12:43 1 account, AUD, Hong Kong with CBA, opened in March 2014
12:43 2 and closed in October 2019; is it your understanding that is also
12:43 3 one of the accounts which Grant Thornton looked at?

12:43 4

12:43 5 A. Yes.

12:43 6

12:43 7 Q. Okay. Is it your understanding that out of this list, they are
12:43 8 the only three bank accounts which Grant Thornton looked at?

12:44 9

12:44 10 A. I don't recall specifically but that is my understanding, yes.

12:44 11

12:44 12 Q. If that was the case, is it the case that those three accounts
12:44 13 were the only three accounts that Grant Thornton looked at, that
12:44 14 the Grant Thornton reports on Riverbank and Southbank looked
12:44 15 at only a very small proportion of Crown's bank accounts which
12:44 16 could be operated in a manner similar to Southbank and
12:44 17 Riverbank; do you agree?

12:44 18

12:44 19 A. Yes, I would agree.

12:44 20

12:44 21 Q. So, no criticism of them, but if their retainer or terms of
12:44 22 reference was to only look at three accounts in this sea of
12:44 23 accounts, then the revelations of money laundering in the Grant
12:44 24 Thornton report potentially vastly understate the extent of money
12:44 25 laundering on Crown's accounts; do you agree?

12:44 26

12:44 27 A. Yes, that potential is there.

12:45 28

12:45 29 Q. And this table reveals, does it not, that Crown has a lot of
12:45 30 bank accounts in foreign currencies, do you agree?

12:45 31

12:45 32 A. Yes.

12:45 33

12:45 34 Q. Obviously you now know that for a fact; is that right?

12:45 35

12:45 36 A. Yes, as we've done the bank account review, certainly
12:45 37 we've identified a number of --- or Crown has identified to us
12:45 38 a number of foreign currency accounts.

12:45 39

12:45 40 Q. Yes, and so it has various accounts in USD, is that right?

12:45 41

12:45 42 A. Yes.

12:45 43

12:45 44 Q. And HKD?

12:45 45

12:45 46 A. Yes?

12:45 47

- 12:45 1 Q. And SGD?
- 12:45 2
- 12:45 3 A. Yes.
- 12:45 4
- 12:45 5 Q. Euro, does it have any in euro?
- 12:45 6
- 12:45 7 A. I don't recall.
- 12:45 8
- 12:45 9 Q. Pounds, do you know?
- 12:45 10
- 12:45 11 A. I don't recall. Certainly some of the Aspinall's accounts are
- 12:45 12 likely in pounds.
- 12:45 13
- 12:45 14 Q. Is it your understanding that customers can only gamble in
- 12:45 15 Australian dollars in Crown's Australian casinos?
- 12:45 16
- 12:46 17 A. I don't know the answer to that.
- 12:46 18
- 12:46 19 Q. I want you to take it as a fact, and if I've got it wrong
- 12:46 20 someone will correct me pretty quickly, but I would like you to
- 12:46 21 take it as a premise that patrons can only gamble in Crown's
- 12:46 22 Australian casinos in Australian dollars. If that is right, what is
- 12:46 23 the point of having foreign currency accounts?
- 12:46 24
- 12:46 25 A. I don't know for sure, and I haven't had this conversation
- 12:46 26 with Crown as to the actually reason why they have them but I
- 12:46 27 would imagine that some of their patrons either come from
- 12:46 28 foreign countries or have currency in other foreign currencies,
- 12:46 29 and this provides a way for them to transfer that money to Crown.
- 12:46 30 And to the extent they can only game in Australian dollars, my
- 12:46 31 understanding is there would be some form of conversion applied
- 12:46 32 in Australia.
- 12:46 33
- 12:47 34 Q. Yes. And so we know Crown has lots of overseas
- 12:47 35 customers. Pretend I'm an overseas customer --
- 12:47 36
- 12:47 37 A. Yes.
- 12:47 38
- 12:47 39 Q. --- and I want to gamble at Crown. I can just tell my bank,
- 12:47 40 say it is HKD, say to my bank that I want to deposit a thousand
- 12:47 41 HKD into Crown's Hong Kong account, but it must be in
- 12:47 42 Australian dollars, the customer's own bank can do the currency
- 12:47 43 conversion; do you agree?
- 12:47 44
- 12:47 45 A. Yes, they could.
- 12:47 46
- 12:47 47 Q. I won't repeat my question. You don't know why there are

12:47 1 foreign currency accounts and you think it might be customer
12:47 2 convenience, is that right, or something like that some?
12:47 3
12:47 4 A. I don't know, but customer convenience would make sense
12:47 5 as a reason.
12:47 6
12:47 7 Q. Do you think that the existence of multiple foreign currency
12:47 8 accounts increases the money laundering risk for Crown?
12:47 9
12:47 10 A. I don't know whether I would say it "increases", but
12:47 11 certainly I would agree that the same risks exist in those accounts
12:48 12 as they would in the Australian dollar account.
12:48 13
12:48 14 Q. Okay. Do these foreign currency accounts, is there the
12:48 15 prospect that they just allow people to park money with Crown?
12:48 16
12:48 17 A. I don't know whether it would be exclusive to the foreign
12:48 18 currency accounts, but yes, I imagine it is possible that customers
12:48 19 could put money in that they don't claim, it that's what you meant
12:48 20 by "park".
12:48 21
12:48 22 Q. Yes, only deposit and not withdraw for a ---
12:48 23
12:48 24 A. Yes.
12:48 25
12:48 26 Q. --- long period of time. I mean, my observation, looking at
12:48 27 this, is I see that there are lots of accounts. Do you agree there
12:48 28 are lots of accounts here?
12:48 29
12:48 30 A. Yes, there are. Some of them have been closed since ---
12:48 31 over the course of the period, but, yes, there are plenty of
12:48 32 accounts.
12:48 33
12:48 34 Q. Is it not the case that the risk of money laundering can be
12:49 35 reduced, and the ease of monitoring increased if there was just
12:49 36 a single Crown account into which patrons could deposit funds?
12:49 37
12:49 38 A. I would agree that the ease of monitoring is greatly
12:49 39 enhanced by having a single account, although certainly it's not
12:49 40 difficult to apply monitoring across multiple accounts. Would I
12:49 41 agree that the risk of money laundering is lowered? Certainly it
12:49 42 means all activity would have to happen in one account. I don't
12:49 43 think that necessarily increases the risk, the risk is there in either
12:49 44 case.
12:49 45
12:49 46 Q. You said it was easy to --- am I right to think when you said
12:49 47 that it was easy to look across the connects, it is easy for Deloitte,

12:49 1 but do you know whether that would be easy for Crown? Crown
12:49 2 didn't recognise there was money laundering occurring on the
12:50 3 Riverbank and Southbank accounts between 2014 and 2019.

12:50 4
12:50 5 A. I didn't --- when I said "easy", what I meant was from
12:50 6 a monitoring perspective, assuming you can aggregate the data, it
12:50 7 is not that much more difficult to apply monitoring across
12:50 8 multiple accounts than one account.

12:50 9
12:50 10 Q. Does the risk of money laundering monitoring failure
12:50 11 increase in circumstances where there is more than one account
12:50 12 into which patrons can deposit funds?

12:50 13
12:50 14 A. Can you repeat that?

12:50 15
12:50 16 Q. Sorry, that was a bit of a mouthful. So I want to look at
12:50 17 monitoring failures.

12:50 18
12:50 19 A. Okay.

12:50 20
12:50 21 Q. Is it a possibility that your monitoring system might not
12:50 22 pick up on transactions that are money laundering? And my
12:50 23 proposition is, is it not the case that the prospect of failures in
12:50 24 your money laundering monitoring increases when you have
12:51 25 more than one account into which patrons can deposit money?

12:51 26
12:51 27 A. I would agree that having multiple accounts adds
12:51 28 complexity to how you structure and set up your monitoring
12:51 29 systems and processes, and complexity often does lead to
12:51 30 a greater risk of failure. So, yes, I would agree there is a greater
12:51 31 risk of failure if you have multiple accounts or data sources that
12:51 32 you are seeking to monitor.

12:51 33
12:51 34 Q. Operator, can we go to tab 2 which is titled "Non-Patron
12:51 35 accounts". I appreciate that this is --- this information may have
12:51 36 been superseded since then; all I really wish to do at this point is
12:51 37 to say, subject to any revisions in respect of some of these
12:51 38 accounts being in and some of these accounts being out, you
12:52 39 would agree with me, would you not, that there is actually quite
12:52 40 a lot of Crown accounts which you've considered to be
12:52 41 non-patron accounts and therefore won't be the subject of the full
12:52 42 bank transaction review?

12:52 43
12:52 44 A. Yes, that's correct.

12:52 45
12:52 46 Q. So, tell me, how has Deloitte satisfied itself, or how have
12:52 47 you satisfied yourself that there are no patron transactions on

12:52 1 these accounts?
12:52 2
12:52 3 A. Further to what I was describing before, we've performed
12:52 4 a sample assessment of transactional data in the non-patron
12:52 5 accounts to look for indicators of patron activity, which might
12:52 6 include, for example, patron ID or unknown sender, strange
12:52 7 descriptions, for example.
12:52 8
12:52 9 Q. Okay. Thank you, Ms Dobbin.
12:52 10
12:52 11 I tender that document, thank you, Commissioner.
12:52 12
12:53 13 COMMISSIONER: How can I describe it?
12:53 14
12:53 15 MS O'SULLIVAN: Yes, perhaps we might describe it this way:
12:53 16 Excel spreadsheet as attachment to email dated 22 March 2021
12:53 17 from Paul Curwell to Mary Gioras.
12:53 18
12:53 19 COMMISSIONER: With that description I will make that
12:53 20 Exhibit 90.
12:53 21
12:53 22
12:53 23 **EXHIBIT #RC0090 - EXCEL SPREADSHEET AS**
12:53 24 **ATTACHMENT TO EMAIL FROM MR PAUL CURWELL**
12:53 25 **TO MS MARY GIORAS DATED 22 MARCH 2021**
12:53 26
12:53 27
12:53 28 MS O'SULLIVAN: Operator, can you bring up this document,
12:53 29 hearing room only. DTT.010.0004.0032.
12:53 30
12:53 31 Commissioner, this is tab 26 of your folder.
12:53 32
12:53 33 Ms Dobbin, you might also like to use the hard copy, it is such
12:54 34 a large document, if at any stage you might wish to flick forward
12:54 35 or back. I presume you recognise this document; is that right?
12:54 36
12:54 37 A. Yes.
12:54 38
12:54 39 Q. It is a work paper for the phase 2 forensic review; is that
12:54 40 right?
12:54 41
12:54 42 A. That's correct. It is one of our work papers.
12:54 43
12:54 44 Q. I presume you have lots of different work papers; is that
12:54 45 right?
12:54 46
12:54 47 A. This work paper is specific to the legal entity scoping.

12:54 1
12:54 2 Q. Am I right to understand that this work paper essentially
12:54 3 sets out --- it is a record of the number of steps that you've
12:54 4 taken ---
12:54 5
12:54 6 A. (Nods head).
12:54 7
12:54 8 Q. --- in performing that the phase 2 work, is that right?
12:54 9
12:54 10 A. Yes, that's right. Again, this is a working document so has
12:54 11 been progressed since the version appears here.
12:54 12
12:54 13 Q. Yes, I see. And can I just ask you to look on page 1 of the
12:55 14 document. Under the box you can see that there is a limitation
12:55 15 which is expressed there. In this document it says:
12:55 16
12:55 17 *Our procedures are limited to the following conditions*
12:55 18
12:55 19 And then you set out the time period, which we've discussed, you
12:55 20 set out --- when I say "you", Deloitte generally ---
12:55 21
12:55 22 A. Yes.
12:55 23
12:55 24 Q. --- has set out that it is limited to Crown Resorts Australian
12:55 25 operations, and then the third dot point I wanted to ask you about
12:55 26 says:
12:55 27
12:55 28 *The procedures are limited to the legal entities identified*
12:55 29 *in Table 1.1.*
12:55 30
12:55 31 And operator, can we go to the next page, _0001. In particular,
12:55 32 you can see table 1.1. Now, this document might be superseded
12:56 33 now, please tell me if it is, but when I looked at it I saw that
12:56 34 Crown Resorts Ltd is not on the list. Why is it that Crown
12:56 35 Resorts Ltd, being the parent company of Crown Melbourne Ltd,
12:56 36 is not on the list?
12:56 37
12:56 38 A. So the list there is, if you like, the starting point list that
12:56 39 was reflected in our engagement letter of the entities that were
12:56 40 known or expected to have the primary patron accounts, if you
12:56 41 like. As you probably have seen later in this document, and
12:56 42 certainly in the current version of this document, we've taken
12:56 43 a more expansive view, including of Crown Resorts Ltd in the
12:56 44 broader sense.
12:56 45
12:56 46 Q. All right. So you have looked ---
12:56 47

12:56 1 A. It wasn't intended to imply that we weren't looking at
12:56 2 Crown Resorts Ltd.

12:56 3

12:57 4 Q. So you are looking at Crown Resorts Ltd bank accounts?

12:57 5

12:57 6 A. Yes --- Crown Resorts Ltd as an entity was included in the
12:57 7 procedures that we performed here, I can't recall whether they are
12:57 8 on the list of entities that have that have in-scope patron accounts.

12:57 9

12:57 10 MS O'SULLIVAN: I tender that work paper, Commissioner.

12:57 11

12:57 12 COMMISSIONER: Exhibit 91. Deloitte work paper, phase 2,
12:57 13 forensic review.

12:57 14

12:57 15

12:57 16 **EXHIBIT #RC0091 - DELOITTE WORK PAPER - PHASE**
12:57 17 **2 FORENSIC REVIEW**

12:57 18

12:57 19

12:57 20 MS O'SULLIVAN: Now I am going to ask you a series of
12:57 21 questions about provisional money laundering observations. I
12:57 22 use the term "provisional" because I understand the project is
12:57 23 ongoing. We've asked for some documents from Deloitte but we
12:58 24 are conscious that, again, as you said, some of these things might
12:58 25 be superseded. I will take you to some documents to try and
12:58 26 structure the questions.

12:58 27

12:58 28 A. Okay.

12:58 29

12:58 30 Q. Operator, can we go to, and this will be, bring it up to
12:58 31 hearing room only, document DTT.010.0004.0032.

12:58 32

12:58 33 Commissioner, again, that hasn't been printed out because it is
12:58 34 a very large Excel document.

12:58 35

12:59 36 Ms Dobbin, do you recognise this document?

12:59 37

12:59 38 A. Yes.

12:59 39

12:59 40 Q. This document has more tabs than I could count. Am I
12:59 41 right to understand that this is one of Deloitte's working
12:59 42 documents; is that right?

12:59 43

12:59 44 A. Yes, it is a version of one of our working documents.

12:59 45

12:59 46 Q. Each of the tabs records different aspects of the information
12:59 47 that you've obtained and analysed and results and so on and so

12:59 1 forth; is that right?

12:59 2

12:59 3 A. Yes.

12:59 4

12:59 5 Q. I've opened it up at the "Method and summary" tab and I
12:59 6 will ask you a few questions about it. To the extent that any of
12:59 7 the information in this tab has been updated, I appreciate it if you
12:59 8 could let me know whether it has changed. Just looking at the
13:00 9 first part there next to "purpose", there are two purposes
13:00 10 articulated, one is to:

13:00 11

13:00 12 *Identify those bank accounts held by the Relevant Crown*
13:00 13 *entities that are or were capable of being used by patrons*
13:00 14 *to deposit or withdraw funds during the Relevant Period.*

13:00 15

13:00 16 The second is:

13:00 17

13:00 18 *Identify those patron bank accounts which have a risk of*
13:00 19 *money laundering.*

13:00 20

13:00 21 I presume that remains one way of expressing the purpose of the
13:00 22 phase 2 work; is that right?

13:00 23

13:00 24 A. As I said before, this is a working document. The second
13:00 25 purpose there I wouldn't say that is explicitly in our part of our
13:00 26 engagement. Implicitly we are obviously looking for money
13:00 27 laundering indicia in the bank accounts, we haven't approached
13:00 28 the assessment of the scope of accounts from a view of money
13:00 29 laundering risk. It has been about the identification --- the
13:01 30 identification has been led by accounts in which patron monies
13:01 31 can be deposited or withdrawn, which, by corollary, has a risk of
13:01 32 money laundering.

13:01 33

13:01 34 Q. I see. So rather than looking at all of the accounts and
13:01 35 saying "let's look for indications of money laundering on all of
13:01 36 the accounts", you've essentially taken a shortcut, and I don't
13:01 37 mean that in a derogatory way, but you've said --- you are now
13:01 38 saying "it is more likely to occur on accounts in which patrons
13:01 39 can deposit funds, so we will do the analysis on those accounts"?

13:01 40

13:01 41 A. Our work --- the work we're doing is related only to
13:01 42 accounts which could be described as patron accounts.

13:01 43

13:01 44 Q. Okay. Where it says "scope", there is notations as to the
13:01 45 limitations of the Deloitte review set out there. You have there
13:02 46 that --- obviously the time limitation, which we've discussed and
13:02 47 then it has got the entities' limitation. I asked you before about

13:02 1 Crown Resorts. If, for example, I were to ask you for a copy of
13:02 2 this document as at today, is it likely there is going to be another
13:02 3 entity that which says "Crown Resorts"?

13:02 4

13:02 5 A. I don't know for sure. And, you know, this is sort of
13:02 6 a cover page, if you like, so I suspect it simply is that the team
13:02 7 hasn't updated the in-scope entities there. But there are, as I said
13:02 8 before, there are 11 legal entities. I simply can't remember
13:02 9 whether Crown Resorts is in that list.

13:02 10

13:02 11 Q. We're going to break shortly for lunch.

13:02 12

13:02 13 A. Yes.

13:02 14

13:02 15 Q. Is that something that is hard to find out or is that
13:02 16 something you might be able to find out yourself using your
13:02 17 laptop or make a call to find that out?

13:02 18

13:03 19 A. No, that's fine, I can work that out.

13:03 20

13:03 21 Q. Okay, then there is some background set out there. You
13:03 22 will see it says there:

13:03 23

13:03 24 *Crown requested and received the bank statements from*
13:03 25 *the relevant bank which were provided in PDF. Crown*
13:03 26 *then converted the files into Excel format/CSV format.*
13:03 27 *Deloitte were provided with the Excel documents via*
13:03 28 *an encrypted zip file from Crown.*

13:03 29

13:03 30 You then unencrypted them and added them to --- I presume
13:03 31 eDreams is an internal platform, is it?

13:03 32

13:03 33 A. It is an internal document secure repository.

13:03 34

13:03 35 Q. All right. Am I right to understand that insofar as there
13:03 36 was, for example, data that had to be transitioned from a different
13:03 37 format into Excel format, who at Crown performed the transition
13:03 38 of the data?

13:03 39

13:03 40 A. I'm not across all of the detail on this. One of my team is
13:03 41 leading on the data conversion and collection side, but my
13:04 42 understanding is at some point in time we took on that role of
13:04 43 conversion because it would be quicker, and we had the facilities
13:04 44 in which we are doing that. So my understanding is that certainly
13:04 45 now we are performing that conversion. I'm just not sure when
13:04 46 we took that on specifically.

13:04 47

13:04 1 Q. So Crown has done some of the data conversion and
13:04 2 Deloitte has done the remainder of the data conversion?

13:04 3

13:04 4 A. I think that is right. Yes.

13:04 5

13:04 6 Q. In respect of the data conversion that Crown performed, has
13:04 7 Deloitte done any testing to ensure that there was no data loss
13:04 8 when Crown converted the data into Excel format?

13:04 9

13:04 10 A. I'm not sure.

13:04 11

13:04 12 Q. All right. If we look at the method there, I might give you
13:04 13 a chance just to have a read of that. Really what I will ask you
13:04 14 after you've read it is to tell me whether that remains accurate or
13:04 15 whether that has been updated or superseded in any way.

13:05 16

13:05 17 A. It has been superseded in the sense that the steps outlined at
13:05 18 dot point 6, which talks about the analysis that we will do, I
13:05 19 would describe that as initial analysis. We're performing a more
13:05 20 detailed review than is implied by just those steps.

13:05 21

13:05 22 Q. Okay.

13:05 23

13:05 24 A. I think I will call that a starting point of the analysis that we
13:06 25 are doing. Certainly this document isn't meant to be
13:06 26 comprehensive in describing the analysis we are doing on the
13:06 27 accounts.

13:06 28

13:06 29 Q. Okay. Is there --- like, does Deloitte have a single
13:06 30 document that might describe in a more detailed manner the way
13:06 31 you are going about the analysis?

13:06 32

13:06 33 A. The work, the analysis that we are doing is obviously live
13:06 34 and being undertaken in an analytical environment, I'm not sure
13:06 35 whether we've yet written up where we are up to with that.
13:06 36 Certainly there will come a point in time where we will document
13:06 37 in a lot of detail, you know, the method we have in fact deployed
13:06 38 and wherever possible we are trying to keep up with that, but I
13:06 39 can't be sure whether we've documented where we are at right at
13:06 40 this point.

13:06 41

13:06 42 Q. Okay. Thank you.

13:06 43

13:06 44 Now, operator, if we can just scroll down the page so that at the
13:07 45 top of the page we have the word "summary results". You can
13:07 46 see there below is a summary of the bank accounts provided. I
13:07 47 want to look at the top box for the moment. You can see there is

13:07 1 50 bank accounts which are in scope, and I think you told me
13:07 2 earlier that that might now actually be only 44; is that right?
13:07 3
13:07 4 A. I think that is right, yes.
13:07 5
13:07 6 Q. Then it says in the next column, the heading you will see
13:07 7 there, "Bank accounts with evidence of money laundering" and it
13:07 8 has 14. Am I right to understand that at the time this document
13:07 9 was prepared, there were 14 in-scope Crown bank accounts
13:07 10 which had evidence of money laundering?
13:07 11
13:07 12 A. As this is a working document I'm not sure what the team is
13:08 13 referring to when they talk about evidence of money laundering.
13:08 14 I would need to explore that further. This is clearly work in
13:08 15 progress.
13:08 16
13:08 17 Q. Yes.
13:08 18
13:08 19 A. I agree that is what that says.
13:08 20
13:08 21 Q. I see. My question was, as a starting point ---
13:08 22
13:08 23 A. Yes.
13:08 24
13:08 25 Q. --- whether, in a sense, at the date that this document was
13:08 26 prepared, Deloitte's analysis showed that there were 14 Crown
13:08 27 bank accounts that were in scope which had evidence of money
13:08 28 laundering?
13:08 29
13:08 30 A. Just, further to my earlier point, I'm not sure what is being
13:08 31 described in this work paper when they describe money
13:08 32 laundering. I would need to look at this in more detail.
13:08 33
13:08 34 COMMISSIONER: What are the possibilities other than what
13:08 35 the words mean?
13:08 36
13:08 37 A. I suspect it would be referring to indicia, indicators ---
13:09 38
13:09 39 COMMISSIONER: As a substitute for the word "evidence"? I'm
13:09 40 trying to get out what are the possible meanings of "accounts with
13:09 41 evidence of money laundering".
13:09 42
13:09 43 A. Yes, I suspect given the stage at where this analysis is at,
13:09 44 "indicators" probably would have been a better term to use here,
13:09 45 given this is a working document.
13:09 46
13:09 47 COMMISSIONER: So should or could read "bank accounts that

13:09 1 indicate money laundering"?

13:09 2

13:09 3 A. Yes. And I suspect I would add to that, Commissioner, that

13:09 4 it is probably on the basis of specified processes that we are

13:09 5 applying. Again, I would need to look at this in more detail with

13:09 6 my team but I suspect there is some initial indicators that they've

13:09 7 looked at, a limited set of initial indicators, and the suggestion is

13:09 8 that 14 of the accounts had --- were showing some of those initial

13:09 9 indicators.

13:09 10

13:10 11 MS O'SULLIVAN: I presume you have team meetings; is that

13:10 12 right?

13:10 13

13:10 14 A. Yes.

13:10 15

13:10 16 Q. And that you've got different parts of the team doing

13:10 17 different things, but you get together occasionally and update

13:10 18 each other?

13:10 19

13:10 20 A. Yes.

13:10 21

13:10 22 Q. It seems to me that this figure here is a pretty significant

13:10 23 figure; do you disagree?

13:10 24

13:10 25 A. Again, I'm just not sure what is underlying this analysis,

13:10 26 but, yes, the way it is stated appears to be significant.

13:10 27

13:10 28 Q. So, I mean, I guess --- I withdraw that. It says 14 on the

13:10 29 document; are you aware, and again you might not be aware, are

13:10 30 you aware whether or not that number 14 has gone up or down in

13:10 31 the days since this document was prepared?

13:10 32

13:10 33 A. I'm not aware of whether that is an accurate number at all at

13:10 34 the moment.

13:10 35

13:10 36 Q. Isn't that something, though, I mean --- okay, you are

13:11 37 looking for money laundering on bank accounts, this document

13:11 38 says there are 50 in scope and there is evidence of money

13:11 39 laundering on 14, isn't that something significant that your team

13:11 40 members would be feeding up to you? Wouldn't they be saying

13:11 41 "Ms Dobbin, today it is 15 and we've done some further analysis,

13:11 42 now today it's gone down to 13"? Isn't that a really significant

13:11 43 piece of information that either you would or should know or

13:11 44 your team members would be keeping you up to date with?

13:11 45

13:11 46 A. Given the stage of the analysis that we are at, we are not

13:11 47 really at a position to be making conclusions, so it is not a metric

13:11 1 that we are reporting on yet. Certainly there will come a point in
13:11 2 time where I would expect that to become a frequent topic, but
13:11 3 we are still in a very preliminary stage of our analysis.

13:11 4

13:11 5 Q. All right. So you are not getting any regular updates from
13:11 6 your staff as to the number of bank accounts which show
13:12 7 evidence of money laundering?

13:12 8

13:12 9 A. We're not specifically having an update meeting about that
13:12 10 topic, no.

13:12 11

13:12 12 Q. Even though that is, pretty much, when you boil it all down,
13:12 13 that is what you are looking for, isn't it?

13:12 14

13:12 15 A. Yes.

13:12 16

13:12 17 Q. If we can move down --- staying within the same Excel
13:12 18 spreadsheet, thank you, operator, if we can look down the list of
13:12 19 accounts.

13:12 20

13:12 21 Perhaps, Ms Dobbin, if I can turn your attention to line 81 of the
13:12 22 Excel spreadsheet.

13:12 23

13:12 24 A. Yes.

13:12 25

13:12 26 Q. Sorry, operator, can you scroll down slightly so that we
13:12 27 have the heading of the table. The heading there is "Files
13:12 28 provided by Crown for patron bank accounts and results of
13:13 29 analysis". And there it says:

13:13 30

13:13 31

13:13 32 *In line with the procedures outlined above the following*
13:13 33 *files were reviewed*

13:13 34

13:13 35 Now if I look at line 81, there is a series of columns. Can you
13:13 36 turn to the column which says "File name CP ANZ". Am I right
13:13 37 to understand that "CP" would be short for Crown Perth?

13:13 38

13:13 39 A. I'm not sure.

13:13 40

13:13 41 Q. If you made a quick call to one of your team members, is
13:13 42 that something you could find out over the lunch break?

13:13 43

13:13 44 A. Yes, I could, but if I look across to the legal entity, which is
13:13 45 Burswood Nominees, so Crown Perth would make sense. But,
13:13 46 yes, I can confirm for sure.

13:13 47

13:13 1 Q. Thank you. And then a couple of lines down where it says
13:13 2 "CM", would you agree that that is a reference to Crown
13:14 3 Melbourne Ltd?
13:14 4
13:14 5 A. Yes, again, just referring across to the legal entity, yes, that
13:14 6 would make sense.
13:14 7
13:14 8 Q. Thank you. If we go back to line 81, I want you to stay on
13:14 9 that line but move to the column called L which says "Evidence
13:14 10 of money laundering"; you see that?
13:14 11
13:14 12 A. Yes.
13:14 13
13:14 14 Q. You can see on line 81, and this is the line we were looking
13:14 15 at before, so this is Crown Perth ANZ account.
13:14 16
13:14 17 A. Yes.
13:14 18
13:14 19 Q. You see someone has written in there "Yes - potential
13:14 20 structuring"; you can see that?
13:14 21
13:14 22 A. Yes.
13:14 23
13:14 24 Q. Operator, if you can shrink the page slightly so there is one
13:14 25 more column to the left that I want to capture, which is total date
13:15 26 range. Again, this is the same line 81.
13:15 27
13:15 28 Does this document not tell us, or tell me --- this is what I think
13:15 29 the document tells us, that your team, that the Deloitte analysis
13:15 30 provisional result is that there is potential structuring/evidence of
13:15 31 money laundering on the Crown Perth bank account in the date
13:15 32 range 1 December 2020 up to 18 February 2021?
13:15 33
13:15 34 A. Yes, I agree that is what is indicated by this.
13:15 35
13:15 36 Q. So I think the last date that Deloitte even look at was 22
13:15 37 February 2021; is that right?
13:15 38
13:15 39 A. Yes.
13:15 40
13:15 41 Q. This document is telling us that there is potential
13:15 42 structuring and evidence of money laundering on the Crown Perth
13:15 43 account as recent as February this year?
13:16 44
13:16 45 A. Yes, as a provisional analysis, that is what this document is
13:16 46 describing.
13:16 47

13:16 1 Q. Thank you. Now if we can move down, operator, to --
13:16 2
13:16 3 COMMISSIONER: Ms O'Sullivan, do you think we can break
13:16 4 for lunch?
13:16 5
13:16 6 MS O'SULLIVAN: Yes, thank you, Commissioner.
13:16 7
13:16 8 COMMISSIONER: I propose to adjourn for 45 minutes if that is
13:16 9 all right with everybody? No complaints. 2 o'clock.
13:16 10
13:16 11
13:16 12 **ADJOURNED** [1:16P.M.]
14:05 13
14:05 14
14:05 15 **RESUMED** [2:05P.M.]
14:05 16
14:05 17
14:05 18 MS O'SULLIVAN: Thank you, Commissioner.
14:05 19
14:05 20 Ms Dobbin, I will take you back to the Excel sheet in a moment,
14:06 21 but a couple of follow-up questions on some of the topics I was
14:06 22 asking about before the break. In particular, you recall I raised
14:06 23 the topic of whether or not it would be an issue that there is the
14:06 24 prospect that some patrons might have more than one DAB
14:06 25 account.
14:06 26
14:06 27 A. Yes.
14:06 28
14:06 29 Q. Do you know, and I'm not saying you should, but do you
14:06 30 know whether DAB accounts at Crown can be opened in the
14:06 31 name of a company or a non-natural person so as potentially to
14:06 32 disguise the link to a patron?
14:06 33
14:06 34 A. I recall us discussing that with Crown, and the response we
14:06 35 got at that time from a member of the cage team was that it is no
14:06 36 longer possible to open an account in the name of a company, and
14:06 37 that they may have had one historically that related to a junket.
14:06 38
14:06 39 Q. What about other entities that aren't companies that are
14:06 40 nonetheless not natural persons?
14:06 41
14:06 42 A. The question we asked was whether accounts could only be
14:06 43 opened by individuals, so natural persons, and they said yes, that
14:07 44 was the case, so my understanding is it couldn't be opened by
14:07 45 non-natural persons other than in that one example.
14:07 46
14:07 47 Q. Is your evidence that Crown told you that there was in

14:07 1 existence only one patron account that wasn't in the name of
14:07 2 a natural person?
14:07 3
14:07 4 A. Historically, one person at Crown told me that. I don't
14:07 5 know for sure whether that is reflective of anyone else at Crown.
14:07 6 But when we asked that question, that was the response we got
14:07 7 from that person.
14:07 8
14:07 9 Q. Okay. Can I ask you this, not related --- slightly different
14:07 10 topic --- you will recall that I was asking you some questions
14:07 11 about the ability to park money in Crown accounts.
14:07 12
14:07 13 A. Yes.
14:07 14
14:07 15 Q. And that could be the DAB accounts or could be the bank
14:08 16 accounts. Do you agree that there is a money laundering risk of
14:08 17 permitting patrons to park money, potentially, in either the bank
14:08 18 account or the patron account, and leaving it there untouched
14:08 19 because in a sense it is allowing for space between the
14:08 20 transactions, between a deposit and a withdrawal which might
14:08 21 make detection of the relationships between those two
14:08 22 transactions more difficult?
14:08 23
14:08 24 A. I would agree that it is a potential money laundering risk to
14:08 25 have funds used in that way.
14:08 26
14:08 27 Q. Now if we can go back to the Excel spreadsheet we were
14:08 28 looking at before the break. That is DTT.010.0004.0031. Can
14:09 29 we go down to lines 85 to 90 of the spreadsheet, operator. Can
14:09 30 you see them clearly, Ms Dobbin?
14:09 31
14:09 32 A. Yes.
14:09 33
14:09 34 Q. And you are confident now, having cross-referenced
14:09 35 against the other columns that CM stands for Crown Melbourne,
14:09 36 is that right?
14:09 37
14:09 38 A. Yes.
14:09 39
14:09 40 Q. Operator, can we shrink what is on the screen so we see the
14:09 41 extra column to the right which is titled "Evidence of money
14:09 42 laundering"?
14:09 43
14:09 44 I want you to keep your attention, Ms Dobbin on the lines 85 to
14:09 45 90, because as I understand it, and tell me if I'm wrong, there are
14:09 46 all various different accounts in the name of Crown Melbourne
14:09 47 Ltd in Australian dollars and also foreign currencies. You can

14:10 1 see in column L, "evidence of money laundering", this table is
14:10 2 telling us that there is evidence of money laundering on at least
14:10 3 two of those accounts as recent as the period December 2020 to
14:10 4 18 February 2021?

14:10 5
14:10 6 A. Yes. Just to reiterate that this was a working document at
14:10 7 a point in time, so what it is saying is that whoever from the team
14:10 8 prepared this applied a test. I can't see from this detail what that
14:10 9 test was, and that --- the indications that that test was successful
14:10 10 on those two accounts. I haven't quality assured or reviewed this
14:10 11 document, but I can confirm that is what that appears to be
14:10 12 indicating.

14:10 13
14:10 14 Q. Yes, so broadly speaking --- I understand you haven't quality
14:10 15 assured the document, but broadly speaking does this document
14:11 16 set out provisional results from the Deloitte phase 2 transaction
14:11 17 review?

14:11 18
14:11 19 A. It appears to set out a record of an analysis performed at
14:11 20 a point in time by the team. So, yes, provisional. I'm not sure
14:11 21 whether any of these results have been superseded or are still
14:11 22 accurate.

14:11 23
14:11 24 Q. It's not just any old analysis, though. You are looking for
14:11 25 money laundering, aren't you? I know it can be detailed, but you
14:11 26 are looking for money laundering and this document is telling us
14:11 27 that your provisional results is that there is money laundering on
14:11 28 the Crown Perth and Crown Melbourne bank account as recent as
14:11 29 February this year; is that right?

14:11 30
14:11 31 A. Again, I think what this document is saying is that the team
14:11 32 applied a test that may be indicative of money laundering and that
14:11 33 they identified transactions in these accounts that met that test.
14:11 34 I think we would do further steps to say that it was definitively
14:11 35 money laundering. All of this is indicators that may suggest that,
14:12 36 rather than confirmation that money laundering is happening.

14:12 37
14:12 38 Q. Okay, but you are confident that your staff aren't off on
14:12 39 a frolic of their own applying irrelevant tests to the data. You are
14:12 40 confident about that, aren't you?

14:12 41
14:12 42 A. Yes.

14:12 43
14:12 44 Q. And you are confident that they are applying at least some
14:12 45 tests looking for money laundering?

14:12 46
14:12 47 A. Yes, absolutely. All the work we are doing is clearly

14:12 1 directed to that purpose, but there is clearly --- it is a complicated
14:12 2 exercise. There is a lot of test and learn iteration of the rules that
14:12 3 we would apply in analysing the data.

14:12 4
14:12 5 Q. Yes. Thank you. Operator, if you can scroll, stay within
14:12 6 this table but scroll to the top, if you can just scroll down because
14:12 7 I think there is some other colours. We might pause there. You
14:13 8 can see that --- thank you, operator. No, I would like to still see
14:13 9 column L, thank you.

14:13 10
14:13 11 So we've got different types of entries in that column; do you
14:13 12 agree?

14:13 13
14:13 14 A. Yes.

14:13 15
14:13 16 Q. Some of them are saying that there is potential structuring;
14:13 17 do you agree?

14:13 18
14:13 19 A. Yes.

14:13 20
14:13 21 Q. Some of them are saying not only is there potential
14:13 22 structuring but there is also large patron transfers; do you agree?

14:13 23
14:13 24 A. Yes.

14:13 25
14:13 26 Q. They are all entries that are under the heading "Evidence of
14:13 27 money laundering"; do you agree?

14:13 28
14:13 29 A. Yes.

14:13 30
14:13 31 Q. And there are some that are highlighted in yellow. Do you
14:13 32 know what that signifies?

14:13 33
14:13 34 A. No.

14:13 35
14:13 36 Q. There are obviously some entries that say "no", and so do
14:13 37 you agree that that indicates that the provisional result is that
14:13 38 there is no evidence of money laundering on those particular
14:13 39 accounts where there is a corresponding "no" in that column?

14:13 40
14:13 41 A. I would agree that that would indicate that the specific test
14:14 42 that the team ran did not reveal any results for that particular
14:14 43 account.

14:14 44
14:14 45 Q. Okay. And there is a few entries there in that column L
14:14 46 where it says "no transactions".

14:14 47

- 14:14 1 A. Yes.
- 14:14 2
- 14:14 3 Q. Is that because you haven't received the data or?
- 14:14 4
- 14:14 5 A. I don't know for sure in terms of the data that is in this
- 14:14 6 spreadsheet, but certainly I'm aware that for some of Crown's
- 14:14 7 accounts, particularly the foreign currency accounts, there has
- 14:14 8 been no activity, particularly in the recent period as a result of the
- 14:14 9 border closures.
- 14:14 10
- 14:14 11 Q. Oh, I see, because of course some of the columns are in
- 14:14 12 respect of accounts for a specific period only?
- 14:14 13
- 14:14 14 A. Yes.
- 14:14 15
- 14:14 16 Q. I see. Can I ask you about timing: we talked about these
- 14:14 17 being provisional results; when do you expect to have the final
- 14:14 18 results of the phase 2 bank transaction analysis?
- 14:15 19
- 14:15 20 A. We are currently working through with Crown, I guess on
- 14:15 21 that exact question. The last update we provided we indicated
- 14:15 22 that it would be mid to late August that we would be in a position
- 14:15 23 to complete phase 2.
- 14:15 24
- 14:15 25 Q. Okay. So, therefore, am I right to think if you'd started this
- 14:15 26 project back in November last year, your results would likely
- 14:15 27 have been available to this Commission?
- 14:15 28
- 14:15 29 A. Yes, certainly if we started earlier, we would be finished
- 14:15 30 sooner than August.
- 14:15 31
- 14:15 32 Q. Yes. And to your knowledge, in respect of the phase 2
- 14:15 33 forensic review, there was no impediment to Crown engaging you
- 14:15 34 or in fact anyone else equally qualified to perform this task at
- 14:15 35 an earlier point?
- 14:15 36
- 14:15 37 A. That's not within my knowledge. I'm not aware that there
- 14:16 38 was that impediment.
- 14:16 39
- 14:16 40 Q. Certainly Deloitte could have done this exact review at any
- 14:16 41 point in the past; is that right?
- 14:16 42
- 14:16 43 A. Yes. Yes.
- 14:16 44
- 14:16 45 Q. In fact, Crown itself could be doing this review; do you
- 14:16 46 agree?
- 14:16 47

14:16 1 A. Yes.
14:16 2
14:16 3 Q. It could have done this review and found out this
14:16 4 provisional evidence of money laundering at any point in the past;
14:16 5 do you agree?
14:16 6
14:16 7 A. Yes. They could have done a review similar to what we are
14:16 8 doing at any point.
14:16 9
14:16 10 Q. They could have been themselves checking for transactions
14:16 11 which indicate money laundering? They could have been doing
14:16 12 that really ever since they opened the casino; do you agree?
14:16 13
14:16 14 A. Yes.
14:16 15
14:16 16 Q. Is it your observation that they haven't been doing that and
14:16 17 that is why they have had to engage Deloitte?
14:16 18
14:16 19 A. I don't know whether or not they have been doing that. Part
14:16 20 of our work in phase 3 will be looking at broader controls,
14:16 21 including transaction monitoring but we haven't commenced ---
14:17 22 we haven't established that yet, whether or not they have in fact
14:17 23 been monitoring these accounts in the past.
14:17 24
14:17 25 Q. I see. Are you aware of whether Crown plans to make your
14:17 26 report public?
14:17 27
14:17 28 A. I'm not aware. We haven't had that discussion.
14:17 29
14:17 30 Q. Are you aware whether or not the NSW ILGA plan to make
14:17 31 your report public?
14:17 32
14:17 33 A. I'm not aware of that.
14:17 34
14:17 35 Q. Are you aware whether or not Crown will provide your
14:17 36 report to the ILGA?
14:17 37
14:17 38 A. Yes, I expect they will provide it to the ILGA.
14:17 39
14:17 40 Q. Operator, within the same document, can we go back to the
14:17 41 top of the document to the summary box, in particular I would
14:17 42 like to look at the section which is called "Method". Ms Dobbin,
14:18 43 I will pause there and ask if you had the opportunity to view via
14:18 44 the livestream any of the evidence given by Katherine Shamai or
14:18 45 Neil Jeans on Monday or Tuesday this week?
14:18 46
14:18 47 A. I saw some, but not all.

14:18 1
14:18 2 Q. I want to ask you a question about what is at 6a) and tell me
14:18 3 if I'm wrong, but I think you told us previously that the matters at
14:18 4 6a) you think were perhaps not current as at today's date; is that
14:18 5 right?
14:18 6
14:18 7 A. I think I described them as possibly one of many analyses
14:18 8 that we'll be doing but that list may not be complete.
14:18 9
14:18 10 Q. That causes me to remember there was one piece of
14:18 11 information I asked you before the break whether you could find
14:18 12 out over the luncheon period.
14:18 13
14:18 14 A. Yes.
14:18 15
14:18 16 Q. Were you able to do that?
14:18 17
14:18 18 A. Yes.
14:18 19
14:18 20 Q. Can you tell me what you found out in that respect?
14:18 21
14:18 22 A. I think you asked me whether or not Crown Resorts Ltd
14:19 23 was in scope. So, Crown Resorts Ltd as an entity was in scope in
14:19 24 terms of our entity review, but we have determined that they only
14:19 25 hold non-patron accounts. So none of the Crown Resorts Ltd
14:19 26 accounts have been determined to be patron accounts in-scope for
14:19 27 the analysis of transactions.
14:19 28
14:19 29 Q. So ultimately you are not going to be looking at the
14:19 30 transactions on the Crown Resorts account?
14:19 31
14:19 32 A. On the Crown Resorts Ltd entity's bank accounts, yes.
14:19 33
14:19 34 Q. Sorry, you said Crown Resorts Ltd entity?
14:19 35
14:19 36 A. Sorry, Crown Resorts Ltd as an entity, we are not looking
14:19 37 in a transactional detailed analysis sense. We are not looking at
14:19 38 any of those bank accounts.
14:19 39
14:19 40 Q. I see. Can I draw your attention to 6a) here. It says:
14:19 41
14:19 42 *Are deposits (credits) made in amounts under \$10,000 by*
14:19 43 *the same patron, on the same day, which would add to*
14:19 44 *over \$10,000 (the reporting threshold)*
14:19 45
14:20 46 Would you agree with me that in a sense, 6a) is something we can
14:20 47 probably term "structuring"?

14:20 1
14:20 2 A. Yes.
14:20 3
14:20 4 Q. Would you also agree with me that that is a fairly narrow
14:20 5 definition of structuring?
14:20 6
14:20 7 A. Yes.
14:20 8
14:20 9 Q. And there are obviously many other definitions of
14:20 10 structuring?
14:20 11
14:20 12 A. Yes.
14:20 13
14:20 14 Q. So many other things that you could look for. Are you
14:20 15 looking for the other structuring scenarios or are you limited, as
14:20 16 this might suggest, to the one structuring scenario?
14:20 17
14:20 18 A. No, as I said before, this is an early view of the analysis that
14:20 19 we'll be doing. I haven't --- I'm not 100 per cent sure of the final
14:20 20 composition, and actually our analysis will evolve as we go
14:20 21 through, but we will be looking for a broader range of
14:20 22 transactions than are suggested in 6a).
14:20 23
14:20 24 Q. I am going to ask you then about some of the money
14:20 25 laundering typologies that could be looked for.
14:20 26
14:20 27 Am I right to understand that for the purposes of the phase 2
14:21 28 work, Deloitte has prepared or obtained lists of money laundering
14:21 29 typologies relevant to casinos?
14:21 30
14:21 31 A. Yes, we've prepared that based on research we've
14:21 32 undertaken.
14:21 33
14:21 34 MS O'SULLIVAN: I propose to go to a new document, but I
14:21 35 should tender the Excel spreadsheet DTT.010.0004.0031.
14:21 36
14:21 37 COMMISSIONER: If I describe that as Excel spreadsheet
14:21 38 concerning patron accounts at risk of money laundering, Exhibit
14:21 39 92.
14:21 40
14:21 41
14:21 42 **EXHIBIT #RC0092 - EXCEL SPREADSHEET**
14:21 43 **CONCERNING PATRON ACCOUNTS AT RISK OF**
14:21 44 **MONEY LAUNDERING**
14:21 45
14:21 46
14:21 47 MS O'SULLIVAN: Thank you.

14:21 1
14:21 2 Operator, can we go to this document, DTT.010.0005.0043.
14:21 3
14:22 4 This is an Excel spreadsheet. It is printed in your folder,
14:22 5 Commissioner, but not in a user-friendly way. It is cut off on the
14:22 6 right. It may be easier for you to follow on the screen.
14:22 7
14:22 8 Do you recognise this document, Ms Dobbin?
14:22 9
14:22 10 A. Yes.
14:22 11
14:22 12 Q. Am I right to understand that this is a Project Libby casino
14:22 13 typologies mapping table?
14:22 14
14:22 15 A. Yes.
14:22 16
14:22 17 Q. And it says in the document that:
14:22 18
14:22 19 *The purpose of this workpaper is to map each money*
14:22 20 *laundering casino typology and its key indicators to data*
14:22 21 *provided by Crown*
14:22 22
14:22 23 Is that your understanding as well of the purpose of the work
14:22 24 paper?
14:22 25
14:22 26 A. Yes, again this is a working document designed to track
14:22 27 our --- the data that we have access to that may help us detect
14:22 28 some of the typologies that are referenced in here.
14:22 29
14:22 30 Q. Yes. Thank you.
14:22 31
14:22 32 Can I just check that I wanted that document brought up to
14:23 33 hearing room only. Thank you.
14:23 34
14:23 35 Can we go to the tab which is titled, yes, "Mapping table master
14:23 36 version"? Operator, if you can reduce it as much as you can
14:23 37 without making it too small to read.
14:23 38
14:23 39 So, Ms Dobbin, am I right to understand that essentially what we
14:23 40 have there on the left in columns B is a whole series of money
14:23 41 laundering techniques?
14:23 42
14:23 43 A. Yes.
14:23 44
14:23 45 Q. Then in column C there is the indicators for those money
14:23 46 laundering techniques; is that right?
14:23 47

14:23 1 A. Yes.
14:23 2
14:23 3 Q. In column E that says whether or not it is in scope or out of
14:24 4 scope; is that right?
14:24 5
14:24 6 A. Yes.
14:24 7
14:24 8 Q. So where it says "yes" in each corresponding row, where it
14:24 9 says "yes", it means that is a typology that Deloitte are looking
14:24 10 for; is that right?
14:24 11
14:24 12 A. Yes. It really means that we think it is relevant to the
14:24 13 activity in the patron accounts.
14:24 14
14:24 15 Q. And then where it says, if we can slowly scroll down,
14:24 16 operator, and there is obviously a series of no's as well. Does that
14:24 17 indicate that Deloitte is not looking for that particular type of
14:24 18 money laundering technique?
14:24 19
14:24 20 A. It doesn't mean that we've excluded it, but what it does
14:24 21 mean is that we don't expect that a review of the patron bank
14:24 22 accounts is going to enable us to detect this type of activity, So
14:24 23 looking for some of these indicators would only be possible
14:24 24 through more manual analysis of other data. And as I said before,
14:24 25 we will be looking at other data, and as we do that, we may detect
14:25 26 some of these. But we are not looking to apply analytical
14:25 27 techniques against the bank account data for those typologies.
14:25 28
14:25 29 Q. Okay. So where it says "no" you either are not or cannot
14:25 30 look for that particular money laundering technique using the
14:25 31 forensic tool that you built to review the data; is that right?
14:25 32
14:25 33 A. With respect to the patron accounts.
14:25 34
14:25 35 Q. Yes.
14:25 36
14:25 37 A. Yes, that's correct.
14:25 38
14:25 39 Q. Operator, I might ask you to see whether you can
14:25 40 manipulate the Excel spreadsheet for a moment. I will tell you
14:25 41 what I'm doing, Ms Dobbin. I'm looking to see if we can
14:25 42 organise the table to look at all of the yeses and all of the nos.
14:25 43 Operator, if you move up to column E and the heading there, "In
14:25 44 Scope" and press on the right button, and deselect the "Select
14:25 45 All", and then only select "Yes" and then press "Okay", thank
14:26 46 you. You are probably better at Excel spreadsheets ---
14:26 47

14:26 1 A. I probably would also have ticked the "Yes, deep dive".
14:26 2
14:26 3 Q. Okay, can you do that, please, operator.
14:26 4
14:26 5 Operator, if you can slowly scroll down so we can see all of the
14:26 6 "yes" and the "yes deep dives".
14:26 7
14:26 8 This is showing us, is it not, Ms Dobbin, all of the techniques that
14:26 9 are being looked for; is that right?
14:26 10
14:26 11 A. Yes.
14:26 12
14:26 13 Q. Thank you, operator, if you can take us all the way down ---
14:26 14
14:26 15 A. To be clear, these are what I would describe as behaviours
14:26 16 that are a starting point. Our review will also obviously look
14:26 17 more broadly for patterns that may well be additional to these, but
14:26 18 these are, if you like, our starting point for the analysis.
14:26 19
14:26 20 Q. Thank you.
14:26 21
14:26 22 Operator, can you go back in and manipulate and take out the
14:27 23 "yes" and "yes deep dive" and just show us the "no"? If you can
14:27 24 slowly scroll through and take us down to the bottom of the table.
14:27 25
14:27 26 I haven't added them up, Ms Dobbin, and tell me if I'm wrong,
14:27 27 but it seems to me that there is more money laundering
14:27 28 techniques that you are not looking for than there are money
14:27 29 laundering techniques that you are looking for; that is accurate?
14:27 30
14:27 31 A. I don't know in terms of the specific numbers, but there are
14:27 32 a number that, as I said, are not able to be detected with
14:27 33 respect --- or are not relevant to the bank account as a channel.
14:27 34
14:27 35 Q. I see.
14:27 36
14:27 37 A. And obviously this is not an exhaustive list of money
14:27 38 laundering typologies. There may well be other typologies.
14:27 39
14:28 40 Q. I see. So insofar as there are other typologies, are they not
14:28 41 on the list because they are not relevant to casinos, or what is the
14:28 42 reason that there might be other typologies that are not on the
14:28 43 list?
14:28 44
14:28 45 A. Typologies by definition are emerging behaviours, they are
14:28 46 released all the time. We've prepared this based on fairly
14:28 47 extensive research, but there may certainly be other ways of

14:28 1 laundering money through casinos that are not on this list, and
14:28 2 that's where the broader behavioural analysis will be important in
14:28 3 terms of looking for other patterns. The typologies are a good
14:28 4 starting point.

14:28 5

14:28 6 Q. Okay. I will fast-forward into the future, on a hypothetical
14:28 7 note --

14:28 8

14:28 9 A. Right.

14:28 10

14:28 11 Q. --- once you get to the end of phase 2, the analysis and
14:28 12 you've got the results essentially, does Deloitte's instruction
14:28 13 extend to quantifying the amount of money laundering through
14:28 14 Crown's bank accounts? Are you going to put a dollar figure on
14:28 15 it?

14:29 16

14:29 17 A. I don't think we've determined that yet. But certainly the
14:29 18 work is intended to be quite detailed so --- we haven't yet
14:29 19 determined how we are going to report.

14:29 20

14:29 21 Q. Okay, but at present, you haven't been instructed to
14:29 22 quantify?

14:29 23

14:29 24 A. We haven't been instructed to or not to. We just haven't
14:29 25 discussed it.

14:29 26

14:29 27 Q. I see. And in respect of --- sorry, I withdraw that. There is
14:29 28 a real prospect that the results of your final analysis, and, indeed,
14:29 29 the current results of your provisional analysis would suggest that
14:29 30 there is evidence of money laundering that might require
14:29 31 reporting to AUSTRAC; do you agree?

14:29 32

14:29 33 A. Yes, and/or may identify activity that has already been
14:29 34 reported to AUSTRAC.

14:29 35

14:29 36 Q. Yes, I see. Does the scope of Deloitte's retainer extend to
14:29 37 assessing whether or not Crown has detected this in the past and
14:30 38 reported to AUSTRAC, or whether or not Crown should report it
14:30 39 to AUSTRAC?

14:30 40

14:30 41 A. Not specifically but the work that we'll do in phase 3 will
14:30 42 then go on to look at the controls that Crown has in place, one of
14:30 43 which is transaction monitoring and the associated reporting that
14:30 44 happens off the back of transaction monitoring. In a general
14:30 45 sense, the scope of our work won't be for every example of
14:30 46 potential money laundering identified to trace it end-to-end, if
14:30 47 you like, but we will certainly be reviewing the control

14:30 1 environment overall and the extent to which the controls are
14:30 2 effective, inclusive of the reporting control. But, yeah, not in
14:30 3 every case at this stage tracking what Crown did end-to-end on
14:30 4 each transaction.
14:30 5
14:30 6 Q. All right. I will tender that document, which can be
14:31 7 described as perhaps a Deloitte Casino Typologies Mapping
14:31 8 Table.
14:31 9
14:31 10 COMMISSIONER: I've marked that as Exhibit 93.
14:31 11
14:31 12
14:31 13 **EXHIBIT #RC0093 - DELOITTE CASINO TYPOLOGIES**
14:31 14 **MAPPING TABLE**
14:31 15
14:31 16
14:31 17 MS O'SULLIVAN: Thank you.
14:31 18
14:31 19 Before we move off phase 2, I want to ask you some final
14:31 20 questions about the limitations because I noticed in your letter of
14:31 21 engagement you actually set out in specific detail the limitations.
14:31 22
14:31 23 A. Yes.
14:31 24
14:31 25 Q. Perhaps I can take you to that.
14:31 26
14:31 27 This is tab 2, Commissioner.
14:31 28
14:31 29 Operator, if you can bring up on the screen DTT.002.0001.6479.
14:31 30 Can we go to the page ending _0005.
14:31 31
14:32 32 Can you see that section there, Ms Dobbin, "Assumptions and
14:32 33 limitations"?
14:32 34
14:32 35 A. Yes.
14:32 36
14:32 37 Q. In particular, if you can look at the second bullet point, you
14:32 38 set out that there the Deloitte services will essentially:
14:32 39
14:32 40 *..... not review other activity unrelated to the Patron*
14:32 41 *Accounts, for example, behaviour on the casino floor*
14:32 42
14:32 43 A. Yes.
14:32 44
14:32 45 Q. Am I right to the extent you've set out limitations in your
14:32 46 letter of engagement, does that really mean that you think these
14:32 47 are significant limitations or limitations worthy of note?

- 14:32 1
14:32 2 A. It is effectively all --- probably the second --- so limitations
14:32 3 of note, but it is obviously, not obviously, it is customary for us to
14:32 4 include a section like this to be clear with our clients what is not
14:32 5 in scope of our review or what isn't within our control to opine
14:32 6 on.
14:32 7
14:32 8 Q. Is it right that you don't include in this section matters that
14:33 9 are completely irrelevant? You are essentially referring to related
14:33 10 matters that you are being clear are not in scope but worthy of
14:33 11 note; would you agree with that?
14:33 12
14:33 13 A. Yes, I would agree with that.
14:33 14
14:33 15 Q. So Deloitte is not looking at money laundering behaviour
14:33 16 on the casino floor; is that right?
14:33 17
14:33 18 A. Where it is unrelated to the patron accounts, that is right.
14:33 19
14:33 20 Q. I see. So the second one there, which is transaction activity
14:33 21 within Crown's internal gaming accounts, you are not looking at
14:33 22 that insofar as it is unrelated to transactional activity ---
14:33 23 (speaking over) ---
14:33 24
14:33 25 A. That's correct.
14:33 26
14:33 27 Q. Also, a limitation you set out there is that Deloitte is not
14:33 28 looking at how Crown will broadly manage anti-money
14:33 29 laundering and terrorism financing risks associated with that
14:33 30 activity; is that right?
14:33 31
14:33 32 A. Yes, insofar as it is unrelated to the patron accounts.
14:33 33
14:33 34 Q. I see. If we can go to page _0006. I will call that --- it is
14:34 35 a second dot point. There is a series of sub dot points to the
14:34 36 second dot point.
14:34 37
14:34 38 A. Yes.
14:34 39
14:34 40 Q. One of the things, am I right to think, that Deloitte is not
14:34 41 doing is any form of assessment of the source system data quality
14:34 42 or completeness?
14:34 43
14:34 44 A. Yes.
14:34 45
14:34 46 Q. And you are not doing any form of implementation or
14:34 47 operationalisation of any outcomes of your work?

- 14:34 1
14:34 2 A. Correct.
14:34 3
14:34 4 Q. And then the fourth sub dot point there, Deloitte is not doing
14:34 5 any retrospective review of performance of Crown's transaction
14:34 6 monitoring program or other controls; you are looking only at
14:34 7 current processes, controls and procedures only, is that right?
14:34 8
14:34 9 A. Yes, and that might be poorly worded. What that is
14:35 10 intended to convey is that our assessment will be of current
14:35 11 controls. We are not looking back at previous versions of
14:35 12 controls, but in performing that review some of our operational
14:35 13 effectiveness testing will include historical performance of the
14:35 14 current controls. So to take an example, if there is a current
14:35 15 transaction monitoring process in place now, we will look
14:35 16 retrospectively, as part of our sampling, part of our effectiveness
14:35 17 testing, should I say, to assess how that control has been
14:35 18 performed.
14:35 19
14:35 20 Q. I see. Now, can I just ask you some questions so you can
14:35 21 take that document down, thank you, operator. I will ask you
14:35 22 some questions about data --
14:35 23
14:35 24 A. Yes.
14:35 25
14:35 26 Q. --- and data that you have in certain forms. Do you have
14:35 27 transactional data for all patron accounts in Excel format?
14:36 28
14:36 29 A. The native form of all of the documents was not Excel,
14:36 30 some of it was PDF. Not 100 per cent sure whether we've
14:36 31 converted it into Excel or a different format. I believe it is Excel.
14:36 32
14:36 33 Q. I guess I will ask a slightly different question then. Do you
14:36 34 have all the transaction data for all the patron accounts in at least
14:36 35 one format that computers read and that you can manipulate and
14:36 36 search and so on?
14:36 37
14:36 38 A. Yes, I think we have that now. I'm just not 100 per cent
14:36 39 sure of where we are at in the conversion, but we are in a position
14:36 40 to do that.
14:36 41
14:36 42 Q. If it is not Excel format, do you know what format it would
14:36 43 be in?
14:36 44
14:36 45 A. I don't. Apologies.
14:36 46
14:36 47 Q. Do you have reconciliations of the DAB accounts to bank

14:36 1 accounts?

14:36 2

14:36 3 A. Can you explain to me what you mean by "reconciliation"?

14:37 4

14:37 5 Q. Does Crown reconcile the transactions between its DAB

14:37 6 accounts and its bank accounts?

14:37 7

14:37 8 A. My understanding is that Crown has a process where
14:37 9 transactions received in the bank accounts where they have
14:37 10 a patron reference are then, you know, credited, if you like, to the
14:37 11 patron's account, patron's DAB account, and it is typically the
14:37 12 name or the customer's reference number that they use to match
14:37 13 those transactions. So we have, wherever possible, extracted
14:37 14 patron IDs and names from the transactions with a view to
14:37 15 seeking relevant additional data from Crown with respect to those
14:37 16 transactions. I'm not sure where we are at in the process of
14:37 17 getting all of that through.

14:37 18

14:37 19 Q. Okay. But you don't --- is it right then that Deloitte doesn't
14:37 20 have, in its possession, some form of reconciliation that Crown
14:37 21 has itself performed between the transactions on the bank
14:38 22 accounts and the transactions on the DAB accounts?

14:38 23

14:38 24 A. As part of our phase 1 work we did review a number of
14:38 25 documents that, whether you would call them a reconciliation,
14:38 26 they were copies of the bank statements that Crown's team have
14:38 27 used to, if you like, validate a patron transaction and make it
14:38 28 available in the account.

14:38 29

14:38 30 Q. You have seen specific transaction reconciliations but you
14:38 31 have not seen any general reconciliations between those two
14:38 32 types of accounts?

14:38 33

14:38 34 A. No. From what I saw, it was more monthly or transaction
14:38 35 by transaction. But I am not --- I don't know if --- there may well
14:38 36 be another document. If there is, I haven't seen it.

14:38 37

14:38 38 MS O'SULLIVAN: I'm now proposing to move to a completely
14:38 39 different phase of the project, Commissioner. Do you have any
14:39 40 questions?

14:39 41

14:39 42 All right, Ms Dobbin, I will ask you now about phase 1. I guess I
14:39 43 might start by saying it is my understanding that phase 1 is
14:39 44 completely different to phase 2; is that right?

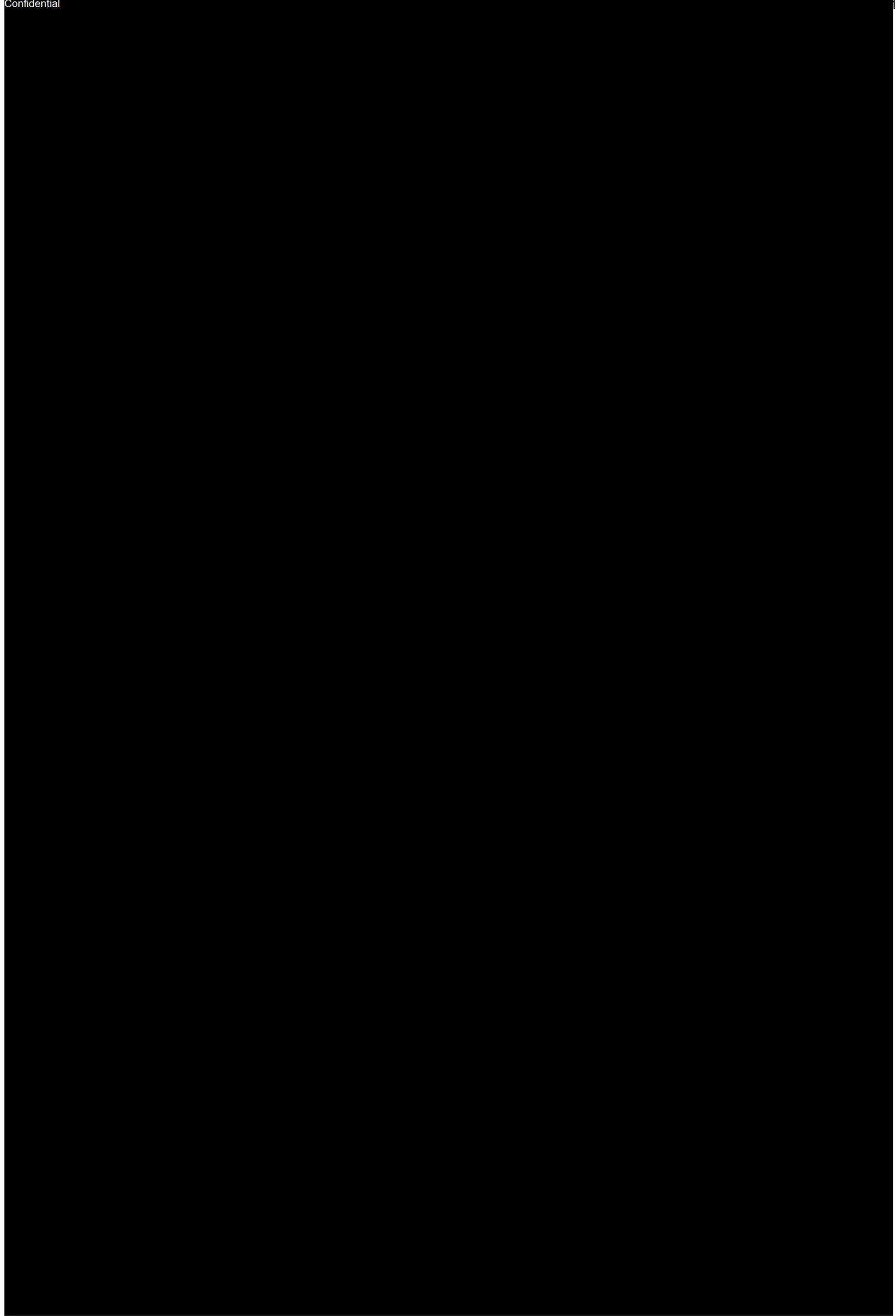
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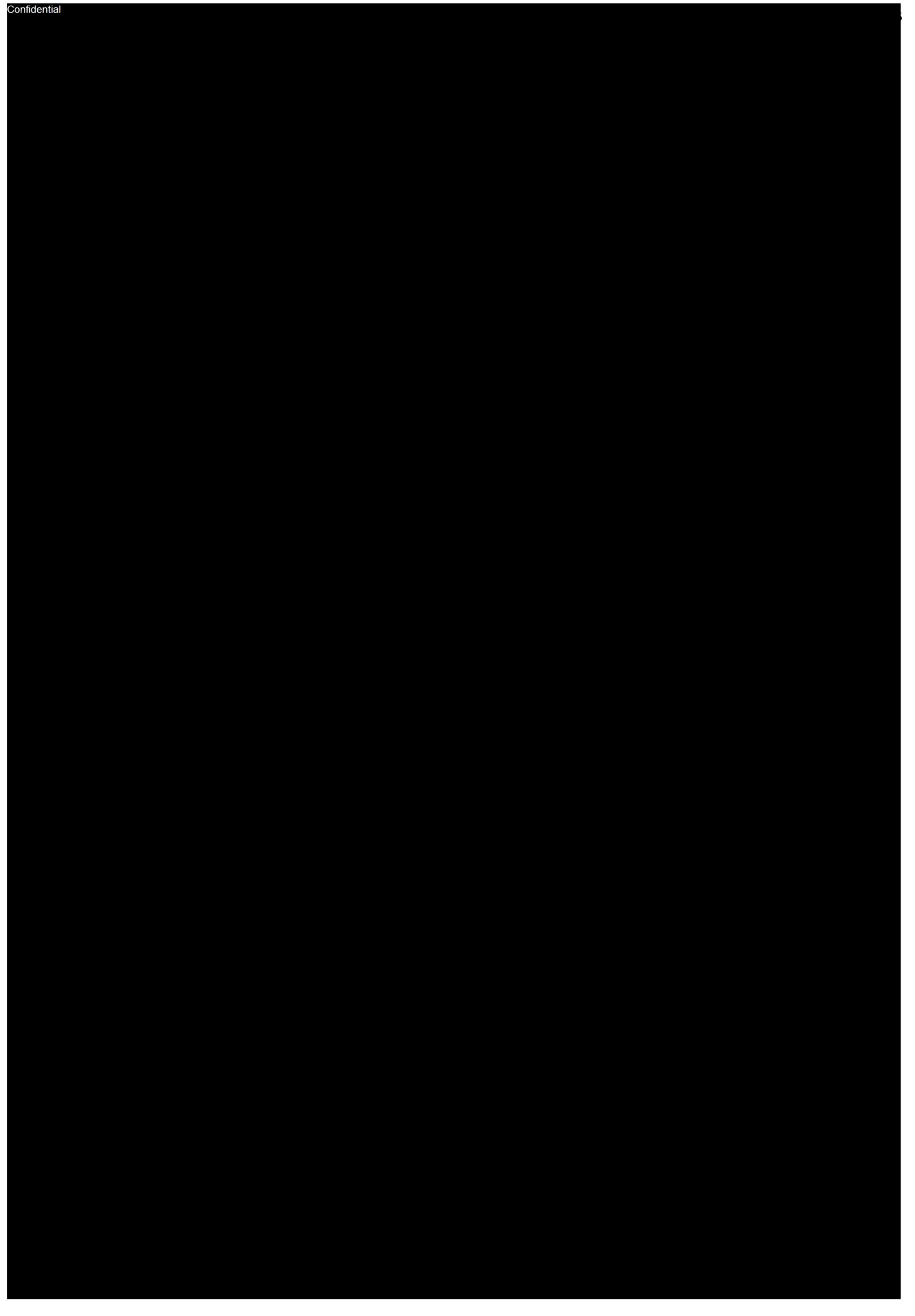
14:39 46 A. Yes. Yes, completely different.

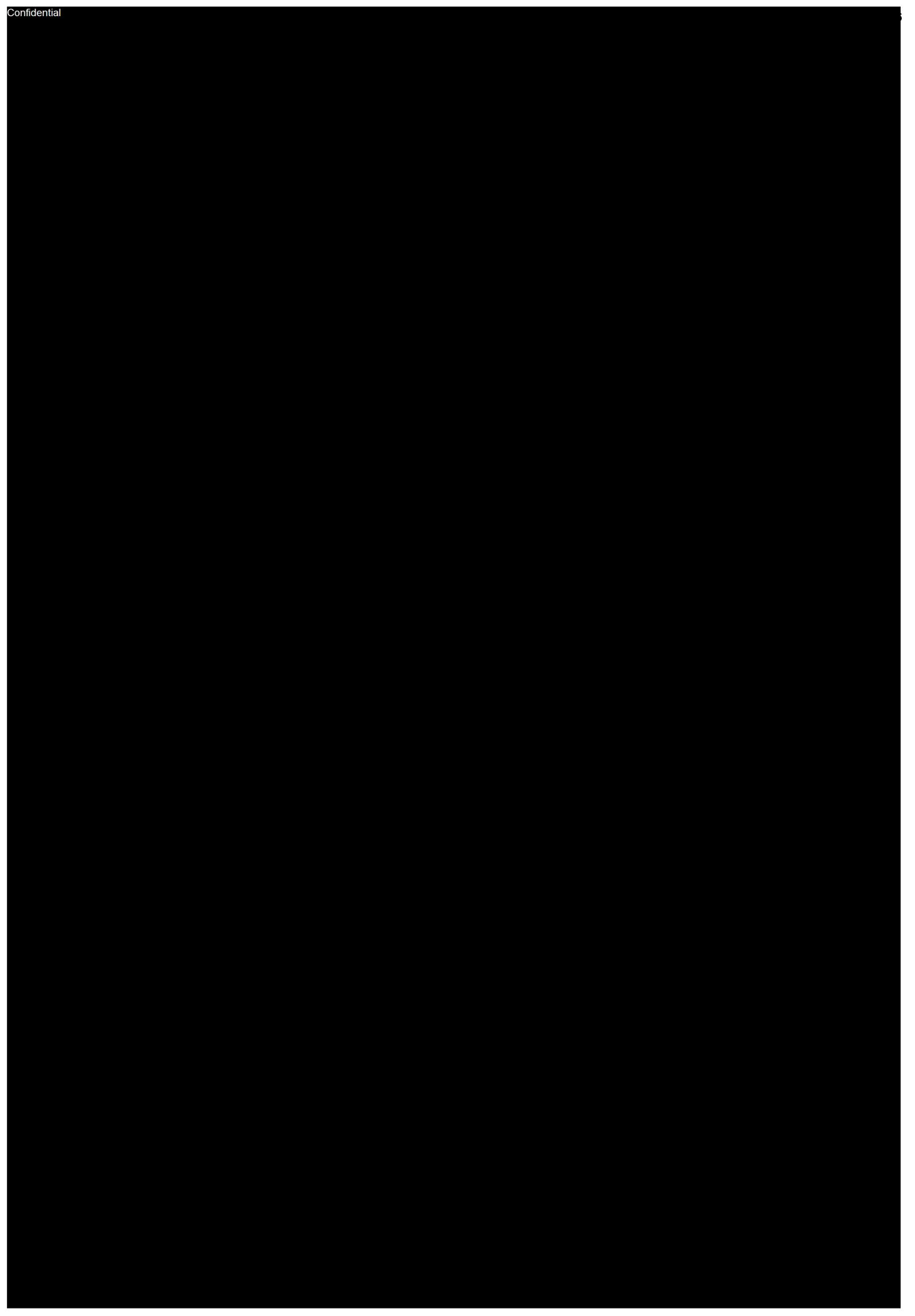
14:39 47

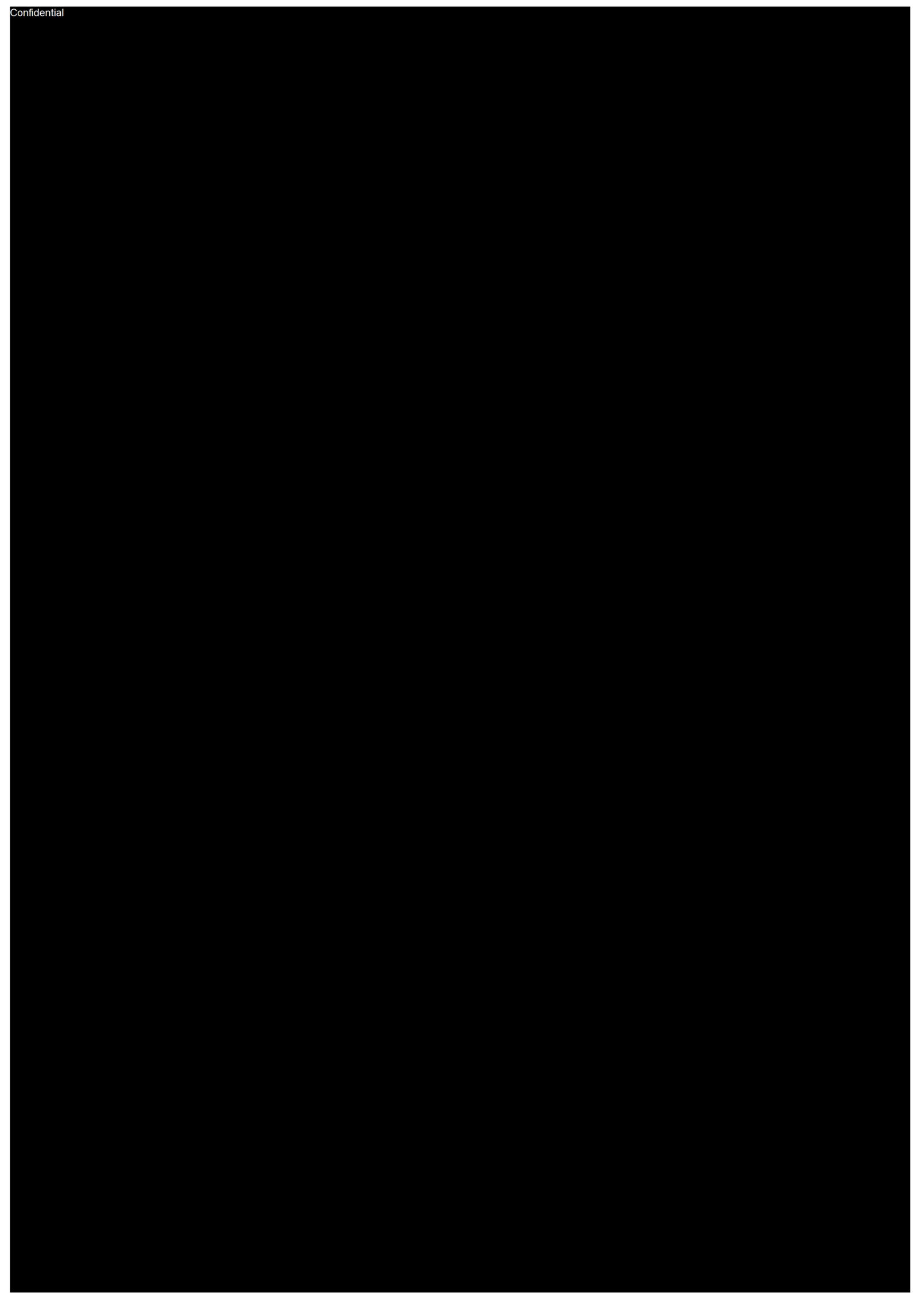
- 14:39 1 Q. Still in the money laundering area; is that right?
14:39 2
14:39 3
- 14:39 4 A. Yes.
14:39 5
- 14:39 6 Q. But phase 1 doesn't involve any review of bank transaction
14:39 7 data; is that right?
14:39 8
- 14:39 9 A. No, that's not correct. We did review bank transaction data,
14:39 10 but we reviewed it for a very specific thing.
14:39 11
- 14:39 12 Q. Of course. Thank you. So phase 1 is a controls
14:39 13 assessment?
14:39 14
- 14:39 15 A. Yes.
14:39 16
- 14:39 17 Q. In particular, I think you told us earlier that it is a controls
14:39 18 assessment of certain money laundering controls; is that right?
14:39 19
- 14:39 20 A. Yes, certain money laundering and account controls.
14:39 21
- 14:39 22 Q. Am I right to understand that the context for the phase 1
14:39 23 work is the previous reviews conducted by Grant Thornton and
14:40 24 Initialism in late 2020 which had identified indications of money
14:40 25 laundering on the Southbank and Riverbank bank accounts?
14:40 26
- 14:40 27 A. Yes, that's right.
14:40 28
- 14:40 29 Q. Is it your understanding that in response to those reports,
14:40 30 being the Grant Thornton and Initialism Southbank and
14:40 31 Riverbank reports, Crown introduced some new controls?
14:40 32
- 14:40 33 A. Yes, during the course of both the Bergin Inquiry and the
14:40 34 media allegations, Crown introduced controls, yes.
14:40 35
- 14:40 36 Q. Yes, and so phase 1 of Project Libby is to assess the new
14:40 37 controls?
14:40 38
- 14:40 39 A. Yes, that's right.
14:40 40
- 14:40 41 Q. Yes. I'm right, aren't I, to understand that you've been
14:40 42 instructed by Crown that 1 December 2020 was the date from
14:40 43 which the new controls in their current form was largely
14:40 44 operational?
14:40 45
- 14:40 46 A. That's right, yes.
14:40 47

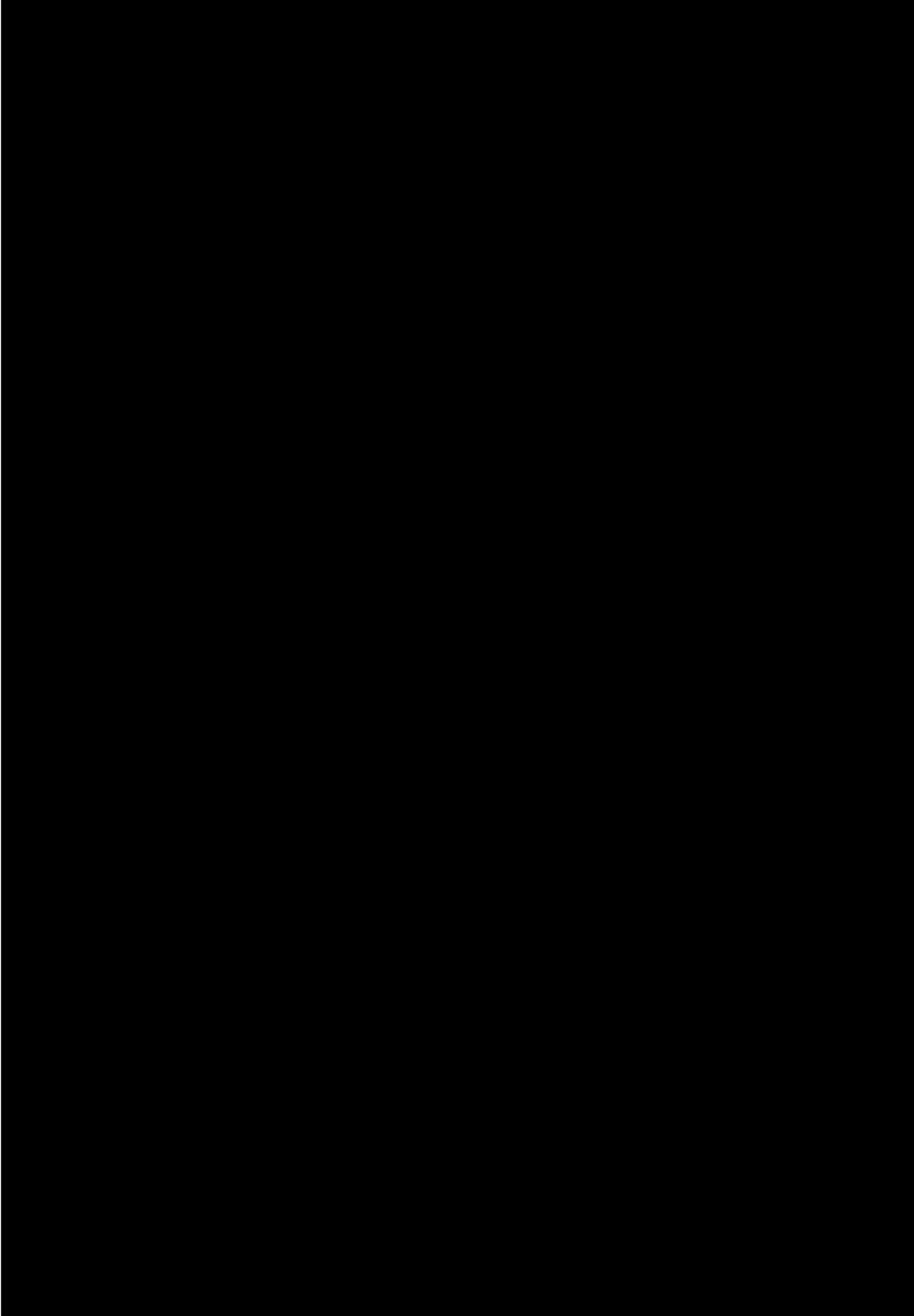
14:40 1 Q. So phase 1 of project Libby isn't assessing how Crown
14:40 2 operated historically, really it's looking at how Crown operates in
14:40 3 the present; is that right?
14:40 4
14:40 5 A. That's right, yes.
14:40 6
14:40 7 Q. The phase 1 task was to assess the new controls in terms of
14:41 8 their design effectiveness and operational effectiveness; is that
14:41 9 right?
14:41 10
14:41 11 A. Yes.
14:41 12
14:41 13 Q. The controls that were being looked at were constituted by
14:41 14 prohibition on cash deposits, third-party deposits and money
14:41 15 laundering deposits into Crown's account; is that right?
14:41 16
14:41 17 A. Those are the two prohibitions, and then we assess the
14:41 18 controls that were put in place to ensure that those prohibitions
14:41 19 were effected.
14:41 20
14:41 21 Q. Thank you. And you were also looking at what is called
14:41 22 a return of funds policy, is that right, whereby if a prohibited
14:41 23 deposit took place, the transaction would be reversed or refunded;
14:41 24 is that right?
14:41 25
14:41 26 A. Yes, the return of funds policy was one example of
14:41 27 a control that was established to enforce the policy.
14:41 28
14:42 29 MS O'SULLIVAN: Now, Commissioner, I propose to ask the
14:42 30 witness a series of questions about the Deloitte phase 1 controls
14:42 31 assessment. That is an assessment as to Crown's present controls,
14:42 32 not any historical matters. There have been applications that have
14:42 33 been granted, non-publication order applications that have been
14:42 34 granted in respect of the documents by reason that there is a risk,
14:42 35 given that we are talking about present controls, on the one hand
14:42 36 and vulnerabilities, really, that is there is a risk of exploitation by
14:42 37 that information by people seeking to money launder through
14:42 38 the casino. I'm proposing at this point to move into private
14:42 39 session.
14:42 40
14:42 41 COMMISSIONER: So we will stop the live streaming.
14:42 42
14:42 43 MS O'SULLIVAN: Yes, so if we can stop the livestream and I
14:42 44 understand at this point we have to pause for a few moments to
14:42 45 allow that to happen.
14:43 46
14:43 47

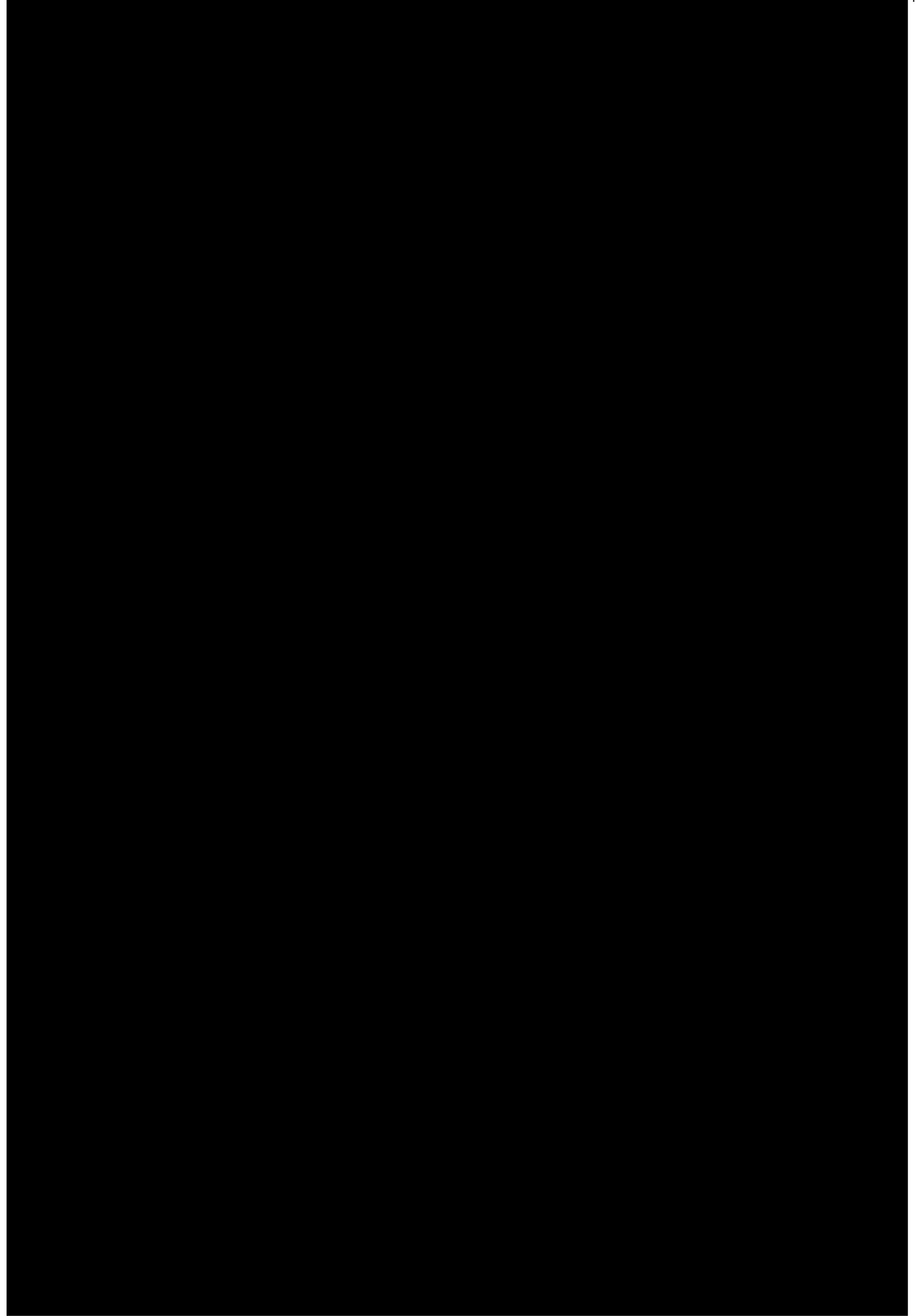


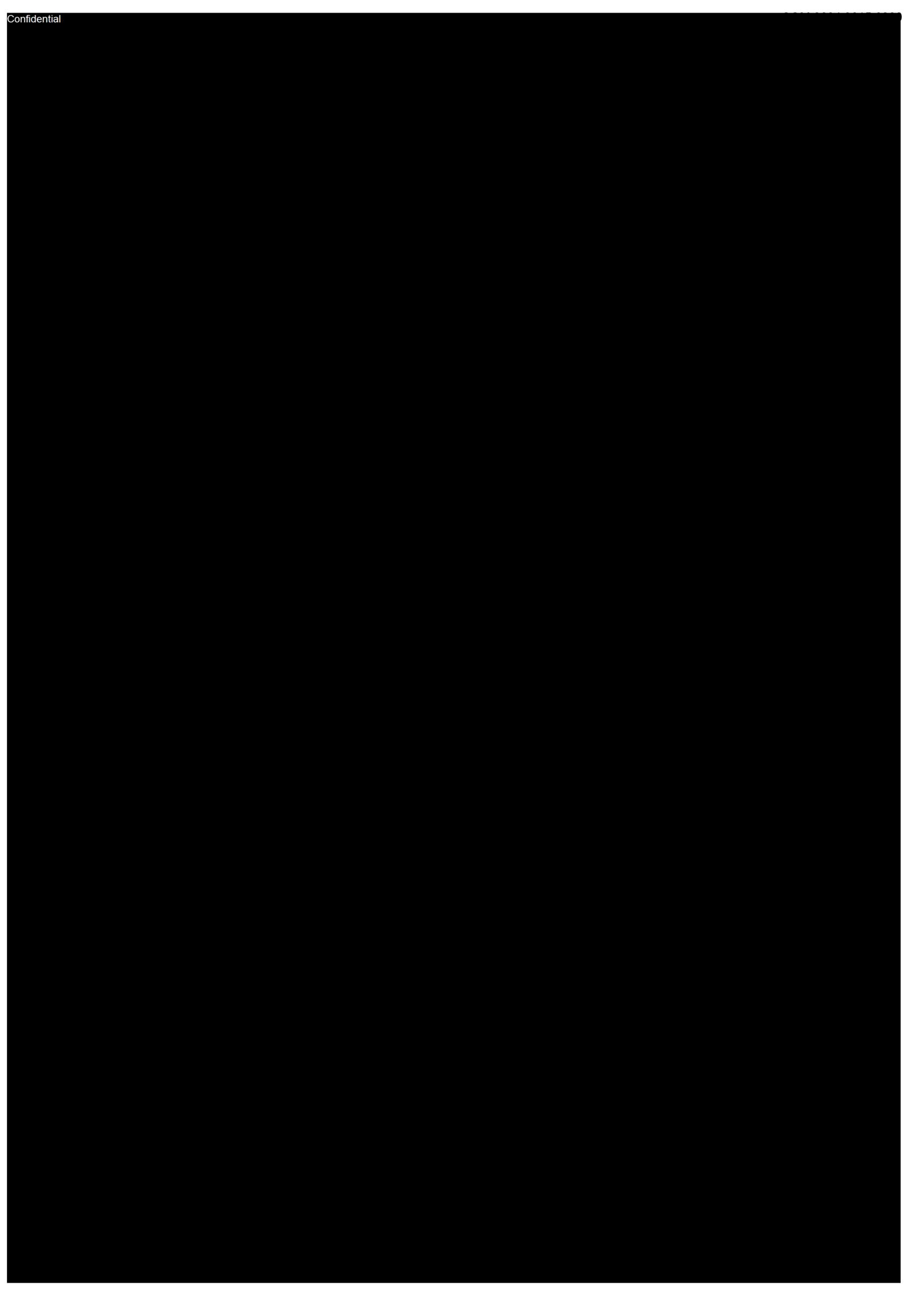


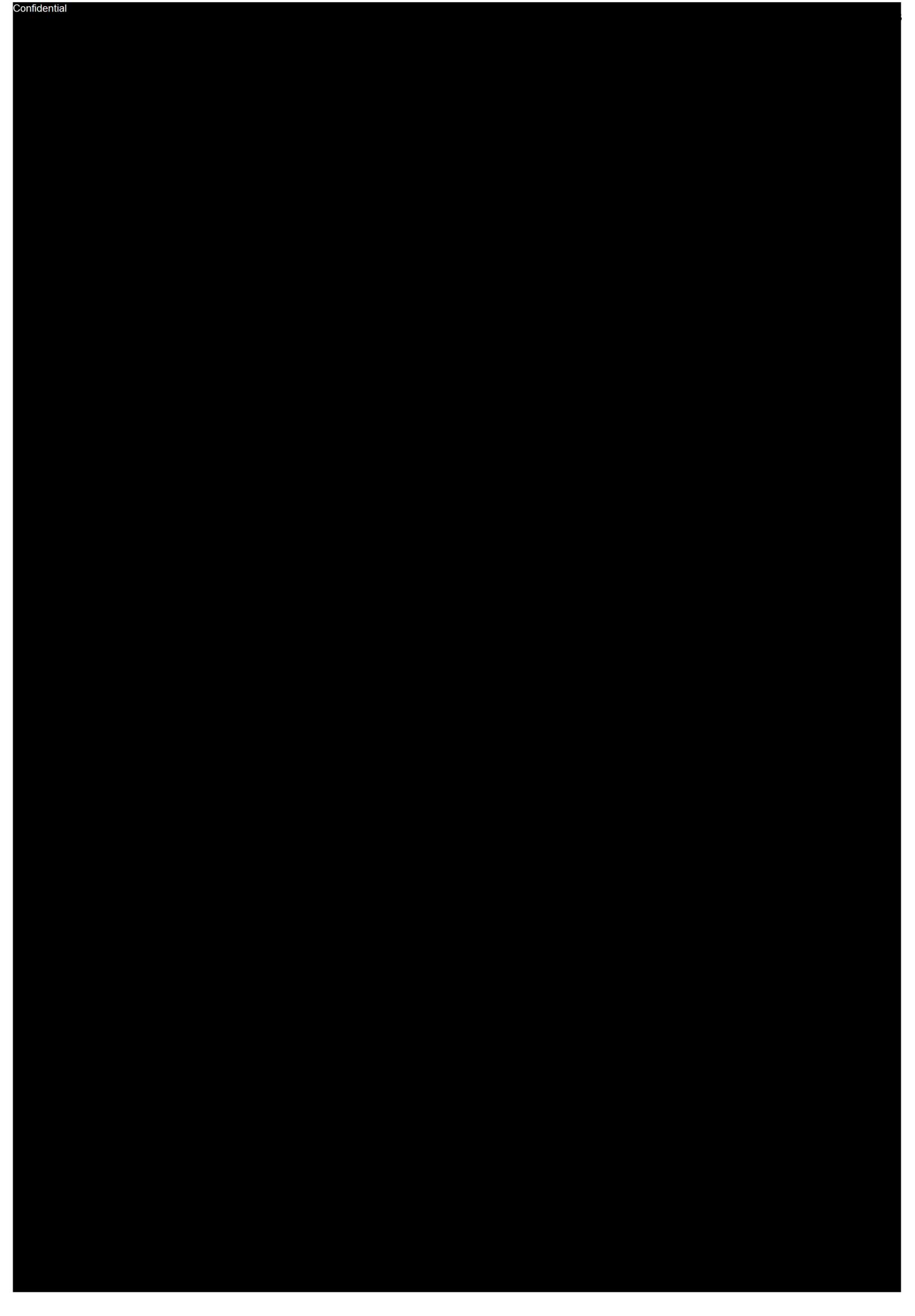


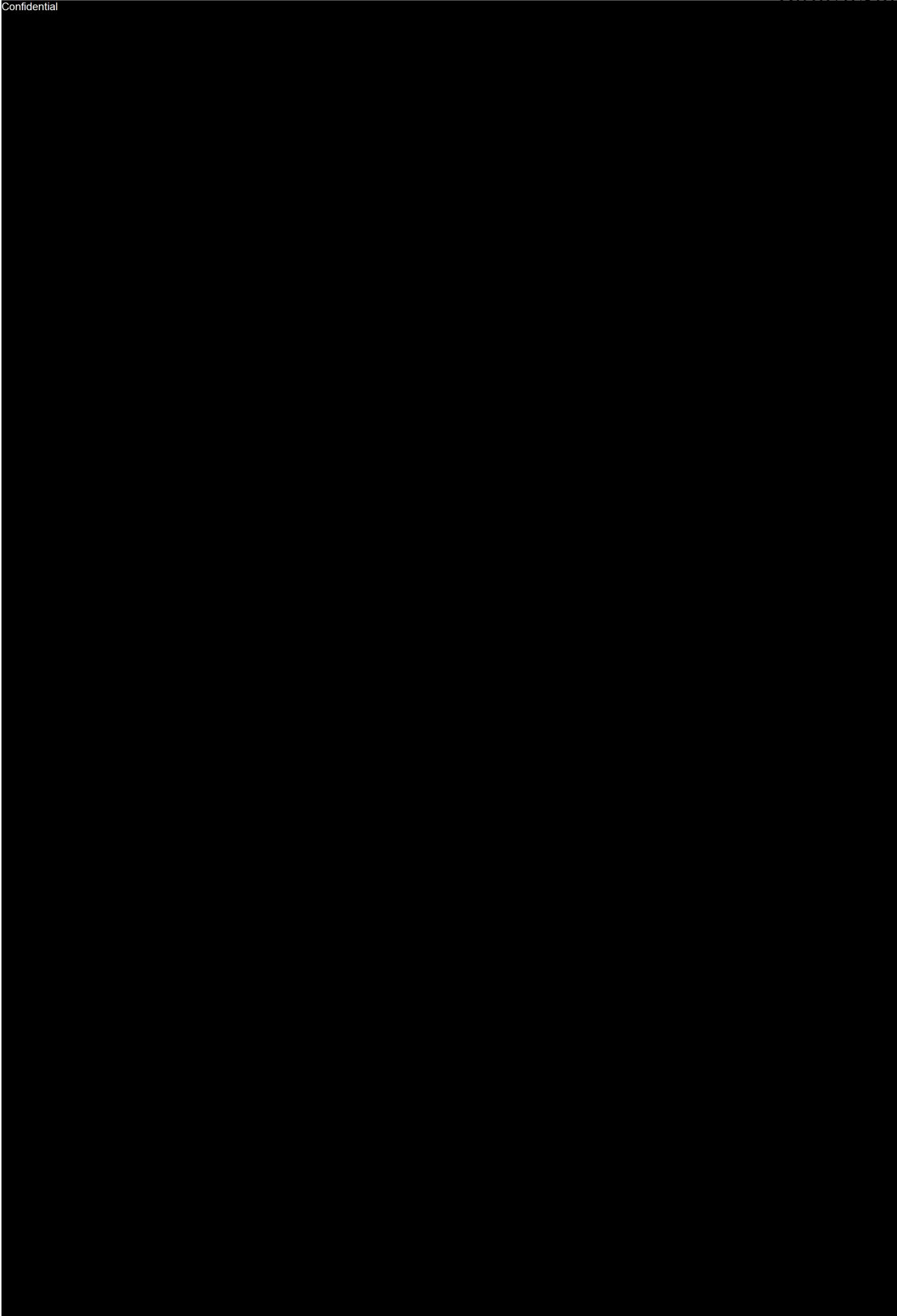


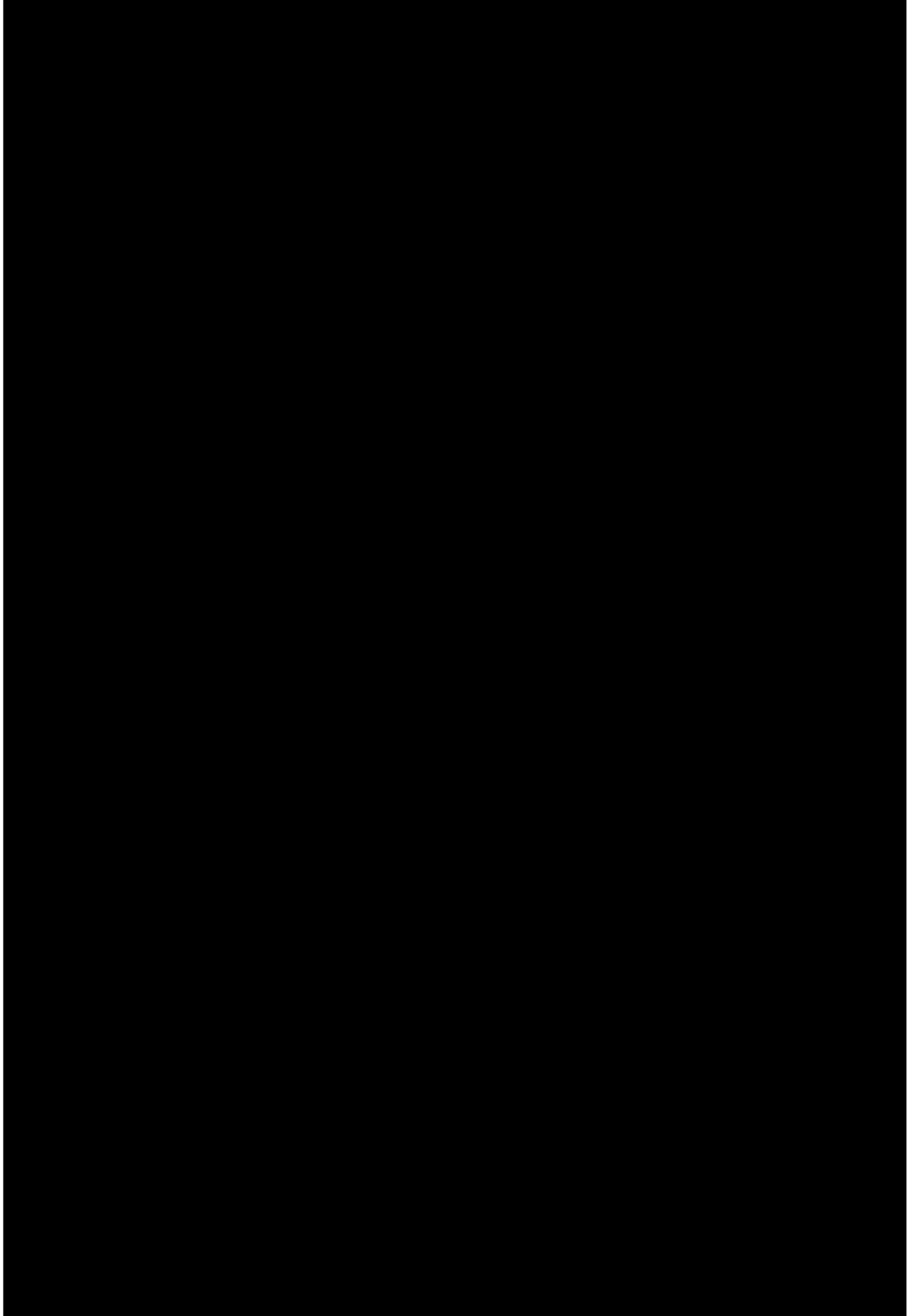


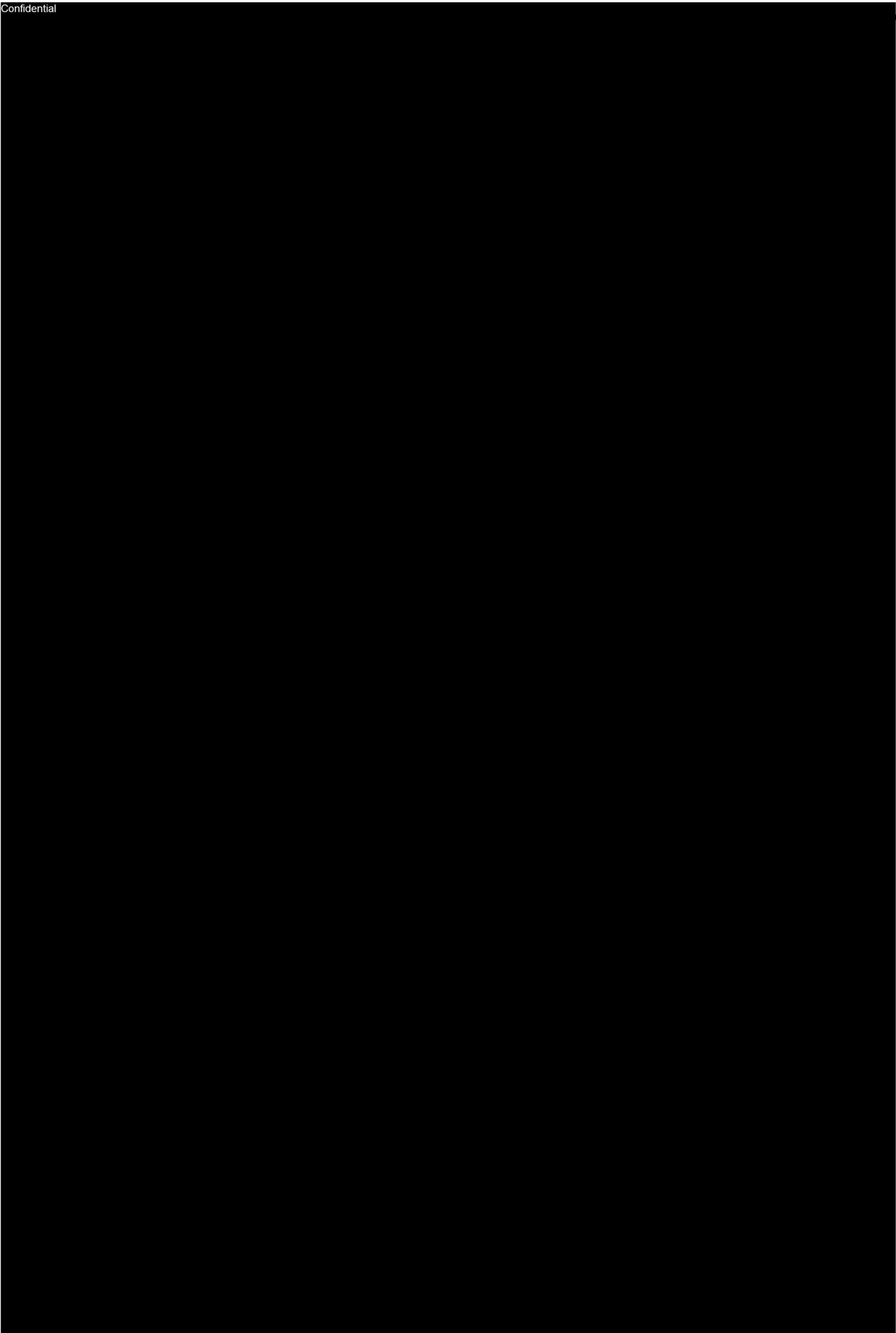


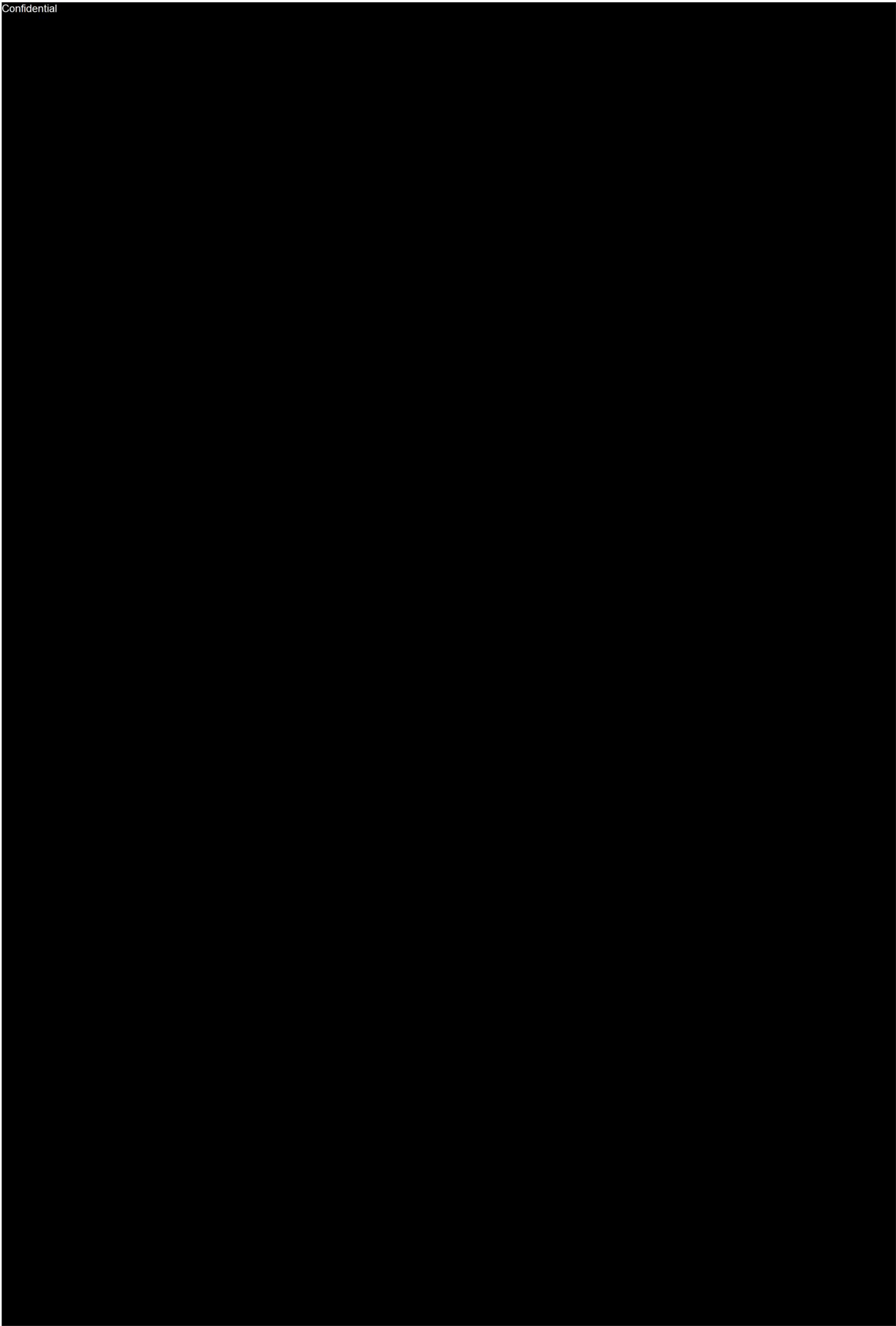


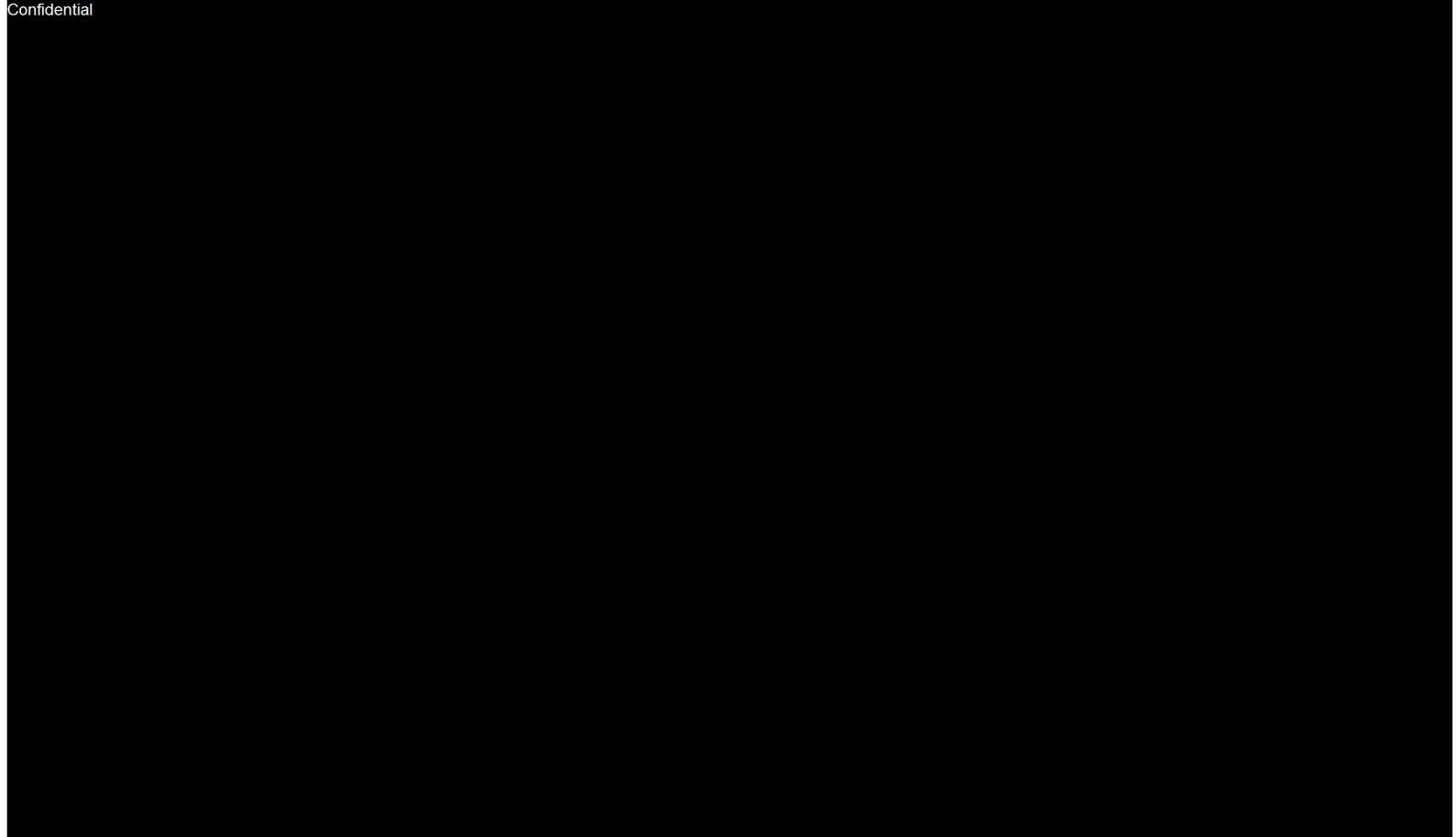












16:03 17

16:03 18 **[HEARING IN CAMERA ENDED]**

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16:03 1
16:03 2 **CROSS-EXAMINATION BY MS BUTTON, CONTINUED**
16:03 3
16:03 4
16:03 5 COMMISSIONER: We're good, Ms Button.
16:03 6
16:03 7 MS BUTTON: Can I have the operator bring up
16:03 8 DTT.010.0005.0043.
16:03 9
16:04 10 This confirms some of the points we were talking about before.
16:04 11 You recognise this document that Counsel Assisting took you to
16:04 12 a little while ago?
16:04 13
16:04 14 A. Yes.
16:04 15
16:04 16 Q. There you see your descriptions of structuring all involve
16:04 17 cash.
16:04 18
16:04 19 A. Yes.
16:04 20
16:04 21 Q. So without the cash you don't have smurfing. And your
16:04 22 smurfing identifications involves third and cuckoo smurfing
16:04 23 involves third parties. So that is consistent with what we
16:04 24 discussed a moment ago; do you agree with that?
16:04 25
16:04 26 A. Yes.
16:04 27
16:04 28 Q. Now, if the operator could bring up DTT.010.0004.0031.
16:05 29 Can I ask the operator to expand the part that says, tab
16:05 30 "References" towards, if you go down a little bit more --- can you
16:05 31 see there at line 46, start at line 41, that describes what the
16:05 32 various tabs are.
16:05 33
16:05 34 A. Yes.
16:05 35
16:05 36 Q. And can you see line 46, "Remaining tabs: include the bank
16:05 37 statements provided by Crown with highlighted potential
16:05 38 indicative ML/TF typologies"?
16:05 39
16:05 40 A. Yes.
16:05 41
16:05 42 Q. So what is highlighted in the other tabs is potentially
16:05 43 indicative, it's not even definitely indicative but potentially
16:05 44 indicative because you need to do further work to check if in fact
16:06 45 it is indicative?
16:06 46
16:06 47 A. That's correct. This is very much a working analysis

16:06 1 document.

16:06 2

16:06 3 Q. Counsel Assisting before took you to the portion of this

16:06 4 document at line 59 which indicated bank accounts with

16:06 5 "evidence of money laundering" as the heading.

16:06 6

16:06 7 A. Yes.

16:06 8

16:06 9 Q. And you have had a discussion with Counsel Assisting and

16:06 10 the Commissioner this morning about whether the heading is

16:06 11 inapt and you said pretty much it was inapt?

16:06 12

16:06 13 A. Yes. I think it is probably was too early. This is

16:06 14 a document prepared by one of our team. It is in my view too

16:06 15 early for us to make that conclusion.

16:06 16

16:06 17 Q. I just want to note something about the 14 accounts. Could

16:06 18 the operator go to the tab that is the pivot summaries tab? Go

16:07 19 right to the top, please. Can you please click on column C,

16:07 20 maybe expand that so we can see what the heading is, "Evidence

16:07 21 of money laundering" and the Ys and Ns? Can you select that so

16:07 22 it only displays the Ys?

16:07 23

16:07 24 On my count here we get there 14 bank accounts; do you see

16:07 25 that?

16:07 26

16:07 27 A. Yes.

16:07 28

16:07 29 Q. Do you agree with me that most of the bank accounts that

16:07 30 were identified by the exercise so far as it went were in fact the

16:07 31 Riverbank and Southbank accounts that were already closed?

16:07 32

16:07 33 A. Some of them were Riverbank and Southbank. You can

16:08 34 see the others there.

16:08 35

16:08 36 Q. So five out of 14 were not Riverbank or Southbank?

16:08 37

16:08 38 A. Correct.

16:08 39

16:08 40 Q. And you know that the Riverbank and Southbank accounts

16:08 41 had been closed late 2019, or the last was closed in 2019?

16:08 42

16:08 43 A. Yes.

16:08 44

16:08 45 Q. Can we go back to the first tab, please. Could the operator

16:08 46 scroll down to line 81. Again, minimise this so we can see some

16:08 47 more columns. In particular the column that shows the colours,

16:08 1 "Yes - potential structuring" or "no". You can see there and
16:08 2 I think Counsel Assisting took you to line 81 a little while ago.
16:08 3
16:08 4 A. Yes.
16:08 5
16:08 6 Q. Can you see in column I, "tab ref"?
16:08 7
16:08 8 A. Yes.
16:08 9
16:09 10 Q. And here the relevant "tab ref" is BurAUD. Burswood
16:09 11 Nominees Aus dollar?
16:09 12
16:09 13 A. Yes.
16:09 14
16:09 15 Q. Just before we move to that tab, you see that the type of
16:09 16 potential typology that has been identified is potential
16:09 17 structuring?
16:09 18
16:09 19 A. Yes.
16:09 20
16:09 21 Q. Could the operator go to that tab, BurAUD. In fact it is
16:09 22 BurAUD to February 2021. Could we go across to show
16:09 23 columns J, K, L, M and so on. Can we go to another one first.
16:10 24 The version I have has highlighting which does not seem to be
16:10 25 showing up on your one. We'll go back to the summary tab.
16:10 26 Could the operator go down to lines 85 to 86 and following? You
16:11 27 can see there that there are two items "yes". Perhaps if the
16:11 28 operator could go a little to the right so you see the red column.
16:11 29 You can see there are two "Yes"s for
16:11 30 MelDec20-18Feb2021.
16:11 31
16:11 32 A. Yes.
16:11 33
16:11 34 Q. And one of them is said to have identified "large patron
16:11 35 transfers of money to individuals" and the other one says
16:12 36 "potential structuring".
16:12 37
16:12 38 A. Yes.
16:12 39
16:12 40 Q. Maybe if the operator could try and find that tab. Could the
16:12 41 operator go down to line 257. You can see it is the methodology
16:12 42 that was adopted in this document, wasn't it, to highlight
16:12 43 transactions that were to be examined?
16:12 44
16:12 45 A. I really can't say. I haven't reviewed this document.
16:13 46
16:13 47 Q. Well, that is what seemed to be what was indicated on the

16:13 1 summary tab, to include bank statements provided by Crown with
16:13 2 highlighted potential indicative ML/TF typologies. Take it from
16:13 3 me, we will find a reference, but take it from me for the present
16:13 4 assumption that the highlighted ones were the ones that were
16:13 5 considered to be --- they were what was triggering the inclusion
16:13 6 of these accounts in the summary sheet that we looked at
16:14 7 a moment ago.

16:14 8

16:14 9 A. Okay.

16:14 10

16:14 11 Q. Can you see column O, if the operator could bring us back
16:14 12 so we can see the heading to column O briefly. And column O is
16:14 13 "debits" and column P is "credits". Now if we could go back to
16:14 14 where we were, can you see there a series of \$10,000 outgoings.
16:14 15 Do you agree that they are outgoings?

16:14 16

16:14 17 A. Yes.

16:14 18

16:14 19 Q. They have been highlighted and they are essentially money
16:14 20 going out from Crown to a patron; do you agree with that? Or
16:14 21 going out from Crown, they are outgoings not ---

16:14 22

16:15 23 A. They appear to be outgoings, yes.

16:15 24

16:15 25 Q. If the operator could go right back to column C. The
16:15 26 account number we are dealing with here is the account number
16:15 27 you can just perhaps see it for yourself ends in the digits 325.

16:15 28

16:15 29 A. Yes.

16:15 30

16:15 31 Q. Now you are aware, aren't you, that that is an account that
16:15 32 was not a patron deposit account. If we want to check this we
16:15 33 can go to the bank account tracker tab and that is at line 52? So if
16:15 34 the operator could go to the bank account tracker tab, which is
16:15 35 think is one of the early tabs in this document, and go to line 52.
16:15 36 And perhaps if we can go to the left enough to see the account
16:16 37 number. You see there in column D the one ending in 325?

16:16 38

16:16 39 A. Yes.

16:16 40

16:16 41 Q. And if the operator could scroll to the right we can see it is
16:16 42 a patron outbound, it is not a patron operating receipt, it is
16:16 43 a patron outbound account; you see that?

16:16 44

16:16 45 A. Yes.

16:16 46

16:16 47 Q. So this account was not examined by Deloitte as part of the

16:16 1 phase 1 review because it was not a patron account that took
16:16 2 money in from patrons?
16:16 3
16:16 4 A. The phase 1 review wasn't subject to the same analysis
16:16 5 when we walked through the patron accounts. We reviewed
16:16 6 specific accounts only. I agree that account was not subject to
16:16 7 that review.
16:16 8
16:16 9 Q. I'm just making clear you haven't examined this account as
16:16 10 part of your phase 1 work.
16:16 11
16:16 12 A. That's correct.
16:16 13
16:16 14 Q. That is fine.
16:16 15
16:16 16 Is it the case, is it not, that to work out whether there was any
16:16 17 concern from a transaction like this, of outgoings in \$10,000
16:16 18 amounts, well, for a start they are not cash, they are electronic.
16:17 19 So we are not talking about structuring?
16:17 20
16:17 21 A. Yes.
16:17 22
16:17 23 Q. So to work out if there is a concern you would be looking
16:17 24 to see whether they went to a third party? Is that what you would
16:17 25 do to check if there was any concern here?
16:17 26
16:17 27 A. I probably wouldn't describe it in such a limited way.
16:17 28 There might be --- so I think if you are talking about smurfing in
16:17 29 particular ---
16:17 30
16:17 31 Q. Yes.
16:17 32
16:17 33 A. --- you might look for third parties. But there may be other
16:17 34 things you look for to look more generally about
16:17 35 whether there is a concern from a money laundering perspective.
16:17 36
16:17 37 Q. Certainly you would agree there is an outgoing entry that is
16:17 38 electronic, is not structuring and unless it is going to a third party,
16:17 39 it is not smurfing either?
16:17 40
16:17 41 A. Yes, I would agree that the indications of structuring
16:17 42 wouldn't be there.
16:17 43
16:18 44 Q. And what ---
16:18 45
16:18 46 A. And ---
16:18 47

- 16:18 1 Q. And unless it is going to a third party, or involves a third
16:18 2 party, it is not smurfing either?
16:18 3
- 16:18 4 A. That's right.
16:18 5
- 16:18 6 Q. Now there is another outgoing --- there are a number of
16:18 7 outgoing entries here. There is at line 347 another outgoing
16:18 8 entry. If the operator can show column O, that is a large outgoing
16:18 9 entry. The operator needs to go back to the MelDec20-18Feb21
16:18 10 tab. You can see there in column O it is a 1.7 million dollar ---
16:18 11
- 16:18 12 A. Yes.
16:18 13
- 16:18 14 Q. Just short of that.
16:18 15
- 16:18 16 A. Yes.
16:18 17
- 16:18 18 Q. And is it the case that it was part of Deloitte's methodology
16:19 19 to look at large transactions?
16:19 20
- 16:19 21 A. Again I'm just not sure what was done in terms of this
16:19 22 document, but, yes, that would be a test that we would be looking
16:19 23 at.
16:19 24
- 16:19 25 Q. Because if it is large you will have a look at it?
16:19 26
- 16:19 27 A. Yes, that's right.
16:19 28
- 16:19 29 Q. That doesn't mean because it is large it is suspicious, it just
16:19 30 warrants examination?
16:19 31
- 16:19 32 A. That's correct, yes.
16:19 33
- 16:19 34 Q. And then at line 1096, you can see that there is another
16:19 35 large one and again at this stage that is just for examination and
16:19 36 nothing more?
16:19 37
- 16:19 38 A. Yes, in and of itself. Again, I haven't assessed this
16:19 39 document, but that is my assumption.
16:19 40
- 16:19 41 Q. I think the last outgoing one before we get to the incoming
16:20 42 is at line 1424. And there we can see the amount is \$35,000?
16:20 43
- 16:20 44 A. Yes.
16:20 45
- 16:20 46 Q. So again that seems to have been marked as a large one for
16:20 47 examination? Do you agree with that?

16:20 1
16:20 2 A. Yes, it is highlighted, yes, I agree.
16:20 3
16:20 4 Q. This document I can tell you is arranged by date. So the
16:20 5 last of these outgoing highlighted transactions is in 7 January
16:20 6 2021. We can see that in column B. Do you agree with me that
16:20 7 on this schedule there is nothing as recent as February 2021 that
16:20 8 has been highlighted for examination on the basis of an outgoing
16:20 9 transaction?
16:20 10
16:21 11 A. I can't see without scrolling down but I take --- I assume
16:21 12 that is correct, yes.
16:21 13
16:21 14 Q. We could scroll down, but if we skip to where the next
16:21 15 account kicks in, it is line 3036 is where the next account starts to
16:21 16 be examined.
16:21 17
16:21 18 A. Okay.
16:21 19
16:21 20 Q. So we switch from the outgoing account to the incoming
16:21 21 account.
16:21 22
16:21 23 A. Okay. Yes, I can see that.
16:21 24
16:21 25 Q. If the operator --- can you see the account change there?
16:21 26
16:21 27 A. Yes.
16:21 28
16:21 29 Q. It goes to the account ending 834?
16:21 30
16:21 31 A. Yes.
16:21 32
16:21 33 Q. Can you confirm that is one of the accounts that Deloitte
16:21 34 did examine through phase 1 work?
16:21 35
16:21 36 A. Yes.
16:21 37
16:21 38 Q. Now, if you look at column L, you can see that it records
16:22 39 a whole lot of different transfer types? Column L is headed "tran
16:22 40 type" which I take it would be transaction type. Can you just
16:22 41 confirm that an OSKO, O-S-K-O payment, is a form of electronic
16:22 42 payment?
16:22 43
16:22 44 A. Yes, that is right.
16:22 45
16:22 46 Q. It is a form of quick BPAY as I understand it?
16:22 47

16:22 1 A. Yes, that's right.
16:22 2
16:22 3 Q. Given that, would you agree that for all OSKO payments
16:22 4 we are not dealing with structuring because they are electronic?
16:22 5
16:22 6 A. Agree, yes, they are not cash.
16:22 7
16:22 8 Q. So we can see in lines 3179 to 3180 that there is
16:22 9 a highlighted line which is OSKO?
16:22 10
16:22 11 A. Yes.
16:22 12
16:22 13 Q. So that is not a structuring transaction; do you agree with
16:23 14 that?
16:23 15
16:23 16 A. Yes.
16:23 17
16:23 18 Q. And we also know, do we not, that it is not a transaction
16:23 19 involving a third party because Deloitte examined this account in
16:23 20 phase 1 and did not find outgoings --- sorry, incomings from third
16:23 21 parties that had not been returned. So, let me put it differently. If
16:23 22 this involved a third party, Deloitte had already satisfied itself
16:23 23 through phase 1 that the funds had been returned?
16:23 24
16:23 25 A. Yes, that's correct.
16:23 26
16:23 27 Q. On the face of this you wouldn't be able to tell whether it
16:23 28 was a third party or not?
16:23 29
16:23 30 A. Not from that information that I can see there, no.
16:23 31
16:24 32 Q. It is late in the day, but can I ask you to take it from me that
16:24 33 all of the other highlighted entries in this document, in this tab,
16:24 34 are OSKO payments?
16:24 35
16:24 36 A. Okay.
16:24 37
16:24 38 Q. So assume that, and that being the case, if the operator can
16:24 39 go back to the summary page at the front at line 86, you can see
16:25 40 there that the indication is potential structuring but you would
16:25 41 agree with me that it reflects just how preliminary this work is
16:25 42 that highlighted OSKO payments aren't structuring. So really
16:25 43 what this is indicating is no more than the need to take a closer
16:25 44 look at those transactions?
16:25 45
16:25 46 A. Yes, I would agree it is very preliminary.
16:25 47

16:25 1 Q. So, on that basis, there has not been structuring, or
16:25 2 suspected structuring, in that Crown Melbourne account ending
16:25 3 in 834 in the period through to February 2021, which is the
16:25 4 period of the bank account. If you want to look at the column
16:25 5 which gives the date, it is column D that sets out the date from
16:26 6 December to 18 February 2021. I'm asking you to assume that
16:26 7 they are all ASKO ones that are highlighted.

16:26 8

16:26 9 A. I don't think I could make the statement that there is no
16:26 10 structuring in that account just because I haven't analysed it.

16:26 11

16:26 12 Q. That is fair, but would you agree that to the extent that the
16:26 13 highlighted entries that are OSKO payments are what caused your
16:26 14 team member to identify them for examination, because they are
16:26 15 OSKO payments they are not structuring. I think you already
16:26 16 agreed that OSKO payments are not structuring?

16:26 17

16:26 18 A. Yes. Yes.

16:26 19

16:26 20 Q. While we are on this tab, could the operator just go back up
16:26 21 to the top and I will show you the note that I was looking for
16:26 22 a moment ago. At line 31, this was about what the highlighting
16:27 23 signifies. Do you see there that:

16:27 24

16:27 25 *Any transactions identified as being a potential risk have*
16:27 26 *been highlighted in yellow*

16:27 27

16:27 28 A. Yes.

16:27 29

16:27 30 Q. So do you agree the way this document operates is for the
16:27 31 potentials to be highlighted in yellow?

16:27 32

16:27 33 A. Yes.

16:27 34

16:27 35 Q. Now, can the operator in this document then take us to the
16:27 36 MelFeb --- not yet, actually, let me show you one first. The ones
16:27 37 I'm taking you through are the ones that go through to February
16:27 38 of this year and where your team has included the red column
16:27 39 saying that there might be an issue to look at.

16:27 40

16:28 41 A. Okay.

16:28 42

16:28 43 Q. Those are the rationale for the ones I've taken you to.

16:28 44

16:28 45 Q. Can you see at line 92, see there is another one that is
16:28 46 potential structuring.

16:28 47

16:28 1 A. Yes.
16:28 2
16:28 3 Q. This is in the MelFeb tab.
16:28 4
16:28 5 A. Yes.
16:28 6
16:28 7 Q. Could the operator go to the MelFeb tab? Can we look at
16:28 8 the account number. Can you see that is the same account we
16:28 9 were looking at before, ending in 834?
16:29 10
16:29 11 A. Yes.
16:29 12
16:29 13 Q. So you agree that was an account reviewed by Deloitte in
16:29 14 phase 1 which included the dates that which we are dealing with
16:29 15 here in February 2021?
16:29 16
16:29 17 A. Yes.
16:29 18
16:29 19 Q. Or at least up to 22 ---
16:29 20
16:29 21 A. 22nd, yes, that's right.
16:29 22
16:29 23 Q. Now, could the operator go down to line 284. Can you see
16:29 24 there we have a highlighted OSKO transaction?
16:29 25
16:29 26 A. Yes.
16:29 27
16:29 28 Q. So we know that is not structuring and it was also the
16:29 29 subject of your phase 1 work?
16:29 30
16:29 31 A. Yes.
16:29 32
16:29 33 Q. And then similarly lines 337, 338 we have another OSKO
16:29 34 in February, so that is not structuring.
16:29 35
16:30 36 A. Yes, correct.
16:30 37
16:30 38 Q. And it is not smurfing either because you would have
16:30 39 picked up a third party involvement through phase 1?
16:30 40
16:30 41 A. Yes.
16:30 42
16:30 43 Q. Do you agree, as with the previous tab I took you to, that
16:30 44 the indication of potential structuring on the summary page really
16:30 45 again is indicating no more than that the team had identified those
16:30 46 transactions as something to be looked at?
16:30 47

16:30 1 A. Yes, that seems to be what is indicated by that.
16:30 2
16:30 3 Q. Now, if we again go back to the summary page, and if we
16:30 4 go to line 148, do you see here we have another potential
16:31 5 structuring and when we go to column D we can see that the
16:31 6 dates involve again through to the February 2021 period that I'm
16:31 7 asking you about?
16:31 8
16:31 9 A. Yes.
16:31 10
16:31 11 Q. Could we then go to that tab, ANZAUD2021? Can you see
16:31 12 there is another OSKO payment?
16:31 13
16:31 14 A. Yes.
16:31 15
16:31 16 Q. Can we just look at the bank account number, if the
16:31 17 operator could go towards the left and you can see that ends in the
16:31 18 309. Can you confirm that you reviewed that bank account as
16:32 19 part of your phase 1 work on Perth and I can get that document
16:32 20 brought up for you to be able to check that. It is 0008 ---
16:32 21
16:32 22 A. Yes.
16:32 23
16:32 24 Q. Document ID DTT.010.0005.0039?
16:32 25
16:32 26 A. Yes, that's right.
16:32 27
16:32 28 Q. So you reviewed that bank account in phase 1 for Perth?
16:32 29
16:32 30 A. Yes.
16:32 31
16:32 32 Q. Again we've got an OSKO so we know it's not structuring
16:32 33 and can you confirm that if there was third party involvement you
16:32 34 would have picked up through your Perth phase 1 review?
16:32 35
16:32 36 A. Yes.
16:32 37
16:32 38 Q. So the summary page of saying "yes, potential structuring",
16:32 39 is doing no more than saying "have a look at that".
16:32 40
16:32 41 A. Yes, correct.
16:32 42
16:32 43 Q. Commissioner, there is one more account; I need to have
16:32 44 another try at this Burswood one that was giving us trouble
16:32 45 a moment ago. Commissioner, I'm being told that for some
16:33 46 reason the version on the court book is not showing the
16:33 47 highlighting but I think that is in the native version. So we will

16:33 1 have to get that fixed up so that you can see the highlighting,
16:33 2 Commissioner. But I want to ask Ms Dobbin to assume that, as
16:33 3 with all the other ones I've taken you to which are outgoing that
16:33 4 are highlighted, they are only highlighted OSKO payments?

16:33 5
16:33 6 A. Okay.

16:33 7
16:33 8 Q. And I also want you to assume, and take it from me, that
16:33 9 the account number is the one ending 509 and just ask you to
16:34 10 confirm as you have just now that that is the Perth account you
16:34 11 reviewed in phase 1?

16:34 12
16:34 13 A. Yes, that is correct.

16:34 14
16:34 15 Q. Again we have an instance where this summary page might
16:34 16 set the horses running, or scare the horses probably the better
16:34 17 expression, in circumstances where it does not identify
16:34 18 structuring when you actually look at it?

16:34 19
16:34 20 A. Yes.

16:34 21
16:34 22 Q. Do you agree with that?

16:34 23
16:34 24 A. Yes.

16:34 25
16:34 26 Q. I'm told there might be one quick work around which we
16:34 27 will try to see if it allows us to see the highlighting at this time. If
16:34 28 the operator could go to the Burswood AUD December February
16:34 29 21. In column K, if you open that up and "select all", now we
16:35 30 have our highlighting.

16:35 31
16:35 32 So this is a shorter document but you can see from this if the
16:35 33 operator would just go --- you are at the top and slowly scroll
16:35 34 down, you can see some OSKOs highlighted, some more OSKOs
16:35 35 highlighted, OSKOs again, just scroll right through if you will,
16:35 36 operator. Now we've reached the bottom. Are you satisfied the
16:35 37 only transactions highlighted were the OSKO ones?

16:35 38
16:35 39 A. Yes, that's right.

16:35 40
16:35 41 Q. Do you agree that based on this spreadsheet it would not be
16:36 42 accurate to say that Deloitte's preliminary analysis suggested that
16:36 43 there is evidence of money laundering in 14 of Crown's bank
16:36 44 accounts?

16:36 45
16:36 46 A. Yes, I would agree it is not accurate to say that.

16:36 47

- 16:36 1 Q. And do you agree that it is inaccurate to say that there are
16:36 2 instances of potential structuring on Crown's bank accounts as
16:36 3 recently as February of this year?
16:36 4
- 16:36 5 A. We just haven't done enough work to be able to know that
16:36 6 yet.
16:36 7
- 16:36 8 Q. Well based on the entries that I've shown you which are the
16:36 9 accounts where your team ---
16:36 10
- 16:36 11 A. Yes.
16:36 12
- 16:36 13 Q. --- had flagged the account red and went through to
16:36 14 February 2021, they were all OSKO payments?
16:36 15
- 16:36 16 A. Yes.
16:36 17
- 16:36 18 Q. So, assuming that is correct, then it would not be accurate
16:36 19 to say that there are instances of potential structuring on Crown's
16:36 20 bank accounts as recently as February this year?
16:36 21
- 16:36 22 A. I would put it differently. I would say that the transactions
16:36 23 that are flagged in this document may not be accurately described
16:37 24 as potential structuring but I couldn't say without analysing this
16:37 25 whether there are other indications.
16:37 26
- 16:37 27 Q. You are not saying there is not something else to look at,
16:37 28 but I'm asking you about structuring. Because we have seen that
16:37 29 they are OSKO payments, do you agree that it is not correct to
16:37 30 say that the preliminary results suggest there are instances of
16:37 31 potential structuring on Crown's bank accounts as recently as
16:37 32 February this year?
16:37 33
- 16:37 34 A. Yes, I would agree that the highlighted results are not
16:37 35 indicative of structuring.
16:37 36
- 16:37 37 Q. Now, can I ask the operator just to bring up
16:37 38 CRW.512.025.1110. Do you see we are looking again at the
16:38 39 return of funds policy. You were asked some questions
16:38 40 a moment ago, not a moment ago, earlier on, about what might
16:38 41 happen where a patron is getting their funds returned to them in
16:38 42 the cage, or at the cage?
16:38 43
- 16:38 44 A. Yes.
16:38 45
- 16:38 46 Q. Could the operator go through to page 1112. Can you see
16:38 47 there in 3.4(a) that the cage staff when providing the cash

16:38 1 equivalent to the original deposit, I won't read it out, but the
16:38 2 receipt says that the patron is given, says a certain thing. Can you
16:38 3 read that to yourself?

16:39 4

16:39 5 A. Yes.

16:39 6

16:39 7 Q. So in circumstances where the receipt says that and doesn't
16:39 8 say "winnings" or something else ---

16:39 9

16:39 10 A. Yes.

16:39 11

16:39 12 Q. --- and the fact that the cash is returned to the cage, it
16:39 13 effectively hasn't been cleaned from the point of view of any
16:39 14 intending money launderer because they haven't got a ticket
16:39 15 saying "winnings", they have a ticket saying that?

16:39 16

16:39 17 A. Yes.

16:39 18

16:39 19 Q. One final question for you. Is it correct to say, this is just
16:39 20 going back to the three years versus seven years for your phase 2
16:39 21 analysis that there is a lot of work involved in gathering the data
16:39 22 and it is a very time consuming process for Crown and for
16:39 23 yourselves to gather and sift it?

16:39 24

16:39 25 A. Yes, agree with that.

16:39 26

16:40 27 Q. And do you agree that it was part of the discussion around
16:40 28 proposing three years that the whole exercise could be done more
16:40 29 quickly so everyone would have the results more quickly if it
16:40 30 were three years rather than seven?

16:40 31

16:40 32 A. Yes, that's right.

16:40 33

16:40 34 COMMISSIONER: Was the three years really two years because
16:40 35 you would exclude COVID?

16:40 36

16:40 37 A. I suppose you could look at it that way, Commissioner.
16:40 38 There is still activity, but certainly less activity.

16:40 39

16:40 40 MS BUTTON: Thank you, Commissioner, that is all I wanted to
16:40 41 take up.

42

43

44 **RE-EXAMINATION BY MS O'SULLIVAN**

45

46

16:40 47 MS O'SULLIVAN: Very few questions, thank you,

16:40 1 Commissioner.
16:40 2
16:40 3 Am I right to say that obviously structuring is not the full
16:40 4 universe of money laundering and that is right, isn't it?
16:40 5
16:40 6 A. That's right.
16:40 7
16:40 8 Q. So far as you've been asked about lots of questions about
16:40 9 whether OSKO payments constitute structuring, structuring is but
16:40 10 one of a variety of money laundering techniques; you agree?
16:40 11
16:40 12 A. Yes, I agree.
16:40 13
16:40 14 Q. And it is only one of a variety of money laundering
16:40 15 techniques that can occur on bank accounts; do you agree?
16:40 16
16:41 17 A. Yes.
16:41 18
16:41 19 Q. Just in respect of the patron accounts, do you know how
16:41 20 much flows through the patron accounts say on a weekly basis?
16:41 21 Is that something --
16:41 22
16:41 23 A. No, I don't know that.
16:41 24
16:41 25 Q. Do you know if there are any transactions in Crown's
16:41 26 patron bank accounts that would not be recorded in the DAB
16:41 27 accounts?
16:41 28
16:41 29 A. I don't know with any certainty. There might be.
16:41 30
16:41 31 Q. Now, would you not expect that Crown at all times would
16:41 32 be in a position to account for the funds that it held on behalf of
16:41 33 others, ie customers that deposit funds into its accounts?
16:41 34
16:41 35 A. Sorry, could you ask that question again.
16:41 36
16:41 37 Q. Would you not expect that Crown at all time would be in
16:41 38 a position to account for the funds that had been deposited into its
16:42 39 account on behalf of others, that it was holding on behalf of
16:42 40 others?
16:42 41
16:42 42 A. Yes, I think that is reasonable to expect.
16:42 43
16:42 44 Q. And so accordingly you would expect them to have some
16:42 45 kind of reconciliations between the transactions on the bank
16:42 46 accounts and the transactions on the DAB accounts; is that right?
16:42 47 That is something you could reasonably expect of them?

16:42 1

16:42 2 A. Yes.

16:42 3

16:42 4 MS O'SULLIVAN: No other questions.

16:42 5

16:42 6 COMMISSIONER: Thank you.

7

8

9

THE WITNESS WITHDREW

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11

16:42 12 COMMISSIONER: All right.

16:42 13

16:42 14 Mr Gray, before we go, I think I've heard indirectly there is
16:42 15 a query about the earlier evidence that was taken in private. Just
16:42 16 to let you and everybody else know, a number of the transcripts
16:42 17 will be available by close of business tomorrow. There has been
16:43 18 a process of redacting the transcripts, sending them to the
16:43 19 witnesses, making sure they are okay with what has been
16:43 20 redacted, making sure they didn't want any more redacted. So
16:43 21 most of them are done and we'll get them out tomorrow. There
16:43 22 are still a few more where the witness is still in the process of
16:43 23 looking and making sure that there is no identifying aspects of the
16:43 24 transcript left after Commission staff have removed things which
16:43 25 they think is sufficient. So that might take another couple of
16:43 26 days. But the answer is you will have them all and I say "soon",
16:43 27 without being any more precise, I hope that will do.

16:43 28

16:43 29 MR GREY: Thanks very much, Commissioner.

16:43 30

16:43 31 COMMISSIONER: Thanks, Mr Gray. Adjourned to 10.00
16:43 32 tomorrow.

16:43 33

34

35

**HEARING ADJOURNED AT 4.43 PM UNTIL THURSDAY,
36 27 MAY 2021 AT 10.00 AM**

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