



**INDEPENDENT LIQUOR AND GAMING AUTHORITY OF NSW**

**INDEPENDENT REVIEW OF THE STAR PTY LTD BY ADAM BELL SC  
UNDER THE CASINO CONTROL ACT 1992**

**PUBLIC HEARING  
SYDNEY**

**THURSDAY, 31 MARCH 2022  
AT 10:00 AM**

**DAY 11**

**MS N. SHARP SC appears with MR C. CONDE, MS P. ABDIEL  
and MR N. CONDYLLIS as counsel assisting the Review  
MS K. RICHARDSON SC appears with MR P. HOLMES  
and MR D. WONG as counsel for The Star Pty Ltd**

**Star Witness  
MR KEVIN JOHN HOULIHAN**

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to a direction against publication commits an offence against section 143B of the Casino  
Control Act 1992 (NSW)*

**<THE HEARING RESUMED AT 10:07 AM**

**MR BELL SC:** Mr Houlihan, you remain bound by the oath you took yesterday.

5 **MR HOULIHAN:** Thank you.

**<KEVIN JOHN HOULIHAN, ON FORMER OATH**

**MR BELL SC:** Yes, Ms Sharp.

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**MS SHARP SC:** Just before we get started, could I tender some documents. I understand you have been provided with an index to Part F. That index refers to 147 documents, and it indicates, where necessary, whether that document has previously been marked for identification. I tender that list, and the 147 documents referred to therein as exhibit F.

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**MR BELL SC:** Yes, those documents will be exhibit F1 to F147.

**MS SHARP SC:** Thank you, Mr Bell.

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**<EXAMINATION BY MS SHARP SC:**

**MS SHARP SC:** Could I take you to your statement, please, Mr Houlihan. If the operator could bring that up, please. Exhibit A627, INQ.002.004.0174. Now, operator, could you scroll to paragraph 186, please. Operator, 186 please. Sorry, not 186, 86. I will just give you a moment to read that, Mr Houlihan. Mr Houlihan, have you read that?

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**MR HOULIHAN:** I have, Ms Sharp. Thank you and for full disclosure, I've got two screens today, so I'm looking to my left to look on the other screen.

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**MS SHARP SC:** Okay. What are you trying to say in paragraph 86?

**MR HOULIHAN:** In paragraph 86 I'm trying to describe the difference between the role and operational needs of a due diligence process versus the duties that is charged by the investigations team, the investigations department of the Star Entertainment Group.

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**MS SHARP SC:** And what do you see as the separate role of due diligence as opposed to the role of the investigation team?

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**MR HOULIHAN:** So due diligence is back to going back to knowing your customer, the KYC, the ECDD, the OCDD, of knowing our customer, and undertaking the due diligence duties that relate to those activities.

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**MS SHARP SC:** And is it - are you trying to say here, the investigations team does not conduct due diligence?

**MR HOULIHAN:** No, we assist the due diligence team, but we don't conduct the due diligence.

5 **MS SHARP SC:** Do you assist the due diligence team in all cases?

**MR HOULIHAN:** If matters are referred to us, yes.

10 **MS SHARP SC:** And when you say the due diligence team, who are you referring to?

**MR HOULIHAN:** In today's structure, that would be to Mr Buchanan and his team. Prior to that, it was the AML team.

15 **MS SHARP SC:** So prior to the restructure, is it correct that the AML team conducted all due diligence?

**MR HOULIHAN:** Correct.

20 **MS SHARP SC:** And your investigation team would assist them if asked?

**MR HOULIHAN:** Correct.

**MS SHARP SC:** And only where asked?

25 **MR HOULIHAN:** Correct.

**MS SHARP SC:** And when I'm speaking about due diligence, does that include extended customer due diligence?

30 **MR HOULIHAN:** No.

**MS SHARP SC:** So I will ask you in the time before the restructure occurred and the time afterwards. Could you just remind us when the restructure occurred?

35 **MR HOULIHAN:** 1 November last year.

**MS SHARP SC:** All right. So prior to 1 November 2021, would the AML team conduct extended customer due diligence?

40 **MR HOULIHAN:** Yes.

**MS SHARP SC:** And extended customer due diligence was only conducted when the triggers for that due diligence were satisfied.

45 **MR HOULIHAN:** Sorry, Ms Sharp, could I just confirm, when you say "extended", you mean enhanced?

**MS SHARP SC:** Sorry, enhanced customer due diligence for the purposes of the AML Act?

5 **MR HOULIHAN:** Thank you. And, sorry, could you just ask the question again, please.

**MS SHARP SC:** Prior to 1 November 2021, was it the AML team who conducted enhanced customer due diligence?

10 **MR HOULIHAN:** Yes.

**MS SHARP SC:** And when we say enhanced customer due diligence, is it right that that is for the purposes of the AML and CTF program?

15 **MR HOULIHAN:** Correct.

**MS SHARP SC:** And would the AML team only conduct enhanced customer due diligence when there was a trigger event under the AML/CTF compliance program?

20 **MR HOULIHAN:** Or if a customer came to their attention that required enhanced customer due diligence.

**MS SHARP SC:** And prior to 1 November 2021, was it the AML team who conducted ongoing customer due diligence for the purpose of the AML/CTF program?

**MR HOULIHAN:** Yes.

30 **MS SHARP SC:** Now, do you understand there to be any difference between the due diligence conducted for the purposes of the AML/CTF program and due diligence conducted for the purpose of ensuring that the persons or companies with whom The Star has a relationship are people or companies of good repute?

35 **MR HOULIHAN:** Do we differentiate that? Is that what you're asking, sorry? Do we differentiate due diligence as per my statement to that of enhanced customer due diligence, sorry?

**MS SHARP SC:** No. I will ask the question again. Do you understand there to be any difference between the due diligence conducted for the purpose of the AML/CTF program and for the purpose of ensuring the people with whom The Star deals are of good repute?

45 **MR HOULIHAN:** It's - it's a holistic process.

**MS SHARP SC:** Well, does that mean it's the same due diligence that's conducted?

**MR HOULIHAN:** The due diligence will be conducted on that person in line with AML/CTF and also the know your customer.

5 **MS SHARP SC:** All right. So do you conduct any separate - or did the AML team conduct any separate due diligence for the purpose of considering whether a person with whom The Star was dealing was of good repute?

10 **MR HOULIHAN:** I don't know if I'm the right person to answer that question, Ms Sharp. I wasn't in charge of AML back then.

**MS SHARP SC:** Well, what about now?

15 **MR HOULIHAN:** Now, we would undertake a full process as our new enhanced due diligence process, as why I have Mr Buchanan dedicated to running an enhanced due diligence program.

20 **MS SHARP SC:** What I'm trying to understand now, in terms of the process now, is whether anything different is done in the due diligence process when you are looking at the question of a person's good repute. Is anything different done in addition to the due diligence done under the AML/CTF program?

25 **MR HOULIHAN:** Yes. Today we have extended an enhanced access to the due diligence team to other areas of the business, including credit and collection, or if the investigations team need to leverage access of what Mr Buchanan's team have access to, or if anybody else in the business raises concerns about somebody, we will refer that information to Mr Buchanan's team to conduct a due diligence process for those customers.

30 **MS SHARP SC:** And is the due diligence process directed to the question of whether they present an AML risk, or is it directed to the question of whether they present what I will call an integrity risk - a risk that they are not of good repute?

35 **MR HOULIHAN:** It would be a holistic review. What is it that we know of this person, not just for the AML/CTF program.

**MS SHARP SC:** Now, is that something that you are speculating about, or do you know that to be the case?

40 **MR HOULIHAN:** Today, I know that to be the case today.

**MS SHARP SC:** So, today, do you know that due diligence is conducted for the purpose of ascertaining whether the persons with whom Star deals are persons of good repute?

45 **MR HOULIHAN:** Yes.

**MS SHARP SC:** Now, can you assist us with understanding what the situation was prior to the restructure on 1 November 2021?

**MR HOULIHAN:** In what sense, sorry?

5 **MS SHARP SC:** Was due diligence conducted at that time for the purpose of answering the question: are the people with whom The Star is dealing of good repute?

**MR HOULIHAN:** That is not my understanding, no.

10 **MS SHARP SC:** So that due diligence simply was not conducted?

**MR HOULIHAN:** Not with the teams that I was involved with, no.

15 **MS SHARP SC:** Now, returning to paragraph 86 of your statement, you say that:

"Generally speaking, the circumstances in which the investigations team conduct an investigation into a patron is where there is some concern or reason to believe that the patron might be involved in criminal or undesirable conduct."

20 Does that mean that the investigations team must receive a request from somewhere else in the business to conduct such an investigation, or can the investigations team do this of its own motion?

25 **MR HOULIHAN:** It's both, Ms Sharp. We will receive information, but we will also proactively undertake our own need to review people as required.

30 **MS SHARP SC:** And how do you decide, as the head of the investigations team, how have you decided, and how do you decide, whether you should conduct your own investigation?

35 **MR HOULIHAN:** The team will put forward what it is that they are looking at, what is the information in front of them, and is there a need for us to spend some time investigating the activity of said person, or do we refer that information or intelligence externally and align a partnership with external relationship owners.

40 **MS SHARP SC:** Can I just understand that. Simply because you refer the matter externally, doesn't obviate the need for you to conduct your own investigation, does it?

**MR HOULIHAN:** No.

45 **MS SHARP SC:** No. Because simply referring somebody to law enforcement authorities, for example, could not in and of itself satisfy you that the person was not engaging in criminal or undesirable conduct, could it?

**MR HOULIHAN:** At The Star, correct.

**MS SHARP SC:** Now, is it your personal responsibility to decide when an investigation will be conducted?

**MR HOULIHAN:** No.

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**MS SHARP SC:** Whose decision is that?

**MR HOULIHAN:** Each of the team within the investigations department have the power to commence the investigation.

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**MS SHARP SC:** And can they do that without your permission?

**MR HOULIHAN:** If they felt the need to, yes.

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**MS SHARP SC:** Can you stop an investigation if they have decided to conduct one and you don't agree?

**MR HOULIHAN:** I could make a recommendation that the time being spent in there is probably not of value to the business. But the team have every right and ability to escalate above myself if they feel that there's a need to continue an investigation, yes (indistinct).

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**MS SHARP SC:** And you would be directed by anyone else in the business to conduct an investigation?

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**MR HOULIHAN:** To conduct one?

**MS SHARP SC:** Yes.

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**MR HOULIHAN:** Yes. I can be, yes.

**MS SHARP SC:** All right. Now, I have asked you these questions as to the present state of affairs. Do your answers remain the same if we look at the situation before 1 November 2021?

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**MR HOULIHAN:** With respect to investigations?

**MS SHARP SC:** Yes.

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**MR HOULIHAN:** Yes.

**MS SHARP SC:** Can I take you, please, to the Know Your Customer standard. I will just need some instructions on whether that is confidential. It is STA.3001.0001.1359. I can see that it's confidential. If I could take you to a particular paragraph of this report and just ask you to read it to yourself, Mr Houlihan. Operator, could you go to pinpoint 1359.

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**MR BELL SC:** Is this document an exhibit, Ms Sharp?

**MS SHARP SC:** Yes, I'm just getting the exhibit number.

**MR BELL SC:** Thank you.

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**MS SHARP SC:** It's A758. It was an exhibit to Mr Houlihan's statement.

**MR BELL SC:** Yes.

10 **MR HOULIHAN:** Ms Sharp, could I have it increased too, please?

**MS SHARP SC:** Yes.

**MR HOULIHAN:** Thank you.

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**MS SHARP SC:** And just to give you the context, I probably should scroll to the previous page so you can see what the heading is. Operator, could we go to the bottom of that previous page with the heading on it. Do you see that heading at 5.2?

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**MR HOULIHAN:** I'm at 5.3 at the moment, sorry.

**MS SHARP SC:** Sorry, operator could you reduce this document so we can see the whole page for the moment, please.

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**MR HOULIHAN:** Thank you. I can see that now.

**MS SHARP SC:** Can you see the heading 5.2?

30 **MR HOULIHAN:** I can.

**MS SHARP SC:** Could you just read that to yourself underneath that heading.

**MR HOULIHAN:** Yes, thank you.

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**MS SHARP SC:** Could you go to the next page, please, operator. Now, do you see circumstances in which further inquiries are required?

**MR HOULIHAN:** Yes, I do.

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**MS SHARP SC:** All right. Now, can I take your attention, please, to the third dot point.

**MR HOULIHAN:** Yes.

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**MS SHARP SC:** Now, you understand, don't you, that the situation described there triggers the need for further inquiry about the matter referred to there?



**MR HOULIHAN:** Correct.

5 **MS SHARP SC:** Now, this is a standard that was effective from 1 June 2021, but may we take it that in the situation described at this third dot point, you understood at all times that if the scenario described there occurred, it was necessary to conduct some further investigations?

**MR HOULIHAN:** Inquiries, yes.

10 **MS SHARP SC:** Yes. You're using the word inquiries; what are you distinguishing that from?

15 **MR HOULIHAN:** Inquiries in the sense that the document talks about the duties of others, and they may request other things, not directly that it would trigger an investigation.

**MS SHARP SC:** All right. Well, do you see there's a reference to the compliance officer?

20 **MR HOULIHAN:** I do.

**MS SHARP SC:** All right. Let's just go back to the previous page.

25 **MR HOULIHAN:** Staying with 5.2?

**MS SHARP SC:** Yes. Just - if you could read that again.

**MR HOULIHAN:** Correct.

30 **MS SHARP SC:** And then we go back over the page.

**MR HOULIHAN:** Thank you.

35 **MS SHARP SC:** All right. Are you saying that if the scenario in that third dot point presents itself, further inquiries may be conducted, but it is not necessary to?

40 **MR HOULIHAN:** Correct. And, as it says below that dot point, with reference to the compliance officer, they may seek the assistance of others to satisfy the duties as described in that document.

**MS SHARP SC:** All right. So I'm just trying to understand. Is it an optional inquiry or a mandatory inquiry?

45 **MR HOULIHAN:** I take that to be mandatory.

**MS SHARP SC:** But are you saying that the investigations team doesn't necessarily need to become involved?

**MR HOULIHAN:** Correct.

**MS SHARP SC:** So who is it that has this mandatory requirement to make the further investigation?

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**MR HOULIHAN:** The inquiry would be disseminated to either the cage or the person involved at that point in time to discuss or to obtain information as is described there in reference to the compliance officer. Or they may be asked of their VIP host, or anybody else who may have contact with the customer. And if not satisfied with that, we may then ask the due diligence team to conduct further inquiries. Or another option could be to seek the assistance of the investigations team to contact our external relationship holders.

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**MS SHARP SC:** I'm interested in the flow of information between the various teams when this scenario described in dot point 3 presents itself. If this scenario occurs at the casino, is the investigation unit notified as a matter of course?

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**MR HOULIHAN:** Yes, we are.

**MS SHARP SC:** And was that the situation prior to the November 2021 restructure?

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**MR HOULIHAN:** Yes, we are or yes, we were. I beg your pardon.

**MS SHARP SC:** Now, it's correct - we can put that document down, thanks, operator. It's correct, isn't it, that your investigations team from time to time requests reports from third party due diligence providers?

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**MR HOULIHAN:** Not my investigations team. Mr Buchanan would, yes.

30

**MS SHARP SC:** And this is under the new structure?

**MR HOULIHAN:** Yes.

**MS SHARP SC:** And just to be clear, what is Mr Buchanan's position at the moment?

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**MR HOULIHAN:** He is the group manager of due diligence.

**MS SHARP SC:** But this is a team that sits under your supervision, isn't it?

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**MR HOULIHAN:** Correct.

**MS SHARP SC:** Well, why isn't it right to say that your team overall?

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**MR HOULIHAN:** My team overall, yes, but not the investigations team as a unit.

**MS SHARP SC:** Can Mr Buchanan request a report from an external due diligence provider without your permission?

**MR HOULIHAN:** He could, but I don't think he would.

5

**MS SHARP SC:** Now, what was the situation prior to the restructure in November 2021? Who could request the due diligence report from an external provider?

10 **MR HOULIHAN:** Either myself or our group counsel, Mr Oliver White, to my knowledge.

**MS SHARP SC:** And did that mean that prior to the restructure, the AML team could not request due diligence to be conducted by an external provider?

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**MR HOULIHAN:** I don't know if they could or could not, but I wasn't privy to any decisions made by them at that time.

20 **MS SHARP SC:** But your understanding is ordinarily it would either have been you or Mr White who requested external due diligence reports?

**MR HOULIHAN:** Correct.

25 **MS SHARP SC:** And in the circumstances where you do obtain the reports of external due diligence providers - I withdraw that. For what purpose do you obtain reports of external due diligence providers?

30 **MR HOULIHAN:** To get an understanding of what other information or intelligence is external to what I have access to within my reach of my relationships.

**MS SHARP SC:** And do you place weight on the reports of external due diligence providers in the tasks that you are required to perform?

35 **MR HOULIHAN:** I take consideration of what is in those reports, yes.

**MS SHARP SC:** Well, I'm asking whether you place weight on them?

40 **MR HOULIHAN:** I would add weight to some of those documents, yes.

**MS SHARP SC:** Well, you wouldn't - is it right that you wouldn't get a report unless you thought some assistance would be derived from it?

45 **MR HOULIHAN:** I wouldn't seek one, correct.

**MS SHARP SC:** So may we take it that in the circumstances where you do seek one, that's because of your expectation that it will assist you in some way?

**MR HOULIHAN:** It will provide further information, yes.

**MS SHARP SC:** Is it right that when you obtain the reports of external due diligence providers, they are not stored in the TrackVia system?

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**MR HOULIHAN:** Sorry, excuse me, I beg your pardon. That is correct.

**MS SHARP SC:** And why is that?

10 **MR HOULIHAN:** As we are moving into TrackVia, as we move forward, more information and more data will be added into TrackVia as we evolve forward.

**MS SHARP SC:** But will those external reports be added in TrackVia?

15 **MR HOULIHAN:** I don't see why not.

**MS SHARP SC:** Well, that system has been live since April 2021, hasn't it?

**MR HOULIHAN:** Correct.

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**MS SHARP SC:** That's, what, almost a year now.

**MR HOULIHAN:** Yes.

25 **MS SHARP SC:** But you still haven't put any of the external due diligence reports there?

**MR HOULIHAN:** I would have to confirm that. I'm not 100 per cent sure.

30 **MS SHARP SC:** Well, if that's the evidence Mr Buchanan gave, you would have no reason to disagree, would you?

**MR HOULIHAN:** I would have no reason to disagree with Mr Buchanan, no.

35 **MS SHARP SC:** Do you agree that the reports of external due diligence providers can provide valuable assistance when it comes to discharging the AML and CTF functions of The Star?

**MR HOULIHAN:** Yes.

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**MS SHARP SC:** Well, why is it that the external due diligence reports are not available on TrackVia?

45 **MR HOULIHAN:** I don't know if we have the ability at the moment to actually lock down specific components of TrackVia so that only sensitive information is only available to those who should be able to see that information.

**MS SHARP SC:** But isn't the idea of TrackVia to have a comprehensive one-stop shop of the information that will be relevant for AML and CTF purposes?

5 **MR HOULIHAN:** Correct and that's why it's continuing to evolve every day.

**MS SHARP SC:** Well, why aren't the external due diligence reports available on it?

10 **MR HOULIHAN:** It's just one of those things that we will add as an improvement moving forward. There is, to your point now, it hasn't been considered in my mind, but I would certainly make it a point to add it to the program.

15 **MS SHARP SC:** Well, why haven't you considered it before now?

**MR HOULIHAN:** Because Mr Buchanan and I have had access to those reports and for the purposes of conducting due diligence.

20 **MS SHARP SC:** But no one else within your organisation can get access to them unless they go to you; isn't that right?

**MR HOULIHAN:** Correct.

25 **MS SHARP SC:** So you're the gatekeeper of the external due diligence reports, are you?

**MR HOULIHAN:** I'm one of the gatekeepers.

30 **MS SHARP SC:** And who are the other gatekeepers?

**MR HOULIHAN:** It would be Mr Buchanan and Mr White.

35 **MS SHARP SC:** Isn't that stopping the free flow of information that is entirely relevant to AML and CTF assessments conducted at The Star?

**MR HOULIHAN:** No, I do not agree with that.

**MS SHARP SC:** Is that a siloing of information, Mr Buchanan?

40 **MR HOULIHAN:** Sorry, Ms Sharp, Mr Houlihan.

**MS SHARP SC:** Yes, I beg your pardon. Mr Houlihan. Is that a siloing of information?

45 **MR HOULIHAN:** No, I categorise that as having the right information in front of the right people who are the decision-makers and who will utilise the sensitivity of that information to make the right decisions.

**MS SHARP SC:** And so in order to make the right decision and to get the external due diligence report, they have to go - anyone charged with that responsibility has to go through you or one of the other gatekeepers to obtain the external due diligence report?

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**MR HOULIHAN:** They could go themselves independently. But, yes, the process is to come to us.

**MS SHARP SC:** Well, they can't go independently because the information is not available to anyone else, is it?

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**MR HOULIHAN:** For the completed reports, I beg your pardon?

**MS SHARP SC:** Yes.

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**MR HOULIHAN:** Yes. Sorry. I beg your pardon, I thought you meant to seek a report.

**MS SHARP SC:** Yes, well they can't get access to the completed report unless you or one of the other gatekeepers notifies them that it exists, can they?

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**MR HOULIHAN:** Correct.

**MS SHARP SC:** And grants access to it?

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**MR HOULIHAN:** Correct.

**MS SHARP SC:** All right. Can I take you, please, to exhibit C, tab 49. This is STA.3427.0018.3096.

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**MR BELL SC:** Just before we go to that, Ms Sharp. Mr Houlihan, I understand that Skye Arnott was the AML/CTF compliance officer for The Star Entertainment Group since August 2019; is that correct?

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**MR HOULIHAN:** I believe so. Yes, sir.

**MR BELL SC:** And I also understand that she was on parental leave from May 2020 to 31 May 2021; is that correct as you understand it?

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**MR HOULIHAN:** Sorry, Mr Bell, could you give me those dates again?

**MR BELL SC:** Yes, May 2020 to May 2021?

**MR HOULIHAN:** Yes, that's correct.

45

**MR BELL SC:** And who was the AML/CTF compliance officer in the period that Ms Arnott was on parental leave?

**MR HOULIHAN:** That was myself, up until the end of November of 2021 too.

**MR BELL SC:** Sorry, so you were the AML compliance officer for The Star Entertainment Group in which period?

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**MR HOULIHAN:** From May of 2020 through till 1 December 2021.

**MR BELL SC:** Thank you, Mr Houlihan.

10 **MR HOULIHAN:** Thank you.

**MS SHARP SC:** Did you share those responsibilities with anybody else, or was that a function that you exercised by yourself?

15 **MR HOULIHAN:** That was a shared responsibility.

**MS SHARP SC:** With whom?

**MR HOULIHAN:** With Mr Power.

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**MS SHARP SC:** Returning to that email, which is exhibit C at tab 49.

**MR HOULIHAN:** I have that, thank you.

25 **MS SHARP SC:** Could I take you, please, to pinpoint 3097, and this is an email that was sent to you on 14 May 2018.

**MR HOULIHAN:** Thank you.

30 **MS SHARP SC:** Do you see that Mr McGregor is there saying that either - he suspects that Suncity is operating a membership club whereby their customers have access to a line of credit or a Suncity front money account, or Suncity is operating an informal money remitter or hawala?

35 **MR HOULIHAN:** I might need the page to be scrolled up a bit, sorry.

**MS SHARP SC:** Operator, could we have that scrolled up and highlight that paragraph. It's the one beginning "I suspect."

40 **MR HOULIHAN:** Thank you, I can see that now. Thank you.

**MS SHARP SC:** Now, at that time, you understood, didn't you, that there are heightened AML risks associated with informal money remitters and hawala remitters, didn't you?

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**MR HOULIHAN:** Correct.

**MS SHARP SC:** And this is a suspicion being communicated to you by your senior investigator, Mr McGregor?

**MR HOULIHAN:** Correct.

5

**MS SHARP SC:** And this is a suspicion raised in the context of Salon 95, then operating as the Suncity room?

**MR HOULIHAN:** Correct.

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**MS SHARP SC:** And I think I took you to this yesterday, but I will take you there again. Do you see a paragraph beginning:

"Today's activity."

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**MR HOULIHAN:** I do.

**MS SHARP SC:** Do you see Mr McGregor, your senior investigator says:

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"We have an entity within our four walls which is totally non-compliant to reasonable requests for basic information."

**MR HOULIHAN:** I see that.

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**MS SHARP SC:** And he says:

"I'm going to call it out early. Suncity is operating a business model under our noses which is problematic for The Star Entertainment Group with respects to AML/CTF laws."

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**MR HOULIHAN:** I see that.

**MS SHARP SC:** Surely having your senior investigator call that out was extremely worrying for you, was it not?

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**MR HOULIHAN:** It was.

**MS SHARP SC:** And is that because you understood that there were serious risks that money laundering was occurring in Salon 95 at that time?

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**MR HOULIHAN:** Certainly the suspicion appeared to be activities that could lead to the suspicion of money laundering activities, yes.

**MS SHARP SC:** What's the distinction you're drawing here, Mr Houlihan?

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**MR HOULIHAN:** The distinction is that the Suncity program does have a membership program globally, as identified above in Mr McGregor's comments as well, that they operate a membership club where they have access to lines of



credit, which I have been made aware of that Suncity does have that membership program globally, and that their activities, albeit to Mr McGregor's points there, an informal money remitter or hawala, were concerns, yes, but there was more suggestion there that the information was suspicious.

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**MS SHARP SC:** Let's cut to the chase here. This is a big fat red flag for money laundering going on in Salon 95, isn't it?

**MR HOULIHAN:** It is a red flag, yes.

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**MS SHARP SC:** It's a big fat red flag, isn't it?

**MR HOULIHAN:** It's a red flag, yes.

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**MS SHARP SC:** In fact, what happened is the very day after you received this email, you called for a meeting of investigators and AML people to discuss this issue, didn't you?

**MR HOULIHAN:** I did.

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**MS SHARP SC:** And can you tell us who you called to that meeting?

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**MR HOULIHAN:** I'll have to go on my memory, Ms Sharp, unless you can point me to a document. I want to say it was Mr Brodie, Ms Arnott, Wayne Willett, possibly. There would have been Mr McGregor and myself. There may have been one or two others, but. Without a document, I'm just going on memory, sorry.

**MS SHARP SC:** Was Amanda Judd there?

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**MR HOULIHAN:** Yes, I would suggest so.

**MS SHARP SC:** Was Andrew Power there?

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**MR HOULIHAN:** Thank you, yes.

**MS SHARP SC:** Are you aware that Andrew Power made a file note of what was discussed there?

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**MR HOULIHAN:** I - I believe he would have, yes.

**MS SHARP SC:** All right. Well, what I'm going to do is take you to his file note and I'm going to ask you whether it is consistent with your recollection of what was discussed during that meeting. Operator, could I please bring up STA.3412.0004.6632. I'm just getting the exhibit number. It's B787.

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**MR HOULIHAN:** Can I have that on the screen, thank you.

**MS SHARP SC:** Yes. And do you see this is an email from Mr Power to himself dated 15 May 2018?

**MR HOULIHAN:** I do see that, thank you.

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**MS SHARP SC:** Now, I'm not suggesting that you've seen this before, but I'm going to ask you if it is consistent with your recollection of what was discussed at the meeting. Could I take you, please, to the bottom of this page.

10 **MS RICHARDSON SC:** I think the witness should be given an opportunity to read it in context because this file note is unusual in the way it's drafted. He should have the opportunity - in my submission, it can't be put to him as a file note of purely what has happened at the meeting because there are obviously other things happening in this file note.

15

**MS SHARP SC:** What I will do, Mr Bell, is take it down, and I will ask some questions and then, if I need to go to the file note, I will. Now, it's correct, isn't it, Mr Houlihan, that you called the meeting?

20 **MR HOULIHAN:** Yes, that's correct.

**MS SHARP SC:** And it's correct that one of the matters discussed at that meeting was cash transactions occurring at the Suncity desk?

25 **MR HOULIHAN:** Correct.

**MS SHARP SC:** And it's correct, isn't it, that Skye Arnott raised her belief that Suncity was in breach of the agreement in relation to the operation of a service desk within Salon 95?

30

**MR HOULIHAN:** Again, without the document in front of me, Ms Sharp, I will accept that.

35 **MS SHARP SC:** Well, I'm just asking what is consistent with your memory. You don't need the document for that. Do you recall that Ms Arnott raised her concern that what was going on in the Suncity room was in breach of the agreement with the service desk?

40 **MR HOULIHAN:** I agree that sounds like something that Ms Arnott would say, yes.

**MS SHARP SC:** And do you agree the fact of police investigations relating to Salon 95 was discussed at that meeting?

45 **MR HOULIHAN:** Yes.

**MS SHARP SC:** So you were aware that police investigations were ongoing in that room, were you?

**MR HOULIHAN:** They weren't ongoing. We engaged with law enforcement and asked them to express if they had an interest in conducting an investigation.

5 **MS SHARP SC:** So there was a matter that was sufficiently serious to you that you raised it in - I withdraw that. There was a matter involving the Salon 95 room that was so significant to you at the time that you communicated the matter to a law enforcement agency; is that correct?

10 **MR HOULIHAN:** That is correct.

**MS SHARP SC:** Now, it is right at that time, that suspicious transactions had been observed being undertaken in that room and that was discussed at that meeting; correct?

15 **MR HOULIHAN:** Correct.

**MS SHARP SC:** And it was discussed at that meeting, wasn't it, that law enforcement was looking at Suncity as a junket and was looking at some of their dealings?

20 **MR HOULIHAN:** Correct.

**MS SHARP SC:** And it was discussed at that meeting that a gaming manager in the Sovereign Room had been spoken to, and he had said that Suncity was running a cage and it's "Out of control". That was discussed at the meeting, wasn't it?

25 **MR HOULIHAN:** Except for Sovereign Room, I would accept part of that because they weren't in the Sovereign Room, Ms Sharp.

30 **MS SHARP SC:** All right. I will break it down. It is correct that a manager of the Sovereign Room --

**MR HOULIHAN:** I beg your pardon.

35 **MS SHARP SC:** Said that they were running a cage in the Salon 95.

**MR HOULIHAN:** Thank you, I accept that.

40 **MS SHARP SC:** You remember that was discussed at the meeting?

**MR HOULIHAN:** Words to that effect, potentially.

45 **MS SHARP SC:** And you remember it was discussed at the meeting that the gaming manager had said it's "out of control".

**MR HOULIHAN:** I don't recall those exact words.

**MS SHARP SC:** And do you remember that Mr Power told you, "I think we've got a problem here"?

**MR HOULIHAN:** Yes, I would accept that.

5

**MS SHARP SC:** And was that your understanding at the time that there was a problem here?

**MR HOULIHAN:** Yes.

10

**MS SHARP SC:** So that was your understanding as at 15 May 2018?

**MR HOULIHAN:** Correct.

15

**MS SHARP SC:** Now, you understand, don't you, that simply reporting an incident to the police is not enough to assuage any concerns that you have that money laundering may be taking place in the casino, don't you?

**MR HOULIHAN:** We did more than report this, Ms Sharp.

20

**MS SHARP SC:** I'm just asking for your understanding. Do you understand that or not?

**MR HOULIHAN:** Sorry, could you ask the question again.

25

**MS SHARP SC:** Do you understand that simply reporting something to the police is not enough to address your concerns about whether money laundering is taking place in the casino?

30

**MR HOULIHAN:** If all it was was simply to report, yes, I would accept that.

**MS SHARP SC:** You have responsibilities in addition to reporting concerning incidents that may involve money laundering to the police, don't you?

35

**MR HOULIHAN:** And to AUSTRAC, yes.

**MS SHARP SC:** Yes, because the requirement and obligation of the casino at all times is to make sure it only deals with people of good repute, isn't it?

40

**MR HOULIHAN:** Correct.

**MS SHARP SC:** And reporting something to the police is not enough to satisfy that requirement, it is?

45

**MR HOULIHAN:** And I don't just report, is my point, is we actively do more than just report to the police.

**MS SHARP SC:** Now, could I take you to a document, STA.3008.0004.0543. That's exhibit C51. I'm just going to ask you to read this to yourself for the moment, please.

5 **MR HOULIHAN:** And I have that on screen, thank you.

**MS SHARP SC:** Just before you get started, you agree that's an email from Mr White dated 16 May 2018 - that is, the day after this meeting - to you and others?

10

**MR HOULIHAN:** Correct.

**MS SHARP SC:** And you agree that the email relates to Salon 95?

15 **MR HOULIHAN:** Yes. Thank you and, Ms Sharp --

**MS SHARP SC:** Now I don't want you to read any of this email out.

**MR HOULIHAN:** Can I just call out, it's white on my screen, it's not blue.

20

**MS SHARP SC:** Can you see the document.

**MR HOULIHAN:** I can see the document, I'm just concerned about the subject line.

25

**MS SHARP SC:** Yes, I understand that and I don't want you to read the document out and the document cannot be seen by anyone else other than Mr Bell, the lawyers and you.

30 **MR HOULIHAN:** Okay. Thank you. Could I ask for it to be scrolled a bit, please? Thank you. Thank you, I've read that.

**MS SHARP SC:** Now, do you recall receiving that email on that date?

35 **MR HOULIHAN:** I don't recall, but I take it from what you've shown me that I did.

**MS SHARP SC:** Do you recall having a concern about your obligations at that point in time?

40

**MR HOULIHAN:** With respect to the subject line?

**MS SHARP SC:** Yes.

45 **MR HOULIHAN:** That wasn't my obligation at that time.

**MS SHARP SC:** Have you requested advice about that matter?

**MR HOULIHAN:** I'm sorry, I'm just trying to be strategic with the subject line.

**MS SHARP SC:** Yes.

5 **MR HOULIHAN:** Please don't think I'm being evasive. Had I called for advice?

**MS SHARP SC:** About that matter?

10 **MR HOULIHAN:** No, I don't believe I did.

**MS SHARP SC:** Now, I would like to show you the transcript from yesterday, if I could. Operator, is it possible to pull that transcript up at 1138? Can you see that

15 **MR HOULIHAN:** I'm so sorry, but could I have it enlarged please. I've got a very small secondary screen.

**MS SHARP SC:** I will take you to --

20 **MR HOULIHAN:** That's better, thank you.

**MS SHARP SC:** Can you see - I would like to direct your attention to line 31 of the screen, if we can have that enlarged, operator. Unfortunately, Mr Bell, my copy of the transcript does not align with the copy of the transcript that has gone up. So I might put the transcript down, and I'm not sure why there's a problem  
25 with the pagination. I asked you this question yesterday, Mr Houlihan:

"So it is fair to say you thought there was a very significant money laundering risk being presented in Salon 95 as at May 1998."

30 And you answered:

"It was a risk that was problematic."

35 Now, I want to ask you that question again. Was it a very significant money laundering risk being present in Salon 95 as at May 1998, Mr Houlihan?

40 **MR HOULIHAN:** I - I take exception with the word significant. Yes, it's a money laundering risk that was occurring and accordingly so it was a risk that was identified.

**MS SHARP SC:** Well, isn't the very purpose of the AML regime which applies to Star to identify and correctly evaluate a risk? We can put the transcript down.

45 **MR HOULIHAN:** Thank you. I'm sorry, could you ask the question again, please.

**MS SHARP SC:** Isn't the very purpose of the AML regime applicable to Star to correctly identify and evaluate risks?

**MR HOULIHAN:** Yes, it is.

5 **MS SHARP SC:** What was the risk? How do you evaluate it at that point in time?

**MR HOULIHAN:** (Indistinct).

**MS SHARP SC:** High, medium, low?

10 **MR HOULIHAN:** I beg your pardon, sorry.

**MS SHARP SC:** High, medium low?

15 **MR HOULIHAN:** That risk was a high risk.

**MS SHARP SC:** And is that how you evaluated it at the time?

**MR HOULIHAN:** I wasn't in charge of evaluating AML risk at that time.

20 **MS SHARP SC:** No, but you had a good understanding of AML laws at that time, did you not?

**MR HOULIHAN:** I did.

25 **MS SHARP SC:** All right. Well, how did you personally evaluate this risk at the time?

**MR HOULIHAN:** A high risk.

30 **MS SHARP SC:** Can I take you, please, to STA.3009.0012.0111.

**MR HOULIHAN:** I have that, thank you.

35 **MS SHARP SC:** This is exhibit B1396. Now, this email is not addressed to you, but I want to know whether you were made aware of its subject matter as at around 3 June 2019. You see that it relates to Iek?

40 **MR HOULIHAN:** I do, Ms Sharp. Sorry, can I just confirm that only we can see this.

**MS SHARP SC:** Yes, only we can see this.

**MR HOULIHAN:** Yes, sorry. Yes, I accept that is what this says.

45 **MS SHARP SC:** And you knew then that Mr Iek was a junket operator for Suncity?

**MR HOULIHAN:** Correct.

**MS SHARP SC:** All right. Could I have you look at the bottom of that first page, please. Now, that part in blue shade is confidential, so I don't want you to read it out. Just read it to yourself, please.

5

**MR HOULIHAN:** I've read that, thank you.

**MS SHARP SC:** And could I ask that the next page be shown to you. I will just ask you to look at the picture, if I may?

10

**MR HOULIHAN:** Yes. I have that, thank you.

**MS SHARP SC:** Now, do you expect that you would have been made aware of the subject of this email as at around the time of that email; that is, 3 June 2019?

15

**MR HOULIHAN:** I would like to have thought we would have been, yes.

**MS SHARP SC:** Because these were the kinds of matters - well, I withdraw that. The subject of this email is the same subject as would be notified to the investigation team, which you spoke about at the beginning of this examination; right?

20

**MR HOULIHAN:** Except for what the title is. The information around what the title of the subject is, we may not get the extent of the - how do I answer that, sorry? We may not get the full detail of what the subject is, but we would be informed that there was maybe something we needed to refer to others. Sorry, that sounded very evasive, but that wasn't my intention.

25

**MS SHARP SC:** Now could I take you, please, to STA.3418.0011.0621. And this is exhibit B1437. I think I took you to this yesterday. You will note that it is not addressed to you, but, given the subject which it discusses, do you expect that this would have been notified to you, particularly in the context of the fact that the meeting occurred on 15 May 2018? Now, this is a year later.

30

**MR HOULIHAN:** Sorry, and could you ask that question again please, Ms Sharp.

35

**MS SHARP SC:** Do you expect that this information would have been notified to you at around the time of this email?

40

**MR HOULIHAN:** Either myself or someone within my team.

**MR BELL SC:** Mr Houlihan, were you aware of cash transactions occurring in Salon 95 in June 2019, at the time?

45

**MR HOULIHAN:** Not that I recall, Mr Bell.

**MR BELL SC:** Sorry?



**MR HOULIHAN:** Not that I recall, sorry.

**MR BELL SC:** And so far as you are aware, did your investigation team investigate the issue of cash transactions occurring in Salon 95 in June 2019?

5

**MR HOULIHAN:** Not - not that I can recall, Mr Bell, unless there was something that could assist with refreshing my memory. I don't recall, no.

**MS SHARP SC:** Well, if I could ask you to have regard to this email and perhaps I will have it scrolled up so Mr Houlihan can see each of the incidents. Operator, if you could scroll down a bit more so all the dates are apparent. Leave it there. Do you see that, in fact, six different incidents are referred to?

10

**MR HOULIHAN:** There are a number there. One, two - how did you get to six, sorry, Ms Sharp?

15

**MS SHARP SC:** Well, do you see that it's suggested that transactions had been recorded on 20 May, 25 May, 30 May, 31 May, and that others were noted on 9 May and 22 May?

20

**MR HOULIHAN:** Correct.

**MS SHARP SC:** All right. So I was suggesting that six different transactions are being referred to here.

25

**MR HOULIHAN:** Thank you.

**MS SHARP SC:** All right. Now, given that Mr Ian Tomkins is emailing Ms Skye Arnott about these six separate transactions, all occurring in Salon 95, do you think it most likely that these were notified to you in June of 2019?

30

**MR HOULIHAN:** Either to myself or to my team, I would like to think it was, yes.

**MS SHARP SC:** Well, surely given what is reported here, it would be notified to you, wouldn't it?

35

**MR HOULIHAN:** Not necessarily, no.

**MS SHARP SC:** Can I just understand. You formed the opinion in May of 2018 that there was a high risk of money laundering occurring in Salon 95?

40

**MR HOULIHAN:** Yes.

**MS SHARP SC:** And surely you communicated that view to others at the time?

45

**MR HOULIHAN:** In 2018?

**MS SHARP SC:** Yes, in 2018.

**MR HOULIHAN:** Yes.

5 **MS SHARP SC:** Well, I'm asking you, in view of that concern, which you say you communicated in 2018, do you think it most likely that the head of the AML team, Ms Skye Arnott would have made you aware of these matters in June of 2019?

10 **MR HOULIHAN:** I would like to think she would of, but, without seeing my diary and my calendar, I don't know what I was doing at that time.

**MS SHARP SC:** So you have no recollection of being notified of six separate instances going on in May of 2019?

15 **MR HOULIHAN:** I don't recall that, no.

**MS SHARP SC:** Can I ask you this: in June of 2019, had the investigation team been requested to conduct an investigation into Salon 95?

20 **MR HOULIHAN:** I don't recall, Ms Sharp. Unless you can draw me to a document to assist me, I don't recall.

**MS SHARP SC:** Well, I will take you to a document which might assist you.

25 **MR HOULIHAN:** Thank you.

**MS SHARP SC:** I will bring up exhibit B, tab 2193. This is STA.3009.0003.0025. Now, do you see this is a memorandum from Angus Buchanan to Oliver White dated 13 February 2020 into which you're copied?

**MR HOULIHAN:** Thank you.

35 **MS SHARP SC:** And do you see it's a chronology of Star's engagement with Suncity?

**MR HOULIHAN:** Yes.

40 **MS SHARP SC:** Now, you saw that at the time, didn't you?

**MR HOULIHAN:** I would have, yes.

**MS SHARP SC:** Yes, and did you participate in commenting on drafts of it as it was being prepared?

45 **MR HOULIHAN:** I would have spoken to Angus, yes.

**MS SHARP SC:** All right. Well, now, you asked to see some documents, so I'm taking you to some, Mr Buchanan. You understand that is a chronology of events occurring in Salon 95?

5 **MR HOULIHAN:** Completed by Mr Buchanan, yes.

**MS SHARP SC:** Yes. Is that right?

**MR HOULIHAN:** Yes. Correct.

10

**MS SHARP SC:** And you reviewed it at the time?

**MR HOULIHAN:** I would have, yes.

15 **MS SHARP SC:** And it's most likely you contributed to its development, is it?

**MR HOULIHAN:** Correct.

20 **MS SHARP SC:** Now, can I take you to pinpoint 0031, and I will just ask you to read the entries from 23 May through to 8 and 9 July, which is on the next page.

**MS RICHARDSON SC:** While that is happening, could I raise one matter in the absence of the witness, please?

25 **MR BELL SC:** Yes. We will move to private session.

**<THE HEARING IN PUBLIC SESSION ADJOURNED AT 11:06 AM**

**OPERATOR:** Can I confirm the witness remain in session?

30

**MR BELL SC:** No, I would like the witness to be absent from the private session.

**<THE HEARING IN PRIVATE SESSION ADJOURNED AT 11:07 AM**

35 **<THE HEARING IN PUBLIC SESSION RESUMED AT 11:07 AM**

**MR BELL SC:** Yes, Ms Sharp.

40 **MS SHARP SC:** Now, Mr Houlihan, what I would like you to do is read the entries from 23 May 2019 through to 8 and 9 July 2019.

**MR HOULIHAN:** Thank you.

45 **MS SHARP SC:** And the question I will then ask you is: you agree that no investigation was conducted by your team at this point in time?

**MR BELL SC:** Sorry, Ms Sharp, which entries are you asking Mr Houlihan to focus on?

5 **MS SHARP SC:** I'm asking you to - I might do it a different way. Would you agree, when you refer to all entries from 23 May 2019 to 8 and 9 July 2019, that there is no reference to any investigation being conducted by your team in June of 2019?

**MR BELL SC:** So the operator will need to scroll down the document so that Mr Houlihan can see all of those entries, please.

10 **MR HOULIHAN:** Thank you. I can only see to 13 June at the moment. Thank you. If you could scroll a bit more, please. Sorry, Ms Sharp, what date did you say?

15 **MS SHARP SC:** I suggested to you - well, I will withdraw that. Do you agree that no investigation was conducted by your team in June 2019?

**MR HOULIHAN:** I refer to the part of the 18 June, that's highlighted.

20 **MS SHARP SC:** I see what is said there, but do you agree that no investigation was conducted of Salon 95 in June 2019?

**MS RICHARDSON SC:** I object to that question. I apologise. I will have to raise it in the absence of the witness.

25 **MR BELL SC:** Yes. We will return to private mode in the absence of the witness, please.

**<THE HEARING IN PUBLIC SESSION ADJOURNED AT 11:10 AM**

30 **<THE HEARING IN PRIVATE SESSION RESUMED AT 11:10 AM**

**<THE HEARING IN PRIVATE SESSION ADJOURNED AT 11:12 AM**

35 **<THE HEARING IN PUBLIC SESSION RESUMED AT 11:12 AM**

**MR BELL SC:** Yes, I will now take the morning adjournment for 15 minutes.

**MS RICHARDSON SC:** Could I just indicate, I will --

40 **<THE HEARING ADJOURNED AT 11:12 AM**

**<THE HEARING RESUMED AT 11:30 AM**

45 **MR BELL SC:** Yes, Ms Sharp.

**MS SHARP SC:** Thank you, Mr Bell. Could I ask that the witness be shown STA.3428.0034.3626. Do you see this is an information note prepared by Andrew McGregor dated 3 June 2019?

**MR HOULIHAN:** I can, thank you.

**MS SHARP SC:** Can I have that marked for identification, please, Mr Bell?

5

**MR BELL SC:** Yes, that document will become MFI27.

**MS SHARP SC:** Have you seen this document before, Mr Houlihan?

10 **MR HOULIHAN:** I have.

**MS SHARP SC:** When was the first time you saw this document?

15 **MR HOULIHAN:** Would be close to the time that Mr McGregor completed this information note.

**MS SHARP SC:** And at this time, that is, June 2019, in your investigation team, there was you, Mr McGregor and Ms Amanda Judd; is that correct?

20 **MR HOULIHAN:** I don't know if Ms Judd was still employed with us at that time, but if her employment was still with us, yes, she would have been involved.

**MS SHARP SC:** Anyone else at that time in your investigation team?

25 **MR HOULIHAN:** There would have been Mr McGregor and a number of secondees or possible junior investigators in the office at that time.

**MS SHARP SC:** So how many?

30 **MR HOULIHAN:** Two.

**MS SHARP SC:** Two. Now, if I could take you to the background section. Do you see there's a reference to Operation LUNAR2018 Operation Money Bags.

35 **MR HOULIHAN:** Yes, Ms Sharp and I'm sorry but this obviously can't be seen by anybody? It's only available to us?

**MS SHARP SC:** I don't understand that there has been a claim made over it. I'm happy to be corrected.

40

**MS RICHARDSON SC:** That's because - sorry, just one moment. It doesn't have an exhibit number, so it won't be the subject of a confidentiality claim.

45 **MR BELL SC:** Yes, Ms Sharp. I think for present purposes if you could kindly address this document without identifying its contents.

**MS SHARP SC:** Yes, will endeavour to do that. Thank you, Mr Bell. Although, I do note that the expression I've just used has been used on the transcript before.

**MR BELL SC:** Yes, I don't think there is a problem with that, as such.

5 **MS SHARP SC:** Is Operation Money Bags a name that your investigation team assigned to the investigation of activities in Salon 95 in 2018?

**MR HOULIHAN:** It would have been, yes.

10 **MS SHARP SC:** And that other name given to operations, next to it, is that a name assigned by your investigations team?

**MR HOULIHAN:** Correct.

15 **MS SHARP SC:** And you will note there's a date next to that description of the operation?

**MR HOULIHAN:** Correct.

20 **MS SHARP SC:** Now, if we go back to the top there's the word "activity".

**MR HOULIHAN:** Yes, thank you.

**MS SHARP SC:** And you see there's a different date for the operation?

25 **MR HOULIHAN:** Thank you.

**MS SHARP SC:** Was that an operation name assigned by your team?

30 **MR HOULIHAN:** Yes.

**MS SHARP SC:** Okay. Now, if you go back to that first heading under "background", is it right that the police had laid charges in relation to the matter referred to there?

35 **MR HOULIHAN:** Yes.

**MS SHARP SC:** Do you happen to know whether there were convictions for those charges?

40 **MR HOULIHAN:** Not off the top of my head, no, sorry.

**MS SHARP SC:** Would that have been a matter you followed up at the time?

45 **MR HOULIHAN:** We would have, yes.

**MS SHARP SC:** Now, you understand it's pretty serious if the police have laid charges in respect of those matters?

**MR HOULIHAN:** Correct.

**MS SHARP SC:** Now, that related to incidents in 2018, didn't it?

5 **MR HOULIHAN:** I don't know if that's in the background, if that's a typographical error. Everything else is referenced to '19.

**MS SHARP SC:** Yes, I understand that and what I was suggesting to you is there was one operation in 2018 and another one in 2019?

10

**MR HOULIHAN:** Correct. And I believe the charges were as a result of the 2019.

**MS SHARP SC:** Are you sure about that?

15

**MR HOULIHAN:** If you could scroll down the document a bit, I would be able to recall my memory.

**MS SHARP SC:** Please take your time.

20

**MR HOULIHAN:** This is a separate incident, thank you.

**MS SHARP SC:** So is it correct that that first paragraph relates to 2018?

25 **MR HOULIHAN:** Yes, I accept that now. Yes.

**MS SHARP SC:** And what happens under the heading Details are new events in 2019 are referred to?

30 **MR HOULIHAN:** Thank you.

**MS SHARP SC:** And do you see in that first paragraph how many matters are referred to?

35 **MR HOULIHAN:** Referencing the number six? Is that correct?

**MS SHARP SC:** Yes.

**MR HOULIHAN:** Thank you. I see that.

40

**MS SHARP SC:** And you agree that these were incidents occurring in relation to Salon 95?

**MR HOULIHAN:** To people attending Salon 95, yes.

45

**MS SHARP SC:** And they are obviously enough related to Suncity?

**MR HOULIHAN:** Correct.

**MS SHARP SC:** And if I could take you to the following page, which is pinpoint 3627, can I take you to the paragraph beginning:

5 "When we did..."

**MR HOULIHAN:** Yes, thank you.

10 **MS SHARP SC:** Is it correct that in mid-2019 staff in Salon 95 were not cooperating with your team's investigations?

**MR HOULIHAN:** No. It appears that Mr - the gentleman referenced there was cooperative but had concerns about his staff.

15 **MS SHARP SC:** His staff being the staff who worked in Salon 95; is that correct?

**MR HOULIHAN:** Yes. Thank you.

20 **MS SHARP SC:** So it's right to say, isn't it, that the staff in Salon 95 were not cooperating with your investigations at that stage?

**MR HOULIHAN:** Correct.

25 **MS SHARP SC:** And do you have a recollection of that?

**MR HOULIHAN:** Having read this document, yes. Thank you.

30 **MS SHARP SC:** So at this time there are incidents that occurred in 2018 that culminated in the police laying charges, and there are further incidents in 2019, and Suncity staff in Salon 95 are not cooperating with your investigations?

**MR HOULIHAN:** Yes.

35 **MS SHARP SC:** Now, if I can take you to the third page, pinpoint 3628, it states:

"Inquiries are continuing."

**MR HOULIHAN:** Yes.

40 **MS SHARP SC:** Did those inquiries continue?

**MR HOULIHAN:** I believe so, yes.

45 **MS SHARP SC:** And did they result in a conclusion?

**MR HOULIHAN:** I believe so, yes.

**MS SHARP SC:** And what was that conclusion?



**MR HOULIHAN:** I believe a number of people were excluded from the casino.

5 **MS SHARP SC:** And where were those people - I beg your pardon. Were they people who had engaged in activities in Salon 95?

**MR HOULIHAN:** I believe so, yes.

10 **MS SHARP SC:** So given they were excluded, does it follow that the allegations that were being investigated at this time were found to be sustained by your team?

**MR HOULIHAN:** Yes.

15 **MS SHARP SC:** Was that matter reported to anybody? That is, that the matters you had investigated had been sustained?

**MR HOULIHAN:** Reported internally or externally?

20 **MS SHARP SC:** Internally.

**MR HOULIHAN:** I believe they would have, yes.

**MS SHARP SC:** And who were they reported to?

25 **MR HOULIHAN:** I would suggest, without actually seeing any material to assist me, that they would have been reported to - to Mr Power as well.

30 **MS SHARP SC:** Is that the only person they were reported to, to your knowledge?

**MR HOULIHAN:** To myself as well, and potentially the AML team as well.

35 **MS SHARP SC:** Pardon me, Mr Bell. Could I just take one moment please, Mr Bell? I might come back --

**MS RICHARDSON SC:** I have a document ID that might assist in showing who that memo was sent to, if that assists. It's amongst the list I've sent this morning.

40 **MS SHARP SC:** I'm going to return to that topic once further documents are uploaded, Mr Bell, but I can proceed without that at the moment. Mr Houlihan, at this time - that is, early June - did you consider there was a high risk of money laundering occurring in Salon 95?

45 **MR HOULIHAN:** There was a risk of suspicious activity, yes.

**MS SHARP SC:** Yes, but that was not the question I asked you. Please listen carefully. Did you consider that there was a high level of risk of money laundering in Salon 95 at this time?

**MR HOULIHAN:** And, again, there was a high risk of suspicious activity. I didn't define what that suspicious activity was.

5 **MS SHARP SC:** Well, I'm going to press you on this, Mr Houlihan. The very point of the AML program is to accurately identify and assess risks. Please tell us what your assessment of that risk was at that point in time.

10 **MR HOULIHAN:** At that point in time my duties were to investigate illegal and undesirable activity, not defined or limited to an act or any other act such as an AML act. It was defined to identify and investigate all illegal and undesirable activity.

15 **MS SHARP SC:** Money laundering is illegal and undesirable activity, isn't it?

**MR HOULIHAN:** Correct. One of many.

20 **MS SHARP SC:** All right. Now, I want to ask your opinion, bearing in mind you've been AML/CTF compliance officer up till November - what was it - 2021. What was your assessment of the risk of money laundering in Salon 95 as at June 2019?

25 **MR HOULIHAN:** My risk and my assessment was there was suspicious activity occurring that required further investigation and engagement.

**MS SHARP SC:** Mr Houlihan, you're well aware, aren't you, that AUSTRAC requires that categories of risk be assigned to money laundering, aren't you? Low, medium, high?

30 **MR HOULIHAN:** Correct.

**MS SHARP SC:** Was it high? Was that your assessment?

35 **MR HOULIHAN:** Of the activity? It was highly suspicious, yes.

**MS SHARP SC:** So was your assessment that there was a high level of risk that money laundering was occurring in Salon 95?

40 **MR HOULIHAN:** A high risk of suspicious activity occurring in Salon 95.

**MS SHARP SC:** Is there something confusing about my question to you, Mr Houlihan?

45 **MR HOULIHAN:** Well, money laundering is very defined, Ms Sharp and my duties were to investigate activities.

**MS SHARP SC:** Do you want to give Mr Bell an answer to my question or not?

**MR HOULIHAN:** My answer is the same, Ms Sharp.

**MS SHARP SC:** It was your assessment in June 2019 that there was a low, medium or high risk of money laundering occurring in Salon 95?

5

**MR HOULIHAN:** A high risk of suspicious activity that we undertook an investigation into.

**MR BELL SC:** And did your concerns about suspicious activity encompass suspicions about money laundering?

10

**MR HOULIHAN:** Could be one of those, yes, Mr Bell.

**MS SHARP SC:** Well it was money laundering that people had been charged with by the police in 2018, wasn't it?

15

**MR HOULIHAN:** (Indistinct).

**MS RICHARDSON SC:** I object to that question.

20

**MR BELL SC:** The objection, Ms Richardson?

**MS RICHARDSON SC:** My recollection of that note is that was not the description of the charges.

25

**MR BELL SC:** Well, operator, can you scroll up the note, please.

**MS RICHARDSON SC:** I apologise, I had remembered proceeds of crime. I withdraw that objection.

30

**MR BELL SC:** Yes. Yes, ask the question again, please, Ms Sharp.

**MS SHARP SC:** It was money laundering that people had been charged with by police in 2018, wasn't it?

35

**MR HOULIHAN:** I don't believe anybody was charged with money laundering, Ms Sharp. I believe that's Mr McGregor's interpretation of the charges. I don't believe anybody was charged with money laundering offences.

**MS SHARP SC:** What did you understand the offences to be with which people were charged?

40

**MR HOULIHAN:** They were charged under POCA. Proceeds of crime.

**MS SHARP SC:** So they were charged with an offence of being in possession of the proceeds of crime?

45

**MR HOULIHAN:** Is my recollection, yes.

**MS SHARP SC:** And you don't regard that as being a money laundering offence?

5 **MR HOULIHAN:** It's a trigger that could be related to money laundering, but it's proceeds of crime.

**MR BELL SC:** Are you suggesting that Mr McGregor's background summary is inaccurate?

10 **MR HOULIHAN:** I don't believe Mr McGregor's background may be completely accurate. I've yet to see a set of fact sheets or charges, but I believe they were charged with POCA offences.

15 **MS SHARP SC:** Are you doing your best to give candid evidence to Mr Bell, Mr Houlihan?

**MR HOULIHAN:** No. I'm being direct and honest, Ms Sharp.

20 **MS SHARP SC:** Can I take you to another document, and I'm afraid it doesn't have a marking, Mr Bell, it's STA.3428.0034.3612. Now, I'm showing you an email from you to Ms Martin dated 3 June 2019.

**MR HOULIHAN:** Thank you.

25 **MS SHARP SC:** And you there refer to:

"Please see draft information report from investigation manager Andrew McGregor with respect to his interaction with Suncity last Friday evening."

30 **MR HOULIHAN:** Thank you.

**MS SHARP SC:** Now, was that the information report I've just taken you to?

35 **MR HOULIHAN:** Could I see the date again, sorry, on the information report?

**MS SHARP SC:** I will just have that marked for identification before we put that email down.

40 **MR BELL SC:** Yes, that document will become MFI28.

**MS SHARP SC:** And could I please return, operator, to STA.3428.0034.3626. Do you see the date?

45 **MR HOULIHAN:** I do, thank you.

**MS SHARP SC:** Was that the document you emailed to Ms Martin on 3 June?

**MR HOULIHAN:** I believe so, yes.

**MS SHARP SC:** Can I show Mr Houlihan another document, STA.3427.0018.3537. Do you see this is an email to you from Mr McGregor copied - and also to Mr Power and copied to Ms Martin, dated 5 June 2019?

5

**MR HOULIHAN:** Yes, thank you.

**MS SHARP SC:** Can I have that marked for identification, please, Mr Bell?

10 **MR BELL SC:** Yes, that will be MFI29.

**MS SHARP SC:** So you agree that you attached to that email, a document described as Information Report Salon 95 May 2019?

15 **MR HOULIHAN:** Mr McGregor sent that email, not me.

**MS SHARP SC:** I withdraw that. Do you agree that you received an email from Mr McGregor attaching a document described as Information Report Salon 95 May 2019?

20

**MR HOULIHAN:** I agree.

**MS SHARP SC:** And you expect that you would have read that information report at the time?

25

**MR HOULIHAN:** Yes.

**MS SHARP SC:** Can I take you to - did I have that marked, Mr Bell?

30 **MR BELL SC:** Yes, that became MFI29.

**MS SHARP SC:** Can I take you to STA.3412.0042.8585. I will read the document number out again: STA.3412.0042.8585. Do you see that the document I'm showing you now is an information note dated 5 June 2019?

35

**MR HOULIHAN:** Yes. Thank you.

**MS SHARP SC:** Is this the document that was attached to the email?

40 **MR HOULIHAN:** The - the timing seems to be correct, yes.

**MS SHARP SC:** Could I have this marked for identification, please?

**MR BELL SC:** Yes, that will be MFI30.

45

**MS SHARP SC:** Now, do you see - if I can take you to the bottom paragraph, you would agree that Mr McGregor is there stating:

"It is clear that Suncity is not currently complying with the agreed processes for provision of service and buy-in drawer operations."

**MR HOULIHAN:** I can see that.

5

**MS SHARP SC:** And you agree that was advised to you on about 5 June 2019?

**MR HOULIHAN:** I accept that.

10 **MS SHARP SC:** Was that consistent with your own understanding at that point in time?

**MR HOULIHAN:** Correct.

15 **MS SHARP SC:** Could I take you, please, to pinpoint 8587.

**MR HOULIHAN:** I have that, thank you.

**MS SHARP SC:** Do you see there's a heading Postscript?

20

**MR HOULIHAN:** Thank you - could you scroll up. I see that now.

**MS SHARP SC:** And do you see that it says:

25 "It appears that Suncity associates bring cash into Salon 95.

**MR HOULIHAN:** I see that.

**MS SHARP SC:** And do you see that:

30

"It has thwarted casino surveillance efforts to track its source or arrival time."

**MR HOULIHAN:** I see that.

35 **MS SHARP SC:** And you agree that that was advised to you at that time?

**MR HOULIHAN:** Contained within this note, yes.

40 **MS SHARP SC:** Do you agree that's consistent with your own understanding of the position at that time?

**MR HOULIHAN:** Yes.

45 **MS SHARP SC:** Could I take you please to STA.3418.0035.8175. Do you see this is an email scheduling a meeting to occur with people, including you, on June 19?

**MR HOULIHAN:** I do. Thank you.

**MS SHARP SC:** Can I have this document marked for identification, please?

5 **MR BELL SC:** MFI31.

**MS SHARP SC:** Did you attend that meeting on June 19 2019?

10 **MR HOULIHAN:** I don't recall without seeing my calendar, but I would accept that I was invited.

**MS SHARP SC:** Well, you may not be able to assist in that. Was there a meeting at around this time where you discussed with Skye Arnott, Graeme Stevens, Ian Tomkins and Micheil Brodie events that were occurring in the Salon 95 room?  
15

**MR HOULIHAN:** If I attended the meeting, yes.

**MS SHARP SC:** Well, do you recall what was discussed at the meeting?

20 **MR HOULIHAN:** No, I don't, sorry.

**MS RICHARDSON SC:** I should indicate the document marked as MFI31 is already in evidence. It's marked as A43.

25 **MR BELL SC:** In that case, I will withdraw that marking as MFI31.

**MS SHARP SC:** I'm grateful to Ms Richardson for that indication. When the investigations team conducts an investigation, does it prepare a report on the outcome of that investigation?  
30

**MR HOULIHAN:** Not on every occasion, no.

**MS SHARP SC:** On which occasions does it prepare a report on the outcome of its investigation?  
35

**MR HOULIHAN:** An investigator's report?

**MS SHARP SC:** A report on the outcome of the investigation.

40 **MR HOULIHAN:** So we will complete the investigations report once a matter goes into an execution phase or the ability and time to interview somebody, and with the intention to make a finding of sustained or not sustained, using the balances of probability, and, if needed, recommendations to the business.

45 **MS SHARP SC:** What is the execution phase?

**MR HOULIHAN:** When we will decide to start the inquiry or the investigation now requires us to formally interview people and interview, be it the staff or patrons who required a formal interview.

5 **MS SHARP SC:** And if you decide to go into an execution phase, does your team prepare a written report?

**MR HOULIHAN:** They do.

10 **MS SHARP SC:** Is it right that in relation to Suncity, your team did not go into an execution phase in 2019?

**MR HOULIHAN:** I don't believe they did, no.

15 **MS SHARP SC:** Why?

**MR HOULIHAN:** Because they were working with law enforcement.

20 **MS SHARP SC:** Well, how does that abrogate your responsibility to understand what's occurring within the four walls of the casino?

**MR HOULIHAN:** Because our obligations are to continue to identify, report and mitigate where possible. But we were working with law enforcement to give them every opportunity to advance any criminal proceedings or criminal charges that they would prefer.

25 **MS SHARP SC:** But doesn't your team have a role that's separate from assisting the police?

30 **MR HOULIHAN:** We do.

**MS SHARP SC:** Well, isn't your role to accurately ascertain whether the people with whom Star deals are people of good repute?

35 **MR HOULIHAN:** Again, the question of good repute wasn't a decision made by my team or charged with the ability to make the decision of whether somebody is of good repute.

40 **MS SHARP SC:** I don't think you answered my question.

**MR HOULIHAN:** Well, could you ask the question again, please?

**MS SHARP SC:** Isn't it your role to accurately ascertain whether the people with whom Star deals are people of good repute?

45 **MR HOULIHAN:** And as I said, sorry, Ms Sharp, that my team's duty was not to determine if somebody is of good repute.



**MS SHARP SC:** But isn't it the responsibility of your team to conduct investigations in appropriate circumstances so someone else in the business can make that decision?

5 **MR HOULIHAN:** That I agree with, yes.

**MS SHARP SC:** Well, I'm trying to understand why, after all of these incidents I've just taken you to, there was no execution phase in 2019 in relation to the events in Salon 95?

10

**MR HOULIHAN:** Because the people that the team identified were removed from the business, issued with either exclusions or withdrawals of licences. They did take action.

15 **MS SHARP SC:** But Salon 95 continued in operation?

**MR HOULIHAN:** Which wasn't my decision-making power.

**MS SHARP SC:** Sorry, whose is decision that?

20

**MR HOULIHAN:** That would have been the chief legal - either - who was in charge again - if Mr McWilliams was still there, it would be Mr McWilliams, or those in charge of making those decisions.

25 **MS SHARP SC:** And who are those in charge of making those decisions?

**MR HOULIHAN:** I'm trying to get my time correct. It would be AML compliance officer, Mr Hawkins and, if Mr McWilliams was still employed by us, I would be suggesting that Mr McWilliams was involved in that process or should have been, and if Mr McWilliams was no longer with us, that would have then to Ms Martin.

30

**MS SHARP SC:** Did you make all this information known to Ms Martin at the time?

35

**MR HOULIHAN:** Yes.

**MS SHARP SC:** And did you make all this information known to Mr Hawkins at the time?

40

**MR HOULIHAN:** Not directly to Mr Hawkins, no.

**MS SHARP SC:** Why not?

45 **MR HOULIHAN:** I didn't have a direct reporting line to Mr Hawkins.

**MS SHARP SC:** Did you expect that all of this information would have been made known to Mr Hawkins at the time?

**MR HOULIHAN:** Yes, I would expect that.

5 **MS SHARP SC:** In any event, is it correct that no written report was prepared of the outcome of investigations conducted by your team in relation to Salon 95 in around June 2019?

**MR HOULIHAN:** Correct.

10 **MS SHARP SC:** Now, I want to return to a document I asked you about yesterday, being the Hong Kong Jockey Club report, which you received on 12 June 2019.

**MR HOULIHAN:** Thank you.

15

**MS SHARP SC:** If I could call up the first part of that report, please. It's part C, tab 79, STA.3427.0037.3870.

**MR HOULIHAN:** I have that, thank you.

20

**MS SHARP SC:** Now, we went to the executive summary yesterday.

**MR HOULIHAN:** Thank you.

25 **MS SHARP SC:** Can I take you, please, to pinpoint 00 - I withdraw that. Could I take you to page 13, which I understand is 3884.

**MR HOULIHAN:** I think the document has 12 pages, Ms Sharp.

30 **MS SHARP SC:** I apologise. I'm sorry, Mr Bell, the document is, for some reason, spread across four separate files. But what I will do is take you to the final page of that document which should be page 10 at the bottom. Now, could I just ask you to read paragraph 39 to yourself.

35 **MR HOULIHAN:** Thank you.

**MS SHARP SC:** Were you aware of that incident at about the time it occurred?

**MR HOULIHAN:** In 2012? I don't recall.

40

**MS SHARP SC:** Can I just draw your attention now to the heading Cheng Ting Kong, a little further down.

**MR HOULIHAN:** Thank you.

45

**MS SHARP SC:** This is just to give you some context. Now, you understood, from reading this report, that this report said that Cheng Ting Kong was Alvin Chau's major business partner?

**MR HOULIHAN:** I agree with that.

**MS SHARP SC:** And was involved in Suncity?

5

**MR HOULIHAN:** Mr Cheng, yes.

**MS SHARP SC:** You understood those matters?

10 **MR HOULIHAN:** Correct.

**MS SHARP SC:** Now, I will have to take you over to the next page of this report, which is in a separate document. If I could now call up part C, tab 80, STA.3427.0037.3882.

15

**MR HOULIHAN:** I have that, thank you.

**MS SHARP SC:** And if I could take you to page 12 of that document. The pagination, operator, is at the bottom of the page. Do you see there's a heading Links to Organised Crime?

20

**MR HOULIHAN:** Thank you.

**MS SHARP SC:** So you understand that at this point in the document, it is speaking of Cheng Ting Kong's links to organised crime?

25

**MR HOULIHAN:** Intelligence that suggests that, yes.

**MS SHARP SC:** Now, can I take you to paragraph 56 of this document, which is on the next page. Sorry, paragraph 57. Do you see it refers to intelligence in May 2017.

30

**MR HOULIHAN:** I do.

**MS SHARP SC:** Now, you can take it from me that the footnote 62 on that page says:

35

"Australian law enforcement."

40 So:

"Intelligence in May 2017 advised that Suncity Group is of interest to Australian law enforcement authorities in relation to suspected large-scale money laundering activities. Money is laundered via a myriad of methods from Australia to both Hong Kong and Guangdong Province, China."

45

**MR HOULIHAN:** Yes, I see that.

**MS SHARP SC:** So, did you understand, when you read that report, that Australian law enforcement had advised of this matter?

5 **MR HOULIHAN:** They may have advised the Hong Kong Jockey Club, but certainly hadn't advised myself.

**MS SHARP SC:** Well, you read this report for yourself in June 2019, didn't you?

10 **MR HOULIHAN:** I did.

**MS SHARP SC:** All right. That must have been of considerable concern to you, to learn this new information, was it?

15 **MR HOULIHAN:** It was.

**MS SHARP SC:** The very group with which Star Entertainment was dealing was suspected by Australian law enforcement authorities of large-scale money laundering activities, that must have been of very considerable interest wasn't it?

20 **MR HOULIHAN:** It was of considerable interest.

**MS SHARP SC:** This was important new information, wasn't it?

25 **MR HOULIHAN:** It was.

**MS SHARP SC:** And this important new information is being made aware of you against a backdrop of your own understanding at this time that there was a high risk that money laundering had occurred in 2018 and 2019 in the Salon 95 room; right?

30 **MR HOULIHAN:** Right.

**MS SHARP SC:** Can I take you to the following paragraph - I withdraw that. Can I take you to the end of paragraph 57. Do you see it says:

35 "During 2013 to 2015, the group - "

That being Suncity -

40 " - was believed to be laundering up to AUD\$2 million a day through various money laundering methodologies."

**MR HOULIHAN:** Yes, I see that it says they were believed to be, yes.

45 **MS SHARP SC:** Did you have any concern that one of those methodologies may have been the Suncity Room in The Star Casino?

**MR HOULIHAN:** I did.

**MS SHARP SC:** And can you see paragraph 58:

5 "It was suspected that a significant amount of this cash was the proceeds of  
drug-trafficking activities."

**MR CONDE:** I see it says it was suspected, yes.

10 **MS SHARP SC:** Yes. Was that a concern to you?

**MR HOULIHAN:** Yes.

15 **MS SHARP SC:** All right. Now, did you take any steps to alert anybody in the  
business to these significant new pieces of information?

**MR HOULIHAN:** I did.

**MS SHARP SC:** Who did you notify?

20 **MR HOULIHAN:** I spoke with Mr Power and Ms Martin.

**MS SHARP SC:** And then what happened?

25 **MR HOULIHAN:** Then I made my own inquiries with my contacts with the  
Australian law enforcement agencies and sought their advice, did they have an  
active interest into the operations of Suncity on our premises.

30 **MS SHARP SC:** And did they tell you they didn't have an active interest in  
Suncity on your premises?

**MR HOULIHAN:** Correct.

35 **MS SHARP SC:** And did they tell you they had no active interest in the Suncity  
group?

**MR HOULIHAN:** Correct.

40 **MS SHARP SC:** So they said there was no current interest in the Suncity group in  
Australia in relation to drug trafficking or money laundering, did they?

**MR HOULIHAN:** With my contacts in law enforcement, yes.

45 **MS SHARP SC:** Now, I might come back to that in private session. Did you  
make the results of your inquiries known to anybody within Star?

**MR HOULIHAN:** Yes, I would have spoken to Mr Power and Ms Martin.

**MS SHARP SC:** And did you record the results of your inquiries in writing?

**MR HOULIHAN:** I don't believe so, no.

**MS SHARP SC:** Why not?

5

**MR HOULIHAN:** As identified in my statement, there are certain contacts with law enforcement that I will use confidentially and not make records of those conversations.

10 **MS SHARP SC:** Now, are you suggesting that the information we see in paragraph 57 of this report is wrong?

**MR HOULIHAN:** I'm not suggesting it's wrong, no.

15 **MS SHARP SC:** Well, didn't you just say that you spoke with your contacts in law enforcement?

**MR HOULIHAN:** Correct, I spoke to my contacts in law enforcement.

20 **MS SHARP SC:** So that wasn't enough to satisfy you that the information recorded here was wrong?

**MR HOULIHAN:** Not that it was wrong, but my contacts had no interest in Suncity and their activities at The Star.

25

**MS SHARP SC:** So your particular contacts had no interest.

**MR HOULIHAN:** Correct.

30 **MS SHARP SC:** But you weren't able to exclude the possibility that other people involved in law enforcement had this interest?

**MR HOULIHAN:** Correct.

35 **MS SHARP SC:** So for all you knew, law enforcement could still have had the very interest that we see recorded here at paragraph 57 and paragraph 58?

**MR HOULIHAN:** They could have. Yes.

40 **MS SHARP SC:** Well, isn't that an extreme concern to you?

**MR HOULIHAN:** Having worked in law enforcement as we identified earlier, I know that other law enforcement agencies would have reached out to their contacts, and if somebody had concerns or wished to raise those concerns with me,  
45 they would have contacted me directly.

**MS SHARP SC:** So you think that if Australian law enforcement agents are investigating Suncity drug trafficking or money laundering, they would have, as a matter of course, let you know?

5 **MR HOULIHAN:** If we could have assisted them, yes.

**MS SHARP SC:** What, so only if you could have assisted them?

**MR HOULIHAN:** Correct.

10

**MS SHARP SC:** And do you think that means that in every circumstance the law enforcement authority would let you know that they were investigating Suncity for money laundering and drug trafficking?

15 **MR HOULIHAN:** I can't talk to what every law enforcement agency would do. Sorry.

**MS SHARP SC:** So you don't hold the universe of information about what Australian law enforcement is doing about the Suncity Group, do you?

20

**MR HOULIHAN:** No, I do not.

**MS SHARP SC:** All right. And you weren't able to exclude the accuracy of paragraphs 57 and 58 of these - of this document once you had consulted with your contacts in law enforcement?

25

**MR HOULIHAN:** Sorry, was that could I not exclude?

**MS SHARP SC:** Yes.

30

**MR HOULIHAN:** I agree. I couldn't exclude, that's correct.

**MS SHARP SC:** And you do understand, don't you, that Suncity and Alvin Chau were banned from membership at the Hong Kong Jockey Club because of this report, don't you?

35

**MR HOULIHAN:** This report doesn't specifically say that, no.

**MS SHARP SC:** Well, I withdraw that. You are aware, aren't you, that Alvin Chau and Suncity were banned from membership at the Hong Kong Jockey Club at around this time, weren't you?

40

**MR HOULIHAN:** As reported by the media, yes.

45 **MS SHARP SC:** Well, you went to visit officials of the Hong Kong Jockey Club, didn't you?

**MR HOULIHAN:** I did.

**MS SHARP SC:** Well, did you ask them?

**MR HOULIHAN:** I did.

5

**MS SHARP SC:** And what did they tell you.

**MR HOULIHAN:** They didn't give me a direct answer.

10 **MS SHARP SC:** Well, didn't you press them?

**MR HOULIHAN:** No. I was there as a visitor, as a guest.

15 **MS SHARP SC:** What, so you asked them and they refused to answer the question of whether they had banned Alvin Chau and Suncity?

**MR HOULIHAN:** Yes.

20 **MS SHARP SC:** So they weren't particularly cooperative with you; is that correct?

**MR HOULIHAN:** Correct.

25 **MS SHARP SC:** Do you see - if I can take you now to page 23 of this document - could I take you to the conclusion at paragraph 111.

**MR HOULIHAN:** Thank you.

30 **MS SHARP SC:** And it there says:

"Due to the reasons detailed above, it is assessed that Suncity's controlling entities, Cheng and Alvin Chau, would pose tangible criminal as well as reputational risks to the club."

35 **MR HOULIHAN:** Yes, I see that.

**MS SHARP SC:** And you read that at the time?

40 **MR HOULIHAN:** I did.

**MS SHARP SC:** And your understanding was that, based on the information available to the author of this report, the assessment was that they would pose tangible criminal as well as reputational risk to the club?

45 **MR HOULIHAN:** If they became members, yes.

**MS SHARP SC:** If they became members?



**MR HOULIHAN:** Correct.

**MS SHARP SC:** And you understand that the author of that report held that view?

5 **MR HOULIHAN:** Correct.

**MS SHARP SC:** And the author of that report, to the best of your understanding, was Angus Buchanan; correct?

10 **MR HOULIHAN:** Correct.

**MR BELL SC:** Did you respect - sorry to interrupt. Did you respect Mr Buchanan's opinions as an investigator?

15 **MR HOULIHAN:** I do, sir.

**MR BELL SC:** Yes.

20 **MS SHARP SC:** Now, surely by this time, Mr Houlihan, you had significant concern that dealings with Suncity and Alvin Chau could harm Star's reputation?

**MR HOULIHAN:** Could it harm? I beg your pardon, Ms Sharp?

25 **MS SHARP SC:** Surely, by this time, you had considerable concern that dealings with Suncity and Alvin Chau could harm Star's reputation?

**MR HOULIHAN:** Could harm, yes.

30 **MR BELL SC:** Mr Houlihan, if I could just - operator, could you scroll up that page - and could I draw your attention to the first bullet point paragraph 110. Do you see that the authors of this report state that:

"Suncity is significantly involved in the junket industry in Macau and the wider Asia-Pacific region."

35

I take it that was a fact of which you were aware at this time, June 2019?

**MR HOULIHAN:** Yes, sir.

40 **MR BELL SC:** And the authors add that:

"Junket operators are often targeted by organised criminal syndicates and individuals who seek to launder money and/or move money across international boundaries through the junket operations."

45

Should I also conclude that was a matter of which you were aware in June 2019?

**MR HOULIHAN:** Yes Sir.

**MR BELL SC:** And the next bullet point down, if I could just draw your attention to the last sentence, you see it says that:

5 "Triad societies also typically operate in other businesses which generate large volumes of cash for a number of reasons, primarily in order to assist these criminal groups with the laundering of their proceeds of crime."

Should I conclude that that was a matter of which you were aware in June 2019?  
10

**MR HOULIHAN:** I was. Thank you.

**MS SHARP SC:** Yes. And at the top of that bullet point, you see the authors of this report conclude that:  
15

"Suncity key personalities have demonstrated links to numerous triad societies and organised crime figures."

Do you see that?  
20

**MR HOULIHAN:** I do.

**MR BELL SC:** And I take it that would be a matter which you would have regarded as a serious issue.  
25

**MR HOULIHAN:** I did.

**MR BELL SC:** And what I want to know is whether you reported that fact to senior management; that is, that the authors of this report had concluded that Suncity personalities had demonstrated links to the triads?  
30

**MR HOULIHAN:** Did I escalate that, Mr Bell?

**MR BELL SC:** Did you report it to senior management.  
35

**MR HOULIHAN:** I know that senior management also had a copy of this report, meaning Mr Martin and Mr White.

**MR BELL SC:** All right. Did you discuss this particular fact with Mr White and Ms Martin?  
40

**MR HOULIHAN:** I did.

**MR BELL SC:** Right. And you notified them that you drew this matter to their specific attention, that Suncity key personalities, according to the Hong Kong Jockey Club, had demonstrated links to triads?  
45

**MR HOULIHAN:** I don't know if I specifically called out that dot point, Mr Bell, but certainly discussed the report.

5 **MR BELL SC:** Yes. And did you notify other members of senior management that the authors of the Hong Kong Jockey Club report had concluded that Suncity key personalities had demonstrated links to the triads?

**MR HOULIHAN:** I did not, sir.

10 **MR BELL SC:** And why not?

**MR HOULIHAN:** This report was shared with us confidentially by Mr Buchanan, and the appropriate people in the business had access to this report, being myself, Ms Martin and Mr White.

15 **MR BELL SC:** And I take it you would have expected Ms Martin and Mr White to escalate that matter if they considered it was appropriate to do so?

**MR HOULIHAN:** Yes, sir.

20 **MR BELL SC:** Yes, Ms Sharp.

**MS SHARP SC:** Now, you're aware, aren't you, that allegations were aired in the media about Suncity and Alvin Chau in late July, early August 2019?

25 **MR HOULIHAN:** I was.

**MS SHARP SC:** And are you aware that the New South Wales regulator wrote to Star about Alvin Chau and Suncity in August 2019?

30 **MR HOULIHAN:** I'm aware they wrote to us, yes.

**MS SHARP SC:** Yes. And they asked for information from Star in relation to Alvin Chau and Suncity?

35 **MR HOULIHAN:** Correct.

**MS SHARP SC:** Did you know whether this - I withdraw this. Did you take any steps to make the regulator aware of the fact that Star possessed the Hong Kong Jockey Club report?

**MR HOULIHAN:** No, I did not. No.

45 **MS SHARP SC:** Why not?

**MR HOULIHAN:** Well, again, it was a document shared with me confidentially by Mr Buchanan. It wasn't my document to share.

**MS SHARP SC:** Well, it was in your possession, wasn't it?

**MR HOULIHAN:** It was.

5 **MS SHARP SC:** You couldn't unlearn the information you had learnt, could you?

**MR HOULIHAN:** I could not, no.

10 **MS SHARP SC:** Well, this is a significant information about the probity of Alvin Chau and Suncity, wasn't it?

**MR HOULIHAN:** As with respect to the Hong Kong Jockey Club, yes.

15 **MS SHARP SC:** Well. Not just with respect to the Hong Kong Jockey Club, with respect to anybody dealing with Alvin Chau and Suncity; do you agree?

**MR HOULIHAN:** I agree this report was completed on behalf of Hong Kong Jockey Club.

20 **MS SHARP SC:** That's not what I asked, Mr Houlihan. You're quite well aware that this information was relevant to anybody who had a concern about the propriety and probity of Alvin Chau and Suncity.

25 **MR HOULIHAN:** I'm aware that this document was to be made available, sorry?

**MS SHARP SC:** I will ask the question again, Mr Houlihan.

**MR HOULIHAN:** Thank you.

30 **MS SHARP SC:** Surely you appreciated that this document would be relevant to anybody who had a concern about the probity of Suncity or Alvin Chau?

**MR HOULIHAN:** Yes.

35 **MS SHARP SC:** Now, you took no steps to make this report available to the New South Wales regulator when it made a request about Salon - I beg your pardon, about Alvin Chau and Suncity, did you?

40 **MR HOULIHAN:** I did not make it available, no.

**MS SHARP SC:** And were you aware as to whether anybody else within your organisation made this report available to the New South Wales regulator?

45 **MR HOULIHAN:** I'm not aware, no.

**MS SHARP SC:** Did you make inquiries with anybody to ascertain whether this report was made available to the New South Wales regulator in answer to its inquiries?

**MR HOULIHAN:** No, I didn't make any inquiries. No.

5 **MS SHARP SC:** Are you aware that it was Mr Andrew Power who assisted in preparing a response to the New South Wales regulator about its inquiries?

**MR HOULIHAN:** I would accept that is correct.

10 **MS SHARP SC:** Did you have any discussions with Mr Power about whether to refer to this report of the Hong Kong Jockey Club in answer to the New South Wales regulator's inquiries?

**MR HOULIHAN:** No. I don't think I would have, no.

15 **MS SHARP SC:** Now, is it correct that in August 2019 Suncity decided to discontinue the arrangement in Salon 95?

20 **MR HOULIHAN:** I'm aware that their relationship with Suncity ceased. The details of actually how that occurred, I'm not aware of.

**MS SHARP SC:** Well, are you aware as to whether it was Suncity that discontinued the arrangement?

25 **MR HOULIHAN:** I - I'm not aware of the detail, no, sorry.

**MS SHARP SC:** Are you aware that The Star allocated Salon 82 to Suncity for it to use as a VIP salon for its junket participants?

30 **MR HOULIHAN:** I'm aware they allowed Mr Iek to operate that room, yes.

**MS SHARP SC:** Well, Mr Iek is the representative of the Suncity junket, to your understanding?

35 **MR HOULIHAN:** He's a junket operator.

**MS SHARP SC:** For Suncity?

**MR HOULIHAN:** Under his name for Mr Iek, he is the junket operator.

40 **MS SHARP SC:** You understand that Mr Iek is Suncity's junket operator, don't you?

**MR HOULIHAN:** He - yes.

45 **MS SHARP SC:** Okay. So you are aware, aren't you, that Suncity was permitted to operate in Salon 82 after August 2019, don't you?

**MR HOULIHAN:** Correct.

**MS SHARP SC:** Are you aware that Suncity used televisions in that room to display its brand name?

5 **MR HOULIHAN:** No, I'm not.

**MS SHARP SC:** And it - I withdraw that. Surely by the time that Suncity was permitted to operate in Salon 82, The Star could not be satisfied that Suncity or Alvin Chau were of good repute?

10

**MR HOULIHAN:** Sorry, Ms Sharp, what was the question?

**MS SHARP SC:** Surely, by the time Suncity was permitted by Star to operate in Salon 82, The Star could not be satisfied that Suncity or Alvin Chau were of good repute?

15

**MR HOULIHAN:** No, I wasn't the decision-maker with that. No.

**MR BELL SC:** Mr Houlihan, can I just focus on your state of mind.

20

**MR HOULIHAN:** Yes.

**MR BELL SC:** Surely you could not have been satisfied by the time that Suncity was permitted to operate in Salon 82 that Suncity and Mr Chau were of good repute.

25

**MR HOULIHAN:** I asked for a review to be done on the suitability of Mr Chau at a later time. So I wasn't satisfied that he was not of good repute at that time, no.

30 **MR BELL SC:** That wasn't really my question. My question was, at the time that Suncity was permitted to operate in Salon 82 you could not have been satisfied that Suncity or Mr Chau were of good repute. Is that correct?

**MR HOULIHAN:** No, Mr Bell.

35

**MR BELL SC:** I see. And so does it follow that you were satisfied that they were of good repute?

**MR HOULIHAN:** I was satisfied that it needed to be reviewed and tested, yes.

40

**MR BELL SC:** What does that mean, were you satisfied they were of good repute or not?

**MR HOULIHAN:** I was satisfied that they were still of good repute at that time, yes.

45

**MS SHARP SC:** I suggest to you that that position is completely unreasonable.

**MR HOULIHAN:** Sorry, Ms Sharp is that a suggestion or a question?

5 **MS SHARP SC:** My question to you is that your opinion as at August 2019 that you were satisfied that Suncity and Alvin Chau were of good repute is completely unreasonable?

**MR HOULIHAN:** I disagree.

10 **MR BELL SC:** What factors did you take into account in forming the conclusion that Suncity and Alvin Chau were of good repute in August 2019?

15 **MR HOULIHAN:** I took into account that there was a large amount of media articles and allegations around Mr Chau. I reached out to all of my networks to confirm if there was any active interest of what was occurring, was any substance to the media allegations? And I watched closely with respect to what was being mentioned and suggested during Ms Bergin's inquiry as well. And also we had a number of monitoring meetings occurring internally to continue to assess where Mr Chau and Mr Iek were at that point in time dealing with our business.

20 **MR BELL SC:** So in forming the conclusion in August 2019 that Mr Chau and Suncity were of good repute, should I take it that you discounted the conclusions that the Hong Kong Jockey Club had reached in their report?

25 **MR HOULIHAN:** I considered them, but they were not my decisions and they were not - they were a factor and I reviewed them and I still, at that time, were okay to deal with Mr Chau.

**MR BELL SC:** And my question was, did you discount them?

30 **MR HOULIHAN:** I didn't discount them, no, sir.

**MR BELL SC:** Yes, Ms Sharp.

35 **MS SHARP SC:** And you knew that report was authored by your due diligence officer, Angus Buchanan?

**MR HOULIHAN:** Yes.

40 **MS SHARP SC:** Do you discount his opinions now?

**MR HOULIHAN:** No, Ms Sharp.

45 **MS SHARP SC:** Is it right that you're the person within the organisation who makes decisions about whether Star Entertainment should continue to deal with patrons?

**MR HOULIHAN:** In my position today?

**MS SHARP SC:** Yes.

5 **MR HOULIHAN:** No. Well, there's a number of factors to that, from an AML compliance officer's role, no that's not my duty. From the general manager of financial crime investigations, I would have a delegated duty to exclude people as well.

10 **MS SHARP SC:** You were the one who ultimately made the decision not to deal with Suncity and Alvin Chau, weren't you?

**MR HOULIHAN:** After his arrest, yes.

15 **MR BELL SC:** Mr Houlihan, by August 2019, you were aware that in 2018 Suncity and Salon 95 had been operating a cage when it was not permitted to do so?

**MR HOULIHAN:** Yes, sir.

20 **MR BELL SC:** You became aware in 2019, in June, that Suncity and Salon 95 were continuing to engage in cash transactions?

**MR HOULIHAN:** 2019, sorry, sir?

25 **MR BELL SC:** Yes.

**MR HOULIHAN:** Yes.

30 **MR BELL SC:** You were aware by June 2019 that individuals associated with Suncity had been charged in relation to the activities occurring that room; is that correct?

**MR HOULIHAN:** Correct.

35 **MR BELL SC:** And the Hong Kong Jockey Club report, which you read and which was authored by your colleague, Mr Buchanan, amongst others, concluded that Suncity had demonstrated links to the triads; correct?

**MR HOULIHAN:** There was the belief they were connected, yes.

40 **MR BELL SC:** Well, what they've said is that Suncity key personalities have demonstrated links to the triads. That was clearly their view, wasn't it?

**MR HOULIHAN:** That was of their view, yes.

45 **MR BELL SC:** I'm having difficulty understand how you could have legitimately formed the view in August 2019 in those circumstances that Mr Chau and Suncity were of good repute. Would you please help me with that?



**MR HOULIHAN:** Thank you. To answer your question, Mr Bell, we undertook - or, well, myself and the team undertook a review to assess Mr Chau's suitability. We called for some due diligence reports to be undertaken as - which has been authored, which I'm not aware if they're before the inquiry, which I'm  
5 sure they are and we did our own independent review, called for third party reports as well and utilised that information to assess Mr Chau and others' suitability as a number of people mentioned during the Bergin inquiry. That information satisfied me at that time it was okay to continue to deal with these operators.

10 **MS SHARP SC:** When was that assessment done, Mr Houlihan?

**MR HOULIHAN:** I have to recall the date.

15 **MS SHARP SC:** Well, it's very important you do. So take your time.

**MR HOULIHAN:** I think it commenced after Ms Bergin's inquiry started. When did we call for the third - the first third party report? I have to go back and check some records. I'm not solid on the date.

20 **MS SHARP SC:** Well, let me assist you by giving you some markers. Ms Bergin's inquiry was called in August 2019.

**MR HOULIHAN:** Thank you.

25 **MS SHARP SC:** The opening address in Ms Bergin's inquiry occurred on 17 January 2020. The first round of hearings occurred in February 2020. And a report was given in February 2021. When did you reach your assessment that it was appropriate to continue dealing with Suncity and Alvin Chau?

30 **MR HOULIHAN:** There is a report on this, and I - memory tells me it was late 2020, I believe, is when we - or when I made the decision as recommendations put to me as the compliance officer to continue to deal with Mr Chau.

35 **MS SHARP SC:** And who did you make that recommendation to?

**MR HOULIHAN:** It was recommended to myself. A recommendation was sent to myself as the compliance officer with a number of mitigations put in place that The Star could continue to maintain a relationship with Mr Chau if six mitigating strategies were to be attended to.

40 **MS SHARP SC:** So if I understand correctly, in late 2020, you made a recommendation to yourself that it was appropriate to continue dealing with Suncity and Alvin Chau provided six mitigating strategies were put in place?

45 **MR HOULIHAN:** No, a recommendation was put to me by Mr Buchanan. Sorry, I beg your pardon if I confused that.

**MS SHARP SC:** So a recommendation was put to Mr Buchanan, to you?

**MS RICHARDSON SC:** No, sorry, from Mr Buchanan.

5 **MS SHARP SC:** Let's do that again. Is it correct that in late 2020, Mr Buchanan put a recommendation to you, and, on the basis of that recommendation, you decided that it was appropriate to continue dealing with Alvin Chau and Suncity provided that six mitigating matters were put into train?

10 **MR HOULIHAN:** Correct. And I just, I know there is a document, some of my dates might be wrong. But yes, that is exactly the process. But my dates might be not accurate.

**MS SHARP SC:** Did you document your decision?

15 **MR HOULIHAN:** Yes, it's documented inside of TrackVia.

**MS SHARP SC:** And what form did that documentation take?

20 **MR HOULIHAN:** Mr Buchanan would have put it through the due diligence process inside of TrackVia and now that I use that as my memory recall, so it must be 2021 because TrackVia didn't come in place until 2021. And then Mr Buchanan will have submitted a due diligence review through the TrackVia process, and it would have been escalated to me as a due diligence officer - sorry - as the compliance officer, to either accept or reject Mr Buchanan's recommendations.  
25 And it was on the back end of a project that Mr Buchanan and the due diligence team had to undertake a review of a number of key individuals identified during the Bergin inquiry.

30 **MS SHARP SC:** Didn't you decide, in 2021, that it was not appropriate to deal with Alvin Chau and Suncity?

**MR HOULIHAN:** Subsequently after his arrest, yes.

35 **MS SHARP SC:** So prior to his arrest, you thought it was appropriate to continue dealing with Suncity and Alvin Chau?

**MR HOULIHAN:** If they were to undertake the six mitigations that we put in place, yes.

40 **MS SHARP SC:** Now, you've indicated that your best recollection is that you made this decision that it was okay to continue dealing with him in 2021. The investigations I have taken you to of your team occurred in June of 2019, and you received the Hong Kong Jockey Club report in June 2019.

45 **MR HOULIHAN:** Thank you.

**MS SHARP SC:** Why did it take until 2021 for you to make a decision?

**MR HOULIHAN:** There was a number of processes that we undertook including, as I said before, Mr Buchanan and I visiting Hong Kong as well, and gathering all of our intelligence, and also with the ability that COVID restricted international travel, we utilised and leveraged the opportunity to actually slow down and do a proper due diligence review on Alvin Chau and a number of other people identified in the Bergin inquiry. So utilising the ability that the international borders were closed, we slowed down the process to get it right.

**MS SHARP SC:** And all that time Suncity and Alvin Chau were permitted to operate their junket in Star Entertainment's casinos?

**MR HOULIHAN:** Correct.

**MS SHARP SC:** When was it you visited the Hong Kong Jockey Club?

**MR HOULIHAN:** Not too long after, and I think, if my memory is correct, I think about a month after Mr Buchanan shared that report with myself.

**MS SHARP SC:** So July 2019?

**MR HOULIHAN:** Yes.

**MS SHARP SC:** I suggest your decision-making process, and the steps which informed that, were entirely too slow, given the risks - the clear risks - that Alvin Chau and Suncity presented to the reputation of Star Entertainment and in association with the prospect of money laundering. What do you say?

**MR HOULIHAN:** That you are suggesting that I took too slow?

**MS SHARP SC:** Yes.

**MR HOULIHAN:** I slowed the process down because we had the ability to control international travel, and we engaged with third party providers, and did everything to get all available and relevant and recent information to make a proper assessment as to, to continue to deal with or to cease to deal with Mr Alvin Chau.

**MS SHARP SC:** So do you reject the proposition that, in view of the risks that Suncity and Alvin Chau presented, your process was too slow?

**MR HOULIHAN:** Yes.

**MS SHARP SC:** Now, it's correct, isn't it, that you received a draft report from Mr Buchanan assessing Alvin Chau in October 2020?

**MR HOULIHAN:** Yes, I received the report, yes.

**MS SHARP SC:** I will show you this report if I can. If I could call up, please, exhibit B, tab 2603. It's STA.3002.0005.0001.

**MR HOULIHAN:** I have that, thank you.

5

**MS SHARP SC:** Now --

**MR HOULIHAN:** Sorry, can I be a pain and ask for it to be increased just a little bit. Sorry. Apologies. Thank you.

10

**MS SHARP SC:** Was this a report that you had asked him to prepare?

**MR HOULIHAN:** I believe Mr Power asked for it to be prepared - I beg your pardon.

15

**MS SHARP SC:** Were you present when Mr Power asked for this to be prepared?

**MR HOULIHAN:** Yes, I believe so.

20

**MS SHARP SC:** And what did Mr Power say?

**MR HOULIHAN:** My recollection is that Mr Power asked for Mr Buchanan to do a due diligence review and a due diligence report on Mr Alvin Chau and suitability and to make recommendations with respect to a due diligence review.

25

**MS SHARP SC:** So what due diligence review was this?

**MR HOULIHAN:** As in this report?

30

**MS SHARP SC:** No. What did Mr Power say the due diligence review was for?

**MR HOULIHAN:** For us to get Mr Buchanan to independently review if Alvin Chau was a suitable person to maintain a relationship with.

35

**MS SHARP SC:** And did he instruct or did he advise you who this report would be put to?

**MR HOULIHAN:** To myself and Mr Power, as the compliance officers of The Star at that time.

40

**MS SHARP SC:** Was Mr Power - is this in the context that at this time Mr Power was an AML/CTF compliance officer?

45

**MR HOULIHAN:** Correct. He was the secondary compliance officer and I was the primary.

**MS SHARP SC:** And at this point, did you request any legal advice from Mr Power?

**MR HOULIHAN:** Did I?

**MS SHARP SC:** Yes.

5

**MR HOULIHAN:** No, I did not.

**MS SHARP SC:** And to your observation, did Mr Buchanan request any legal advice from Mr Power?

10

**MR HOULIHAN:** Not to my knowledge, no.

**MS SHARP SC:** And it was your understanding that Mr Buchanan was being requested to prepare a due diligence report so that you could make a decision in consultation with Mr Power?

15

**MR HOULIHAN:** Yes, we were seeking recommendations from Mr Buchanan so that we, as compliance officers, could make a decision whether we should cease to deal with or maintain a relationship with.

20

**MS SHARP SC:** Now, you say that you did see this document I'm showing you in October of 2020?

**MR HOULIHAN:** Correct.

25

**MS SHARP SC:** And may we take it that you carefully read this document at the time it was sent to you?

**MR HOULIHAN:** I would have, yes.

30

**MS SHARP SC:** Can I take you through this document, please. We can start at paragraph 1. It says:

35

"This paper is to assist the legal team provide advice to the board on matters pertaining to both Alvin Chau and Suncity."

That wasn't your understanding of the purpose of this report, was it?

**MR HOULIHAN:** No.

40

**MS SHARP SC:** Do you see at paragraph 3 it says:

45

"It is assessed Mr Chau, as alleged, was indeed a member of the 14K triad group in his youth."

**MR HOULIHAN:** In his youth, yes.

**MS SHARP SC:** Yes. Well, do you see it also suggests:

5 "Contemporary information suggests he is no longer an active member and that he has disassociated himself from his triad antecedents. However, it is suspected Mr Chau and/or his subordinates retain close links with triad entities who assist with certain aspects of his VIP junket business."

**MR HOULIHAN:** I see that's written there, yes.

10 **MS SHARP SC:** Yes, you understand that what Mr Buchanan is telling you in this document is that he suspects that Mr Chau retains close links with triads?

**MR HOULIHAN:** Correct. He suspects that, yes.

15 **MS SHARP SC:** Well, he is the person who was writing the assessment to you, wasn't he?

**MR HOULIHAN:** Thank you, yes.

20 **MS SHARP SC:** And that's because you and Mr Power sought his advice, wasn't it?

**MR HOULIHAN:** Yes.

25 **MS SHARP SC:** All right. Can I take you, please, to paragraph 7 on pinpoint 0002. Now, Mr Buchanan there said that:

30 "Given the serious nature of the non-compliant behaviour, it is surprising that an official audit/review of Suncity's operations did not take place as a matter of urgency. A review subsequently took place some eight months later. A revised risk assessment should also have been completed as a matter of course."

**MR HOULIHAN:** Yes, I see that.

35 **MS SHARP SC:** And he then continues:

40 "No additional enhanced customer due diligence was conducted on Suncity entities and AML risk ratings remained the same, despite the fact suspicious money laundering activity was occurring at Salon 95."

**MR HOULIHAN:** Yes, I see that.

45 **MS SHARP SC:** And then "The Star's response was a somewhat weak and not proportionate to the risk."

**MR HOULIHAN:** Sorry, yes, I see that.

**MS SHARP SC:** Did you accept those views that Mr Buchanan had expressed in this document at the time?

5 **MR HOULIHAN:** I accepted they were his views, yes.

**MS SHARP SC:** Well, did you accept the force of his views?

**MR HOULIHAN:** Yes, I accept them.

10 **MR BELL SC:** So you agreed, did you that The Star response was weak and not proportionate?

**MR HOULIHAN:** With the information that Mr Buchanan had to do this report, yes, I believe that's what his opinion was.

15 **MR BELL SC:** No, I'm asking whether that was your opinion as well at the time.

**MR HOULIHAN:** At the time of reading this report, sorry, Mr Bell.

20 **MR BELL SC:** Let me ask it a different way. Having read Mr Buchanan's report, the person whose views you told me you respected, did you agree at the time that The Star's response was somewhat weak and not proportionate to the risk?

**MR HOULIHAN:** No, I don't agree.

25 **MR BELL SC:** So you disagreed with Mr Buchanan?

**MR HOULIHAN:** With this paragraph, yes.

30 **MR BELL SC:** Why did you disagree with Mr Buchanan at this time?

**MR HOULIHAN:** Because I know that at that time there was a number of things occurring to assess the activities that were occurring in Salon 95 at that time, as identified here by Mr Buchanan.

35 **MR BELL SC:** So are you suggesting that you knew things that he didn't know?

**MR HOULIHAN:** I had more visibility over what I knew I was undertaking at that time yes.

40 **MR BELL SC:** Yes, Ms Sharp.

**MS SHARP SC:** Well, if you had more visibility, why did you get him to write a report to you?

45 **MR HOULIHAN:** To be independent of myself or Mr Power in our duties as the compliance officer. I wanted somebody independent to give me their opinion and their advice as to what they reviewed.

**MS SHARP SC:** So did you think it was important that Mr Buchanan provide you with an independent report of his independent assessment?

5 **MR HOULIHAN:** Yes.

**MS SHARP SC:** Could I take you to paragraph 31, please. Do you see that Mr Buchanan there said:

10 "Recent reporting from a third party provider, September 2020, suggests that in his youth, Mr Chau was a low-level member of the 14K triad, which was - which time he was under Wan Kuok Koi's patronage.

15 **MR HOULIHAN:** Yes, I see that.

**MS SHARP SC:** And do you see at paragraph 32:

20 "Given the important role that triad groups play in assisting certain elements of the junket business, ie, recovering gambling debts and the illicit movement of cash out of China, it is assessed that either Mr Chau and/or his Suncity subordinates retain a business relationship with individuals who are either members of, or are closely associated with, triad groups. Experience in investigating Chinese organised crime for over 30 years suggests that triad members may well become criminally inactive, but they very seldom leave or  
25 cease contact with their triad group unless they relocate overseas."

Now, did you understand from that, that Mr Buchanan was saying that he assessed that either Mr Chau and/or his Suncity subordinates retains business relationships with triads?  
30

**MR HOULIHAN:** Yes, I accept that.

**MS SHARP SC:** And do you see that he bases that assessment on his experience in investigating Chinese organised crime for over 30 years?  
35

**MR HOULIHAN:** I do.

**MS SHARP SC:** And did you accept that assessment of Mr Buchanan?

40 **MR HOULIHAN:** I did.

**MS SHARP SC:** And do you see at paragraph 34, Mr Buchanan refers to the Hong Kong Jockey Club receiving a Suncity related briefing?

45 **MR HOULIHAN:** Sorry, paragraph 34?

**MS SHARP SC:** Yes.



**MR HOULIHAN:** Thank you.

**MS SHARP SC:** And do you see it says:

5 "This briefing is alleged to have referenced Mr Cheng's, one, suspected triad associations; and, two, purported involvement in large scale money laundering activities; and, three, interest to Australian law enforcement. This reporting is known to be factual."

10 **MR HOULIHAN:** In respect to Mr Cheng, yes.

**MS SHARP SC:** Yes. Did you understand that Mr Buchanan believed what he was stating in paragraph 34 to be correct?

15 **MR HOULIHAN:** Correct.

**MS SHARP SC:** And, indeed, by this time you knew it was correct because you had a copy of the Hong Kong Jockey Club report, and you had visited the Hong Kong Jockey Club with Mr Buchanan.

20

**MR HOULIHAN:** Correct.

**MS SHARP SC:** And at paragraph 36, do you see Mr Buchanan advised you that Mr Chau's association with Mr Cheng is of some concern due to Mr Cheng's  
25 purported involvement in money laundering activities and interest to Australian law enforcement?

**MR HOULIHAN:** Yes, I see that.

30 **MS SHARP SC:** And did you agree with that view expressed to you by Mr Buchanan?

**MR HOULIHAN:** Yes.

35 **MS SHARP SC:** And do you see at paragraph 46 if we can go to that --

**MR HOULIHAN:** Thank you. 46, sorry?

**MS SHARP SC:** Yes. Can you see reference is made to media allegations on 10  
40 September 2019?

**MR HOULIHAN:** Yes, thank you.

**MS SHARP SC:** And do you see reference is made to the establishment of an  
45 improvement team, and Mr Buchanan there states:

"It is suggested the improvement team should really have been established following the 2018 investigation into Suncity's suspected money laundering activities at Salon 95."

5 **MR HOULIHAN:** Yes, I agree with --

**MS SHARP SC:**

10 "Setting up the improvement team more than a year after the investigation into suspected money laundering activity at Salon 95 could possibly be construed as being rather too little, too late."

**MR HOULIHAN:** Yes, I agree it says that.

15 **MS SHARP SC:** And did you agree with those views that Mr Buchanan set out in that paragraph?

**MR HOULIHAN:** In hindsight, yes.

20 **MS SHARP SC:** Do you see the reference in paragraph 47, Mr Buchanan says:

"On 8 August 2019, Investigations became aware that Suncity had again breached their agreement with The Star."

25 **MR HOULIHAN:** Yes, I see that.

**MS SHARP SC:** Now, there's some information there in blue shade. Don't read it out please, but read that to yourself.

30 **MR HOULIHAN:** Yes.

**MS SHARP SC:** Now, that of course is at a time after the 2018 incidents and after the May to June 2019 incidents?

35 **MR HOULIHAN:** Thank you. Yes.

**MS SHARP SC:** Were you aware of that matter as at around 8 August 2019?

**MR HOULIHAN:** Yes.

40

**MS SHARP SC:** All right. And do you see the heading after that is:

"Star Entertainment response to suspected money laundering activity at Salon 95 2018."

45

**MR HOULIHAN:** Yes, I see that.

**MS SHARP SC:** And do you see at paragraph 49 a series of what are described as breaches are described? We will take you down to that so you can read it, operator.

5 **MR HOULIHAN:** Thank you. Sorry, Ms Sharp, 49?

**MS SHARP SC:** Yes.

**MR HOULIHAN:** Thank you. I've read that, thank you.

10

**MS SHARP SC:** And I will take you to the next page where it continues.

**MR HOULIHAN:** Complete that paragraph or go beyond that?

15 **MS SHARP SC:** To the dot point, thank you.

**MR HOULIHAN:** Thank you.

**MS SHARP SC:** That was nothing new to you. You were aware of all of those matters in 2018, weren't you?

20

**MR HOULIHAN:** I was.

**MS SHARP SC:** Now, did you disagree with Mr Buchanan's description of those matters in paragraph 49?

25

**MR HOULIHAN:** In hindsight, no.

**MS SHARP SC:** Well, at the time you read this report, did you agree with them?

30

**MR HOULIHAN:** At the time I agreed, yes.

**MS SHARP SC:** All right. Can I take you, then, to paragraph 54 and just ask you to read that to yourself.

35

**MR HOULIHAN:** Thank you. Yes. Thank you.

**MS SHARP SC:** Do you agree with Mr Buchanan's characterisation of that matter?

40

**MR HOULIHAN:** Yes.

**MS SHARP SC:** And did you agree with that characterisation at around the time of that incident?

45

**MR HOULIHAN:** As denoted on the date there?

**MS SHARP SC:** Yes. As at around that time, did you agree that that's what the matter involved?

**MR HOULIHAN:** [Redacted], yes.

5

**MS SHARP SC:** Can I have a non-publication order over the transcript there, please?

**MR HOULIHAN:** Sorry, I beg your pardon.

10

**MS SHARP SC:** Mr Bell, I think you are on mute.

**MR BELL SC:** Yes. Operator, can Mr Houlihan's answer be cut from the live feed, please?

15

**MR HOULIHAN:** Sorry, apologies.

**MS SHARP SC:** Can I direct your attention now, Mr Houlihan, to paragraph 57.

20

**MR HOULIHAN:** Thank you.

**MS SHARP SC:** Do you see Mr Buchanan states:

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"Taking cognisance of the suspicious money laundering activity which occurred at the Salon 95 service desk, it is surprising that an official audit/review of Suncity's operations did not take place as a matter of urgency. It is suggested that a revised risk assessment should have been completed as a matter of course. No additional enhanced customer due diligence was conducted on Mr Chau, Mr Iek or, indeed, any of the junket representatives that were failing to comply with the agreed procedures. AML risk ratings remained the same despite the fact suspicious money laundering activity appeared to be continuing at Salon 95."

30

Do you --

35

**MS RICHARDSON SC:** Could I ask Ms Sharp not - yes, just please do not read out the next sentence.

**MS SHARP SC:** Did you agree with Mr Buchanan's observations that I have just read out to you?

40

**MR HOULIHAN:** I agree.

**MS SHARP SC:** And that is a fair assessment of failings in the management of Suncity with respect to Salon 95 as at that time?

45

**MR HOULIHAN:** Yes.

**MS SHARP SC:** So you don't suggest for one moment that anything Mr Buchanan says in paragraph 57 is wrong, do you?

5 **MR HOULIHAN:** Sorry, I'm just re-reading it, apologies. No, I agree with that.

**MS SHARP SC:** Now can I take you to paragraph 77. Mr Buchanan there says:

"Taking cognisance - "

10 And this is under the heading Findings/Risk Factors:

15 "Taking cognisance of all available information to The Star, it is assessed that Mr Chau was previously a low-level member of the Macau faction of the 14K triad. There is no contemporary information to suggest Mr Chau has any active involvement in triad-related activity. To assist with certain aspects of his junket business, it is considered highly likely that Mr Chau and/or his Suncity subordinates retain business relationships with triad members or individuals who are closely affiliated with these criminal groups."

20 Now, did you agree with Mr Buchanan's assessment as he communicated it to you in that paragraph?

**MR HOULIHAN:** Including the last sentence, yes.

25 **MS SHARP SC:** And that last sentence is:

"No publicly available information has been located to suggest Mr Chau has any personal involvement in organised crime."

30 **MR HOULIHAN:** Yes.

**MS SHARP SC:** All right. But do you see it said:

35 "It is considered highly likely that Mr Chau and/or his Suncity subordinates retain business relationships with triad members or individuals who are closely affiliated with these criminal groups."

**MR HOULIHAN:** Yes.

40 **MS SHARP SC:** And did you understand that that was Mr Buchanan's assessment at the time?

**MR HOULIHAN:** Yes.

45 **MS SHARP SC:** Based on material available to him?

**MR HOULIHAN:** Yes.

**MS SHARP SC:** And did you agree with his assessment at that time?

**MR HOULIHAN:** Yes.

5 **MS SHARP SC:** Now, at paragraph 78, Mr Buchanan said:

"It is suggested Mr Chau would most likely have been conversant with the money laundering activities his Suncity staff engaged in at both The Star and Crown properties."

10

Did you understand that was Mr Buchanan's assessment?

**MR HOULIHAN:** Correct. That was his assessment, yes.

15 **MS SHARP SC:** And did you agree with that assessment at the time?

**MR HOULIHAN:** That it was his assessment, yes, I'm not --

20 **MS SHARP SC:** No, Mr Houlihan, did you agree with that assessment at the time?

**MR HOULIHAN:** I don't have access to the knowledge that Mr Buchanan would have with respect to his 30 years of investigating Chinese languages and stuff as well. I accepted that that was Mr Buchanan's opinion, yes.

25

**MS SHARP SC:** And you understood him to be a highly experienced investigator, didn't you?

**MR HOULIHAN:** I do.

30

**MS SHARP SC:** And that is, indeed, the very reason why Star Entertainment hired him?

**MR HOULIHAN:** Yes.

35

**MS SHARP SC:** All right. So given that you had asked him to prepare a report so you could make decisions, are you suggesting you did not place any weight on this part of his report?

40 **MR HOULIHAN:** Didn't place any weight? No.

**MS SHARP SC:** Okay. Did you agree with his assessment that Mr Chau would most likely have been conversant with the money laundering activities his Suncity staff engaged in at both The Star and Crown properties?

45

**MR HOULIHAN:** No, I didn't totally agree with Mr Chau would be conversant, but I don't have that knowledge.

**MS SHARP SC:** Well, what possible basis did you have to disagree with it?

**MR HOULIHAN:** That there was no evidence provided to me to say that Mr Chau was conversant with those operations.

5

**MS SHARP SC:** Well, isn't your due diligence officer telling you that, based on his experience and his investigations, that is most likely the situation?

**MR HOULIHAN:** Most likely, I accept. Yes.

10

**MS SHARP SC:** Well, most likely means more likely than not, doesn't it?

**MR HOULIHAN:** More likely than not, yes.

15 **MS SHARP SC:** Well, that's that balance of probabilities standard you were referring to earlier, wasn't it?

**MR HOULIHAN:** Correct.

20 **MS SHARP SC:** Well, you had no information to contradict what Mr Buchanan told you was most likely the case, did you?

**MR HOULIHAN:** No, I did not.

25 **MS SHARP SC:** All right. Let's move on.

**MS RICHARDSON SC:** I do note the time; Mr Houlihan has been giving evidence for some time.

30 **MR BELL SC:** Yes, Ms Sharp. Is this a convenient time?

**MS SHARP SC:** Yes.

**MR BELL SC:** Yes, I will adjourn until 2 pm.

35

**MR HOULIHAN:** Thank you.

**<THE HEARING ADJOURNED AT 1:03 PM**

40 **<THE HEARING RESUMED AT 2:03 PM**

**MR BELL SC:** Yes, Ms Sharp.

45 **MS SHARP SC:** Operator, could you please bring up the document STA.3002.0005.0001, which is exhibit 2603.

**MR BELL SC:** Is that B2603?

**MS SHARP SC:** Yes. Now, I will return your attention, Mr Houlihan, to paragraph 78, where it is suggested "Mr Chau would most likely have been conversant with the money laundering activities his Suncity staff engaged in at both The Star and Crown properties."

5

It is then stated:

"Given Mr Chau's status in Macau and his triad antecedents, it is thought highly unlikely Mr Iek would permit his Junket Representatives to engage in such activity in Suncity's Australian-based VIP rooms without Mr Chau's knowledge and/or acquiescence."

10

Now, at the time you read this report, Mr Houlihan, did you understand that Mr Buchanan was providing you with his personal opinion that it was highly unlikely that Mr Iek would permit those activities to occur without Mr Chau's knowledge and/or acquiescence?

15

**MR HOULIHAN:** Yes.

**MS SHARP SC:** And did you understand that Mr Buchanan was basing that assessment on his lengthy experience as an investigator?

20

**MR HOULIHAN:** Yes.

**MS SHARP SC:** And his time spent working with the Hong Kong Jockey Club?

25

**MR HOULIHAN:** Yes.

**MS SHARP SC:** And did you have any reason at all to doubt his assessment of that matter?

30

**MR HOULIHAN:** No.

**MS SHARP SC:** Did you accept, then, that it was highly unlikely that the money laundering activities engaged in in Salon 95 were done with Mr Chau's knowledge or acquiescence?

35

**MR HOULIHAN:** Highly unlikely?

**MS SHARP SC:** Yes, I think I put that badly. Did you have any basis at all for doubting Mr Buchanan's opinion that it was highly unlikely that money laundering would have taken place in Salon 95 without Mr Chau's knowledge or acquiescence?

40

**MR HOULIHAN:** I accepted that's Mr Buchanan's position, yes.

45

**MS SHARP SC:** But did you have any reason for doubting it?



**MR HOULIHAN:** No, sorry. I beg your pardon, no.

**MS SHARP SC:** But you had none whatsoever, did you?

5 **MR HOULIHAN:** No.

**MS SHARP SC:** Well, given that he is an experienced investigator, and he has given you his opinion, and you have no basis to doubt it, does it follow that you accepted that position?

10

**MR HOULIHAN:** Yes.

**MS SHARP SC:** So you accepted it was highly unlikely that money laundering would have occurred in Salon 95 without Mr Chau's knowledge or acquiescence?

15

**MR HOULIHAN:** Highly unlikely?

**MS SHARP SC:** Yes.

20 **MR HOULIHAN:** Yes, I accept that.

**MS SHARP SC:** So you understand that means it's most likely that money laundering occurred in Suncity's Salon 95 with Mr Chau's knowledge and acquiescence?

25

**MR HOULIHAN:** The suspicion of, yes.

**MS SHARP SC:** Mr Houlihan, I'm not asking for your suspicion. I'm asking did you accept, at the time that you read this report, that it was most likely that money laundering had occurred in the Salon 95 gaming room with Mr Chau's knowledge or acquiescence?

30

**MR HOULIHAN:** As described in Mr Buchanan's statement, yes. Or report, sorry.

35

**MS SHARP SC:** Now, could I take you to paragraph 86, and this is under the heading Recommendations.

**MR HOULIHAN:** I have that, thank you.

40

**MS SHARP SC:** Do you see it is recommended:

"That the business undertake a holistic review as to the appropriateness of continuing to maintain a business relationship with Mr Chau and Suncity."

45

**MR HOULIHAN:** Yes.

**MS SHARP SC:** And do you see it is stated by Mr Buchanan:

"There is some concern that should The Star continue to engage with Mr Chau, it may be construed that the business is willing to turn a blind eye to his triad antecedents and purported links to organised crime."

5

**MR HOULIHAN:** Yes, I accept that.

**MS SHARP SC:** And did you understand that that was a view genuinely held by Mr Buchanan?

10

**MR HOULIHAN:** Yes.

**MS SHARP SC:** And it was a view that was based upon his long experience as an investigator and the due diligence review that you and Mr Power had asked him to undertake?

15

**MR HOULIHAN:** Correct.

**MS SHARP SC:** Did you agree at this point in time that there was some concern that should The Star continue to engage with Mr Chau, it may be construed that the business was turning a blind eye to money laundering?

20

**MR HOULIHAN:** Concerns, yes.

**MS SHARP SC:** I withdraw that. I put the question incorrectly. Did you agree at the time that there was a concern that should The Star continue dealing with Mr Chau, it might be construed that The Star was turning a blind eye to his triad antecedents and purported links with organised crime?

25

30 **MR HOULIHAN:** Yes.

**MS SHARP SC:** Did you show this draft report to Paula Martin?

**MR HOULIHAN:** I don't believe so.

35

**MS SHARP SC:** She was your direct report at that time? I mean, the person whom you directly reported to?

**MR HOULIHAN:** Yes.

40

**MS SHARP SC:** And this contained very significant information about Alvin Chau and Suncity?

**MR HOULIHAN:** Yes.

45

**MS SHARP SC:** Why didn't you make her aware of this report?

**MR HOULIHAN:** This report was still in draft at that time if I recall correctly, sorry.

5 **MS SHARP SC:** She, at the time, had assumed the functions as the chief risk officer, had she not?

**MR HOULIHAN:** During this time, yes.

10 **MS SHARP SC:** Yes. But your position is you did not make her aware of it because it remained in draft?

**MR HOULIHAN:** Correct.

15 **MS SHARP SC:** But you agreed with all of the matters that I've taken you to?

**MR HOULIHAN:** Yes.

20 **MS SHARP SC:** Now, what happened after you received this October 2020 draft report is that you met with Mr Houlihan and Mr Power on about 19 November 2020 to discuss it? Correct?

**MR BELL SC:** Ms Sharp, you referred to Mr Houlihan. I think you might want to --

25 **MS SHARP SC:** I withdraw that. It's correct, isn't it, that, after you received this report, you and Mr Power met with Mr Buchanan on about 19 November 2020 to discuss this report?

30 **MR HOULIHAN:** I met with Mr Buchanan, yes. The date, I'm not 100 per cent on, but yes.

**MS SHARP SC:** And also with Mr Power?

35 **MR HOULIHAN:** Correct.

**MS SHARP SC:** And it was a meeting between the three of you?

**MR HOULIHAN:** Yes.

40 **MS SHARP SC:** Did you ask him to amend his report?

**MR HOULIHAN:** No.

45 **MS SHARP SC:** Did Mr Power ask him to amend his report?

**MR HOULIHAN:** We made some directions to make a recommendation as to whether we should cease to deal with, or to continue a relationship with Mr Alvin Chau.

**MS SHARP SC:** Did you in any way ask him to revise any part of his report, aside from that matter of recommendation?

5 **MR HOULIHAN:** I think there was a discussion about making it more succinct and shorter, but not to change the context of it, no.

**MS SHARP SC:** About changing the content of it.

10 **MR HOULIHAN:** Sorry, Ms Sharp you cut out then.

**MS SHARP SC:** I said did you have any conversation with him about changing the content of the report?

15 **MR HOULIHAN:** Not to the best of my recollection, no.

**MS SHARP SC:** And is it your position that you agreed with the matters that he had sent out, or set out in his report of October 2020.

20 **MR HOULIHAN:** Did I agree with the report?

**MS SHARP SC:** Yes.

**MR HOULIHAN:** Yes.

25 **MS SHARP SC:** Now, it's correct, isn't it, that he sent you a revised version of the report on around 25 November 2020?

**MR HOULIHAN:** I would accept that, yes.

30

**MS SHARP SC:** And did you read it at that time?

**MR HOULIHAN:** Or close to that date, yes.

35 **MS SHARP SC:** Did you read it carefully at that time?

**MR HOULIHAN:** Yes, I would have.

40 **MS SHARP SC:** I suggest to you that it was significantly watered down from the version that had been provided to you in October; do you agree or disagree?

**MR HOULIHAN:** Without seeing the document in front of me, I would have to accept that that's what you're saying.

45 **MS SHARP SC:** Well, I --

**MS RICHARDSON SC:** I think in fairness to the witness he should be given the comparison and then the question put to him.

**MR BELL SC:** Ms Sharp.

5 **MS SHARP SC:** I'm just seeking to test his recollection at this stage, Mr Bell.

**MR BELL SC:** Yes, I will allow the question.

10 **MS SHARP SC:** Is it correct that the revised draft that Mr Buchanan sent to you on around 25 November 2020 was significantly watered down as compared with the 20 October 2020 draft?

**MR HOULIHAN:** I - I don't agree it was significantly watered down, no.

15 **MS SHARP SC:** Do you agree that it was watered down?

**MR HOULIHAN:** It was more succinct, yes.

20 **MS SHARP SC:** Do you agree that the findings as to Mr Chau's involvement with triads was watered down?

**MR HOULIHAN:** Again, without seeing the document, I can't recall exactly what was in that report.

25 **MS SHARP SC:** Well, I'm just asking for your recollection at this stage?

**MR HOULIHAN:** My recollection --

30 **MS RICHARDSON SC:** Well, I object because the witness is indicating he doesn't have sufficient recollection to answer the questions. In my submission, they should not be pressed.

**MR BELL SC:** Yes, Mr Houlihan do you recollect the substance of the November report from Mr Buchanan?

35 **MR HOULIHAN:** I recollect that there was a report supplied, yes, Mr Bell.

**MR BELL SC:** And do you recollect any differences between it and the October version?

40 **MR HOULIHAN:** Yes.

**MR BELL SC:** And what, in substance, were those differences, as you recollect it?

45 **MR HOULIHAN:** In my recollection, it was more succinct and direct and delivered some recommendations as to how we would proceed forward to maintain a relationship with Mr Chau and Suncity.

**MR BELL SC:** Yes, Ms Sharp.

**MS SHARP SC:** Can I take you, please, to a version of the report dated 24 November 2020. This is STA.3009.0003.0493. This is B2705.

5

**MR HOULIHAN:** I have that, thank you. Sorry to be a pain, but could I have it a little bit bigger, please? Thank you.

**MS SHARP SC:** Have you got that document in front of you dated 24 November 2020?

10

**MR HOULIHAN:** I do.

**MS SHARP SC:** And you accept that this date is after the time of your meeting with Mr Buchanan and Mr Power about the October 2020 draft?

15

**MR HOULIHAN:** Yes.

**MS SHARP SC:** Could I take you, please, to paragraph 53, which is on pinpoint 0500.

20

**MR HOULIHAN:** Sorry, Ms Sharp, paragraph 55?

**MS SHARP SC:** Sorry, 53.

25

**MR HOULIHAN:** Thank you.

**MS SHARP SC:** Do you see that paragraph 53 says:

30 "Other than the Suncity related money laundering allegations which were discussed during the Inquiry."

**MR HOULIHAN:** I see that, yes.

35 **MS SHARP SC:** Now, do you understand the reference to "the Inquiry" to be a reference to the Bergin report?

**MR HOULIHAN:** Yes, I do.

40 **MS SHARP SC:** I beg your pardon, the Bergin Inquiry?

**MR HOULIHAN:** I do.

45 **MS SHARP SC:** And it says:

"Other than the Suncity-related money laundering allegations which were discussed during the Inquiry, there is no clear evidence to suggest Mr Chau has any personal involvement in, or that he facilitates any type of, criminality."

To the contrary, Mr Chau appears to be a respected figure across south-east Asia and enjoys the reputation of being a successful and astute businessman."

5 **MR HOULIHAN:** Yes, I see that.

**MS SHARP SC:** Now, that's quite a different sentiment to the one expressed in the October 2020 version of the report, is it not?

10 **MR HOULIHAN:** Yes, it is.

**MS RICHARDSON SC:** I object to that. Wait. The witness should be taken to paragraph 55 which is approximate which is centrally relevant to the proposition.

15 **MS SHARP SC:** I'm happy to do that, but I'm taking the witness through the relevant paragraphs, paragraph by paragraph.

**MR BELL SC:** Well, look, I think the witness has answered the question. So you've heard the objection that Ms Richardson has made. Perhaps you can take that into account for the next question.

20 **MS SHARP SC:** Now, if I take you to paragraph 55 --

**MR HOULIHAN:** Thank you.

25 **MS SHARP SC:** -- do you see:

"It is assessed that Mr Chau and Mr Cheng would most probably have been conversant with the money laundering activities Suncity staff purportedly engaged in at their Australian-based VIP rooms."

30 **MR HOULIHAN:** Yes, I see that.

**MS SHARP SC:**

35 "Given Mr Chau's status in Macau, it is thought unlikely Mr Iek would permit his junket representatives to engage in such activity without his knowledge and/or acquiescence."

40 **MR HOULIHAN:** Yes, I see that.

**MS SHARP SC:**

45 "However, it should be noted that no information is available to suggest that Mr Chau in any way directed this activity."

**MR HOULIHAN:** Yes, I see that.

**MS SHARP SC:** Now, that last sentence:

"However, it should be noted that no information is available to suggest that Mr Chau in any way directed this activity."

5 Was not a sentence that appeared in the October 2020 version of the report, did it?

**MR HOULIHAN:** Not to my recollection, no.

10 **MS SHARP SC:** Now, could I take you, please, to paragraph 68, and just before we go there, could you please note on this same page the heading Assessment at the bottom of the page. Do you see that, Mr Houlihan?

**MR HOULIHAN:** At the bottom - yes, I did. Thank you.

15 **MS SHARP SC:** Okay. Now, it's in that context that I will take you to paragraph 68. Do you see it is stated at paragraph 68:

20 "It could reasonably be argued that the instances of non-compliance which occurred at Salon 95 during 2018 and 2019, were the result of Suncity's poor internal management systems as opposed to criminal intent."

**MR HOULIHAN:** Yes, I see that.

25 **MS SHARP SC:** Well, that didn't appear in the October 2020 version of the draft, did it?

**MR HOULIHAN:** Not to my recollection, no.

30 **MS SHARP SC:** Are you sure you didn't ask Mr Buchanan to change his opinions when you met with him on around 19 November?

**MR HOULIHAN:** Yes, I am sure.

35 **MS SHARP SC:** Did you show this version of the report to Ms Martin?

**MR HOULIHAN:** I don't recall, Ms Sharp.

40 **MS SHARP SC:** Do you think it is most likely you would have, given that she assumed the responsibilities of chief risk officer at this time?

**MR HOULIHAN:** Yes. Probably more likely. Yes.

45 **MS SHARP SC:** Now, it's right that after you received this version of the draft, you and Mr Power had a further meeting with Mr Buchanan about this document, isn't it?

**MR HOULIHAN:** I believe so.



**MS SHARP SC:** And that was a meeting that occurred on around 7 December?

**MR HOULIHAN:** I will accept that.

5 **MS SHARP SC:** Did you ask Mr Buchanan to change the opinions and facts he set out in this report?

**MR HOULIHAN:** Sorry, Ms Sharp, I just lost you then for a moment.

10 **MS SHARP SC:** At that meeting, did you ask Mr Buchanan to change any of the opinions?

**MR HOULIHAN:** Without seeing the whole document, but I don't recall. Sorry, I think I've lost Ms Sharp.

15

**MR BELL SC:** Yes, Ms Sharp, it might be best if you asked that question again, please.

20 **MS SHARP SC:** Yes, a message keeps being flashed up that the internet connection is unstable. At the meeting that occurred on around 7 December 2020, did you ask Mr Buchanan to change any of the facts he expressed in the report or the opinions expressed in the report?

**MR HOULIHAN:** No.

25

**MS SHARP SC:** Did Mr Power ask Mr Buchanan to change any of the statements or opinions expressed in the report?

**MR HOULIHAN:** The current report in front of me, sorry?

30

**MS SHARP SC:** The report that had been - I will start again. I've just shown you a report that was provided to you on around 25 November 2020.

**MR HOULIHAN:** Thank you.

35

**MS SHARP SC:** Now, when you met with Mr Buchanan, together with Mr Power, on about 7 December 2020, did Mr Power ask Mr Buchanan to change any of the statements in the report?

40 **MR HOULIHAN:** I don't recall.

**MS SHARP SC:** Are you sure about that?

**MR HOULIHAN:** Yes.

45

**MS SHARP SC:** Well, is it the case that Mr Power provided Mr Buchanan with a marked-up copy of that report at that meeting?

**MR HOULIHAN:** That's possible, yes.

**MS SHARP SC:** Well, I'm asking you to search your recollection. Did it happen or not? It's not that long ago.

5

**MR HOULIHAN:** I would say yes, it did.

**MS SHARP SC:** Can Mr Houlihan please be shown exhibit B2701.

10 **MR HOULIHAN:** Thank you.

**MS SHARP SC:** And Mr Buchanan - Mr Houlihan, in the meantime, did you review the amendments that Mr Power had made to the report?

15 **MR HOULIHAN:** I would have.

**MS SHARP SC:** And for the transcript, this is STA.3009.0003.0482. Now, can I take you, please, to pinpoint 0485. And, operator, could you scroll to the bottom half of that page, please. Do you see there is red text which is either underlined or struck through?

20

**MR HOULIHAN:** I see that, yes.

**MS SHARP SC:** Do you understand that that is a mark-up of the document?

25

**MR HOULIHAN:** Yes.

**MS SHARP SC:** And you read this mark-up at the time you reviewed the report - this version of the report?

30

**MR HOULIHAN:** I would have, yes.

**MS SHARP SC:** All right. Can you read out what is said at paragraph 27, which is struck through, please?

35

**MR HOULIHAN:** Sorry, Ms Sharp, aloud?

**MS SHARP SC:** Yes.

40 **MR HOULIHAN:** Paragraph 27:

45

"It is suggested that the allegations made against Suncity, should have merited a stronger AML/CTF response. From a probity perspective, it is suggested that consideration should have been given to tasking our third-party provider to ascertain the veracity of the allegations made against Suncity, and that both Mr Chau and Mr Iek should have been subject to renewed ECDD screening. None of the allegations were recorded in Protecht."

**MS SHARP SC:** Now, do you understand by Mr Power striking out those paragraphs of the independent report, he was directing that the report be amended to this extent?

5

**MR HOULIHAN:** Suggesting, not directing.

**MS SHARP SC:** So you say this was merely Mr Power's suggestion?

10 **MR HOULIHAN:** Correct.

**MS SHARP SC:** Well, did you hear Mr Power say any words around that?

**MR HOULIHAN:** Not that I recall, no.

15

**MS SHARP SC:** Well, how do you know whether it was a suggestion or a direction?

**MR HOULIHAN:** Because why it would be in mark-up.

20

**MS SHARP SC:** Well, you say you don't remember hearing Mr Power say one thing or another.

**MR HOULIHAN:** Correct.

25

**MS SHARP SC:** So what you're saying now is purely your speculation.

**MR HOULIHAN:** Yes.

30 **MS SHARP SC:** Okay.

**MR BELL SC:** Mr Houlihan, was Mr Power, in your understanding, more senior in the hierarchy at Star Entertainment than Mr Buchanan?

35 **MR HOULIHAN:** Yes, Mr Bell.

**MR BELL SC:** Yes, thank you.

40 **MS SHARP SC:** Can I take you, please, Mr Houlihan, to paragraph 36. Now, do you see that the following words are struck through paragraph 36:

45 "It is suggested that a clause should have been added to this agreement stating that future non-compliance would not be tolerated and may lead to the voiding of the agreement. From an external optics perspective, the signing of the new agreement with Mr Iek following repeated non-compliances by his staff is questionable."

**MR HOULIHAN:** My screen is a little bit blurry, Ms Sharp, but I can see that there's some red writing there, and half the words are a bit blurred for me.

5 **MS SHARP SC:** Well, maybe you could listen to me read it out, then.

**MR HOULIHAN:** Thank you.

**MS SHARP SC:** What I'm going to suggest is that these words are struck out:

10 "It is suggested that a clause should have been added to this agreement stating future non-compliance would not be tolerated and may lead to the voiding of the agreement. From an external optics perspective, the signing of a new agreement with Mr Iek following repeated non-compliance by his staff is questionable."

15 Now, what is happening here is Mr Power is directing Mr Buchanan to take that statement out of his report, isn't he?

20 **MR HOULIHAN:** I don't see that as a direction, no.

**MS SHARP SC:** I will take you - and that, of course, is just your speculation because you have no memory of what Mr Power said at that meeting?

25 **MR HOULIHAN:** And it's a marked-up document.

**MS SHARP SC:** Yes, and you have no recollection of what Mr Power said at that meeting?

30 **MR HOULIHAN:** No.

**MS SHARP SC:** Now, could I take you, please, to paragraph 38. Can you read that, Mr Houlihan?

35 **MR HOULIHAN:** It's a little bit blurry but I can make out the majority of the words that are there, yes.

**MS SHARP SC:** Operator, could you just reduce that a little bit, and we will see if the blur goes away. Is that easier for you to read, Mr Houlihan?

40 **MR HOULIHAN:** Yes, a little bit. Thank you.

**MS SHARP SC:** All right. I will read it out. These are the words in paragraph 38 that are struck through and coloured in red:

45 "[Redacted], it is surprising an official audit/review of Suncity's operations did not take place. It is suggested that a revised risk assessment should have been completed as a matter of course. No additional enhanced customer due diligence was conducted on Mr Chau, Mr Iek or, indeed, any of the junket

representatives. AML risk ratings remained the same despite the fact suspicious money laundering activity appeared to be continuing at Salon 95. [Redacted], the AML/CTF area did not undertake any risk mitigation measures."

5

Now, what was happening here, Mr Houlihan is Mr Power was directing Mr Buchanan to take matters out of his report; that's right, isn't it?

10 **MR HOULIHAN:** Ms Sharp, can I just say that there's a part of --

**MS SHARP SC:** Just answer my question.

**MR HOULIHAN:** Yes, there's a part of that in blue.

15 **MS SHARP SC:** Just answer my question.

**MS RICHARDSON SC:** Well, I object. The witness is raising a query about the status of matters that is in blue in order to properly give evidence. In my submission, he should be entitled to do that.

20

**MS SHARP SC:** Well, I need to intervene at this stage, Mr Bell. There are some words that need to be struck from the transcript.

**MR BELL SC:** What kind of words are you referring to?

25

**MS SHARP SC:** The words that appear in blue.

**MR BELL SC:** You read those out, did you?

30 **MS SHARP SC:** Yes, can I have a non-publication direction.

**MR BELL SC:** Operator, I need you to delete from the live feed Ms Sharp's last question to Mr Houlihan and his answer.

35 **MS SHARP SC:** Now, take all the time you need, Mr Houlihan, to read paragraph 38 to yourself.

**MR HOULIHAN:** Thank you. Yes, Ms Sharp, I've read that.

40 **MS SHARP SC:** Now, what's happening here is that Mr Power has directed Mr Buchanan to take this out of his report; isn't that right?

**MR HOULIHAN:** As I stated before, these are marked-up documents and they're suggested changes.

45

**MR BELL SC:** Mr Houlihan, do you recall reading Mr Power's suggested changes at the time?

**MR HOULIHAN:** I don't recall having a copy of this document, no, Mr Bell.

**MR BELL SC:** Do you recall having an overall impression of the changes which Mr Power was suggesting at the time?

5

**MR HOULIHAN:** I - I would have been privy to the conversation. Yes, Mr Bell.

**MR BELL SC:** Did it occur to you at the time that the changes which Mr Power was suggesting were changes which removed criticism of the way in which Star Entertainment had dealt with Suncity and Mr Chau?

10

**MR HOULIHAN:** Removing the criticism? It could be seen to be that, yes, sir.

**MR BELL SC:** Yes, Ms Sharp.

15

**MS SHARP SC:** And did you have an understanding that additionally it was removing reference to suspected money laundering activity occurring in Salon 95?

**MR HOULIHAN:** Yes, I accept that.

20

**MS SHARP SC:** And you understood at the time that it was being suggested that reference to suspected money laundering activity in Salon 95 be removed from this report?

**MR HOULIHAN:** Yes, suggested.

25

**MS SHARP SC:** And, in fact, that was being directed?

**MR HOULIHAN:** Excuse me. Begging my pardon. Sorry?

30

**MS SHARP SC:** That was being directed, was it?

**MR HOULIHAN:** Suggested.

**MS SHARP SC:** Tell me, at this time, you and Mr Power were both the AML/CTF compliance officers at Star Entertainment?

35

**MR HOULIHAN:** Correct.

**MS SHARP SC:** Now, could I take you to paragraph 42.

40

**MS RICHARDSON SC:** Could I submit before the report is progressed through, given questions are put to the witness about money laundering, he in fairness should be taken to paragraph 32.

45

**MR BELL SC:** What does paragraph 32 say, Ms Richardson?

**MS RICHARDSON SC:** Well, there's a heading Response to Suspected Money Laundering Activity At Salon 95, and then there's a description of activity.

5 **MR BELL SC:** All right. Operator, can you take us to paragraph 32. And what's the issue, Ms Richardson?

10 **MS RICHARDSON SC:** Questions were being put by my learned friend about deletion of matters in relation to suspected money laundering activity in Salon 95, and there is a bolded uppercase heading addressing that very issue that the witness has not been taken to.

**MR BELL SC:** All right. Perhaps in fairness you should take Mr Houlihan to the paragraph that is a concern to Ms Richardson, please, Ms Sharp.

15 **MS SHARP SC:** Certainly, Mr Bell. Could I return you, please, Mr Houlihan, to pinpoint 0486. Do you see the heading to paragraph 32 is Response to Suspected Money Laundering Activity At Salon 95?

20 **MR HOULIHAN:** I do.

**MS SHARP SC:** Now, if we return to paragraph 38, do you agree that the words:

25 "Taking cognisance of suspected money laundering activity which occurred at Salon 95."

Are struck through?

**MR HOULIHAN:** I agree, yes.

30 **MS SHARP SC:** As is the balance of that paragraph?

**MR HOULIHAN:** Correct.

35 **MS SHARP SC:** And I am suggesting to you that Mr Power directed Mr Buchanan to remove that paragraph from his report.

**MR HOULIHAN:** Not directed, no.

40 **MS SHARP SC:** Well, you have no recollection of what Mr Power said at that meeting; correct?

**MR HOULIHAN:** Correct.

45 **MS SHARP SC:** So you can't say either way whether a direction was made, can you?

**MR HOULIHAN:** No, I cannot.

**MS SHARP SC:** All right. Paragraph 42, if we can go there on pinpoint 0487, and I will ask you to read paragraph 42 and when you are ready, please indicate and --

**MR HOULIHAN:** Thank you.

5

**MS SHARP SC:** -- please read paragraphs 43 and 44.

**MR HOULIHAN:** I've read 42, thank you.

10 **MS SHARP SC:** Operator, can we scroll to the next page, which is pinpoint 0488.

**MR HOULIHAN:** I've read 43 and 44, thank you.

15 **MS SHARP SC:** And do you agree that those paragraphs are somewhat critical of steps that had previously been taken when performing due diligence on Alvin Chau?

**MR HOULIHAN:** And their suggested introduction of them to our business, yes.

20 **MS SHARP SC:** And you agree these are struck through?

**MR HOULIHAN:** Yes.

25 **MS SHARP SC:** Is it right that Mr Power was directing Mr Buchanan - I withdraw that. And you do not know one way or another, from the meeting you attended, whether Mr Power was directing Mr Buchanan to remove these paragraphs from his report?

**MR HOULIHAN:** Correct.

30

**MS SHARP SC:** And can I take your attention to the heading Findings at the bottom of that page.

**MR HOULIHAN:** I have that, thank you.

35

**MS SHARP SC:** And could I ask you to look, please, at paragraph 56. Do you agree that that statement in paragraph 56 is somewhat critical of the process that had been adopted by Star Entertainment?

40 **MR HOULIHAN:** Sorry, Ms Sharp, I was still reading. Could you repeat the question, sorry?

**MS SHARP SC:** Do you agree that what is contained in that statement is somewhat critical of the process employed by Star Entertainment?

45

**MR HOULIHAN:** Yes.

**MS SHARP SC:** And that has been struck through?



**MR HOULIHAN:** It has.

5 **MS SHARP SC:** Now, it's correct, isn't it, that after your meeting on around 7 December 2020 with Mr Buchanan, he provided you with a further version of this document?

**MR HOULIHAN:** Yes, I accept that.

10 **MS SHARP SC:** And I will show you a document. This is exhibit B at - exhibit B, tab 2779.

**MR HOULIHAN:** I have that. Thank you.

15 **MS SHARP SC:** And do you note it has got the same name, the same subject heading as the previous drafts Updated Assessment Alvin Chau Cheok Wa, Suncity Group Limited?

20 **MR HOULIHAN:** Yes, I see that.

**MS SHARP SC:** And did you read this at the time it was sent to you?

**MR HOULIHAN:** Yes, I would have.

25 **MS SHARP SC:** I suggest to you that the findings and statements set out in this report have been watered down as compared with the October 2020 version of the draft.

30 **MR HOULIHAN:** Could I perhaps see the rest of the document?

**MS SHARP SC:** Well, is that consistent with your recollection?

**MR HOULIHAN:** It would be my (indistinct).

35 **MS RICHARDSON SC:** I object because the witness should be entitled to see what is listed as the purpose of the report, so that he can understand the context of this later report as to what his answer is, in my submission.

40 **MR BELL SC:** Ms Sharp.

**MS SHARP SC:** You understood this was a further draft of the document --

**MS RICHARDSON SC:** Sorry, I've given an objection, the basis of which is he should be shown the purpose of the report, and that hasn't been done.

45

**MR BELL SC:** Well, I will allow the question in terms of Mr Houlihan's recollection.

**MS SHARP SC:** You understand, don't you, Mr Houlihan, that the document you received in January was a further version of the draft report originally provided to you in October 2020, don't you?

5 **MR HOULIHAN:** A further version, yes.

**MS SHARP SC:** That more work had been done on the same document?

**MR HOULIHAN:** Yes.

10

**MS SHARP SC:** Now, could I take you to paragraph 24 of that document, which appears at pinpoint 3086. Do you see it says:

15 "The Star recently confirmed that Cheng Ting Kong and Mr Chau each own 50 per cent of Suncity Group Limited."

**MR HOULIHAN:** I see that, yes.

20 **MS SHARP SC:** Wasn't that a matter of which you became aware on 12 June 2019 when the Hong Kong Jockey Club report was provided to you?

**MR HOULIHAN:** Correct.

25 **MS SHARP SC:** So it's not right to say that The Star recently confirmed that matter, is it?

**MR HOULIHAN:** Correct.

30 **MS SHARP SC:** Can I now take you, please, to pinpoint 3087. Do you see the heading is Response To Suspected Money Laundering Activity At Salon 95?

**MR HOULIHAN:** I see that.

35 **MS SHARP SC:** 2018.

**MR HOULIHAN:** Correct.

40 **MS SHARP SC:** Now, can I take your attention, please, to paragraph 37. Do you see it says:

"From March to May 2019, the group compliance officer conducted an audit to ascertain if Suncity was adhering to the Salon 95 service desk processes."

45 **MR HOULIHAN:** Yes, I see that.

**MS SHARP SC:** Do you see it says:

"The audit report" - I beg your pardon – “the audit found Suncity staff were compliant and that the Star now had an effective oversight of the operation of the room."

5 **MR HOULIHAN:** Yes, I see that.

**MS SHARP SC:** Do you see there is absolutely no mention whatsoever of any of the investigations of suspicious money laundering activity that occurred in 2019 after May 2019?

10

**MR HOULIHAN:** Could I see paragraph 32 again, sorry?

**MS SHARP SC:** Yes. Operator, could you please take the witness to that paragraph.

15

**MR HOULIHAN:** And if you could scroll down a little bit, please?

**MR BELL SC:** Operator, can you scroll down the page a little bit, please. Thank you.

20

**MR HOULIHAN:** Thank you. Yes. I see that, Ms Sharp. Thank you.

**MS SHARP SC:** And you agree that there is absolutely no reference to the investigations of suspicious money laundering activities that were conducted in and after May 2019 involving the Suncity room?

25

**MR HOULIHAN:** Correct.

**MS SHARP SC:** Now, if you read - and take all the time you need, please - paragraphs 32 down to 37, I suggest to you that these paragraphs convey the impression that following the audit in May 2019 Suncity was compliant and The Star, from that point, had effective oversight of the operation of the room.

30

**MR BELL SC:** Which paragraphs are you asking Mr Houlihan to look at?

35

**MS SHARP SC:** Paragraphs 32 to 37.

**MR BELL SC:** So, operator, could you please scroll slowly from 32 to 37 so Mr Houlihan has an opportunity to answer that question.

40

**MR HOULIHAN:** Thank you. And if you could scroll a bit, please. And scroll a bit more, please. And sorry, Ms Sharp, to 37; was that correct?

**MS SHARP SC:** Yes.

45

**MR HOULIHAN:** And sorry, Ms Sharp, could I have the question again, please?

**MS SHARP SC:** Paragraphs 32 to 37 convey the impression that following the audit in May 2019 Suncity was compliant and The Star, from that point in time, had effective oversight of the operation of that room.

5 **MR HOULIHAN:** And sorry the question is, does it tell me that?

**MS SHARP SC:** Yes, Mr Houlihan.

**MR HOULIHAN:** Yes, I agree with that.

10

**MS SHARP SC:** And that impression is quite inconsistent with your knowledge?

**MR HOULIHAN:** Correct.

15 **MS SHARP SC:** And do you agree with me that, to that extent, this report conveys the misleading impression that, from May 2019, Suncity staff were compliant in Salon 95 and that, from that time, Star had an effective oversight of the operation of that room?

20 **MR HOULIHAN:** Does it give that impression? Yes.

**MS SHARP SC:** Well, why didn't you raise a concern with Mr Buchanan that his report was conveying a misleading impression?

25 **MR HOULIHAN:** At the time of reading that, I didn't interpret it to be that.

**MS SHARP SC:** So your evidence is you just didn't notice at the time?

**MR HOULIHAN:** Correct.

30

**MS SHARP SC:** Is that the truth, Mr Houlihan?

**MR HOULIHAN:** Yes.

35 **MS SHARP SC:** You understood that a money laundering concern would be front and centre of any due diligence process, didn't you?

**MR HOULIHAN:** Front and centre of a due diligence process? Yes.

40 **MS SHARP SC:** But are you saying that you did not turn your mind to the fact that this report entirely failed to mention the many suspicious transactions that had been found to have occurred in Salon 95 on and from May 2019?

**MR HOULIHAN:** Correct.

45

**MS SHARP SC:** Is that the truth, Mr Houlihan?

**MR HOULIHAN:** Yes.

**MS SHARP SC:** Now, could I take you, please, to pinpoint 3088. And before I do that, do you agree that in failing to refer to those matters in this due diligence report, this due diligence report was seriously defective?

5

**MR HOULIHAN:** No, I don't agree with that.

**MS SHARP SC:** Even though money laundering would be front and centre of any due diligence?

10

**MR HOULIHAN:** And the due diligence was to identify suitability to continue a relationship with Mr Chau.

**MS SHARP SC:** Well, did you think it seriously defective not to mention that a number of suspect transactions had been observed after - on and from May 2019?

15

**MR HOULIHAN:** Suspicious matters, yes.

**MS SHARP SC:** Well, I'm asking you, doesn't that make this report seriously defective, Mr Houlihan?

20

**MR HOULIHAN:** No, I disagree.

**MS SHARP SC:** Can I take you, please, to paragraph 42, which is at pinpoint 3088.

25

**MR HOULIHAN:** Thank you. I have that.

**MS SHARP SC:** Now, what I would like to do, operator, is put this paragraph 42 on one side, and then I want to bring up a different document and compare it, please. What I'm going to do is show you the 1 October 2020 version of this document. So if I can call up exhibit B, tab 2603, which is STA.3002.0005.0001. Now, can I have you, operator, highlight paragraph 3 of the October version of the report.

30  
35

**MR HOULIHAN:** Thank you. I've read that, thank you.

**MS SHARP SC:** And you see it's stated there:

40           "However, it is suspected Mr Chau and/or his subordinates retain close links with triad entities who assist with certain aspects of his VIP junket business."

**MR HOULIHAN:** Yes, I see that.

45 **MS SHARP SC:** And now could I take you to paragraph 77 of that version of the report. And do you see it there states that:

"To assist with certain aspects of his junket business it is considered highly likely that Mr Chau and/or his Suncity subordinates retain business relationships with triad members or individuals who are closely affiliated with these criminal groups."

5

**MR HOULIHAN:** Yes, I see that.

**MS SHARP SC:** Now can I please compare it with the findings in the January 2021 version of the report at paragraph 42. Do you see here in the January 2020 version it says:

10

"However, no contemporary information is available to suggest Mr Chau has any current involvement in triad related activity. To facilitate certain aspects of his junket business, it is possible Mr Chau's Suncity subordinates may maintain business relationships with triad members and/or individuals who are affiliated with these criminal groups."

15

**MR HOULIHAN:** Yes, I see that.

**MS SHARP SC:** Do you understand that the finding set out in paragraph 42 to which I have just taken you is a watered down version of the paragraphs of the October 2020 version of the report I just took you to?

20

**MR HOULIHAN:** It's a more succinct version, yes.

25

**MS SHARP SC:** Well, it distances the relationship between Mr Chau and triads, doesn't it?

**MR HOULIHAN:** It could be interpreted that way, yes.

30

**MS SHARP SC:** Well, it's a very much watered down version of the finding in the October 2020 version of the report, is it not?

**MR HOULIHAN:** A more succinct version.

35

**MS SHARP SC:** It's a watered down version, Mr Houlihan. Do you agree or disagree?

**MR HOULIHAN:** No, I disagree.

40

**MS SHARP SC:** Now, could I take you to paragraph 43 of - well, I withdraw that. Could I take you firstly to paragraph 78 of the October 2020 version of the report.

**MR HOULIHAN:** I have that, thank you.

45

**MS SHARP SC:** Do you see it says:

5 "It is suggested Mr Chau would most likely have been conversant with the money laundering activities his Suncity staff engaged in at both The Star and Crown properties. Given Mr Chau's status in Macau and his triad antecedents, it is thought highly likely" - I beg your pardon – “highly unlikely Mr Iek would permit his junket representatives to engage in such activity in Suncity's Australian-based VIP rooms without Mr Chau's knowledge and/or acquiescence."

10 **MR HOULIHAN:** Yes, I see that.

**MS SHARP SC:** Now, could I compare that, please, with paragraph 43 of the January 2021 version of the report?

15 **MR HOULIHAN:** I have that, thank you.

**MS SHARP SC:** Do you see it there states:

20 "Other than the Suncity related money laundering activities which were discussed during the Inquiry."  
And that's the Bergin Inquiry, isn't it?

**MR HOULIHAN:** Correct, but it says "allegations".

25 **MS SHARP SC:** Yes:

"Other" --

30 **MS RICHARDSON SC:** In my submission - sorry, in fairness the witness should be shown paragraph 45 as well in terms of analogue.

**MS SHARP SC:** I will have that brought up as well.

35 **MR HOULIHAN:** Thank you.

**MS SHARP SC:** And I will need that brought up with paragraph 43, thank you, operator.

40 **MR HOULIHAN:** I have both of those, thank you.

**MS SHARP SC:** And do you see that paragraph 43 says:

45 "Other than the Suncity-related money laundering allegations which were discussed during the Inquiry, there is no clear evidence to suggest Mr Chau has any personal involvement in, or that he facilitates, any type of criminality. To the contrary, Mr Chau appears to be a respected figure across south-east Asia and enjoys the reputation of being a successful and astute businessman. It should be noted that no law enforcement agency has approached The Star

and alerted the business as to Mr Chau's purported triad and organised crime associations."

5 Now, none of that statement from the words "to the contrary" to "organised crime associations" appeared in the October 2020 version of the report, did they?

**MR HOULIHAN:** Not to my recollection, no.

10 **MS SHARP SC:** All right. And read it to yourself in the context of paragraph 45; that is, read 43 in the context of paragraph 45.

**MR HOULIHAN:** Thank you. Thank you, I've read them.

15 **MS SHARP SC:** Now, with paragraph 45 do you see the last sentence says:

"However, it should be noted that no information is available which suggests Mr Chau was either aware of, or directed, this activity."

20 **MR HOULIHAN:** Correct. I see that.

**MS SHARP SC:** Now, that sentence didn't appear in the October 2020 version of the report, did it?

25 **MR HOULIHAN:** To my recollection, correct.

**MS SHARP SC:** All right. I suggest that paragraphs 43 and 45 are watered down from the October 2020 version of this report.

30 **MR HOULIHAN:** They're more succinct.

**MS SHARP SC:** Well, the sentiment is watered down, isn't it?

**MR HOULIHAN:** Not in my opinion, no.

35 **MS SHARP SC:** Well, what is sought to be done here is to increase the distance between Mr Chau and alleged money laundering activities in Salon 95. Do you agree or disagree?

40 **MR HOULIHAN:** I disagree.

**MS SHARP SC:** Now, this version of the report was provided to Ms Martin, wasn't it?

45 **MR HOULIHAN:** I believe so.

**MS SHARP SC:** Tell me, Mr Houlihan, was the version of the report that was provided to Ms Martin in January 2021 put on to the TrackVia system?



**MR HOULIHAN:** I don't believe so, Ms Sharp. I could go and check, but I don't believe so.

5 **MS SHARP SC:** Where do you expect that would be stored?

**MR HOULIHAN:** Currently, or as it evolved forward?

**MS SHARP SC:** Now?

10 **MR HOULIHAN:** Now, I believe it would be stored with Mr Buchanan and myself.

**MS SHARP SC:** Has the October 2020 version of this report been placed on to TrackVia?

15

**MR HOULIHAN:** Not to my understanding at this time, no.

**MS SHARP SC:** Has the 24 November 2020 version of this report been placed on to TrackVia?

20

**MR HOULIHAN:** Not to my understanding, no.

**MS SHARP SC:** So is it correct that the only copies, or the only copies of the October 2020 version of the report are held by you and Mr Power and Mr Buchanan?

25

**MR HOULIHAN:** If memory serves me correct, Ms Sharp, I think Mr White was on that one, the October one. I think Mr White was on that one.

30 **MS SHARP SC:** Well, are you the only people who, to your knowledge hold a copy of that report?

**MR HOULIHAN:** To my knowledge, yes.

35 **MS SHARP SC:** And what about the 24 November 2020 version of that report?

**MR HOULIHAN:** As identified in the top of the document, the audience would be the same. Thank you.

40 **MS SHARP SC:** Now, what did you do, once you received the January 2021 version of this report?

**MR HOULIHAN:** January 20 --

45 **MS SHARP SC:** That's the final version of this report?

**MR HOULIHAN:** Thank you. To my recollection, I would have still asked Mr Buchanan to give me a recommendation as to either to cease to deal with or to maintain a relationship with Mr Alvin Chau and/or Suncity.

5 **MS SHARP SC:** Is that your recollection, that that's what he did?

**MR HOULIHAN:** Correct.

10 **MS SHARP SC:** And is there any reason - I withdraw that. That recommendation is not included in this document, is it?

**MR HOULIHAN:** I don't believe it is, no.

15 **MS SHARP SC:** Is there any reason why it was not included in this document?

**MR HOULIHAN:** Not to my understanding, no.

**MS SHARP SC:** Well, did he give you a recommendation?

20 **MR HOULIHAN:** The recommendation in this document was to continue, if I recall correctly, to do a further deep dive due diligence into Mr Chau, and if I could see the actual recommendation in that document, I would be able to clarify that for you.

25 **MS SHARP SC:** Well, I will take you to this part of the document which is headed Assessment. If we can go to pinpoint 3089 and, to be clear, this is the January version of the document.

30 **MR HOULIHAN:** Thank you. I beg your pardon, there is a number of recommendations there. Thank you.

**MS SHARP SC:** Are they recommendations or options?

35 **MR HOULIHAN:** One and the same.

**MS SHARP SC:** Well, no, they are not. One is an option and one is a recommendation of what should happen. Can you see any recommendation in here?

40 **MR HOULIHAN:** I beg your pardon, no.

**MS SHARP SC:** Did Mr Buchanan provide you with a recommendation?

45 **MR HOULIHAN:** At a later stage, yes.

**MS SHARP SC:** So no recommendation was provided to you at the time this report was finalised?

**MR HOULIHAN:** Correct.

5 **MS SHARP SC:** All right. And I should be clear with you, the document I'm showing you bears the word "draft" but it is not different to the version, the next day, that was sent on to Ms Martin.

**MR HOULIHAN:** I accept that.

10 **MS SHARP SC:** Now, when did Mr Buchanan give you a recommendation?

**MR HOULIHAN:** The date - we commenced another project after this, and Mr Buchanan gave me a number of recommendations which we delivered to the business, which identify those six mitigations that I mentioned earlier. The date specifically, Ms Sharp, I can't recall, my apologies.

15 **MS SHARP SC:** Did he give that recommendation to you in writing?

**MR HOULIHAN:** Yes, I believe so.

20 **MS SHARP SC:** Do you still have a copy?

**MR HOULIHAN:** We do, yes.

25 **MS SHARP SC:** I call for that document.

**MS RICHARDSON SC:** Could I assist the review in the absence of the witness?

30 **MR BELL SC:** Yes. Let's go to private mode, please, in the absence of the witness.

**<THE HEARING IN PUBLIC SESSION ADJOURNED AT 3:08 PM**

**<THE HEARING IN PRIVATE SESSION RESUMED AT 3:08 PM**

35 **<THE HEARING IN PRIVATE SESSION ADJOURNED AT 3:11 PM**

**<THE HEARING IN PUBLIC SESSION RESUMED AT 3:11 PM**

40 **MR BELL SC:** Yes. I will now take the afternoon adjournment for 15 minutes. Thank you.

**<THE HEARING ADJOURNED AT 3:11 PM**

45 **<THE HEARING RESUMED AT 3:25 PM**

**MR BELL SC:** Yes, Ms Sharp.

**MS SHARP SC:** Mr Houlihan, subsequent to - I withdraw that. When Mr Buchanan emailed you and Paula Martin a copy of the January 2021 due diligence report on Alvin Chau, that was the point at which that report was finalised, wasn't it?

5

**MR HOULIHAN:** To my recollection, yes.

**MS SHARP SC:** Is it correct that Mr Buchanan was not involved in any further discussions in respect of that assessment?

10

**MR HOULIHAN:** No, I disagree.

**MS SHARP SC:** I will just put that a little bit more precisely.

15

**MR HOULIHAN:** Thank you.

**MS SHARP SC:** In relation to the January 2021 assessment that was emailed to you, is it correct that Mr Buchanan was not involved in any further discussions in respect of that assessment?

20

**MR HOULIHAN:** Correct.

**MS SHARP SC:** So he was not involved in any further discussions in relation to that assessment?

25

**MR HOULIHAN:** That report? Correct.

**MS SHARP SC:** Does that mean he was not requested to make a recommendation in respect of that assessment?

30

**MR HOULIHAN:** He was requested to do further recommendations with respect to Mr Chau and others, yes.

**MS SHARP SC:** I think we're at cross-purposes, Mr Houlihan. Is it correct that you did not ask him to make any recommendations in respect of his January 2021 assessment?

35

**MR HOULIHAN:** No, that is not correct.

40

**MS SHARP SC:** At the time that you received the January 2021 assessment, who did you understand to be responsible for making a decision about whether to continue a business relationship with Alvin Chau and Suncity?

45

**MR HOULIHAN:** I would have been one of those decision-makers as the AML compliance officer.

**MS SHARP SC:** Was there more than one person who was responsible for making that decision at that time?

**MR HOULIHAN:** Mr Power would have been also, and Ms Martin.

5 **MS SHARP SC:** I don't want to misunderstand this. Are you saying that when you - at the time you received the January 2021 assessment, it was you, Mr Power and Ms Martin who were responsible for making a decision about whether to continue a business relationship with Alvin Chau and Suncity?

10 **MR HOULIHAN:** Yes.

**MS SHARP SC:** Are you sure it was not just your responsibility at that time to make that decision?

15 **MR HOULIHAN:** Sorry, Ms Sharp, to be clear, in my role as the compliance officer, I accepted that responsibility, yes.

**MS SHARP SC:** I'm just not clear. Who did you understand had the ultimate decision-making function as at January 2021 in relation to that report?

20 **MR HOULIHAN:** The three people I mentioned.

**MS SHARP SC:** So all three of you had the decision-making responsibility?

25 **MR HOULIHAN:** Correct.

**MS SHARP SC:** Once you received the January 2021 report from Mr Buchanan, what was the sequence of events from that time?

30 **MR HOULIHAN:** To the best of my recollection, we asked Mr Buchanan and his team to identify, inclusive of Mr Alvin Chau and others who had been identified during the Bergin Inquiry as well, to make a recommendation as to their suitability to continue or to cease a relationship with those people.

35 **MS SHARP SC:** And who made that request of Mr Buchanan?

**MR HOULIHAN:** I believe myself and Mr Power, in consultation with Ms Martin.

40 **MS SHARP SC:** So did all three of you ask him together?

**MR HOULIHAN:** I believe so, yes.

**MS SHARP SC:** Was that in a meeting with him?

45 **MR HOULIHAN:** I believe so, yes.

**MS SHARP SC:** Are you able to say when that meeting occurred?

**MR HOULIHAN:** Not off the top of my head, no, Ms Sharp.

5 **MS SHARP SC:** Well, given that he provided the report to you in January of 2021, was it very soon after, that is, within weeks of that report that the meeting occurred, or months after that report?

**MR HOULIHAN:** I would probably move more towards months rather than weeks, but I would want to refer to my calendar to be solid on the date.

10 **MS SHARP SC:** Why did it take so long to ask for that recommendation?

15 **MR HOULIHAN:** There was a need to obviously review the contents of the information that was there, as well as other people we were going to categorise into the same category, for a full ECDD review on these high-risk customers, for Mr Buchanan and his team to make recommendations to us, whether we should cease to deal with or to maintain a relationship with these customers.

20 **MS SHARP SC:** Are you saying that by January 2021 a full enhanced customer due diligence review had not been undertaken on Alvin Chau?

**MR HOULIHAN:** Minus the recommendations.

25 **MS SHARP SC:** I will ask the question again. Are you saying that by January 2021 a full enhanced customer due diligence review had not been undertaken on Alvin Chau?

**MR HOULIHAN:** It had been undertaken, but I sought recommendations.

30 **MS SHARP SC:** Is there some reason why it took you months to seek a recommendation after you received the report?

35 **MR HOULIHAN:** The only thing that I can refer to, Ms Sharp, is I believe during COVID and restrictions of maybe staff movements, but I would have to, again, refer to my calendar to be solid on the date.

**MS SHARP SC:** Mr Houlihan, was it you directing this process at the time or somebody else?

40 **MR HOULIHAN:** It was mostly as a collective between myself and Mr Power.

**MS SHARP SC:** And Ms Martin?

**MR HOULIHAN:** And Ms Martin, thank you.

45 **MS SHARP SC:** Did you regard Mr Power as being senior to you within the management hierarchy?

**MR HOULIHAN:** No. Equal to.

**MS SHARP SC:** And certainly Ms Martin was senior to you in the management hierarchy?

5 **MR HOULIHAN:** Yes.

**MS SHARP SC:** So you, all three of you, in a meeting with Mr Buchanan asked him to make a recommendation. Then what happened?

10 **MR HOULIHAN:** Mr Buchanan then completed a further review and submitted a recommendation to ourselves that, should we wish to continue a relationship with Mr Chau, it would be possible provided those six mitigations were put in place, and that Mr Chau would agree to those mitigations.

15 **MS SHARP SC:** And was this further review recorded in writing?

**MR HOULIHAN:** There was a final report completed, yes.

20 **MS SHARP SC:** I'm sorry, was this further review recorded in writing?

**MR HOULIHAN:** That we sought for Mr Buchanan to do?

**MS SHARP SC:** Was this further review recorded in writing?

25 **MR HOULIHAN:** I believe so, yes.

**MS SHARP SC:** And were these six recommendations recorded in writing?

30 **MR HOULIHAN:** Yes.

**MS SHARP SC:** Are you able to indicate when in time - I withdraw that. Did you receive that further review and recommendations in writing?

35 **MR HOULIHAN:** I did, yes.

**MS SHARP SC:** And what happened then?

40 **MR HOULIHAN:** We received - and then we had a meeting with Mr Hawkins and somebody else. There was another party present, Ms Sharp. Sorry, without referring to the meeting invite, I can't recall who the other person was who was invited.

**MS SHARP SC:** Who were the "we" you were referring to then?

45 **MR HOULIHAN:** I beg your pardon. Myself, Mr Power, Ms Martin, Mr Buchanan, and then Mr Hawkins, and there was another person.

**MS SHARP SC:** And when did this meeting occur?

**MR HOULIHAN:** Again, without my calendar in front of me - I want to say - and, again, I'm just trying to draw on my memory - July, I think, or maybe before July, of 2021. Thank you.

5

**MS SHARP SC:** And what happened at this meeting?

**MR HOULIHAN:** We discussed Mr Buchanan's recommendations as to whether we could continue or cease to deal with - excuse me - sorry, I beg your pardon. We - we viewed the six mitigations that he suggested. We accepted those recommendations, and seek to move forward to maintain a relationship with Mr Buchanan - not Mr Buchanan, I beg your pardon - with Mr Chau at that time.

10

**MS SHARP SC:** And was this a decision of all of you jointly?

15

**MR HOULIHAN:** No. The mitigations were shared with Mr Hawkins and, for the life of me, I can't remember who the other person was, so I apologise. We shared with Mr Hawkins the recommendations of Mr Buchanan, but the decision ultimately referred back to myself and Mr Power as the compliance officers to either accept those recommendations or to reject them.

20

**MS SHARP SC:** So who made the ultimate decision to continue the relationship at that point in time?

25

**MR HOULIHAN:** It would be myself and Mr Power.

**MS SHARP SC:** But did you do that on the advice - I withdraw that. Did you do that on the recommendation of all the people at that meeting?

30

**MR HOULIHAN:** No.

**MS SHARP SC:** But you didn't make a decision before that meeting?

**MR HOULIHAN:** I did not. I think I recall the other person, Ms Sharp, too.

35

**MS SHARP SC:** And who was that?

**MR HOULIHAN:** I think it might have been - and again I have to confirm for you - Mr Peasley. I believe it might have been Christopher Peasley, but I have really drawn that out of my memory. I can confirm that for you, so apologies.

40

**MS SHARP SC:** Now, given that the decision you say rested with you and Mr Power, why is it that you needed to have this meeting before making that decision?

45

**MR HOULIHAN:** Well, we would like - we wanted to allow the business an opportunity to share with us anything that they believed that we should be made aware of with respect to Mr Chau and the other people mentioned, was there



anything that they would like to put forward for us to give consideration to prior to us making our final decision.

5 **MS SHARP SC:** Well, I will just ask you about the Mr Chau component of that meeting. Did anyone put forward any information about Mr Chau at that meeting?

**MR HOULIHAN:** There was a number of dot points, yes. To my recollection, I can't recall what they exactly were, but there was a number of things put forward.

10 **MS SHARP SC:** Well, tell us to the best of your recollection what was discussed in relation to Mr Chau from the business at that meeting?

15 **MR HOULIHAN:** To the best of my recollection, it was a point about his CCF relationship. There was no adverse or compounding factors that they had any problems or concerns with Mr Chau as a customer. They were not aware of any current or immediate things that were occurring in the IRB space. Just some minor points to bring to our attention.

20 **MS SHARP SC:** Are you quite sure Mr Buchanan was at this meeting?

**MR HOULIHAN:** Yes, he was. Yes. He delivered his findings.

25 **MS SHARP SC:** Now, once you and Mr Power made your decision to continue dealing with Mr Chau, subject to those six mitigation strategies, what happened then?

30 **MR HOULIHAN:** We updated the records. We informed the IRB team that if we were to engage with Mr Chau, that they needed to follow and contact so we could instigate those six mitigations.

**MS SHARP SC:** Was a decision subsequently made not to deal with Mr Chau?

**MR HOULIHAN:** Correct.

35 **MS SHARP SC:** And when did that happen?

**MR HOULIHAN:** I want to say December - effectively the day of his arrest.

40 **MS SHARP SC:** And who made that decision?

**MR HOULIHAN:** Mr Buchanan and I discussed it, and I asked him to review his process and to put recommendations back through the TrackVia process for me as the compliance officer to give consideration to the changes in circumstances of Mr Chau, whether we should continue to deal or cease to deal with.

45 **MS SHARP SC:** And so who made that decision?

**MR HOULIHAN:** Ultimately, myself.

**MS SHARP SC:** Did you meet with Mr Power or Mr Hawkins or Ms Martin before you made that decision.

5 **MR HOULIHAN:** I would have discussed the arrest but not before making the decision, no.

**MS SHARP SC:** Mr Bell, at this stage, can I hand over to my learned junior, Mr Conde, to ask some questions of Mr Houlihan?

10

**MR BELL SC:** Yes, of course.

**MR CONDE:** Mr Houlihan, are you able to hear me?

15 **MR HOULIHAN:** I am, thank you.

**MR CONDE:** Thank you. And I'm just going to ask you about some particular individuals, one of whom we will need to do in private session due to law enforcement considerations. And I will start (indistinct). May I ask, please, that exhibit B3575 be brought up. That's STA.3009.0008.4204. I'm sorry, it's an Excel spreadsheet so --

20

**MR HOULIHAN:** Thank you. I have that.

25 **MR CONDE:** And if we could enlarge it please for Mr Houlihan. So keeping it to the left-hand side, do you see, Mr Houlihan, that it has two patron entities. The first is for a Mr Huang Xiangmo and the second, row 20, is Mr Huang Changran.

**MR HOULIHAN:** Yes, I do.

30

**MR CONDE:** So far as you are concerned, is that the same person?

**MR HOULIHAN:** Yes, it is.

35 **MR CONDE:** If we could scroll across to column N. Do you see, Mr Houlihan, there are some entries for the years 2010 to 2018?

**MR HOULIHAN:** Yes, thank you.

40 **MR CONDE:** And they're spread across the two names; do you see that?

**MR HOULIHAN:** I do.

45 **MR CONDE:** And then if we can go across, please, to column AE, there should be a column headed TG Buy-in. Do you see that?

**MR HOULIHAN:** I do see that.

**MR CONDE:** Do you understand TG to be a reference to table games?

**MR HOULIHAN:** I do.

5 **MR CONDE:** And for the totals in this column AE, do you see rows 19 and 24 have some - they're shaded in blue?

**MR HOULIHAN:** 19, 24. Yes, I see that. Thank you.

10 **MR CONDE:** You see the numbers \$1.477 billion and \$304 million?

**MR HOULIHAN:** I see that, yes.

15 **MR CONDE:** So those numbers added together come to just over \$1.781 billion for the TG buy-in across the two names for Mr Huang. And I should say that that number, \$1.781 billion, is a figure that you gave in paragraph 68 of your first statement. I don't need to take you to it. But looking at this document, Mr Houlihan, which is - I'm sorry, Mr Houlihan, do you have your statement in front of you?

20

**MR HOULIHAN:** I do, sir.

**MR CONDE:** Then I will just ask you to double-check with me paragraph 68.

25 **MR HOULIHAN:** Thank you.

**MR CONDE:** The number 1.781 billion should be there.

30 **MR HOULIHAN:** Sorry, I just need 68, sorry. 1.781, correct.

**MR CONDE:** Yes. So turning back to this spreadsheet that is in front, is it correct that, to your understanding, Mr Houlihan, what this document records is that in the years 2010 to 2018, Mr Huang had a table games buy-in at Star Casino properties of \$1.781 billion?

35

**MR HOULIHAN:** Correct.

40 **MR CONDE:** And would you agree that that is an extraordinary amount of money for Mr Huang to have had as his buy-in at Star Properties?

**MR HOULIHAN:** That is a - he played at that level. I think it was consistent with his play level, yes.

45 **MR CONDE:** Would you agree that that is an extraordinary amount of money?

**MR HOULIHAN:** It is an extraordinary amount of money, yes.

**MR CONDE:** If I could ask you, please, to look at rows 14, 15 and 16. So still in that column AE.

**MR HOULIHAN:** Yes.

5

**MR CONDE:** Do you see that in those years, and I'm sorry to be - if I could ask the operator just to scroll back across to the column with the years. I think it's column N. Do you see row 14 accords with 2014, row 15 with 2016 - 15, and row 16 with 2016?

10

**MR HOULIHAN:** Yes, I do, thank you.

**MR CONDE:** Then if we can go back to column AE, please, do you see that for the buy-in for Mr Huang for each of those years, 2014, '15 and '16, was over 493 million, over 434 million and over \$498 million respectively?

15

**MR HOULIHAN:** Yes, I see that.

**MR CONDE:** And, again, would you agree that those are quite extraordinary numbers?

20

**MR HOULIHAN:** Yes, they are.

**MR CONDE:** Would you agree that that level of gambling - well, sorry, that level of buy-in in each of those years in and of itself raises a question about where the money has come from?

25

**MR HOULIHAN:** Yes, it could.

**MR CONDE:** And if we can go back, please, to column P, it should be headed Turnover.

30

**MR HOULIHAN:** Thank you.

**MR CONDE:** Yes, do you see that?

35

**MR HOULIHAN:** I do, thank you.

**MR CONDE:** And do you see the blue shaded rows for turnover, 19 and 24, they should have the numbers just over 8.5 million and 79.7 million respectively?

40

**MR HOULIHAN:** Yes.

**MR CONDE:** And, Mr Houlihan, to your understanding, what does the expression "turnover" mean?

45

**MR HOULIHAN:** Turnover is the amount of money wagered and turned over during a customer's visit to the casino.

**MR CONDE:** So would it be correct, on your understanding, to say that in terms of the buy-in which Mr Huang brought to the casino, of the numbers we just looked at of more than a billion dollars, some of it he gambled himself, being the turnover, and other money was gambled by other people?

**MR HOULIHAN:** Without seeing other records, I wouldn't be able to comment on that, sorry.

**MR CONDE:** Perhaps then, I will just ask you: do you have any comment on the difference that we see between the numbers in column AE, which are in the hundreds of millions of dollars, and the numbers in that turnover column, which are in the tens of millions?

**MR HOULIHAN:** And there is another column for turnover as well, because is that not turnover for electronic gaming? Is there another column for turnover?

**MR CONDE:** Perhaps if I just ask the operator to scroll to the right.

**MR HOULIHAN:** Sorry, just to confirm.

**MR CONDE:** There seems to be a column EG turnover in V and that is zero dollars.

**MR HOULIHAN:** And then table turnover, I beg your pardon. Thank you.

**MR CONDE:** Actually perhaps if we just stay in that column, AB, and if I could ask the operator please to have AB and AE visible, please.

**MR HOULIHAN:** Thank you.

**MR CONDE:** So I might put my earlier question again just with these numbers in front of you. Would it be correct on your understanding to say that in terms of the buy-in which Mr Huang brought to the casino, that's column AE, of more than a billion dollars, some of it he gambled himself, and that's in column AB, and other money might have been gambled by other people.

**MR HOULIHAN:** It may have been, yes.

**MR CONDE:** Would that be - would that accord with your understanding having regard to this document?

**MR HOULIHAN:** Correct.

**MR CONDE:** And to your knowledge, Mr Houlihan, before Mr Huang commenced gambling at Star properties in or about 2010 as recorded in this document, were you or your investigations team asked to investigate Mr Huang's source of wealth?

**MR HOULIHAN:** No, not to my recollection.

5 **MR CONDE:** As best you can recall, was Mr Huang's gambling at a level that it was known by senior Star executives?

**MR HOULIHAN:** It would have been, yes.

10 **MR CONDE:** Perhaps if I can show you a document in that regard. Exhibit B243, the reference is STA.5002.0003.3172. If you can be taken, please, to the - sorry, do you see this is The Star Entertainment Group Limited Managing Director and CEO Report for March 2017?

15 **MR HOULIHAN:** I see that title, yes.

**MR CONDE:** And if you can be taken, please, to the bottom of page 14 and top of page 15. This is pinpoint reference 3185 to 6. And if we can enlarge those parts, the bottom of page 14 from top three debtors are, and top of page 15 to Xiangmo.

20 **MR HOULIHAN:** Thank you.

**MR CONDE:** Do you see that the top three debtors are identified and Mr Huang's name is mentioned there as the third top debtor?

25 **MR HOULIHAN:** Yes, I see that.

**MR CONDE:** At this time, so this is March 2017, and this, if you will recall, is after those years I took you to of the three consecutive years of more than \$400 million of gambling - sorry - \$400 million buy-in.

30 **MR HOULIHAN:** Thank you.

35 **MR CONDE:** As best you can recall, at this time in March 2017, which person or persons within Star would have had responsibility for deciding whether Star should be continuing its relationship with Mr Huang?

**MR HOULIHAN:** In 2017, if Mr McWilliams was still with us, or was employed with us at that time, it would have been his responsibility as the chief risk officer.

40 **MR CONDE:** So at this point it's correct, isn't it, that you hadn't been asked to conduct an investigation of any kind into Mr Huang, as best you can recall?

**MR HOULIHAN:** That's correct.

45 **MR CONDE:** And so it just wouldn't have been on your radar, so to speak?

**MR HOULIHAN:** No.

**MR CONDE:** And, in terms of people who would have been aware, I've just taken you to the Managing Director's Report, so would you agree that from the CEO down, there were senior executives aware of Mr Huang's gambling at this time?

5

**MR HOULIHAN:** I take from that report, yes.

**MR CONDE:** And --

10 **MR BELL SC:** Mr Houlihan, that CEO report, was that a matter of routine presented to the board of Star Entertainment?

**MR HOULIHAN:** Mr Bell, I haven't seen this report before, but I would accept that that is where it would probably go, yes.

15

**MR BELL SC:** Yes, Mr Conde.

**MR CONDE:** And would - so far as you are aware, would Mr Hawkins have likely been aware of Mr Huang's buy-in and had responsibility for considering whether Star should have a business relationship with him?

20

**MR HOULIHAN:** Yes.

25 **MR CONDE:** If I might ask the same question of some other names. Ms Martin, do you think that Ms Martin would have been aware of Mr Huang's level of buy-in and been responsible for considering whether Star should continue its business relationship with him?

30 **MR HOULIHAN:** I think at that time Ms Martin was a Chief Legal Officer, not the CLRO. She may not have been privy to the MD's report or CEO's report. I wouldn't be aware, sorry.

**MR CONDE:** Is it correct then that with a major - sorry, would you agree that Mr Huang was a major source of business for Star at this time?

35

**MR HOULIHAN:** Yes, he would have been.

40 **MR CONDE:** It is correct that for a major source of business, unless that person has been referred to your team for investigation, then the decision-makers will be either first within the business or, secondly, within the compliance or AML teams?

**MR HOULIHAN:** Yes, I agree with that.

45 **MR CONDE:** Okay. If we can now go, please, to STA.3009.0008.1943, that is exhibit B86. If we can enlarge, yes. You can see on the first page, this is pinpoint 1943. The name is given Huang Changran and a little further down with blue underline it says alias Huang Xiangmo.

**MR HOULIHAN:** Yes, I can see that.

**MR CONDE:** And there's a particular birthday given which I won't read out, but I will ask you to note.

5

**MR HOULIHAN:** The date of birth? I have noted that, thank you.

**MR CONDE:** If we can scroll down a bit further, it should say occupation. It says "trading unknown"?

10

**MR HOULIHAN:** Trading and unknown. Yes, I can see that.

**MR CONDE:** This is a particular passport number, I won't read it out but I ask you to note it.

15

**MR HOULIHAN:** I have, sir. Thank you.

**MR CONDE:** If the operator could just zoom out, please, and if I can show you two things on this document. Do you see on the bottom left of the page, the very bottom, there's a date given there in 2015. It says 30/09/2015.

20

**MR HOULIHAN:** Yes, I see that.

**MR CONDE:** But then further up in the document, it says "date last excluded", and it says 13 September 2019. Do you see that?

25

**MR HOULIHAN:** I do see that.

**MR CONDE:** I might just ask you, are you able to assist Mr Bell, please, in understanding why the document appears to be dated on the bottom left 30 September 2015, but there's a reference further up to 2019. Obviously enough, a 2015 document cannot record events from four years later.

30

**MR HOULIHAN:** Yes. Thank you. Why there's a date discrepancy at the bottom of the report, I cannot answer that I'm sorry, unless there was a computer clock issue when this report was generated.

35

**MR CONDE:** Okay. Nonetheless, if we could go then to pinpoint 1950. This is page 8 of the same document. And if we can zoom up from the top. Do you see that the name and aliases are given the other way around. Here it says Huang Xiangmo and the other says Huang Changran.

40

**MR HOULIHAN:** Yes, I can see that.

**MR CONDE:** And you see a particular birthday is given which is four years earlier than the other birthday we looked at.

45

**MR HOULIHAN:** Yes, I see that.



**MR CONDE:** If we can scroll down a little, it says occupations. You will see it now says "real estate property, property manager, trading manager real estate property."

5

**MR HOULIHAN:** Yes, I see that.

**MR CONDE:** You will see a different passport number is given which, again, I won't read out, but I just ask you to note.

10

**MR HOULIHAN:** I've noted that, thank you.

**MR CONDE:** So whatever time this document is from, whether it's 2015 or afterward, would you agree that at some stage Star has become aware of Mr Huang holding multiple passports from the same country with different names and different birthdays?

15

**MR HOULIHAN:** Yes, I will accept that they're two different things there, correct. But without seeing the passports, I'm not aware of the country of issue.

20

**MR CONDE:** If I can take you to STA.3401.0003.3324. I'm sorry, this is exhibit B358. If we can just zoom in from the top, please. You see it's an email from David Procter to Oliver White?

25

**MR HOULIHAN:** Yes, I see that.

**MR CONDE:** And in the text of the email it says:

30

"Hi Oliver, if you could please review the attached files for Huang Xiangmo."

And underneath it says "Passports", do you see?

35

**MR HOULIHAN:** Yes, I do. Thank you.

**MR CONDE:** I just ask you to note the time this email is sent, it should be 3.35 pm. Can you see that?

40

**MR HOULIHAN:** Yes, I do. Thank you.

**MR CONDE:** Now, I would like to take you to an attachment that is STA.3401.0003.3393, and this is exhibit B360. If the operator please could - if you can call that up. You can see it's a passport issued by the People's Republic of China for Mr Huang Changran?

45

**MR HOULIHAN:** I see that. But the passport number is different to what I observed before.

**MR CONDE:** Yes. In fact, it's a third passport number in addition to the two that we have already noted. Again, though, obviously we are not reading it out.

**MR HOULIHAN:** Yes. Thank you.

5

**MR CONDE:** Do you see that at this time, so this is at the time of an email dated 19 May 2017, the passport remains current? In other words, the date of expiry is after that date in 2017.

10 **MR HOULIHAN:** Yes. Thank you, sorry.

**MR CONDE:** And you will see there's a particular birthday given for Mr Huang, which is one of the ones we've already noted.

15 **MR HOULIHAN:** Yes, thank you.

**MR CONDE:** If you can go, please, to the third page of this document. So the pinpoint is 3395, and if that could be zoomed up, please. Now, do you see this is a different passport. It's issued from the Hong Kong Special Administrative Region of the People's Republic of China?

20

**MR HOULIHAN:** Yes, thank you.

**MR CONDE:** For Mr Huang Xiangmo.

25

**MR HOULIHAN:** Yes.

**MR CONDE:** Remembering this is attached to an email dated 2017, and it remains current at that time.

30

**MR HOULIHAN:** Yes, I see that.

**MR CONDE:** And it has a different passport number. It's one of the ones in that first document that we looked at.

35

**MR HOULIHAN:** Yes.

**MR CONDE:** Different from the one we looked at just a moment ago; do you agree?

40

**MR HOULIHAN:** I agree. Thank you.

**MR CONDE:** And do you also see it has a particular birthday for Mr Huang which is different from the date of the other passport that we just looked at?

45

**MR HOULIHAN:** Yes.

**MR CONDE:** And to the best of your recollection, Mr Houlihan, in or before this time - so this is May 2017 - do you recall whether you or your investigations team were asked to investigate Mr Huang's source of wealth?

5 **MR HOULIHAN:** No, we were not.

**MR CONDE:** As an investigator, Mr Houlihan, with the law enforcement experience that you have, would you agree that if a patron presents with different passports from the same country with different names and different birthdays, that  
10 raises a question about whether that person has been properly identified?

**MR HOULIHAN:** Yes.

**MR CONDE:** And also as an investigator with the law enforcement experience  
15 that you have, would you agree that communications between Star and a regulator should be frank and clear?

**MR HOULIHAN:** Yes.

20 **MR CONDE:** Now, if we can go to a - in fact, I will just take you back to the cover email. This is STA.3401.0003.3324; it's exhibit B358.

**MR HOULIHAN:** Thank you.

25 **MR CONDE:** And again I just ask you to note the time, 3.35 pm, Friday, 19 May 2017.

**MR HOULIHAN:** Yes.

30 **MR CONDE:** So about an hour later, I would like to take you to an email, this is STA.3401.0003.3477. It is exhibit B361. Do you see it's an email dated 19 May 2017 sent at 4.37 pm?

**MR HOULIHAN:** I see that, yes.

35

**MR CONDE:** You see it's an email from David Procter to an address @justice.nsw.gov.au.

**MR HOULIHAN:** Yes, I see that, yes.

40

**MR CONDE:** And if we can go, then, please, to the first attachment, which is the cover letter. This is STA.3401.0003.3499. If that could be zoomed in, please.

**MR HOULIHAN:** Thank you.

45

**MR CONDE:** Do you see that the letter says, "Please find enclosed", and then there's a list of things that are being enclosed in relation to Huang Xiangmo. And, in particular, do you see item (c):

"Patron background check information."

**MR HOULIHAN:** Yes, I see that.

5

**MR CONDE:** Okay. If we can go to that enclosure, this is STA.3401.0003.3500, and this is exhibit B363, and what I will just ask the operator to do, please, is just to scroll through this. It's quite a long document, but I just want you to look, Mr Houlihan, and see that when we get to page - I think it's going to be the 46th page, that's when the passports start. And if we could stop, 3544, you will see some racehorse-related pictures there. And then the next two pages, please. Okay. Do you see that that is one of the passports we've looked at?

10

**MR HOULIHAN:** Yes.

15

**MR CONDE:** And then if the operator can show the next two pages. And that's the end of the document. So do you agree from what I've shown you from that attachment that only one of the two passports has been provided to the regulator?

20

**MR HOULIHAN:** Yes. From what I saw in these documents, yes.

**MR CONDE:** And if I could ask you please to draw on your experience as an investigator at the casino and before that in law enforcement, what, if any, comment do you have on the situation that I have taken you to of multiple passports for one patron being known to The Star, but only one passport being provided, in a formal communication which attached what was represented as patron background check information?

25

**MR HOULIHAN:** Sorry, sir, and the question again, please?

30

**MR CONDE:** The question is drawing on your experience as an investigator and before that in law enforcement, what, if any, comment do you have on that situation that I've just described?

35

**MR HOULIHAN:** That the background checks would have or should have included all of the information including those passports.

**MR CONDE:** And, based on your experience, would you expect that what was left out here - that is, the second passport - would have raised a question about the propriety of this patron being allowed to gamble at the casino.

40

**MR HOULIHAN:** The propriety of him being able to gamble? It certainly would have raised questions, yes.

45

**MR CONDE:** And if you - and I'm not suggesting you did know this - but if you had you known in 2017 this information that I've shown you, and, in particular, the information that there's a patron in Mr Huang who has presented with different passports from the same country, with different names and different birthdays, and

then also that that same patron had had a buy-in for the last three years of more than \$400 million in each of those three years, do you think that that would have raised the question in your mind about source of wealth?

5 **MR HOULIHAN:** Yes.

**MR CONDE:** And why is that?

10 **MR HOULIHAN:** A high-value customer would require a source of wealth, and if I was to go back to that document that you scrolled through before with the credit team, I think there was a number of documents there with respect to Mr Huang's ownership of companies and stuff as well.

15 **MR CONDE:** And similarly, I appreciate that you didn't know this at the time, but do you think that this would have raised concerns in your mind about whether he should, Mr Huang, should have been allowed to gamble at Star properties unless he could satisfactorily explain to Star his source of wealth?

20 **MR HOULIHAN:** Yes.

**MR CONDE:** It's correct, isn't it, to your understanding, that it would have been possible for Star to have said to Mr Huang in 2017, you can't gamble here unless and until you explain in detail your source of wealth?

25 **MR HOULIHAN:** Yes.

30 **MR CONDE:** And if I can show you a document. It's STA.3417.0005.8912. This is exhibit B1479. I believe the pinpoint reference I've just given is for the particular page that I would like the operator to go to, please. So it's pinpoint 8912, please. And if we can just bring up - highlight the top of that document, which refers to a particular patron.

**MR HOULIHAN:** Yes, I see that.

35 **MR CONDE:** Do you see in particular the second bullet point which says:

"The Star compliance advised that Roy Moo's Sovereign Room access was revoked in 2017 until he was able to provide source of funds evidence."

40 **MR HOULIHAN:** Yes, I see that.

**MR CONDE:** So far as you are aware, that same approach could have been adopted with other patrons?

45 **MR HOULIHAN:** Correct.

**MR CONDE:** If I can show you an email dated 9 December 2017. It's STA.3415.0005.4257, and this is exhibit B502. Do you see this is an email from

Micheil Brodie to Oliver White, Saro Mugnaini, Paul McWilliams and Paula Martin?

**MR HOULIHAN:** Yes, I see that.

5

**MR CONDE:** And the position that Mr Brodie takes in relation to Mr Huang is set out in the third paragraph. And do you see he says:

10 "My advice to Paul in this case is I don't see the conditions being present for us to refuse to do business with Mr Huang because," - first bullet point - "he has not been convicted of a crime that might be relevant, he is not charged with a crime that is relevant, and" - the third bullet point - "his gambling activity is consistent with a high-value customer in that he loses at about the theoretical rate over time."

15

Can you see that, Mr Houlihan?

**MR HOULIHAN:** Yes, and I've just read that as well, thank you.

20 **MR CONDE:** And I think in answer to some questions from Ms Sharp earlier today or, indeed, yesterday, you agreed that Star could only deal with people of good repute?

**MR HOULIHAN:** Correct.

25

**MR CONDE:** You recall giving that answer? And is it correct that merely somebody being convicted or charged with a crime is not the only factor in that consideration; would you agree?

30 **MR HOULIHAN:** Yes, I agree.

**MR CONDE:** Now, you've - if I might then refer to a meeting involving Star executives in March 2018, and, again, I don't believe you attended that meeting. The document is STA.3008.0006.3720. It's exhibit B684. It should be an email  
35 from Ms Skye Arnott to various people. Has that come up for you, Mr Houlihan?

**MR HOULIHAN:** I have that, thank you. Could I be a pain and just increase it a little bit more, sorry. Thank you. Yes. Thank you.

40 **MR CONDE:** So do you see about - there's numbered 1 to 5 then it says:

"These points were addressed in the following manner."

45 And then there's a list. And if I might ask the operator just to scroll down so that list is visible. If the screen could be such that "these points were addressed" is sort of from the top.

**MR HOULIHAN:** Thank you.

**MR CONDE:** Thank you. So if we can - do you see point 1 addresses the fact that Mr Huang has three passports with two different names and two dates of birth. And then there's some discussion there about how the different names may have  
5 come about. That's 1(a). 1(b) talks about people:

"Many people in China do not know their dates of births as they weren't registered, and this can lead to inconsistencies."

10 And then (c), passports from both - there seems a distinction that Ms Arnott draws between mainland China and the Special Administrative Region of Hong Kong. It says this is not unusual for high net worth individuals and (d) that those passports are known.

15 **MR HOULIHAN:** Yes, sir, I see that.

**MR CONDE:** Sorry, you see that, but would you agree that those observations are at a general level?

20 **MR HOULIHAN:** General level in which sense, sorry?

**MR CONDE:** Perhaps I will ask it this way. Would you agree that Ms Arnott's analysis does not refer to any specific investigations done by Star and, in particular, by your team?

25 **MR HOULIHAN:** Yes, I accept that.

**MR CONDE:** And so far as you are aware, you didn't - you weren't asked to conduct any investigations by this time?

30 **MR HOULIHAN:** Not to my recollection, no.

**MR CONDE:** And so reading that now, would you agree with the proposition that these are statements - these are general statements about common practices in  
35 China and/or the Special Administrative Region of Hong Kong, but they are not specific statements relating to Mr Huang's specific situation?

**MR HOULIHAN:** Yes, I accept that.

40 **MR CONDE:** And if I could ask then about point 4, it says:

"Huang is known to be a high-net-worth individual who owns significant property and business assets in Australia and China. Huang's source of wealth is transparent, and there are no concerns regarding his ability to fund his  
45 gambling activity. He has no holdings on World-Check or any other open source media to indicate that he is involved in criminal activity."

So having regard to your earlier answer that you hadn't been asked to conduct any investigations before this time, are you aware of what, if any, investigations may have informed Ms Arnott's point 4 in that email?

5 **MR HOULIHAN:** No, I'm not.

**MR CONDE:** If I could now ask that you be shown an email dated 6 February 2019. This is STA.3014.0004.0033, and that is exhibit B1267. At the top is an email from Mr Wayne Willett, but I just ask that you be taken about halfway down  
10 the page to an email from Mr Brodie at 2.03 pm, and if that could be enlarged. Do you see the third sentence - third paragraph:

15 "At this stage, we will not exclude, while Mr Huang is the subject of much media comment, it is also the case that he has not been charged with an offence."

Do you see that?

20 **MR HOULIHAN:** Yes, I see that.

**MR CONDE:** And, again, would you agree that the question whether someone has been charged with a criminal offence is not the only consideration that should be applied to a consideration of whether somebody should be excluded?

25 **MR HOULIHAN:** Correct.

**MR CONDE:** If I can now take you to the minutes of a patron activity monitoring meeting dated 14 February 2019. This is STA.3402.0001.6789, and that's exhibit B1316. And I would ask you to be taken to pinpoint 6790, please. That's the top of  
30 page 2. And I'm sorry, in fairness to you, Mr Houlihan, if I could ask that the first page be highlighted as to the attendees and apologies. Do you see your name is not listed there?

35 **MR HOULIHAN:** Correct.

**MR CONDE:** Does that accord with your recollection, that you didn't - you don't recall attending a meeting of this kind at that time?

40 **MR HOULIHAN:** Correct.

**MR CONDE:** Okay. If we can go please across to pinpoint 6790, and if item 8 could be brought up, please. Xiangmo Huang. Do you see that it notes that Mr Huang holds two accounts in two names. And it says:

45 "The accounts were maintained as his visa to enter Australia was in one passport and the CCF was approved in the other."

Has that come up for you, Mr Houlihan?



**MR HOULIHAN:** Yes, I can see that. Thank you.

**MR CONDE:** Then if you look in the third paragraph, do you see it notes:

5

"Mr Huang's visa to enter Australia has been revoked and is unlikely to be reissued. Maintaining one account will allow Huang to continue funding other players, should he wish. Visa cancellation linked to political concerns rather than any involvement in criminal activity."

10

At this time, Mr Houlihan, you can assume that the Australian Government has cancelled Mr Huang's visa and that, as noted in the minutes, Star has formed the view that it was unlikely to be reissued. Were you aware at this time - this is about February 2019 - that the patron advisory monitoring meeting was contemplating allowing Mr Huang to continue to maintain an account so that he could, "continue funding other players should he wish"?

15

**MR HOULIHAN:** Sorry, sir, this is a junket activity meeting not the PAMM meeting. Could I just see the title of the document again, please.

20

**MR CONDE:** Of course.

**MR HOULIHAN:** I've got the big bubble in the middle of the screen, sorry. Junket PAMM. Thank you:

25

**MR CONDE:** So if I can ask again, were you aware at this time, February 2019 that the Junket PAMM was contemplating allowing Mr Huang to continue to maintain an account so that he could continue funding other players should he wish?

30

**MR HOULIHAN:** Not to my recollection, no.

**MR CONDE:** And would you agree that in the circumstances and based on your experience, both in investigations and prior experience in law enforcement, that such an approach would be wholly inappropriate?

35

**MR HOULIHAN:** Yes.

**MR CONDE:** Would you agree that if a patron's visa has been cancelled by the Australian Government due to political concerns, that would be a basis for Star Entertainment to have concerns about the suitability of that patron to gamble at its casinos?

40

**MR HOULIHAN:** Yes.

45

**MR CONDE:** Do you recall becoming aware of allegations in or about August 2019 that Mr Huang had delivered \$100,000 in cash to a political party, and that a

former federal senator of Australia had told a corruption inquiry that Mr Huang may have been an agent of influence for an overseas government?

**MR HOULIHAN:** Yes, I'm aware of that.

5

**MR CONDE:** And it's correct, isn't it, that Mr Huang was excluded on or about 13 September 2019?

**MR HOULIHAN:** Yes.

10

**MR CONDE:** Considering what I've taken you to today, Mr Houlihan, and, as I have noted on the way through, there are things of which you were not aware and were not asked to investigate, but considering those matters that I've taken you to, things such as Mr Huang's multiple passports, different names and birthdays, the quite extreme levels of buy-ins of more than a billion dollars, the lack of investigations or evidence as to source of wealth, and the government's cancellation of Mr Huang's visa, would you agree that those are facts or circumstances which, had you been aware of them, would have warranted excluding Mr Huang?

15

20

**MR HOULIHAN:** Yes.

25

**MR CONDE:** If we can move on, please, to the next individual. Are you aware, Mr Houlihan, that Mr John Khoury was excluded from The Star's Sydney casino on and from 24 July 2007?

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**MR HOULIHAN:** Correct. Sydney property, yes.

30

**MR CONDE:** And is it correct, to your knowledge, that Mr Khoury was excluded from Star Entertainment's Queensland properties on 10 December 2021?

30

**MR HOULIHAN:** Yes.

35

**MR CONDE:** Why, so far as you were aware, was Mr Khoury not excluded from Star's Queensland properties at the same time or shortly after his exclusion in New South Wales?

35

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**MR HOULIHAN:** I was not employed by The Star at that time, but my understanding and memory is that there was no ability to share that information across state borders at that time.

40

45

**MR CONDE:** If I can show you a document that's STA.3415.0037.6966. It's exhibit B3163. It should be a policy document. And I'm sorry, I did give the operator that pinpoint reference, but perhaps if we could go to the first page of the document. Do you see it says The Star Entertainment Group Exclusions and Contact Policy, and then if I could ask that it be enlarged. Original issue date 31 July 2015, and is there is an effective date of 7 January 2016.

**MR HOULIHAN:** Yes, I see that. Thank you.

**MR CONDE:** If we could go please to pinpoint 6966, and if I could ask that 2.1 be emphasised, please, or brought forward.

5

**MR HOULIHAN:** So I have that, thank you.

**MR CONDE:** Do you see it says:

10           "Upon issuance of an exclusion by the Commissioner of Police in either New South Wales or Queensland, investigations will assess readily available public information relating to the excluded patron to determine if there are grounds to issue an exclusion order against the excluded patron in the other state."

15

**MR HOULIHAN:** Yes, I see that.

**MR CONDE:** And as best you can recall, has that - was that the approach adopted from around this time, 2016?

20

**MR HOULIHAN:** Yes.

**MR CONDE:** And for Mr Khoury, and I appreciate his earlier exclusion was before you were working at The Star, but would you agree that for Mr Khoury, the fact of his exclusion in New South Wales would be a basis in and of itself for exclusion in Queensland?

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**MR HOULIHAN:** At this time?

30

**MR CONDE:** Yes.

**MR HOULIHAN:** The decision was made not to do a retrospective look back.

**MR CONDE:** Right. And what do you mean by that, Mr Houlihan?

35

**MR HOULIHAN:** My recollection is that when the - this policy was put into place, that we didn't do a retrospective of anybody prior to this time to be issued an exclusion in Queensland or a WOL. It was only to be moving forward that anybody who was the subject of not just the Police Commissioner exclusion but an exclusion from that time forward would be replicated.

40

**MR CONDE:** Okay. If I might ask two things arising from that. The first though is, that would you agree that if an exclusion happened after the issue of this policy - so without there being any retrospective look-back - that it would have been possible for investigations to treat exclusion in one state as readily available public information relating to that patron for the purposes of excluding him or her in the other state?

45

**MR HOULIHAN:** Yes.

5 **MR CONDE:** Right. So the policy, as you understood it, and understand it and reading it now, would read it, would allow a Police Commissioner in one state to exclude a person and for investigations to say, well, we note that that person has been excluded, that is readily publicly available information that they have been excluded, and therefore we will exclude them from the other state.

10 **MR HOULIHAN:** It's not publicly available, no, sir.

**MR CONDE:** Okay. So is the - of course, because the names of people who are excluded are not published; is that correct?

15 **MR HOULIHAN:** Correct.

**MR CONDE:** So does that mean, then, that, in fact, the investigations team - and we're putting to one side the question of retrospective look-backs - but as you understood this policy, it would mean that the investigations team could not have regard to the - sorry, I'll start again. As you understood the policy, would you understand it to mean that the investigations team could not treat the Police Commissioner's exclusion in one state as a basis for exclusion in another?

20 **MR HOULIHAN:** Would we not use that information? Yes, we could use that information.

25 **MR CONDE:** But is it not - isn't it the case that it is not readily available public information?

30 **MR HOULIHAN:** Correct.

**MR CONDE:** So doesn't the policy say that upon issuance of an exclusion by the Commissioner of Police in either state, investigations will assess readily available public information relating to the patron - to the excluded patron - to determine if there are grounds to issue an exclusion order in the other state.

35 **MR HOULIHAN:** Yes. The publicly available information about that person, yes. But not that the person is excluded is publicly available. I might have (indistinct), beg your pardon.

40 **MR CONDE:** So my questions may well not have been clear. If I can give an example. If the organised crime squad in one state's police force said to the Commissioner, well, here is credible intelligence suggesting that this patron is engaging in this activity or whatever else and should be excluded, and if the Commissioner accepts that, then - and proceeds to issue an exclusion - then even if  
45 your investigations team could perform that same work as the organised crime squad and could obtain the same intelligence, you wouldn't be able to justify exclusion because that intelligence is not readily available public information.

**MR HOULIHAN:** And to stay on a specific topic of police exclusions, we were not informed or told of or being supplied as to why that Commissioner makes that determination. We just get alerted to say the Commissioner has made a determination. So whatever was relied upon for the issuing of that exclusion, my team or The Star is not aware as to why the Commissioner has made that decision.

**MR CONDE:** I understand, then, that example might not be a good one. But if the police Commissioner has acted on information that is not readily available and public, then, logically, you could never reach the same conclusion, could you, because the Commissioner has acted on information which you're not allowed to have regard to under this policy?

**MR HOULIHAN:** That's correct.

**MR CONDE:** Right. And to then go back to the specific case of Mr Khoury, what, if anything, do you recall of the decision not to conduct what you have described as a retrospective look-back?

**MR HOULIHAN:** It wasn't just Mr Khoury himself. It was anybody who was excluded prior to the issuing of this updated policy. So it wasn't just Mr Khoury. It was anybody who was excluded prior to the issuance of this policy.

**MR CONDE:** I see. But what, if anything, do you recall of the rationale for that decision.

**MR HOULIHAN:** I wasn't involved in that process.

**MR CONDE:** Okay. Do you - sitting here today in your role as an investigator and with your law enforcement experience, do you think that that policy is good approach of having no retrospective look-back?

**MR HOULIHAN:** No.

**MR CONDE:** And is that - would you agree that it's not good because people such as those in Mr Khoury's position were not automatically excluded from Queensland?

**MR HOULIHAN:** Correct.

**MR CONDE:** If we could go, please, to a patron register report. It's exhibit B3532 and that's STA.3009.0008.2574. If that could be enlarged please. Do you see the first page says AML Patron Register Report and there's the patron as identified?

**MR HOULIHAN:** Yes, thank you.

**MR CONDE:** If we could go to page 18, please. That's pinpoint 2587. If that could be enlarged, please. If we could go further down the page, please. I'm sorry, if I could ask the operator, please, to zoom out. I will just find the part that I wish

to take Mr Houlihan to. I see. It's - do you see the section in blue, Mr Houlihan. I will ask that that be enlarged, but I will ask you please not to read it out.

5 **MR HOULIHAN:** Yes. Thank you.

**MR CONDE:** From the unredacted part --

**MR HOULIHAN:** The last sentence, sorry?

10 **MR CONDE:** No, the - that paragraph - the first paragraph. Have you read that, Mr Houlihan?

**MR HOULIHAN:** I have read that, thank you.

15 **MR CONDE:** And if we can then zoom out. I'm sorry, if you could also be taken to - this is not in blue. It's up the top. It's the fourth paragraph and it says:

"The patron, John Khoury."

20 Do you see that? If that could be enlarged:

"John Khoury is known to have close associations to numerous Melbourne-based organised crime figures, including Mick Gatto."

25 **MR HOULIHAN:** Yes, I see that.

**MR CONDE:** Then it notes two paragraphs down that:

30 "Since 23 April 2021, Mr Khoury had turnover of \$2.5 million - \$2,545,300 with a loss of \$268,300."

Then there's a reference to a guilty plea in October 2019 in Southport's Magistrates Court. Would you agree that --

35 **MR HOULIHAN:** Sorry, sir. I agree what's they're - sorry, yes, I beg your pardon.

40 **MR CONDE:** I'm just wishing - if I could ask the operator to scroll down, please, to below the blue. Mr Bell, as I would read this, I don't believe the blue - the blue seems to trip over into a paragraph. I propose to read some words that only have a little blue. I think that that's an accidental highlighting, and so I propose to read it, but I just wish to state that before reading it in case there's any objection.

45 **MR BELL SC:** That's how I would understand it. Do you agree, Ms Richardson?

**MS RICHARDSON SC:** Yes, I do.

**MR BELL SC:** Yes, you can proceed, then, Mr Conde.

**MR CONDE:** Yes. If I could just read the part - you see, Mr Houlihan, it says:

5 "I recommend that consideration be given to issuing a Queensland-based withdrawal of licence. Happy to discuss at your convenience."

Do you see that?

10 **MR HOULIHAN:** I do see that, thank you.

**MR CONDE:** And would you agree that this is a conclusion or a recommendation that could have been made a lot earlier?

15 **MR HOULIHAN:** Yes.

**MR CONDE:** Before I ask you some - I seek to ask you some questions in private mode, there's some further general questions I just wanted to ask you, Mr Houlihan. Do you recall in answer to some questions that Ms Sharp asked you earlier today, you drew a distinction between proceeds of crime criminal offences and money laundering offences?

20 **MR HOULIHAN:** I did.

**MR CONDE:** Would you agree that there's a relationship at a general level, though, in that money laundering involves the laundering of proceeds of crime?

25 **MR HOULIHAN:** Yes.

**MR CONDE:** And yesterday - I'm sorry. Yes, I believe it was yesterday, or possibly even Tuesday, do you recall confirming to Mr Bell in answer to some questions from Ms Sharp that the contents of your two statements are true and correct?

30 **MR HOULIHAN:** They're correct.

**MR CONDE:** And for completeness, and for the purposes of the record, may I ask you to confirm, please, that in those statements, is it correct that you've answered questions that were put to you in relation to the following people, among others: Ming Chai, James Mussillon, Michael Gu, Harry Huang and Zu Neng "Scott" Shi.

35 **MR HOULIHAN:** In my statement?

**MR CONDE:** Yes, is it correct that you answered questions in relation to those individuals, among others?

40 **MR HOULIHAN:** Yes.

**MR CONDE:** Mr Bell, I have some further questions for Mr Houlihan, but they need to be in private as they relate to law enforcement matters.

5 **MR BELL SC:** Before we do that, Ms Richardson, are there any questions that you wish to ask Mr Houlihan in public mode?

**MS RICHARDSON SC:** I do have them, but I would be assisted by obtaining instructions overnight in relation to those questions. I apologise.

10 **MR CONDE:** Mr Bell, I should foreshadow that I would anticipate, if we go into private mode, I will ask Mr Houlihan some questions. I believe Ms Sharp has some questions for Mr Houlihan in private mode, and then Ms Sharp also has further questions in public. So perhaps Ms Richardson's questions might follow that entire process.

15

**MR BELL SC:** That seems to be convenient to everyone, then. So we will now move into private mode.

20

**<THE HEARING IN PUBLIC SESSION ADJOURNED AT 4:47 PM**

**<THE HEARING IN PRIVATE SESSION RESUMED AT 4:47 PM**

**<THE HEARING ADJOURNED AT 5:04 PM**