

Royal Commission into the Casino Operator and Licence**STATEMENT OF JOHN SALOMONE**

Name: John Salomone
Address: Level 6, 8 Whiteman Street, SOUTHBANK VIC 3006
Occupation: Chief Financial Officer - Australian Resorts
Date: 21 April 2021

1. I make this statement in response to the Royal Commission's Request for Statement – 007.
2. I am a Chartered Accountant with 30 years' experience in both industry and the profession. I have been employed with the Crown Group since 1994 in various accounting roles. I was appointed to my current role of Chief Financial Officer – Australian Resorts in August 2020. Prior to this appointment, I was the Group Financial Controller for Crown Resorts Limited since June 2007.
3. This statement has been prepared based on enquiries I have made and discussions I have had with relevant employees of the Crown Resorts Group, so as to understand matters relevant to the Royal Commission's Request for Statement - 007. The Crown Melbourne Cage, the Crown Perth Cage, the VIP Banking and Finance teams all report through to me.

A. Money laundering controls – directions to staff**53. To which staff was the direction made?**

4. On 24 September 2020, the General Manager – Cage & Count (Crown Perth) issued an email to the Crown Perth Cage management team instructing them that aggregation of patron Telegraphic Transfers was no longer permitted and a separate Telegraphic Transfer must be completed for every deposit. This email was issued to the Perth Cage management team as they are the only Cage staff authorised to prepare a Telegraphic Transfer Acknowledgement Form (TA) for each Telegraphic Transfer deposited into Crown's bank account. My understanding is that a copy of this email will be produced to the Victorian Royal Commission in response to NTP-039 (Document ID CRW.512.025.0970).
5. On 12 November 2020, the General Manager – Cage & Count (Crown Melbourne) issued an email to the Crown Melbourne Cage management team directing them not to aggregate patron Telegraphic Transfers and to raise a separate Telegraphic Transfer for every deposit. This email was issued to the Melbourne Cage management team as they are the only Cage staff

authorised to prepare a TA for each Telegraphic Transfer deposited into Crown's bank account. The Crown Melbourne email was issued after Crown Perth because Melbourne's gaming operations were shut down due to the COVID-19 pandemic. Crown Melbourne's gaming activities re-commenced on 12 November 2020. My understanding is that a copy of this email will be produced to the Victorian Royal Commission in response to NTP-039 (Document ID CRW.512.025.0972).

54. Was any assessment made as to the frequency of aggregation made prior to issuing the direction?

6. The only assessment made that I am aware of is contained in a memorandum relating to an aggregation investigation from Claude Marais, General Manager – Legal & Compliance (Crown Perth) to Ken Barton, Chief Executive Officer (Crown Resorts) dated 29 September 2020. The memorandum provided an update on a review of the Riverbank and Southbank bank statements for the period 2013 to December 2019, identifying instances of cash deposits that were aggregated over the period. My understanding is that this memorandum will be produced to the Victorian Royal Commission in response to NTP-009 and NTP-010 (Document ID CRL.719.001.0002).

B. Return of Funds Policy

69. Describe the operation of the newly adopted Return of Funds Policy.

7. The Return of Funds (ROF) Policy which was introduced on 4 January 2021 sets out the process undertaken by Crown where gaming patrons deposit monies into Crown's bank accounts in contravention of Crown's policies and procedures. My understanding is that a copy of this policy will be produced to the Victorian Royal Commission in response to NTP-039 (Document ID CRW.512.025.1110). Under the ROF policy, Crown will only accept payments that are transferred into its bank account from a personal bank account belonging to the patron seeking to transfer funds to Crown. Funds will be returned when any of the following events occur:
- Cash deposits into Crown's bank accounts,
 - Funds transferred by a third party (including money remitters) for the benefit of a Crown patron,
 - Funds transferred from a company or trust bank account,
 - Funds transferred when the description or narration is misleading as to purpose,
 - Funds transferred where the description does not state the patron's full name and Crown Rewards number,
 - Funds transferred where the patron has not provided a receipt or supporting documentation.
8. The ROF Policy operates in conjunction with an Executive Office memorandum entitled 'Prohibition on Third Party Transfers – Commonly Asked Questions' issued on 21 October 2020,

which makes specific provisions for funds received from other casinos and funds received from joint accounts. My understanding is that a copy of this policy will be produced to the Victorian Royal Commission in response to NTP-039 (Document ID CRW.520.003.9552).

9. For Crown Melbourne, on a daily basis (Monday-Friday), the VIP Banking team review Crown's gaming bank statements of the previous day for any patron transfers that do not meet Crown's policies as identified above. The Crown Melbourne Cage will check the bank statement when a patron deposits funds after hours or on weekends and presents at the Cage requesting access to the funds.
10. For Crown Perth, on a daily basis, the Cage team review Crown's gaming bank statements of the previous day for any patron transfers that do not meet Crown's policies as identified above.
11. If any of the above breaches are identified, funds will be returned to the bank account from which they were sent. Also, when the patron arrives at the Cage to access the funds that he/she has previously deposited into Crown's bank account, Cage staff will ask for a copy of their receipt evidencing the transfer from the patron's personal bank account. If the patron is unable to produce the receipt or if the receipt is inconsistent with the transfer, the funds will be returned to the bank account the original transfer came from.
12. In accordance with the ROF policy, if a patron makes a cash deposit into Crown's bank account:
 - The funds will be returned by the Cage as cash (i.e. not via telegraphic transfer or cheque).
 - The Cage will submit an Unusual Activity Report to the AML team in relation to the transaction.
 - If this is the first instance, the patron will be issued with a warning and advised that any further cash deposits will result in a one-month ban from the property. If it occurs a second time a Senior Gaming Manager will issue the patron a one-month ban. On the third occasion, the patron will be issued with an indefinite ban from the property. Appropriate comments are added to the patron's file within the Casino Management System regarding cash deposits received to ensure staff are aware of the number of instances the patron has made cash deposits.
13. If the funds are to be returned for reasons other than the transfer being a cash deposit (e.g. third party transfer, inappropriate description etc), the patron will be advised by their host or Cage management that their deposit does not satisfy Crown's requirements and will therefore be returned. The Cage will then notify the VIP Banking / Finance team and ask them to initiate the ROF. The Cage will provide the VIP Banking / Finance team with patron name and number, date of the deposit, amount and the reason for the return. The VIP Banking / Finance team will then request ANZ bank to return the funds to the bank account from which the funds were sent. The ROF may take up to 20 business days to be processed by ANZ but are generally processed within 5-7 business days. The VIP Banking / Finance team maintains a log of funds that have

been returned, recording the patron name, patron number, deposit date, return date, amount, description appearing on bank statement and reason for return.

70. Have any cash deposits been made into Crown's bank accounts in contravention of this policy?

14. The VIP Banking and Cage teams conduct daily bank statement reviews to check for cash deposits. Based on enquiries I have made with the Melbourne & Perth Cage teams and the VIP Banking team, there have been no cash deposits identified since the introduction of this policy. Furthermore, Deloitte conducted a review of Crown Melbourne's patron bank accounts for the period 1 December 2020 to 22 February 2021 and did not identify any patron cash deposits during this period. My understanding is that a copy of the Deloitte report will be produced to the Victorian Royal Commission in response to NTP-033 and NTP-039 (Document ID CRW.512.023.0100). Crown Perth's patron bank accounts are currently also being reviewed by Deloitte and their findings have therefore not yet been finalised.

71. If yes, please describe the circumstances under which those deposits were made and what was done with the funds so deposited.

15. N/A. Please refer to response to 70 above.

C. Enhanced Patron Account Controls

101. How many patron accounts for Crown Sydney presently exist?

16. Crown Sydney Gaming has two ANZ bank accounts that have been set up to accept patron Telegraphic Transfers. One account is denominated in AUD whilst the other is denominated in HKD. No patron deposits have been received by Crown Sydney.

102. Do those patron accounts presently hold funds and if so, what is the total funds held in those accounts?

17. The balance of the patron AUD bank account as at 20 April 2021 is nil. Whilst this bank account has not received any patron deposits, some non-gaming receipts have inadvertently been deposited into this bank account by Crown's Cash In Transit Provider (Prosegur), instead of the non-gaming bank account. Crown has subsequently transferred these funds into the non-gaming bank account. Prosegur have been instructed to cease depositing non-gaming receipts into the ANZ patron bank account.
18. The balance of the patron HKD bank account as at 20 April 2021 is nil and there have been no transactions within this account.

103. Following the direction against aggregation issued to Crown staff in Perth on 24 September 2020, has Crown assessed or investigated whether aggregation has continued to occur? If yes, what was the result of that investigation?

19. Based on enquiries I have made with the General Manager – Cage & Count (Crown Perth), there have not been any instances of aggregation since the direction given on 24 September 2020. The Cage team review Crown’s gaming bank statements on a daily basis and ensure that a TA is raised for each Telegraphic Transfer deposited into Crown’s bank account, thereby verifying that no aggregation has occurred. Deloitte is currently reviewing Crown Perth’s patron bank accounts for the period 1 December 2020 to 22 February 2021 for any indications of cash deposits over this period. The review is ongoing and the findings have not yet been finalised. My understanding is that aggregation that occurred in the past involved the aggregation of cash transactions.

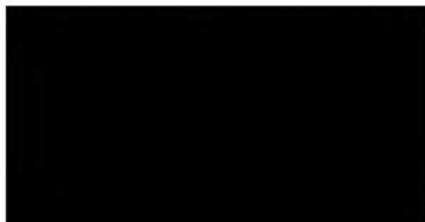
104. Following the direction against aggregation issued to Crown staff in Melbourne on 12 November 2020, has Crown assessed or investigated whether aggregation has continued to occur? If yes, what was the result of that investigation?

20. Based on enquiries I have made with the General Manager – Cage & Count (Crown Melbourne), there have not been any instances of aggregation since the direction given on 12 November 2020. On 6 January 2021 the Melbourne Cage appointed a Cage Financial Integrity Manager, whose daily tasks includes a review all Telegraphic Transfers into Crown’s patron bank account to ensure that a TA has been raised for each transaction, thereby verifying that no aggregation has occurred. Also, the VIP Banking team review Crown’s patron bank statements on a daily basis and ensure that a TA has been raised for each Telegraphic Transfer deposited into Crown’s bank account, thereby also verifying that no aggregation has occurred. Furthermore, Deloitte conducted a review of Crown’s patron bank accounts for the period 1 December 2020 to 22 February 2021 and did not identify any patron cash deposits during this period. My understanding is that aggregation that occurred in the past involved the aggregation of cash transactions. Therefore, this review also supports that there has been no aggregation of cash deposits during the period. My understanding is that a copy of the Deloitte report will be produced to the Victorian Royal Commission in response to NTP-033 and NTP-039 (Document ID CRW.512.023.0100).

105. How do staff access the SOPs?

21. Melbourne Cage staff can access the Cage SOP’s via Compass (Crown Intranet Site) and entering the Compliance Department portal. Perth Cage staff access the SOP’s in G-Drive, which is a shared drive accessible by all Cage staff.

Signed:

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Date: 21 April 2021