

ROYAL COMMISSION INTO THE CASINO OPERATOR AND LICENCE

WITNESS STATEMENT OF CAMERON GEORGE WARFE

1. My name is Cameron George Warfe. I am employed by the Victorian Commission for Gambling and Liquor Regulation (**VCGLR**) as a Principal Solicitor in the Regulatory Policy and Legal Services Division.
2. I have been employed by the VCGLR since December 2013. I report to Scott May, General Counsel and Executive Director, Regulatory Policy and Legal Services.
3. I make this statement in response to a request for statement from the Royal Commission into the Casino Operator and Licence (**Royal Commission**) dated 6 May 2021 (**Request for Statement**). This statement is produced to the Royal Commission in response to a Notice to Produce.
4. In accordance with the Request for Statement, in this statement I respond to the question of whether the VCGLR was aware of the matters set out in paragraphs 86 and 88 of the statement of Xavier Walsh, CEO of Crown Melbourne Limited dated 16 April 2021 (**Walsh Statement**) either:
 - (a) during the Inquiry (as defined in paragraph 11 below); or
 - (b) otherwise.
5. I have also addressed some additional matters arising from my review of the Walsh Statement.

A. THE INVESTIGATION LEADING TO THE INQUIRY

6. From around August 2019, I was part of a team within the VCGLR which investigated certain matters referred to in media articles that were published between July and October 2019. Those matters suggested that the Melbourne casino may have been exposed to criminal influence or exploitation and that

this exposure had occurred in the context of ongoing junket and/or premium player relationships (**Investigation**).

7. The VCGLR issued Crown with three notices under section 26 of the *Casino Control Act 1991 (Vic) (CC Act) (Section 26 Notices)*.¹
8. Crown responded to each of the Section 26 Notices.²
9. Relevantly, the VCGLR's notice dated 9 August 2019 stated the following in respect of Mr Pan:

“The Victorian Commission for Gambling and Liquor Regulation (VCGLR) is undertaking enquiries in relation to the processes and procedures undertaken by Crown Resorts Limited (and its associated corporate entities, including Crown Melbourne Limited) (Crown) to enter agreements with junket operators to operate junkets at the Melbourne Casino and the ongoing probity monitoring of junkets by Crown.”

“1. When did Crown first enter into any arrangements with the following persons or entities in relation to the conduct of junket operations:

... Mr Zhao Yuan Pan, aka Mr Simon Pan...

*(... the **Relevant Entities**).*”

“5. Please detail whether any of the Relevant Entities currently are, or in the past were, subject to an exclusion order under the CC Act or equivalent gambling legislation from any casino within the Crown group. If so, please outline the relevant dates and reasons for such exclusion orders.

6 Please detail whether any of the Relevant Entities currently are or in the past were, subject to a withdrawal of licence from any casino within the Crown

¹ VCG.0001.0002.2500 (9 August 2019); VCG.0001.0004.0587 (16 December 2019); VCG.0001.0002.8172 (7 September 2020).

² VCG.0001.0004.0578 (14 August 2019); VCG.0001.0004.0579 (16 August 2019); VCG.0001.0004.0014 (23 August 2019); VCG.0001.0002.3384 (20 December 2019); VCG.0001.0002.8174 (18 September 2020).

group. If so, please outline the relevant dates and reasons for such withdrawals of licence.”

10. Relevantly, Crown’s responses stated the following in respect of Mr Pan:

(a) In Crown’s response dated 14 August 2019:

“Crown first dealt with each of the Relevant Entities in relation to the conduct of junket operations on the following dates:

(c) Mr Zhou Yuan Pan, aka Mr Simon Pan: Mr Pan became a Junket Representative on 29 December 2012.”

“Paragraph 4a.

4.1 Of the Relevant Entities, only Mr Chau and Mr Song are still both Junket Operators and Premium Players

4.2 Subject to paragraph 4.3(b) below, Crown does not otherwise have a relationship with any of the Relevant Entities as Junket Operators Junket Players or Premium Players.

Paragraph 4b.

4.3 Crown has taken various actions to cease its relationships with Messrs Zhou, Pan and Moo, as follows:

(b) Mr Pan: In light of recent media reports, Crown has conducted further probity checks and determined to issue Mr Pan with a withdrawal of licence. As at the date of this letter, that determination has been approved by the Crown Melbourne Persons of Interest Committee, with the withdrawal of licence yet to be formally served on Mr Pan. Mr Pan's image will be loaded to the facial recognition technology by the end of this week, in accordance with the usual practice for excluded persons.”

“Paragraph 4c.

4.4 As a result of recent media, Crown has performed a number of additional due diligence checks, including of Dow Jones Risk and Compliance, and Factiva databases. Other than the media articles themselves (which commenced on 26 July 2019), these searches have not produced any additional relevant information not previously known to Crown.”

“4.6 With the exception of Messrs Chau and Song, none of the Relevant Entities remain registered as Junket Operators, Junket Players or Premium Players. As such, Crown does not intend to conduct further ongoing probity monitoring in respect of them.”

(b) In Crown’s response dated 16 August 2019:

“2.1 Crown is continuing to extract and review documents relevant to probity checks conducted in relation to each of the Relevant Entities, extending back many years. Crown conducted different initial probity checks in respect of relevant persons at different times, depending on the nature of their proposed dealings with Crown, and the regulatory requirements and control processes at those times.

2.2 Crown's earliest dealings with any of the Relevant Entities were with Mr Pan, who became a member of Crown Melbourne’s rewards program in 1996. Crown expects that initial probity for Mr Pan as a patron at that point in time would have consisted of obtaining a copy of photo identification from him, but this is unlikely to be able to be confirmed, due to the passage of time since then. Crown conducted an additional initial probity check in respect of Mr Pan when he first became a junket representative on 29 December 2012, the details of which are set out in paragraph 2.5 below.”

“2.5 Specifically, Crown conducted the following initial probity checks:

Relevant Entity	Initial probity checks conducted

<i>Mr Pan (when he became a junket representative in 2012)</i>	<i>Obtained a copy of Mr Pan's current and valid photographic ID. Usual process undertaken regarding Mr Pan's details reviewed against the World Check database."</i>
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"3.2 As none of Messrs Zhou, Pan and Moo were registered as Junket Operators, Junket Players or Premium Players after 24 December 2015, Crown was not obliged to conduct ongoing probity monitoring in respect of these persons under the ICS."

4.1 By way of clarification to paragraph 4.3(b) of our initial response letter, in response to recent media reports, Crown carried out further targeted searches and due diligence on Mr Pan. These searches revealed that:

(a) Mr Pan was the sole director and shareholder of the company Triple 8 International Pty Ltd, which lists its principal place of business as 39 Tope Street South Melbourne; and

(b) Mr Pan was involved as a witness or referred to by the parties in two separate proceedings before the County Court of Victoria, one of which involved several persons (not including Mr Pan) being involved in money laundering activities.

4.2 When the information in 4.1 above was received and considered in the last two weeks, Crown determined to take the steps detailed in 4.3(b) of our initial response letter in order to cease its relationship with Mr Pan."

B. THE INQUIRY

11. By notice dated 2 October 2020, the VCGLR commenced an inquiry into whether there were grounds to take disciplinary action against Crown under

section 20 of the CC Act for contravention of section 121(4) of the CC Act (the **Inquiry**).³

12. The history of the Inquiry is referred to in paragraphs 21 to 29 of the VCGLR's confidential Reasons for Decision dated 27 April 2021 (**Reasons**).⁴
13. On 21 January 2021 a hearing was conducted in relation to the Inquiry.⁵ Scott May and I appeared at that hearing as Counsel Assisting the VCGLR.
14. On 27 April 2021, the VCGLR determined that there were grounds for disciplinary action against Crown and imposed a fine of \$1 million and issued a letter of censure
15. The VCGLR's findings concerning Crown's conduct in respect of Mr Pan are set out in paragraphs 96 to 121 of the Reasons.

C. PARAGRAPHS 86 AND 88 OF THE WALSH STATEMENT

16. The Request for Statement seeks the VCGLR's response to the question:

"Were the matters set out at paragraphs 86 and 88 of the Walsh statement disclosed to the VCGLR in the course of the Inquiry or otherwise?"

17. At paragraph 86 of the Walsh Statement, Mr Walsh says that:

"A Notice Revoking Licence ('NRL'), the equivalent of WOL, to enter Crown Perth was served on Mr Pan on 15 January 2021 (CRW.512.029.0039). I note that 'stop codes' were placed on one of his accounts effectively disabling it on 29 June 2020. The stop codes were intended to prompt staff to issue Mr Pan with an NRL when he next visited. However, Mr Pan had multiple accounts and the stop codes were not universally applied."

18. At paragraph 88 of the Walsh Statement, Mr Walsh says that:

³ VCG.0001.0002.2501.

⁴ VCG.0001.0002.6984.

⁵ The hearing was transcribed, see VCG.0001.0002.6532.

“Mr Pan entered Crown Perth's Pearl Room 29 times post 16 August 2019 :

- *7 times between 21st and 29th August 2019 as an interstate program player,*
- *On 13th February 2020 as a guest of another player, and*
21 times as a guest of another player between 26 December 2020 and 15 January 2021.”

19. The matters set out at paragraphs 86 and 88 of the Walsh Statement were not disclosed to the VCGLR in the course of the Investigation.
20. The matters set out at paragraphs 86 and 88 of the Walsh Statement were also not disclosed to the VCGLR in the course of the Inquiry.
21. Based on searches undertaken by the VCGLR since the Request for Statement was made on 6 May 2021, the matters set out at paragraphs 86 and 88 of the Walsh Statement do not appear to have otherwise been disclosed to the VCGLR, prior to 6 May 2021.
22. After the VCGLR received the Request for Statement on 6 May 2021, the following evening, at approximately 6:20pm on 7 May 2021, the Chair of the VCGLR received a letter from Mr Walsh.⁶ The letter referred to the matters set out at paragraphs 86 and 88 of the Walsh Statement and included the following:

“In reviewing this matter, I have recently identified two matters which I would like to bring to the VCGLR’s attention to ensure it is fully informed.”

“I am not aware of the reason the NRL was not issued by Crown Perth at the same time the WOL was issued by Crown Melbourne, or why stop codes were then not applied until December 2020 Nor am I aware of how Mr Pan was able continue to utilise multiple accounts and circumvent the stop codes applied in Crown Perth, as these accounts should have been deactivated prior to this issue arising. An investigation as to how this occurred is currently in progress, and I intend to update you further once the findings of that investigation are received.

⁶ VCG.0001.0002.8170.

I wish to re-emphasise Crown's intention to be transparent and proactive with all of our regulators, including the VCGLR. For this reason, I believe it to be important to bring these matters to your attention. ”

23. Mr Walsh’s letter seems to confirm that the matters referred to in paragraph 86 and 88 of the Walsh Statement had not previously been disclosed to the VCGLR in the course of the Investigation, the Inquiry or otherwise.

D. ADDITIONAL MATTERS

24. I refer to paragraph 98 of the Walsh Statement. This paragraph states that the findings of Crown’s internal investigation concerning Simon Pan “*were progressively and in various forms given to... [t]he VCGLR in response to a number of letters it sent Crown requesting information in relation to various persons, including Mr Pan*”.
25. I consider the reference to “letters” in the Walsh Statement to be a reference to the Section 26 Notices.
26. On the basis of my review of the materials obtained from Crown in the course of the Inquiry and the Investigation, it appears that paragraph 98 of the Walsh Statement is inaccurate to the extent that, at least in responding to the Section 26 Notices, the VCGLR has no record of Crown having provided the following documents to the VCGLR:
- (a) the brief summary of Mr Pan’s history at Crown, or the paper that summary accompanied, referred to in paragraph 72 of the Walsh Statement as CRL.506.007.8870;
 - (b) the memo sent by Ms Williamson to the Crown Person of Interest Committee on 1 August 2019 proposing that Mr Pan be banned from entering Crown’s premises, referred to in paragraph 73 of the Walsh Statement as CRL.500.006.8488;
 - (c) the memo sent by Mr Preston to Mr Felstead and Mr Walsh seeking approval to ban Mr Pan, referred to in paragraph 74 of the Walsh Statement as CRW.008.029.9467 and CRW.008.029.9469;

- (d) the updated profile on Mr Pan prepared on 21 August 2019 by Ms Williamson, referred to in paragraph 77 of the Walsh Statement as CRW.008.026.3025; and
- (e) Mr Preston's memorandum to the board of Crown Resorts Limited of 16 August 2019 which summarised the findings of Crown's internal investigation, referred to in the Walsh Statement as CRW.008.040.2363 (see paragraphs 75, 76 and 96 of the Walsh Statement).

27. I have also reviewed the findings of Crown's internal investigation outlined in paragraph 96 of the Walsh Statement. On the basis of my review of the materials obtained from Crown in the course of the Inquiry and the Investigation, it appears to me that the VCGLR has no record of Crown having provided details of the revocation of Mr Pan's withdrawal of licence on 8 March 2019 (including the fact of Mr Walsh's involvement in that revocation) summarised in paragraph 96 of the Walsh Statement.

Dated: 13 May 2021

Cameron George Warfe