



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, 7 APRIL 2022
AT 10:00 AM**

DAY 16

**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 T. BOYLE as counsel for The Star Pty Ltd**

**Star Witness
MR OLIVER JOHN WHITE**

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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 10:02 AM

MR BELL SC: Mr White, you remain bound by the affirmation that you've made.

5 **<OLIVER JOHN WHITE, ON FORMER AFFIRMATION**

MR BELL SC: Yes, Ms Sharp.

<EXAMINATION BY MS SHARP SC:

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MS SHARP SC: Mr White, yesterday you referred to a query from NAB about some CUP transactions in around April or May 2017. I want to show you a document and see if that's what you were referring to. This is exhibit B, tab 324, STA.3002.0012.0473. And if I could direct your attention, please, to the top of the

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MR WHITE: I do. Yes.

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MS SHARP SC: And do you see the top of it is Astral VIP Transactions Questioned by UnionPay?

MR WHITE: Yes.

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MS SHARP SC: And then if I take you a little further down this first page, please, operator. Do you see there's an email from you to Andrew Bowen, and you're corresponding about some transaction queries regarding CUP? Is that the email that you were referring to yesterday?

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MR WHITE: Yes. I - I believe there was possibly more than one. But, yes, that's certainly one - the - one of the emails I had in mind, yes.

MS SHARP SC: Now, what is Project Tijuana, Mr White?

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MR WHITE: I believe that was the name of The Star's review of CUP in - more recently. I - I'm not exactly sure when.

MS SHARP SC: So is it right that that is the code name for investigations about CUP and the history of its usage at Star?

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MR WHITE: I believe so, yes.

MS SHARP SC: And you were involved in those recent investigations as part of Project Tijuana?

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MR WHITE: Only to a small extent.

MS SHARP SC: Can I show you exhibit B2971. This is STA.3401.0006.2001. Mr White, do you see there's an email from you in the bottom half of that page dated 7 July 2021?

5 **MR WHITE:** Yes.

MS SHARP SC: And do you see it's in relation to Project Tijuana and work you're conducting in relation to Project Tijuana?

10 **MR WHITE:** Yes, I do.

MS SHARP SC: And your work included, didn't it, a review of historic emails, legal advice, etcetera, relating to CUP?

15 **MR WHITE:** Yes.

MS SHARP SC: So you did undertake that review last year?

20 **MR WHITE:** I'm - I'm - sorry. My - my recollection is that I assisted in pulling the information together. I'm not sure that I was responsible for the review and - certainly my memory of this is that I was pulling it together and that then Andrew Power liaised with external counsel in relation to the review.

25 **MS SHARP SC:** But I take it you would have read documents at the time as you passed them on to Mr Power?

MR WHITE: Yes. Sorry. I can't be certain that I read all documents, but certainly I would have read some of the documents that were passed to me directly, yes.

30 **MS SHARP SC:** Now, yesterday you said that you understood that there was a two-stage process involving CUP. So you considered it to be lawful. Was that two-stage process the following: firstly, the hotel swiped the CUP card; and secondly, the hotel transferred the funds to The Star Casino account?

35 **MR WHITE:** Correct.

MS SHARP SC: Now, you understood at all times, didn't you, that the ultimate objective of using the CUP card was to pay for gaming chips?

40 **MR WHITE:** Yes. In terms of the ultimate goal, yes.

MS SHARP SC: And it's right, isn't it, that the only reason why this two-stage process was implemented at all was to avoid the prohibition imposed by UnionPay on CUP cards being used to purchase gaming chips?

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MR WHITE: I - I don't - I don't - sorry. I can't be sure that that was the - the purpose. As I say, I think that - that process already existed by the time - or was

sort of, as I understood it, in - in place by the time I became involved in the process. But that was - sorry, I'm not being totally clear.

5 **MS SHARP SC:** Well, I will put the question to you another way. Given that the funds were ultimately used to purchase gaming chips, you cannot think of any other reason why there was a two-stage process other than to distance the transaction from the purchase of chips, can you?

10 **MR WHITE:** Other than my assumption that that was - that that was lawful, no.

MS SHARP SC: You agree, don't you, that there was inherent deception built into this two-stage process?

15 **MR WHITE:** No.

MS SHARP SC: Well, I suggest that is the only reasonable conclusion you could have come to, isn't it?

20 **MR WHITE:** No, I - I thought it was that that - that this process was workable.

MS SHARP SC: Isn't this a classic case of looking to the letter of the law rather than the spirit of the law, Mr White?

25 **MR WHITE:** I think, on - on reflection, that is a - a reasonable conclusion to draw now. I - I don't think I thought that at the time, but I can see, on reflection, having spent some time reviewing this again, that that is probably a fair assumption.

30 **MS SHARP SC:** Well, surely you did appreciate this at the time, Mr White?

MR WHITE: I - I don't remember that, no.

35 **MS SHARP SC:** Now, you were involved in settling a number of responses sent by The Star to NAB in 2019 when NAB queried transactions used on the CUP cards; is that correct?

MR WHITE: Yes.

40 **MS SHARP SC:** And you worked closely with Paulinka Dudek to prepare the responses to NAB?

45 **MR WHITE:** I think - my sort of recollection is that was - it was just with Paulinka - Paulinka on the sort of administrative responses. But the more detailed responses, there was a wider group involved in terms of reviewing and settling those responses.

MS SHARP SC: And did that wider group include Sarah Scopel and Harry Theodore?

MR WHITE: Yes.

5 **MS SHARP SC:** And so is it correct that you liaised with them as you worked on responses to send to NAB?

MR WHITE: That's correct. And I would have provided legal input and drafting input on that.

10 **MS SHARP SC:** And what legal advice were you providing at that time?

MR WHITE: One thing - one thing I do remember saying is, "We can't say there's no gaming involved," and that I also said that the responses had to be accurate, ie, as in, true.

15 **MS SHARP SC:** Who did you tell, "We can't say there's no gaming involved"?

MR WHITE: I - I can't remember exactly, but my - my memory would be that would have been in a discussion with Sarah rather than with Harry.

20 **MS SHARP SC:** Did you understand at the time that The Star was treading a very fine line?

MR WHITE: I think that's correct, yes.

25 **MS SHARP SC:** And you understood, didn't you, that NAB was making these requests for information on behalf of CUP?

30 **MR WHITE:** I - my recollection is that for - I - I believe there's a number of responses, and in some of the earlier ones that I thought were just more administrative in nature, partly because - having looked at the emails as part of the preparation for this, I realised that I had only looked at the - I hadn't read through the entire email chain; I had just simply looked at the initial email. And so there - I'm sure there were times where I hadn't fully understood or appreciated the nature of the request. But certainly for the later stuff, that's right.

MS SHARP SC: So you do agree that there came a point during 2019 where you were fully aware that NAB was making these requests on behalf of CUP?

40 **MR WHITE:** Yes.

MS SHARP SC: And you were fully aware at some point in 2019 that NAB was passing The Star's answers on to CUP, weren't you?

45 **MR WHITE:** Yes.

MS SHARP SC: And could I take you, please, to document STA.3401.0005.3049.

MR WHITE: Yes.

5 **MS SHARP SC:** You see this is an email from you to Paulinka Dudek, copied to Sarah Scopel, on 19 June 2019?

MR WHITE: Yes.

10 **MS SHARP SC:** And, Mr Bell, this is exhibit B1435. And do you see that you're asking about hotel receipts and you say:

"I know the ones in Sydney are tied solely to the hotel. No mention of the casino."

15 Now, the reason you made that statement is because you well understood that care needed to be taken not to give the appearance that the CUP cards were used to fund gambling; is that right?

20 **MR WHITE:** I - I - I think that - yes, in that this was trying to ensure that that distinction as to their ultimate use was, sort of, not emphasised maybe is the best way to put it.

25 **MS SHARP SC:** Well, you understood that it was important to put as much distance as possible between the CUP transactions and the fact that they ultimately funded the purchase of gambling chips.

MR WHITE: Yes.

30 **MS SHARP SC:** And you were involved in creating a documentary record to send to NAB which did not expressly disclose that yes, indeed, the CUP cards were used to purchase gambling chips.

35 **MS RICHARDSON SC:** Well, I object to that question. It's phrased as the CUP cards were not, in fact, directly - sorry.

40 **MS SHARP SC:** I'm happy to withdraw the question. I will approach it a different way, Mr Bell. Mr White, could I take you to STA.3401.003.7813. Now, this is an email chain. This is an email that Ms Dudek sends to you on 2 September 2019, and she tells you that - she is giving you some information about NAB queries on the CUP transactions. And what she is telling you is:

"The NAB merchant team advised that UPI require some more details around the transactions."

45 **MR WHITE:** Yes.

MS SHARP SC: Now, "UPI" stands for UnionPay International, doesn't it?

MR WHITE: I believe so, yes.

MS SHARP SC: So it's quite clear you were aware by 2 September 2019 that NAB was making requests on behalf of UnionPay International?

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MR WHITE: Yes.

MS SHARP SC: And it's quite clear to you by this time, isn't it, that NAB were passing on The Star's answers to UnionPay International?

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MR WHITE: Yes.

MS SHARP SC: Now, could I take you to pinpoint - pardon me, Mr Bell. Can I take you to pinpoint STA.3105.0011.4753. And this is exhibit B1785. Now, I will start by taking you to the bottom of this email chain, Mr White. Do you see at the bottom half of this email --

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MR WHITE: Sorry, my email or is there a --

MS SHARP SC: Yes. I will just ask the operator to highlight this to you. Do you see there's an email from Ms Dudek dated 22 October 2019 to you and others?

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MR WHITE: Yes.

MS SHARP SC: And it says:

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"Hi Oliver and David, UnionPay (via NAB) are seeking further information on previously advised transactions at Astral VIP site."

MR WHITE: Yes.

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MS SHARP SC: And you can see that there's a reference there that says:

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"Oliver White, are you able to please provide an appropriate response to the below query?"

MR WHITE: Yes.

MS SHARP SC: And it says:

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"Transcript received from UPI."

Now, you understood that to mean UnionPay International?

MR WHITE: Yes.

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MS SHARP SC: And:

"We wonder what does it mean regarding 'transfer to customer account' in the description column."

MR WHITE: Yes.

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MS SHARP SC: And that is a reference on those Astral hotel invoices to CUP transactions that say "transfer to customer account"?

MR WHITE: Yes.

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MS SHARP SC: And at the time of this email, you perfectly well understood that what that meant was the money was being transferred across to The Star's casino account so that chips could be made available to the patrons who swiped their CUP cards?

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MR WHITE: Yes.

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MS SHARP SC: So you understood perfectly that UnionPay International wanted to understand for itself whether the CUP cards were being used to purchase gambling chips, didn't you?

MR WHITE: Yes. At this stage, I think that's right.

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MS SHARP SC: Can I take you up to your response, please. If we go to the top half of that document. And it's right that you have suggested a response that Ms Dudek should send to NAB?

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MR WHITE: I've put some drafting together here following - I - I can see from the wording that I've certainly discussed this with - or the approach with Harry. So I sought instructions from the business on how we go about this. I'm certain that this was discussed with Sarah as well.

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MS SHARP SC: Well, could I just stop you there so we could understand more about your discussions with Harry - and I take it that's Harry Theodore - and then Sarah Scopel.

MR WHITE: Yes.

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MS SHARP SC: So first of all, what were your discussions with, and instructions from, Harry Theodore?

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MR WHITE: I'm afraid I - I can't be entirely certain, but we would have discussed the approach to be taken to the response so that I could then provide some suggested drafting for their review and input.

MS SHARP SC: And what about Sarah Scopel?

MR WHITE: She - sorry - Sarah - or my recollection is that Sarah was involved in the discussions - well, all of the discussions around anything other than the sort of administrative responses. That's - that's my recollection.

5 **MS SHARP SC:** Well, this is - what you set out in this email is the following proposed response:

10 "Certain very high end premium guests at Star Entertainment Group's integrated resorts incur expenses at the hotel, across a range of entertainment venues within the resort, as well as travel expenses (for example, limousine transfers, internal flights) and external expenses (for example, local tourism, tour operator expenses), during their time in Australia and while staying at The Star Entertainment Group's resorts. Such expenses are consolidated within the guest's personal account, which is linked to the guest's hotel
15 accommodation, and cleared with the transfer from the hotel accommodation account, as noted in the receipt."

MR WHITE: Yes.

20 **MS SHARP SC:** Now, you agree that no mention is made at all of a casino being involved here?

MR WHITE: That's correct.

25 **MS SHARP SC:** And you agree, don't you, that the very point of this statement was to put distance between the use of the CUP card and the purchase of gaming chips?

30 **MR WHITE:** I think, on reflection, yes.

MS SHARP SC: Well, you understood that at the time, didn't you, Mr White?

MR WHITE: That's - that - that - yes.

35 **MS SHARP SC:** And your very intent at the time was to convey the impression that CUP cards were not used to purchase gambling chips, wasn't it?

MR WHITE: I can't be certain that that was the intent. As I say, I mean --

40 **MS SHARP SC:** Well, that was the intent, wasn't it?

45 **MR WHITE:** I think the - the language here is using the sort of industry wording. So "across a range of entertainment venues" means the casino - means gaming, and references to Star Entertainment Group resorts is the use of integrated resorts as opposed to casinos as the description of casinos that's used within the industry. So I - I fully accept that if you didn't know the sort of - the industry lingo or jingo - jargon that this would be - this could be misleading.

MS SHARP SC: You knew at the time this could be misleading to UnionPay, didn't you?

5 **MR WHITE:** I - I know it sounds odd - I don't think I considered that, but I agree that that was entirely likely.

MS SHARP SC: Your very purpose here was to mislead as to the true purpose to which the UnionPay transactions were put, wasn't it?

10 **MR WHITE:** Well, I - I - I know that what I was trying to do was achieve a - a response which was factually true but that didn't expressly refer to gaming. So in that sense, I - I think that's probably right.

15 **MS SHARP SC:** That's because you knew you were treading a very fine line between what was true and what was not true, didn't you?

MR WHITE: Sorry, I'm slightly confused by that question. Sorry.

20 **MS SHARP SC:** You understood that you were treading a very fine line between what was true and what was untrue?

MR WHITE: Well, I - I - well, I - I was very focused on making sure that there was - that no untrue statements were made, such as, "There's no gaming involved." Yes.

25 **MS SHARP SC:** But you only told a half truth, didn't you?

30 **MR WHITE:** I - I don't think I would say it was a half truth, but I would agree that - certainly on reflection, that this is worded in a way which is unclear and could be misleading.

MS SHARP SC: And it only provided an incomplete picture of what the transaction purpose was, didn't it?

35 **MR WHITE:** I - I think that actually it does set out all of the elements of what happens here. But I can fully understand that the language that it is wrapped up in, which I drafted at the request of the business, that I can see that this would not be clear to people who didn't understand the industry jargon that I was making use of.

40 **MS SHARP SC:** And, Mr White, you had no reason to suspect that UnionPay International would be familiar with that casino industry jargon, did you?

MR WHITE: I don't recall turning my mind to that question, I'm sorry.

45 **MS SHARP SC:** And you knew very well by that time that UnionPay International wanted a better understanding of what the purpose of these transactions was?

MR WHITE: Yes.

5 **MS SHARP SC:** And you knew very well by this time that UnionPay International prohibited China UnionPay cards being used to purchase gambling chips?

MR WHITE: I - I knew that, yes, the direct purchase of gambling chips was a prohibited transaction.

10 **MS SHARP SC:** I suggest that in this answer you proposed, you deliberately disguised what the true purpose of the CUP transactions was, which was to purchase gambling chips.

15 **MR WHITE:** I - I - I don't agree that that was the intent. The intent, as I said, was to provide an answer that was factually accurate. But as I say, I can fully --

20 **MS SHARP SC:** Let me approach it another way. There's no way, looking at this now, you would accept that this was a presentation of the full picture of what these CUP cards were used for at Star, would you?

MR WHITE: No. I - I fully agree that with reflection - is that - that this is not a response that we should have sent.

25 **MS SHARP SC:** And at the time, you knew that this was not a full answer to the question that UnionPay International had asked?

30 **MR WHITE:** Well, I - I think it was a full answer in that it actually refers to all the elements. But as I say, I - I fully accept that the wording is using industry jargon and could be misleading to someone who wasn't - well, sorry, someone who wasn't across the jargon and the - I guess the subtleties.

35 **MS SHARP SC:** And I suggest you were fully aware at the time that this answer obfuscated rather than provided a clear account of what the China UnionPay international swipes were being used for at The Star.

MR WHITE: I certainly think looking - that with hindsight, that is - looks to be the case, yes.

40 **MS SHARP SC:** And to be clear, you repeatedly settled answers to - well, I withdraw that. You repeatedly settled the answers that Paulinka Dudek or Sarah Scopel were providing to NAB during late 2019 and early 2020; that's right, isn't it?

45 **MR WHITE:** My recollection is that there - sorry. Having looked at the email correspondence, I believe that there were two main responses that were used a number of times, this being one of them.

MS SHARP SC: Both responses were misleading, weren't they?

5 **MR WHITE:** Well, the - the initial response, which I'm not sure we've looked at, which was to three questions, my understanding was - was that they were asking what the - sorry, there's - there's three questions. One says what's - the business. I think I said "integrated resorts". The second was - sorry, I'm - I'm not remembering it correctly. But my recollection to that was that that was just an administrative response and, therefore, I was trying to capture what the merchant code was in the response.

10 **MS SHARP SC:** Well, I will take you to exhibit B at 1639. This is STA.3401.0005.3069.

MR WHITE: That's not necessarily the one I was thinking of, but yes.

15 **MS SHARP SC:** That's not the one?

MR WHITE: No. Unless it's further down in the chain.

20 **MS SHARP SC:** We'll come back to that. Now, did you at any point raise your concern with Mr Theodore that the answers that were being provided to NAB were not completely accurate?

25 **MR WHITE:** I - I don't recall flagging that specifically, although I think that Harry - certainly once Harry was the CFO and therefore had responsibility for this area, that he would have understood the - the nature of - well, understood the nature of the CUP process and who the responses were going to.

30 **MS SHARP SC:** Just in relation to the evidence you gave earlier about the first type of answer where there were three points made, could I show you STA.3002.0010.0360. I will give that number to the operator again. It's STA.3002.0010.0360. Now, you're not on this particular email chain, but do you see Ms Dudek is providing Ms Arthur some answers to her questions in an email dated 22 November 2019?

35 **MR WHITE:** I do.

MS SHARP SC: This is exhibit B1929. Is this an example of the email that gave the three points?

40 **MR WHITE:** Yes.

MS SHARP SC: All right. And point 1 is:

45 "The merchant operates integrated resorts in Australia, consisting of hotels, restaurants and other entertainment facilities; (2) the cardholder purchased hotel accommodation services with the transactions in question; and (3) invoices for the relevant transactions are attached."

MR WHITE: Yes.

MS SHARP SC: Now, this is a stock standard response that you were aware was sent to NAB on a number of occasions; correct?

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MR WHITE: Yes.

MS SHARP SC: And you were aware this response was sent even though you knew that, in fact, the CUP transactions had been used to purchase gambling chips; correct?

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MR WHITE: So --

MS RICHARDSON SC: I object to that question. To suggest that they are directly being used for gambling chips is inconsistent with the evidence.

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MS SHARP SC: I withdraw that. I put the question again. By then, you understood that the CUP cards were being used to purchase gambling chips, didn't you?

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MS RICHARDSON SC: Well, I object to that on the same basis.

MR BELL SC: I will allow it.

MS SHARP SC: I press that question.

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MR BELL SC: I will allow it.

MS SHARP SC: You understood that the CUP cards were being used to purchase gambling chips; correct?

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MR WHITE: No. The - the CUPs were being used for hotels - that was the swipe - and then the funds were subsequently transferred. That was - that was my understanding of this two-stage process.

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MS SHARP SC: All right. Just to be clear about that two-stage process, the only reason it was employed was so that gambling chips could be purchased; correct?

MR WHITE: I guess the - the ultimate use of those funds - I - I - I can't be certain, but --

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MS SHARP SC: Mr White, you understood, didn't you, that the only reason these cards were being swiped was so that patrons could purchase gambling chips; yes or no?

45

MR WHITE: I - I knew that the ultimate use for the funds being received - or probably the majority of the funds being - being received was for purchasing gambling chips.

MS SHARP SC: And you knew that the only reason why they were being swiped in the hotel room was because the UnionPay International rules prohibited China UnionPay cards being used to purchase chips?

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MR WHITE: I - what - I - my understanding - or my - my understanding was that the two-stage process was a legally permissible way to use the card and for them - and, I guess, ultimately for the funds to be used in gaming, yes.

10 **MS SHARP SC:** This two-stage process was nothing more than an artifice to disguise the true purpose of the transaction, which was to purchase gambling chips; is that correct?

MR WHITE: I don't believe so, no.

15

MS SHARP SC: Well, isn't it the case that you knew that the two-stage process was simply an artifice to obfuscate the fact that these CUP cards were being used to purchase chips?

20 **MR WHITE:** No, I - I thought that it was a workable way for that to work. Yes.

MS SHARP SC: You knew it was an artifice to disguise the fact that the CUP cards were being used to purchase gambling chips, didn't you?

25 **MR WHITE:** No.

MS SHARP SC: Well, that answer is simply incorrect, isn't, it Mr White?

MR WHITE: No, I - I believe I've put my answer.

30

MS SHARP SC: I will return you now to this stock answer. If we go back to the second proposition:

35 "The cardholder purchased accommodation services with the transactions in question."

You did not believe that at any point in time, did you?

40 **MR WHITE:** Yes, I did, because they - the - this is the - this is the first step. This is the merchant code. That's what I understood this question to relate to.

MS SHARP SC: What accommodation service did the patron purchase, Mr White?

45 **MR WHITE:** It was a pre-payment onto their hotel room.

MS SHARP SC: And what was the purpose of that pre-payment, Mr White?

MR WHITE: Well, ultimately, those funds were transferred to their casino account.

5 **MS SHARP SC:** The very next moment the funds were transferred to the casino account, weren't they?

MR WHITE: No, they - they had to be cleared first.

10 **MS SHARP SC:** These purchases were not to cover accommodation fees in a room, were they?

MR WHITE: I - I - I don't know, I'm sorry. They - it's - it's possible that they were in part, but I - I don't know.

15 **MS SHARP SC:** Mr White, you understood perfectly well that as soon as these transactions were being swiped, they were being transferred to front money accounts, didn't you?

20 **MR WHITE:** No, I think I've just answered that question, is that the funds cleared into a hotel account and then were transferred.

MS SHARP SC: Yes. You knew perfectly well that once these CUP cards were swiped - once these CUP cards were swiped, they were transferred immediately to a front money account, didn't you?

25 **MR WHITE:** That's not correct.

MR BELL SC: Excuse me. Ms Richardson, are you trying to convey something to me? Can you hear me, Ms Richardson? I think we might have lost audio.

30 **MS SHARP SC:** I think we've lost audio. She can't - yes.

MR BELL SC: I think we might have a short adjournment to correct that technical problem.

35 **<THE HEARING ADJOURNED AT 10:41 AM**

<THE HEARING RESUMED AT 10:47 AM

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

MS SHARP SC: Now, Mr White, I will take your attention back to this 22 November 2019 email and in relation to point 2, where it states:

45 "The cardholder purchased hotel accommodation services with the transactions in question."

Now, as at November 2019, you knew perfectly well that the cardholder had not purchased hotel accommodation services with the transactions in question; correct?

5 **MR WHITE:** No, I - my answer to that response was trying to reference to the merchant code that was being used on the hotel swipe. That was my intention in drafting that response when I --

10 **MS SHARP SC:** Well, I'm just looking at what the words actually say in the document, and they say:

"The cardholder purchased hotel accommodation services with the transactions in question."

15 Now, you perfectly well understood at the time that the cardholder had not purchased hotel accommodation services with the transactions in question; correct?

20 **MR WHITE:** No, they made it - the - with the swipe, they made a pre-payment onto their hotel room.

MS SHARP SC: But you perfectly well understood at the time that the reason they made that swipe at the hotel terminal was to put front money into their front money account for the purchase of gambling chips, didn't you?

25 **MR WHITE:** I understood that that was the second step in the two-stage process, yes.

30 **MS SHARP SC:** Given that you understood that was the second step, it is quite misleading, isn't it, to assert "the cardholder purchased hotel accommodation services with the transactions in question" because it does not tell the full story. Do you agree or disagree?

35 **MR WHITE:** I - I - well, I - with hindsight, I agree. But at the time - and I've looked at this because I was looking back and wondering how I had provided this answer. And when I looked back at the original drafting of it - and - and this was partly going, "Oh, I" - looking down the chains and understanding it further, that I had seen that I had actually made that initial response in approximately six minutes from receiving the email from Paulinka. And my recollection is that I was
40 just thinking this was an administrative response and that I just needed to try and reference the merchant code in that response and --

45 **MS SHARP SC:** I will stop you there, Mr White. This was a response being sent to a major Australian bank to pass over to an international bank. You understood that, didn't you?

MR WHITE: I'm - with hindsight, I agree it appears entirely clear --

MS SHARP SC: I'm not asking you about hindsight, Mr White.

MR WHITE: I - I --

5 **MS SHARP SC:** I'm asking you about your understanding at the time you settled responses that were in exactly the same words as the ones I'm showing you now. You understood at the time that you were giving a misleading account, didn't you?

10 **MR WHITE:** I - I don't agree with that statement. I think - sort of having reflected on it, I - my response was based on a - that I hadn't read the email that this was coming from - from CUP, and I just thought this was sort of an administrative-type question to which a short answer was sufficient and I just went, "Oh, I think they are asking for what the merchant code here is." And without going back to check it because I was trying to - I was trying to have that
15 easy win probably and just went, "Look, I think that's okay." And it was also just a suggestion for others to look at and consider. And so I said, "This is my suggested drafting," and - very quickly and didn't really - and then thought it was done. And I can't be certain, but probably then moved it across to the - the "done" pile sort of thing that you have and --

20 **MS SHARP SC:** Mr White, I will stop you there. There is nothing about this email to the bank that is okay, is it -is there?

25 **MR WHITE:** I'm - I'm sorry, I don't understand the question.

MS SHARP SC: This was a highly unethical response to provide to the bank in answer to the question it asked; do you agree?

30 **MR WHITE:** With - with hindsight, I wholeheartedly agree.

MS SHARP SC: Can I take you, please, to exhibit B147. This is STA.3401.0006.7347. Now, we're going back in time to 28 November 2016. Do you see it's an email from you in relation to CUP and the wording on a hotel receipt?

35

MR WHITE: I do.

MS SHARP SC: And what you state in this email is:

40 "As you may be aware, VIP use of the China UnionPay credit cards is a sensitive area and we need to ensure that all relevant documentation is drafted to minimise potential risk to the business."

45 **MR WHITE:** Yes.

MS SHARP SC: Now, at the time you wrote that, you perfectly well understood that the risk to the business was that UnionPay International did not permit its CUP cards to be used to purchase gambling chips; correct?

MR WHITE: I knew that there was a prohibition on the - on the direct purchase of gambling chips through the CUP - or that was my understanding.

5 **MS SHARP SC:** All right. So in view of that understanding, you then said:

"I would like to amend the standard wording produced for these transactions -"

10 that is, the CUP transactions:

"In the relevant billing system with the following: 'Transfer to customer's The Star account'."

15 **MR WHITE:** Yes.

MS SHARP SC: Now, you suggested that to create distance between what the invoice stated and what, in fact, the nature of the transaction was, which was putting money into a customer's front money account; correct?

20

MR WHITE: I - I - I'm - I - I - I don't remember sending this particular email. But looking at the wording, I think I was trying to make that consistent with previous sort of correspondence on this matter with NAB and just to be consistent with that two-stage process.

25

MS SHARP SC: Well, let me take you to the attachment to this email, which is exhibit B, tab 146. And this is - sorry, I must have the exhibit number wrong. It's STA.3401.0006.7348. And that's exhibit B, tab 148. Now, this is the attachment. Do you see the attachment is an invoice of Astral Tower and Residences, and in the description of the transaction it says "CUP front money"?

30

MR WHITE: Yes.

MS SHARP SC: Now, what you did in the email was say, "Change that description. Change it to 'transfer to customer Star account'"?

35

MR WHITE: Yes.

MS SHARP SC: So you well understood at the time that the reason for that transaction was to put money into the front money account?

40

MR WHITE: I - I understood that was the second stage of the two-stage process, yes.

MS SHARP SC: And the reason you suggested that the description be changed to "transfer to the customer's Star account" was to obscure the fact that the CUP cards were being swiped so that patrons could purchase gambling chips.

45

MR WHITE: I - I don't remember that to be my motivation at the time. As I say, I think - and I - I can't remember --

5 **MS SHARP SC:** Mr White, you were involved, knowingly, in the construction of a chain of documentation which obscured the true purpose of the CUP transactions; that's right, isn't it?

MR WHITE: Sorry. Could you put that question to me again, sorry?

10 **MS SHARP SC:** You were involved, and knowingly involved, in creating a paperwork trail that obscured the true purpose to which the CUP cards were being put at Star; that's right, isn't it?

15 **MR WHITE:** That - no, that's not my memory of what was - I was trying to do. I - I - I can't remember, but I believe that I was trying to make it consistent with the language that had been used in discussing this with NAB.

20 **MS SHARP SC:** And I suggest that in settling the responses that were being sent to NAB in the second half of 2019, you set out to knowingly mislead both NAB and CUP as to the true purpose to which these CUP card swiped were being put.

MR WHITE: Sorry. I'm - I'm sorry. Do you mind, sorry, saying that again, I'm sorry.

25 **MS SHARP SC:** In settling the responses that were being sent to NAB in the second half of 2019, you set out to knowingly mislead both NAB and CUP as to the true purpose to which the CUP card swipes were being put.

30 **MR WHITE:** I - I don't think that was the purpose.

MS SHARP SC: And your answer now is simply untrue.

MR WHITE: No, I - I was trying to provide an accurate answer to the question --

35 **MS SHARP SC:** The only accurate answer to that question would have been one that disclosed that the CUP cards were being used to purchase chips. Do you agree or disagree?

40 **MR WHITE:** I think - certainly with hindsight, I agree with that statement, yes.

MS SHARP SC: And you knew that at the time?

MR WHITE: I - I don't remember that, no.

45 **MS SHARP SC:** And that answer is not correct, and it is not true?

MR WHITE: I - I don't agree.

MS SHARP SC: And in fact, in arming the business to mislead NAB and CUP, you were not acting in accordance with the value of "do the right thing", were you?

5 **MR WHITE:** I - I - with hindsight and reflection, I agree.

MS SHARP SC: And you were not acting in accordance with The Star's code of conduct which required you to act ethically, were you?

10 **MR WHITE:** Again, with hindsight, I agree.

MS SHARP SC: And you were not acting in accordance with the code of conduct requirement to not bring The Star into disrepute?

15 **MR WHITE:** Again, with hindsight, I agree.

MS SHARP SC: And in fact, you knew perfectly well at the time that you were participating in a scheme to mislead China UnionPay, didn't you?

20 **MR WHITE:** I - I - at the time, I don't think that was the intention.

MS SHARP SC: And --

25 **MR WHITE:** But I can see with hindsight that that could definitely have been an outcome.

MS SHARP SC: And it's right, isn't it, that even though you discussed your answers - your proposed answers with Harry Theodore and Sarah Scopel, no one pulled you up and told you not to do that?

30

MR WHITE: That's correct.

MS SHARP SC: Could you pardon me for one moment, please, Mr Bell?

35 **MR BELL SC:** Yes.

MS RICHARDSON SC: I'm sorry. Our screens have frozen.

40 **MR BELL SC:** Well, we will take a short adjournment to correct that technical problem. Thank you.

<THE HEARING ADJOURNED AT 11:02 AM

<THE HEARING RESUMED AT 11:07 AM

45

MR BELL SC: Yes, Ms Sharp.

MS SHARP SC: Can I take you, Mr White, to STA.3002.0010.0097. Now, I'm showing you an invoice of one of The Star's hotels. You understand that these invoices were routinely sent to NAB in answer to their inquiries in 2019?

5 **MR WHITE:** Yes.

MS SHARP SC: And you agree that these suggest that there had been a transaction with the hotel?

10 **MR WHITE:** Yes.

MS SHARP SC: And you agree that this invoice suggests that the patron stayed at the hotel?

15 **MR WHITE:** Yes.

MS SHARP SC: And you agree that this invoice suggests that the patron arrived on a particular day and departed on a particular day?

20 **MR WHITE:** I believe so, yes.

MS SHARP SC: Yes. But you were aware, weren't you, that some of the patrons who availed themselves of the CUP swipe facility at the hotel did not, in fact, stay at the hotel?

25

MR WHITE: I was made aware of that in 2017. But I thought that, following that, there had been - it was clearly communicated that customers had to be staying at the hotel to make use of the CUP facilities.

30 **MS SHARP SC:** Well, it's the case, isn't it, that certain local customers were also using these CUP facilities, weren't they?

MR WHITE: I - I must admit I'm not sure who was using the - that's - I - I - I don't believe I was - sorry, that's not right. I don't recall being aware of the operational use of the CUP. I was really - my involvement was more in terms of the sort of dealing with these responses or when group treasury needed my input.

35

MS SHARP SC: Well, Mr White, your involvement was not too distant because you suggested what entry appear on all of these invoices; you agree with that, don't you?

40

MR WHITE: I had done that in a - previously, judging by the emails, yes.

MS SHARP SC: And you're aware, aren't you, that Phillip Dong Fang Lee was one of the users of the CUP swipe service?

45

MR WHITE: I - yes.

MS SHARP SC: And you know he's a local player, don't you?

5 **MR WHITE:** I - I - I probably was aware. I don't know. I didn't - Mr Dong - I - aside from certain limited number of instances, I don't think I - I don't recall having had a great deal of involvement with Mr Lee or - or matters relating to Mr Lee.

10 **MS SHARP SC:** In any event, this document I'm showing you now gives the viewer no indication at all that, in fact, the CUP card was being used to purchase gambling chips, does it?

MR WHITE: I agree that it is not immediately obvious, yes.

15 **MS SHARP SC:** On the contrary, the reasonable viewer - and you understood this - I withdraw that. On the contrary, the reasonable viewer would apprehend that this was a receipt confirming that somebody had stayed at the hotel.

MR WHITE: Yes. And I believe that they had stayed at the hotel.

20 **MS SHARP SC:** Well, isn't it the case that this was one document that was used to mislead viewers as to the substance of the true transaction, which was to purchase gambling chips?

25 **MR WHITE:** No.

MS SHARP SC: Well, certainly you would agree that this document gives no indication at all that the CUP card was ultimately used for the purpose of purchasing gaming chips?

30 **MR WHITE:** I - I agree it's not obvious on the face of it, yes.

MS SHARP SC: And you're aware now that many millions of dollars were channeled into the casino through the CUP payment method?

35 **MR WHITE:** I am aware of that now, yes.

MS SHARP SC: In fact, you are aware now, aren't you, that around \$900 million was channeled through this payment method?

40 **MR WHITE:** I am aware of that now, yes.

MS SHARP SC: And you are aware now that some customers used this payment channel to move millions of dollars from bank accounts in China into the casino front money accounts, aren't you?

45 **MR WHITE:** I'm not aware of that, in terms of the specific customers. The only - my only involvement that I recall in relation to specific customers was looking at the receipts. And, again, I wasn't looking at the amounts; I was just

checking for things like, you know, including full credit card details, including CCVs and things like that that were sometimes included and need to be removed.

5 **MS SHARP SC:** Well, you know from looking at those receipts that some of those swipes were for hundreds of thousands of dollars, don't you?

MR WHITE: I do.

10 **MS SHARP SC:** And you know from looking at those receipts that sometimes patrons made a number of swipes in any one day, each one of those swipes being for hundreds of thousands of dollars?

MR WHITE: I am aware of that, yes.

15 **MS SHARP SC:** Now, it's right, isn't it, that no queries at all were made by The Star as to where the source of funds - or I withdraw that. It's right, isn't it, that Star made no inquiries at all regarding where these patrons obtained their funds from?

20 **MR WHITE:** I - I - I don't know. That wouldn't be within my responsibility. But I'm not aware of it, no.

MS SHARP SC: You see, it's entirely conceivable, isn't it, that the CUP process might have involved the Crown in receiving proceeds of crime; don't you agree?

25 **MR BELL SC:** Ms Sharp you referred to Crown there. I think you probably --

MS SHARP SC: I beg your pardon. The Star?

30 **MR WHITE:** I - I - I don't know. I am aware, though, that The Star has received - I believe it's legal advice that would suggest otherwise, but I - I must - I just don't know, I'm sorry.

35 **MS SHARP SC:** And you're not aware of any procedures at all that were put in place to ensure that The Star process was not taken advantage of by organised crime, are you?

40 **MR WHITE:** I - I - just on that, there were - this went through The Star's processes. So to the extent that there were processes in place on that - for example, I believe that - or it's my understanding that users of CUP were subject, for example, to - I'm trying - I'm sorry, it's not something I did, but I'm just trying to remember the name of it. I think - World-Check checks, I - I think it is. So there was a degree - I can't agree that there was no processes because I believe there were processes in place.

45 **MS SHARP SC:** But do you agree that when the transactions would show up on the patron's card statement, there would be an indication that the transaction occurred at a hotel?

MR WHITE: I'm afraid I don't know.

MS SHARP SC: Well, what do you think, given that it was a card swiped at the hotel's merchant terminal?

5

MR WHITE: Sorry. I'm - I'm not in a position to comment on how that would appear on a customer's statement.

MS SHARP SC: Well, it stands to reason, doesn't it, Mr White?

10

MR WHITE: I - I'm sorry. I - I don't want to express an opinion on something I don't know about, sorry.

MS SHARP SC: Well, I'm asking you to express a view on this. You understood the card was swiped at the hotel's merchant terminal?

15

MR WHITE: Correct.

MS SHARP SC: Well, surely you understood that on the patron's statement, a hotel transaction would appear?

20

MR WHITE: Look, I - I - that - that seems a reasonable assumption.

MS SHARP SC: But you're saying you never ever turned your mind to that fact?

25

MR WHITE: No. Or not that I recall, sorry.

MS SHARP SC: And are you in a position to indicate to Mr Bell whether any IFTIs were ever lodged by The Star in relation to these transactions on CUP?

30

MR WHITE: I'm sorry, that's not in - that wasn't in my area of responsibility, so I don't know, I'm afraid.

MS SHARP SC: And is it right that you're not in a position to tell Mr Bell whether TTs were lodged in - that is, telegraphic transfer reports, were lodged in respect of these transactions?

35

MR WHITE: I'm afraid I'm not in a position to provide any information on that.

MS SHARP SC: So is it right that despite your involvement in this CUP process, you never turned your mind to the money laundering consequences of this process?

40

MR WHITE: That - that wasn't within my area of responsibility, so --

45

MS SHARP SC: I'm just asking you what you turned your mind to, Mr White.

MR WHITE: Sorry. Sorry, I'm --

MS SHARP SC: I will put the question a bit more simply.

MR WHITE: Sorry.

5

MS SHARP SC: Did you ever turn your mind to whether The Star needed to report any transactions moving through the CUP channel to AUSTRAC?

MR WHITE: Personally, no.

10

MS SHARP SC: And did you ever turn your mind to what money laundering risks there could be in association with the CUP payment channel at The Star?

MR WHITE: I don't recall having done so, no. But as I say, that wouldn't - that wouldn't have been within my area of responsibility.

15

MS SHARP SC: Now, is it correct that in the period 2014 onwards, Star Entertainment staff members were marketing in mainland China?

20

MR WHITE: Sorry. Could you say that again, please, sorry?

MS SHARP SC: Is it correct that in the period from 2014, Star Entertainment staff members - or staff members of Star Entertainment subsidiaries were marketing in mainland China?

25

MS RICHARDSON SC: I object to that question. In my submission, the witness should be given a specific timeframe rather than - is the question put between 2014 and 2022?

30

MS SHARP SC: I'm happy to put it in a different way, Mr Bell.

MR BELL SC: Yes.

35

MS SHARP SC: Are you aware, Mr White, as to whether Star staff were engaging in marketing activities in mainland China in the period 2014 to 2016?

MR WHITE: I was aware that staff members were in the PRC and would have been - they - my understanding was they were directed to undertake only those marketing activities that were lawful in China.

40

MS SHARP SC: And how many staff members were there marketing in mainland China during that period?

MR WHITE: I'm - I'm afraid I - I don't know exactly.

45

MS SHARP SC: Who do you say in your legal team will be able to assist us with understanding this?

MR WHITE: Sorry, in terms of the number?

MS SHARP SC: Yes.

5 **MR WHITE:** I don't think that would be a question that the legal team was necessarily aware of --

MS SHARP SC: Well, I suggest the legal --

10 **MR WHITE:** -- in terms of the exact number.

MS SHARP SC: I suggest the legal team, including you, were aware that staff members were engaging in marketing activities in mainland China in 2014 to 2016; do you agree?

15

MR WHITE: I - I was aware that there were staff members in China who were undertaking marketing activities, yes.

20 **MS SHARP SC:** And what marketing activities were they undertaking, to your understanding?

MR WHITE: Well, in terms of what they were actually doing, I - I don't know. But I do know that they - there was a matrix of what was permissible and not permissible.

25

MS SHARP SC: Well, who did they report to?

MR WHITE: They would have reported to - I can't - I can't be certain of - I guess, the head of IRB, but maybe not directly.

30

MS SHARP SC: Now, the head of IRB was Matt Bekier and then Greg Hawkins; is that correct?

35 **MR WHITE:** In 2014 to 2016, I - I can't be exactly certain, but my recollection would be that - I think Stephen Spence was probably in charge for maybe a period of that time, and then subsequently John Chong would have been the head of international rebate business. And they - I - I think they both reported directly to Matt, but I - I can't be absolutely certain on that, sorry.

40 **MS SHARP SC:** Can I take you to document - it's exhibit B at tab 250. It's STA.5002.0003.1520.

MR WHITE: Yes.

45 **MS SHARP SC:** Now, I need to take you a few pages into this document, if I can. Can we go to pinpoint 1525. In fact, if we can go to pinpoint 1520. I'm sorry, operator. I haven't taken a note of the page. Could I just have this scrolled down

two pages? And then the next page, pinpoint 1523. Do you see this is a memorandum from King & Wood Mallesons to you, Mr White?

MR WHITE: Yes.

5

MS SHARP SC: And do you see that it's dated 1 March 2017?

MR WHITE: I do.

10 **MS SHARP SC:** And may we take it that you were the one who did seek this advice in about March of 2017?

MR WHITE: I believe so. I - I don't specifically recall this, but yes.

15 **MS SHARP SC:** Right. And may we expect that you read this advice at the time you received it?

MR WHITE: Yes.

20 **MS SHARP SC:** And you were aware at that time that The Star had marketing staff in mainland China?

MR WHITE: I - I don't believe so.

25 **MS SHARP SC:** Well, why would you have sought that advice if you didn't have that awareness?

30 **MR WHITE:** My - my understanding was that none of our staff members went to - including for - for personal leave, etcetera, that no staff members were to go to the PRC following the arrest of the Crown employees in - I can't remember if that was October or November 2016.

35 **MS SHARP SC:** If I stop you there. It's right the Crown staff were arrested in October of 2016. Now, prior to that arrest, what was your understanding? Is it the case that Star staff were undertaking marketing activities in mainland China?

MR WHITE: Yes.

40 **MS SHARP SC:** And for how long had that been the case?

MR WHITE: So far as I was aware, that existed when I started with The Star in 2011.

45 **MS SHARP SC:** And how many staff members were there in that period, to the best of your understanding?

MR WHITE: I - I can't remember exactly, but I want to say that there was a - a small number. I - I - I can't be exactly certain, but I - I want to say it was maybe five or six. But I - I could be wrong on that. I - I really can't remember, I'm sorry.

5 **MS SHARP SC:** And what was your understanding of the reason those staff were marketing in China?

MR WHITE: Well, they were supposed to be marketing the - the non-gaming and resort elements that were permitted under Chinese law but not to be marketing
10 gambling.

MS SHARP SC: Is that the case even before the arrests of Crown staff in China in October 2016?

15 **MR WHITE:** Sorry, I - I'm - on that last point there, as I said, there was a matrix of what you could and couldn't do. And so I - I may be paraphrasing that slightly incorrectly. But my understanding was that the staff members were supposed to market in accordance with the - the matrix, which sort of effectively had ticks and crosses on what was permitted and not permitted.

20 **MS SHARP SC:** And how did you know about that matrix?

MR WHITE: That had been prepared - or I - I became aware of that when I started with the - with The Star in 2011.

25 **MS SHARP SC:** Could I just take you through this advice, please. Operator, could we go to pinpoint 1524, and 1525, and 1526, and I think 1527. And then - I'm sorry to do this again - 1528, 1529, 1531 and 1532. Is this the matrix that you're referring to?

30 **MR WHITE:** No, this was the - this was the dos and don'ts that was put in place, I believe, in sort of - I can't be certain of the exact time, but this was the dos and don'ts for any staff member that might travel to China. This was after The Star had sort of directed that no one was to - to go to China following the Crown arrests.

35 **MS SHARP SC:** And is it right that that's what happened, that after that time, staff were directed not to engage in marketing activities in mainland China?

MR WHITE: At - at that stage, my understanding was that staff members were
40 not to engage in any work-related activities in the PRC and that, really, they should only be going there on annual leave to visit family or friends, but there should be no marketing activities. That - that - that was my understanding, was that certainly from October or November 2016 that there was no marketing in China.

45 **MS SHARP SC:** I'm just wondering, given that the arrests of the Crown staff happened in October 2016, why were you taking advice from Mallesons in March the following year, that is, in 2017?

MR WHITE: I - I - I'm afraid I really don't remember.

5 **MS SHARP SC:** Were you directed by somebody else in the business to seek that advice?

MR WHITE: I believe so - sorry, I - I don't recall. But seeing where this - that this was appended to a board paper, I believe it may have been sought in connection with the preparation of the board paper.

10

MS SHARP SC: And that was the board paper of Ms Paula Martin?

MR WHITE: And - and Paul McWilliams as well. He was intrinsically involved in all matters relating to this sort of from around that time, possibly before, but certainly from the time of the arrests onwards.

15

MS SHARP SC: Could I take you now to a different document, please, Mr White, which is STA.3402.0001.4762. Now, this is exhibit 2468.

20 **MR BELL SC:** B2468?

MS SHARP SC: 2468, Mr Bell. And do you see this is an email from you to Ms Martin, Mr Houlihan and Mr Power dated 25 June 2020?

25 **MR WHITE:** Yes.

MS SHARP SC: Now, if I could - you see the reference to Gu Menghong. That's Michael Gu, isn't it?

30 **MR WHITE:** I believe that's a name he goes by.

MS SHARP SC: All right. Now, could I highlight the top of the first half of this document, please. And I will just take you to the first paragraph. You say:

35 "Following conversations with you (and with Harry) -"

Is that Harry Theodore?

40 **MR WHITE:** Yes.

MS SHARP SC:

45 "Over the past 24 hours or so, I thought it would be helpful to set out below some advice in relation to the proposal for Mr Gu Menghong to present a cheque for \$2.8 million drawn on the account of iProsperity Pty Ltd to transfer for paydown of Mr Qin Xiqin's cheque cashing facility."

MR WHITE: Yes.

MS SHARP SC: Now, who was it that made you aware of this proposal?

5 **MR WHITE:** I - I - I'm sorry, I can't remember who would have told me about it.
I - I can't remember - yes, no, look, I'm sorry, I - I - I can't remember who first
brought it to my attention.

10 **MS SHARP SC:** You do agree on the basis of your email that you had discussed
the matter with Ms Martin, Mr Houlihan, Mr Power and Mr Theodore prior to
writing this email?

15 **MR WHITE:** Yes. I - I - I don't know if that would - I don't recall whether that
would have been together, separately or - but, yes, I believe I spoke to each of
them about this.

20 **MS SHARP SC:** Now, do you agree with me that there are two unusual features
of this proposal, being firstly that a company cheque was to be used to make a
payment, and secondly, once that payment was made into a front money account,
that it was to be transferred to the front money account of Qin Xiqin?

MR WHITE: I agree.

MS SHARP SC: So both of those aspects of the proposal were unusual?

25 **MR WHITE:** Yes. And that's (indistinct).

MS SHARP SC: And why was the proposal to take payment by way of a cheque
from a company into a front money account unusual?

30 **MR WHITE:** Well - sorry, let me think of that. I - I believe that that was flagged
to me and that it was a company cheque and that that was unusual. But I - I must
admit, I - I can't fully recall. But I think it was brought to my attention as being
unusual because, generally, with - with a company, there's - there are questions
around the - I guess the beneficial ownership or who's behind it becomes - it is
35 harder to know than if it's an individual.

MS SHARP SC: And did The Star have any rules around whether it accepted
payments of front money from companies?

40 **MR WHITE:** I believe so. I believe there was something in the SOPs, but
I - I - I'm afraid I can't remember exactly.

45 **MS SHARP SC:** Well, let's work through this document. You've got a heading
Transaction. Is it right that you had discussed the anti-money laundering
framework position with Marcela Willoughby prior to drafting this email?

MR WHITE: Yes.

MS SHARP SC: Right. And the flow of funds is described as being:

"Cheque from iProsperity Pty Ltd to Mr Gu's account."

5 **MR WHITE:** Yes.

MS SHARP SC:

"Front money transfer from Mr Gu to Mr Qin."

10

And then:

"Once in Mr Qin's account, used to clear outstanding cheque cashing facility."

15

MR WHITE: Yes.

MS SHARP SC: So the idea of this transaction is that money would come from the company iProsperity to pay a debt of Mr Qin in relation to his outstanding cheque cashing facility?

20

MR WHITE: Yes. I believe so.

MS SHARP SC: That's a bit unusual, isn't it?

25

MR WHITE: It is. And that's why I had flagged it to Ms Martin and to Kevin and Andrew who, by this stage, with Skye Arnott being on parenting leave, they were sharing the responsibility of being the AML compliance officer.

MS SHARP SC: Well, my next question is why you were sending it to Mr Houlihan, but that's why, is it?

30

MR WHITE: It is.

MS SHARP SC: And could I take you to the heading AML Programs and SOPs. You refer to The Star's AML program, and you say that third-party deposits into an account are refused unless an authorised representative consents; is that right?

35

MR WHITE: Sorry. Do you mind if I quickly read the - the email? Sorry. Yes.

40

MS SHARP SC: And what you're doing there is pointing out that according to The Star's AML program, there were two features of this transaction that raised potential money laundering red flags; do you agree?

MR WHITE: Yes.

45

MS SHARP SC: And I've mentioned the first one of that, which is third-party deposits. The second one is unusual or unnecessary internal transfers via front money accounts?

5 **MR WHITE:** Correct.

MS SHARP SC: Now, you then continue that:

10 "The proposed transaction will not result in a third-party deposit into a front money account (on the basis that iProsperity is linked to Mr Gu, as he is both the sole director and also a 36 per cent shareholder)."

MR WHITE: Yes.

15 **MS SHARP SC:** But he wasn't the 100 per cent shareholder of that company, to your understanding, was he?

MR WHITE: No.

20 **MS SHARP SC:** Right. Well, is it appropriate to use the funds of companies if you can't be sure that all shareholders in the company consent to the funds being moved to a front money account?

25 **MR WHITE:** That's why we were taking steps to confirm that. The - sorry, I can't see the whole email. But my recollection is that - and I - I say I can't remember who exactly approached me because I can't remember. It was - I believe it would have been credit and collections that approached me, but I can't remember if at that stage it was Adrian Hornsby or Michael Whytcross. But that I had said that
30 basically we needed to do the due diligence on the entity and to get written consent from each of the other shareholders - individual shareholders of iProsperity to the use of the funds - use of company funds to meet a debt of - of the individual director. And the reason why this - this transaction never proceeded was because that consent was never received. And so, therefore, sort
35 of - obviously it was alerted to relevant individuals within the - within The Star, but it actually never took place.

MS SHARP SC: So just to show you the next part of this email, at pinpoint 4763, do you see there's a heading Next Steps? And one of those steps is dot point 2:

40 "Confirmation from individual shareholders in iProsperity Pty Ltd (other than Mr Gu) that Mr Gu has authority to use company funds to meet his personal expenses."

MR WHITE: Yes.

45

MS SHARP SC: Now, it's right, isn't it, that nobody told you at this time that this transaction should not proceed?

MR WHITE: No.

5 **MS SHARP SC:** And on the contrary, isn't it the case that steps were taken to see if the other shareholders would agree to payment on the account of iProsperity being made to the casino's front money account?

MR WHITE: I - I believe so, yes.

10 **MS SHARP SC:** Could I show you IPR.001.053.7624. I'm not suggesting you're a party to this email, but do you see at the bottom there's an email from Andrew Chen to Michael Gu dated 30 June 2020?

MR WHITE: Yes.

15 **MS SHARP SC:** And that's at a time following the advice that you gave that I've just taken you to?

MR WHITE: Yes.

20 **MS SHARP SC:** And, Mr Bell, this is exhibit B2470. And do you see Mr Chen says to Mr Gu:

25 "Please provide the following: individual shareholders in iProsperity aside from you to provide a signed letter (either to The Star or iProsperity) in the form attached, and a copy of photo identification."

MR WHITE: Yes.

30 **MS SHARP SC:** Now, do you think that's a prudent approach to send a request to the person who wants the front money to verify that the other shareholders in the company consent?

MR WHITE: No.

35 **MS SHARP SC:** It's - I withdraw that. Could I take you, please, to IPR.001.053.7625. And do you see - you can assume from me this is the document that was attached.

MR WHITE: Yes.

40 **MS SHARP SC:** And you see it's a pro forma letter which is sent to Mr Gu to have other shareholders sign it and say they confirm that the company's funds can be used to be transferred into Mr Gu's front money account?

45 **MR WHITE:** Yes.

MS SHARP SC: Do you think that's a very effective safeguard to ensure that the funds of the company are not improperly used?

MR WHITE: I - look, I'm - I'm sorry, I haven't really considered that.

5 **MS SHARP SC:** I'm not - to be clear, I'm not suggesting you saw this document at the time, Mr White. You gave the advice that someone should check with the shareholders. Now, I'm showing you what step was taken to check with the shareholders, and I'm asking for your opinion. Do you think this was an effective safeguard?

10 **MR WHITE:** I - I - I think potentially, but I can see that - in that - for a small proprietary company where the shareholders all knew each other, I - I - I think that potentially it could be appropriate. But I take it - I - I sort of can see that additional steps would potentially also be relevant, possibly. I'm - I'm - sorry, I'm - I'm speculating there, sorry.

15 **MS SHARP SC:** Well, in your opinion, are there any risks associated with trying to confirm shareholder consent this way?

20 **MR WHITE:** I'm - I'm - I'm sorry. I - I - I'd need some time to reflect on that, sorry.

MS SHARP SC: Do you really need time to reflect on that?

25 **MR WHITE:** I just need to - I - I'd - I'd need to think, sorry, about the risks associated. But I could see that if that was - you know, that, I guess, you - it - it potentially could be subject to undue pressure from the sole director, although, again, the - yes, look, I'm - I'm sorry, I'm just --

30 **MS SHARP SC:** You agree that there's no step in that process where any representative of The Star independently verifies that a shareholder consents to the company's money being used to go into Mr Gu's front money account?

MR WHITE: Sorry. That - yes. Sorry.

35 **MS SHARP SC:** That's an obvious risk, isn't it?

MR WHITE: It is. Yes.

40 **MS SHARP SC:** Can I --

MR WHITE: We should - we should be - that if this had happened, it would have been that the - and that - and that the relevant shareholders should have identified themselves as well to the licensed team member so that their ID could be KYC'd properly and things like that, yes.

45 **MS SHARP SC:** Right. And I want to be clear with you: this transaction did not go ahead; you understand that, don't you?

MR WHITE: That's my understanding, yes.

MS SHARP SC: All right. But this was the step that The Star took when the transaction was being pursued?

5

MR WHITE: Correct. Sorry. That - that's what it appears to be, yes.

MS SHARP SC: Can I take you now to exhibit B896, which is STA.3403.0002.0683.

10

MS RICHARDSON SC: Mr Bell, if we are moving to a different topic, I note it's quarter to 12 and we haven't had a morning tea break.

MR BELL SC: Yes. In view of all of the interruptions we have had this morning, I will just take a break for 10 minutes now.

15

<THE HEARING ADJOURNED AT 11:47 AM

<THE HEARING RESUMED AT 11:59 AM

20

MR BELL SC: Yes, Ms Sharp.

MS SHARP SC: Can I take you to a new document now. This is exhibit B896. This is not your document, but I wish to confirm one aspect of it with you. Could I take your attention, please, to point 3 at 3(a) and (b). And just to give you some context, this is part of the review by KPMG of The Star's AML/CTF program. And what this note, from a KPMG partner, refers to at point 3(a) is that KPMG is or was to check with you regarding the performance of a money laundering/terrorism financing risk assessment of its junket arrangements; and 3(b), that KPMG was to meet with you to understand your role, responsibilities and involvement in junket arrangements. Now, did KPMG have a meeting with you about your involvement in junket arrangements?

25

30

MR WHITE: I - I - I'm afraid I can't remember. I - I - I think so, but I really - I'm sorry, I - I can't remember.

35

MS SHARP SC: I might show you another document in that case. Could I call up exhibit B, tab 1027, which is KPMG.001.001.1779. And again, this is not your document, but I will use this to see if it assists with your recollection. You see this is a letter from KPMG to Tarnya O'Neil at The Star dated 6 August 2018?

40

MR WHITE: Yes.

MS SHARP SC: Could I now take you, please, to page 5 of that document. And do you see there's a heading Meeting 19 June 2018?

45

MR WHITE: Yes.

MS SHARP SC: Can you see that in the second-last paragraph underneath that heading, it says:

5 "KPMG met Oliver White on 3 July 2018 to clarify its understanding about junkets."

MR WHITE: I can see that.

10 **MS SHARP SC:** All right. So you agree, don't you, that you did meet with KPMG to discuss junkets?

MR WHITE: Yes, it appears so.

15 **MS SHARP SC:** Was that meeting between KPMG and you because you were the legal representative with the expertise in junket operations at The Star?

20 **MR WHITE:** Possibly. I think it was because I was the main legal - I provided the main legal support to the international rebate business - or that - that's - that's my assumption.

MS SHARP SC: And what legal support did you provide to the international rebate business in relation to junkets?

25 **MR WHITE:** Well, I - I certainly assisted with drafting of overarching agreements. I assisted with any changes that were made to the standard form junket agreements. I also took part on the --

MS SHARP SC: We can take that down now, operator. Thank you.

30 **MR WHITE:** Sorry. Junket and compliance monitoring meetings, and arranged the regular catch-up calls together with, sort of depending on availability, Paula Martin, Paul McWilliams whilst he was the chief risk officer and Kevin Houlihan, with the third-party provider, [REDACTED], for sort of providing periodic, I guess, sort of updates on matters that may be of interest to The Star.

35 **MR BELL SC:** Operator, can you please delete the name of the individual referred to by Mr White from the live feed. Are you able to do that, operator?

40 **OPERATOR:** Yes, Mr Bell. We are able to do that.

MR BELL SC: Thank you.

45 **MS SHARP SC:** And did you have any role at all, Mr White, in terms of assessing the risks that junkets might present to The Star?

MR WHITE: I - I - I suppose I played a role in the reputational risk assessment, but not - I - I don't recall - well, I don't recall having an active role in assessing junket applications and that type of thing, although there - there was a process set

up, certainly for a period of time, where if an urgent application was made for a junket representative or a junket promoter, that I would liaise with the third-party service provider to seek urgent clarification on any potential criminal or other reputational issues.

5

MS SHARP SC: And why is it that you would liaise with the third-party provider?

10 **MR WHITE:** I'm not sure I recall. It just became part of my duties that was handed to me by Michael Anderson when I sort of first commenced. I - it - it may be because there was a thought of there being some form of legal privilege as well if it was through a lawyer.

15 **MS SHARP SC:** Yes. Well, I wanted to ask you about that. As a matter of course, when you engaged with third-party providers, were you, in fact, requested by anybody to provide legal advice about anything?

20 **MR WHITE:** Well, I - I - I - I - I'm - I - I must admit I can't remember any specific examples, although I'm sure there were questions around sort of reputational matters.

25 **MS SHARP SC:** Is it possible that the reason why you engaged third-party providers was to cloak the report of the third-party provider in legal professional privilege?

MR WHITE: I - I'm not sure that the intention was to cloak it. But I - I guess if it - there was, I suppose, the potential for legal - legal professional privilege if it came through a lawyer.

30 **MS SHARP SC:** Did you mark your communications with the third-party providers as being confidential and privileged as a matter of course?

MR WHITE: I suspect so, yes.

35 **MS SHARP SC:** And is that the case even where you had not been requested to provide legal advice to anybody?

MR WHITE: I - potentially, yes.

40 **MS SHARP SC:** Do you understand that you can't claim legal professional privilege over every document you create simply because you are a lawyer?

MR WHITE: I do.

45 **MS SHARP SC:** Do you agree it would be unethical to write "privilege" over documents which you did not understand to be required because you were providing legal advice about them?

MR WHITE: I'm - I'm - I'm not certain as to whether it's unethical to put "privileged" on it if you might wish to sort of consider it later, whether it is privileged or not. But I - I take your point, that if you put it on without thought, that that is not necessarily appropriate conduct.

5

MS SHARP SC: Did anyone instruct you to write "privilege" on each of your communications with third-party providers?

MR WHITE: I know that that was certainly how - when I - when I was given that role, that that what I was instructed by Michael Anderson at the time, yes. Sorry. That is my recollection. I - it's a very long time ago. But when I was given that role by Michael, I believe that - that's my recollection of - that he said, "You should seek them under - under professional privilege."

MS SHARP SC: Did you play a role in assessing the risks that particular junkets presented, be they risks of criminal infiltration or risk of money laundering or otherwise?

MR WHITE: Certainly I would have played a role, together with the relevant risk team, and potentially other members of the legal team, yes.

MS SHARP SC: Now, you are familiar with a junket by the name of Suncity, are you?

MR WHITE: I am.

MS SHARP SC: And you're familiar with Alvin Chau?

MR WHITE: I am.

30

MS SHARP SC: And do you understand that Alvin Chau is the financial backer of the Suncity junket?

MR WHITE: That was my understanding, yes.

35

MS SHARP SC: And that has been your understanding since at least the beginning of 2018, has it?

MR WHITE: Yes.

40

MS SHARP SC: Did you understand at the beginning of 2018 that Suncity was one of The Star's largest junkets by measure of turnover?

MR WHITE: I - I certainly knew that they were considered, I think, the most important customer of the - sorry, not Suncity junket, but the associated individual junket operator and Mr Chau would have been considered the - I think, the number one customer of The Star.

45

MS SHARP SC: And how did you reach that understanding?

5 **MR WHITE:** I think - it's hard to point to any specific thing, but that was, I think, conveyed to me by the business and it may have - I know that there were, at times, a top 20 customer list, but I can't remember if he was number one always or not.

10 **MS SHARP SC:** I've noticed a number of times in your answers you use the expression "the business". Who are you referring to when you refer to "the business"?

15 **MR WHITE:** I - I - I guess it - well, it's - I guess it depends on potentially who. But in this instance, I think I'm referring to mainly the credit and collections and international rebate business. And in terms of who within that, as in, who within the hierarchy or structure, that - that did change over time. So - but I - I guess my - my main day-to-day interactions were with, say, Adrian Hornsby from the credit and collections team, and then probably latterly with Michael Whytcross, who was also supported the international rebate business.

20 **MS SHARP SC:** How long did he support the international rebate business?

MR WHITE: I - I'm afraid I - I don't know exactly. I - I can't remember exactly when he started.

25 **MS SHARP SC:** Well, I might put it this way: did he start supporting the international rebate business before he moved from Hong Kong to Australia?

MR WHITE: I believe so. That would have been my understanding, yes.

30 **MS SHARP SC:** I take it you're aware that Salon 95 was made available for the exclusive use of the Suncity junket in 2018 and 2019?

MR WHITE: Yes.

35 **MS SHARP SC:** What involvement, if any, did you have in Suncity while it was made available for the - I withdraw that. What involvement, if any, did you have with Salon 95 during the period it was made available for the exclusive use of the Suncity junket?

40 **MR WHITE:** I - I - I had some involvement, so it - it - it's probably difficult to summarise it briefly. But I - I was involved - I was certainly copied in at times on some of the correspondence relating to its - the - the preparation of the room. And then I was certainly involved at times in matters relating to the operation of that room from time to time as well, yes (indistinct).

45 **MS SHARP SC:** And for what purpose were you involved in the operation of that room?

MR WHITE: Sorry, I shouldn't say I was - I was - I would have provided legal input on questions arising in relation to that room.

5 **MS SHARP SC:** Could I take you, please, to exhibit B705, which is STA.3412.0019.5757. And do you see I'm taking you to an email - I will take you to the bottom of the page, if I can. Do you see there's an email from Saro Mugnaini to you dated 28 March 2018?

10 **MR WHITE:** Yes.

MS SHARP SC: And do you see that Mr Mugnaini says:

"Legal advice required."

15 **MR WHITE:** Yes.

MS SHARP SC: And it's right, isn't it, that he is advising you of the outcome of his meeting with Suncity representatives the previous day?

20 **MR WHITE:** Yes.

MS SHARP SC: What legal advice were you providing to him at that time?

25 **MR WHITE:** Well, I - I believe if we were to look at the remainder of the email that it was that - what's the date of this? Probably two weeks prior to this, I had advised that there should be no cash transactions taking place at the service desk within Salon 95. And I believe, here, he was asking me to reconsider my previous legal advice as to whether there could be a way for - sorry, a legal way for Suncity to handle cash at the service desk.

30 **MS SHARP SC:** Why was it that you considered that Suncity should not operate a cage in Salon 95?

35 **MR WHITE:** Because - I'm sorry. I may - I may paraphrase this very badly, but that - amongst other things, was that that would potentially be them engaging in casino operations for which they weren't licensed and that the casino operator was the only person permitted to do that. So that was - that was certainly, from my recollection, sort of one of the key issues to be considered here. I think - I believe there were also AML - potential AML concerns as well.

40 **MS SHARP SC:** During the course of 2018 and 2019, were you made aware of any concerns in relation to transactions occurring in Salon 95?

45 **MR WHITE:** I was.

MS SHARP SC: Can you tell us about that, please.

MR WHITE: So shortly after - sorry, if - I will - I will try and remember this as best I can. So shortly after the email that's on screen, I liaised with the AML team to undertake a risk assessment as to whether it would be possible for - I will say Suncity, even though I guess, strictly speaking, it was the Iek junket, but for
5 Suncity to lawfully have any cash transactions within Salon 95. And for example - sorry, so - and then the AML team, I believe - or my recollection is that the AML team said that would be possible. I also recall that I sought external legal advice in relation to that as well and had provided that to the AML team for their
10 consideration. The AML team then came up with a series of recommendations as to what was permissible for Suncity to undertake at the service desk, and I certainly provided some input on that to make sure it was consistent with the external legal advice that we'd received.

15 Shortly after that started - and I can't remember the - the exact details, but I believe I became aware that Suncity was not operating in accordance with the stipulations that the AML team had put together. And I - I must admit, the exact timing, I'm not - I - I can't remember exactly, but I believe that at that stage, there was - I'm sorry, I can't remember the exact timing here and I get a little bit confused around
20 that, but that a warning letter was issued and that the ability to use the service desk for cash transactions was suspended for a period of time whilst a more fulsome set of standard operating procedures was put in place and training was provided on that.

25 And then I think subsequent - even subsequent to that, further transactions that weren't - that were inconsistent with those SOPs were discovered and a second final warning letter was issued. And then subsequent to that, I - I - I don't recall being made aware of any issues until probably - I can't remember exactly when, but some time in 2019 probably - it might have been May or June. I - I - I can't
30 remember the specific date off the top of my head.

MS SHARP SC: Just going back to the second warning letter that was issued, what was your view about that being issued?

35 **MR WHITE:** I felt that that was extremely weak and that we'd already given them a final warning letter and subsequently had provided detailed training. Apparently - sorry, to my recollection, that had been provided not just in English but also in the native language of the relevant representatives as well. And I felt that at that stage, there couldn't really be any excuse for not understanding. But my
40 recollection is that we were instructed by the business that a second warning letter would be issued.

MS SHARP SC: And who was it in the business who instructed you of that?

45 **MR WHITE:** My recollection is that Greg Hawkins was the most senior person - or the senior representative of the business who was providing instructions on this.

MS SHARP SC: Did you make anyone aware of your view that it was a weak response?

5 **MR WHITE:** Yes, I think - sorry, I - I can't recall exactly, but I'm pretty certain that that was discussed with other members of the legal and risk team and the regulatory team at the time, thinking that it was a weak response. And I'm pretty sure we would have discussed that with Paula Martin as well.

10 **MS SHARP SC:** And which other members of the team?

MR WHITE: Certainly with Andrew Power, and he was very firmly of the same view as well.

15 **MS SHARP SC:** And, what, that this was a weak response?

MR WHITE: Correct.

MS SHARP SC: Did you discuss it with Skye Arnott at the time?

20 **MR WHITE:** I can't remember, because I think at that stage it was that Micheil Brodie was still the main AML/CTF person. And I - I don't specifically remember it, but I'm pretty sure it would have been discussed that - with Micheil as well.

25 **MS SHARP SC:** And what view, if any, did Micheil Brodie convey in relation to your suggestion that it was a weak response?

30 **MR WHITE:** I'm afraid to say I - I don't recall specifically. I'm - I think - sorry, my general remembrance from that time is that pretty much everybody in legal, risk and compliance was - thought it was not the appropriate response.

MS SHARP SC: Does that include Ms Martin, to the best of your recollection?

MR WHITE: Look, I - I would say yes, but I - I must admit I can't fully recall.

35 **MS SHARP SC:** Now, you said you became aware of further matters in May and June 2019. Could you tell us about that, please?

40 **MR WHITE:** Sorry, I - I may have the dates wrong on that. I - I can't be exactly certain. It may - it may be July. I'm sorry. Without referring to the emails, I - I can't be sure as to the dates. I know it was some time around the middle of 2019. And I can't - I don't know if I was actually ever across the detail as opposed to I heard that there had been another breach of the SOPs in Salon 95. Just - just to sort of provide a bit of detail on that was that - my recollection is that the investigations team would have been the people who - who were looking into this, and the investigations team reported to Andrew Power - or through Kevin Houlihan to Andrew Power. And my interactions with them, particularly The Star Sydney investigations team, was quite - was more limited. I - I would deal with

45

them from time to time, but it wasn't sort of a key group of people that I dealt with on a day-to-day basis.

5 **MS SHARP SC:** So do I understand that you were made aware of another breach by members of the investigation team?

10 **MR WHITE:** I don't - I think it was - I probably would have become aware of it more from Andrew Power, but I - I - I'm sorry, I can't remember - I can't recall exactly. It's - it's not a sort of exact recollection.

MS SHARP SC: And were you made aware that there was one breach or more than one breach?

15 **MR WHITE:** I'm afraid I don't recall the detail at this stage.

MS SHARP SC: And did you have any involvement at all in Salon 95 in 2019?

20 **MR WHITE:** I - I can't recall exactly. I - I think subsequent to that, there was a - there were certainly - I'm sorry. Again, my recollection - and I can't be exactly certain here. My recollection is that following the disclosure, for want of a better word, of another breach, that there was a working group that was coming together to sort of say, "Well, this hasn't worked, there needs to be further - if - if we're not going to terminate," which, again, I'm not sure that - I think given the previous response, the expectation was that it wouldn't necessarily be terminated, but that 25 there was a working group to work out what could be done to strengthen controls, including more constant monitoring and closer supervision, but that that never proceeded on the basis that at that point in time Suncity closed down their - their - certainly the - the service desk and were moved out of Salon 95 following that. That's - that's sort of my recollection. I may have the time - I may 30 have the dates slightly incorrect, I'm sorry.

MS SHARP SC: So to your understanding, did Suncity close down the arrangement with Salon 95, or did The Star close down the arrangement with Salon 95? 35

MR WHITE: I know - I know - sorry, I - I - I wasn't party to that. My understanding was that there were discussions and that Suncity agreed to close down the service desk in Salon 95. I don't know whether that was at our prompting or whether they volunteered that. I'm afraid I don't - I - I certainly wasn't involved 40 in that process. I was probably - I believe I was forwarded emails that had that in it. So I can't recall exactly the detail, I'm afraid.

MS SHARP SC: So who, if any, do you say was the lawyer or lawyers who were most closely involved in Salon 95 in 2019? 45

MR WHITE: Are we - are we talking prior to the - this, or are we talking about - certainly, in that - in that period of time I was talking about, Andrew Power was across it and I was across it. I don't believe any other lawyers were.

Micheil Brodie was across it. I can't recall whether Skye Arnott was across it. She probably was as well. I - I - I can't exactly recall.

5 **MS SHARP SC:** And you mentioned a working group was convened. Who was in that working group?

10 **MR WHITE:** The - the people - and again, I - I can't be absolutely certain, but I believe it would have been Micheil Brodie, Andrew Power, myself, Graeme Stevens, possibly Skye Arnott - I'm not absolutely certain about Skye because I think Micheil might still have been managing - sort of the AML/CTF representative within that working group. And, sorry, did I say Kevin Houlihan as well? Because I'm pretty sure he was involved in that as well.

15 **MS SHARP SC:** Was Paula Martin involved?

MR WHITE: Not in the working group. But the working group was reporting to Paula Martin, because at that stage she had just taken on the - or sorry - again, I may have the dates slightly wrong, but I believe that she had just become the chief - chief legal and risk officer, so her area of responsibility had expanded.

20 **MS SHARP SC:** And, sorry, what exactly was the purpose of the working group?

25 **MR WHITE:** Well, I think initially it was to consider what could be done in - in relation to the service desk in Salon 95, had it continued. But I believe that shortly after that - and again, I'm - I'm sorry, the timing - I - I may have my timing out of whack here. But my recollection is that once it became clear that the - the service desk was closed down, I believe it was then - the same individuals sort of rebadged the - I - I can't remember the title now. There was a title given to - to that. Maybe - I want to say maybe the improvement team, but that could be
30 incorrect.

MS SHARP SC: And during the time you were in this working group, before Suncity moved out of Salon 95, were there concerns that incidents of money laundering had taken place within Salon 95?
35

MR WHITE: I - I - I can't remember the details, but I believe - I believe so, yes, because I - I believe that would have been the - the initial concern. But I - I'm afraid I can't be certain.

40 **MS SHARP SC:** Was that a fairly significant concern to you, Mr White?

MR WHITE: Yes. Although, again, I - I - yes. Sorry, yes.

45 **MS SHARP SC:** And did you have a view about the appropriateness of Salon 95 being given to Suncity for its exclusive use in 2019?

MR WHITE: So my - personally, I - I believe we should have stuck with my - sorry.

MS SHARP SC: Can we have a five-minute adjournment?

MR BELL SC: Yes, we will adjourn.

5

MS SHARP SC: Thank you.

<THE HEARING ADJOURNED AT 12:32 PM

10 **<THE HEARING RESUMED AT 12:41 PM**

MR BELL SC: Yes, Ms Sharp.

15 **MS SHARP SC:** Mr White, did you have a view about the appropriateness of Suncity continuing to have exclusive access to Salon 95 in 2019?

20 **MR WHITE:** I think the issue was - or I - I believe the issue was to do with the - the service desk as - as opposed to necessarily exclusive access to a salon. But my - my concerns - I think - sorry, my personal view is that we - I - I should have done more or tried harder to maintain the position - sorry.

MS SHARP SC: Take your time.

25 **MR WHITE:** To maintain the position that there should have been no cash transactions by Suncity in Salon 95.

MS SHARP SC: Did you make that view known to anybody?

30 **MR WHITE:** And I think this is probably my failure as I'm - I'm sure I discussed it with people, but did I sufficiently escalate it as a - a - sort of a super concern? I - I - I don't - I can't specifically remember having done so, although I think - I - I - I say this: I think everyone was aware. I think from the subsequent developments, that that became - that that was apparent to senior management of The Star - sorry, I - maybe I should say at least to those who were making
35 decisions regarding the responses to Suncity's breach - breaches of the controls we put in place for the use of the service desk.

40 **MS SHARP SC:** So to your observation, did any other member of the working group cease to escalate the matter?

MR WHITE: No, I - I - I believe that the - the working group - that senior - sorry. I'm getting myself a bit confused here, sorry. Please could you restate the question?

45 **MS SHARP SC:** Yes. To your observation, did anyone else in the working group escalate the concerns about the conduct at the service desk in Salon 95 in 2019?

MR WHITE: Sorry, I think - I believe that senior management were aware of the - of the concerns regarding conduct in Salon 95 in 2019.

5 **MS SHARP SC:** And when you say "senior management", who are you referring to?

MR WHITE: Well, I would - certainly Greg Hawkins, and - and - and Paula was - would have known about this, and I'm - I - I'm certain that Andrew Power, who would have been the initial person to find out about the continuing issues in Salon 95, would have - have escalated it to Paula Martin as well.

10 **MS SHARP SC:** Did you personally feel any kind of pressure from the business or anyone else in your legal team not to further escalate concerns about the operation of the service desk in Salon 95?

15 **MR WHITE:** I'm - I'm - I'm sorry. In - in - sorry. In terms of escalating it to - to whom, sorry?

20 **MS SHARP SC:** To escalating it to senior management and make a recommendation that Suncity ought not operate this service desk in Salon 95?

MR WHITE: I - I believe that - that - that - I don't know, but I'm - I - I'm pretty sure that Andrew Power would have escalated his concerns, and I'm - I'm - I know that Paula Martin was - was aware of this, and my expectation is that Paula would have also raised her concerns in relation to this.

25 **MS SHARP SC:** What held you back from doing more about it at the time?

MR WHITE: Well, I - in some ways I - I felt that I had done what I could in terms of, you know, escalating it to senior members of the legal team who were also aware of this and - I'm - I'm sorry. I'm - I'm not sure I - I'd need to consider that question further to be able to answer properly.

30 **MS SHARP SC:** Well, did you feel there was any pressure coming from elsewhere in the business to continue Suncity - to continue operating the cash desk, notwithstanding the concerning transactions occurring in Salon 95?

MR WHITE: Yes. Definitely.

35 **MS SHARP SC:** And did that pressure come from anyone in particular, Mr White?

MR WHITE: I - I can't think of any specific individual, but it - it - it was more - the approach of everybody you dealt with in the business. Sorry, when I say "the business", I'm meaning the IRB team and - and - and in - in terms of certainly the - certainly - sorry, my recollection is that the - the - the most senior person in that space would have been Greg Hawkins that was - but it wasn't - for

me, it wouldn't have been interacting with Greg Hawkins. But that was - I'm sorry, that's - it's a bit muddled, but that's my recollection.

5 **MS SHARP SC:** Now, could I show you a document, please, Mr White, which is exhibit C, tab 78, STA.3427.0037.3869. Now, I'm taking you to an email. Do you see it's sent by Angus Buchanan to Ms Martin, Mr Houlihan and yourself, dated 12 June 2019?

10 **MR WHITE:** I do.

MS SHARP SC: And do you see it attaches the Hong Kong Jockey Club report?

MR WHITE: I do.

15 **MS SHARP SC:** I take it you remember receiving this email?

MR WHITE: Yes.

20 **MS SHARP SC:** And I would just like to understand the sequence of events here. Did you receive this email after being made aware that there were concerning cash transactions in 2019 in Salon 95?

MR WHITE: I - I can't remember, I'm sorry, in terms of the - the exact timeline.

25 **MS SHARP SC:** Did this email come out of the blue for you, or were you expecting to receive it?

30 **MR WHITE:** Again, I - I can't remember the exact timing. Angus Buchanan had joined - must have joined The Star around about this time, is my recollection.

MS SHARP SC: And you see that the email refers to Suncity?

MR WHITE: Yes.

35 **MS SHARP SC:** And you see it refers to "my intelligence team" - "the report of my intelligence team"?

MR WHITE: I do.

40 **MS SHARP SC:** May we take it you read this report at the time it was emailed to you?

45 **MR WHITE:** I - I - I know I've read the report, but I can't remember the - the timing of when I read it, I'm afraid.

MS SHARP SC: Well, do you think it's most likely you read it at about the time Mr Buchanan sent it to you?

MR WHITE: Possibly. I - I'm - I'm sorry, I really can't remember. I - I - I know I read it and that, to my recollection, I believe I also discussed it with Skye Arnott, but that - I can't remember the timing of that, I'm sorry.

5 **MS SHARP SC:** May we take it you read it closely when you did read it?

MR WHITE: I - I - I can't remember if there were appendices, which maybe I might not have read, but I certainly - I believe I read the main body of the report.

10 **MS SHARP SC:** What was your reaction when you read it?

MR WHITE: I - I - I'm - I'm sorry, I actually can't remember specifically - yes, I - I - I'm sorry, I - I can't remember.

15 **MS SHARP SC:** Well, I want to understand this in a bit more detail. It's right that this report contained important information about the junket you understood to be one of The Star's largest?

MR WHITE: Yes.

20

MS SHARP SC: Well, did the information in this report trouble you in any way?

MR WHITE: I'm - I'm - I'm sorry, I'm having a bit of a mental blank about the - the report now. I'm - I'm very sorry.

25

MS SHARP SC: Well, that's okay. I will take you to the report. But just before I take you there, do you see that Mr Buchanan says:

30 "It is a comprehensive report and was prepared due to the potential threat Suncity posed/poses to the integrity of racing in Hong Kong."

MR WHITE: I do.

35 **MS SHARP SC:** Right. And you would have read this cover email at the time?

MR WHITE: I'm - I'm sorry. I can't remember if I did read it at that time, but it's likely I did, yes.

40 **MS SHARP SC:** And what did Mr Buchanan tell you was his involvement with the report?

MR WHITE: I - I - I'm sorry, I - I can't remember.

45 **MS SHARP SC:** Did you understand that the report was in some way connected with him?

MR WHITE: I believe so, yes.

MS SHARP SC: Can I take you to the first part of that report. If I take you to part C, tab 79. And this is STA.3427.0037.3870. Now, what I'm showing you is a page which is signed off by Martin Purbrick, who at the top is identified as the director of security and integrity, and it's dated 20 April 2018.

5

MR WHITE: I see that, yes.

MS SHARP SC: And I will ask you not to mention anything in the blue shaded section because that's confidential, okay? But can you just read to yourself what's in that confidential blue section, please.

10

MR WHITE: Sorry. Am I reading the whole page or just, sorry, the blue --

MS SHARP SC: No, just that blue paragraph.

15

MR WHITE: Sorry.

MS SHARP SC: But just to yourself.

20

MR WHITE: Yes.

MS SHARP SC: Now - then I'll take you to the paragraph underneath that where it's stated:

25

"Suncity clearly involves a number of criminal enterprises, although the business lines are so diverse that these are well hidden in more obscure legitimate businesses. Given the known criminality and also the known background of the main principals in triad societies, we continue to see Suncity as a threat to the club."

30

Now, surely this sentiment stuck in your mind, Mr White?

MR WHITE: Yes. I'm - I'm - I'm sorry. I'm - I'm struggling to clearly recall, but that - sorry, let me just refocus. Yes, I'm sure that would have stuck in my mind.

35

MS SHARP SC: Because this was information being provided about the biggest junket with which Star dealt at the time?

MR WHITE: Yes.

40

MS SHARP SC: Surely the receipt of this report was a bombshell, wasn't it?

MR WHITE: I - look, I - I - I'm - I'm sure it was at the time. I'm sorry, I'm - I'm struggling now to recollect exactly the sequence of events in - in 2019. I'm sorry.

45

MS SHARP SC: Well, I will just take you - I won't take you to very much of this report, but there are a few matters I want to draw to your attention, please. If I can call up exhibit C.STA.34 - I beg your pardon. Wrong exhibit. Exhibit B710. And

if I could go, please, to pinpoint 003. Do you see there's an executive summary there, Mr White?

MR WHITE: Yes.

5

MS SHARP SC: Just with paragraph 2, do you see it refers to Mr Chau - Alvin Chau - and says he is:

10 "Suncity Group is one of Macau's largest VIP junket operators and was founded by Alvin Chau."

MR WHITE: Yes.

MS SHARP SC: And do you see it states:

15

"He is alleged to be a member of the Macau faction of the 14K triad society."

MR WHITE: I see that.

20 **MS SHARP SC:** And it's also said:

"It is suspected the Suncity Group also has connections to Charles Heung Wah Keung, a senior office bearer of the Sun Yee On triad society."

25 **MR WHITE:** Yes.

MS SHARP SC: And do you see in paragraph 3, it says:

30 "Cheng Ting Kong is Alvin Chau's major business partner."

MR WHITE: Yes.

MS SHARP SC: And it says:

35 "Cheng and Alvin Chau have 11 common directorships in Hong Kong."

MR WHITE: Yes.

40 **MS SHARP SC:** So it is unequivocally asserted that Alvin Chau is a business partner of Cheng Ting Kong; do you agree?

MR WHITE: I agree.

MS SHARP SC: And do you see it also says in that paragraph:

45

"Cheng is believed to be a member of the 14K triad society in Hong Kong. Intelligence sources report that Cheng is involved in illegal bookmaking, drug trafficking and large scale money laundering activities."

MR WHITE: I see that, yes.

5 **MS SHARP SC:** Well, surely this information about Alvin Chau and his business partner was of extreme concern to you at the time?

10 **MR WHITE:** Yes. And I - I'm sorry, my recollection is that I - when I had read it, I had discussed it with Skye Arnott. But I - I can't remember exactly the timing on that. I'm - I'm sorry about that. And - I think that's right, and I was looking to see what the substantiation was of the - because I - I - I - again, sort of, I guess, the language is "it is alleged", but it - it - so - but I - I - I do agree that this - this was something that I saw as important and - and flagged it - or - or at least had discussed it with Skye Arnott. I just can't remember when exactly that was. And I was also aware that Paula Martin had also received this report as well. So, yes.

15 **MS SHARP SC:** Well, I will come back to Paula Martin. But just for the moment, what did you discuss with Ms Arnott about this?

20 **MR WHITE:** About - well, about these allegations.

MS SHARP SC: Well, about this report?

25 **MR WHITE:** Sorry, I - that's correct. But it was to understand sort of the - with the allegations and the beliefs asserted. My recollection is as to whether that was sort of sufficient to consider - and I - maybe - I may be saying this correctly, but certainly whether that was something that needed to be considered in the context of the AML risk rating of Mr Chau.

30 **MS SHARP SC:** So did you suggest to Ms Arnott that Alvin Chau's risk rating needed to be considered?

35 **MR WHITE:** I - I - I don't know if I said that his risk rating needed to be considered. I - I believe I would have said the report needs to be considered in the context - in - in - in the context of - of Mr Chau and his AML rating.

MS SHARP SC: And were your concerns about the report in any way allayed following your discussion with Ms Arnott?

40 **MR WHITE:** I - I - I'm afraid I can't recall. I think - no, I - I just can't recall, I'm sorry. I know - I know we discussed it, but I - I can't remember. I'm sorry.

MS SHARP SC: Did you discuss this report with Ms Martin?

45 **MR WHITE:** I think I - I must have done, but I - again, I can't specifically remember having done so, I'm sorry.

MS SHARP SC: And did you discuss it with Mr Power?

MR WHITE: I'm - again, I can't remember any specifics, but - sorry, I - I can't - I can't recall, I'm sorry.

5 **MS SHARP SC:** You see, it just doesn't appear that on around 12 June 2019 or in the month thereafter anything really changed. Are you able to tell us what reaction there was within the working group and the people you knew who knew about this report?

10 **MR WHITE:** I - I'm really sorry. I - I - I can't - I just can't remember. But - I mean, I - look, it - it eludes me as to the - the exact timing in relation to this. Yes. Sorry.

15 **MS SHARP SC:** Did you consider this report to contain important new information about Suncity and Alvin Chau?

MR WHITE: Yes, because I don't believe I was previously aware of - I - I - I'm not sure that I was previously aware of the issues surrounding - certainly the alleged issues surrounding Cheng - Cheng - Cheng Ting Kong. But - and - and, look, the - the problem I'm getting now is that I can't recall - even though I agree with you entirely that this was super important, I - I can't recall whether I did look at this when it arrived in late June or whether I may have only looked at this after I returned from holiday in July when - at the same time the Crown Uncovered exposé occurred. And so, therefore, I - I - I'm now not certain as to whether the first time I read this was probably more in the context of all of that media and then everything that spiralled out of that and the - there was lots of conversations around Alvin Chau and Suncity occurring at that time.

30 And so I - I'm - I'm sorry, I'm just a little confused as to the - as to my exact timing on this. And - and I have to admit that I think it's quite likely that I didn't read it the moment I received it simply because - whilst I fully appreciate with hindsight that this should have been a top priority, I - I just don't recall whether it was my top priority at the time and/or whether there were other matters which occupied my time and that I said, "I'll - I'll - I must get to that," and that by the time I did get to that, things had moved forward in terms of then there was the media allegations, etcetera.

MR BELL SC: Ms Sharp, I think I will now take the luncheon adjournment and I will resume at 2 pm.

40 **<THE HEARING ADJOURNED AT 1:04 PM**

<THE HEARING RESUMED AT 2:00 PM

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

MS SHARP SC: Now, may we take it you closely followed the media allegations that were aired from late July 2019 in relation to Crown Casino?

MR WHITE: Yes, I - I believe I read them as they were published.

MS SHARP SC: And did you watch that 60 Minutes broadcast about Crown Casino?

5

MR WHITE: I can't recall whether I - I did or didn't, or whether I - I - I can't remember, I'm sorry.

MS SHARP SC: Well, the legal team were required to provide certain advice to the business about the allegations made against Crown at that time, weren't they?

10

MR WHITE: Yes.

MS SHARP SC: And did you play any role in that?

15

MR WHITE: I provided information and support to the team that was pulling that together.

MS SHARP SC: All right. So do you expect you would have acquainted yourself with what the media articles and broadcasts were at the time?

20

MR WHITE: I - I believe so, yes.

MS SHARP SC: So it's most likely you did watch that exposé in 60 Minutes at about the time it was broadcast, given that that was one of the principal sources of the media allegations?

25

MR WHITE: I'm - I'm sorry, I - I - I can't remember watching the television show. I'm sorry.

30

MS SHARP SC: Well, surely you took the time to view it if you were assisting the business provide advice about the media allegations?

MR WHITE: As - I - I just - I - I can't recall. I'm - I'm - I - I could well have watched it, but I - I can't recall particularly watching it, I'm sorry.

35

MS SHARP SC: All right. Well, did you know one of the media allegations made on and from 28 July 2019 was that a secret report had been obtained from the Hong Kong Jockey Club revealing its deep mistrust of Suncity?

40

MR WHITE: I - I was aware that there was a reference to the Hong Kong Jockey Club report.

MS SHARP SC: All right. And by that time, you knew that - well, I withdraw that. By that time, you had read the Hong Kong Jockey Club report?

45

MR WHITE: I - I - I don't - I don't believe I had. I - I'm sorry, I - I've - I've taken some time to think about that over lunch. I - I - I don't recall - I - and I think I said

5 this prior to lunch. I - I agree that it was important, but I don't recall having read it at that time. I - I - I do know I went on an extended period of annual leave during the - part of July and that pretty much as soon as I got back, that was when the media allegations started. So I - I don't believe I had read the Hong Kong Jockey Club report before the media allegations, and that - and - and again, I - I can't be certain as to when I did read the report because - yes, it was - there were lots of priorities at the time. But it's likely - I - I think - and I can't be sure - that it's likely I would have read it after the media allegations started to come out.

10 **MS SHARP SC:** All right. Well, I just want you to assist Mr Bell to understand when it is most likely you read the Hong Kong Jockey Club report. You've said you returned from leave in late July; correct?

15 **MR WHITE:** I - I - I can't - I'm sorry, I can't remember the exact date. But, yes, around then. I think - my memory is that I had just got back to work when the Crown Unmasked exposé started.

20 **MS SHARP SC:** And you were involved in providing some advice to the business about allegations that were made in Crown Unmasked and other media articles at that time?

MR WHITE: I - I recall pulling - assisting in pulling together information and providing input on draft responses and the like, yes.

25 **MS SHARP SC:** And you do agree that the Hong Kong Jockey Club report was emailed to you on 12 June 2019?

MR WHITE: Yes. I've seen that email, yes.

30 **MS SHARP SC:** All right. Well, isn't it most likely that you read the Hong Kong Jockey Club report for yourself in late July or early August 2019 by the latest?

MR WHITE: I - I'm sorry, I - I really can't be sure.

35 **MS SHARP SC:** Well, what's the most likely position, Mr White?

MR WHITE: I - I'm really sorry --

40 **MS SHARP SC:** Add those facts together and can you please do your best to assist Mr Bell.

MR WHITE: I - I just can't remember when it - when that happened. I'm - I'm - I'm very sorry not to be able to assist further, I'm sorry.

45 **MS SHARP SC:** Well, what is the most likely scenario, Mr White?

MR WHITE: It - it may have been during August. I - I - I just can't - I - I don't remember, I'm sorry.

MS SHARP SC: Are you able to tell us what is the most likely scenario, Mr White? That's not asking you to search your recollection; it's asking for you to consider what was going on at that time, apply that to your ordinary practice and tell us what was most likely.

MR WHITE: My overall recollection of that time was that it was incredibly busy and that I - I just don't - it - it may not have been until later in 2019 that I read the report. I - I can't be certain because, by that stage, there was lots of other things going on. There was a team that was pulling that information together who sort of included people who were also on - had been - received a copy, and I - I - I must admit I can't remember discussing with Angus whether he had shared it with others, but he was part of the group of people who were pulling this information together. So it - it's possible he shared it with others. I just - I'm sorry. I - I - I just don't want to speculate as to when I read it because I just can't be sure. I'm so sorry.

MS SHARP SC: Now, it's right, isn't it, that the arrangement with Suncity and Salon 95 came to an end in August of 2019?

MR WHITE: That's - that's my understanding, yes.

MS SHARP SC: But what then happened is Salon City moved to salon 82?

MR WHITE: I - I don't - I'm not sure specifically which salon they were moved to, but they were moved out of Salon 95. But my understanding is that they continued to have junkets at The Star Sydney.

MS SHARP SC: Yes. And certainly no decision was made to cease to deal with Suncity at that time, was it?

MR WHITE: That's my understanding.

MS SHARP SC: Well, what was the next thing that happened in relation to Suncity?

MR WHITE: I'm - I'm sorry, I'm not sure I understand the question.

MS SHARP SC: I withdraw that. Did you have any further involvement in relation to Alvin Chau and Suncity?

MR WHITE: I - I - I can't think of anything specific at that time.

MS SHARP SC: Well, isn't it right that you and Mr Power instructed Mr Buchanan to prepare a chronology about events involving Alvin Chau and Suncity?

MR WHITE: Yes.

MS SHARP SC: Well, tell us what happened there, please.

5 **MR WHITE:** I - that as part of the ongoing - excuse me. Sorry. As part of the internal review that, from my perspective Mr Power was running with, this was to try and pull together a comprehensive timeline of the relationship, I - I guess, from the perspective of legal, risk and compliance, probably.

10 **MS SHARP SC:** Well, what was the internal review?

MR WHITE: The - it was simply to have an - that - at this stage, it was to try and have a clear understanding of The Star's relationship with individuals who were named in the media reports.

15 **MS SHARP SC:** And why do you say that Mr Power had the running of this?

MR WHITE: Because, to my recollection, he was - he - he - he took charge of this process.

20 **MS SHARP SC:** And was - did Mr Buchanan provide a copy of the chronology to you?

25 **MR WHITE:** Yes. There was - there were various drafts, and I - I recall that I provided certain information to Mr Buchanan to pull the chronology together but also to put information in a - in a single place. And I - I must admit I can't remember where that was, but so that there was a place where you could find it more easily.

30 **MS SHARP SC:** And did you give Mr Buchanan access to certain staff members' email inboxes?

MR WHITE: I think I've seen an email to that - to that effect. I can't remember who - no, I'm sorry.

35 **MS SHARP SC:** Is it right that you did not give Mr Buchanan access to Mr Houlihan's email box?

40 **MR WHITE:** I - I'm sorry, I - I - I - without seeing the email, I can't remember who Mr Buchanan had access to.

MS SHARP SC: Well, I'm just wondering, is there any reason why you would not have given Mr Buchanan access to Mr Houlihan's email box?

45 **MR WHITE:** I - I'm sorry, I'm a little confused. I - I don't recall there being a discussion of giving access to Mr Houlihan's mailbox.

MS SHARP SC: And at the time you worked with Mr Power to have Mr Buchanan prepare this chronology, why were you doing this?

MR WHITE: Mainly because I was asked to.

MS SHARP SC: Who asked you to?

5

MR WHITE: I believe Mr Power. I may - I may have that slightly wrong, but I - I - I believe that was right.

MS SHARP SC: And did anyone ask you to provide any sort of legal advice about this?

10

MR WHITE: Not that I can - not specifically that I recall.

MS SHARP SC: Can I show you exhibit B, tab 2193. This is STA.3009.0003.0025. Now, do you see this is a memorandum to you dated 13 February 2020?

15

MR WHITE: Yes.

MS SHARP SC: And it's copied to Mr Power, and it's copied to Mr Houlihan. But do you see you're the only person it's directly addressed to?

20

MR WHITE: I do.

MS SHARP SC: All right. Now, do you recall receiving this document on about 13 February 2020?

25

MR WHITE: Not specifically, but if there's an email, then - then yes.

MS SHARP SC: All right. Now, it says at point 2:

30

"The chronology has been compiled to assist the legal team provide advice to the business on matters pertaining to the authority's inquiry."

35 What advice had you been requested to provide at that time?

MR WHITE: Personally, I don't think I had. But I know that Andrew was providing advice in connection with the matters referred to there, in terms of both responding to the Independent Liquor and Gaming Authority's inquiry but also advising internally on that and the media allegations in relation to Crown.

40

MS SHARP SC: Are you able to assist us with whether what the dominant purpose Mr Power was doing was advising the business with respect to some matter?

45

MR WHITE: Sorry. Could you say the question again, sorry. It's gone out of my head, sorry.

MS SHARP SC: Yes. Are you able to assist us to understand whether - what Mr Power was doing was for the dominant purpose of providing advice, that is, legal advice, to the business?

5 **MR WHITE:** It's possible. I'm not sure I know. I'm sorry.

MS SHARP SC: Now, what did you do once you received this chronology? Did you read it?

10 **MR WHITE:** I believe so, yes - I did - I - yes.

MS SHARP SC: And then what did you do with it?

15 **MR WHITE:** I don't know if this is the final version or not, but I think it went back and forth a couple of times with additional information going in. And then I believe I provided it to Andrew and Kevin, but I can't remember - it may have been just been to Andrew. I can't recall.

20 **MS SHARP SC:** And did you provide any legal advice in relation to this document?

MR WHITE: I did not, I'm sorry.

25 **MS SHARP SC:** Can I take you to another document, please. This one is exhibit B2603. It's STA.3002.0005.0001. Now, what I'm showing you is a memorandum marked "draft" from Mr Buchanan to Mr Power, which is copied to you and Mr Houlihan, dated 1 October 2020.

30 **MR WHITE:** Yes.

MS SHARP SC: Now, do you recall receiving that at about 1 October 2020?

MR WHITE: I - I can't be certain, but it's - it's likely, yes.

35 **MS SHARP SC:** And is it likely that you read it?

MR WHITE: I believe I have read it. I - I must admit I can't remember exactly when.

40 **MS SHARP SC:** Have you been asked to provide any advice to the board - I withdraw that. Have you been asked to provide any legal advice to the board in relation to an assessment of Alvin Chau by this time?

45 **MR WHITE:** Sorry, have I personally?

MS SHARP SC: Yes.

MR WHITE: I don't recall so.

MS SHARP SC: And what did you do with this document, once it was provided to you?

5 **MR WHITE:** I can't be sure. I'm sorry, I - I --

MS SHARP SC: Well, Mr White, can we take a step back here?

MR WHITE: Sure.

10

MS SHARP SC: Suncity, at this time, is The Star's largest junket operator, isn't it?

15

MR WHITE: I don't think so. I think, by 1 October 2020, that The Star had suspended interactions with all junkets. So it's - it's - it's no - it's no longer an active customer of The Star.

20

MS SHARP SC: All right. So you have a memory of that event occurring in around October 2020, do you?

MR WHITE: I - I've been across correspondence more recently which was trying to determine when The Star had ceased to do business with junkets, and I believe it was around about September 2020.

25

MS SHARP SC: Well, until around October 2020, Suncity was one of if not the largest junket with which The Star dealt from a turnover perspective?

30

MR WHITE: I - I - sorry, the other thing - okay. Sorry. Sorry, do you mind restating the - the question, sorry? I'm --

MS SHARP SC: Yes. By - well, slightly before the decision was made to cease dealing with junkets, you agree, don't you, that Suncity was the largest junket with which Star dealt from the perspective of turnover?

35

MR WHITE: I - I - sorry, the only reason why I'm not sure that I can fully agree with that is because my impression was that the pretty much from - once the COVID lockdown started, was that the international business had ceased. So - and then obviously, subsequently, the junket business was shut. But I think that was my general understanding at that time.

40

MS SHARP SC: All right. Now, we'll return to my question.

MR WHITE: Sorry.

45

MS SHARP SC: You understood that prior to the statement that Star would not deal with junkets, that Suncity was the largest junket with which The Star dealt by way of turnover?

MR WHITE: I - I agree with that historically, yes.

5 **MS SHARP SC:** Right. And you understood by this time that Suncity had been subject to serious allegations in the media that it was connected with organised crime?

MR WHITE: Yes.

10 **MS SHARP SC:** And you understood, from your own involvement, that there were allegations of unusual cash transactions occurring in Salon 95?

MR WHITE: Yes.

15 **MS SHARP SC:** All right. Well, surely with that background, you have some memory of what the business was doing when this memorandum was provided to you in October 2020?

20 **MR WHITE:** I think, as I've said, is that - that the business had ceased, although, likewise, sort of my - my involvement by this stage was - or, sorry, my recollection is that my involvement by this stage was quite minimal, that Andrew and Kevin were, between them, the AML compliance officer as well, and that in that period after the media allegations came out that - that this - that Andrew took charge of this space and I provided the support - the support that was requested and - of me.

25 **MS SHARP SC:** So is it right that you had no further involvement in any kind of due diligence or risk assessment exercise with respect to Alvin Chau or Suncity from October 2020 onwards?

30 **MR WHITE:** Look, I may have provided additional sort of information, but I - I don't believe I've - my - from - my own position is I don't believe I've played any sort of advisory or substantive role in that exercise.

35 **MS SHARP SC:** Could I move --

MR WHITE: That's my recollection. Sorry. I - I may be wrong, but that's my recollection.

40 **MS SHARP SC:** I will move to a different topic now, Mr White. It's correct, isn't it, that there was a planning exercise in 2018 in which you were involved concerning EEI Services (Hong Kong) Pty Ltd?

MR WHITE: Yes, I was involved in the EEI Services project.

45 **MS SHARP SC:** All right. Now, it's right, isn't it, that the Bank of China accounts maintained by Star had been closed in December 2019?

MR BELL SC: Did you mean 2017, Ms Sharp?

MS SHARP SC: I beg your pardon. I will put the question again. I got my dates wrong. You're aware, aren't you, Mr White, that in around December 2017, Star's Bank of China's accounts in Macau were closed?

5

MR WHITE: Yes.

MS SHARP SC: And this presented problems for The Star in terms of having patrons deposit front money and repay cheque cashing facilities?

10

MR WHITE: I recall that being raised as an issue, yes.

MS SHARP SC: And one of the reasons that was an issue was it was becoming difficult for Star Entertainment to receive large cash deposits from its overseas patrons; is that right?

15

MR WHITE: I believe that was flagged as an issue, yes.

MS SHARP SC: All right. And one of the purposes of the EEIS project in 2018 was to institute alternative payment channels so that patrons could get their front money through to the casino and repay cheque cashing facility debts?

20

MR WHITE: I - whilst that sort of came out of the EEI Services project, that - I - I wouldn't have said that was the main purpose of the EEIS - EEI Services project. But that - that morphed into part of the project whilst it was ongoing, yes.

25

MS SHARP SC: All right. Well, what were the main purposes of the project, as you understood them, and how did it change over time?

MR WHITE: So the EEI Services project was - well, it originally had started, I think, back in 2012 but had been put on hold in maybe 2014 or early 2015, and then was revived again in the context of the closing of the bank accounts in Macau. But the - the main purpose of the project was to - or the - sorry. From my recollection and my perspective, the main purpose of the project - of the EEIS - sorry, the EEI Services project was to establish an ability to provide loans out of the EEI Services, being a licensed money lender in Hong Kong, which would provide the opportunity to have direct credit in Australia but also by having a bank account that could receive repayments in Hong Kong and potentially - yes, it was mainly in Hong Kong because I don't think there were any Macau accounts at that stage.

30

35

40

MS SHARP SC: And it's right, isn't it, that you were one of the project leads for what I will call the EEIS project?

45

MR WHITE: That's correct.

MS SHARP SC: Could I take you to document exhibit B, tab 540. This is STA.3423.001.5513. And you see this is the EEIS/MMS Project, International Marketing?

5 **MR WHITE:** Yes.

MS SHARP SC: Can I take you to pinpoint 5521. And do you see the project sponsor is Michael Whytcross?

10 **MR WHITE:** Yes.

MS SHARP SC: And then this document correctly states that you and Michael Whytcross are the project leads?

15 **MR WHITE:** Yes.

MS SHARP SC: So it's fair to say you were heavily involved in the development of this project?

20 **MR WHITE:** Yes.

MS SHARP SC: And you participated in meetings of a steering committee in relation to this project?

25 **MR WHITE:** Yes. I - sorry, the only reason I say that is I - I can't specifically - I'm sure there must have been some steering committee meetings, but I can't recall - I - I - I just can't recall there being lots of them because my main memory is that actually it sort of often was reporting to Chad. But I - I may have that incorrect, I'm sorry.

30

MS SHARP SC: Well, is it right - and I will take you back to the first page and then to the second. And if we go to pinpoint 5514. Do you expect you saw this document at about the time it was brought into creation?

35 **MR WHITE:** I do.

MS SHARP SC: And do you expect you would have contributed to the drafting of this document?

40 **MR WHITE:** Yes.

MS SHARP SC: And you there refer to - well, the document there refers under the heading Key Items to an interim arrangement having been established with Kuan Koi?

45

MR WHITE: Yes.

MS SHARP SC: All right. And I will come back to ask you some questions about that. But you're familiar with and remember that arrangement with Kuan Koi, don't you?

5 **MR WHITE:** I do.

MS SHARP SC: All right. Now, do you see it says:

10 "It is proposed that EEIS will comply with Australian AML and CTF requirements."

MR WHITE: Yes.

15 **MS SHARP SC:** And that was always the intention, was it?

MR WHITE: The intention was that it would comply with both Australian and Hong Kong AML/CTF requirements, yes.

20 **MS SHARP SC:** And it's right, isn't it, that advice was sought on this project from Anthony Seyfort from HWL Ebsworth from time to time?

MR WHITE: Yes.

25 **MS SHARP SC:** How regularly did you liaise with him to seek advice about this project?

MR WHITE: My recollection is quite a lot. I mean - sorry. Yes, quite a lot.

30 **MS SHARP SC:** Now, could I take you, please, to pinpoint 5517.

MR WHITE: Yes.

35 **MS SHARP SC:** And I will take you to the heading Kuan Koi Client Management Agreement?

MR WHITE: Yes.

40 **MS SHARP SC:** And it's right that under the terms of the agreement that was reached with Kuan Koi at that time, he was to transfer \$90 million to his front money at The Star?

45 **MR WHITE:** Look, I - I - I can't recall the precise terms of the Kuan Koi arrangement, but that - if that's in here, I have no reason to believe it would be - well, no, that - I'm sorry. I - I can't remember the exact amount, but it was a --

MS SHARP SC: All right. Well, look, let me approach it this way with you: you were instrumental in pulling this agreement together with Kuan Koi, weren't you?

MR WHITE: I was the principal person internally, but the agreement itself was - if I recall correctly, was drafted by HWL Ebsworth and I also had McInnes' legal advice on it as well.

5 **MS SHARP SC:** When you say HWL Ebsworth drafted the agreement, was that Anthony Seyfort?

MR WHITE: Yes, I believe so.

10 **MS SHARP SC:** Right. Now, is it right that the basic idea of this agreement is that Mr Koi would transfer money into his front money account at The Star and, from that front money account, the front money accounts of other patrons would be credited?

15 **MR WHITE:** Yes.

MS SHARP SC: And what Mr Koi would do was go and collect payments from patrons in Macau?

20 **MR WHITE:** Correct.

MS SHARP SC: And then he would deposit those payments into his own bank account?

25 **MR WHITE:** I believe so. That was my understanding. Sorry. Yes.

MS SHARP SC: And every so often, after he had transferred money from his front money - or from his bank account to The Star's account so his front money could be topped up, he would put further deposits into The Star's front money account for him?

30

MR WHITE: Yes, that's my understanding.

MS SHARP SC: So he was really an intermediary in collecting payments from other patrons of the Crown - I beg your pardon - of The Star?

35

MR WHITE: That - that sounds like a - a reasonable description, yes.

MS SHARP SC: And for his trouble, he was paid a service fee by The Star?

40

MR WHITE: Yes.

MS SHARP SC: All right. Well, I will come back to ask you some more details about that.

45

MR WHITE: Sorry. Sorry. Can I just clarify, when you say "The Star", do you mean The Star Sydney? Because it was actually The Star Entertainment Group, not The Star Sydney. Just - sorry, I just wanted to be clear on that.

MS SHARP SC: What's the position here, that what was with Star Entertainment Group?

5 **MR WHITE:** Sorry. The - the - the service fee - my understanding is that the service fee was - was paid by The Star Entertainment Group, not The Star Sydney.

MS SHARP SC: All right. But The Star in Sydney was receiving these front money payments?

10

MR WHITE: Correct.

MS SHARP SC: Now, could I take you, please, to exhibit B at tab 1159. This is STA.3401.0005.3805. Can you see this is a presentation of international marketing. It's called EEIS/MMS Project, Steering Committee, 16 November 2018.

15

MR WHITE: Yes.

20 **MS SHARP SC:** Do you expect that you would have seen this document at the time?

MR WHITE: Yes.

25 **MS SHARP SC:** And did you, in fact, assist in preparing this document?

MR WHITE: I expect I would have reviewed a draft and provided input if necessary.

30 **MS SHARP SC:** If I could take you through this document, please. Could I take you, firstly, to pinpoint 3806.

MR WHITE: Thank you.

35 **MS SHARP SC:** And you will agree that there's an executive summary set out here?

MR WHITE: Yes.

40 **MS SHARP SC:** And the second dot point under EEIS Project Deliverables - or the first dot point is that:

"EEIS can offer loans to approved customers as an alternative to a cheque cashing facility."

45

MR WHITE: Yes.

MS SHARP SC: And why was it perceived as necessary to give loans to customers rather than simply cheque cashing facilities?

5 **MR WHITE:** As - as I think I - I said at the start, was the genesis of this project was to be able to provide direct credit to customers of the Star Entertainment Group. And sort of long story, there was a presentation to the ILGA board in - maybe it was late 2012 on that, and this was during the original phase of the project. So that was - always the intention was for this to be able to provide a loan which would provide flexibility around the credit terms on which customers could
10 play at the Star Entertainment Group's properties.

MS SHARP SC: So it was to provide credit to The Star's customers?

15 **MR WHITE:** Well, to - not just customers of The Star, but to customers who were customers of one or more casinos across The Star Entertainment Group.

MS SHARP SC: Right. Now, I would like your assistance with what appears under the heading Decisions. It says - dot point:

20 "The final EEIS loan documentation and process has been amended from a strict interpretation of the advice from Kings & Wood Mallesons (Hong Kong). The internal legal advice is that KWM will not explicitly endorse the final versions and that we should not seek further inputs from KWM. Steering committee endorsement of this decision is requested."
25

What's going on here?

30 **MR WHITE:** I believe that - and, I'm sorry, I - I can't exactly recall, but I believe that this related to the point that we were looking to create - if - in a - in a banking sense, a rolling facility or a - almost like a work - well, I - I guess, a rolling facility so that you could drawdown, repay and drawdown again on - on a single loan facility. And the advice from KWM, I believe - although I - I'm - this is a recollection - was that to be certain that the loans would be enforceable in Hong - that the money lender's ordinance didn't necessarily - or didn't
35 contemplate - or certainly didn't - or didn't - I'm not expressing this well - didn't necessarily contemplate having a multiple draw facility. And that if you weren't executing a separate loan agreement each time as opposed to a drawdown notice, that that may impact on the enforceability in Hong Kong of the loan.

40 **MS SHARP SC:** So is the position that you had been provided with advice from Mallesons in Hong Kong which you did not accept?

45 **MR WHITE:** My recollection is that the business instructed me that working on the basis on which Mallesons would sign off, which was an individual loan each time, was not workable from a business perspective and that they wanted to go with the multiple drawdown version.

MS SHARP SC: And is it right that Mallesons indicated that it would not explicitly endorse the final versions of the loan documentation?

5 **MR WHITE:** I - I - look, I - again, I - I can't be certain, but my recollection of this is they wouldn't say - that - that they weren't prepared to sign off to say that the loans would be enforceable in Hong Kong if we went with the multiple drawdown version.

10 **MS SHARP SC:** Well, that creates a very risky situation for The Star, doesn't it - or for EEIS, for that matter?

MR WHITE: Potentially, yes.

15 **MS SHARP SC:** Well, if you can't enforce your loans, that gives rise to a massive credit risk, doesn't it?

MR WHITE: Look, with - looking at it now, I agree with you, yes.

20 **MS SHARP SC:** All right. But nevertheless, despite that massive credit risk, the decision was made not to accept the advice of Mallesons and to proceed with what you've described as a rolling facility?

25 **MR WHITE:** That's correct. I - can I be clear is that I - my recollection is that Mallesons didn't say it wouldn't work but just said that they couldn't say that it would effectively definitely be enforceable in - in Hong Kong. So that risk was flagged to the steering committee for them to make a decision as to whether customer usability was the - more important than the potential that a loan might not be enforceable.

30 **MS SHARP SC:** And is it right that the decision was made to court that risk and prefer customer usability to the prospect that the loan may not be enforceable in Hong Kong?

35 **MR WHITE:** I can't remember if the decision was made this time, but that was how it did proceed eventually when the loans were made - loans were eventually made in 2019.

40 **MS SHARP SC:** Can I take you now to pinpoint 3807. And there's a heading here - I will just have it enlarged for you. It's called EEIS Service Offering. And do you see that there are four different types of offerings set out here?

MR WHITE: Yes.

45 **MS SHARP SC:** And one of them is Loans Premium Players. Do you see that?

MR WHITE: Yes.

MS SHARP SC: And what it says is:

"A personal cheque is required to support the loan."

MR WHITE: Yes.

5

MS SHARP SC: And why was that?

MR WHITE: That wasn't a requirement; that was a commercial decision. My recollection is that the credit and collection team felt that if a personal cheque was held, that that was a useful - what's the word I'm looking for? Maybe a useful bargaining tool in the event that you had a recalcitrant borrower.

10

MS SHARP SC: And who was the cheque to be made out to?

MR WHITE: I can't remember, but I think it would have been made out to EEI Services.

15

MS SHARP SC: And could I just take you to pinpoint 3808. And this is a page that is called International Business Payment Pathways?

20

MR WHITE: Yes.

MS SHARP SC: Did you prepare this part of the presentation?

MR WHITE: No, I believe Richard Booth prepared the whole of the presentation. I may have provided input on it.

25

MS SHARP SC: But when you provided input into it, it's right that there was nothing that departed from your understanding in this document?

30

MR WHITE: May I have a read of it again, just to confirm?

MS SHARP SC: Yes.

MR WHITE: I'm just reading the bullets. I'll be done soon. Yes. Sorry. I've finished reading it now. Thank you.

35

MS SHARP SC: Now, in this part of the document, it describes the EEIS loan as an alternative for customers who cannot provide a personal cheque?

40

MR WHITE: Yes.

MS SHARP SC: Now, is what is really meant here, customers who cannot provide a personal cheque made out to the casino?

45

MR WHITE: No. It just meant customers who couldn't provide a personal cheque.

MS SHARP SC: But in the previous page I took you to, it said that a requirement of the loan was that a personal cheque be provided?

5 **MR WHITE:** Yes, but the point being that one of the flexibilities of an EEIS loan was that it wasn't a strict requirement to have a cheque. And so, therefore, it was within The Star - The Star Entertainment Group's - or EEIS's, I should say, discretion to waive the requirement for a - for a personal cheque. And so, therefore, there was a process called cheque on board waiver.

10 **MS SHARP SC:** Okay. Then could I take you, please, to pinpoint 3809. Do you see there's a heading Pathway to Direct Credit?

MR WHITE: Yes.

15 **MS SHARP SC:** And one of the pathways is the cheque cashing facility pathway, and the other one is the EEIS pathway?

MR WHITE: Yes.

20 **MS SHARP SC:** And with EEIS, if we track across, the first thing - what does "CX" stand for, by the way, in that first row?

MR WHITE: I actually don't know, I'm sorry.

25 **MS SHARP SC:** Well, what it says for EEIS is:

"No cheque legally required."

MR WHITE: Correct.

30

MS SHARP SC: And its documentation heavy?

MR WHITE: Yes, I believe that's noting that's a negative.

35 **MS SHARP SC:** Yes. And that's because you need all that loan documentation?

40 **MR WHITE:** In order to be compliant with the requirements in Hong Kong, there were various - there was various documentation that needed to be provided, plus there was a loan script as well which had to be read out - or I believe it was then recorded and played to the customer, and they needed to sign off on that. So there was more - sorry, it says there:

"Script to be read to customer."

45 But there was more documentation involved in an EEIS loan than there was in a cheque cashing facility.

MS SHARP SC: All right. So that was a down side of the arrangement?

MR WHITE: I think from the - maybe "CX" means from a customer - it probably means customer experience, sorry, thinking about it.

5 **MS SHARP SC:** Now, in that risk column for EEIS, there's a little plus near "enforceability in Hong Kong"?

MR WHITE: Yes.

10 **MS SHARP SC:** Now, that's inconsistent with the advice you received from Mallesons, isn't it?

MR WHITE: It is, but I think that what that is referencing is that rather than with a cheque cashing facility on a - on a debt, first taking legal action in Australia and then seeking recognition of the judgment overseas, was that this was referring to the fact that legal action to - for a loan recovery would be - would take place in Hong Kong as a starting point rather than in Australia and then having to be taken overseas so, therefore, should be a shorter process.

20 **MS SHARP SC:** And do you see it then says:

"Management requires a cheque."

But it also says:

25

"No legal requirement to bank a cheque."

MR WHITE: Correct.

30 **MS SHARP SC:** And I'm just wondering at this point, why bother having EEIS loans at all when you can have cheque cashing facilities?

MR WHITE: The - the - and also, I guess, with the introduction of direct credit - sorry, amendments to the provisions in the Casino Control Act in New South Wales sort of not that long after this which allows the provision of credit to international customers, it further removed the need for the EEIS loans. But the - one of the upsides of an EEIS loan was that there was flexibility around repayment terms, for example, because unlike a cheque cashing facility which had a statutory required date for banking a cheque - or effectively because of that a date by which the cheque would need to be redeemed, for an EEIS loan, that was negotiable between EEIS and the customer.

MS SHARP SC: So is what you're trying to say that one of the advantages of EEIS loans was you had more than 30 days to repay the debt?

45

MR WHITE: That - that was a - that could be a management decision, yes.

MS SHARP SC: What were the other reasons why a loan facility was being offered in place of a cheque cashing facility?

5 **MR WHITE:** I think the - so I - I - I believe we've probably covered them off here, which was that - or at least this was the perceived advantages, was that you could have flexibility around the need for a personal cheque. So if a customer had forgotten a personal cheque or didn't have a cheque book, that they could be provided an EEIS loan because it was The Star's commercial decision as to whether to proceed with a loan with or without a personal cheque. That you could
10 have flexibility around repayment terms. And I think the other benefit was that it was anticipated that repayment of the loans could take place directly into EEI Services bank account in Hong Kong.

15 **MS SHARP SC:** So was one of the purposes of the EEIS loan option to change the nature of the payments from customers to being repayments of loans in Hong Kong rather than repayment of gambling debts in Australia?

20 **MR WHITE:** I - I don't think I would have put it that way. But it was a loan facility that could be repaid in Hong Kong, yes.

25 **MS SHARP SC:** And did you understand that that was providing a certain advantage to a patron because the documentation in their bank account statements would show they were paying a loan in Hong Kong and not paying a debt to a casino in Australia?

30 **MR WHITE:** I - I don't recall that as being the key driver. My recollection is that the key driver is that they would be - that they would be able to - the - the location of the bank account would make it easier for the customers to repay into Hong Kong - sorry, that - that - that's my recollection. I - but I - I could see that what you have suggested would also potentially be an advantage too.

MS SHARP SC: Well, didn't you understand that to be one of the purposes of the EEIS loan proposal?

35 **MR WHITE:** I - look, from my perspective, I thought that was a potential added advantage, but that wasn't a main - the main driver, so far as I was concerned certainly, was that this was the providing of direct credit which certainly initially - or to - during the life of this project, I thought that the intention was to transfer everyone across to EEIS loans. But possibly by this stage, I think that may
40 have changed, given that - and I can't remember if we've just seen it in one of the slides saying that Chad Barton would have to sign off on anyone having an EEIS loan. So certainly my initial rationale for this project was to provide - sorry, the initial rationale of this project, so far as I was aware and concerned, was to be able to provide direct credit. But possibly by this stage, Chad Barton had said that he
45 wasn't that keen on EEIS loans and so, therefore, he would have to sign off on anybody being offered one.

MS SHARP SC: Didn't you understand that one of the purposes of this proposal was to change the nature of the transactions involved and the appearance of the transactions?

5 **MR WHITE:** As I say, I - certainly from my perspective, that was not a main driver of this project.

MR BELL SC: Mr White, do you see that in the CCF column in relation to working capital, an advantage is stated to be that gaming tax can be recovered?
10

MR WHITE: Yes.

MR BELL SC: But in relation to EEIS, it says that gaming tax is not recoverable. Can you please explain that to me in detail?
15

MR WHITE: Certainly, Mr Bell. Until - I think it was 30 June last year, there was an agreement in place between The Star Sydney and the State - and I'm sorry, I can't be precise which entity - that provided that gaming duty that was paid on bad debts arising from rebate play could be reclaimed from the State if a certain process went through. The difference with EEIS was - and so that was - a CCF is with the casino so, therefore, that was covered by the agreement. The difference with an EEIS loan was that the casino was made whole but that the debt was owed to EEI Services, which was - whilst it was a Star Entertainment Group entity, it wasn't a - a licensed casino operator so, therefore, the debt was not recoverable because The Star Pty Ltd was already made whole by EEIS and EEIS retained that debt with the customer.
20
25

MR BELL SC: So you couldn't claw back the duty in respect of a bad debt?

30 **MR WHITE:** That's correct, Mr Bell.

MR BELL SC: And in relation to EEIS, in terms of funding the EEIS loan, is it correct that what was contemplated was a back-to-back loan from The Star to EEIS, to fund EEIS to make its loan?
35

MR WHITE: So the EEIS loan was funded by EEIS drawing on a cheque cashing - EEIS's own cheque cashing facility with the relevant casino operator, so The Star Pty Ltd in New South Wales or The Star Entertainment Queensland Limited in Queensland. And then The Star Entertainment Group Limited - or actually I think it was The Star Entertainment Group Finance Limited would make a payment to clear EEIS's CCF with The Star Pty Ltd so that the casino operator was made whole and that the CCF that was initially drawn was repaid if - if there was an outstanding debt.
40

45 **MR BELL SC:** Yes, I see. And the third column, Direct Credit, that was just in the pipeline at that stage; is that right?

MR WHITE: That's correct, Mr Bell.

MR BELL SC: Yes. Thank you.

5 **MS SHARP SC:** And just if I could return you, please, to pinpoint 3808 of this document. And I just want to draw your attention to that first box that says "default position" and there's a little red number 1. And then if we follow that down, you will see there's a little red number 1 at the bottom of the page?

10 **MR WHITE:** I do.

MS SHARP SC: Could I have that highlighted for you, please. Now, do you see it says:

15 "In the event that customers are able to transfer funds electronically to an existing account of The Star in Australia, the preference is that they utilise existing CCF processes."

MR WHITE: Yes.

20 **MS SHARP SC:** Okay. So is the loan the plan B? Is it the preference that cheque cashing facilities be used, and only if they can't be used, then an EEIS loan be utilised?

25 **MR WHITE:** That was the position that had been reached by this point in the project, yes. That - that wasn't the initial position, but that's where we had got to at this point in time.

30 **MS SHARP SC:** And could I take you to another document now, which is exhibit B at tab 1579. This is STA.3004.0008.0001.

MR WHITE: Yes.

35 **MS SHARP SC:** Now, do you see this is a memorandum that you have sent to Mr Hawkins and Paula Martin on 26 August 2019?

MR WHITE: I can.

40 **MS SHARP SC:** And what you're doing is explaining the various payment channels that were available to patrons of the casinos in 2018 and 2019?

MR WHITE: Yes.

45 **MS SHARP SC:** And could I just take you to the heading Current Arrangements and have that part of the page blown up for you.

MR WHITE: Yes.

MS SHARP SC: And you make the point at the start that EEIS never provided remittance services, right?

MR WHITE: Correct.

5

MS SHARP SC: But that was the intention, at least in early 2018, that EEIS would be a remitter?

10 **MR WHITE:** That - I - I don't think that was the intention at the start of 2018. It became - it was something that came up during the course of 2018 and that was then intended to be used and made operational, but it was never actually used.

15 **MS SHARP SC:** All right. Well, we'll come back to this document. But can I - I will put that down now. Can I return to this question of the EEIS loans for a moment. It's right that it was The Star that drafted all the loan documentation?

MR WHITE: Sorry, the --

20 **MS SHARP SC:** Star. The casino?

MR WHITE: No.

MS SHARP SC: No. Who drafted the loan documentation?

25 **MR WHITE:** The loan documentation would have initially been drafted by KWM.

MS SHARP SC: On whose behalf?

30 **MR WHITE:** EEI Services.

MS SHARP SC: And which entity was it which decided which patrons would be granted loans?

35 **MR WHITE:** That was decided by The Star Entertainment Group Limited's chief financial officer, Chad Barton.

MS SHARP SC: And what role, if any, did the cage have in this process?

40 **MR WHITE:** So in terms of the EEI Services loans - I'm - I'm - I - I can't remember precisely, I'm sorry. I - I - I'm - I'm sorry. The - yes, I - I'm - I'm sorry, I can't remember exactly what cage - what cage's role or - I recall that there was some role played, but I can't remember what it was. And I recall that there was - it may have been in relation to the CCF, that EEI Services created a list of approved
45 persons who could sign cheques on behalf of EEIS at The Star Sydney to draw on the cheque, and that may have been - that may have been it. I can't recall --

MS SHARP SC: Did the credit and collections team undertake the credit checks to decide who to provide EEIS loans to?

5 **MR WHITE:** They did. The credit and collections team were employees of the Star Entertainment Group Limited as well.

MS SHARP SC: And is it right that the only loans that EEIS made were to patrons of the casinos?

10 **MR WHITE:** Yes.

MS SHARP SC: And the only purpose for which loans were made were to provide money for patrons who wished to gamble at one of the casinos?

15 **MR WHITE:** Yes.

MS SHARP SC: And no interest was payable on these loans?

20 **MR WHITE:** That's correct.

MS SHARP SC: And no collateral was offered with respect to these loans?

MR WHITE: Correct.

25 **MS SHARP SC:** And it's right, isn't it, that it was the cage staff who directed how transactions would take place in the EEIS loan accounts?

MR WHITE: I'm - I'm sorry, I'm not sure I - I quite understand that question.

30 **MS SHARP SC:** It's right that it is the cage staff who would look into the EEIS bank accounts to see if funds were there in order to advance gaming chips to the patrons?

35 **MR WHITE:** No, that would be - that - no, that wasn't how it worked for the loans. The loans was that there would be a drawdown on the EEIS CCF, which would be - no, I - I must admit I can't exactly remember whether those funds were initially placed into the EEIS front money account and then there was a front money to front money transfer to the borrower's front money account or whether they were deposited directly into the borrower's front money account. That bit, I
40 can't recall. But I - I think that might be a separate process that you're referring to there.

MS SHARP SC: All right. Sorry. Just slow down a little bit. Tell us, what was the flow of funds here?
45

MR WHITE: For EEIS loans, my understanding - and I - I may not have this exactly correct, but my recollection is that there was a drawdown on the EEIS cheque cashing facility with the relevant casino, and that that amount was

then - I - I believe that that amount would be credited to the front money account of EEI Services and then there would be a front money to front money transfer from the EEIS front money account to the borrower's front money account.

5 **MS SHARP SC:** Okay. So EEIS had its own front money account with the casino?

MR WHITE: That's correct.

10 **MS SHARP SC:** And who directed all of these transfers to occur from one front money to the other, drawdowns and so on?

MR WHITE: The - in terms of directing the amount to be borrowed and providing instructions, that would have come from the credit and collections team and gone to the cage to execute the transactions on the front money accounts.

MR BELL SC: But only after the CFO had approved the transaction?

MR WHITE: That's correct, Mr Bell.

20 **MS SHARP SC:** And is it right that on some occasions, the EEIS bank accounts were used by patrons to deposit front money?

MR WHITE: That was - the memo that you - certainly that became apparent, that that had happened in - I think either late August or September 2019.

MS SHARP SC: And is it correct that it was the treasury group who would, from time to time, direct movements of funds from the EEIS bank accounts to the casino bank accounts?

30 **MR WHITE:** I - sorry, I - I - that may depend on the context, but - so are you able to, sorry, clarify the question a little? Sorry, I'm --

MS SHARP SC: Yes. I'm trying to understand the flow of funds, Mr White. Money was in the EEIS bank accounts at some stage; do you agree?

MR WHITE: Sorry, this - so - sorry - so it's - I think there is a slight distinction. So I think what we're now talking about is that the EEI Services bank accounts with NAB in Australia were used for - as a place where a customer could repay their CCF, and that that was that - the payments into the NAB account, for those purposes, were handled by the cage.

MS SHARP SC: But when those payments were made into the EEIS accounts, are you saying it was the cage who then swept those payments into the casino accounts?

MR WHITE: That - that was my understanding, yes.

MS SHARP SC: And was it Star Entertainment who did all the accounting for EEIS?

MR WHITE: I believe so, yes.

5

MS SHARP SC: Was it your assumption that EEIS was not acting as an agent of the casino in advancing these loans?

MR WHITE: That's correct. It was - yes.

10

MS SHARP SC: Did you receive any legal advice on that matter?

MR WHITE: I - I believe so. I - I - I believe I received advice on that when we were looking at it in the initial phase in - between 2012 and 2014/15.

15

MS SHARP SC: Did you receive any legal advice in 2018 and 2019?

MR WHITE: I - I can't be - I can't be certain. I can't recall.

20

MS SHARP SC: Is the advice you're referring to having earlier received an advice of Bret Walker SC?

MR WHITE: That was certainly an advice that related to this project sort of when it was first considered, yes.

25

MS SHARP SC: Do you accept that if EEIS was, in fact, an agent for the casino operator, then to the extent that EEIS provided loans before 1 July 2020, that would have been in breach of section 74 of the Casino Control Act?

30

MR WHITE: If that were the case, yes, but I don't believe that was because the decision-making was all The Star Entertainment Group Limited's. The - there was a guarantee in place between EEI Services and The Star Entertainment Group Limited to cover off funding, including funding of any losses. And so, so far as I was aware, that the - EEI Services was acting either for its own interests or potentially for The Star Entertainment Group Limited as the holding entity.

35

MS SHARP SC: Well, EEIS didn't have any of its own interest, did it?

MR WHITE: Well, I --

40

MS SHARP SC: It was a thinly capitalised company, wasn't it?

MR WHITE: That's - that's correct. It was - it was supported entirely by The Star Entertainment Group Limited.

45

MS SHARP SC: Yes. And --

MR WHITE: Or it might have been The Star Entertainment Finance Limited. I can't remember exactly which entity it was.

5 **MS SHARP SC:** And, Mr White, EEI did not have any interest independent of Star Entertainment or the casino operators, did it?

MR WHITE: No.

10 **MS SHARP SC:** So you would agree that it could not be acting for its own interest when it was advancing these loans?

MR WHITE: Look, I - I think that's - that's probably fair, yes.

15 **MS SHARP SC:** Right. Do you agree that if EEIS was an agent of the casino operator, in advancing those loans, it would have been in breach of section 74 of the Casino Control Act prior to 1 July 2020?

MR WHITE: Yes.

20 **MS SHARP SC:** So whether or not EEIS was an agent of the casino operator was a pretty important question, wasn't it?

MR WHITE: Yes.

25 **MS SHARP SC:** Right. So I'm just trying to understand, do you have any recollection at all of whether you or anyone else at Star sought legal advice about that critical question?

30 **MR WHITE:** I - I think I've said I - I believe - I - look, I - I - I can't be certain. I can't recall. I - I believe we did, but I - I can't recall when.

MS SHARP SC: And you mentioned a moment ago that Star Entertainment had given some kind of guarantee to EEIS. What was that guarantee?

35 **MR WHITE:** I - I - I must admit - I'm sorry, I - I can't recall the exact terms. There was certainly - initially there was a - a guarantee of meeting EEI Services's costs, but then I think - my recollection is later there was a - there were some other agreements put in place. I'm sorry, I can't remember the details of those agreements.

40 **MS SHARP SC:** And when were they put in place?

MR WHITE: I want to say around the middle of 2019. Again, I can't be - I can't recall exactly when that happened.

45 **MS SHARP SC:** And is it your expectation that Star Entertainment would hold copies of that guarantee and the subsequent agreements?

MR WHITE: I believe so, yes.

MS SHARP SC: Well, I call for the production of those documents.

5 **MS RICHARDSON SC:** I will make inquiries about that.

MR BELL SC: Mr White, I wonder if you can help me to understand, first of all, how many loans - how many of these loans did EEIS make?

10 **MR WHITE:** I may not have the numbers exactly right, but I believe that there were - in the end, there were five customers that were advanced EEI - EEI Services loans. And for those five customers, there were approximately 40 drawdowns.

15 **MR BELL SC:** And were any of those customers junket operators?

MR WHITE: I - I - so I believe that - I - I'm sorry, I can't remember the exact number. I want to say it was possibly one or two may have been junket operators, but I don't believe they ever drew down on the loans as junket operators. And
20 certainly one, possibly two of the borrowers were junket funders.

MR BELL SC: And can you help me to understand what the size of the five loans were?

25 **MR WHITE:** I - I must admit - I'm - I'm afraid, Mr Bell, I don't have that detail to hand. I - I believe that - or I - I'm - I'm sorry, I - I - I can't recall the approximate size of those loans.

MR BELL SC: And was there a documented loan agreement for each of those
30 loans?

MR WHITE: Yes, there is.

MR BELL SC: And does The Star Entertainment still have copies of those loan
35 agreements?

MR WHITE: I would expect so, yes.

MR BELL SC: Yes. And you would be able to assist us to obtain those
40 documents? Well, perhaps not if you are leaving shortly.

MR WHITE: I was going to say, I - I'm afraid I won't be in a position to do that. But I think that the credit and collections team would have copies of those loan agreements and all of the documentation relating to those loan agreements
45 available.

MR BELL SC: Yes. Thank you, Mr White.

MS SHARP SC: Now, you mentioned there were some loans to junket funders. I'm not going to be able to pronounce this name correctly, but I will have a go. Was one of those junket funders Sixin Qin? I will spell that: S-i-x-i-n Q-i-n.

5 **MR WHITE:** Yes.

MS SHARP SC: It was?

MR WHITE: Yes.

10

MS SHARP SC: Yes. Thank you. Now, could I move to ask you some questions about the arrangements with Kuan Koi.

MR WHITE: Certainly.

15

MS SHARP SC: Now, you were involved in the development of those arrangements?

MR WHITE: I was.

20

MS SHARP SC: And those arrangements went through a few changes, did they?

25

MR WHITE: I - I think you may be referring to that memo that has already been on the screen. So there was a - I think we've already - at least referred to once here, that there was a customer service - I think that's the name of it - a customer service agreement put in place in January 2018 between Mr Kuan Koi and - I think it was The Star Entertainment International (No 1) Pty Ltd, regarding the provision of that - the - of service - repayment services, effectively, with Mr Qin placing funds in his front money account through either him having - providing personal cheques or through him wiring funds to The Star's bank account to credit to his front

30

money account. And then he would collect funds in Macau from customers of The Star and would then make those - an equivalent amount of front money available to them - sorry, this was for repayment of CCF. I'm getting this wrong, sorry.

35

So that was the initial position, that it was for the repayment of amounts owing to The Star Pty Ltd. Subsequently, that was amended, again following external legal advice in both Australia and Macau, on - to allow transfers of front money - sorry, funds before play. And then I believe that that arrangement finished in May or June 2018. But subsequent to that, there was an informal arrangement

40

which - certainly according to the memo from August 2019, I think I set out what I understood at that time to be the case based on what I was told by Adrian Hornsby about how the arrangement had changed and that customers were using remittance service providers then to transfer their funds rather than paying to Mr Kuan Koi.

45

MS SHARP SC: Just to clarify something: in the early part of that answer you said Mr Qin. I take it you meant --

MR WHITE: I'm sorry. I meant Mr Kuan Koi, sorry. My - my mistake. Sorry.

MS SHARP SC: All right. Once remitters got involved in this arrangement, how did it work? What was Mr Koi actually doing?

5 **MR WHITE:** So this only came out later, was that - and - and - and if - to say this: I - I still don't know that I know, really, what was happening despite there being an investigation into this. But I - I - I'm not actually sure that Mr Koi did anything after May or June 2018.

10 **MS SHARP SC:** So why was The Star still paying money to him?

MR WHITE: And - I - sorry, I'm - just let me - I'm trying to get my words on this. I'm still not sure I know the reason why despite, as I say, having tried to investigate this. I - yes. Look, I - I - I can't be certain. I think it was that this was
15 either held out that he was involved and that's why he should receive the funds, but I'm not entirely clear why.

MS SHARP SC: And you mentioned the investigation. How did that investigation come about?

20 **MR WHITE:** Well, Mr Kuan Koi, in around - well, sorry, let me put it this way: I was informed by Adrian Hornsby in approximately mid-August 2019 that Mr Kuan Koi wanted to finish his arrangement, which sort of - I was sort of a little bit confused about, but that was fine. And - but shortly thereafter we received legal
25 letters from Mr - a solicitor representing Mr Kuan Koi, saying that - I - I can't recall exactly what the - the - the order of things, but I think eventually claiming that he was owed fees in relation to the original arrangement.

MS SHARP SC: And, sorry, when did you receive that notice?

30 **MR WHITE:** I - I - I'm afraid I can't recall. I want to say maybe during September 2019.

MS SHARP SC: And who conducted the investigation?

35 **MR WHITE:** So I asked Kevin Houlihan to be involved in conducting that, but I also asked for assistance from certainly the IRB team but possibly also - I - I can't remember if it was also from cage to collect the information so that that could be assessed.

40 **MS SHARP SC:** But so far as you're aware, having asked for these investigations to be conducted, you've never really got to the bottom of what was going on with these payments?

45 **MR WHITE:** That's correct.

MS SHARP SC: Now, it's right that at some point, the arrangement changed such that third-party remitters became involved in the arrangement?

MR WHITE: Yes.

MS SHARP SC: And they were Regal Crown and Silver Express?

5

MR WHITE: That was what I was told in August 2019, but I'm not actually sure that - that that was necessarily the case. Because following the preparation of that memorandum, there was - and again, I'm sorry, I may not have the dates exactly right here or the exact order of events. But I believe that around that time, there
10 was also - NAB flagged with The Star - or raised questions with The Star Entertainment Group, sorry, I should say, regarding transactions on the EEI Services bank account with NAB in Australia, which myself and Skye looked - or I - maybe the initial request went to Sarah Scopel and then to Skye. I'm - I'm not quite sure on that. But in looking into that, it was then looking at the EEI Services
15 bank statements and that there - that it wasn't just Regal Crown and Silver Express who had been licensed remitters making payments into the EEI Services bank account. There was a number of other registered remitters as well.

MS SHARP SC: And this - despite your involvement in the EEIS project, is it
20 right that you only became aware that these various remitters were making deposits into the EEIS NAB bank accounts at some time late in 2019?

MR WHITE: That was my recollection then. I believe I've seen emails that I had raised questions regarding this with Adrian Hornsby, sorry, who was the general
25 manager, credit - well, the person who was in charge of credit and collections. I can't remember his exact title. I - I can't remember if it was during the investigation into Kuan Koi or - at some stage, I've seen that actually I had asked questions of Adrian Hornsby about licensed remitters making payments into the EEI Services bank account because it was a company making a payment into the
30 EEI Services bank account that had been flagged to me and that I - and that I had raised a query around this and then I had been provided information that showed it was a licensed remittance service provider. And so, therefore - and I - I - I think that - I can't be certain. I believe that would also have involved the AML team at that stage as well. But for whatever reason, I have only subsequently put those
35 together and that wasn't my state of knowledge in August 2019 or even in September 2019. I had just simply forgotten the - the previous year.

MS SHARP SC: If I can just take you back to your August 2019 memorandum. This is exhibit B at tab 1579, which is STA.3004.0008.0001.
40

MR WHITE: Yes.

MS SHARP SC: Now, if I take you down to - let me see - pinpoint 0002 - or I withdraw that. I will take you to the bottom of the first page. Do you see that
45 there's a heading Current Arrangements.

MR WHITE: Yes.

MS SHARP SC: And paragraph (c). And you refer, firstly, to Regal Crown in (i) and then, over the page, to Silver Service in (ii)?

MR WHITE: Sorry. Yes.

5

MS SHARP SC: Can I just take you back to what you say about Regal Crown for a moment.

MR WHITE: Yes.

10

MS SHARP SC: And what you say at the bottom of the first page, going into the second, is that:

"Regal Crown is a licensed money service operator in Hong Kong."

15

And it:

"Also offers services in relation to remittance -"

20

and I guess that's currency exchange:

"For cash payments received in Macau."

MR WHITE: Yes.

25

MS SHARP SC: And you say:

"We have not been able to verify the lawfulness of the process used by Regal Crown in Macau."

30

MR WHITE: Yes.

MS SHARP SC: And may we take it you did take steps to verify the lawfulness of the process used by Regal Crown in Macau?

35

MR WHITE: As I say, we had - I think it was based on possibly two or three bullet points, but that I had spoken to the Macau lawyers to try and understand whether this was possible and the - the advice seemed to be that they - without - certainly without more detail, it wasn't - it didn't necessarily appear that it stacked up without - certainly without more detail.

40

MS SHARP SC: And then in relation to Silver Express - if I could take you to that heading a little bit further down at pinpoint 0002.

45

MR WHITE: Yes.

MS SHARP SC: You say that:

"The arrangement with Kuan Koi appears to have continued in amended form with the assistance of the licensed money service operator in Hong Kong. The process has not been subject to review by the legal or the compliance team."

5 **MR WHITE:** Yes.

MS SHARP SC: And that was right at that time, was it?

MR WHITE: That - that was my understanding at that time.

10

MS SHARP SC: All right. But you just now don't know whether that's right or wrong; is that the position?

MR WHITE: That's - that's correct.

15

MS SHARP SC: Okay. And you really can't understand why these remitters were depositing all this money into the bank accounts of EEIS; is that right?

MR WHITE: No, no - sorry, the bit I don't understand is - sorry, this bit says "KK/Silver Express". KK is a reference to Kuan Koi. What I don't understand is the involvement of Kuan Koi in this process and, indeed, whether he had any involvement in this process.

20

MS SHARP SC: Can I ask you - tell me, was it intended at the time that the ES steering committee started in 2018 that remitters would be depositing funds into the EEIS NAB bank accounts?

25

MR WHITE: No.

30 **MS SHARP SC:** And why wasn't that intended?

MR WHITE: I think, as I've said, the - at the start, the intention for EEI Services was to be able to provide direct credit and provide EEI - and to provide loans and then, over time, included the proposal that EEIS itself would become a licensed remitter and be able to provide the remittance services sort of, for want of a better phrase, in-house, even though that never actually eventuated. But in - I think it was May 2018. That's when EEI Services established a bank account with NAB in Australia. And following that, that's when EEI Services accepted repayment of - or was able to accept repayment of CCF on behalf of the casino operators.

35

40

MS SHARP SC: Now, there's just one more document I want to ask you about before we have a break. Could I take you to STA.3014.0002.0613. This is an email that you've written to yourself on 10 December 2019. Is this you basically making a file note?

45

MR WHITE: Yes.

MS SHARP SC: All right. And this is exhibit - I will have to have this marked for identification, please, Mr Bell.

MR BELL SC: Yes. That will be MFI41.

5

MS SHARP SC: Now, could you just read this to yourself.

MR WHITE: Yes.

10 **MS SHARP SC:** What's this about, Mr White?

MR WHITE: I believe that this is my notes from a - a meeting or a - sorry, probably a meeting, I think between Kevin Houlihan and Aozhi Shen, who is a member of the credit and collections team based in Singapore, and that this is a
15 summary of his description of - it - it's - so if I just explain a bit. So "KK" is referencing Kuan Koi. Junket number 5, if I recall correctly, was the front money account of Mr Kuan Koi that was credited with amounts that allegedly related to bank fees and remittance service fees, and I think what he's describing here - so he is saying that if Kuan Koi collected cash, then it should be incurring bank fees
20 except on front money transfers. And I'm not sure why that was the case. This is just notes of what he said. That Gabbie - that would be - Gabriela Soares, I think, is her - her name, who was a credit and collections team member based in Macau, that the spreadsheet she had was the source of truth on fees and included an image - a JPEG of bank fee receipts. And that - sorry.

25

MS SHARP SC: What's the spreadsheet?

MR WHITE: I must admit, I - I - I - can't be certain. I think this was the spreadsheet to do with the Kuan Koi fees.

30

MS SHARP SC: And you say:

"Remitter used came in waves, sometimes Silver Express, sometimes Currenxie."

35

MR WHITE: Yes.

MS SHARP SC: So remitters were used in conjunction with arrangements with Kuan Koi, were they?

40

MR WHITE: I'm - I'm sorry that this isn't going to make more sense because, as I say, I'm - I'm - I still am not entirely clear myself. But I - I think what this is trying to say is the identity of the remitter - or the remittance service provider who was being used by customers came in waves, but I think what it's trying to say was
45 varied from time to time, and that included Silver Express and Currenxie, which was another Hong Kong licensed remitter service provider.

MS SHARP SC: All right. But those remitters had some connection with arrangements with Kuan Koi?

5 **MR WHITE:** And again, this is the - I - I - I don't know that I can say that was definitely the case because I'm not sure we ever got to the bottom of this and whether Kuan Koi was involved or not.

10 **MS SHARP SC:** Now, who do you say is best placed within your organisation now to explain what, in fact, did go on with Kuan Koi?

MR WHITE: And I'm sorry not to be more helpful, but I'm not sure that anybody who is still with the organisation is. I think if - I - I - my expectation is that the people who probably best knew what was going on were Adrian Hornsby, who was the general manager credit and collections - or - or - I'm sorry, I may not have his title exact. And then his offsider, who is based in Hong Kong, who is called Jacker Chou. But I - I - again, he would have a Chinese name, but I knew him as Jacker Chou.

20 **MS SHARP SC:** It doesn't sound like this arrangement was very well supervised, does it?

MR WHITE: No.

25 **MS SHARP SC:** Could we have an adjournment at this point?

MR BELL SC: Yes. I will now adjourn for 15 minutes.

<THE HEARING ADJOURNED AT 3:40 PM

30 **<THE HEARING RESUMED AT 3:55 PM**

MS SHARP SC: Mr White, this file note that you've written or emailed to yourself dated 10 December 2019, why have you marked it "privileged and confidential"?

35 **MR WHITE:** Because this is my file note to myself regarding an interview that was part of an internal investigation.

40 **MS SHARP SC:** Had you been asked to provide any legal advice about this matter at the time?

MR WHITE: In relation to the Kuan Koi --

45 **MS SHARP SC:** Yes.

MR WHITE: -- dispute? I'm sorry, I need my glasses on. Well, I - I - I was providing legal advice to the business in relation to the dispute, yes.

MS SHARP SC: Can I show you now, please, exhibit B, tab 1570 which is STA.3415.0001.9942. Operator, that's exhibit B1570. Now, what I'm - if I can take you to this document dated 20 August 2019. You can accept from me that this is a draft of the advice you prepared. I've taken you to the final version before. This is
5 an earlier draft I'm taking you to now. I just want to take you, please, to the bottom of pinpoint 9442, over to the top of pinpoint 9443. And what is there stated is that:

10 "Regal Crown also offers services in relation to remittance and currency exchange for cash payments received in Macau. We have not been able to verify the lawfulness of the process used by Regal Crown in Macau."

Did you ever verify the lawfulness of the process used in Macau?

15 **MR WHITE:** No.

MS SHARP SC: And now if I could move you, please, to pinpoint 9444 at the bottom of the page. There's a heading SE. It is there stated:

20 "Legal and compliance can investigate whether Silver Express are licensed in Macau and/or the basis on which Silver Express operate in Macau is lawful."

Did legal or compliance ever investigate that matter?

25 **MR WHITE:** I don't recall so, no.

MS SHARP SC: Now, are you able to explain why it was that remitters were making payments into the bank accounts of EEIS rather than directly into the bank accounts of The Star?

30 **MR WHITE:** That was something that the credit and collections team were advising customers they could do.

35 **MS SHARP SC:** Well, surely you had an understanding of why that was happening, Mr White, given you were one of the project leads for the EEIS project?

40 **MR WHITE:** I - I was asked for legal advice on whether - on the - whether - on the legality of - sorry, I'm not phrasing that well. I was asked to provide advice in connection to whether it was possible for payments in relation to CCF repayments could be made into the EEIS bank accounts - sorry, the EEIS NAB account in May 2018.

45 **MS SHARP SC:** All right. Given that you were asked for that legal advice, surely you're in a position to explain to us why it was that remitters were paying money into the EEIS bank accounts rather than directly into The Star bank accounts?

MR WHITE: It was - the request was for - to provide another payment channel.

MS SHARP SC: And why?

MR WHITE: My understanding was - from the business was that some customers were finding it difficult to make transfers into The Star's bank accounts directly.

5

MS SHARP SC: So is it the case that what was happening is that Star was assisting patrons by making another payment channel available because these patrons did not want it known that they were causing payments to be made into a casino's bank accounts?

10

MR WHITE: Sorry, please could you put that question to me again. Sorry.

MS SHARP SC: Is it the case that what The Star was doing was assisting patrons by making available to them an alternative payment channel so that it did not appear that patrons were making payments to a casino?

15

MR WHITE: I suppose that could be the case, yes.

MS SHARP: And isn't it right that what Star was doing was assisting those patrons obscure the destinations of their payments?

20

MR WHITE: I - I don't think that was the intention.

MS SHARP SC: Are you sure about that, Mr White?

25

MR WHITE: No, I'm - I'm sorry, I can't be certain on that.

MS SHARP SC: Now, it's - can I take you to exhibit C73, please, which is STA.3009.0012.0533. And can I take you to the bottom half that document. Do you see there's an email from Anthony Seyfort to yourself dated 14 March 2019?

30

MR WHITE: Yes.

MS SHARP SC: And he's providing you some advice on whether IFTIs need to be lodged in respect of certain patron accounts maintained by - or on behalf of the casino; correct?

35

MR WHITE: Yes.

MS SHARP SC: All right. And from time to time during 2019, you did seek advice from Mr Seyfort regarding the question of whether IFTIs needed to be lodged for the EEIS accounts?

40

MR WHITE: Yes.

45

MS SHARP SC: Could you just pardon me a moment, please, Mr Bell?

MR BELL SC: Yes.

MS SHARP SC: Can I take you now, please, Mr White, to STA.3009.008.4417. And I'm showing you an email sent from James Johnston to Mr Bekier, Ms Martin, Mr Theodore, Mr Hawkins and copied to yourself and others.

5

MR WHITE: Yes.

MS SHARP SC: This is exhibit B3447. It's right, isn't it, that by December of last year, the business was conducting a number of investigations into various patron account issues?

10

MR WHITE: That's correct.

MS SHARP SC: And you were involved in those investigations?

15

MR WHITE: Yes.

MS SHARP SC: And what was your involvement, please?

MR WHITE: These investigations - I'm sorry. My involvement was - shortly before I went on long service leave and during long service leave, I prepared briefing memos on a number of these issues setting out my understanding of the background to them.

20

MS SHARP SC: And when did you prepare those briefing memos?

25

MR WHITE: December 2021.

MS SHARP SC: And how many briefing memos did you prepare?

30

MR WHITE: I'm - I'm sorry, I can't remember --

MS SHARP SC: Was it one or more than one?

MR WHITE: It was more than one.

35

MS SHARP SC: I call for those briefing memos.

MS RICHARDSON SC: I will make inquiries.

40

MS SHARP SC: Now, when you go on long service leave?

MR WHITE: 3 December.

MS SHARP SC: And how long were you on long service leave?

45

MR WHITE: Until 1 February this year.

MS SHARP SC: Can I take you, please, to exhibit B at 3402. This is STA.3008.0002.2830.

5 **MR WHITE:** This is one of the briefing notes I was referring to.

MS SHARP SC: Right. Were you giving - had you been asked to provide legal advice to anybody in relation to these briefing notes?

10 **MR WHITE:** I - I believed I was providing this so that it could be forwarded on to seek external legal advice.

MS SHARP SC: And who told you that?

15 **MR WHITE:** We had discussed - sorry, that at least - I think before I went on leave, or possibly just after I went on leave, that the first of these had been referred to HWLE for review and input.

20 **MS SHARP SC:** Well, I just want to understand: what was the role of HWL Ebsworth at this time?

MR WHITE: I'm not sure I understand the question, sorry.

25 **MS SHARP SC:** Well, you just said that you believed that your briefing notes were being forwarded on to HWL Ebsworth?

MR WHITE: Yes.

30 **MS SHARP SC:** So what was your understanding of what HWL Ebsworth were doing at this time?

MR WHITE: My understanding was that they were going to help review relevant transactions and provide legal advice on any legal or regulatory issues arising.

35 **MS SHARP SC:** And who told you that HWL Ebsworth were going to provide legal advice?

MR WHITE: I'm sorry, I don't - I'm not sure I understand the question.

40 **MS SHARP SC:** Who told you that HWL Ebsworth were going to provide legal advice to Star Entertainment or The Star?

45 **MR WHITE:** The - I think the first of these memos I sent myself to the partners at HWL Ebsworth asking them to review relevant transactions and identify any legal issues.

MS SHARP SC: So you sought legal advice, did you?

MR WHITE: I'm pretty sure - I'm pretty sure I - I did, but these other ones I think I - I passed on to - and I'm sorry, I can't remember who I passed them to. It might have been Andrew Power, it might have been Paula Martin or it might have been James Johnston. I can't remember which. For - so that they could be passed on,
5 together with relevant information, for HWLE to review as well.

MS SHARP SC: And you understood, did you, that HWL Ebsworth was going to provide legal advice to the business?

10 **MR WHITE:** Or at least - yes. Sorry.

MS SHARP SC: Well, who told you that?

15 **MR WHITE:** That - well, I - I think that it - it would have been a discussion with either Paula or Andrew as to who would assist The Star Entertainment Group with assisting in the review of the relevant issues and then provide legal advice on any legal or regulatory issues arising out of it.

20 **MS SHARP SC:** Now, when you prepared this document, were you doing your best to accurately record your understanding of events as they had occurred in relation to the Bank of China Macau issue?

MR WHITE: Yes. I - I believe so.

25 **MS SHARP SC:** Can I take you, please, to exhibit B3394. This is STA.3008.0002.2802. And do you see this is an exchange of information between you and Gabriela Soares?

MR WHITE: Yes.

30

MS SHARP SC: All right. And how do I pronounce her last name?

MR WHITE: I'm - I'm not sure, I'm sorry.

35 **MS SHARP SC:** So is it right that you were exchanging emails with - I will say Gabriela, to understand what had happened in relation to documents that were provided to the Bank of China in Macau?

40 **MR WHITE:** Yes - sorry. Sorry. I should say I - in relation to documents that she had emailed through to, I believe, Michael and Skye, which - I don't know that - I'm - I'm not absolutely certain that they were provided to Bank of China in Macau, but they were provided to Michael and Skye on the basis that they had been. I don't know for sure that they were.

45 **MS SHARP SC:** Did you ever have any conversations with Gabriela about her involvement in what I will call the Bank of China Macau issue?

MR WHITE: Yes.

MS SHARP SC: And when did you have your conversations with her?

5 **MR WHITE:** I - I can't remember exactly. It would be in the --

MS SHARP SC: Take that document down, please, operator. I'm sorry?

10 **MR WHITE:** Sorry. I believe they would be set out in the - in the memorandum we had on screen a short while ago.

MS SHARP SC: All right. So you spoke to her late last year, did you?

MR WHITE: Yes.

15 **MS SHARP SC:** And you were speaking to her because there was an allegation that staff of The Star had provided letters to Bank of China officials in Macau that gave a false account of what the source of funds were for various patron deposits; is that correct?

20 **MR WHITE:** That's my understanding, yes.

MS SHARP SC: And what did she tell you?

25 **MR WHITE:** I believe I've summarised it in the - in the memo.

MS SHARP SC: All right. Well, Mr White, it only happened at the end of last year. So I want your recollection, please. How prevalent was this? What did she tell you?

30 **MR WHITE:** She told us - or she said it happened every day, and we were saying what period - and I - I must admit, I can't remember exactly what period she said. I think she said, "From when I started until they closed the bank account."

35 **MS SHARP SC:** And did she tell you whether anybody had authorised this conduct?

MR WHITE: I think that was in the email that was --

40 **MS SHARP SC:** I'm just asking for your recollection, Mr White. What did she tell you?

45 **MR WHITE:** I believe - sorry, my recollection, I think, is that she said that Jacker Chou had been the main contact with BOC Macau but that Jacker reported to Adrian and that Adrian would be across everything that Jacker did but that she never asked Jacker because he was her boss.

MS SHARP SC: So did Gabriela ever tell you that Adrian Hornsby had authorised the provision of these fake letters to the Bank of China in Macau?

MR WHITE: I - I don't think she said that directly. I think what she said was that - I think she said it was Jacker but that Adrian - that - that so far as, sort of, I guess, that general - general practice would be that Adrian was across everything that Jacker did.

MS SHARP SC: And just to be clear: did she ever say to you that these letters were only handed to Bank of China Macau on two per cent of the occasions that deposits were made by or on behalf of patrons?

MR WHITE: Sorry. Could you say that to me again, please? Sorry.

MS SHARP SC: Did she ever say to you that these letters were only handed to Bank of China Macau staff on about two per cent of the occasions that deposits were made by or on behalf of patrons?

MR WHITE: No, she didn't say that.

MS SHARP SC: Is it correct that you were led to understand, through your direct conversations with Gabriela, that this was a systemic problem?

MR WHITE: That's what she seemed to say, yes.

MS SHARP SC: And is it right that in preparing documentation about your investigations into this Bank of China issue, you did your best to accurately record the information that had been provided to you?

MR WHITE: I believe so, yes.

MS SHARP SC: Just pardon me for a moment Mr Chau - I mean Mr Bell, I'm sorry. And in particular, could I show you exhibit B at 3392 at STA.3008.0002.2837. It's right that this is a file note you prepared for yourself on 29 November 2021?

MR WHITE: No, I think this - this is the - possibly an early draft of the - the memo that I finalised once I was on leave and - I - I - I'm sorry, I can't remember the exact timing, but I think this may just be an earlier draft of it.

MS SHARP SC: Right. Now, can you tell us what Project Zurich is, please?

MR WHITE: I - I can't be sure, I'm sorry.

MS SHARP SC: Have you never heard of Project Zurich?

MR WHITE: I've - I've - I've heard the name, but I - I can't remember what the project specifically was about.

MS SHARP SC: Is it right that there has been a project to investigate occurrences in what I will call the patron bank accounts?

5 **MR WHITE:** Is - is that the same as the meeting file note that - from James Johnston in December? Because I'm - I'm aware of - of that.

MS SHARP SC: Right. Well, what can you tell us about that?

10 **MR WHITE:** Unfortunately, I haven't really been involved in it since I came back in February. I have been - I did see a - I think a draft report, but - and I believe I've attended maybe one, maybe two of the meetings. But I haven't really been an active participant since I went on annual - long service leave in December.

15 **MS SHARP SC:** And who have been the people actively involved in this matter?

MR WHITE: From a legal team perspective, James Johnston is probably the junior team member. And I can't remember if he's reporting to Andrew or to Paula on this.

20 **MS SHARP SC:** Is there some reason why you have not been involved in this, given that you were one of the project leads for the EEIS project?

25 **MR WHITE:** It may be because I resigned in early January and that, therefore, it's being managed in a way to ensure continuity.

MS SHARP SC: Can I - just pardon me one moment, Mr Bell. Can I take you, please, to - in fact, I withdraw that. Pardon me, Mr Bell. I have no more questions for Mr White in public session. I do have some questions in private session.

30 **MR BELL SC:** Well, just before we go to private session, Mr White, I wanted to talk to you about Suncity and Salon 95.

MR WHITE: Yes, Mr Bell.

35 **MR BELL SC:** You told me this morning that you thought the second warning letter to the Suncity junket was an extremely weak response?

MR WHITE: Yes.

40 **MR BELL SC:** And you told me that you believed that everyone in legal, risk and compliance thought it was not the appropriate response?

MR WHITE: That's - that's my recollection.

45 **MR BELL SC:** Yes. And you said that after a further concerning incident or incidents in May and June 2019, you felt that there was definitely pressure from the business to continue the Suncity service desk?

MR WHITE: I - I think on that, I'm - I may have been a little unclear. I don't think - I - I - I'm not sure of the timing, sorry, of that - of that further incident.

MR BELL SC: All right.

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MR WHITE: And I think that the pressure to continue the Suncity service desk was in 2018 --

MR BELL SC: All right.

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MR WHITE: -- not in 2019. Sorry, I - I think I may have been a little confused on that, sorry.

MR BELL SC: So when you told me this morning there was definitely pressure from the business to continue the Suncity service desk, I should understand that was a reference to 2018?

MR WHITE: That's - that's correct, Mr Bell.

MR BELL SC: And you said this morning that the pressure was not just from one individual in the business?

MR WHITE: Yes.

MR BELL SC: Did you feel at the time that there was a culture where business goals took priority over compliance goals?

MR WHITE: I - sorry. It's something I've reflected on and I - I feel that was the case from time to time, particularly in a series of areas that we've touched upon in our discussions.

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MR BELL SC: Yes. Ms Richardson, do you have any questions for Mr White in public session?

MS RICHARDSON SC: No. Thank you.

MR BELL SC: Yes. Operator, we will now move into private mode, please.

<THE HEARING IN PUBLIC SESSION ADJOURNED AT 4:21 PM

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<THE HEARING IN PRIVATE SESSION RESUMED AT 4:21 PM

<THE HEARING IN PRIVATE SESSION ADJOURNED 4:41 PM