



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**

**WEDNESDAY, 13 APRIL 2022
AT 10:00 AM**

DAY 20

**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 H. ATKIN
and MR M. FORGACS as counsel for The Star Pty Ltd**

**Star Witness
MS PAULA MAREE MARTIN**

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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: Ms Martin, you remain bound by the affirmation you made on Monday.

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<PAULA MAREE MARTIN, ON FORMER AFFIRMATION

MR BELL SC: Yes, Ms Bell.

10 **MS SHARP SC:** Could I tender a further tranche of documents. This is list G, which I will tender as G. There is a tabulated document that has numbers 1 through 967. I tender each of those documents and the index as exhibit G.

MR BELL SC: That will be exhibit G1 to G967. Yes, Ms Sharp.

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<EXAMINATION BY MS SHARP SC:

MS SHARP SC: Ms Martin, you will recall that we discussed your 7 November 2019 email yesterday?

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MS MARTIN: Yes, Ms Sharp.

MS SHARP SC: Could I take you, please, to exhibit B, tab 1806, which is STA.3006.0003.0358. Do you see that's an email from Harry Theodore to Matt Bekier, copied to Mr Hawkins and to you, dated 5 November 2019?

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MS MARTIN: Yes, I do.

MS SHARP SC: Now, given this email is sent from the CFO to the CEO and the chief officer of casinos in New South Wales, you expect that you read this at the time, do you?

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MS MARTIN: No, Ms Sharp. I don't recall that I do.

35 **MS SHARP SC:** Well, it's most likely you did, isn't it?

MS MARTIN: I'm not sure that I'd say it's most likely, Ms Sharp, in that particular week.

40 **MS SHARP SC:** Now, if you have a look at what's said in this email, Mr Theodore advises:

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"We have been getting more requests from CUP on the transactions going through our NAB (hotel) terminals over recent weeks. CUP are asking about the nature of the transactions and seeking a more detailed breakdown of specific customer accounts. We have had this in the past. We gave high level answers and it blew over. The requests we are getting now however are seeking more detail. The requests come from CUP through NAB to us. We go

back to NAB and they pass it through. We also yesterday received a direct request from CUP's Sydney office. We have not had this approach before. We continue to respond to requests through NAB with Oliver White's assistance on drafting the replies."

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Now, you were well aware that the situation with CUP and NAB's inquiries was being escalated at this point; correct?

MS MARTIN: No, Ms Sharp. I'm not sure that that's the case on this date.

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MR BELL SC: Can I just ask, Ms Martin: why are you disputing the likelihood that you read this email from the CFO?

MS MARTIN: Mr Bell, I say that because my recollection is that when, on 7 November, we were looking at the response, I had been asked by Mr Theodore at that - at that time to look at it, and I had not been paying attention to the run up to it, and I had been non-responsive up to that point. And that's part of why Mr Theodore had touched base with me on the 7th, Mr Bell.

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20 **MS SHARP SC:** But you received a series of emails leading up to 7 November about this matter, didn't you?

MS MARTIN: My recollection is I had received a - a number of them, yes, Ms Sharp, that I - I don't recall having looked at, certainly not before the first
25 discussion on the 7th.

MS SHARP SC: Ms Martin, it's most implausible that you would not read a communication from the CFO to the CEO of your organisation into which you were copied?

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MS MARTIN: No, I don't agree with that.

MS SHARP SC: See, you knew perfectly well at the time that CUP issues were being escalated and NAB was asking for more information about the purpose to
35 which the CUP cards were put; do you agree?

MS MARTIN: Ms Sharp, my best recollection is I became aware of that on 7 November.

40 **MS SHARP SC:** Well, that evidence is just not true, is it?

MS MARTIN: I don't agree with that, Ms Sharp.

MS SHARP SC: And let me show you another email. This one is exhibit B, tab
45 1817, STA.3008.0009.0002. And do you see you're copied into this email as well? This one is a reply to the last email from Mr Hawkins, again to Mr Theodore, copied to the CEO and yourself, dated 6 November 2019?

MS MARTIN: Yes, I see that.

MS SHARP SC: And it's most likely you read that at the time, isn't it?

5 **MS MARTIN:** No, Ms Sharp, for the same reason as with the previous email.

MR BELL SC: Surely it would have been your practice at the time, Ms Martin, to read emails into which you were copied between the CFO and the CEO?

10 **MS MARTIN:** It was my general practice, Mr Bell, more broadly. In these couple of days, I have looked at materials and my diary to see what else was happening at the time. And my recollection is that because I hadn't been paying as much attention is why Mr Theodore spoke to me on the 7th.

15 **MR BELL SC:** So you're quite confident that you didn't follow your usual practice?

MS MARTIN: I am on those couple of days, Mr Bell.

20 **MS SHARP SC:** Is it the case that you're just not telling the truth at the moment, Ms Martin?

MS MARTIN: I don't believe so, Ms Sharp.

25 **MS SHARP SC:** You see, when you said yesterday that you settled Ms Scopel's draft 7 November 2019 reply to NAB in haste, that was not true, was it?

MS MARTIN: That's not right, Ms Sharp.

30 **MS SHARP SC:** And by that time, you had had ample opportunity to consider what response should appropriately be made to NAB; correct?

MS MARTIN: I - I agree with that on a calendar basis, Ms Sharp. I just had not spent time on it by that time.

35 **MS SHARP SC:** And the fact is, Ms Martin, that throughout the period 2014 to March 2020, you were kept updated by Mr White and Mr Power about developments with the CUP process at The Star; correct?

40 **MS MARTIN:** I believe I was kept updated and had discussions, as I described yesterday.

MS SHARP SC: And during that period, and indeed from the outset, you were aware that the CUP cards represented a method by which patrons could move large amounts of money out of China despite the Chinese tight controls on capital flight?

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MS MARTIN: Ms Sharp, I was aware of how we used the CUP service, and I was separately aware of restrictions on capital flight. The - they're two concepts I was aware of.

5 **MS SHARP SC:** You were aware from 2014 at the latest that UnionPay international prohibited CUP cards from being used to purchase gaming chips?

MS MARTIN: I can't recall the exact timeframe we discussed yesterday, Ms Sharp, but I became aware that the NAB merchant terms structure was there
10 because there could not be direct use of the CUP cards for gaming services.

MS SHARP SC: And you were aware from 2014 that The Star had implemented a procedure involving sham documentation to give the appearance that the CUP card was being used to purchase accommodation services when, in fact, those
15 cards were being used to purchase gaming chips and repay cheque cashing facilities; correct?

MS MARTIN: That's not as I described it yesterday, Ms Sharp.

20 **MS SHARP SC:** And you were advised that The Star would seek to avoid a risk that the regulator views the debit of the - I withdraw that. You were aware in 2014 that there was a risk that the regulator would regard the period during which the CUP card was swiped and when the funds were cleared as a period of credit if the patron received their chips as soon as they swiped their cards; correct?
25

MS MARTIN: Ms Sharp, I'm not sure I followed that whole question. My apologies. Do you mind just repeating it?

30 **MS SHARP SC:** You were aware in 2014 that your lawyers were concerned there was a risk that the regulator would view the CUP process as involving the provision of credit in the period where the CUP funds were yet to clear into The Star's casino account?

35 **MS MARTIN:** I'm not sure of the exact timeframe, Ms Sharp, but I think it was around that time in - some point in 2014 that I was aware that advice was being given on the use of a CCF facility under the Casino Control Act in New South Wales and the way in which that would work or otherwise under those provisions of the Act.

40 **MS SHARP SC:** And you were aware at that time, in relation to that advice, that there were risks that the regulator would not accept that position?

MS MARTIN: Ms Sharp, I think I would need to look at those documents again
45 from yesterday, but there was legal advice being given on whether that process could be put in place. And my recollection is that the nature of the legal advice was to address legal risks.

MS SHARP SC: Well, we'll come back to that. It's correct, isn't it, that by 2015 you had doubts that NAB staff appreciated that the China UnionPay cards were being used to purchase gaming chips?

5 **MS MARTIN:** I think, as we discussed yesterday, I was certainly aware that queries were being made by individuals at NAB in relation to the CUP service.

MS SHARP SC: And you personally did nothing at that time to confirm directly with any NAB staff that they were aware that the CUP cards were being used to
10 purchase gaming chips at The Star, did you?

MS MARTIN: I did not make any direct contact with NAB.

MS SHARP SC: And nor did you direct any of your staff members to make
15 contact with NAB to confirm their awareness that the CUP cards were being used to purchase gaming chips; correct?

MS MARTIN: As I think I said yesterday, it was that I don't have any specific
20 recollections beyond discussions with my team, and potentially the finance team, over the period that we covered yesterday.

MS SHARP SC: And you were aware by 2015 that there was a concern in The
25 Star that the use of the CUP cards may be in breach of NAB's merchant terms, thereby putting Star at risk of being called upon in relation to the indemnities it had provided to NAB?

MS MARTIN: Ms Sharp, I think we covered this yesterday, where there was
some information I was aware of and other information I was not aware of.

30 **MS SHARP SC:** And in the answers you've provided to me this morning, you are not doing your best to tell the truth, are you?

MS MARTIN: I am doing my best, Ms Sharp. I - I don't have a full recollection
35 of that period from 2014 to 2015. What I'm not looking to do, on reflection, is to defend everything that was done in that time.

MS SHARP SC: And by 2015, at the very latest, you were aware that Phillip
Dong Fang Lee was using his CUP card to withdraw many millions of dollars?

40 **MS MARTIN:** What I was aware of from yesterday was that I was an authoriser on a cheque cashing facility limit for Mr Lee that was for, I think I recall, \$11 million.

MS SHARP SC: A number of very serious risks associated with the CUP card
45 process at The Star were expressly drawn to your attention in a legal advice that Mr Power provided to you on about 11 May 2016; correct?

MS MARTIN: My recollection, from our discussion yesterday, was that there was a note that we looked at that I was advised was from a discussion with Mr Power, Mr Bekier and myself from 2016. And in the note that I saw, it contained risks on the CUP service at The Star.

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MS SHARP SC: And yet, as the most senior lawyer at The Star, you provided no legal or other advice to cease using the CUP card at that time, did you?

MS MARTIN: Ms Sharp, I just don't have a specific recollection. So I can't, for example, recall what may have been discussed in that meeting we discussed yesterday in 2016.

MS SHARP SC: And at no time did you take any steps to make the board aware of this suite of risks associated with CUP card usage at The Star, did you?

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MS MARTIN: I don't recall that specifically.

MS SHARP SC: And Mr Bell can have no confidence whatsoever that you are giving honest answers to any of the questions I've asked you this morning, can he?

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MS MARTIN: I don't believe that's correct, Ms Sharp.

MS SHARP SC: So far as you knew, The Star had not lodged any IFTIs to AUSTRAC in relation to China UnionPay; correct?

25

MS MARTIN: I don't know that I have specific knowledge of that.

MS SHARP SC: And in continuing to use the China UnionPay process from 2013 to March 2020, The Star, and you personally, acted in complete disregard of the obvious anti-money laundering and counter-terrorism financing risks associated with that payment channel?

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MS MARTIN: I don't agree with that description, Ms Sharp.

MS SHARP SC: You did not then, and you still do not, appreciate the obvious money laundering risks associated with the use of the CUP card in the manner that it was by The Star; do you agree?

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MS MARTIN: I don't agree with that specific statement.

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MS SHARP SC: And you were quite well aware in November 2019 that The Star was providing utterly misleading answers to NAB in response to requests about the true use to which the CUP cards were put?

MS MARTIN: I was aware in November 2019 that that particular email response that we have discussed was misleading in the sense that it did not contain clear comments on the use in connection with gaming. I - I acknowledge that, Ms Sharp.

45

MS SHARP SC: And in fact, you personally settled one such misleading response to NAB on 7 November 2019?

5 **MS MARTIN:** As we've discussed, I don't believe I settled it, Ms Sharp. I certainly commented on it in haste.

10 **MS SHARP SC:** And at no point did you call out the CUP arrangement, with all of its risks and all of its improprieties, as improper or unethical in any of your dealings with your lawyers at Star, senior management at The Star or the board of Star Entertainment; do you agree?

15 **MS MARTIN:** Not with that broad statement, Ms Sharp. I would say that risks from a legal perspective while I was group general counsel were being raised within the business at that time. That's going back some years. However, I would reflect back on it now and say that even if it is accepted that the legal and regulatory compliance was there, I would sit here today and say, over that time, it does not accord with our value of doing the right thing as I sit here today.

20 **MS SHARP SC:** And your own conduct with respect to the usage of the CUP card at Star Entertainment was completely unethical; do you agree?

25 **MS MARTIN:** I don't agree with that absolute statement. I do agree that there are areas where I could have done better at doing the right thing.

MS SHARP SC: Would you pardon me for a moment please, Mr Bell? The fact is, Ms Martin, that it was entirely conceivable that the CU process might have involved The Star in dealing with the proceeds of crime; do you agree?

30 **MS MARTIN:** Ms Sharp, I think that's a very broad statement. It is conceivable that transactions with a casino can involve money laundering, so I find it hard to dispute that general proposition.

35 **MS SHARP SC:** Well, let's take a few steps back. You're aware now that over \$900 million flowed into the casino using this CUP channel, aren't you?

MS MARTIN: Yes, I'm - I'm aware that that's the general figure used for that service.

40 **MS SHARP SC:** And you knew one day in 2015, because you authorised the transaction, that Mr Phillip Dong Fang Lee had debited \$11 million from his CUP account on a particular day?

45 **MS MARTIN:** I was aware that approval had been given for Mr Lee to have a cheque cashing facility for that amount at the time I was an approver.

MS SHARP SC: Yes. So you were one of the people who gave the approval, weren't you, Ms Martin?

MS MARTIN: For the cheque cashing facility limit, yes.

5 **MS SHARP SC:** And that cheque cashing facility limit was there to enable Mr Phillip Dong Fang Lee to debit his CUP card; correct?

MS MARTIN: I saw yesterday the reference to CUP on that slip, so I accept that.

10 **MS SHARP SC:** And to your knowledge, no inquiries whatsoever were made by anybody at The Star in relation to the source of funds for all of these patrons who used the CUP debit facility; correct?

MS MARTIN: No, I don't know that that's correct.

15 **MS SHARP SC:** Or to your knowledge, you are not aware of any source of funds checks being undertaken with respect to those funds parked in those bank accounts to which the CUP cards were attached, are you?

20 **MS MARTIN:** I don't know that I have knowledge of that point.

MS SHARP SC: And you do agree, don't you, that it is not far-fetched to imagine that organised crime figures took advantage of the CUP process at The Star?

25 **MS MARTIN:** That's not a characterisation I would use.

MS SHARP SC: Well, it's the correct characterisation, isn't it?

MS MARTIN: No, I don't agree with that, Ms Sharp.

30 **MS SHARP SC:** Because the reality is, Ms Martin, isn't it, that by this practice with the CUP cards, The Star left its doors wide open to organised crime?

MS MARTIN: I don't agree with that.

35 **MS SHARP SC:** Do you agree, Ms Martin, that any transactions on the CUP card would show up on the patron's card statement as a payment to the hotel?

MS MARTIN: No, I don't know that that's the case.

40 **MS SHARP SC:** Well, that's obviously the case, given that the CUP card was swiped at the hotel EFTPOS terminal, isn't it?

MS MARTIN: No, I don't know that.

45 **MS SHARP SC:** Do you see that there's any degree of dishonesty in describing gambling charges in this way?

MS MARTIN: I think if gambling charges are described in that way, that's certainly not clear. I don't know what else to say in the abstract on that.

5 **MS SHARP SC:** Well, do you think that there's an element of dishonesty in having gambling charges appear on a hotel bill?

MS MARTIN: I think it's possible, but I think they can also be described as such a purchase, as in, for gambling.

10 **MS SHARP SC:** And do you accept that UnionPay International was being misled on the nature of the charges on the CUP card?

15 **MS MARTIN:** I don't know that I can comment on all their knowledge, Ms Sharp. I can comment on the email that we discussed yesterday and the cluster of that information. And without any other context, that email would have been misleading to UPI.

20 **MS SHARP SC:** And do you further accept, Ms Martin, that any law enforcement agency that was reviewing the patron's bank accounts would be misled as to the nature of the expenditure through those bank accounts?

MS MARTIN: I don't know that, Ms Sharp. Depending on what information was available to them.

25 **MS SHARP SC:** And you do accept, don't you, that the usage of the China UnionPay facility at The Star completely flouted the mainland Chinese restrictions on capital flight from that country?

30 **MS MARTIN:** No, I don't agree with that statement.

MR BELL SC: Can I ask why not?

35 **MS MARTIN:** Mr Bell, my very basic understanding of the capital flight restrictions were on the withdrawal of cash, and debit cards in the nature of the CUP cards could be used for purchases, and that that was the distinction and that different limits and rules applied to those different uses, is my very general understanding today.

40 **MS SHARP SC:** And just to be clear, Ms Martin, none of your answers to my questions this morning have been frank or candid, have they?

MS MARTIN: I believe I'm doing my best to do that, Ms Sharp.

45 **MS SHARP SC:** Could I take you to --

MR BELL SC: Ms Martin - sorry, just to interrupt.

MS MARTIN: Yes.

MR BELL SC: Were you aware in the period 2013 to 2020 that the merchant category code that was being utilised at The Star for the CUP transactions was hotel and accommodation services?

5

MS MARTIN: I don't know that I knew that in that window, Mr Bell. I certainly know that now.

MR BELL SC: Yes, Ms Sharp.

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MS SHARP SC: If I could take you, please, to STA.3401.0003.6859. And this is exhibit B167. Do you see this is an email from Oliver White to you and others at The Star dated 16 January 2017?

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MS MARTIN: Yes.

MS SHARP SC: May we take it you read that email at the time?

20

MS MARTIN: Again, I don't specifically recall. But on or about that time, Ms Sharp, I would have.

MS SHARP SC: And you agree that what Mr White is doing is making known to you and others at The Star some news concerning the use of China UnionPay cards?

25

MS MARTIN: Yes.

MS SHARP SC: And what he's making you aware of is that it appears there is a risk that the China UnionPay usage will be tightened. Do you agree with that?

30

Well, I'll read it out to you.

MS MARTIN: Thank you.

MS SHARP SC:

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"Please find below links to articles released in the media in December/over the holiday period relating to China UnionPay and tightening of use, both relating to casinos, one about Macau and the other about Singapore."

40

MS MARTIN: Yes, I see that.

MS SHARP SC: And do you see he says:

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"If the general gist of the stories is correct and Beijing is looking to limit the use of CUP for capital outflows, then we should be aware of this and considering our potential exposure should CUP be shut down as a payment method for The Star Entertainment Group or CUP is both shut down as a

payment method and CUP refuses to clear one or more approved transactions."

5 **MS MARTIN:** Yes, I see that.

MS SHARP SC: So you were made very well aware at this time, weren't you, that the risks of using the CUP process at The Star were increasing; do you agree?

10 **MS MARTIN:** Yes. I would say in - around this time in 2017, this is an indicator of relevant risks applying to this service being on the increase.

MS SHARP SC: And it's most likely, isn't it, that you read the articles which Mr White had provided hyperlinks in that email, isn't it?

15 **MS MARTIN:** I don't specifically recall, Ms Sharp.

MS SHARP SC: But it is most likely that you did?

20 **MS MARTIN:** I would say it's possible.

MS SHARP SC: Well, it's most likely, isn't it, Ms Martin?

25 **MS MARTIN:** No. I would say it's possible because, effectively, the contents may have also been discussed with me, for example.

MS SHARP SC: Well, I will take you to one of those attached articles, which is INQ.014.001.0127. This is exhibit B168. Do you see this is an article from the South China Morning Post Online dated 9 December 2016?

30 **MS MARTIN:** Yes, I see that.

MS SHARP SC: And it's titled Beijing Takes Aim at Gaming Industry to Cut Currency Flight?

35 **MS MARTIN:** Yes, I see that.

MS SHARP SC: And if I can draw your attention, please, to the third paragraph. Operator, if we could scroll up. Do you see it says:

40 "It also comes amid so far unanswered claims that the customer voucher scheme run by Marina Bay Sands casino resort in Singapore, which apparently allows China UnionPay card users to buy gaming chips in breach of China's strict currency controls, has seen billions of Yuan flown out of the mainland."
45

MS MARTIN: Yes, I see that.

MS SHARP SC: Now, you could have had no doubt by this time that the use of the CUP card by Star in the manner which it did was a flouting of Chinese currency controls, could you?

5 **MS MARTIN:** No, I don't agree with that statement.

MS SHARP SC: Well, it's written here in black and white in the article that you were asked by your colleague to read.

10 **MS MARTIN:** Ms Sharp, this is a reference to practices at other casinos, I note.

MS SHARP SC: And once again, you are not doing your best to give your candid evidence to this review, are you?

15 **MS MARTIN:** No. I don't agree with that, Ms Sharp. I am trying to.

MS SHARP SC: Could I take you now, please, to exhibit F at tab 54, which is STA.3034.0001.0591. And do you see this is a memorandum from Mr White to the CEO, the CFO and Adrian Hornsby - the VIP credit and collections manager - into which you're copied?

20 **MS MARTIN:** Yes, I do.

MS SHARP SC: And it relates to China UnionPay and cheque cashing facilities?

25 **MS MARTIN:** Yes.

MS SHARP SC: And it's most likely, isn't it, that you approved this memo before Mr White sent it to the CEO, the CFO and Mr Hornsby?

30 **MS MARTIN:** No, not necessarily.

MS SHARP SC: You reviewed it before it was sent; is that right?

35 **MS MARTIN:** I don't recall that.

MS SHARP SC: Was it your practice of permitting lawyers reporting to you to send memorandum on important topics which exposed Star Entertainment to risks without you first reviewing them?

40 **MS MARTIN:** I think, Ms Sharp, as I said yesterday, the lawyers reporting to me did provide advice directly to business clients, and I did not necessarily review advice before it went directly to the business client.

45 **MS SHARP SC:** Well, surely you at least read this at about the time it was sent to the CEO, the CFO and Mr Hornsby?

MS MARTIN: I don't recall that.

MS SHARP SC: Well, it's copied to you, Ms Martin.

MS MARTIN: Yes. But that's different to me having reviewed it before it went.

5

MS SHARP SC: But do you agree it would have been extraordinarily careless of you not to read this memo at the time?

MS MARTIN: I just don't recall whether I read it at the time.

10

MS SHARP SC: Well, let's go through it now. Do you see, under the heading Background, it says:

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"Currently, it is ILGA's view that a patron using CUP can only access the funds for which they have transacted once those funds have cleared in The Star's bank account."

Now, you were aware of that risk at the time, weren't you?

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MS MARTIN: Ms Sharp, I think this is the point we were discussing earlier around the use of the CCF and the requirements under the Casino Control Act. That's the point I was aware of.

25

MS SHARP SC: So just to be clear, you were aware at this concern about cleared funds at the time, weren't you?

MS MARTIN: Ms Sharp, it depends on when I read this memo as to when I was aware of that sentence.

30

MS SHARP SC: And you're again not doing your best to candidly answer my questions, are you?

MS MARTIN: No, I think I am. If I can frame that more firmly perhaps, I would have been aware of this at the time I read it.

35

MS SHARP SC: And you're aware that there is a delay between the swipe of the CUP card and when the funds clear, and the problem of that was that if chips were provided to the patron in the intervening period, the regulator may have viewed it as the provision of credit; correct?

40

MS MARTIN: Yes, Ms Sharp. I'm aware that there was the prohibition on credit and, therefore, if there was the provision of - or the permission of gaming without cleared funds, that that may fall foul of that section.

45

MS SHARP SC: And you were aware that provision - that credit could only be provided by the casino operator or its agent in carefully delineated circumstances, otherwise there would be a breach of section 74 of the Casino Control Act; correct?

MS MARTIN: I was aware that the use of the cheque cashing facility, and the requirements that applied to it, needed to be followed.

5 **MS SHARP SC:** You're just making no effort at all to actually answer the questions I ask you, are you?

MS MARTIN: No, Ms Sharp, I am, based on using terminology that I would use to describe.

10

MS SHARP SC: Well, now could you please give me an answer to my question, which is this: you were aware that the provision of credit could only be provided by the casino operator or its agent in carefully delineated circumstances, otherwise it would be a contravention of section 74 of the Act; do you agree or disagree?

15

MS MARTIN: Ms Sharp, I agree there were very specific processes applying to the CCF offering or facility. By carefully prescribed, if that aligns with your description of "carefully delineated", then I would agree with that.

20 **MS SHARP SC:** And if I could return your attention, please, to this memorandum. Could you have a look at the heading Current Situation with CUP. If we could go to that part, please, operator. And do you see it says:

25 "As highlighted above, however, ILGA have stated that in their view funds the subject of a CUP transaction may only be recognised when they clear in The Star's bank account. To date, The Star has not sought to challenge this position."

MS MARTIN: Yes, I see that.

30

MS SHARP SC:

35 "In very limited circumstances, ILGA has permitted The Star to recognise funds before they have cleared into The Star's bank account, but this is strictly case by case depending on the facts."

Now, this paragraph clearly suggests that ILGA is taking a strict view on when it will take the view that credit has been provided; do you agree or disagree?

40 **MS MARTIN:** Ms Sharp, I think that paragraph, when read with the one above it, is indicating that there's a difference between a debit and a credit card, and that is being left to one side. And in that context, we are talking about accepting that there's a credit aspect and, therefore, ILGA has a clear view in relation to how CCFs can be used so that it's not the provision of credit.

45

MR BELL SC: Does that mean you agree or disagree with the proposition that counsel assisting put to you, Ms Martin?

MS MARTIN: Ms Sharp, can you just repeat the question? I think I'm agreeing.

5 **MS SHARP SC:** Perhaps in future, if you wish to agree, you could clearly indicate that. But I will ask the question again. This paragraph clearly suggests that ILGA is taking a strict view on when it will take the view that credit has been provided; do you agree or disagree?

MS MARTIN: Yes, I would agree with that.

10 **MS SHARP SC:** So a risk was being highlighted about the use of the CUP card before funds had cleared; do you agree or disagree?

15 **MS MARTIN:** The risk was in the provision of the gaming services before there were cleared funds or a CCF. So not necessarily before the use of the card, Ms Sharp.

MS SHARP SC: So you agree?

20 **MS MARTIN:** No, I didn't agree because I think you referenced the use of the card versus the use of the gambling funds.

MS SHARP SC: And in light of this risk, Mr Oliver in this memorandum proposes a workaround; do you agree?

25 **MS MARTIN:** I see that there's the workaround to use a CCF, yes.

30 **MS SHARP SC:** And the workaround was that a temporary cheque cashing facility would be created, and instead of receiving a personal cheque from the patron, The Star would simply write a counter cheque. Do you agree that was the workaround proposed?

MS MARTIN: I'm just reading that section, Ms Sharp. Are you able to point me to the section on the --

35 **MS SHARP SC:** Yes. It's the paragraph under the heading "Proposed Workaround".

40 **MS MARTIN:** Thank you. Yes, I see the proposed workaround that's described in that paragraph.

MS SHARP SC: And what Mr White went on to do in the paragraph, "The issues to be considered in relation to this solution", was to point out the risks associated with this solution; do you agree?

45 **MS MARTIN:** I'm just reading those points. I've read the first two points so far, Ms Sharp, and I can see that they are identifying risks with that proposal.

MS SHARP SC: And they were serious risks, weren't they?

MS MARTIN: Yes, I would describe them as serious risks.

5 **MS SHARP SC:** Because one of the risks was that this workaround wouldn't work and would put The Star into contravention of section 74 the Act each and every time a patron swiped their CUP card and gaming chips were made immediately available to them; do you agree?

10 **MS MARTIN:** Yes, I agree that's the nature of the risk.

MS SHARP SC: And it is, of course, a very serious thing for the casino operator to breach a provision of the Casino Control Act; do you agree?

15 **MS MARTIN:** I agree that I view breaches of the Casino Control Act as serious matters, yes.

MS SHARP SC: And the second risk that is identified here, that CUP will not make payment on a transaction, is a serious financial risk; do you agree?

20 **MS MARTIN:** I agree it could be, yes. That would be possible.

MS SHARP SC: And both of these serious risks were known to you at or around the time of this memorandum; do you agree?

25 **MS MARTIN:** They would have been known to me at the time of reading the memorandum, along with the remainder of the contents.

30 **MS SHARP SC:** And it's correct, isn't it, that you gave no advice at all to cease using the CUP cards because of these two serious risks known to you; that's right, isn't it?

MS MARTIN: Yes. I don't recall giving that advice at this time.

35 **MS SHARP SC:** And that was completely remiss of you; do you agree?

MS MARTIN: No, I don't agree with that.

40 **MS SHARP SC:** Now, can I take you to part B at tab 250. This is STA.5002.0003.1520. Now, do you see this is a board paper, and you're one of the co-authors with Mr McWilliams of this paper?

MS MARTIN: Yes. I see, that Ms Sharp.

45 **MS SHARP SC:** And it's dated 16 March 2017?

MS MARTIN: Yes.

MS SHARP SC: And it's right that what you're doing in this paper is explaining some advice that has been received from some law firms about operations by The Star in China; is that correct?

5 **MS MARTIN:** I'm just reading that purpose of the paper, Ms Sharp. I'm reading the purpose as being - giving a summary of the actions The Star would take to comply with relevant laws if/when The Star was to resume its business activities in China.

10 **MS SHARP SC:** Well, you were aware that Star had been engaging in business activities in China, weren't you?

MS MARTIN: Yes. I think at this time I was aware that The Star would have representatives who were, in the course of conducting their roles, conducting those
15 in connection with China.

MS SHARP SC: Now, you're aware, of course, that a number of employees of Crown were arrested in mainland China in October 2016, aren't you?

20 **MS MARTIN:** Yes. I'm aware of some arrests in late 2016, Ms Sharp. I don't recall the date.

MS SHARP SC: Now, prior to that time, you are aware, aren't you, that The Star also had staff in mainland China; correct?
25

MS MARTIN: No, I don't believe we had staff located in mainland China.

MS SHARP SC: All right. I will ask you a further question. You knew that there were staff who attended mainland China from time to time to engage in marketing
30 activities, didn't you?

MS MARTIN: Yes.

MS SHARP SC: Tell us what you knew about that, please.
35

MS MARTIN: Ms Sharp, I don't recall a lot, other than we had international sales teams that would travel from time to time in certain locations in Asia.

MS SHARP SC: And would those locations include China?
40

MS MARTIN: Yes, that was my understanding.

MS SHARP SC: Was there any member of your international travel team who was based in China?
45

MS MARTIN: My recollection is I'm not aware of that being the case, Ms Sharp.

MS SHARP SC: Did The Star have an office in China?

MS MARTIN: I don't believe so.

5 **MS SHARP SC:** How many staff engaged in marketing activities in China?

MS MARTIN: I don't know, Ms Sharp.

10 **MS SHARP SC:** And who would be best placed within your organisation to tell us about that?

MS MARTIN: There's possibly a number of people, but they would include the chief casino officer with responsibility for the international business.

15 **MS SHARP SC:** That's Mr Hawkins?

MS MARTIN: That's currently Mr Hawkins, yes. And - and potentially the MD and CEO.

20 **MS SHARP SC:** And that's Mr Bekier, is it?

MS MARTIN: Yes. Sorry. Apologies. As I said yesterday, until recently - he's now the former CEO. But, yes, that's the individual I'm referring to.

25 **MS SHARP SC:** And is there anyone else within your organisation who can tell us what activities The Star was engaged in in mainland China up until October of 2016?

MS MARTIN: There may very well be a number, Ms Sharp. I'm just not sure of all the individuals who would be aware.

30 **MS SHARP SC:** Well, you're the lead lawyer there, as well as the chief risk officer. Surely you have some appreciation of who could tell us about that?

35 **MS MARTIN:** So it would be people who had the knowledge in 2017, Ms Sharp. And I would be making my best assumption, but it would be anyone who worked in that international team at the time, potentially, and other members involved in working with that international team. It's quite some time ago. I don't mean to be difficult, but I think the - the people with the best knowledge would have been the people in those areas at that time.

40 **MS SHARP SC:** Now, could I take you, please, to paragraph 40 of your statement.

MS MARTIN: Yes.

45 **MS SHARP SC:** And, operator, could I have this shown to Ms Martin, please. Could I take you to paragraph 40 and have the operator show that paragraph to you.

MS MARTIN: Yes.

MS SHARP SC: And what you there say is that:

5

"Particularly from late 2019, it became apparent that there were shortcomings, by current standards, in The Star Entertainment Group's management of risk in relation to junkets as it relates to ongoing due diligence and decision-making frameworks for determining whether it remains appropriate to do business with particular junket groups."

10

Now, is the reason why that became apparent your learnings from the Bergin Inquiry?

15

MS MARTIN: Ms Sharp, in this paragraph, I am saying that it was from that time that steps were being taken, rather than apparent. So is that what you mean?

MS SHARP SC: Well, it's your statement, Ms Martin. What are you trying to say?

20

MS MARTIN: In the statement, it says that:

"From late 2018, The Star took steps to review its risk management approach in relation to junkets."

25

And then the reference to it becoming apparent that there were shortcomings is in the next section, from late 2019.

MS SHARP SC: How did the matter you're referring to become apparent?

30

MS MARTIN: In providing this statement, I was referring to the fact that I had taken on responsibility for risk at this time, including AML. And in my view, it was, as I looked into this area in particular, becoming clear to me that - by standards of due diligence more generally, that the steps that The Star was taking needed to be added to, to be more fulsome in terms of the due diligence being conducted, including in relation to junkets.

35

MS SHARP SC: And what do you mean in your reference to the "current standards"?

40

MS MARTIN: There was a couple of points in my thinking there, Ms Sharp. One was being mindful of reports that we'd had on our AML function in - from independent reviewers and also from queries being received from the regulator, AUSTRAC. And in a more general sense, I was looking at the risk management framework that was in place, not only in relation to AML but more generally. And so I had that in mind as well when I was saying "by current standards".

45

MS SHARP SC: And you were aware in 2019, were you, that AUSTRAC was making some inquiries about junkets of The Star?

5 **MS MARTIN:** In two - in that second part of 2019, Ms Sharp, AUSTRAC were making inquiries in relation to particular customers, including higher risk customers, some of whom I recall had an association with junkets, yes.

10 **MS SHARP SC:** And were you involved in preparing the response to the regulator in relation to those queries?

MS MARTIN: I don't recall all of them, Ms Sharp, but certainly we discussed one yesterday that I was involved in when we were talking about legal professional privilege.

15 **MS SHARP SC:** I'm sorry. I missed the end of your answer.

MS MARTIN: Sorry. We discussed one yesterday where I was involved in where there were queries in relation to legal professional privilege.

20 **MS SHARP SC:** Well, that was in relation to AUSTRAC.

MS MARTIN: Yes.

25 **MS SHARP SC:** Were you involved in any dealings - I withdraw that. I will put it more clearly. Are you aware that in 2019, New South Wales Liquor and Gaming made inquiries of The Star in relation to certain patrons and junkets with whom The Star dealt?

30 **MS MARTIN:** I think I have a recollection of that occurring in late 2019, Ms Sharp, that there were queries received.

MS SHARP SC: And were you involved in preparing the answers to those queries?

35 **MS MARTIN:** I don't recall being specifically involved in the responses. But I - I would need to look at the individual queries, Ms Sharp, to be certain.

40 **MS SHARP SC:** Well, given the position you occupied, it's most likely you were involved in representations made to the New South Wales regulator about Star's patrons and junkets; do you agree or disagree?

45 **MS MARTIN:** No, I disagree that it's likely I was involved in the preparation. I think I would describe that it's most likely that I was aware of the queries being received and that responses were being provided, not necessarily being involved in the preparation of the specific responses.

MS SHARP SC: But surely you would review those responses before they sailed off to the regulator?

MS MARTIN: It would depend on the query and response, Ms Sharp.

5 **MS SHARP SC:** Now, are you seeking to suggest in paragraph 40 that the --

MS MARTIN: Yes.

10 **MS SHARP SC:** -- standards applicable to junket operators changed in the period from 2018 onwards?

MS MARTIN: In this paragraph, if I just take from 2018 first, I am referring to the fact that there were steps taken to better articulate the AML risk management framework, which included the risk assessments applying to relevant aspects for AML purposes, including customers, is the first part. And then there is a second
15 reference to the due diligence aspects that follow from the risk assessments being reviewed and addressed. And I am aware that there were actions taken at that time. And that was sort of one section. But there was a further series of steps taken and work undertaken from late 2019 as well in respect of those same topics. So there was further work, Ms Sharp. So it was changing over that period.

20 **MS SHARP SC:** I'm asking you about the standards applicable to junket operators. You've been aware at all times, haven't you, that the standard applicable to a junket or any other person with which - or with whom Star deals is that that person be of good repute, having regard to character, honesty and integrity?

25 **MS MARTIN:** Ms Sharp, I think we discussed this in the context of the suitability requirements applying to The Star. And --

30 **MS SHARP SC:** I just want you to answer my question. If you could please --

MS MARTIN: Yes.

MS SHARP SC: -- just attend to my question, Ms Martin.

35 **MS MARTIN:** Of course.

MS SHARP SC: And please do your best to try and answer it this time. Have you been aware at all times that the standard of which The Star must be satisfied in having business relations with junket operators and others is a standard of good
40 repute, having regard to character, honesty and integrity?

MS MARTIN: No, that's not specifically as I would describe it.

45 **MS SHARP SC:** You are aware of section 12 of the Casino Control Act, aren't you?

MS MARTIN: Yes.

MS SHARP SC: Can I show that provision to you. It's INQ.012.001.0001. And, operator, could we please go to section 12 of that Act. Could you just pardon me for a moment, Mr Bell. I'm just trying to see if there's a whole version of the Act somewhere in the evidence. I will read it out to you, Ms Martin. Section 12, which
5 was a topic we canvassed in your first day of examination, relevantly speaks of the suitability of the casino operator at the time of the grant of the licence. And it says that in - section 12, subsection (2) says that:

10 "For the purpose of considering suitability, the authority is to consider whether (g) any of the persons who has a business association with the operator is, in the opinion of the authority, not of good repute having regard to character, honesty and integrity or has undesirable or unsatisfactory financial sources."

15 Now, that provision of the Act has not changed in the time that you have been at Star, has it?

MS MARTIN: Not that I'm aware of.

20 **MS SHARP SC:** Well, you agree that at all times that you've been at Star, one of the matters for the authority to consider in judging the suitability of the casino operator is whether it has business associations with people who are not of good repute, having regard to character, honesty and integrity, or undesirable or
25 unsatisfactory financial sources?

MS MARTIN: Yes. I agree that it's a matter for the authority to consider whether our business associates are not of good repute, as you've just described from that section, Ms Sharp.

30 **MS SHARP SC:** And do you agree that that was a matter of which the casino operator had to be mindful at all times in its dealings with business associates, junkets, patrons?

35 **MS MARTIN:** Yes, I agree. The operator should be mindful of that, it being a matter that would be assessed as going to its suitability.

MS SHARP SC: Is it the case that in 2016, 2017, 2018, 2019, the operator simply did not give sufficient attention to the question of whether the persons with whom it did business, be them junket operators, junket funders or junket representatives,
40 were of good repute?

MS MARTIN: Ms Sharp, I think some consideration was given to that. I would say that's an area that we have been looking at improving upon.

45 **MS SHARP SC:** Is it right that it just wasn't at the forefront of your considerations in the period 2016 to the end of 2019?

MS MARTIN: I don't know whether it's a matter of being at the forefront or not, Ms Sharp. If could I take a moment, I could perhaps explain that, otherwise I will just say - I wouldn't necessarily say whether or not it was at the forefront. It was just there was some context that I thought was relevant at that time to explain
5 where consideration was given.

MS SHARP SC: Take your time to explain it the way you want to.

MS MARTIN: Ms Sharp, I would say in that period that you've outlined, the
10 casino operator's perspective was that there was a series of processes and controls that went towards enabling it to have confidence as to its engagement with business associates. Taking junkets as an example, there were - you know, there's a historic process of those being approved, which the casino operator ultimately
15 took on at a point in time, rather than the regulator; that those approval processes are then supported by an internal control framework and various procedures that went to how then operations were conducted; and that the perspective was one more of being mindful of those controls and the checks done in operation - so more of a monitoring process - and it required all those pieces to come together to
20 give the casino operator comfort on satisfying this provision. And I would say that that was the case up until, from my perspective, we were monitoring the Bergin Inquiry.

MS SHARP SC: Isn't it right that you were made aware by the KPMG report in
25 May of 2018 that there were problems with the way that Star Entertainment was assessing the risks posed by junkets?

MS MARTIN: As I think we discussed yesterday, yes, there were problems or
30 shortcomings in connection with the risk assessment for AML purposes expressed in that report.

MS SHARP SC: And you'd agree, wouldn't you, that this deficiency was clearly
telegraphed to you in May of 2018 in writing in the 16 May 2018 KPMG part A
review report?

MS MARTIN: Ms Sharp, I was aware of that report and the issues being
35 identified in relation to those areas of risk. At that time, that report was considered in the context of AML compliance obligations.

MS SHARP SC: I will just put my question again, and I would be very grateful if
40 you would try to answer it this time. You'd agree, wouldn't you, that the deficiency in junket risk assessment was clearly telegraphed to you in writing in the 16 May 2018 KPMG part A report?

MS MARTIN: I agree with that, with the context of it being in the AML
45 framework.

MS SHARP SC: Well, it's right, isn't it, that there was no further risk assessment
conducted by Star in relation to suitability at that time, was there?

MS MARTIN: Not as a standalone concept, Ms Sharp. As I tried to explain, there were other components and aspects of controls. But I'm - I agree that I'm not aware of --

5

MS SHARP SC: All right. Because just to follow up on that, the only risk assessment that was done in relation to junkets was an AML risk assessment at that time; do you agree?

10 **MS MARTIN:** I don't have full knowledge of what would have been done at that time in relation to risk assessments, Ms Sharp, so I'm not able to form an opinion on that statement.

15 **MS SHARP SC:** Now, by the beginning of 2018, were you aware that Suncity was a junket operator with which The Star Entertainment Group dealt?

20 **MS MARTIN:** Yes, Ms Sharp. I was aware of The Star dealing with Suncity. I think, just to be clear, I use that as the brand generally and then there were individual junket operator and promoters under - or operating in connection with that brand.

MS SHARP SC: And there were at least two junket operators who you knew to be connected with the Suncity brand, one of which was Mr Iek, I-e-k?

25 **MS MARTIN:** I'm certainly aware of that name now. I'm not sure whether I was aware of that name in 2018. It's possible.

30 **MS SHARP SC:** But certainly if somebody asked you at the beginning of 2018, "Does The Star do business with Suncity?", you would answer "yes"?

MS MARTIN: I would, Ms Sharp.

35 **MS SHARP SC:** And you understood that Alvin Chau was associated with Suncity, didn't you?

MS MARTIN: Again, I know I certainly do now. And I think I would have known that in 2018 - or that there was an association, Ms Sharp.

40 **MS SHARP SC:** Well, at the beginning of 2018, you understood, didn't you, that Alvin Chau was the funder of the Suncity junket?

45 **MS MARTIN:** I understand that Alvin Chau has operated with The Star as the funder of Suncity related junkets, yes. I've known that for some time. I don't know that I can give you a specific timeframe.

MS SHARP SC: But certainly by the beginning of 2018, you knew that?

MS MARTIN: I would need to refer to specific documents which would establish that for me, Ms Sharp.

5 **MS SHARP SC:** Well, The Star first started doing business with Alvin Chau and the Suncity junket in 2011, didn't it?

MS MARTIN: I believe that's right, yes.

10 **MS SHARP SC:** All right. And it certainly was the case that by about 2017/2018, the Suncity junket was the largest junket with which Star Entertainment dealt by way of turnover through the casinos; do you agree?

15 **MS MARTIN:** Ms Sharp, I don't know the specifics on turnover. But I can agree that Suncity, if not the largest, was one of the largest branded junket operation groups that The Star was doing business with around 2017/18.

20 **MS SHARP SC:** And you understood by the beginning of 2018, didn't you, that the board had approved a cheque cashing facility with Alvin Chau relating to the Suncity junket, didn't you?

MS MARTIN: I'm aware of a cheque cashing facility approval. Yes. I - again, I just need to see the board paper to be reminded of the date.

25 **MS SHARP SC:** And, indeed, by a point in 2018, the board approved an \$80 million cheque cashing facility to Alvin Chau; you know that, don't you?

30 **MS MARTIN:** I know of the approval, Ms Sharp. I'm just hesitant to declare the numbers without seeing it, but there was a CCF approval at that time. To go to the board, my recollection on the delegations was it would have been at least 50 million.

35 **MS SHARP SC:** And you were aware, were you, by early 2018, that The Star had granted exclusive access to Suncity for a VIP gaming room referred to as Salon 95?

40 **MS MARTIN:** Again, it's just the timing, Ms Sharp, but I'm otherwise - I'm familiar with the fact that there was an exclusive use agreement for a salon in connection with Suncity, and I'm generally aware of that being in existence in 2018.

MS SHARP SC: And you're generally aware of the fact that that was often referred to as "the Suncity room"?

45 **MS MARTIN:** I don't know that I'm generally aware of how - how the room was labelled, other than the salon reference number.

MS SHARP SC: And you're aware, aren't you, that Salon 95 carried Suncity branding?

MS MARTIN: Yes, I believe so.

5 **MS SHARP SC:** And you're aware, aren't you, that a series of Suncity staff operated in Salon 95?

MS MARTIN: Yes. There were some Suncity associated staff in Salon 95.

10 **MS SHARP SC:** And you knew by early 2018, didn't you, that Suncity staff operated what was described as a service desk in Salon 95?

MS MARTIN: Yes. I'm aware of that.

15 **MS SHARP SC:** And you were aware by May 2018 that there were a number of concerning cash transactions occurring at that service desk, weren't you?

MS MARTIN: Yes. I'm aware there were cash transactions raising concern at the service desk.

20 **MS SHARP SC:** And you were kept informed about investigations into these cash transactions at the service desk, weren't you?

25 **MS MARTIN:** Yes. I recall being updated by my team on some matters relating to Salon 95 in 2018.

MS SHARP SC: Because the investigation team reported to you, didn't it?

MS MARTIN: That's right.

30 **MS SHARP SC:** And Mr Houlihan, in particular, reported to you?

MS MARTIN: Yes, he did.

35 **MS SHARP SC:** And you were aware that Mr Houlihan and his team were conducting an investigation into unusual cash transactions occurring within Salon 95 in around May of 2018?

40 **MS MARTIN:** Yes. I was aware of the investigators' involvement at that time. There may have also been others, Ms Sharp, involved in that matter at the time.

MS SHARP SC: And --

MS MARTIN: Other departments, I mean. Apologies.

45 **MS SHARP SC:** Yes. Because the AML team was also involved in investigations, wasn't it?

MS MARTIN: That's my recollection, yes. It just wasn't my area of responsibility at the time. That's why I draw that distinction. But I'm aware of it through my team's involvement.

5 **MS SHARP SC:** Surely these transactions must have been of considerable concern to you at the time?

MS MARTIN: They were of concern to me, Ms Sharp. Yes.

10 **MS SHARP SC:** And they were of considerable concern to you; that's fair, isn't it?

MS MARTIN: Yes, I think I would say that.

15 **MS SHARP SC:** Mr Bell, would now be a convenient time for the mid-morning adjournment?

MR BELL SC: Yes. I will adjourn now for 15 minutes.

20 **<THE HEARING ADJOURNED AT 11:20 AM**

<THE HEARING RESUMED AT 11:37 AM

MR BELL SC: Yes, Ms Sharp.

25 **MS SHARP SC:** Could the operator please bring up exhibit B, tab 804, which is STA.3412.0018.7210. And, Ms Martin, do you see that's an email from Andrew McGregor to Mr Power, yourself and Mr White dated 17 May 2018?

30 **MS MARTIN:** Yes, I do.

MS SHARP SC: And it's - the attachment is Draft Information Note Operation Money Bags?

35 **MS MARTIN:** Yes, I see that.

MS SHARP SC: And it says:

"See attached FYI and consideration."

40 **MS MARTIN:** Yes.

MS SHARP SC: Can I take you to the attachment, please, which is exhibit B, tab 805. And this is STA.3412.0018.7211. And if I can take you through this, do you see it says:

45 "Summary: Operation Money Bags was commenced by the investigations team on 14 May 2018."

MS MARTIN: Yes.

MS SHARP SC: And you see it relates to Salon 95?

5

MS MARTIN: Yes, I do.

MS SHARP SC: Now, may we take it you read this information note at the time it was emailed to you?

10

MS MARTIN: Yes, I think it's reasonable I read it on or around that time.

MS SHARP SC: Are you able to indicate why the document says on it that:

15

"The purpose of this report is to brief The Star's legal team to assist them in the preparation of legal advice for the business in relation to legal and regulatory obligations arising from the investigation and prepare for any anticipated legal proceedings."

20

MS MARTIN: I can't elaborate further than those words, Ms Sharp, as being the purpose it was prepared for.

MS SHARP SC: Were you providing any legal advice at the time in relation to Salon 95 or Suncity?

25

MS MARTIN: I don't recall that I was on this matter directly myself, no, Ms Sharp.

MS SHARP SC: Was there a general practice that you were aware of at The Star of investigators marking their information notes with this statement, that the purpose of the report was to brief The Star's legal team to assist them for preparation of legal advice?

30

MS MARTIN: I'm not aware of that being a general practice.

35

MS SHARP SC: Now, if I could just take you through this document, please, Ms Martin. Do you see there's an incident referred to on 12 May 2018?

MS MARTIN: Yes, I see the date. And if I'm looking at the right section, there's an email extract. Is that --

40

MS SHARP SC: Yes. And then can I take you over the page, please. Do you see there's a different incident referred to on 14 May - I withdraw that. Do you see there's a reference to that same incident at the top of the page at paragraph 2?

45

MS MARTIN: Ms Sharp, I can see the new date. I - I didn't read the specific incident in the email extract.

MS SHARP SC: You can take it from me that it's the same one.

MS MARTIN: Yes.

5 **MS SHARP SC:** Can I direct your attention, please, to paragraph 3 where it's said:

10 "I attended Pit 95 and asked Suncity staff for information pertaining to the transaction. Stating privacy issues, Suncity staff refused to answer any questions."

MS MARTIN: Yes, I see that.

15 **MS SHARP SC:** Did you know in May 2018 that Suncity staff were being uncooperative with The Star as it sought to investigate these unusual cash transactions?

20 **MS MARTIN:** Ms Sharp, I would have known that comment when I read this memo.

MS SHARP SC: And can I take you to paragraph 5. Do you see it says:

25 "At 2.19 pm I received a phone call from Mr Tang reiterating that he and Suncity were unwilling to answer my questions due to privacy concerns."

MS MARTIN: Yes, I see that as well.

30 **MS SHARP SC:** And do you see there's another reference at paragraph 9, about midway through, that Mr Chou refused claiming privacy concerns?

MS MARTIN: Sorry, Ms Sharp. I can't see - sorry, paragraph 9 did you say?

MS SHARP: Yes. I will read the - it's about five lines down. It says:

35 "I asked for additional information to identify -"

That particular person:

40 "But Mr Chou refused claiming privacy concerns."

MS MARTIN: Yes, I see that.

45 **MS SHARP SC:** And then can I take you over the page, pinpoint 7213. And, operator, you can take down pinpoint 7212, please. Do you see there's a heading at the top there, 15 May 2018?

MS MARTIN: Yes.

MS SHARP SC: You can take it from me that refers to a different incident. Then can I take you to pinpoint 7215. And do you see there's an entry for 4 May 2018?

MS MARTIN: Yes, I see that date.

5

MS SHARP SC: And that refers to a third different incident, you can take it from me. And it says:

10 "A man delivers a blue esky to the service desk area. Staff open it revealing a substantial amount of cash."

MS MARTIN: Yes, I see that.

MS SHARP SC: And do you see that there's yet another incident on 8 May 2018?

15

MS MARTIN: I - I see that date. Do I take it that's a fourth incident, Ms Sharp?

MS SHARP SC: Yes.

20 **MS MARTIN:** Thank you.

MS SHARP SC: And then at the bottom of this page, do you see it's stated:

25 "It should be noted that on many occasions the cash appeared in The Rivers and Pit 95 in suitcases, backpacks and other carriers."

MS MARTIN: I see that reference.

30 **MS SHARP SC:** Now, is it correct that you held serious concerns at this point that there were red flags for money laundering occurring in Salon 95?

35 **MS MARTIN:** Ms Sharp, I held serious concerns in relation to the investigation. Just to be clear, I - I believe they were red flags of money laundering, albeit my lens at the time would have been primarily through that of the role of the investigations team.

MS SHARP SC: In that the investigations team was reporting to you?

40 **MS MARTIN:** Yes.

MS SHARP SC: And may we take it that because of your concerns, you did try your best to stay abreast of what those investigations were turning up?

45 **MS MARTIN:** Yes, I think that's right.

MS SHARP SC: Now, are you aware that a warning letter was issued by Mr Hawkins to Suncity in relation to these matters occurring at Salon 95?

MS MARTIN: Yes. I think I'm aware of that.

MS SHARP SC: Did you provide any advice in relation to that warning letter?

5 **MS MARTIN:** I don't recall that, Ms Sharp.

MS SHARP SC: Are you aware that after that warning letter was sent, there were further cash transactions of concern relating to Salon 95 and Suncity staff?

10 **MS MARTIN:** I don't recall the specific sequencing of the timing, Ms Sharp, but I know that I've seen documentation on this that would put that timetable in place.

MS SHARP SC: Are you aware that a second warning letter was issued by Mr Hawkins in June of 2018 in relation to these cash transactions?

15

MS MARTIN: I can recall a warning letter, Ms Sharp. I'm not sure whether it was the first or the second, or the sequencing of it, but I'm certainly aware of a warning letter.

20 **MS SHARP SC:** Did you provide any advice in relation to that warning letter?

MS MARTIN: I don't recall that I did, no.

25 **MS SHARP SC:** Were you aware that the New South Wales Police charged a number of people in relation to cash transactions occurring in Salon 95 and relating to Suncity in 2018?

30 **MS MARTIN:** I don't recall the specifics, Ms Sharp, but I'm aware of the law enforcement involvement in Salon 95 in 2018 through my investigations managers' roles.

35 **MS SHARP SC:** And did you understand that there was a very real prospect that Suncity was involved in money laundering within the four walls of the casino in 2018?

35

MS MARTIN: Yes. I was aware that the conduct we've just been looking at are red flags or indicative of money laundering.

40 **MS SHARP SC:** Wasn't the only reasonable and appropriate response to these concerns to terminate arrangements with Suncity at that point in time?

MS MARTIN: No, I don't agree with that.

45 **MS SHARP SC:** Why is that?

MS MARTIN: Because, Ms Sharp, I think the risks could be assessed, which I was - I don't recall being a part of, and considered for whether other mitigating measures could be put in place, for example.

MS SHARP SC: Well, hang on, are you speculating here, or what?

5 **MS MARTIN:** No. I'm just describing why I - I don't think there was only one option.

10 **MS SHARP SC:** Well, let me present a hypothetical to you, if I could, Ms Martin, asking you today. If those events transpired again today, what do you consider the appropriate response of the casino would be?

15 **MS MARTIN:** Ms Sharp, on the details I've just been taken to briefly, in a hypothetical scenario today, I would still say they would need to be assessed for what was appropriate in terms of the response. And it may very well be that that reached a conclusion of eliminating that risk altogether through one way or another or, alternatively, putting in place satisfactory mitigants. I find this hard to do as a hypothetical, Ms Sharp, on those details.

20 **MS SHARP SC:** Well, I think that Mr Bell will be quite interested to know what you would do today if the situation that presented itself to you in 2018 were to reoccur today. Do you suggest there's any other appropriate response other than to immediately terminate all arrangements and dealings with Suncity?

25 **MS MARTIN:** Ms Sharp, I agree that's a possibility. I am just struggling with the specific details and context on which I would make that decision.

30 **MS SHARP SC:** Well, what I will do - I will show you a document and then I will ask you the question again. Could I show you exhibit B at tab 2193, please. This is STA.3009.0003.0025. Now, this is a chronology that Mr Buchanan prepared on around 13 February 2020 in relation to Suncity. And you've seen this document before, haven't you?

MS MARTIN: Yes.

35 **MS SHARP SC:** Can I take you, please, to pinpoint 0029. Operator, could we go to pinpoint 0029, please. Now, what I will do is have for you enlarged the row that says:

"12 May 2018 to 12 July 2018."

40 And it refers to an internal investigation in Salon 95. And it says:

45 "An internal investigation commenced after it became evident Suncity were committing a myriad of transgressions in contravention of the agreed service desk protocols in Salon 95 between 17 April and 12 July 2018."

And then there are some dot points:

"On numerous occasions, Suncity staff were observed (via surveillance) providing cash from their service desk to non-junket participants. In essence, they were treating the service desk as a pseudo casino cage."

5 Dot point 2:

"Suncity staff permitted access to Salon 95 to individuals who were non-junket participants or official guests."

10 Dot point 3:

"Suncity staff also provided large sums of cash to non-customers out of Salon 95 but on casino premises."

15 Dot point 4:

"Suncity staff accepted a large amount of cash from a male which is located in a leisure bag (bundled in \$50 notes)."

20 Next dot point:

"Suncity staff are observed storing large sums of cash in sports bags which are located on the balcony outside Salon 95."

25 Next dot point:

"Suncity staff are observed exchanging casino chips for cash on many occasions. When confronted by the investigations team, Suncity staff were both unhelpful and evasive."

30

And then you can note for yourself the matter in blue shade.

MS MARTIN: Yes.

35 **MS SHARP SC:** Now, I want to be clear: you were actually aware of all of these matters at the time, weren't you?

MS MARTIN: I was aware of this investigation, yes.

40 **MS SHARP SC:** All right. Now, on these assumptions set out in this document I've just taken you to, if this were to happen today, isn't the only appropriate response to immediately terminate the relationship with Suncity?

45 **MS MARTIN:** No, I don't think it's the only action to take, as you've just described.

MS SHARP SC: And you're the chief risk officer at Star Entertainment Group, are you?

MS MARTIN: Yes.

5 **MS SHARP SC:** And on the basis of those matters I've put to you, do you have any confidence at all that Suncity is an entity of good repute?

MS MARTIN: On those matters put to me, they raise concerns as to their repute, Ms Sharp.

10 **MS SHARP SC:** Now, it's right, isn't it, that even though Mr Hawkins wrote two separate warning letters to Suncity in 2018, concerning transactions continued in Salon 95 and involving Suncity staff in 2019; correct?

15 **MS MARTIN:** Sorry, Ms Sharp. Could you just repeat all of that chronology?

MS SHARP SC: It's correct, isn't it, that in 2019, concerning transactions continued in Salon 95 involving Suncity staff?

20 **MS MARTIN:** Yes. I'm aware of further concerning transactions in 2019.

MS SHARP SC: And you were made aware of them at the time, weren't you?

MS MARTIN: I was made aware of some transactions in 2019.

25 **MS SHARP SC:** Well, you were made aware that significant concerns continued in 2019, weren't you?

30 **MS MARTIN:** Yes, Ms Sharp. There were new concerning transactions. The bit I'm not clear on is whether they had continued over that whole time or whether they had been separate incidents. There were definitely separate incidents in 2019 that I was aware of.

35 **MR BELL SC:** And, Ms Martin, were you aware that two warning letters had been issued to Suncity in 2018?

MS MARTIN: I'm not sure whether I'm aware of two, Mr Bell. I - I am aware of one that my best recollection was followed the investigation that we've been discussing that occurred in 2018.

40 **MR BELL SC:** Yes. I see. Thank you.

MS SHARP SC: Tell me - but going back to 2018, is it appropriate that the New South Wales regulator should have been alerted to these concerning transactions?

45 **MS MARTIN:** Yes, Ms Sharp. I think that would have been beneficial.

MS SHARP SC: And what about the concerning transactions in 2019? Should the regulator have been made aware of those transactions?

MS MARTIN: I think, on the transactions I'm aware of, Ms Sharp, considering those in 2019, yes, I think that would have been beneficial.

5 **MS SHARP SC:** You know that the regulator was not made aware of those transactions, don't you?

MS MARTIN: No, I don't know that.

10 **MS SHARP SC:** Would it surprise you to know that the New South Wales Liquor and Gaming regulator was not made aware of these matters at the time?

MS MARTIN: I think it would, because I think my understanding was they were aware of incidents through the forums we had with them, Ms Sharp.

15

MS SHARP SC: And would it be particularly concerning to you that the New South Wales regulator was not made aware of these transactions if it had specifically written to Star Entertainment asking about Alvin Chau?

20 **MS MARTIN:** I think it would depend on the question, Ms Sharp, and what it related to.

MS SHARP SC: Well, surely if the question in any way related to Alvin Chau, it would have been appropriate to let the regulator know that in both 2018 and in
25 2019 there were a number of transactions of concern occurring in Salon 95?

MS MARTIN: I - I do think it depends on their question, Ms Sharp. I don't think I would generalise that way.

30 **MS SHARP SC:** Well, isn't there an obligation - I withdraw that. Isn't there a need to be completely transparent with the regulator at all times?

MS MARTIN: I don't know if it's an obligation or a matter that one should just do.

35

MS SHARP SC: Yes. Well, I withdrew the obligation question and put it as a matter of need. Isn't there a need to be completely transparent with the regulator at all times?

40 **MS MARTIN:** Yes, I think I would say that.

MS SHARP SC: Now, could I - are you aware, Ms Martin, that in May of 2019, Mr Stevens conducted an audit on Suncity's compliance with the service desk protocol in Salon 95?

45

MS MARTIN: I recall that there was a review done, Ms Sharp. I couldn't describe it in specifics.

MS SHARP SC: Was it shown to you at the time, Ms Martin?

MS MARTIN: I think I would need to check my emails, Ms Sharp, whether I got it at the time.

5

MS SHARP SC: Well, did you ask for it to be conducted?

MS MARTIN: I don't recall that.

10 **MS SHARP SC:** Well, can I call up, please, STA.5003.0004. I think I've given the number incorrectly. If you will just pardon me, Mr Bell, I will have to find the correct number. I will come back to that. Would it assist you to see the assessment, Ms Martin, that is, the audit assessment?

15 **MS MARTIN:** Ms Sharp, it may do if it shows that it was provided to me.

MS SHARP SC: No. I won't be able to show you that on the face of the document, so I will move on. Given that you reported to the board's risk and compliance committee, do you think it most likely you saw the result of any audit on Salon 95 in May of 2019?

20

MS MARTIN: Potentially, although at that time, Ms Sharp, I, just to be clear, didn't have responsibility for compliance.

25 **MS SHARP SC:** No. But you still reported to the risk and compliance committee, didn't you?

MS MARTIN: Yes. I appeared before them in my capacity as group general counsel at that time.

30

MS SHARP SC: And could I show you, please, exhibit B at 1335, which is STA.5003.0004.0798. Do you see these are the risk and compliance committee minutes of 26 March 2019?

35 **MS MARTIN:** Yes, I see that.

MS SHARP SC: And - I think I'm showing you the wrong copy of the minutes, I'm afraid, Ms Martin.

40 **MS MARTIN:** Okay.

MS SHARP SC: I'm looking for the 21 May 2019 version. In any event, let me show you a paper, which is exhibit B at 1378. And this is STA.5003.0004.0531. And do you see there's a meeting date here of 21 May 2019? It's a risk and compliance committee paper authored by you?

45

MS MARTIN: Yes, I see that.

MS SHARP SC: And it's a Regulatory Matters Update?

MS MARTIN: Yes.

5 **MS SHARP SC:** Could I take you, please, to pinpoint 0053. And can I draw your attention, please, about a third of the way down the page to the heading Regulatory Reviews? And do you see there's an entry here that says:

10 "The following reviews have been conducted with no significant issues identified."

Second dot point:

15 "Salon 95 Suncity processes: no significant issues found. Suncity has been conducting all transactions through The Star's cage providing a much higher level of oversight."

MS MARTIN: Yes, I see that.

20 **MS SHARP SC:** So this is what you were telling the board's risk committee at the time?

MS MARTIN: Well, yes, that's what's in the paper at the time.

25 **MS SHARP SC:** But it's right that after this time, you were made aware that there were a series of concerning cash transactions in Salon 95?

MS MARTIN: Yes. In 2019, after this, yes.

30 **MS SHARP SC:** Yes. And in fact, you were made aware of a number of transactions of concern, weren't you?

MS MARTIN: I don't recall how many offhand, Ms Sharp, but certainly such a matter was brought to my attention.

35 **MS SHARP SC:** Could I take you, please, to pinpoint - I beg your pardon - document number STA.3427.0018.3537. That's exhibit B1406, Mr Bell. Do you see this is an email from Mr McGregor to Mr Houlihan, Mr Power, and copied to you, dated 5 June 2019?

40 **MS MARTIN:** Yes, I see that.

MS SHARP SC: And do you see that it expresses there's an attachment called Information Report Salon 95 May 2019?

45 **MS MARTIN:** Yes, I see that.

MS SHARP SC: And that, of course, is after the date of your report to the board's risk and compliance committee?

MS MARTIN: Yes.

5

MS SHARP SC: Could I take you to that document, please. It is STA.3427.0018.3538. And you see this is an information note from Andrew McGregor dated 5 June 2019?

10 **MS MARTIN:** Yes, I do.

MS SHARP SC: Now, it's most likely that you read this email and the attachment at the time, isn't it?

15 **MS MARTIN:** I don't recall specifically, but --

MS SHARP SC: But it's most likely you did, isn't it?

MS MARTIN: On or around the time.

20

MS SHARP SC: Do you see that this - in the front box here, this document also says:

25 "The purpose of this information note is to brief The Star's legal team to assist them in the preparation of legal advice for the business."

MS MARTIN: Yes, I see that note.

30 **MS SHARP SC:** Are you sure there wasn't a general practice in The Star of investigators marking their information notes with this text?

MS MARTIN: I'm not aware of it being a general practice across information notes generally.

35 **MS SHARP SC:** Sorry. I cut you off.

MS MARTIN: Sorry. I just said "generally" at the end.

40 **MS SHARP SC:** Had you been asked to provide any legal advice about this matter at the time?

MS MARTIN: I don't recall providing legal advice myself.

45 **MS SHARP SC:** Had the business requested that you provide legal advice at this time?

MS MARTIN: Not of me, Ms Sharp.

MS SHARP SC: Do you see this information note refers to Operation Lunar 2019?

MS MARTIN: I do.

5

MS SHARP SC: And you understood at the time what Operation Lunar was, did you?

MS MARTIN: I don't know that.

10

MS SHARP SC: Well, you can read how it's described at the top of this document.

MS MARTIN: I can.

15

MS SHARP SC: And you agree it relates to Suncity's operation in Salon 95?

MS MARTIN: Yes.

20

MS SHARP SC: Can I take your attention to the first paragraph under the Background heading. So you understood by this time, didn't you, that the police had laid charges in relation to events in Salon 95?

25

MS MARTIN: Sorry, Ms Sharp. I'm just reading the end of that first paragraph which is referencing the police. Just one moment. I see a reference there to the police. It says preferred charges have been laid, and it's relating to matters from 2018.

30

MS SHARP SC: Yes. So you understood by that time, didn't you, that the police had laid charges in relation to events occurring in Salon 95; correct?

MS MARTIN: I would have understood that when I read this.

35

MS SHARP SC: And do you see at the bottom of this page, Mr McGregor states:

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

40

MS MARTIN: Yes, I see that sentence.

MS SHARP SC: And that statement is quite inconsistent with the advice that you had, only weeks earlier, given to the board's risk and compliance committee?

45

MS MARTIN: Yes. It's different to the advice in the paper I reviewed.

MS SHARP SC: Well, it's quite inconsistent with that advice. Matters had moved on by then, hadn't they?

MS MARTIN: Certainly there was new information at this time, Ms Sharp.

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

5 **MS MARTIN:** I would say it's relevant and therefore, on that basis, potentially important.

10 **MS SHARP SC:** Well, you thought it was important enough to advise the board risk and compliance committee that you thought Suncity was complying with the service desk procedures?

MS MARTIN: Ms Sharp, that would have been included on the basis that it was in the list of reviews conducted.

15 **MS SHARP SC:** Can I take you, please, to the entry on pinpoint 3539. Do you see the date 31 May 2019? Do you see it says:

"During the last \$200,000 cash buy I attended Rivers and spoke to Suncity employee -"

20

Name specified:

"And asked him about the recent transactions. He was guarded, extensively refusing to answer my questions quoting his employment conditions with Suncity."

25

MS MARTIN: Yes, I see that reference.

30 **MS SHARP SC:** You understood at the time that Suncity was not cooperating in The Star's investigations?

MS MARTIN: Sorry, Ms Sharp. Is this still in the same information note we were reading?

35 **MS SHARP SC:** Yes.

MS MARTIN: Then, yes, I would have understood, on reading this, an individual was not cooperative with the investigator.

40 **MS SHARP SC:** And can I take you, please, to pinpoint 3540. Do you see right at the top it says:

"This room -"

45 And it's referring to the enclosed room within the Suncity Salon 95 room:

"This room is mostly filled by computer servers with only a narrow space inside the door to stand. I didn't physically try to enter the room, so small is

the space. Packed around the computer server was countless environmental shopping bags like the one seen to contain the \$200,000 earlier in the afternoon."

5 **MS MARTIN:** Yes, I see that.

MS SHARP SC: And you understood that the concern being expressed here was that bags which had been used to bring large amounts of cash into Salon 95 were stored in that enclosed room in Salon 95?

10

MS MARTIN: I can see in this paragraph that's what's being identified, Ms Sharp, as the - as the matter being investigated.

MS SHARP SC: And --

15

MS MARTIN: Sorry. Can you repeat the question specifically?

MS SHARP SC: Yes. Look, I will move on.

20

MS MARTIN: Okay.

MS SHARP SC: There's a heading, "Postscript".

MS MARTIN: Yes.

25

MS SHARP SC: Could I direct your attention to three paragraphs under that heading "Postscript":

30

"It appears that as newer people have moved into roles within Suncity Sydney that behaviours discouraged during last year's review period are returning."

Now, you understood, didn't you, that it looked like the situation had changed to a state of non-compliance after the time you briefed the board's risk and compliance committee; do you agree?

35

MS MARTIN: Yes. I agree there's incidents that have been identified in this report after the board meeting.

40

MS SHARP SC: And can I take you, please, to exhibit B at 1406. This is STA.3008.0004.0529. Do you see this email is being sent directly from Wayne Willett, the AML administrator, to you?

MS MARTIN: Yes, I see that.

45

MS SHARP SC: And it reports on another transaction of concern involving Suncity, doesn't it?

MS MARTIN: I'm just reading it, Ms Sharp. Yes. I've read that, Ms Sharp. Can you repeat your question?

5 **MS SHARP SC:** It's reporting directly to you on another concerning transaction involving Suncity, isn't it?

MS MARTIN: Yes, it is.

10 **MS SHARP SC:** And it's right, isn't it, that by this time, both the investigations team and the AML team were keeping you closely informed of incidents occurring in Salon 95 involving Suncity; do you agree?

15 **MS MARTIN:** Ms Sharp, I was being kept updated. There's an additional context to this email that is the reason why it was brought to my attention, in that my recollection is the individual named was a former employee of The Star. So there was different context for this particular one being brought to my attention.

20 **MS SHARP SC:** But it's still the case, isn't it, that the AML team and the investigations team were keeping you closely briefed on events in Salon 95 involving Suncity?

25 **MS MARTIN:** Not necessarily closely briefed, Ms Sharp. Just across what was happening from the investigations team. This is the AML team. But as I said, it's because there was a connection with the individual here. So it's quite separate to the other matters we've been discussing.

MS SHARP SC: And, Ms Martin, can I show you another document, which is exhibit C83 at STA.3427.0017.1253.

30 **MS MARTIN:** Yes, I see that.

MS SHARP SC: And this is an email from Mr White to you dated 11 July 2019?

35 **MS MARTIN:** Yes.

MS SHARP SC: Is this the particular incident of concern you were just referring to, or is this a different incident?

40 **MS MARTIN:** I'm not sure, Ms Sharp, when you say which incident I was referring to.

MS SHARP SC: The one you just gave evidence about, Ms Martin.

45 **MS MARTIN:** The email before this?

MS SHARP SC: Yes.

MS MARTIN: So the email before this is a different matter, I believe, to this. But I haven't seen the bottom of this email chain yet.

5 **MS SHARP SC:** Well, I will take you to the bottom of this chain. If you could go - I'm not going to read out the person who sent this email. Could you please treat that information confidentially. But you will see the date, and you will see that it relates to Suncity?

10 **MS MARTIN:** Yes.

MS SHARP SC: And you will see - well, I will read it out for you - the paragraph beginning, "More worryingly (for Alvin Chau and Suncity)"?

15 **MS MARTIN:** Yes.

MS SHARP SC: And reference is made to an article. And it states:

"Alvin has been called in for a meeting with the DICJ -"

20 That's the Macau casino regulator:

"And obviously, despite the Suncity denial, the story is true in that they are running such gaming platforms and facilitated underground banking and illegal gaming in the PRC out of their sites based in the Philippines."

25 **MS MARTIN:** Yes, I see that.

MS SHARP SC: And you're being kept closely briefed about new due diligence information becoming available on Suncity and Alvin Chau at this time, aren't you?

MS MARTIN: Matters are being brought to my attention, Ms Sharp.

35 **MS SHARP SC:** Well, surely you were keeping a close eye on these matters at the time?

MS MARTIN: I was monitoring these matters across as well what my team were doing with them at this time.

40 **MS SHARP SC:** Well, it must have been of quite some concern to you at this time, was it?

MS MARTIN: Ms Sharp, there was different pieces of information that represented different levels of concern or otherwise at this time.

45 **MS SHARP SC:** And the --

MR BELL SC: Do you mind answering - I think you should answer counsel assisting's question directly if you can, please, Ms Martin. Was this a matter of concern to you at this time?

5 **MS MARTIN:** This particular email, Mr Bell?

MR BELL SC: Well, I think counsel assisting's question was wider than that. Ms Sharp, would you mind asking the question again, please?

10 **MS SHARP SC:** Yes. It must have been of quite some concern to you at this time, Ms Martin?

15 **MS MARTIN:** Ms Sharp, I had some concerns with Suncity. I'm not sure of the "it" in - in the question. But I had some concerns with some of the information that was being brought forward and wanted to ensure that was being monitored at the time.

20 **MS SHARP SC:** Because the common thread with all of these different strands of information - that being the strands of due diligence that Mr White was passing on to you, the strands of AML team information and the strands of information from the investigations team - is that it was all being passed on to you; do you agree?

MS MARTIN: Sorry, Ms Sharp. Can you just repeat the connection there?

25 **MS SHARP SC:** The connection is that each of the AML team, the investigations team and your lawyer, Mr White, are passing on information about Salon 95 and Suncity to you.

30 **MS MARTIN:** Yes. They were bringing this to my attention. Ms Sharp, the matter from the AML team and the reason why I differentiate that is it was concerning to me as an attempt, but it was an AML procedure working, in my view, when the report came through to show the action they had taken. So this is why I say some of the pieces of information do represent different things and were bringing - that one in particular was brought to my attention for a different reason
35 and I don't think can be just included in a general sense.

MS SHARP SC: And were you taking care to closely liaise with the AML team at this time about what was going on in Salon 95?

40 **MS MARTIN:** I was liaising with the chief risk officer and at this time generally, Ms Sharp, is my recollection.

MS SHARP SC: Were you liaising with Skye Arnott about these matters?

45 **MS MARTIN:** I don't recall whether I was directly, Ms Sharp. At that time, she wasn't yet a part of my team.

MS SHARP SC: Were you liaising with Graeme Stevens about these matters?

MS MARTIN: I don't recall specifically, Ms Sharp, whether I liaised with Graeme Stevens.

5 **MS SHARP SC:** Were you liaising with Ian Tomkins, the senior regulatory affairs advisor?

MS MARTIN: I don't recall if I liaised directly with Ian Tomkins.

10 **MS SHARP SC:** Well, can I show you an email, please. This is exhibit B1437. It's STA.3418.0011.0621. Operator, this is exhibit B at 1437. That's not the right document. Let me try from the - it's STA.3418.0011.0621. Now, I'm not suggesting that you were a party to this email, Ms Martin, but can you just read it to yourself and then I want to know whether you were made aware of this.

15 **MS MARTIN:** Yes. I've read that, Ms Sharp.

MS SHARP SC: Now, were you made aware of all of these transactions at about the time, that is, around 24 June 2019?

20 **MS MARTIN:** I don't recall being made aware of this detail, Ms Sharp.

MS SHARP SC: You see there are seven separate transactions being referred to; do you agree with that?

25 **MS MARTIN:** Ms Sharp, I can see four dates. Do you mind taking me to the transaction reference?

MS SHARP SC: Yes. There are four dot points under the heading "I suggest all" - the words - 1, 2, 3, 4.

MS MARTIN: Yes.

MS SHARP SC: And then do you see it says:

35 "Others I have saved and worthy of reviewing."

And see there are dot points with three further dates?

40 **MS MARTIN:** Yes.

MS SHARP SC: Surely this information was made known to you at the time?

MS MARTIN: I don't recall this detail being made known to me at that time, Ms Sharp.

MS SHARP SC: It was a matter of extreme concern to your knowledge about Suncity in June of 2019, wasn't it?

MS MARTIN: No.

5 **MS SHARP SC:** And it was the case that the investigations team and the AML team were looking into Suncity's conduct in Salon 95 in June of 2019, wasn't it?

MS MARTIN: I was aware there was the investigations team and the AML team looking into conduct in Salon 95 in June.

10 **MS SHARP SC:** And both of those teams, to your knowledge, held considerable concerns about that conduct, didn't they?

MS MARTIN: I - I don't know what their individual views were, Ms Sharp. They were investigating that --
15

MS SHARP SC: Surely, Ms Martin, you have a memory of this?

MS MARTIN: I - I don't of this detail, Ms Sharp, from June 2019.

20 **MS SHARP SC:** Well, surely you have a memory that there were big problems in Salon 95 in June of 2019?

MS MARTIN: There were certainly matters of concern warranting - excuse me - investigation in June 2019.
25

MS SHARP SC: And you considered, didn't you, that there were red flags for money laundering occurring at that time, didn't you?

MS MARTIN: Ms Sharp, I wasn't closely involved at the time.
30

MS SHARP SC: Well, you were so closely involved, Ms Martin, that you had dealings with the newly appointed due diligence officer, Mr Buchanan, at this time, didn't you?

35 **MS MARTIN:** Ms Sharp, I was having dealings with Angus Buchanan in June of 2019.

MS SHARP SC: About Salon 95 and Suncity, weren't you?

40 **MS MARTIN:** In June of 2019, Ms Sharp, I was engaged with Angus Buchanan generally on junkets. I don't recall specifically engaging with him on these incidents.

MS SHARP SC: And you sent him and Mr Houlihan off to the Hong Kong Jockey Club to interview them about Suncity, didn't you?
45

MS MARTIN: Ms Sharp, I did authorise a trip for Mr Houlihan and Mr Buchanan. It was separate to these specific matters.

MS SHARP SC: You were all over what was happening in Salon 95 in June 2019, weren't you?

5 **MS MARTIN:** No, I wasn't all over this detail.

MS SHARP SC: And in fact, in June of 2019, Mr Buchanan told you that he had prepared a report when he was working at Hong Kong Jockey Club about Suncity and Alvin Chau, didn't he?

10

MS MARTIN: I don't know when Angus Buchanan told me that.

MS SHARP SC: He told you that in June 2019, didn't he?

15 **MS MARTIN:** That's possible, Ms Sharp. I would just need to check dates on emails.

MS SHARP SC: And he gave you the report, didn't he?

20 **MS MARTIN:** I recall receiving an email with the report.

MS SHARP SC: From Mr Buchanan; correct?

MS MARTIN: Yes, Ms Sharp.

25

MS SHARP SC: And we can only assume you read it at the time; correct?

MS MARTIN: No.

30 **MS SHARP SC:** Are you serious that you did not read the report that Mr Buchanan sent directly to you, despite the fact that your AML team and your investigations team were reviewing matters of concern in relation to the Suncity room?

35 **MS MARTIN:** Yes, that's the case.

MS SHARP SC: You're not telling the truth here, are you, Ms Martin?

40 **MS MARTIN:** Ms Sharp, if I could just clarify, it wasn't my AML team at the time in June. And I am just saying I don't recall when I discussed the Hong Kong Jockey Club report with Mr Buchanan.

MS SHARP SC: Can I show you exhibit C, tab 78. This is STA.3427.0037.3869. Do you see this is an email from Angus Buchanan to you, and to Mr White and Mr Houlihan, dated 12 June 2019?

45

MS MARTIN: I do.

MS SHARP SC: And it says:

5 "Dear all, please find attached a copy of the 2018 Suncity report my intelligence team compiled whilst I was with the Hong Kong Jockey Club. It is a comprehensive report and was prepared due to the potential threat Suncity posed/poses to the integrity of racing in Hong Kong. I suspect certain aspects of the report may be of interest to The Star."

10 Are you seriously telling Mr Bell that you did not read this report at the time it was emailed to you?

MS MARTIN: I'm saying I don't recall when I read it, Ms Sharp.

15 **MS SHARP SC:** So you have read it?

MS MARTIN: I have read it prior to today.

MS SHARP SC: Did you read it at around this time, Ms Martin?

20 **MS MARTIN:** I don't recall, Ms Sharp.

MS SHARP SC: What's the truth, Ms Martin?

25 **MS MARTIN:** The truth is I don't recall, Ms Sharp, when I read it as compared to when I discussed things with Mr Buchanan.

MS SHARP SC: Surely you would have read this report at the time it was sent to you in view of what you knew was going on in Salon 95 at that time?

30 **MS MARTIN:** It's possible, Ms Sharp. I don't recall. And I don't recall whether it was specifically at the time it was sent to me or when I was having discussions with Mr Buchanan more generally.

35 **MS SHARP SC:** Just --

MR BELL SC: Ms Martin, given the concerns that you've told me you had about what was going on in Salon 95 at this very time --

40 **MS MARTIN:** Yes.

MR BELL SC: -- isn't it likely that you read the report at the time that Mr Buchanan sent it to you?

45 **MS MARTIN:** Not necessarily, Mr Bell. Because I was discussing more broadly with Mr Buchanan due diligence work, and I was also discussing with him interacting with other members of the legal and the AML team in relation to that - his knowledge and information, which would have included the contents of this report.

MR BELL SC: So should I understand you to be telling me that even if you didn't read the report at this time, you discussed the report with Mr Buchanan at this time?

5

MS MARTIN: I recall discussing it with Mr Buchanan.

MR BELL SC: At about this time?

10 **MS MARTIN:** Mr Bell, it may be - it may have been in the subsequent weeks.

MR BELL SC: Right. Yes, Ms Sharp.

15 **MS SHARP SC:** You sent Mr Buchanan and Mr Houlihan to Hong Kong to meet with the Hong Kong Jockey Club about this report, didn't you?

MS MARTIN: No, not about this report, Ms Sharp.

20 **MS SHARP SC:** You sent them to meet with the Hong Kong Jockey Club about this report and to make contact with law enforcement officials over in Hong Kong and Macau to see what they would say about Alvin Chau and Suncity, didn't you?

MS MARTIN: No, that wasn't the specific purpose of the trip.

25 **MS SHARP SC:** And you received briefing notes from both of them after those visits, didn't you?

MS MARTIN: I don't specifically recall, Ms Sharp.

30 **MS SHARP SC:** You don't seem to have a very good memory of these extraordinary events, do you? Is that because you, in fact, do have a good memory of these events and you're just not assisting this review?

35 **MS MARTIN:** No, Ms Sharp. That's not right.

MR BELL SC: Ms Martin, what do you say was the reason why you sent Mr Houlihan and Mr Buchanan to the Hong Kong Jockey Club at this time?

40 **MS MARTIN:** Mr Bell, Mr Buchanan had prepared an outline for me on his initial observations of matters relating to due diligence and more generally. And this was ahead of me having responsibility for the AML function. There were a range of observations Mr Buchanan had given to me, and in amongst those were some recommendations in relation to having a network of contacts and service providers, particularly offshore and in and around Hong Kong and Macau, is my
45 general recollection of some of his recommendations. And I was aware that that was an area that I wanted to look into more fully, being around this time I was aware that I was transitioning into that role. And so on the back of those recommendations, I had asked Mr Buchanan to continue with some work in some

of those specific areas, and Mr Houlihan travelled with him. That was the primary purpose on which I authorised that trip.

5 **MR BELL SC:** And why specifically did you ask him to go to the Hong Kong Jockey Club?

10 **MS MARTIN:** I don't know that I specifically asked that, Mr Bell. Mr Buchanan had worked there previously and so his - that - that was the connection at that time.

MR BELL SC: Yes, Ms Sharp.

15 **MS SHARP SC:** Now, you knew by the time you received this email that Suncity was the largest junket with which The Star dealt by way of turnover, right?

20 **MS MARTIN:** I don't know that I knew that they were the largest, Ms Sharp. I'm just not sure that I was aware of the specific turnovers. I knew they were one of the largest. They may have been the largest. I - I would just need to see documentation on that.

MS SHARP SC: And you knew by this time that a series of red flags had been raised in relation to money laundering in Salon 95 in mid-2019?

25 **MS MARTIN:** I'm sorry, Ms Sharp. Can you just repeat that full question?

30 **MS SHARP SC:** You knew by the time you received this 12 June 2019 email from Mr Buchanan, attaching the Hong Kong Jockey Club report, that a series of red flags for money laundering had been raised in relation to Salon 95 in May and June of that year?

MS MARTIN: Yes. I knew there were some red flags being investigated by the investigations and AML teams, Ms Sharp.

35 **MS SHARP SC:** And you knew by this time that Angus Buchanan had played a role in the preparation of this Hong Kong Jockey Club report?

MS MARTIN: Yes, I was aware of that.

40 **MS SHARP SC:** And you knew, didn't you, that Mr Buchanan had serious reservations about the propriety of Alvin Chau and Suncity, didn't you?

MS MARTIN: No.

45 **MS SHARP SC:** Are you seriously suggesting that Mr Buchanan did not raise any question with you at this time about the propriety of Alvin Chau and Suncity?

MS MARTIN: I wouldn't describe it as raising a question, Ms Sharp, about his propriety at this time, no.

MS SHARP SC: Well, how would you describe it?

5 **MS MARTIN:** That he had done a due diligence review that included Alvin Chau.

MS SHARP SC: And did he give them the tick of approval?

10 **MS MARTIN:** I was aware, Ms Sharp, that the Hong Kong Jockey Club had concluded that - I think there was a decision around membership of the Hong Kong Jockey Club - or potential membership. And the conclusion was no, in their circumstances. He made me aware of that.

15 **MS SHARP SC:** That rather suggests that he didn't give them the tick of approval; do you agree?

MS MARTIN: I don't know if it was Mr Buchanan or someone else, but the decision was a no.

20 **MS SHARP SC:** Well, let's go to these documents you can't remember if you read or not.

MR BELL SC: Just before we do, I just want to make sure I'm clear exactly about this. You said you can't remember if you read it at the time; is that correct?

25 **MS MARTIN:** Yes, Mr Bell. I don't - I don't recall when I specifically read it, or if I read it --

MR BELL SC: Or if you read it?

30 **MS MARTIN:** -- at that time. At - at that immediate time.

MR BELL SC: When do you recall reading it?

35 **MS MARTIN:** I don't recall reading it in detail until just prior to this review, Mr Bell. I do recall looking at some sections of it in discussions with Mr Buchanan.

MR BELL SC: Well, given that you've told me that there were matters of concern to you warranting further investigation in Salon 95 at this time --

40 **MS MARTIN:** Yes.

MR BELL SC: -- and Mr Buchanan sending you this report saying that certain aspects of it may be of interest to The Star --

45 **MS MARTIN:** Yes.

MR BELL SC: -- I'm struggling to understand why you wouldn't have read it at the time. Can you explain that?

5 **MS MARTIN:** I'm just not sure I recall, Mr Bell. I think I read certain sections at the time that Mr Buchanan was talking to me about that had more relevance to The Star in our circumstances.

MR BELL SC: All right. And those discussions were in the weeks after 12 June?

10 **MS MARTIN:** Yes, Mr Bell. That's my recollection. There were specific aspects that I discussed with Mr Buchanan shortly after receiving - or in the weeks after receiving that report. There was some of the content that was less relevant to The Star. And I also had an interest in the general appearance of the report, Mr Bell, this being a, you know, example of a more detailed due diligence report. So I do
15 recall looking at the general style and nature of it.

MR BELL SC: Thanks. I understand your evidence now. Thank you.

20 **MS MARTIN:** Thank you.

MS SHARP SC: So the correct position now is that you did read certain sections of the Hong Kong Jockey Club report at around the time that Mr Buchanan emailed it to you?

25 **MS MARTIN:** My evidence, Ms Sharp, is that it's likely that I recalled - reviewed certain sections of this report in the weeks following in discussions with Mr Buchanan. I just don't have a specific recollection of the bits that I read and when.

30 **MS SHARP SC:** Well, the matter of Salon 95 was discussed at the 30 July 2019 JRAM, wasn't it?

MS MARTIN: I - I don't know that without - that I recall that, Ms Sharp, without referring to documents available on that.

35 **MS SHARP SC:** Well, let me call up exhibit B at 1504, which is STA.3008.0006.4437.

MS MARTIN: Yes.

40 **MS SHARP SC:** Do you see this is an email from Ms Arnott to you dated 9 August?

MS MARTIN: Yes, I see that.

45 **MS SHARP SC:** Well, in fact, it's the one underneath that. Just let me make sure you're looking at the right thing. If the operator can scroll down, please. Do you see this is an email from Ms Arnott to you dated 30 July 2019?

MS MARTIN: Yes, I see that.

5 **MS SHARP SC:** And you agree that she made you aware at the JRAM that the possibility was discussed of conducting a risk assessment on Suncity and Salon 95?

MS MARTIN: Yes, I see that.

10 **MS SHARP SC:** And you see that she's advising you that she had agreed with Mr Houlihan to work with him about that, and she suggested that Angus Buchanan may be useful to get involved?

MS MARTIN: Yes, I see that.

15 **MS SHARP SC:** So you were being kept aware of all of these matters by the AML team at this time, weren't you?

MS MARTIN: I'm not sure what all of these matters are, Ms Sharp.

20 **MS SHARP SC:** All of these matters about a possible risk assessment on Suncity and Salon 95.

25 **MS MARTIN:** I was, at this time, receiving this email - this was just heading into my transition, Ms Sharp, of taking responsibility for the AML team.

MS SHARP SC: Well, surely by the time that you were involved in discussions about conducting a further risk assessment on Salon 95 and Alvin Chau, you would have taken the time to carefully read the Hong Kong Jockey Club report?

30 **MS MARTIN:** No, Ms Sharp. I'd not necessarily carefully read it all at this time because I had been discussing the matters with Angus Buchanan and others. And as I just mentioned before, there were some parts of the report that were more relevant to us than others.

35 **MS SHARP SC:** Tell me, did Mr Buchanan express to you in any way, shape or form that the information in the Hong Kong Jockey Club report was unreliable?

MS MARTIN: I don't recall that.

40 **MS SHARP SC:** Well, he didn't, did he?

MS MARTIN: I suspect that's unlikely, Ms Sharp.

45 **MS SHARP SC:** Well, can I take you to the Hong Kong Jockey Club report, please. If we can start with part C at tab 79. This is STA.3427.0003.3870. Now, I will show you the whole document first so you have the context. If we can make that whole page available to Ms Martin, operator. Do you see this document is signed by Martin Purbrick?

MS MARTIN: Yes, I see that.

5 **MS SHARP SC:** And you understand him to be the director of security and integrity at the Hong Kong Jockey Club?

MS MARTIN: I don't understand that, but I can see that's the title on the letter, yes.

10 **MS SHARP SC:** And do you see it's dated 20 April 2018?

MS MARTIN: Yes, I do.

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

"The attached report from Angus Buchanan's team is an update of our monitoring of Suncity Group."

20 **MS MARTIN:** Yes, I do.

MS SHARP SC: And do you see it says:

"We have considered Suncity Group a threat to the club."

25 **MS MARTIN:** Yes. I see that's the start of the second paragraph.

MS SHARP SC: And do you see that bit in blue shade? Could I ask you to read it to yourself, please?

30 **MS MARTIN:** Yes.

MS SHARP SC: Now, is that a bit of the report that you read at the time?

35 **MS MARTIN:** Ms Sharp, I'm just reading that blue section. I've read that section, Ms Sharp.

MS SHARP SC: Was that a bit of the report that you read at the time?

40 **MS MARTIN:** I don't recall specifically, but I do recall discussing - I'm trying not to say the bit in blue, but broadly the topic.

MS SHARP SC: And who did you have discussion of that topic with?

45 **MS MARTIN:** Mr Buchanan and Mr Houlihan, I recall. There may have been others.

MS SHARP SC: Did you know of that interest that is referred to in that paragraph?

MS MARTIN: Not separately to those discussions.

MS SHARP SC: And do you see it says:

5

"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."

10 **MS MARTIN:** Yes. I see that sentence.

MS SHARP SC: Did you read that bit of the report at the time?

MS MARTIN: I don't recall, Ms Sharp.

15

MS SHARP SC: Do you think you read the executive summary of the report at the time?

MS MARTIN: I just don't recall specifically the bits that I read.

20

MS SHARP SC: Well, it's probably the case that you at least read the executive summary; would you agree?

25 **MS MARTIN:** I just don't recall how I read it, Ms Sharp. I have a better recollection of the discussions I was having.

MS SHARP SC: Well, was there anything at all in the discussions that gave you any comfort that Suncity and Alvin Chau did not have links to organised crime?

30 **MS MARTIN:** Sorry. Can you repeat that whole question?

MS SHARP SC: Was there anything at all in the conversations you had that gave you any comfort at all that Alvin Chau and Suncity did not have links to organised crime?

35

MS MARTIN: Ms Sharp, my recollection is the report was wide and varied and contained a range of information, and some of it was less conclusive than others when Mr Buchanan was talking to me about the sections, I recall. So I recall that there was a range of information and that it wasn't necessarily specifically as conclusive as that particular sentence we just looked at.

40

MS SHARP SC: Can I show you, please, exhibit B at tab 710. This is STA.3014.0007.0001. Now, let me show you the executive summary, which is at pinpoint 0003. Do you see the very first paragraph of the report says:

45

"The purpose of this report is to provide an update and overview of Suncity Group's business operations, key personalities and links to organised crime both in Hong Kong and overseas."

MS MARTIN: Yes, I see that.

MS SHARP SC: Do you think you read that bit of the report?

5

MS MARTIN: Ms Sharp, I'm not - I'm not sure.

MS SHARP SC: All right. Well, let's go to the executive summary at paragraph 2. Do you see it refers to Alvin Chau? And it says:

10

"He is alleged to be a member of the Macau faction of the 14K triad society and follower of former 14K leader Wan Kuok Koi (aka 'Broken Tooth Koi'). It is suspected the Suncity Group also has connections to Charles Heung Wah Keung, a senior officer bearer of the Sun Yee On triad society."

15

MS MARTIN: Yes, I see that.

MS SHARP SC: Did you read that bit?

MS MARTIN: Ms Sharp, I don't recall whether I read it. I do have a recollection of discussing with Mr Buchanan the intelligence reports on Mr Chau and the content of those, and I recall discussing with him interacting with our AML team on that information.

MS SHARP SC: Do you see paragraph 3 refers to Cheng Ting Kong and identifies him as Alvin Chau's major business partner?

MS MARTIN: Yes, I see that.

MS SHARP SC: Do you see it says:

30

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

MS MARTIN: I do.

35

MS SHARP SC: And do you see it says:

"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 sale money laundering activities."

40

Do you think you read that bit of the report?

MS MARTIN: Ms Sharp, I don't recall.

45

MS SHARP SC: Did Mr Buchanan make you aware that Alvin Chau's business partner was involved in illegal bookmaking, drug trafficking and large-scale money laundering activities, according to intelligence sources?

MS MARTIN: I don't recall whether he made specific reference to this individual as compared with his associates more generally, Ms Sharp.

5 **MS SHARP SC:** Not a great person for a casino operator to be associated with, is it?

MS MARTIN: That individual, Ms Sharp. That description would be a matter I'd want to consider as presenting risk for a casino operator.

10

MS SHARP SC: Can I take you, please, to pinpoint 0010. Operator, that's paragraph 39, if that assists. Now, you can take it from me that paragraph 39 is confidential. So I don't want you to read out any of that, please, Ms Martin. But do you see it's under the heading Money Laundering?

15

MS MARTIN: Sorry, Ms Sharp. Can you just repeat that?

MS SHARP SC: Yes. Do you see paragraph 39 is under the heading Money Laundering?

20

MS MARTIN: I do.

MS SHARP SC: Can you read that paragraph to yourself, please?

25 **MS MARTIN:** Yes.

MS SHARP SC: Do you think that's a bit of the report you read?

30 **MS MARTIN:** I don't know, Ms Sharp, that I specifically read that. But there's a reference again to Mr Chau --

MS SHARP SC: And --

35 **MS MARTIN:** -- which I - who I did discuss broadly with Mr Buchanan.

MS SHARP SC: And can I take you to pinpoint 0013, please, to paragraph 57. I'm told that this has moved on to the next part now. For whatever reason, this was broken up into a number of documents, Mr Bell. Could I call up - here we go. It's paragraph 57, operator. To get to it, we might need to go to - we have it. Do you see it says:

40

"Intelligence in May 2017 advised that Suncity Group is of interest to Australian law enforcement authorities in relation to suspected large scale money laundering activities."

45

MS MARTIN: Yes, I see that.

MS SHARP SC: And do you see it says:

"Money is laundered via a myriad of methods from Australia and both Hong Kong and Guangdong Province in China."

5 And a little further along, it says:

"During 2013 to 2015, the group was believed to be laundering up to AUD\$2 million a day through various money laundering methodologies."

10 **MS MARTIN:** Yes, I see that reference.

MS SHARP SC: Did you read that bit of the report at the time?

15 **MS MARTIN:** Ms Sharp, again, I don't specifically recall, but - whether I read that or not, but my discussion --

MS SHARP SC: Did Mr Buchanan tell you at the time that Suncity was of interest to Australian law enforcement authorities?

20 **MS MARTIN:** Yes, I recall that piece.

MS SHARP SC: And did he tell you they were of interest to law enforcement authorities because of involvement in large scale money laundering activities?

25 **MS MARTIN:** I recall discussing with Mr Buchanan that they are of interest in connection with suspected money laundering incidents. And I recall discussing with Mr Buchanan - discussing that point, and his knowledge also with Mr Houlihan, to align that with what knowledge we had.

30 **MS SHARP SC:** And it's right, isn't it, that after Mr Houlihan and Mr Buchanan went to Hong Kong and Macau, it was confirmed to you that, yes, indeed, they had met with law enforcement authorities and Suncity was of interest to the law enforcement authorities; correct?

35 **MS MARTIN:** I don't recall whether that was confirmed for me in those terms, Ms Sharp.

MS SHARP SC: I see the time, Mr Bell. Would that be a convenient time to break for lunch?

40

MR BELL SC: Yes. Ms Martin, did you understand either from reading parts of the report or from your discussions with Mr Buchanan at this time that Mr Buchanan considered that Suncity was linked to the triads?

45 **MS MARTIN:** Mr Bell, I understood that he was aware and of the view that there were reports and allegations of that, is my recollection. And - in - in relation to Mr Chau, and that that was --

MR BELL SC: I'm sorry. You go on.

5 **MS MARTIN:** That was one of the areas that I recall speaking to him about liaising with our AML team on the level of information he held as compared with what The Star held.

MR BELL SC: You understood that Mr Buchanan believed that Suncity was linked to the triads at this time; is that right?

10 **MS MARTIN:** I don't know that I understood what Mr Buchanan believed first the information he was aware of, Mr Bell. I'm not --

15 **MR BELL SC:** Did he not convey to you his belief or understanding that Suncity was linked to the triads?

MS MARTIN: We spoke more specifically, Mr Bell, about individuals and Mr Chau, rather than Suncity in general terms.

20 **MR BELL SC:** Did he convey to you that he believed that Mr Chau was linked to the triads?

25 **MS MARTIN:** We had a discussion around what Mr Buchanan knew about Mr Chau and his history, and that there was a range of information, including potential associations. And I recall, I think, a former association - I - I would need to be clear on the word "links", but he did take me through a range of information, Mr Bell.

30 **MR BELL SC:** So did he convey to you that he believed that Mr Chau was linked to the triads?

MS MARTIN: I don't believe he - he relayed that in those definitive terms --

MR BELL SC: All right.

35 **MS MARTIN:** -- as a, "I - I believe there's a link here."

MR BELL SC: Surely he suggested that there was a link to you, did he not?

40 **MS MARTIN:** He - he suggested that there were associations, in that sense, and reports that he was aware of, Mr Bell. And so he was drawing his knowledge from that - those reports and that information he was aware of.

45 **MR BELL SC:** So from reading the report or from speaking to Mr Buchanan, did you understand that Mr Buchanan was concerned that Mr Chau was linked to the triads at this time?

MS MARTIN: I understood Mr Buchanan held concerns about Mr Chau, Mr Bell, and in connection with associations in Macau and his - and the potential of those

associations - or reports of those associations to be connected into triads over various periods of time.

5 **MR BELL SC:** I think you're agreeing with me that you understood that Mr Buchanan was conveying that he believed that Mr Chau had links to the triads; is that right?

10 **MS MARTIN:** It was quite - I'm just hesitating on "believed" because he was reporting to me accounts of information, Mr Bell. But --

15 **MR BELL SC:** Well, let me put it another way. Sorry. Let me put it another way. Did you understand from either reading the report or speaking to Mr Buchanan at about this time that Mr Buchanan was concerned that Mr Chau was linked to the triads?

20 **MS MARTIN:** He had knowledge of the associations with the triads. He expressed concerns to me about that being relevant information to consider. I'm not sure he said directly to me, Mr Bell, "I am concerned about X, Y, Z." I think he raised with me, "Here are matters of interest or concern to be taken into account."

MR BELL SC: And those matters of concern to be taken into account related to his links to the triads; correct?

25 **MS MARTIN:** Yes. The information that he was reporting on associations, etcetera, which involved triads in some cases.

MR BELL SC: Yes. I will now adjourn until 2 pm.

30 **<THE HEARING ADJOURNED AT 1:06 PM**

<THE HEARING RESUMED AT 2:01 PM

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

MS SHARP SC: Ms Martin, Angus Buchanan was hired by The Star Entertainment Group because of his expertise in conducting due diligence investigations; is that right?

40 **MS MARTIN:** Yes, Ms Sharp.

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

45 **MS MARTIN:** Yes.

MS SHARP SC: You agree, don't you, that insofar as you were aware of the Hong Kong Jockey Club reports, either because you read them or discussed them, the information about Alvin Chau and Suncity was extremely concerning?

MS MARTIN: I wouldn't say "extremely concerning", Ms Sharp.

MS SHARP SC: It went beyond mere rumour and innuendo, didn't it?
5

MS MARTIN: Some did; some did not.

MS SHARP SC: It went beyond a mere whisper of impropriety, didn't it?

10 **MS MARTIN:** Ms Sharp, some was rumour; some was broadly framed; some were specific.

MS SHARP SC: It went beyond a mere whisper, didn't it?

15 **MS MARTIN:** No, I wouldn't say that.

MS SHARP SC: It was more of a roar, don't you agree?

MS MARTIN: Apologies, Ms Sharp. I don't understand the question.
20

MS SHARP SC: Do you understand the difference between a whisper and a roar?

MS MARTIN: A roar. No, I don't agree.

25 **MS SHARP SC:** You were in very regular contact with Mr Buchanan at about the time he provided this report to you, weren't you?

MS MARTIN: Not very regular.

30 **MS SHARP SC:** Well, you spoke with him on a weekly basis, didn't you?

MS MARTIN: Not necessarily about work matters on a weekly basis, no, not that frequently.

35 **MS SHARP SC:** And I gather you discussed the Hong Kong Jockey Club report with Mr Houlihan, did you?

MS MARTIN: I discussed some aspects of it, yes.

40 **MS SHARP SC:** And did you discuss some aspects of it with Mr White?

MS MARTIN: I don't recall whether I discussed it directly with Mr White.

MS SHARP SC: And did you discuss it with Mr Power?
45

MS MARTIN: At what point in time, Ms Sharp? Could I --

MS SHARP SC: Well, at any point in time.

MS MARTIN: I believe I may have discussed some of the content of the report with Mr Power at some point in time. I can't recall precisely when.

5 **MS SHARP SC:** All right. Can you do your best to be a little bit more specific about the time, please, Ms Martin?

MS MARTIN: Ms Sharp, I have a recollection of discussing some aspects of it, I think in 2020. I can't be sure about 2019.

10

MS SHARP SC: And in what context were you discussing it with Mr Power in 2020?

15 **MS MARTIN:** I think in connection with monitoring the Bergin Inquiry, Ms Sharp.

MS SHARP SC: And did you provide him with a copy of the report at that time?

20 **MS MARTIN:** I don't recall providing him with a copy.

MS SHARP SC: Did he ask you for a copy?

MS MARTIN: I don't recall being asked.

25 **MS SHARP SC:** But did you make him aware that The Star was in possession of a copy of that report?

MS MARTIN: I don't recall whether I referenced it as The Star or Mr Buchanan.

30 **MS SHARP SC:** But one way or the other, you told him that your organisation had access to that report?

MS MARTIN: I believe so.

35 **MS SHARP SC:** Can I take you, please, to exhibit G at tab 689, which is STA.3428.0034.2978. Operator, I might call out the name - sorry, the document number. STA.3428.0034.2978. And it's exhibit G, tab 688. Now, I'm showing you an email from Mr Houlihan to you dated 17 June 2019?

40 **MS MARTIN:** Yes, I see that.

MS SHARP SC: May we take it that you read that?

45 **MS MARTIN:** I don't recall, but it's reasonable to assume I read it around that time.

MS SHARP SC: And what he says is:

"Just a quick update on today's activities. Today saw us start at the Hong Kong Jockey Club, very worth -"

I think that's "while"; do you agree?

5

MS MARTIN: Yes.

MS SHARP SC: And he advises you that:

10 "Their access to intel is of great interest to what we need and they have supplied us a number of hard copies for references."

MS MARTIN: Yes, I see that.

15 **MS SHARP SC:** Now, you understood he was referring to the Hong Kong Jockey Club report there, did you?

MS MARTIN: No.

20 **MS SHARP SC:** Well, what did you think the hard copies were of great interest that he had been provided with?

MS MARTIN: My read on that was that it was a range of reports, but I --

25 **MS SHARP SC:** Did he provide those to you?

MS MARTIN: No, Ms Sharp.

MS SHARP SC: Did you ask for them?

30

MS MARTIN: I don't recall.

MS SHARP SC: And do you see further down, towards the bottom of that email, he says:

35

"There will be plenty to debrief you on upon return, where we have decided to divide workload when we get back, with Angus doing a report on all things accomplished during our visit here for the official agenda."

40 **MS MARTIN:** Yes, Ms Sharp.

MS SHARP SC: Now, it's right that you were provided with a debrief, were you?

MS MARTIN: My recollection is I discussed the trip on their return.

45

MS SHARP SC: Tell me, did Mr Houlihan ever provide you with any underlying source documents provided to him by Hong Kong Jockey Club arising from his meeting with the Hong Kong Jockey Club?

MS MARTIN: I don't believe so.

MS SHARP SC: And did you ask him if he had any?

5

MS MARTIN: I don't recall asking.

MS SHARP SC: And this email says that:

10 "Angus would be doing a report on all things accomplished during our visit here for the official agenda."

MS MARTIN: Yes, I see that.

15 **MS SHARP SC:** And it's right that he did provide you with that, isn't it?

MS MARTIN: I don't recall, Ms Sharp.

20 **MS SHARP SC:** You see there's a reference to "next items for China Wall"? What was China Wall?

MS MARTIN: My recollection is that was an investigation file.

25 **MS SHARP SC:** And is it right that that was the name of an investigation that Mr Houlihan and others at The Star were conducting at that time?

MS MARTIN: I believe it was an investigation that involved Mr Houlihan.

30 **MS SHARP SC:** And you were consulted from time to time about the China Wall investigation, weren't you?

MS MARTIN: Yes, I discussed that with Mr Houlihan from time to time. Yes.

35 **MS SHARP SC:** And could you tell us what the China Wall - what was the subject of the China Wall investigation?

MS MARTIN: My recollection is that it ranged in relation to matters to do with the international business.

40 **MS SHARP SC:** And what were those matters?

45 **MS MARTIN:** My recollection is there was a range, Ms Sharp, over a period of time. So it was a variety of different matters relating to the international team, and the one name was used over a period of time to cover a range of pieces that were done by the investigations team, primarily Mr Houlihan.

MS SHARP SC: Well, I will come back to ask you some more questions about operation of China Wall shortly. But in the meantime, could I show you, please,

STA.3427.0017.3604. Do you see this document is called Brief Synopsis of Hong Kong and Macau Based Meetings?

MS MARTIN: I see that.

5

MS SHARP SC: And if I can take you to the last page, which is pinpoint 3608. Do you see it's signed by Angus Buchanan?

MS MARTIN: Yes, I do.

10

MS SHARP SC: Now, he provided this document to you, didn't he?

MS MARTIN: I don't recall, Ms Sharp, offhand.

15

MS SHARP SC: Really?

MS MARTIN: Yes.

20

MS SHARP SC: Well, see there's a recommendation at the bottom? That was a recommendation to you, wasn't it?

MS MARTIN: Yes, Ms Sharp.

25

MS SHARP SC: Well, it's most likely that he did provide this document to you in view of the fact that he's making a recommendation to you; do you agree?

MS MARTIN: I agree it's possible, Ms Sharp, or he used it in a meeting to take me through his recommendations.

30

MS SHARP SC: Well, I'm suggesting that it's most likely he provided you with a copy of this document; do you agree?

MS MARTIN: I agree it's most likely he took me through the document, Ms Sharp. I'm not sure if I retained a copy or was given the copy.

35

MS SHARP SC: Well, why on earth wouldn't you take the document if one was available?

MS MARTIN: Because I didn't need it to retain it, Ms Sharp.

40

MS SHARP SC: Lawyers file everything, don't they?

MS MARTIN: I - I can't comment on lawyers generally.

45

MS SHARP SC: It's not a joke. Well, do you agree it's most likely you took a copy of this document when it was provided to you?

MS MARTIN: No, I don't, Ms Sharp. I just - it's not most likely that I took it. I could have, but I also know how to access it if I needed, if I was briefed on it.

MS SHARP SC: And how could you access it?

5

MS MARTIN: By requesting it from Mr Buchanan.

MS SHARP SC: Are you doing your best to give candid evidence here, Ms Martin?

10

MS MARTIN: I believe I am, Ms Sharp.

MS SHARP SC: Now, let's go to this paper - the synopsis with the recommendation to you on it. If we can go up to pinpoint 3604. Do you see it starts:

15

"From 16 to 18 July 2019, the following meetings were conducted by The Star's Angus Buchanan and Kevin Houlihan in both Hong Kong and Macau."

20 **MS MARTIN:** Yes.

MS SHARP SC: All right. Now, you knew that, didn't you?

MS MARTIN: I knew they made the trip, yes.

25

MS SHARP SC: Well, you asked them to make the trip, didn't you?

MS MARTIN: Yes. Yes, I did.

30 **MS SHARP SC:** Okay. You approved the trip, didn't you?

MS MARTIN: I did. I think Mr Bekier and myself had to sign off on the trip.

MS SHARP SC: So Mr Bekier knew about it too, did he?

35

MS MARTIN: I believe so, from a travel approval perspective.

MS SHARP SC: And you had the expectation that you would be briefed about what had occurred on the trip when these gentlemen returned, did you?

40

MS MARTIN: Yes.

MS SHARP SC: And Mr Houlihan reported to you at this time, didn't he?

45 **MS MARTIN:** Yes.

MS SHARP SC: And through him, Mr Buchanan also reported to you, didn't he?

MS MARTIN: Yes.

MS SHARP SC: Now, do you see he says that:

5 "A number of other meetings took place with Hong Kong based members of staff, the content of which will be detailed in a separate report."

MS MARTIN: Yes, I see that.

10 **MS SHARP SC:** Did you obtain a copy of that report?

MS MARTIN: I don't recall, Ms Sharp.

MS SHARP SC: I call for the production of that report, if it exists.
15

MS RICHARDSON SC: I will make inquiries.

MS SHARP SC: And do you see the first heading here on Tuesday, 16 July 2019 is The Hong Kong Jockey Club?
20

MS MARTIN: Yes.

MS SHARP SC: And the second - the first paragraph is that:

25 "Met with Martin Purbrick, the director of security and integrity."

MS MARTIN: Yes.

MS SHARP SC: And then further down that page - if we can scroll down please, operator:
30

"The Hong Kong Jockey Club confirmed they continue to use."

And then there are the names of some due diligence providers. Do you see that?
35

MS MARTIN: Yes, I do.

MS SHARP SC: And they're:

40 "Regularly commissioned to conduct in-depth due diligence report."

And:

45 "These reports, which are key to the business decision-making, are of a particularly high standard."

Now, you understand that's Mr Buchanan's opinion, don't you?

MS MARTIN: Yes.

MS SHARP SC: And he communicated that opinion to you, didn't he?

5 **MS MARTIN:** I don't recall whether he gave his opinion, but we discussed these providers as recommended for consideration for use.

MS SHARP SC: And do you see he says:

10 "It is envisaged that the Hong Kong Jockey Club will prove to be a valuable point of contact moving forward."

MS MARTIN: Yes, I do.

15 **MS SHARP SC:** He certainly didn't suggest to you that the due diligence undertaken by Hong Kong Jockey Club was of poor quality, did he?

MS MARTIN: Not in this report, Ms Sharp.

20 **MS SHARP SC:** And not otherwise?

MS MARTIN: I don't recall him saying that.

25 **MS SHARP SC:** And do you see there's a heading - I won't mention it - on the following page to a particular due diligence provider?

MS MARTIN: Could that just be enlarged again? Thank you.

30 **MS SHARP SC:** And do you see Mr Buchanan is saying here:

"I previously managed the Hong Kong Jockey Club's relationship with this provider."

35 **MS MARTIN:** Yes.

MS SHARP SC:

40 "And am familiar with the intelligence network they have established in Hong Kong, China and Macau."

MS MARTIN: Yes, I see that.

MS SHARP SC: And do you see he says:

45 "A number of their human sources are closely associated with various triad groups and hence they are well placed to provide credible reporting on criminality, junket groups and source of wealth."

MS MARTIN: Yes, I see that.

MS SHARP SC: Because what Mr Buchanan was telling you was that the due diligence relied on by Hong Kong Jockey Club was reliable, wasn't he?

5

MS MARTIN: I think this is telling me about the reliability of the service provider in this particular paragraph, Ms Sharp.

MS SHARP SC: Yes. And in the previous paragraphs I've taken you to, he indicated to you that that service provider was one of the ones that Hong Kong Jockey Club used?

MS MARTIN: I've just lost that page, but --

MS SHARP SC: We'll move on. You see there's a heading on the next page, Thursday, 18 July 2019?

MS MARTIN: Yes.

MS SHARP SC: And do you see there's a heading, Australian Federal Police Overseas Liaison (Hong Kong)?

MS MARTIN: Yes, I do.

MS SHARP SC: And it's indicated that Mr Buchanan --

MS RICHARDSON SC: I'm sorry to interrupt. Should this be read out in public session?

MS SHARP SC: I'm not going to read out the names.

MR BELL SC: I think the content can be read out but not the names.

MS SHARP SC: You see there's a reference to a name there?

35

MS MARTIN: Sorry. Of a person or an entity, or both?

MS SHARP SC: A person and an entity.

MS MARTIN: Yes.

MS SHARP SC: And what Mr Buchanan says in this memo is:

45 "Having previously established a solid working relationship with -"

Blank:

"While employed at the Hong Kong Jockey Club, he was open in discussing an ongoing multi-jurisdiction drug trafficking operation in South East Asia. The discussion turned to drug trafficking groups who attempt to use Australian based casinos to launder their tainted cash."

5

MS MARTIN: Yes, I see that.

MS SHARP SC: Now, they, that is, Mr Buchanan and Mr Houlihan, briefed you on the liaison they had with the law enforcement agency, didn't they?

10

MS MARTIN: I recall them briefing me on the fact they had met with them, Ms Sharp.

MS SHARP SC: And if I can take you to pinpoint 3607.

15

MS RICHARDSON SC: Well, I think, in fairness, the remainder of that section should be read out to the witness, given that it was part of the briefing.

MS SHARP SC: Look, I'm more than happy to do that:

20

"During the meeting we discussed -"

Hang on:

25

"Interestingly -"

if I can take you to the bottom of pinpoint 3606:

30

"Interestingly, The Star is considered by law enforcement as being a good corporate citizen and, as such -"

Blank:

35

"Would like to maintain ongoing contact."

MS MARTIN: Yes, I see that.

MS SHARP SC: And then if I take you to pinpoint 3607. Mr Buchanan says in his memorandum to you:

40

"During the meeting, we discussed Suncity including their attempts to legitimise their business and mask their criminal antecedents. It was apparent the Suncity Group continues to be of interest to the AFP both domestically and offshore."

45

Now, Mr Buchanan and Mr Houlihan made you aware of that matter, didn't they?

MS MARTIN: I don't recall whether that specific reference was made, but I did get a general report on the fact that they'd met with them.

5 **MS SHARP SC:** And surely you received a general report that the AFP considered them to be of interest?

MS MARTIN: I just don't recall the specific details that I got in this particular discussion or briefing, Ms Sharp. I knew this was an area that we were monitoring.

10 **MS SHARP SC:** All right. Well, surely it would stick in your mind if the AFP let your investigators know they were continuing to monitor Suncity, that being The Star's largest junket partner at the time?

15 **MS MARTIN:** Not necessarily, Suncity itself being very large, Ms Sharp.

MS SHARP SC: Was there anything about Mr Buchanan's memo or briefing to you that gave you any comfort at all that Suncity was of good repute?

20 **MS MARTIN:** I guess some aspects of the report gave me comfort about The Star's position in - in that regard, and --

MS SHARP SC: And what was that? And you remember that, do you?

25 **MS MARTIN:** No, I'm looking at the memo now, Ms Sharp. And I can see some bits that give me comfort on The Star's position. I also recall the general discussion, as I said, about interaction with law enforcement and whether any specific concerns were raised then in relation to The Star and its particular involvement with people associated with or working under the brand of Suncity.

30 **MS SHARP SC:** Tell me, at this time, that is, in the period June through to the end of the year - June 2019 to the end of the year, did you raise with Mr Hawkins that Star had a copy of the Hong Kong Jockey Club report?

35 **MS MARTIN:** I don't recall, Ms Sharp.

MS SHARP SC: Well, what's most likely?

40 **MS MARTIN:** I think it's most likely that Mr Hawkins and I discussed the Hong Kong Jockey Club report, given we attended meetings together when some aspects of this were reported in the media, I think around late July or August 2019. And I think it's most likely that, in that context, there were discussions relating to Mr Buchanan working with us. But I don't know that I can recall commenting specifically on the report - or the - as compared with the information that was in the media, for example.

45

MS SHARP SC: Well, why didn't you tell him, "By the way, there are those allegations in the media and here's the report that the media is speaking about"?

MS MARTIN: I think, Ms Sharp, because the content of what was in the media we could talk about by reference to the information and Mr Buchanan and other information The Star held.

5 **MS SHARP SC:** Were you withholding the information from Mr Hawkins?

MS MARTIN: I don't believe I was withholding information.

10 **MS SHARP SC:** Well, if you were talking about this very topic in the media, why on earth did you not make him aware that you held a copy of the report?

MS MARTIN: I'm saying I can't recall whether I made him aware.

15 **MS SHARP SC:** Well, I'm asking what is most likely?

MS MARTIN: Ms Sharp, I just attempted to answer what was most likely. In relation to the report itself, I just don't recall as distinct from its contents.

20 **MS SHARP SC:** What about the situation with Mr Bekier? Did you tell him that, in fact, you held a copy of the Hong Kong Jockey Club report?

25 **MS MARTIN:** Ms Sharp, I don't specifically recall, but I had more discussions with Mr Bekier regarding Mr Buchanan's employment and the trip overseas, is my recollection.

MS SHARP SC: Well, what did you discuss with Mr Bekier, please?

30 **MS MARTIN:** There were several conversations with Mr Bekier about Mr Buchanan, his background and the purpose for his recruitment in the first instance. There were also discussions, Ms Sharp, about the purpose of the trip more broadly that Mr Houlihan and Mr Buchanan took - is my recollection - with the focus on improving our due diligence capabilities. And then - and that was at various intervals. And then I recall having discussions with Mr Bekier - and - and there may have been others present, Ms Sharp - around the time that the media reported
35 on aspects of this report, knowing that we had Mr Buchanan in our employment and the information, you know, that would have been known to him.

40 **MS SHARP SC:** Well, do you think it's most likely you told Mr Bekier that The Star had a copy of the Hong Kong Jockey Club report?

MS MARTIN: I think it's likely that I referenced that Mr Buchanan had it, Ms Sharp. It was - but I just don't recall the specifics of the discussion.

45 **MS SHARP SC:** And it was a really important piece of due diligence on Suncity and Alvin Chau, wasn't it?

MS MARTIN: Not necessarily for The Star.

MS SHARP SC: Well, it was so important that you sent Mr Houlihan and Mr Buchanan to Hong Kong to speak to the Hong Kong Jockey Club, wasn't it?

5 **MS MARTIN:** No. As I said earlier, this report wasn't the motivation for that trip.

MS SHARP SC: Are you trying to tell the truth here at the moment, Ms Martin?

MS MARTIN: I am, Ms Sharp.

10 **MS SHARP SC:** Now, while it was suggested that a risk assessment be conducted of Alvin Chau and Suncity in around July or August of 2019, and while it was the case that you had a copy of the Hong Kong Jockey Club report, it's correct, isn't it, that no risk assessment was conducted on Alvin Chau and Suncity at this time, was it?

15 **MS MARTIN:** No, I don't think that's right.

MS SHARP SC: Well, when do you say the risk assessment was conducted in 2019?

20 **MS MARTIN:** Ms Sharp, my recollection is there were various assessment stages that were undertaken relating to risks regarding Suncity over a period of time.

MS SHARP SC: Were they done in the second half of 2019?

25 **MS MARTIN:** Ms Sharp, I - I recall requesting for some aspects of risk and controls assessment to be done on the back of some media around July and August in 2019.

30 **MS SHARP SC:** Well, were they done?

MS MARTIN: Yes, there were steps that were completed at that time.

MS SHARP SC: And who completed those steps?

35 **MS MARTIN:** My recollection is there were a range of steps that were allocated to different individuals as a result of a group being formed across my team and Mr Hawkins's team at that time.

40 **MS SHARP SC:** And that was the improvement team? Is that right? That's what the --

MS MARTIN: I - I don't recall if that's what they were, if I called them that or if --

45 **MS SHARP SC:** But did they actually complete a risk assessment on Alvin Chau or Suncity in the second half of 2019?

MS MARTIN: There were some risk assessment steps undertaken, Ms Sharp, some of which --

MS SHARP SC: Did they complete a risk assessment in the second half of 2019?

5

MS MARTIN: My recollection is that there was a risk assessment on different aspects - I'm not trying to be difficult, but there was a risk assessment on their operations - is my recollection - including a salon. And then there was another reference to due diligence on them as well. So there was a list of activities, some of which related to risk assessments.

10

MS SHARP SC: Now, do you understand my question is focusing on whether something was completed in the second half of 2019?

15

MS MARTIN: Yes, I think so.

MS SHARP SC: Was any risk assessment completed in the second half of 2019?

MS MARTIN: My understanding is that some work, yes.

20

MS SHARP SC: Was it completed?

MS MARTIN: Yes. Some individual assessments were --

25

MS SHARP SC: And who were they? Who were they who completed those individual assessments in the second half of 2019?

MS MARTIN: So I'm aware of some assessments that were completed against information on Suncity and Alvin Chau from the interactions Mr Buchanan and the AML team and Mr Houlihan had on some of the information. So I am referring to those as updated assessments or due diligence in the form of enhanced customer due diligence that were initial steps. There was then later and separately - and I'm not sure it was completed in 2019 - further due diligence. We were --

30

35

MS SHARP SC: Well, I call for any completed risk assessment of Alvin Chau or Suncity in the second half of 2019.

MS RICHARDSON SC: I will make inquiries.

40

MS SHARP SC: Because what really happened, Ms Martin, was in August 2019, Suncity was quietly shuffled from Salon 95 to Salon 82; that's right, isn't it?

MS MARTIN: No.

45

MS SHARP SC: Well, Salon 82 was made available for Suncity's use from August 2019, wasn't it?

MS MARTIN: They used the salon. It wasn't made available for their use specifically at that time. They were relocated if they - out of Salon 95.

5 **MS SHARP SC:** And they were relocated to Salon 82, weren't they?

MS MARTIN: I don't know if it was only Salon 82, but I'm aware of that salon being used. Yes.

10 **MS SHARP SC:** And no further risk assessment was completed on Alvin Chau and Suncity prior to their relocation to Salon 82, was it?

MS MARTIN: I'm not aware of whether anything was completed prior to that point.

15 **MS SHARP SC:** Can I take you now to STA.3004.0006.0003. This is exhibit G690. Now, do you see this is an information note from Mr Houlihan to you?

MS MARTIN: Yes, I do.

20 **MS SHARP SC:** Do you see in the little box it says:

25 "The purpose of this summary is to brief The Star's legal team to assist them in the preparation of legal advice for the business in relation to legal and regulatory obligations arising from the investigation and also prepare for any anticipated legal proceedings."

MS MARTIN: Yes, I see that.

30 **MS SHARP SC:** Are you sure there wasn't a practice of the investigation team marking every single one of its information notes with this description?

MS MARTIN: I'm not aware of that being a practice.

35 **MS SHARP SC:** Have you - were you at this time requested to provide any legal advice to anyone in the business about Salon 95 or - well, anything to do with the international rebate team?

MS MARTIN: I don't recall specifically in July 2019, Ms Sharp. It's possible.

40 **MS SHARP SC:** Were all of these information notes from investigators marked with that description in order to cloak them from being produced to the New South Wales Liquor and Gaming authority, ILGA or AUSTRAC?

45 **MS MARTIN:** No.

MS SHARP SC: And you agree, don't you, that you received and read this information note at the time?

MS MARTIN: I can't see that I received it, Ms Sharp, from the note, but I can see --

5 **MS SHARP SC:** Well, can you see it's written to your attention, Ms Martin?

MS MARTIN: I can.

MS SHARP SC: Well, you most likely received and read this, didn't you?

10 **MS MARTIN:** It's likely I was briefed on this.

MS SHARP SC: Do you see it's called - well, hang on a minute. It's most likely you received and read this; correct?

15 **MS MARTIN:** Ms Sharp, I may have also discussed this with Mr Houlihan in a meeting with him, and so I would have received it.

20 **MS SHARP SC:** And it's most likely you received and read this, isn't it? Since it was for the purpose of briefing the legal team to prepare legal advice, do you think it's most likely you read it?

MS MARTIN: I think it's most likely I was briefed on it, Ms Sharp, and the document would have been in front of me. I - I just can't recall whether I received it separately and reviewed it.

25 **MS SHARP SC:** What do you think is most likely, Ms Martin?

MS MARTIN: It's most likely that I was briefed on it in a meeting, Ms Sharp, because that was a common practice.

30 **MS SHARP SC:** Well, are you having Mr Bell understand that you never read any documents put in front of you?

35 **MS MARTIN:** No, Ms Sharp. I'm saying I would have had it in front of me while I was briefed on it and then would have reviewed it in that sense.

MS SHARP SC: Well, did you read it or not?

40 **MS MARTIN:** Ms Sharp, I just - I - I don't recall.

MS SHARP SC: Is it most likely, consistent with your ordinary practice as the most senior lawyer at The Star, that you read the information note which was expressly drawn to your attention on the front page?

45 **MS MARTIN:** Ms Sharp, if it was provided to me in a meeting or via an email, yes.

MS SHARP SC: Now, you were familiar with the Operation Great Wall, weren't you?

MS MARTIN: Yes, I'm aware of that title.

5

MS SHARP SC: Now, do you accept that this document obviously had to be provided to some lawyer if legal advice was to be provided in relation to it?

MS MARTIN: Yes, I do.

10

MS SHARP SC: And you're the only lawyer nominated on this document, do you agree?

MS MARTIN: On - on this front page, yes.

15

MR BELL SC: Doesn't this relate to the visit to Hong Kong which you had asked Mr Houlihan to undertake?

MS MARTIN: Yes. It appears to be, Mr Bell, about matters that were undertaken on that same trip.

20

MS SHARP SC: And it says that it's about speaking to several witnesses between 16 and 17 July 2019?

MS MARTIN: Yes, I see that.

25

MS SHARP SC: And one of the matters investigated were allegations regarding Marcus Lim, who was then the president of international VIP sales?

MS MARTIN: Yes, I see that.

30

MS SHARP SC: And this was not the first time that allegations had been made against Mr Lim, was it?

MS MARTIN: I would need to have a look at documents to recall whether this was the first time, Ms Sharp, but I am aware of discussing allegations against that individual with people.

35

MS SHARP SC: Just stopping there. He was the head of the international rebate team at that time, wasn't he?

40

MS MARTIN: I think that was his title there, the president of international VIP sales. And then I believe he reported through to an executive that would have been ahead of that in Macau.

45

MS SHARP SC: Well, that executive was Mr Hawkins at that time, wasn't it?

MS MARTIN: Yes.

MS SHARP SC: Or Mr Bekier?

MS MARTIN: That was Mr Hawkins, Ms Sharp.

5

MS SHARP SC: All right. So his direct report was Mr Hawkins?

MS MARTIN: Yes.

10 **MS SHARP SC:** And you do understand that at this time, Marcus Lim was one of the most senior managers within the business; correct?

MS MARTIN: Yes. He's a senior manager.

15 **MS SHARP SC:** Now, do you see that the objective stated in this document was:

"To undertake a risk assessment of Star Entertainment's international rebate operation with a focus on the suitability of international rebate management and the potential risk to the business that they may represent."

20

MS MARTIN: Yes.

MS SHARP SC: Pretty serious matter, wasn't it?

25 **MS MARTIN:** Ms Sharp, I think I would need to digest the - the content, but --

MS SHARP SC: Well, I'm asking for your recollection, Ms Martin.

30 **MS MARTIN:** My recollection, from looking at this note, is allegations had been raised about a senior manager in our international business that warranted an investigations manager conducting interviews.

35 **MS SHARP SC:** To your knowledge, at this time, a number of serious allegations had been raised about the international rebate business, including but not limited to the conduct of Mr Lim; do you agree or disagree?

MS MARTIN: I would disagree with that at this time.

40 **MS SHARP SC:** And do you see that it states:

"The areas of concern that have been raised are."

Dot point:

45 "Referral fees: allegations that there is an understanding that Marcus Lim gets paid \$50,000 for services including -"

MS RICHARDSON SC: Sorry --

MR BELL SC: I'm sorry to interrupt, Ms Sharp, but the witness can't see that on the screen.

5 **MS MARTIN:** I can't see that.

MR BELL SC: The operator will need to scroll down the page. Thank you.

MS SHARP SC: You see that first dot point?

10

MS MARTIN: Yes, Ms Sharp.

MS SHARP SC: And do you see the second dot point is:

15 "Patrons and junkets refusing to come back to The Star because of concerns held in relation to Marcus Lim."

MS MARTIN: Yes.

20 **MS SHARP SC:** And that third dot point is:

"Misuse of 'patron comp' for personal gain by purchasing items such as handbags and keeping them or gifting them to Marcus Lim's girlfriend."

25 **MS MARTIN:** Yes, I see that.

MS SHARP SC: And if we can scroll over the page to the many more dot points here, and I'll have that enlarged:

30 "Concerns in relation to Qin Si Xin: potential financial exposure to The Star associated with rolling credit and profit sharing arrangements with the Qin Si Xin junket. Two years ago, the Qin Si Xin junket was not well known, but it is now the second highest junket."

35 And next dot point:

"Nightclub: Marcus Lim allegedly a shareholder in a company that runs the nightclub, conflict with patron."

40 Next dot point:

"Staff incentives."

Next dot point:

45

"Suncity conflict: payments made through Marcus Lim on behalf of Suncity to The Star."

Next dot point:

"Regal Crown: potential issue suggestion that Marcus Lim is moving funds on behalf of others."

5

Next dot point:

"Mega Star: potential conflict of interest."

10 That was one of the junkets with which The Star dealt at that time, wasn't it?

MS MARTIN: I know The Star has dealt with that junket, Ms Sharp. I'm not sure at which points in time.

15 **MS SHARP SC:** In fact, it was one of The Star's largest junket, wasn't it, the Mega Star junket?

MS MARTIN: I don't know that.

20 **MS SHARP SC:** And let me continue with the dot points. Dot point:

"Potential line of credit with junket providers in another casino jurisdiction."

25 And a series more dot points. You see, the allegation wasn't just about Marcus Lim; there were all sorts of allegations about misconduct in relation to the international rebate business at this time, wasn't it?

MS MARTIN: Yes. There's a list of allegations about aspects of the international rebate services.

30

MS SHARP SC: And you were aware of all of these allegations, weren't you?

MS MARTIN: My recollection is I was generally aware of this investigation and risk, and the scope of allegations, yes.

35

MS SHARP SC: And to your understanding, the international rebate business was just out of control at this time, wasn't it?

MS MARTIN: No, that's not my description.

40

MS SHARP: And do you see under the heading Patrons of Interest, Qin Si Xin is - if we can scroll down. See the heading Patrons of Interest? Qin Si Xin is identified as one. Why is that?

45 **MS MARTIN:** I don't know, Ms Sharp.

MS SHARP SC: Well, here you are having a briefing from Mr Houlihan about it. Surely you asked?

MS MARTIN: I don't recall what I asked in the briefing, Ms Sharp.

5 **MS SHARP SC:** You didn't ask him about why the second highest junket was a patron of interest?

MS MARTIN: I don't recall, Ms Sharp.

10 **MS SHARP SC:** And do you see there's a heading Areas of Potential Misconduct?

MS MARTIN: Yes, I do.

15 **MS SHARP SC:** Do you see number 5 is:

"Association/affiliation with illegal and undesirable elements."

MS MARTIN: Yes, I do.

20 **MS SHARP SC:** And do you see in Areas of Concern, one is them is 1:

"Unexplained wealth."

25 **MS MARTIN:** Yes.

MS SHARP SC: And do you see over the page, at number 4, another area of concern is:

30 "Risk to senior management because of links/association to persons of interest."

MS MARTIN: Yes, I see that.

35 **MS SHARP SC:** Again, it was your understanding that the international rebate business was just out of control by this time, wasn't it?

MS MARTIN: No, Ms Sharp. That's not my description.

40 **MS SHARP SC:** Well, what's your description?

MS MARTIN: That this is a briefing note on areas of allegations.

MS SHARP SC: These are all incredibly serious allegations, aren't they?

45 **MS MARTIN:** They're allegations that warranted investigation, Ms Sharp. In that sense, they're serious.

MS SHARP SC: And in fact, in the period August through to December 2019, you did not report a single one of these matters to the board's subcommittees, did you?

5 **MS MARTIN:** I don't recall whether I reported the allegations.

MS SHARP SC: Well, there's no references whatsoever in the board risk and compliance committee meeting of 24 September 2019 that the minutes to any of these matters being reported?

10

MS MARTIN: I - I don't know that offhand.

MS SHARP SC: And you can take it from me that there's no reference to any of these matters at all in the compliance report to the board risk committee dated 24 September 2019. And you can take it from me that there's no reference in the board risk and compliance committee minutes of 3 December 2019 to a single one of these matters. And there's no reference whatsoever to any of these matters, including Suncity and Salon 95, in your 3 December 2019 report to the board compliance committee. Why didn't you report any of this?

15
20

MS MARTIN: Ms Sharp, I did provide some reports to the board on matters to do with the international rebate business across that period. I would need to refer to the - all of the relevant papers to refresh my memory. There would also be matters that were discussed in the meetings that are not necessarily verbatim in the minutes.

25

MS SHARP SC: To be clear, Ms Martin, this recollection you have, does this relate to your briefing of the board in relation to the media allegations made on and from 27 July 2019 in relation to Crown?

30

MS MARTIN: I'm not necessarily being specific, Ms Sharp. I was just referring to across that whole period.

MS SHARP SC: Well, I suggest they're the only briefings you gave to the board which in any way touched upon the operation of the international rebate business or junkets; do you agree or disagree?

35

MS MARTIN: I disagree that there was nothing on the international rebate business, Ms Sharp.

40

MR BELL SC: Just so I'm clear, Ms Martin, did you inform the board about the allegations of serious misconduct concerning Marcus Lim?

MS MARTIN: I don't recall whether I did, Mr Bell, at the allegation stage.

45

MR BELL SC: If you had done so, I would expect to find that in the minutes of either the main board meeting or one of the committee meetings, would I?

MS MARTIN: I would think that's most likely, Mr Bell.

MR BELL SC: Yes. Thank you.

5 **MS SHARP SC:** Now, you became aware at about the time that from 27 July 2019 onwards, a series of allegations were made against Crown Resorts in relation to its casinos and its junket partners?

MS MARTIN: Yes, Ms Sharp.

10

MS SHARP SC: And you followed that media closely, did you?

MS MARTIN: I was aware of it, Ms Sharp. I'm not sure I'd say I followed it closely, but I was monitoring it and reviewing it.

15

MS SHARP SC: So you monitored it, did you?

MS MARTIN: I did.

20 **MS SHARP SC:** And you did that partly for the purpose of assisting in responding to media questions, did you?

MS MARTIN: I don't recall whether I assisted with responding to media or whether I was monitoring it for my own purposes.

25

MS SHARP SC: And did you do that partly because you were briefing the board about these media allegations?

MS MARTIN: Yes, Ms Sharp. There were board discussions on the media allegations.

30

MS SHARP SC: And you were, in fact, briefing the board about these allegations, weren't you?

35 **MS MARTIN:** I played a role in briefing them, Ms Sharp, along with others, yes.

MS SHARP SC: Well, you coordinated the preparation of a board paper about it, didn't you?

40 **MS MARTIN:** I was involved in providing some input and arranging for others to prepare materials, Ms Sharp. I don't know if I was the coordinator, or if Mr Bekier was, in asking for the report to be prepared.

45 **MS SHARP SC:** Could I take you to exhibit B at 1476, please. Do you see an email from Ms Arnott to yourself dated 29 July 2019?

MS MARTIN: Yes, I do.

MS SHARP SC: And do you see it's headed 60 Minutes Investigations?

MS MARTIN: Yes, I do.

5 **MS SHARP SC:** And it says:

"Hi Paula, please see attached the summary of information from myself, Kevin and Micheil."

10 **MS MARTIN:** Yes.

MS SHARP SC: And it says:

"Please let me know if you would like any additional information."

15

MS MARTIN: Yes.

MS SHARP SC: Did you read this email at about the time it was sent to you?

20 **MS MARTIN:** It would have been on or about that time, yes.

MS SHARP SC: And may we take it you read the attachment to this email?

MS MARTIN: I believe so.

25

MS SHARP SC: Can I take you to the attachment, please? It's exhibit B tab 1477, STA.3415.0001.0140. And do you see the heading is Summary of Customers Listed in Media Reports?

30 **MS MARTIN:** Yes.

MS SHARP SC: This is a document that you reviewed and assisted in preparing for the purpose of briefing the board about the media allegations, isn't it?

35 **MS MARTIN:** I reviewed it, Ms Sharp, but I don't believe I assisted preparing this document.

MS SHARP SC: Did you comment upon it?

40 **MS MARTIN:** This particular document, I don't recall. It was delivered to me.

MS SHARP SC: Well, you were asked to:

"Please let me know if you would like to add any additional information."

45

MS MARTIN: Yes.

MS SHARP SC: So do you think you might have offered some comments in relation to this in view of that question posed to you and you alone?

MS MARTIN: I don't recall, Ms Sharp.

5

MS SHARP SC: Could I take you, please, to pinpoint 0143. Do you see there's a reference to Tom Zhou there?

MS MARTIN: Yes.

10

MS SHARP SC: And do you see there's a reference in the third column to:

"The Chinatown junket had extensive play in 2016. Total turnover of approximately \$209 billion."

15

MS MARTIN: Yes, Ms Sharp.

MS SHARP SC: You understood at that time that Tom Zhou was connected with the Chinatown junket, didn't you?

20

MS MARTIN: I can see from this entry that there's a connection being drawn, Ms Sharp. I'm not sure I had an independent understanding, but I can see that from this table.

MS SHARP SC: Well, did you know at this time that Chinatown junket had been one of Suncity's largest junkets as at 2016?

MS MARTIN: No.

MS SHARP SC: Did you know that Tom Zhou was the funder of the Chinatown junket?

MS MARTIN: I don't recall what his specific role was, Ms Sharp.

MS SHARP SC: Did you appreciate that Tom Zhou had some connection with the Chinatown junket?

MS MARTIN: Yes, Ms Sharp. From this table, I can see there's some connection.

MS SHARP SC: Yes. It's obvious that there's a connection since Tom Zhou and Chinatown are referred to in this same part of the document, isn't it?

MS MARTIN: Yes.

MS SHARP SC: Well, given that you were involved in briefing the board, did you ask what the connection was?

MS MARTIN: I don't recall asking.

MS SHARP SC: Can you pardon me for a minute?

MR BELL SC: Yes.

5

MS SHARP SC: Now, could I take you, please, to pinpoint 0146? And do you see there's a reference to:

10 "Junket operators. This included claims related to Hong Kong Jockey Club ban on Suncity."

MS MARTIN: Yes, I see that sentence.

MS SHARP SC: And the allegation recorded is that:

15

"Crown conducted little or no due diligence on people it ought to have known were criminals or strongly linked to criminal enterprises."

MS MARTIN: Yes, I see that.

20

MS SHARP SC: And the comment here was that:

25 "This issue can be difficult if the information about criminal activity is solely contained in law enforcement intelligence systems."

25

MS MARTIN: Yes, I see that comment.

MS SHARP SC: Did you think to mention, "By the way, we have a copy of the Hong Kong Jockey Club report"?

30

MS MARTIN: To whom, Ms Sharp?

MS SHARP SC: Well, Ms Arnott sent --

35

MS MARTIN: To Ms Arnott?

MS SHARP SC: -- this document to you and said:

40 "Please let me know if you would like to add any additional information."

40

MS MARTIN: I don't recall raising that with Ms Arnott at this time.

MS SHARP SC: Well, you agree that would have been a very useful piece of information for the board to be aware of, don't you?

45

MS MARTIN: The existence of the report itself, not necessarily.

MS SHARP SC: Well, then, the board would be in the position of equipping itself to understand the veracity of the media allegation about Suncity and the Hong Kong Jockey Club, wouldn't it?

5 **MS MARTIN:** Ms Sharp, can you just ask that question again in relation to the board?

10 **MS SHARP SC:** Don't you agree that it would have been very useful for the board to know that The Star was in possession of the Hong Kong Jockey Club report because then the board could equip itself to understand the veracity of the media allegation about the Hong Kong Jockey Club banning Suncity?

MS MARTIN: Not - not necessarily.

15 **MR BELL SC:** Ms Martin, did you, in fact, inform the board in 2019 that officers of Star Entertainment held a copy of the Hong Kong Jockey Club report?

20 **MS MARTIN:** I don't recall, Mr Bell, whether I was that specific as compared with discussing what we, The Star, knew and held on Suncity and our due diligence and the breadth of that information held by members of the team. I just don't recall specifically referencing the report being held by The Star.

25 **MR BELL SC:** If you had informed the board of that matter, would I expect to find some reference to it in the board minutes?

MS MARTIN: Potentially, Mr Bell. But I do recall also at this time we had board calls that weren't held as formal meetings and, therefore, weren't minuted.

30 **MR BELL SC:** I see. Yes. Thank you.

MS SHARP SC: And you did understand at this time that various aspects of the business were working together to brief the board about the veracity of media allegations and how they may have affected The Star's operations, didn't you?

35 **MS MARTIN:** Yes, Ms Sharp. There were people working together to collate information and - and brief at various stages, is my recollection.

40 **MS SHARP SC:** And you were one of the people helping to collate that information, weren't you?

MS MARTIN: Yes, I was.

45 **MS SHARP SC:** And you were aware, weren't you, that the business was preparing player profiles in relation to those people and entities mentioned in the media allegations with whom The Star was then conducting business?

MS MARTIN: I was aware information was being gathered, Ms Sharp. I'm not sure of the term "player profile" and whether that has a specific meaning.

MS SHARP SC: Well, can I show you this document and you tell me whether or not you saw it. If I could take you, please, to exhibit B at tab 1478 at STA.3417.0005.8904. Now, you're not a party to this email, but do you see it's
5 from Michael Whytcross and it's called Player Profile Summary?

MS MARTIN: Yes, I do.

MS SHARP SC: Were you shown a player profile summary prepared to provide
10 to the board at around this time?

MS MARTIN: I don't recall, Ms Sharp.

MS SHARP SC: So that means you might have been?
15

MS MARTIN: It's - it's possible. There were discussions at this time.

MS SHARP SC: Can I show you what the attachment to this email is. If we can go to exhibit B at tab 1479, STA.3417.0005.8905. And is it right that you were
20 present at a board meeting where the media allegations were discussed, Ms Martin?

MS MARTIN: Yes, Ms Sharp. I was present at, I think, a couple of board discussions. As I mentioned earlier, one was not convened as a meeting - is my
25 recollection - at least.

MS SHARP SC: Could I take you, please, to pinpoint 8906. Do you see that's a player profile for Suncity and Chau Cheek Wa?

MS MARTIN: Yes, I see that heading.
30

MS SHARP SC: And you understand, don't you, that Chau Cheek Wa is Alvin Chau?

MS MARTIN: Yes.
35

MS SHARP SC: And if I take you over the following page, to pinpoint 8907. Do you see what's being reported to the board is how much front money Suncity brought into Star Entertainment in the period 2015 to financial year ending 30
40 June 2019?

MS MARTIN: I'm not sure I know whether this is what was reported to the board, Ms Sharp, but I can see that's the information on this slide.

MS SHARP SC: Was the question of the amount of front money Suncity brought into the casino discussed at any of the board meetings you attended about the media allegations?
45

MS MARTIN: I don't recall whether that specific detail was discussed at that time.

5 **MS SHARP SC:** Could I take you to a further page of this document, please, being pinpoint 8910? Do you see that it says here:

"Player profile summary, Tom Zhou, Chinatown."

10 **MS MARTIN:** I do.

MS SHARP SC: And it states:

15 "Chinatown historically held a permanent room at The Star Sydney (Rivers), generating business under both the Zhou Qiyun and Yuan Liwen junkets. The group was one of the largest contributors during financial year '16 and financial year '17."

MS MARTIN: Yes, I see that.

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

"Tom Zhou was at no stage an approved junket operator with the Chinatown group incentivised under the following program structures."

25 **MS MARTIN:** Yes, I see that.

MS SHARP SC: But you understand perfectly clearly that there's some connection between Tom Zhou and Chinatown junket, don't you?

30 **MS MARTIN:** I think I said before there appeared to be a connection in that table and they were referenced together.

35 **MS SHARP SC:** But are you saying that you had no idea at that time that there was a connection between Tom Zhou and Chinatown?

MS MARTIN: Yes. I think I said before I don't recall whether there was a connection, but they appeared were - together in the table.

40 **MS SHARP SC:** And do you see at pinpoint 8911 - if I can show you that. Do you see here is a report of the turnover that Tom Zhou/Chinatown brought into the casino from financial year 2015?

45 **MS MARTIN:** I can see the heading, Ms Sharp. I - I - I'm not familiar with reading this.

MS SHARP SC: And can I take you now, please, to exhibit B1484. This is STA.3412.0056.7961.

MR BELL SC: Ms Sharp, can I just understand: the document we were looking at, exhibit B1479, are you saying that that was a board paper?

MS SHARP SC: I'm saying that was a draft board paper.

5

MR BELL SC: Right. Yes. Thank you.

MS SHARP SC: And can I take you to the bottom of this page. It's STA.3412.0056.7961. Do you see there's an email from you dated 29 July 2019?

10

MS MARTIN: Yes, I do.

MS SHARP SC: And you're sending it to Mr Houlihan, Ms Arnott, Mr Power and Mr Brodie?

15

MS MARTIN: Yes. Mr Power and Mr Brodie are copied. But, yes, they're all across that email.

MS SHARP SC: And what you say is:

20

"Following from our discussions on the weekend, it seems likely there will be a board update call scheduled over the next day or two. I will need your summaries at least today if at all possible."

MS MARTIN: Yes, I see that.

25

MS SHARP SC: Because were you coordinating the production of information to the board at this time, weren't you?

MS MARTIN: Ms Sharp, I think, from recollection, this was to gather information for me in anticipation of a board call. And there was a few of us who are mentioned in that email preparing for that possibility.

30

MS SHARP SC: And this was because you were coordinating the production of information to the board at this time?

35

MS MARTIN: I don't know that I was coordinating the production at this time, Ms Sharp. I was looking for information from my team. And I see a reference there to other members preparing notes on their areas.

40

MS SHARP SC: And one of those people you refer to is:

"Michael Whytcross preparing a note with relevant commercial details that he will have to Greg and I this afternoon, I believe."

45

MS MARTIN: Yes. I see that reference.

MS SHARP SC: So it was your expectation that Michael Whytcross would be providing you with relevant commercial details later that afternoon?

MS MARTIN: That's what that email says, yes.

5

MS SHARP SC: So it's really most likely you saw that player profile that I just took you to, isn't it?

MS MARTIN: If that's what Michael Whytcross then produced for that purpose, Ms Sharp, I would --

10

MS SHARP SC: Well, you saw the cover email where he sent player profiles to Mr Hawkins, didn't you?

MS MARTIN: Yes.

15

MS SHARP SC: What do you think is most likely?

MS MARTIN: It's most likely I saw a note at some point. As to what the information was and whether it was the document we just viewed earlier, I'm not sure.

20

MS SHARP SC: And could I take you, please, to exhibit B, tab 1501, which is STA.3402.0003.5166. And could I take you to the second page of this document, which is pinpoint 5167. Do you see there's an email from you dated 8 August 2019?

25

MS MARTIN: That date is just cut off, Ms Sharp.

MS SHARP SC: I will have that scrolled down. Thank you, operator.

30

MS MARTIN: Yes, I can see that now.

MS SHARP SC: And this is sent to Micheil Brodie and Michael Whytcross, and copied to Skye Arnott, Andrew Power, Kevin Houlihan and Greg Hawkins?

35

MS MARTIN: Yes, I see that.

MS SHARP SC: And the title is Request for Board Paper?

40

MS MARTIN: Yes.

MS SHARP SC: And what you say is:

45 "As discussed with Micheil -"

And that's Brodie:

"As discussed with Micheil Brodie last night, at yesterday's board audit committee meeting the directors also had a brief session discussing recent media reports on the Crown allegations and related matters, including the ACLEI and ACIC reviews."

5

MS MARTIN: Yes, I see that.

MS SHARP SC:

10

"Following on from the call we had with the board last Tuesday, they have now asked for a paper to be included on this topic for next week's board meeting. Could I please enlist your help with this?"

MS MARTIN: Yes.

15

MS SHARP SC:

20

"I think that you will largely have the content to hand with the preparation for last week's board call and the internal discussions and monitoring since. Cover paper does not need to be more than a couple of pages. The paper will need to cover -"

25

And then there are a bunch of dot points about what you suggest the paper should cover. You were coordinating the preparation of the paper to go to the board at this time, weren't you?

MS MARTIN: Yes. At this point in time, I'm coordinating input to go into a board paper that would then be reviewed and provided to the board.

30

MS SHARP SC: And could I take you, please, to exhibit B at tab 1514.

MS RICHARDSON SC: I'm sorry to interrupt. Could I raise a matter in private session that's quite urgent, given the live feed?

35

MR BELL SC: Yes. Operator, could we please move to private mode, excluding the witness.

<THE HEARING IN PUBLIC SESSION ADJOURNED AT 3:17 PM

40

<THE HEARING IN PRIVATE SESSION RESUMED AT 3:17 PM

<THE HEARING IN PRIVATE SESSION ADJOURNED AT 3:18 PM

45

<THE HEARING IN PUBLIC SESSION RESUMED AT 3:19 PM

MR BELL SC: Yes, Ms Sharp.

MS SHARP SC: Now, could I take you to the first page in this email chain, which is pinpoint 5166. And do you see that subsequent to your email I just took you to, Ms Martin, Michael Whytcross sent another email to Micheil Brodie copied to you, and he states:

5

"Have built out the draft structure including patron information. Will pick up with you in the morning with the view of finalising over the weekend."

MS MARTIN: Yes, I see that.

10

MS SHARP SC: And then could I take you, please, to exhibit B at tab 1514, which is STA.3402.0007.8388. Do you see this is an email from you dated 13 August 2019?

15

MS MARTIN: Yes, I do.

MS SHARP SC: And it's to Mr Power, Mr Houlihan and Oliver White?

MS MARTIN: Yes, I see that.

20

MS SHARP SC: And it attaches a number of attachments you can see there?

MS MARTIN: Yes.

25

MS SHARP SC: And you say in that email:

"I am doing substantial eds -"

I assume that's "edits":

30

"On the paper so probably best to discuss with me before you do any substantive edits."

MS MARTIN: Yes, I see that.

35

MS SHARP SC: So you were coordinating the preparation of the paper to the board, right?

MS MARTIN: I was coordinating it here, but then there was a further process in the production of the paper, Ms Sharp.

40

MS SHARP SC: But you actually wrote some of the paper, didn't you?

MS MARTIN: I reviewed some of the paper and did some edits to it at this time.

45

MS SHARP SC: And we may take it that because were you, at least in part, involved in briefing the board, that you took care to make sure that the information you were providing to the board was accurate?

MS MARTIN: I believe I did my best at the time, Ms Sharp.

5 **MS SHARP SC:** Could I take you, please, to exhibit B at tab 1518 at STA.3402.0007.8395. You see Attachment: Summary of Allegations Made Against Star and the Crown?

MS MARTIN: I do.

10 **MS SHARP SC:** And it says at the bottom:

"Crown was willfully blind to the criminal activity of key business partners. Particularly junket operators. This included claims related to Hong Kong Jockey Club ban on Suncity."

15

MS MARTIN: Yes, I see that.

MS SHARP SC: And it was a pretty serious allegation, wasn't it, that Crown was willfully blind to the criminal activity of key business partners?

20

MS MARTIN: Yes. I would say that's a serious allegation about Crown.

MS SHARP SC: And linking to that wilful blindness was a reference to the claims in the Hong Kong Jockey Club report on Suncity?

25

MS MARTIN: Yes. I can see there's that second point relating to that allegation about Crown.

30 **MS SHARP SC:** And do you see there's a risk/vulnerability identified there, which is:

"Failure to identify and cease trading with criminals might expose a casino to exploitation related to a range of criminal activity."

35 **MS MARTIN:** Yes. Could I just get that enlarged slightly, though?

MS RICHARDSON SC: Could I just check whether my learned friend is intending to put a draft version of this, because this is not the final version that went to the board.

40

MS SHARP SC: I'm just going through the draft at the moment, Mr Bell. And you see that one of the risks identified is:

45 "Failure to identify and cease trading with criminals might expose a casino to exploitation related to a range of criminal activity."

MS MARTIN: Yes, I see that.

MS SHARP SC: And that was indeed a risk, wasn't it?

MS MARTIN: Yes, that's a risk.

5 **MS SHARP SC:** And you see it says Star Existing Process, and it says - dot point:

"The Star has detailed cease to trade policies embedded in the AML/CTF program. These protocols -"

10 And then I will need to take you over the page, please:

"The Star banning people on a monthly basis."

15 And so on. Do you see no reference is made there at all to The Star having the Hong Kong Jockey Club report?

MS MARTIN: Yes. I can't see a reference there.

20 **MS SHARP SC:** And there's not any reference there to Kevin Houlihan and Mr Buchanan visiting the Hong Kong Jockey Club in July of 2019?

MS MARTIN: I can't see a reference to that on that page.

25 **MS SHARP SC:** And there's no reference there to the AFP telling Mr Buchanan and Mr Houlihan that Suncity were of current interest to them, is there?

MS MARTIN: No, there's no reference on that page, Ms Sharp.

30 **MS SHARP SC:** And you knew each of those things, but at no point did you suggest they be included in this briefing note to the board, did you?

MS MARTIN: I don't recall suggesting that on this particular document.

35 **MS SHARP SC:** Don't you think that would have been a useful piece of information for the board to be aware of?

40 **MS MARTIN:** Ms Sharp, I think the context of that information, and generally The Star's position in relation to Suncity, was information that was useful to the board. And my recollection is that this is one paper in the context of a range of discussions.

MS SHARP SC: Well, I'm simply asking you: don't you think that information would have been of use to the board?

45 **MS MARTIN:** Could you please repeat which information, the three points?

MS SHARP SC: The information that you (1) had a copy of the Hong Kong Jockey Club report; (2) that Kevin Houlihan and Mr Buchanan had visited the

Hong Kong Jockey Club in July of 2019 and discussed that report; and (3) in July 2019, Mr Houlihan and Mr Buchanan had met with the AFP, who advised that Suncity was of current interest to them.

5 **MS MARTIN:** Ms Sharp, I think I answered before on the Hong Kong Jockey Club report, whether held or not, I consider less relevant than the information in it. The information relating to Suncity and The Star that's gleaned from a range of sources, I - I do consider relevant to the board. And my recollection is that there
10 were discussions around the media allegations that appeared specifically referencing the Hong Kong Jockey Club report content and what The Star knew about that.

MS SHARP SC: But did you draw any of the pieces of information I've just referred you to the attention of the board?

15 **MS MARTIN:** I believe I recall discussing The Star's interaction with law enforcement in relation to Suncity, Ms Sharp. And I had at other stages discussed Mr Buchanan's role and connection, but I don't have a specific recollection of referencing the report itself.

20 **MS SHARP SC:** Because what I'm suggesting to you is that you did not at any point make known to the board (1) Star had a copy of the Hong Kong Jockey Club report; (2) Mr Houlihan and Mr Buchanan had visited the Hong Kong Jockey Club in July of 2019 and discussed the Hong Kong Jockey Club report; and (3) that they
25 had met with the AFP in July 2019 and been told by the AFP that Suncity was of current interest to them.

MS MARTIN: I - I don't believe that's entirely correct in relation to all the information. But I also don't have a specific recollection on the report, Ms Sharp.

30 **MS SHARP SC:** Well, if you don't have any specific recollection, how can you tell us that any of what I've just put to you is incorrect?

MS MARTIN: Ms Sharp, because there were some more focused conversations on The Star's position in connection with Suncity.

MS SHARP SC: Well, what were they, in detail, please?

40 **MS MARTIN:** I - I don't recall the detail, Ms Sharp. I recall that there were discussions across meetings at this time around The Star and who it did or didn't do business with who were named in the media. And then I recall that there was discussion around the points in this paper that more specifically went to the processes and controls.

45 **MS SHARP SC:** And you can't give us any further information to suggest that you did raise with the board any of the three matters that I have just put to you?

MS MARTIN: I don't believe I can be, on what I've just said.

MS SHARP SC: Now, can I take you to another of the attachments to your email of 13 August 2019. This is exhibit B at 1519. And it's STA.3402.0007.8403. You agree that you saw this information, given that it was annexed to your email?

5

MS MARTIN: I would accept that if it's one of the attachments to that email, that I saw it.

MS SHARP SC: And can I take you, please, to exhibit B at tab 1520. This is STA.3402.0007.8404. This is another document that was annexed to your email. Do you see it's a board paper from you?

10

MS MARTIN: Yes. I believe this was the draft, Ms Sharp.

MS SHARP SC: Right. And this is because you were responsible for coordinating the briefing to the board about these media allegations, weren't you?

15

MS MARTIN: Ms Sharp, as I think I said earlier, I was undertaking some steps to produce this board paper with others as well. It wasn't just myself.

20

MS SHARP SC: Well, it's authored by you, isn't it?

MS MARTIN: This was a draft that was prepared, Ms Sharp, and found its way to me. And then my recollection is it was altered and the final paper was from myself and Mr Hawkins because there were other contributors to this paper.

25

MS SHARP SC: Well, did you write bits of this document?

MS MARTIN: I edited parts of this document, is my recollection.

30

MS SHARP SC: Well, who wrote the rest of it?

MS MARTIN: I think, from the email chain we saw before, certainly Micheil Brodie and Michael Whytcross were authors.

35

MS SHARP SC: And, Mr Bell, it may be a convenient time for a break. But just before that, can I indicate that exhibit B1488, which is INQ.014.001.0113, refers to the ACIC investigation. It's a 31 July 2019 media article in The Age.

MR BELL SC: Yes. Thank you. I will now adjourn for 15 minutes.

40

<THE HEARING ADJOURNED AT 3:34 PM

<THE HEARING RESUMED AT 3:48 PM

45

MR BELL SC: Yes, Ms Sharp.

MS SHARP SC: Can I take you to the final version of the board paper, which is exhibit B at tab 1538, STA.5002.0005.2241. Has a document come up on your screen, Ms Martin?

5 **MS MARTIN:** No, Ms Sharp.

MS SHARP SC: No, nor on mine.

MS RICHARDSON SC: Our document screen is black as well.

10

MS SHARP SC: Operator, do you need me to read out that number again? Which I will. Exhibit B, tab 1538, which is STA.5002.0005.2241. May I ask Ms Richardson if she is seeing any document at the moment?

15 **MS RICHARDSON SC:** No, I'm not.

MS SHARP SC: Okay. It seems we have a technical difficulty, Mr Bell. I wonder if we can --

20 **MR BELL SC:** I'm going to adjourn for a moment until we resolve this problem.

MS SHARP SC: Thank you.

<THE HEARING ADJOURNED AT 3:50 PM

25

<THE HEARING RESUMED AT 3:52 PM

MR BELL SC: Yes, Ms Sharp.

30 **MS SHARP SC:** Operator, could you please bring up exhibit B, tab 1538. And this is STA.5002.0005.2241. Ms Martin, do you see this is the final version of the board paper, and it's dated 15 August, and it's from Mr Hawkins and you?

35 **MS MARTIN:** I recognise that it's the both of us, Ms Sharp. I don't know how else to verify whether it's the final version.

MS SHARP SC: Well, can you see there's a little check in the box called "for information", and it's checked or crossed?

40 **MS MARTIN:** Yes. But, Ms Sharp, that doesn't help me whether it's final or not, though.

MS SHARP SC: Well, you can take it from me it's the final document.

45 **MS MARTIN:** Thank you.

MS SHARP SC: Okay. Now, can you please go to pinpoint 2242. And do you see there's a summary, and it says:

"Management has and will continue to monitor media reports on the Crown allegations."

5 **MS MARTIN:** Yes, Ms Sharp.

MS SHARP SC: And management was closely following the media reports; correct?

10 **MS MARTIN:** Members of management were following it, yes.

MS SHARP SC: Yes. Well, you were one of them, weren't you?

15 **MS MARTIN:** Yes. Just for my own purposes - is my recollection - as opposed to having responsibility for media monitoring.

MS SHARP SC: But you were being informed of the outcome of the media monitoring, weren't you?

20 **MS MARTIN:** I was receiving the articles, Ms Sharp.

MS SHARP SC: Were you reading them?

25 **MS MARTIN:** Yes. I was generally keeping across the media with the Crown allegations.

MS SHARP SC: And do you see in the second paragraph here, it says:

30 "Management has also formed a focus group comprised of senior leaders from operational areas, finance, compliance, legal and regulatory, to monitor media, assess unfolding information."

And so on?

35 **MS MARTIN:** Yes.

MS SHARP SC: And do you see it says:

40 "This group is reporting to the authors of this paper."

MS MARTIN: Yes.

MS SHARP: And one of those two authors was you?

45 **MS MARTIN:** Yes.

MS SHARP SC: So the monitoring team were reporting to you?

MS MARTIN: That particular group, Ms Sharp, was. So that is separate to the pure media monitoring from a media perspective.

5 **MS SHARP SC:** And do you see halfway down the page, just under the heading Attachment 2, it says:

"The Crown allegations can be summarised into two basic issue areas."

10 Dot point:

"Wilful disregard of anti-money laundering and counter-terrorism related risk associated with the transactions and activity of casino customers."

15 And second dot point:

"Systemic disregard for the suitability of the issues with whom Crown was trading and the conduct being displayed by those people."

20 **MS MARTIN:** I'm just reading that section. Yes, Ms Sharp.

MS SHARP SC: And that reflected your understanding of the key import of the media allegations, didn't it?

25 **MS MARTIN:** That captures a summary of the two key areas, Ms Sharp. Yes.

MS SHARP SC: As you understood them?

MS MARTIN: I understand those concepts. Yes.

30 **MS SHARP SC:** And if I could take you to pinpoint - well, pinpoint - a few pinpoints on - hang on - page 4 of the document at the bottom. And do you see there's a heading Key Junkets Adversely Named?

35 **MS MARTIN:** I do, Ms Sharp.

MS SHARP SC: And it says:

40 "The Crown allegations name a number of individuals, some of whom are associated with currently active junket operators. The Chinatown group was historically associated with The Star however the arrangement ceased on 2 December 2016 following the exclusion of Zhou (Tom) Juiming."

That's Tom Zhou?

45 **MS MARTIN:** Yes, I see that.

MS SHARP SC: So you agree that information must have been known to you at the time since you were one of the co-authors of this report?

MS MARTIN: Yes. That information, as it appears in that paper, was known to me then.

5 **MS SHARP SC:** So at that time, you well knew that the Chinatown group was associated with Tom Zhou?

MS MARTIN: I knew there's a connection there, Ms Sharp, I think we discussed earlier, because they're being referenced together.

10

MS SHARP SC: And some of the attachments to your board paper included recent correspondence with New South Wales Liquor and Gaming, didn't it?

MS MARTIN: Yes. I see that, Ms Sharp.

15

MS SHARP SC: And just before we go to that, it's right, isn't it, that in the final version of this board paper and in all the attachments, no reference was made to The Star being in possession of the Hong Kong Jockey Club report?

20 **MS MARTIN:** I - I would have to review those documents to be certain, Ms Sharp.

MS SHARP SC: Well, you can take it from me. And there's no reference to Mr Buchanan and Mr Houlihan visiting the Hong Kong Jockey Club in July 2019, nor is there any reference to their discussions with the Australian Federal Police about Suncity in June of 2019. And you'd agree, wouldn't you, that that meant that the board was not briefed with important information about the allegations insofar as they related to Suncity and Alvin Chau?

30 **MS MARTIN:** No, I don't agree with that statement.

MS SHARP SC: Now, returning to the information attached to your board paper insofar as it relates to New South Wales Liquor and Gaming. Could I take you to two documents, please, firstly, ST - well, it's in the same document, pinpoint 2250. And this - if I could just have the whole page shown to you. You'd agree this is a letter dated 29 July 2019 from Natasha Mann at New South Wales Liquor and Gaming to Mr Damian Quayle at The Star, copied to Mr Andrew Power?

40 **MS MARTIN:** Yes. I see that, Ms Sharp.

MS SHARP SC: And certainly you were made aware of this letter from Liquor and Gaming at about the time it was sent to Mr Power; is that right?

45 **MS MARTIN:** I'm not sure about at the time it was sent, Ms Sharp, but it's attached to this board paper at that time.

MS SHARP SC: All right. Well, you certainly knew about it by the time of the board paper; correct?

MS MARTIN: Yes.

5 **MS SHARP SC:** And next attachment to your board paper is at pinpoint 2251. And can you see that this is a further letter from New South Wales Liquor and Gaming, this time addressed to Mr Andrew Power? And if we go over the page, you will see it's dated 8 August 2019?

10 **MS MARTIN:** Yes.

MS SHARP SC: And you were certainly made aware of that at or around the time it was sent; is that correct?

15 **MS MARTIN:** Again, certainly by the time it's on this board paper, Ms Sharp.

MS SHARP SC: Well, surely Mr Power consulted about these requests from the regulator in relation to the media allegations with you?

20 **MS MARTIN:** I don't recall specifically.

MS SHARP SC: Well, it's most likely he did, isn't it?

25 **MS MARTIN:** It's possible, Ms Sharp. I just - it would be on my emails if that occurred.

MS SHARP SC: Well, I'm just asking you what your understanding is, given that you supervised Mr Power and given that the New South Wales casino regulator was making inquiries about the media allegations at the time?

30 **MS MARTIN:** Ms Sharp, at this time, it's likely we were discussing the topic.

MS SHARP SC: What was your input into the answers to New South Wales Liquor and Gaming?

35 **MS MARTIN:** On these letters, Ms Sharp?

MS SHARP SC: Yes.

40 **MS MARTIN:** I don't specifically recall, without looking at my emails, as to whether I played a role in the - the responses in terms of preparing them.

MS SHARP SC: Ms Martin, you must have some recollection of whether you assisted preparing responses to the regulator's inquiries; it was only two years ago.

45 **MS MARTIN:** Ms Sharp, I don't have a specific recollection. It would not have been usual for me to necessarily prepare these responses.

MS SHARP SC: Well, you had a role when responses were made to AUSTRAC, didn't you?

MS MARTIN: Not always.

5

MS SHARP SC: Well, isn't it most likely that as the senior legal officer at The Star, you reviewed answers prepared for the regulator and signed off on them before they were sent?

10 **MS MARTIN:** Not necessarily.

MS SHARP SC: Well, why do you say "not necessarily"?

15 **MS MARTIN:** Because it wasn't my role to sign off on all responses, Ms Sharp.

MS SHARP SC: Well, what's the most likely situation with these particular inquiries of New South Wales Liquor and Gaming?

20 **MS MARTIN:** My recollection is I would have been kept informed of inquiries being made, Ms Sharp, and kept informed of responses being provided. And I say that because I was keeping track of the regulatory communications in terms of what queries we were receiving at the time.

25 **MS SHARP SC:** And surely it is the case that you read these letters that you had attached to your board paper in preparation for the board meeting on 15 August in case board members asked you any questions about them; do you agree?

30 **MS MARTIN:** I agree it's likely I reviewed them at the time of reviewing the board paper, Ms Sharp.

30

MS SHARP SC: So if I could take you to the letter of 29 July 2019, which is at pinpoint 2250. Do you see that reference is made in that first paragraph to the media allegations?

35 **MS MARTIN:** Yes, I do.

MS SHARP SC: And do you see in the second paragraph, it said:

40 "There are materially significant risks associated with junket operations."

40

MS MARTIN: Yes, I do.

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

45 "I am writing to request that The Star undertakes a risk assessment of its practices and procedures which mitigate against the types of issues raised in the media reports, and reports the findings to Liquor and Gaming New South Wales. Specifically, I request that The Star details what steps it takes to

ensure that only suitable operators and representatives operate junkets in its casinos."

5 You understood that request was being made by the New South Wales regulator at the time, didn't you?

MS MARTIN: Yes, at this time of the board paper, Ms Sharp. Yes, I've read that.

10 **MS SHARP SC:** And do you see it also states:

"I also request that The Star reviews any current associations or arrangements with junket operators or related individuals to ensure the suitability of any existing relationships."

15 You understood that request was made at the time?

MS MARTIN: Yes. Again, I saw this letter at the time of this board paper.

20 **MS SHARP SC:** And you understand that what the New South Wales regulator was concerned with was the question of suitability, didn't you?

MS MARTIN: Ms Sharp, I can see that's referenced there as being a matter they are wanting to ensure.

25 **MS SHARP SC:** And there was no doubt in your mind, was there, that that is what they were concerned with, the question of whether junkets were suitable partners for - I withdraw that - the question that junkets were suitable to have business associations with The Star; correct?

30 **MS MARTIN:** Ms Sharp, I read it as a query around the suitability of junkets. I don't see the reference to the generic term of "businesses associates".

MS SHARP SC: Okay. It says:

35 "Any current associations or arrangements with junket operators or related individuals to ensure the suitability of any existing relationships."

MS MARTIN: Yes.

40 **MS SHARP SC:** All right.

MS MARTIN: But I see --

45 **MS SHARP SC:** So you see they were concerned - and the standard was one of suitability; you understood that, didn't you?

MS MARTIN: Ms Sharp, I see the reference to "suitability". In terms of standard, I think it's a question or a criteria that they're inquiring after, as being one of

suitability that, I think - I just take that in context of the - of the entire paragraph there.

5 **MS SHARP SC:** All right. But it was directed to the question of suitability. Surely you accept that?

MS MARTIN: That's in their line of questioning. Yes, I accept that.

10 **MS SHARP SC:** All right. And you also accept, don't you, that they were interested not just in the junket operators but also the related individuals?

MS MARTIN: I see the reference to related individuals. Yes, I do.

15 **MS SHARP SC:** And you understood that, didn't you?

MS MARTIN: I understood that in the sense that I can see that in the letter.

20 **MS SHARP SC:** And could I take you, please, to the further letter from New South Wales Liquor and Gaming dated 8 August 2019, which is pinpoint 2251 in the same board paper. And do you see that at the fourth paragraph, Liquor and Gaming says:

25 "Liquor and Gaming New South Wales seeks to understand what, if any, ongoing association The Star has with those named individuals or entities, and what, if any, ongoing risks may arise as a result of ongoing associations."

Now, it's pretty clear what information the regulator was after; do you agree?

30 **MS MARTIN:** Ms Sharp, I can - I can see what they're requesting in the letter.

MS SHARP SC: And it's not confusing to you in any way, is it?

35 **MS MARTIN:** The sentence isn't confusing to me, Ms Sharp, in terms of reading it.

MS SHARP SC: And then the letter states:

40 "We have reviewed the recent media reports published by Channel 9 and Fairfax as a result of the 'Crown Unmasked' joint investigation and has also reviewed associated publicly available information. To further assist our understanding of the issues, I now request more specific information relating to entities and individuals named in the media reports. For this purpose I have attached a list of names at annexure 1."

45 So you understand, and you understood at the time you read this, that Liquor and Gaming wanted more information about the people and entities listed in annexure 1?

MS MARTIN: I can see, Ms Sharp, they requested the additional information in annexure 1 --

MS SHARP SC: Right. And --

5

MS MARTIN: -- on those individuals.

MS SHARP SC: And to further clarify, the regulator said what it was specifically after; do you agree?

10

MS MARTIN: Yes. I see they then go on to say:

"Specifically, I request that -"

15

And there is a bullet point list.

MS SHARP SC: All right. But you understand that the general question that Liquor and Gaming had is exactly what it sets out in that fourth paragraph, which is:

20

"New South Wales Liquor and Gaming seeks to understand what, if any, ongoing association The Star has with those named individuals or entities, and what, if any, ongoing risks may arise as a result of those ongoing associations."

25

MS MARTIN: Ms Sharp, can you just start your question again?

MS SHARP SC: Yes. You understood that the general inquiry was that Liquor and Gaming seeks to understand what, if any, ongoing association The Star has with those named individuals or entities, and what, if any, ongoing risks may arise as a result of ongoing associations?

30

MS MARTIN: Ms Sharp, I - I agree that that's how they have opened their request. I think to understand their request - or how I would read the letter is I would read all of its contents and that that's a general statement for advice and more specific detail.

35

MS SHARP SC: Right. But that request for more specific detail did not undercut the more general request, did it?

40

MS MARTIN: Ms Sharp, I'm not sure that I can speak to L&G's intent, but I would read the letter as a whole.

MS SHARP SC: Right. I'm asking for precisely that, how you read the letter. Now, it's clear beyond doubt, isn't it, that Liquor and Gaming wanted to know what ongoing association The Star had with the named individuals and entities, and what risks they presented, if any?

45

MS MARTIN: That's clear on that paragraph, those words, Ms Sharp.

MS SHARP SC: Well, it's clear even when you read the rest of the letter, isn't it?

5 **MS MARTIN:** I think that statement is clear. It's just that to understand the letter, you read it as a whole, Ms Sharp.

MS SHARP SC: And do you agree that it is important to be clear and transparent with the regulator when the regulator is asking you questions?
10

MS MARTIN: I do, Ms Sharp.

MS SHARP SC: Now, could I take you to the annexure 1. And do you see that Suncity Holdings Limited - I beg your pardon. If we can go to pinpoint 2253. Do
15 you see that Suncity Group Holdings Limited and its subsidiaries is one of the entities specifically identified in annexure 1?

MS MARTIN: Yes.

20 **MS SHARP SC:** And do you see that Alvin Chau is one of the people specifically identified in annexure 1?

MS MARTIN: I do.

25 **MS SHARP SC:** And do you see that Tom Zhou is one of the people expressly identified in annexure 1?

MS MARTIN: I do.

30 **MS SHARP SC:** Now can I take you to The Star's response to ILGA, please. If we go to exhibit B at tab 1672, and this is STA.3008.0004.0667. Do you see there's an email from Andrew Power dated 10 September 2019?

MS MARTIN: I do.
35

MS SHARP SC: Do you see it's sent to Natasha Mann at Liquor and Gaming New South Wales?

MS MARTIN: Yes, I do.
40

MS SHARP SC: And do you see you're copied in?

MS MARTIN: Yes.

45 **MS SHARP SC:** And it's most likely the case, isn't it, that you read this reply before it was sent to Liquor and Gaming, isn't it?

MS MARTIN: Not necessarily, Ms Sharp.

MS SHARP SC: I'm asking you what is most likely, Ms Martin.

MS MARTIN: It's possible, is how I would describe that.

5

MS SHARP SC: It's most likely, isn't it, Ms Martin?

MS MARTIN: Ms Sharp, it is possible I read it before it was sent.

10 **MS SHARP SC:** Well, it is most likely that you did read it and, to the extent you suggest that is incorrect, your evidence is not true?

MS MARTIN: No, I don't agree with that.

15 **MR BELL SC:** Ms Martin, I've made a note of what you said a few minutes ago, which is that you recollect that you were kept informed of responses being provided to regulators as you were keeping track of regulatory communications. Do you remember giving that evidence?

20 **MS MARTIN:** Yes, Mr Bell.

MR BELL SC: In that circumstance, is it not likely that you reviewed this communication before it was sent?

25 **MS MARTIN:** Mr Bell, it's possible. It's the "review" word that I'm hesitant on, as to whether I was just informed, for example, it was being sent. That's my only hesitation.

30 **MR BELL SC:** In any event, you certainly looked at it when it was sent to you, I take it?

MS MARTIN: I would accept that's likely, Mr Bell.

MR BELL SC: Yes. Thank you, Ms Sharp.

35

MS SHARP SC: Could I take you now to the attachment to that email, which is exhibit B at tab 1669, which the STA.3002.0009.0298. And you see this is a letter to Natasha Mann from Andrew Power dated 10 September 2019, which responds to the letter dated 8 August 2019?

40

MS MARTIN: Yes.

MS SHARP SC: And can I take you, please, to 0302. And do you see there's a reference at the top to question 1?

45

MS MARTIN: Yes.

MS SHARP SC: And that was the question in the 8 August 2019 letter from ILGA; do you understand?

5 **MS MARTIN:** I'll need to accept that, Ms Sharp, without that letter up on the screen. But it's --

MS SHARP SC: Well, I will put it back up for you, if that would assist, would it?

10 **MS MARTIN:** It would, just to make sure it's been duplicated, Ms Sharp, correctly.

MS SHARP SC: If I can call up exhibit B, tab 1538, and take you pinpoint 2251. 2251, please, operator. Now, this is the letter of 8 August I'm showing to you, and now I will take you to pinpoint 2253. Do you see there's a reference to annexure 1?
15

MS MARTIN: Thank you.

20 **MS SHARP SC:** With the individuals named in the media reports on junket arrangements?

MS MARTIN: Yes.

25 **MS SHARP SC:** And now I will take you back to the response. If we could return, please, operator, to exhibit B at tab 1672 and go to pinpoint 0302. I'm sorry. Operator - I'm sorry. It's exhibit B at 1669. And you see we're back to Star's letter of 10 September 2019?

30 **MS MARTIN:** Yes.

MS SHARP SC: And now we're at pinpoint 0302. This is the answer to the question in appendix 1, isn't it?

35 **MS MARTIN:** Yes, Ms Sharp. It appears to be.

MS SHARP SC: And the answer provides:

40 "Number 1, Suncity Group Holdings Limited. Suncity Group Holdings and its subsidiaries are not junket promoters or junket representatives at The Star. There is an approved junket promoter, Mr Iek. Mr Iek has a relationship with the Suncity Group. For instance, The Star's understanding is that Mr Iek is (or at one point was) an employee of Suncity Group."

45 Number 2:

"Mr Chau is not a junket promoter or junket representative at The Star. Mr Chau has not engaged in premium play or participated on a junket at Star Sydney. Mr Chau holds a cheque cashing facility at The Star Sydney, which

is used to fund junket groups organised by junket promoter, Mr Iek. The Star's understanding that Mr Chau is the CEO of the Suncity Group."

5 Now, you don't expressly say there, do you - or this letter - I withdraw that. This letter does not expressly say that Mr Chau is the funder of the Suncity junket, does it?

10 **MS RICHARDSON SC:** Well, I object to that because there's a reference in section 2 to Alvin Chau's position in those terms.

MR BELL SC: I reject that question.

15 **MS SHARP SC:** You don't - I withdraw that. It's not squarely disclosed in this answer that Mr Chau is the key representative of Suncity with which The Star deals, is it?

MS MARTIN: Sorry, Ms Sharp. Could you please repeat that question?

20 **MS SHARP SC:** It's not squarely disclosed in this letter, is it, that Alvin Chau is the key representative for the Suncity Group with whom Star dealt?

MS RICHARDSON SC: Well, I object to that because there's no basis for the suggestion that Alvin Chau was the junket representative.

25 **MR BELL SC:** Ms Sharp, you're asking generally, are you, about the relationship between Mr Chau and Suncity and this witness's understanding of that?

MS SHARP SC: Yes.

30 **MR BELL SC:** I will allow the question.

MS MARTIN: Apologies, Ms Sharp. I've lost your question.

35 **MS SHARP SC:** There's nothing disclosed here to say that Mr Chau is, in fact, the main representative of Suncity with whom The Star dealt at that time, is there?

40 **MS MARTIN:** There's not a reference in those terms, but I - I don't agree with the description that Alvin Chau is the main representative with whom The Star dealt, Ms Sharp. I think the relationships, to my knowledge, are set out in the letter as described.

MS SHARP SC: And if I could take you, please, to point 6 here. Do you see there's a reference to Tom Zhou?

45 **MS MARTIN:** I do.

MS SHARP SC: And do you see it's stated:

"Mr Zhou is not a junket promoter or a junket representative. Mr Zhou has been excluded from The Star since December 2015. Prior to being excluded, Mr Zhou was a junket participant. He also participated on a personal rebate program at The Star between 2019 and 2013."

5

You agree, don't you, that there's no reference at all to Mr Zhou being associated with the Chinatown junket, don't you?

MS MARTIN: There's no reference in that paragraph number 6, Ms Sharp.

10

MR BELL SC: Ms Martin, did you understand at this time that Mr Iek's junket was known generally at Star Entertainment as the Suncity junket?

15

MS MARTIN: Mr Bell, I'm not sure. I would say I was aware of that in the operational sense; I - I just wouldn't have necessarily been a part of those conversations in that sort of term.

MR BELL SC: But you had heard the business groups at Star Entertainment referring to Mr Iek's junket as the Suncity junket; is that right?

20

MS MARTIN: I think I would have heard references to Mr Iek operating under the Suncity brand, Mr Bell. That's how I would describe it.

25

MR BELL SC: I thought I had seen some of the correspondence relating to Salon 95 referring to the Suncity junket, which I took to be a reference to Mr Iek's junket. Is that a fair conclusion that I've drawn?

30

MS MARTIN: It's a possibility, I think, Mr Bell, yes, because Mr Iek operated junkets and he had a connection with the Suncity Group and he operated those junkets, at least in part, to my knowledge, in Salon 95, for example.

MR BELL SC: Yes. Thank you. Yes, Ms Sharp.

35

MS SHARP SC: And in substance, you understood at this time, didn't you, that Alvin Chau was responsible for operating the Suncity junket at The Star, didn't you?

MS MARTIN: No, that's not my characterisation.

40

MS SHARP SC: Well, you know that Mr Chau was the person with whom senior management dealt when they had to discuss issues of concern in relation to the Suncity junket, didn't you?

45

MS MARTIN: I don't believe I knew that.

MS SHARP SC: All right. Well, I will put this to you squarely: this letter, at this point in paragraphs 1 and 2, is not being entirely transparent with the regulator about the relationship between Suncity and Alvin Chau, is it?

MS MARTIN: I don't agree with that.

5 **MS SHARP SC:** And you knew that at the time, didn't you?

MS MARTIN: No, I don't agree with that, Ms Sharp.

10 **MS SHARP SC:** And if we return now to point 6 and Tom Zhou. You agree there's no reference there whatsoever to Mr Zhou having any association with the Chinatown junket, don't you?

MS MARTIN: I see there's no reference to Chinatown in that section 6.

15 **MS SHARP SC:** By this time, you were well aware that there was a connection between Mr Zhou and the Chinatown junket, weren't you?

MS MARTIN: As we discussed earlier, I saw documents that referenced Mr Zhou and Chinatown in the same section.

20 **MS SHARP SC:** Well, your board paper that you co-authored referred to them in the same section; that's right, isn't it?

MS MARTIN: Yes, Ms Sharp. That was the paper that we were looking at.

25 **MS SHARP SC:** All right. And yet there's no reference at all here at point 6 to Tom Zhou having any connection with the Chinatown junket, is there?

MS MARTIN: There's not in this paragraph.

30 **MS SHARP SC:** And there's certainly no reference in this paragraph to the Chinatown junket being one of the largest junkets with which Star dealt until 2016, is there?

35 **MS MARTIN:** There's not a reference to that in this paragraph, no.

MS SHARP SC: And that was not a candid and transparent response to the regulator, was it?

40 **MS MARTIN:** No, I don't agree with that.

MS SHARP SC: And that's wrong, isn't it?

MS MARTIN: No, I don't believe so.

45 **MS SHARP SC:** And you well understood at the time that this was not a transparent response to the regulator in relation to its inquiry about Tom Zhou, didn't you?

MS MARTIN: No, Ms Sharp.

5 **MS SHARP SC:** Well, the other alternative is you were incredibly incompetent in not realising that this letter failed to disclose the relationship between Mr Zhou and Chinatown; do you agree?

MS MARTIN: No, I don't, Ms Sharp.

10 **MS SHARP SC:** And then can I take you, please, to point 0304. And do you see the question here is:

15 "What, if any steps, have been taken to mitigate ongoing risk relating to individuals or entities listed that are authorised as junket operators or junket representatives."

And do you see here there is no reference at all to Alvin Chau or the Suncity junket?

20 **MS MARTIN:** Ms Sharp, could you just have that page enlarged, please? Yes, Ms Sharp. I've read that. Could you pose your question?

MS SHARP SC: Well, in answer to the question:

25 "What, if any, steps have been taken to mitigate ongoing risk relating to individuals or entities listed that are authorised as junket operators or junket representatives."

No reference whatsoever is made here to Alvin Chau or Suncity, is it?

30 **MS MARTIN:** No, I don't see those terms referenced on this page.

MS SHARP SC: And you well understood at the time that at this point, Suncity and The Star had a relationship?

35 **MS MARTIN:** Ms Sharp, I did understand the relationships between Suncity and junket promoters that operated under that brand, and that Alvin Chau was the funder of promoters under that brand. That's my understanding.

40 **MS SHARP SC:** And you also understood at this time that there had been a series of cash transactions occurring in Salon 95 that raised red flags for you in terms of money laundering?

45 **MS MARTIN:** As we discussed earlier, I was aware of some transactions in Salon 95 in 2019 that had red flags that were indicative of money laundering.

MS SHARP SC: And you had been provided with a copy of the Hong Kong Jockey Club report and had been briefed by Mr Buchanan about that report, and

you knew there were serious questions about the integrity and good repute of Alvin Chau and Suncity, didn't you?

5 **MS MARTIN:** That's not how I would characterise my conclusion, Ms Sharp.

MS SHARP SC: Well, that's the way I'm putting it to you.

MS MARTIN: I don't agree with that.

10 **MS SHARP SC:** And there is nothing whatsoever in answer to this question about the fact that The Star continued to deal with Alvin Chau and Suncity, and that, to The Star's knowledge, there had been cash transactions of concern involving Suncity and that it held due diligence about Suncity and Alvin Chau which cast serious aspersions upon the good repute of both of those entities; do you agree?

15 **MS MARTIN:** I don't see those matters referenced in response to this question, Ms Sharp.

20 **MS SHARP SC:** You see, this answer to the regulator's questions was completely misleading, wasn't it?

MS MARTIN: I don't believe so.

25 **MS SHARP SC:** And you very well appreciated at the time that this was completely misleading, didn't you?

MS MARTIN: No.

30 **MS SHARP SC:** And this response was the antithesis of being clear and transparent with the regulator, wasn't it?

MS MARTIN: No, I disagree with that.

35 **MS SHARP SC:** And in fact, what Star sought to do was to positively mislead the regulator about its ongoing relationship with Suncity and Alvin Chau, and the risks they presented?

MS MARTIN: I don't believe we were --

40 **MS SHARP SC:** And you.

MS MARTIN: -- doing that.

45 **MS SHARP SC:** -- by reviewing this letter before it was sent, were a party to that misleading conduct?

MS MARTIN: I disagree with that, Ms Sharp.

MR BELL SC: Ms Martin, I think you've said more than once that Mr Iek was operating a junket under the Suncity brand; is that correct?

5 **MS MARTIN:** I'm aware, yes, Mr Bell, that brand was used in connection with Mr Iek's operations.

MR BELL SC: And bearing that in mind and looking back on it now, do you think a clear and transparent answer would have been address the risk posed by the Iek junket which was operating under the Suncity brand?
10

MS MARTIN: Looking back on it now, Mr Bell, I think that would have given more context and clarity.

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

MS SHARP SC: So isn't this response completely contrary to the value introduced by The Star in 2020 called "do the right thing"?

20 **MS MARTIN:** No, I don't believe so.

MS SHARP SC: And that remains your position today, does it?

MS MARTIN: It does, Ms Sharp. I believe we were using our best efforts to reply to the letter at the time. I think, with reflection, you can always look back on,
25 knowing what you know today, what else could have been added, for example.

MS SHARP SC: Ms Martin, you, in concert with others, were using your best efforts to mislead the regulator about Salon 95, Suncity and Alvin Chau, weren't you?
30

MS MARTIN: I wasn't, Ms Sharp.

MS SHARP SC: Now, can I take you to - I withdraw that. It's right, isn't it, that in February 2021, Mr Bekier announced to the media that the junket business was
35 dead?

MS MARTIN: I don't recall the date that appeared in the media, Ms Sharp.

40 **MS SHARP SC:** Well, when did - do you say that The Star has made a decision to cease dealing with junkets?

MS MARTIN: My recollection is that, yes, a decision had been made to cease doing international rebate business.

45 **MS SHARP SC:** Well, that's not the quite thing as ceasing to deal with the junkets. Do you say that a decision has been made by The Star to cease dealing with junkets?

MS MARTIN: I - I use the term "international rebate business" to refer to international junkets, Ms Sharp.

5 **MS SHARP SC:** Well, I will use the term "junkets". Has The Star made a decision to cease dealing with junkets?

10 **MS MARTIN:** My knowledge is that The Star made a decision to cease doing business with junket groups, if not international rebate business groups, at a point in time.

MS SHARP SC: And when was this point in time?

15 **MS MARTIN:** My recollection, Ms Sharp, is that it was September or October 2020.

MS SHARP SC: And who --

20 **MR BELL SC:** Ms Martin, just so I'm clear, counsel assisting's question was, has The Star made a decision to cease dealing with junkets? Could you answer that question, please.

MS MARTIN: Mr Bell, I'm hesitating because I - I'm not clear on what the single word "junkets" is referring to or intended to encompass.

25 **MR BELL SC:** Well, I would have understood it to mean dealing with junket operators. Has a decision been made to cease dealing with junket operators?

MS MARTIN: In the sense of them conducting junkets, Mr Bell, yes. Yes.

30 **MS SHARP SC:** What's the clear and direct answer here, Ms Martin?

MS MARTIN: That The Star is not dealing with junket operators in the sense of doing business with them to conduct junkets.

35 **MS SHARP SC:** And what about junket funders?

MS MARTIN: In the sense that they would be associated with the conduct of junkets, Ms Sharp, I would say the decision is not to do business.

40 **MR BELL SC:** Ms Martin, I'm just a little unclear with the qualifications you have imposed on the answer to my question and counsel assisting's question. Has The Star made a decision to cease dealing with junket operators or not?

45 **MS MARTIN:** That's my understanding, Mr Bell, in the junket context. My caution is just if there was a particular individual who walked off the street unknown to us, to play as a regular player on a table, I'm not sure that we would cease to deal in that sense if we didn't know they were here. But we wouldn't be conducting business with them in connection with junkets, is my understanding.

MR BELL SC: So if you were dealing with them as a junket, there would be an agreement with them as junket operator or junket funder, or something of that nature; is that right?

5

MS MARTIN: Yes, that's my understanding. And - and that has ceased.

MR BELL SC: So do I understand you to be saying that you might deal with those persons as individual patrons but not as junket operators or funders?

10

MS MARTIN: That's the possibility I'm being cautious about, yes, Mr Bell.

MR BELL SC: I understand now. Thank you.

15 **MS SHARP SC:** And has any decision been made not to deal with people who may gather together a number of patrons and enter a rebate agreement with The Star?

MS MARTIN: Ms Sharp, could you just repeat that question?

20

MS SHARP SC: Has any decision been made by The Star not to deal with people who gather together patrons and that person enters a rebate agreement with The Star?

25 **MS MARTIN:** Yes. My understanding is that context - in that context of someone looking to organise a group of players and enter a rebate agreement with The Star for that group, at this time the decision has been to cease. And I'm - I'm not aware of any other decisions being made at this time.

30 **MS SHARP SC:** And when was that decision made, Ms Martin?

MS MARTIN: I'm referring to the same decision of around September or October 2020.

35 **MS SHARP SC:** And who, within the business, made that decision?

MS MARTIN: I'm aware Mr Bekier considered that matter and made a decision. I can't recall whether there was anyone else involved in that, Ms Sharp.

40 **MS SHARP SC:** Can I take you, please, to STA.3412.0003.5112. And you've been involved with Project Zurich since early 2021, haven't you?

MS MARTIN: Yes, Ms Sharp. Early to mid 2021.

45 **MS SHARP SC:** And, Mr Bell, this is exhibit B2837. And it's right, isn't it, that there was a meeting in April 2021 to kick off discussions about Project Zurich?

MS MARTIN: Yes, Ms Sharp. I can see a reference to a meeting on this project in the email of 25 April 2021.

5 **MS SHARP SC:** And can you see an email from Mr Power dated 25 April 2021 to you and Mr Seyfort?

MS MARTIN: Yes, I can.

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

"Please see below my summary of the meeting on Friday."

MS MARTIN: Yes.

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

"Introduction. Number 1, PM intro."

20 That's a reference to you, isn't it?

MS MARTIN: Yes, I believe so.

25 **MS SHARP SC:** And can I take you, please, to paragraph 8 on the next page, which is pinpoint 5113. And that reference there to "PM" is a reference to you, isn't it?

MS MARTIN: Yes.

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

35 "Response from Star was 'junkets are dead' but this was reflective of the pressure and intensity at the time and the borders were closed so it was a convenient answer. There is some concern around them in New South Wales but relate to particular practices in a particular organisation. Starting point from Bergin is that 'all junkets are evil' and that has not been the position in Australia for decades. In Queensland, the regulator may be very comfortable with the business model, and level of probity undertaken. I think it is correct to say 'junkets will be different, and heavily scrutinised'. But not sure they are dead."

40 Now, that's what you said at the meeting, or words to that effect, wasn't it?

MS MARTIN: That's what someone has captured as a summary of the discussion.

45 **MS SHARP SC:** Well, that's what you said, wasn't it?

MS MARTIN: I don't know that they're my exact words, Ms Sharp.

MS SHARP SC: Well, that was the sentiment you expressed, wasn't it? It's in quote marks, Ms Martin:

"Junkets will be different, and heavily scrutinised."

5

MS MARTIN: I see that, but I - I just don't recall exactly what I said.

MS SHARP SC: Well, what's your current intention with junkets?

10 **MS MARTIN:** Ms Sharp, I don't have a current intention with junkets myself.

MS SHARP SC: Well, you're the general counsel and the chief risk organisation of this organisation.

15 **MS MARTIN:** Yes.

MS SHARP SC: Surely you have an intention?

20 **MS MARTIN:** I don't have an intention. I have a - I have a need to have an understanding of the regulatory framework that the - is current and present, so that as and if and when needed, I can advise on business.

MS SHARP SC: I don't think you answered my question. What's your current intention with respect to Star dealing with junkets?

25

MS MARTIN: I'm not sure I understand the reference to "intention", Ms Sharp.

MS SHARP SC: What is your current thinking in terms of whether The Star will deal with junkets?

30

MS MARTIN: My current thinking is that I'm awaiting for a business strategy to be presented on how we'll conduct its international business.

35 **MS SHARP SC:** So is it right that, in fact, the business hasn't made a decision about whether to continue dealing with junkets or not?

MS MARTIN: No, no. That's not right. A decision was made at a - at a point in time, and that is still the current position, is my understanding.

40 **MR BELL SC:** Does paragraph 8 of this document reflect your views about dealings with junkets by Star Entertainment?

45 **MS MARTIN:** I wouldn't describe it as my views, Mr Bell. I think it was - the conversation that I recall we were having was more along the lines of getting ready for different regulatory frameworks that may eventuate as a result of casino inquiries. And I think it's - to state the obvious - that should they return based on the inquiries, there would be regulatory framework matters to take into account.

MR BELL SC: So perhaps the question I should have asked is whether paragraph 8 reflects Star Entertainment's views about dealings with junkets, as you understand it.

5 **MS MARTIN:** Not necessarily, Mr Bell. This was a discussion around regulatory frameworks generally. The current position of The Star, as I understand it, is junkets are not being conducted. I'm not aware of --

10 **MR BELL SC:** What should I conclude from what appears at paragraph 8 of this document?

15 **MS MARTIN:** That in around the time of this meeting, Mr Bell, we were talking about different eventualities and that we've moved from a position of junkets being an existing concept in the casino environment to one that perhaps is too high risk to exist at all. And then in that context, how may that then evolve in the regulatory framework, bearing in mind there was government consideration being given to the Bergin Inquiry, and we were considering the fact that The Star may end up operating in different States with different regulatory regimes.

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

MS SHARP SC: Can I draw your attention, please, Ms Martin, to point 11 here, which says:

25 "PM."

And then it says:

30 "Do want to be in the international business. We want to be in it in a diversified way of sorts. We want customers of different value. Cash players, direct credit options (as legislatively permitted) and then people we know through our own personnel or referrers, and then into group construct which is elements of what was traditionally known as junket business style and then everybody we know in that frame. Final overview in terms of feasibility, can you do that with staff from more limited locations. Need to change how
35 casinos engage through sales teams offshore."

40 Now, Ms Martin, help us understand what your intentions are in relation to dealing with things that were traditionally known as junkets?

MS MARTIN: I didn't have any clear intentions on that, Ms Sharp. I think this paragraph captures, or attempts to capture, a general discussion around the fact that a whole range of ideas were being kicked around at the time within The Star, with no concluded view.

45 **MS SHARP SC:** And does that paragraph accurately capture what you said to the meeting in April 2021?

MS MARTIN: I don't know, Ms Sharp. It's a summary. And it was quite a broad and long-winded discussion. So I'm not sure.

5 **MS SHARP SC:** You're aware, aren't you, that Star Entertainment has commercial relationships with Chow Tai Fook and the Far East Consortium?

MS MARTIN: Yes, Ms Sharp.

10 **MS SHARP SC:** And that has been the case since about 2014, hasn't it?

MS MARTIN: Yes.

15 **MS SHARP SC:** And in fact, Chow Tai Fook and Far East Consortium are investors in the Queen's Wharf project with Star Entertainment?

MS MARTIN: Yes. We describe them as our joint venture partners.

20 **MS SHARP SC:** And it's right that Chow Tai Fook and Far East Consortium own about 4.91 per cent of Star Entertainment?

MS MARTIN: I'm not up to date on any current holdings, Ms Sharp, in terms of shareholdings that may be through entities be related to those groups.

25 **MS SHARP SC:** Does that sound about right to you?

MS MARTIN: It was at a point in time. And again, through particular entities, not necessarily through those entities you just named.

30 **MS SHARP SC:** Well, do you know whether those entities in one way or another continue to hold an interest in Star Entertainment?

MS MARTIN: I don't know for certain at this time.

35 **MS SHARP SC:** Well, has it changed recently?

MS MARTIN: I don't know, Ms Sharp.

40 **MS SHARP SC:** Are you aware that Chow Tai Fook is in a joint venture with Suncity?

MS MARTIN: I'm not sure I'm aware of a joint venture with those entities.

45 **MS SHARP SC:** Well, are you aware that Chow Tai Fook and Suncity have a joint venture in Vietnam to build a casino in the Quang Ninh Province?

MS MARTIN: I'm not sure, Ms Sharp, of the entity details on that. I'm just not sure of the specific details.

MS SHARP SC: Well, you're aware there's some kind of joint venture relationship there with Suncity in relation to developing a casino in Vietnam, are you?

5 **MS MARTIN:** I think I've seen media reference to Suncity and other casino ventures. I'm not sure of the - all of the locations, Ms Sharp, offhand.

MS SHARP SC: And is this why you are so absolutely unwilling to give any evidence that might cast Suncity in a negative light?

10

MS MARTIN: No, Ms Sharp.

MS SHARP SC: Now, I'm wondering whether now might be a convenient time to end for the day, Mr Bell? I have about - probably about three-quarters of an hour left with Ms Martin.

15

MR BELL SC: In that case, I think we will have to adjourn and resume at 10 am tomorrow morning. Thank you.

20 **<THE HEARING ADJOURNED AT 4:57 PM**