



INDEPENDENT LIQUOR AND GAMING AUTHORITY OF NSW

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

**PUBLIC HEARING
SYDNEY**

**THURSDAY, 28 APRIL 2022
AT 10:00 AM**

DAY 24

**MS N. SHARP SC appears with MR C. CONDE, MS P. ABDIEL
and MR N. CONDYLIS as counsel assisting the Review
MS K. RICHARDSON SC appears with MR M. FORGACS
and MR H. ATKIN as counsel for The Star Pty Ltd**

**Star Witness
MR GREGORY FRANCIS HAWKINS**

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<THE HEARING RESUMED AT 10:02 AM

MR BELL SC: Mr Hawkins, you remain bound by the oath you took on Tuesday.

5 **<GREGORY FRANCIS HAWKINS, ON FORMER OATH**

MR BELL SC: Yes, Ms Sharp.

<EXAMINATION BY MS SHARP SC:

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MS SHARP SC: Mr Hawkins, could you please give us a more detailed account of your responsibilities as managing director of Star Sydney?

15 **MR HAWKINS:** I was responsible for overseeing the operations of the business. So I had a number of general managers who reported to me across the gaming areas as well as our asset protection area and then into our hotel and food and beverage functions. I would then liaise with a number of our sort of centralised service areas, being marketing and others, to discuss and review the strategic direction of the property and the marketing of the property as well.

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MS SHARP SC: And were you responsible for the financial performance of Star Sydney?

25 **MR HAWKINS:** I think when I first joined, we had what I would describe as a - as a decentralised structure. So my role had broad responsibility for the earnings for the property. Over time, after I joined, we - or the group went to a - I would describe it as a centralised model. So my role changed, to an extent, that I didn't oversee, for example, marketing directly. So I had - and ultimately, the gaming - or centralised gaming unit was established as well. So I had sort of

30 collegiate responsibility with a number of others with regards to the commercial performance of the property.

MS SHARP SC: All right. But you did have a key responsibility for the commercial performance of the property, didn't you?

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MR HAWKINS: Yes, in conjunction with others --

MS SHARP SC: And in particular, you had a key responsibility for the commercial performance of the casino operation?

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MR HAWKINS: Yes, in conjunction with others from corporate.

MS SHARP SC: Well, they ultimately reported to you; is that right?

45 **MR HAWKINS:** No, that's not - not right.

MS SHARP SC: No. All right. Now, you said that general managers of various gaming areas reported to you. Did those gaming areas include the domestic rebate business?

5 **MR HAWKINS:** Yes, that's right.

MS SHARP SC: And what was the reporting line there?

10 **MR HAWKINS:** The domestic business that sat under Mr Peasley, and Mr Peasley reported directly to me.

MS SHARP SC: And what about local premium players?

15 **MR HAWKINS:** Well, the local premium players would be approached in a couple of ways. So there was the delivery of the operational experience at the table games. So that sat under general manager of table game operations. And then we had various, for the premium local players, I would describe as a sort of a hosting and relationship unit as well that also sat under Mr Peasley.

20 **MS SHARP SC:** And ultimately reported to you?

MR HAWKINS: Yes.

25 **MS SHARP SC:** And what about the hosting and relationships for the international - or, sorry, the international rebate customers. Did they report through you?

MR HAWKINS: The sales team reported to me. That's right.

30 **MS SHARP SC:** You've mentioned the sales teams. I was asking you about hosting and relationships. Are they one and the same thing?

35 **MR HAWKINS:** So the sales team would have a direct relationship with the customers in the field, so to speak. When the guests would arrive, there would be international premium hosting teams, who would also ultimately report to me, but that was after I took on responsibility for the business in 2018.

40 **MS SHARP SC:** That was in April 2018. What about before that point, though? What responsibility did you have for VIP hosting and relationships?

45 **MR HAWKINS:** Prior to that time - so Mr Peasley was reporting to me prior to that time. So I had direct responsibility for the local premium and interstate hosting relationships. Now, if I recall, the international hosting team still sat under the international unit. So that reported through to the president of international prior to me.

MS SHARP SC: But did you have any role there?

MR HAWKINS: Did I have any role? Well, I would interact with them by nature, if there was guests in the property. But generally not a direct role.

5 **MS SHARP SC:** Did you have any what I might describe as a meet and greet function with international VIP patrons?

MR HAWKINS: Yes. From time to time I would do that, yes.

10 **MS SHARP SC:** And that would involve you, for example, joining them for lunch?

MR HAWKINS: It could. Yes.

15 **MS SHARP SC:** All right. Was part of your role to foster relationships with international VIP patrons?

20 **MR HAWKINS:** I - I think it would be to assist with the showing of face to guests that would arrive from time to time. It didn't happen too regularly, but I would do that, yes.

MS SHARP SC: And it was important for you to understand, wasn't it, what kind of turnover individual high-value VIPs were bringing into The Star in Sydney?

25 **MR HAWKINS:** Yes. I think if - if there was various interactions that I was asked to do, it would be for important customers.

30 **MS SHARP SC:** All right. But I just want you to answer my question now, if you could. It was important for you to understand what kind of turnover individual high-value VIPs were bringing into The Star in Sydney?

MR HAWKINS: Yes. I would be aware of that in terms of various reports, yes.

35 **MS SHARP SC:** Well, that was really an important aspect of your overall responsibilities, wasn't it?

MR HAWKINS: In understanding those guests that were important, yes.

40 **MS SHARP SC:** Now, in relation - you are aware, of course, that from time to time, investigations were conducted of patrons?

MR HAWKINS: Yes.

MS SHARP SC: And including patrons in The Star in Sydney?

45 **MR HAWKINS:** Yes.

MS SHARP SC: And what sort of liaison was there with you about that?

MR HAWKINS: I'd say in generally minimal. I think the investigations unit, if they were conducting any investigations, it would be done independently of the operations, effectively. And I would be - would be updated, you know, if needed. But they were generally done, I would say, reasonably independently.

5

MS SHARP SC: Surely it was important for you to have an overview of what investigations were being conducted of patrons in the casino for which you had ultimate responsibility?

10 **MR HAWKINS:** I - I would expect that the - sorry, the investigations unit, you know, would update myself or - or others in the structure if there was action to be taken or - or they would initiate action themselves.

15 **MS SHARP SC:** Well, there was no reason you needed to be independent of what the investigations team did, was there?

20 **MR HAWKINS:** Well, the investigations unit didn't report to me. It was part of the corporate entity. And, you know, I think by nature of that, they did operate independent of the rest of the staff, including those who were overseeing the operations of the business, to ensure that there was a separation of how they were looking at their investigation. But as I said, I - I would expect them to update or - myself or others if there was material issues that they were proposing to be actioned.

25 **MS SHARP SC:** Okay. And surely you would expect the investigations team to keep you updated on investigations in relation to high-value patrons?

30 **MR HAWKINS:** I wouldn't say I would be aware at all times if - if they were conducting investigations on high-value customers, unless there was a material issue that they wanted to bring to my attention.

MS SHARP SC: Would you expect them to bring an issue to your attention if there was a suspicion that money laundering was taking place in the casino?

35 **MR HAWKINS:** I think if they had reached a conclusion which required action, they - they would either bring that to my attention or someone in the structure that action had to be taken.

40 **MS SHARP SC:** And what about in circumstances where The Star may be offering a measure of cooperation with law enforcement authorities? Would you be kept abreast of that?

45 **MR HAWKINS:** Look, I would generally be aware that investigations unit would be dealing with law enforcement. But, again, I wasn't that close to it. I had a separate asset protection - or unit at The Star in our surveillance and security team who were really focused on the broad operations of the business. And I was certainly much closer to the relationships that that particular team under me had with local area command and others.

MS SHARP SC: And, sorry, who was in the asset protection team?

5 **MR HAWKINS:** Well, that was our - for The Star Sydney, our head of security and head of surveillance.

MS SHARP SC: And that asset protection team stands in a different position to the investigations team, does it?

10 **MR HAWKINS:** Yes.

MS SHARP SC: And who was in the asset protection - who was the head of asset protection unit while you were the managing director?

15 **MR HAWKINS:** Mr - Mr Lomax was general manager of that area. And subsequent to that, Mr Mackay is overseeing that area.

20 **MS SHARP SC:** And you did have a close relationship with Mr Lomax and Mr Mackay in relation to matters falling within the purview of the asset protection unit, did you?

MR HAWKINS: Yes. So Mr Lomax reported to me, and Mr Mackay reports through to the current chief operating officer, who reports through to me.

25 **MS SHARP SC:** And did the asset protection unit have any role in surveilling or monitoring or investigating high-value patrons?

30 **MR HAWKINS:** They would - I would say not investigate. So their role was really to sort of monitor the operations of the business. So they, for example, would monitor activities at table games to ensure the integrity of table games was being overseen. They would respond to incidents across the property, which were many. We have up to a 30,000 people a day through the property. So it was a lot of activity that that team would be assessing and responding to.

35 **MS SHARP SC:** Now, do you agree with me that when the investigations team was conducting investigations into your team members, you were kept abreast of those investigations?

40 **MR HAWKINS:** I would say not at all times, no. I wouldn't have been kept updated on that.

MS SHARP SC: And why would you not have been updated about investigations concerning your own team members?

45 **MR HAWKINS:** I - I think - I would describe it as the investigations unit sat completely independently of the operations of all of our sites. And they had the autonomy to investigate independently, which I think they were required to do, to ensure that there was no compromise on the investigations that they were

occurring - that they were conducting, I apologise. If - if something came out of that that was material, yes, I would expect they would either escalate it to myself or into another ExCo representative.

5 **MS SHARP SC:** Now, can I return to some questions about Phillip Dong Fang Lee, please. Could I take you to exhibit B at tab 73, which is STA.3014.0002.1932. What I'm showing you, Mr Hawkins, is a request for a cheque cashing limit change dated 6 April 2015 where Mr Lee's limit was changed from \$12.3 million to \$13.3 million. That is an \$11 million increase in one day.
10 May we take it that that was made known to you at about the time, given that it was an \$11 million increase?

MR HAWKINS: I don't recall that being brought to my attention.

15 **MS SHARP SC:** But is it common for people to be increased \$11 million in one day using CUP?

MR HAWKINS: I would expect it's not common, no.

20 **MS SHARP SC:** I can show you the documents, if you need me to, but what they'll go on to show you is that the CUP card was swiped in various increments totalling \$11 million on that one day on 6 April 2015. Surely that was brought to your attention as the managing director of The Star in Sydney?

25 **MR HAWKINS:** Look, I don't recall it being brought to my attention. But I may have been copied on information. But I - I don't recall it specifically.

MS SHARP SC: Well, you will agree it is an extraordinary amount to withdraw on a CUP card in one day, wouldn't you?

30 **MR HAWKINS:** Yes. It's a large amount, yes.

MS SHARP SC: And you would agree, wouldn't you, that it was important that you were made aware when extraordinary transactions were occurring on the
35 China UnionPay card?

MR HAWKINS: Yes, within the context that this was, I'm assuming, process - excuse me - within our sort of cage and credit area, I should have had some oversight of it or at least some information with regards to it occurring.

40 **MS SHARP SC:** Well, do you expect it's most likely you did have oversight of this, Mr Hawkins?

MR HAWKINS: I don't recall being involved in the approval of it.

45 **MS SHARP SC:** Do you expect it's likely that you would have had oversight of this, Mr Hawkins?

MR HAWKINS: I don't think I did.

5 **MS SHARP SC:** Now, with all your long experience in the casino industry, does it raise any alarm bells for you that a patron withdrew \$11 million on their CUP card on one particular day in April of 2015?

10 **MR HAWKINS:** It's - if it was withdrawn as part of - or drawn down on as part of gaming activity, the - you know, the amount - that amount does happen quite frequently across a number of customers of CCFs which is quite significant.

MS SHARP SC: I'm asking you about CUP withdrawals.

MR HAWKINS: Sorry. Could you please repeat the question?

15 **MS SHARP SC:** With all your long experience in the casino industry, does it concern you in any way to learn that a patron withdrew \$11 million on their CUP card at Star Sydney on one day in 2015?

20 **MR HAWKINS:** I - I accept it's certainly a large amount for a CUP transaction, yes (indistinct).

MS SHARP SC: And does it concern you?

25 **MR HAWKINS:** Does it concern me? Yes, I - it's something that would require appropriate monitoring. Yes.

30 **MS SHARP SC:** Well, what do you think in your position as the chief casino officer of New South Wales today? What would you do if this was made known to you?

MR HAWKINS: Well, I think we would want to ensure that, you know, the funds through that process were for the purposes of gaming activity and monitor that.

35 **MS SHARP SC:** Now, are you saying - I withdraw that. Are you saying that at the time in 2015, you did not have the expectation that CUP swipes in the vicinity of \$11 million on a particular day should be escalated to you for your consideration?

40 **MR HAWKINS:** As I recall, there was certainly a delegated authority to approve various CCF draw-down limits, and I may have been party to that. I just don't recall specifically.

45 **MS SHARP SC:** Well, maybe you could answer my question. Is it your - or was it your expectation in 2015 that if a patron swiped \$11 million on a single day using their CUP card, you would be informed?

MR HAWKINS: I - I would expect that the chief financial officer would be aware of it and, you know, would probably bring it to my attention.

MS SHARP SC: And don't you expect the cage would bring it to your attention?

MR HAWKINS: I think via the chief financial officer.

5

MS SHARP SC: All right. And what about the VIP of credit and collections?

MR HAWKINS: I think the credit and collections unit didn't report to the site. That was part of the group entity. So typically they wouldn't escalate things to me in the role that I had.

10

MS SHARP SC: Can I show you a different document, please. We will go to exhibit B at tab 66, which is STA.3014.0002.1906. Now, do you see I'm showing you another cheque cashing limit change for Phillip Dong Fang Lee?

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MR HAWKINS: Yes.

MS SHARP SC: This is almost \$12 million in one day. Do you see that?

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MR HAWKINS: I do, yes.

MS SHARP SC: And do you see it's dated two days before the last document I showed you?

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MR HAWKINS: Yes.

MS SHARP SC: Now, was this one escalated to you?

MR HAWKINS: I don't recall it being escalated, no.

30

MS SHARP SC: So we have a situation where Phillip Dong Fang Lee withdrew on his CUP card about \$12 million on 4 April 2015 and then, two days later, withdrew a further \$11 million. Surely you were made aware of that?

35

MR HAWKINS: I - I don't recall being made aware of it.

MS SHARP SC: You agree, don't you, that it is a matter you ought to have been made aware of, given that you were the managing director of The Star in Sydney?

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MR HAWKINS: Yes, I accept they are significant amounts and, you know, I expect that we would want - would be wanting to ensure that those withdrawals were being monitored and watched carefully in terms of use of the funds.

45

MS SHARP SC: And what concerns do you have about the fact that a patron withdrew \$12 million in one day and then, two days later, withdrew a further \$11 million on their CUP card?

MR HAWKINS: That the funds were being used for gaming purposes and that we were monitoring that.

5 **MS SHARP SC:** And is it the case - I withdraw that. It would be very important to monitor whether these withdrawals were being used for gaming purposes, wouldn't it?

MR HAWKINS: Yes, it's important.

10 **MS SHARP SC:** Because if the withdrawals were not commensurate with the level of play, what would that suggest to you was taking place?

15 **MR HAWKINS:** Well, it could suggest that - I would describe as the activity could be defined as suspicious with regards to reporting obligations.

MS SHARP SC: And why would you regard that as being suspicious, Mr Hawkins?

20 **MR HAWKINS:** If - if the guest was withdrawing funds through that mechanism and not gaming with them, that would indicate an access to funds that we would need to ensure was reported. And he may have been accessing funds for other purposes.

25 **MS SHARP SC:** Well, it rather suggests - if the level of play was not commensurate with the level of debits on the CUP cards, it rather suggests that The Star is being used as one big fat ATM machine, doesn't it?

30 **MR HAWKINS:** I think in this instance, if we - and I understand - if we weren't monitoring that closely, that guest may have been using that process to access funds, yes, for non-gaming purposes.

35 **MS SHARP SC:** Well, surely you were aware that The Star was monitoring Mr Lee in terms of whether his level of play was commensurate with his CPD debits at about this time?

MR HAWKINS: I'm aware that Mr Quayle was providing some updates to myself - I think it was slightly later than this date, but to look at the relationship between the withdrawals and the gaming level, yes.

40 **MS SHARP SC:** Well, given that Mr Quayle was providing you with updates at that later period of time, do you expect that in relation to these enormous debits in April 2015, you would have been kept updated?

45 **MR HAWKINS:** I - I think that's - that's right, yes.

MS SHARP SC: Can I take you, please, to exhibit B at tab 183, which is STA.3411.0008.4105. Do you see that's an email to you? I will have it enlarged. It's an email to you from Mr Quayle dated 26 January 2017?

MR HAWKINS: Yes, I see that.

MS SHARP SC: And he advises you that:

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"We are tracking monthly activity around Phillip including CUP withdrawals."

MR HAWKINS: Yes.

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MS SHARP SC: So you agree you were being kept up to date at this time?

MR HAWKINS: Yes.

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MS SHARP SC: Why was the tracking taking place at this time?

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MR HAWKINS: I - I think prior to that, there had been probably a lack of attentiveness on Mr Lee's use of the card, as far as I was aware. And it had been guided particularly by Mr Power at a point in time that, you know, we need to ensure we - we are watching Mr Lee's use carefully. And Mr Quayle had initiated some activity on that front to do so.

25

MS SHARP SC: So do you agree that as managing director, it was important that you were kept updated on the usage of the CUP card by Mr Lee?

MR HAWKINS: Yes. I accept that because of the significance of the transactions, yes.

30

MS SHARP SC: And is it right that if you were not, in fact, updated about his withdrawals of some \$23 million in April of 2015, something had gone seriously wrong in the processes at Star Sydney?

35

MR HAWKINS: Well, if I - if I hadn't had been updated, I would have the expectation that the relevant senior managers would be ensuring that appropriate action was being taken to monitor or report.

MS SHARP SC: Certainly you were aware by April of 2016 that Mr Lee was the biggest user of the CUP card at Star Sydney?

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MR HAWKINS: Yes, I'd be aware of that.

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MS SHARP SC: And can I take you, please, to exhibit B at tab 165, and that's STA.3411.0008.6531. Now, what I'll do is start you at the bottom of this first page. Do you see there's an email from Adrian Hornsby to people, including you, also Matt Bekier and Chad Barton?

MR HAWKINS: Yes.

MS SHARP SC: And there, Mr Hornsby says:

"Seeking two approvers for CUP."

5 **MR HAWKINS:** Yes, I see that.

MS SHARP SC: And then you reply up above:

"Approved."

10

MR HAWKINS: Yes.

MS SHARP SC: So you were one of the approvers for CUP swipes, were you?

15 **MR HAWKINS:** Within the delegated authority, there was approval limits apportioned for - I think it was various financial limits, which would have incorporated this as well, yes.

MS SHARP SC: And is it right that you were a CUP approver in 2015?

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MR HAWKINS: I - I'm not 100 per cent clear if I was, but I suspect I probably was.

25 **MS SHARP SC:** And why was it necessary to have an approval process for CUP debits at all?

30 **MR HAWKINS:** Well, I think the - the approval process was not necessarily just for CUP; it was for financial transactions or expansions of the cheque cashing facility, and a range of measures to ensure that there was some oversight and approval of them.

MS SHARP SC: In what sense was it necessary for there to be oversight?

35 **MR HAWKINS:** Well, if the - depending on the requested amount, it would have a requirement for a greater management approval of - if it was a larger amount. If it was a smaller amount, it - it didn't require that. So that was, if I recall, reflected in the - in the delegated authority list.

40 **MS SHARP SC:** Well, what considerations did you bring to bear when you were approving somebody for large CUP swipes?

MR HAWKINS: In this type of circumstance, I generally would have relied on the recommendation from the sender, which was usually Mr Hornsby.

45 **MS SHARP SC:** Well, all Mr Hornsby says here is:

"Seeking two approvers."

You don't see any recommendation, do you?

MR HAWKINS: Not on this particular email, no.

5 **MS SHARP SC:** So by this time, you know that Phillip Dong Fang Lee is the largest user of the CUP card at Star Sydney?

MR HAWKINS: I would have been aware of that, yes.

10 **MS SHARP SC:** And given you were the approver at this time, do you think it's most likely you had been made aware that in April of 2015, he had swiped about \$23 million on his CUP card?

MR HAWKINS: I - I don't think at the time I was approving this. I was - I had that consideration. I may have generally been aware of it, but --

MS SHARP SC: Not very effective oversight, is it, Mr Hawkins?

20 **MR HAWKINS:** Well, there was - there was quite a few of these types of approvals that would come through, so --

MS SHARP SC: So they're just rubber stamps, are they?

25 **MR HAWKINS:** Generally, no. They're - I would say the majority of them come with a recommendation from the credit and collection unit in terms of the action to be taken. And, you know, from time to time any of the delegated approvers would - would make any appropriate queries on the guest as well (indistinct).

30 **MS SHARP SC:** And were you aware by this time that the CUP process was a convenient way of funneling large funds of money out of mainland China, despite the tight controls on currency there?

MR HAWKINS: I would have had an awareness of the - the capital controls in China. It wasn't necessarily front of mind. I also --

35 **MS SHARP SC:** So is the answer to my last question "yes"?

MR HAWKINS: Well, I think it was a mechanism for guests to access funds. At the time, I was unclear on the specific limits on that front, but I was aware of - of that broad capital flow initiative.

45 **MS SHARP SC:** Is it right that at all times while Phillip Dong Fang Lee was playing at Star Sydney, you kept a careful eye on the level of turnover he was bringing into the casino?

MR HAWKINS: He - he would have been on reports that I received because he - he was one of, you know, quite a few customers who were important to the

business. And so I would have been kept updated on his performance as a - as an important guest.

5 **MS SHARP SC:** So it's right, is it, that you kept a careful eye on the level of turnover he was bringing into the casino?

MR HAWKINS: I - I would have kept a general eye on it, amongst a raft of other players and/or guests who were at the property who were significant.

10 **MS SHARP SC:** Right. Well, you're not suggesting that you did not carefully consider the information being provided to you, are you?

MR HAWKINS: Do you mean with regards to the turnover he was generating?

15 **MS SHARP SC:** Yes.

MR HAWKINS: I certainly would have been conscious of it, yes.

20 **MS SHARP SC:** Can I show you exhibit B185 at STA.3411.0008.2491. This is an email - I will have it enlarged for you - from Damian Quayle to yourself dated 27 January 2017. This email is a good example of you keeping a careful eye on the level of turnover that Mr Lee brought into the casino, isn't it?

25 **MR HAWKINS:** There's quite a bit of detail here, particularly around some of the change to the - the bet limits that were applied to Mr Lee, yes. There's certainly a relevant amount of detail there.

MS SHARP SC: And this is a good example of you keeping a careful eye on the level of turnover that Mr Lee brought into the casino?

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MR HAWKINS: Yes. So Mr Quayle has added his activity there as a side note, yes. So there's relevant detail there which is important.

35 **MS SHARP SC:** All right. I'm going to keep asking the question until you answer it. So I will ask it for the third time. This email is a good example of the careful eye you kept on the level of turnover that Mr Lee brought into the casino; correct?

MR HAWKINS: I was certainly being updated on the information.

40 **MS SHARP SC:** Correct or incorrect?

MR HAWKINS: Yes, I was - yes, it was - I was monitoring and keeping an eye on his level of business.

45 **MS SHARP SC:** You were keeping a careful eye on it, weren't you, Mr Hawkins?

MR HAWKINS: I'm just not sure what you mean by "careful eye". As in, I - I was being updated by Mr Quayle, who was overseeing the gaming part of the business, and I definitely had an interest in it, yes.

5 **MS SHARP SC:** You were monitoring --

MR BELL SC: I take it you reviewed the information as carefully as you could; is that correct?

10 **MR HAWKINS:** I would have definitely reviewed this information carefully, yes.

MR BELL SC: Yes. Thank you.

15 **MS SHARP SC:** And amongst this information you carefully reviewed at the time, Mr Hawkins, is the side note at the bottom where you are advised:

"In financial year 2016, total CUP withdrawals totalled \$47 million."

20 **MR HAWKINS:** In F16?

MS SHARP SC: Yes.

MR HAWKINS: Yes.

25 **MS SHARP SC:** That's a lot.

MR HAWKINS: It is a large amount, yes.

30 **MS SHARP SC:** Well, to debit on a debit card?

MR HAWKINS: Yes.

MS SHARP SC: Didn't that cause you any concern?

35 **MR HAWKINS:** I - I don't think concern at the time. But I was - had discussed with Damian Quayle that - after we had received further information from Mr Power, that we needed to monitor carefully those withdrawals to make sure gaming activity was occurring.

40 **MS SHARP SC:** All right. Well, what we know from the documents that I've just shown to you this morning is that in the financial year 2015, Mr Lee had withdrawn at least \$23 million from using his CUP card at the casino. And then we know in the financial year 2016, that he withdrew a further \$47 million. Now, isn't this of enormous concern, that one patron is using their CUP card to debit this
45 amount of money at the casino?

MR HAWKINS: I accept they are significant amounts of funds and that we - we certainly needed to be ensuring that they were being used for gaming purposes.

MS SHARP SC: And you were well aware by this time, weren't you, that numerous concerns had been raised by staff members that Phillip Dong Fang Lee's level of play was not commensurate with the level of his CUP withdrawals?

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MR HAWKINS: I was aware of that, if I recall, after Mr Power had liaised with Mr Quayle, and it was clearer from my perspective that was the case then, yes.

MS SHARP SC: Well, that was in 2016, wasn't it?

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MR HAWKINS: Yes.

MS SHARP SC: Well, this is in 2017, isn't it?

15

MR HAWKINS: Yes.

MS SHARP SC: Well, wasn't the only appropriate step for you to take, as the managing director of the casino, to instruct that Mr Lee not be permitted to use his CUP card?

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MR HAWKINS: If I recall at the time, Damian Quayle had implemented measures to have a greater level of oversight of the relationship between his withdrawals and gaming play. So that - it wasn't a course of action I had taken to recommend he cease, and had accepted that Mr Quayle was focusing much more strongly in that area.

25

MS SHARP SC: But surely the level of risk is just too high by this time, isn't it, Mr Hawkins?

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MR HAWKINS: I think from my perspective, you know, I was aware what Mr Quayle was doing and was probably reliant on other areas within the business to - in conjunction with myself, but to guide me on levels of risk that would be --

MS SHARP SC: Well, surely you, as the managing director, were capable of making a decision for yourself about the level of risk that the casino would tolerate?

35

MR HAWKINS: Yes, I - I accept that. And I accept that I was reliant on others at that time to - to guide me, and I didn't take that action.

40

MS SHARP SC: Well, this was seriously remiss of you, wasn't it?

MR HAWKINS: I - I accept that I was perhaps too reliant on other areas within the business to guide on the level of risk and other courses of action that could be taken.

45

MS SHARP SC: Is it the case that you just didn't care how much money he was withdrawing as long as the casino got its turnover?

MR HAWKINS: No, that's not the case.

MS SHARP SC: Are you sure about that?

5

MR HAWKINS: Yes.

MS SHARP SC: Now, Mr Lee told us that from time to time he would be permitted to swipe his CUP card while he was sitting at the gaming table. Was that appropriate?

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MR HAWKINS: No, that's not appropriate.

MS SHARP SC: And why was that?

15

MR HAWKINS: Because I understand the procedure at the time was that any swipe would occur in a designated location in the hotel. And that involved an appropriate assessment of the individual who was swiping and the name correlation to ensure we knew who was occurring. So that would surprise me if that was happening.

20

MR BELL SC: Ms Sharp, I think to be precise, my recollection of Mr Lee's evidence was that he said that he stayed at the gaming table and gave his card to a Star employee who took it away and swiped it on his behalf. If that was Mr Lee's evidence, that would also be quite inappropriate, would it not, Mr Hawkins?

25

MR HAWKINS: Yes. It would be a contravention of what was established at the time, and I wouldn't expect we should have expected that to occur.

MS SHARP SC: And it would be a significant breakdown in The Star's controls, wouldn't it?

30

MR HAWKINS: Yes.

MS SHARP SC: And it's right, isn't it, that Mr Dong Fang Lee was permitted to use his CUP card all the way up until early 2020, isn't it?

35

MR HAWKINS: I'm unsure of the exact date, but I accept that.

MS SHARP SC: Did you ever have any consideration whatsoever to what Mr Dong Fang Lee's source of funds was?

40

MR HAWKINS: I recall - excuse me. I recall having some discussions with the team about that, yes.

45

MS SHARP SC: And who was that (indistinct) discussions take place?

MR HAWKINS: It may have been a manager in our premium local area, perhaps Mr Monaghan, and he was - I think I made the inquiry just to understand what we had on record.

5 **MS SHARP SC:** And when did you make that inquiry?

MR HAWKINS: It would have been in the last 24 months. It - it wasn't around this earlier date.

10 **MS SHARP SC:** Well, he was excluded from the casino in July of 2020, wasn't he?

MR HAWKINS: I think that was the date. So it was at some stage within 24 months prior to that date, if I recall.

15

MS SHARP SC: So your source of funds inquiry is many years after the 27 January 2017 email I've just shown to you?

MR HAWKINS: I - I think it - it was definitely after that date, yes.

20

MS SHARP SC: Now, Mr Lee also gave evidence that he was encouraged by people at The Star to open a bank account in Singapore with United Overseas Bank. Were you aware of that?

25 **MR HAWKINS:** No, I wasn't.

MS SHARP SC: Based on your long history in the casino industry, including your role as managing director at Sydney, why do you think that staff members encouraged him to open a bank account at Singapore with United Overseas Bank?

30

MR HAWKINS: I could only assume it was to assist him with accessing funds. That would be my general response.

MR BELL SC: How would it assist him with accessing funds, Mr Hawkins?

35

MR HAWKINS: I - I'm not exactly clear, but I would only assume that it was offered for that purpose, for him to be able to move funds to another account that would assist him. I'm just not that close to the initiative. I apologise.

40 **MS SHARP SC:** Can I take you to your second statement, please.

MR BELL SC: Sorry, Ms Sharp, just before we leave this email. Mr Hawkins, you will see in the second line, Mr Quayle refers to "rated play". It's an expression that I've seen quite a lot. I wonder if you could give me a layman's summary of what "rated play" means?

45

MR HAWKINS: Rated play --

MR BELL SC: Just generally.

MR HAWKINS: Yes.

5 **MR BELL SC:** I'm not talking specifically about Mr Lee, but just in general.

MR HAWKINS: Rated play is the play that he generated as part of a program. So the - the rating of that is occurring for the purpose of either calculation of a - of a rebate or some type of complimentary that would be provided to the customer. So
10 it's - it's data that would be in our system.

MR BELL SC: And how do you collect that data?

MR HAWKINS: It would either be based on, you know, the tracking of his play
15 through the use of the chips - or the rebate chips that he was using. Or if he's a local customer, which he was, it would be based on the activation of his play at a table. And there's effectively an algorithm or formulas built into that table which assess his average bet and his time at the table, which then is converted into a turnover number.
20

MR BELL SC: Yes. Thank you, Mr Hawkins.

MS SHARP SC: Have you got your second statement handy?

25 **MR HAWKINS:** Yes, I do.

MS SHARP SC: Could I take you to - just pardon me and I'll find your second statement. I withdraw that question. Were you made aware by either Mr Theodore or Ms Martin, Mr Power or Mr White in 2015 to 2016 of any concern that NAB
30 was not aware of the fact that CUP cards were being used to purchase gaming chips?

MR HAWKINS: No.

35 **MS SHARP SC:** Can I take you to exhibit B at tab 259, which is STA.3006.0003.0339. Can I draw your attention, please - it's not your email, but I want to see if you were made aware of this. Do you see at the bottom of this document, there's an email from Andrew Bowen at NAB to Mr Theodore dated 30 March 2017?
40

MR HAWKINS: Can I please have it enlarged?

MS SHARP SC: Yes, I will have that enlarged. And then, operator, could you also show Mr Hawkins at the same time the rest of the second page of that email.
45 And do you see Mr Bowen from NAB says:

"I have been asked to forward the following to remind Star Entertainment Group of China UnionPay terms and conditions. As Star Entertainment

Group's acquiring bank, NAB are committed to protecting our customer's reputation. NAB would like to ensure that all transactions through Star Entertainment Group's merchant facilities restrict gambling."

5 Then a little bit more:

"Thereby we must ensure that no proceeds or deposits for gambling are placed through this terminal. Please ensure strict controls are in place to avoid any gambling credits being placed through the terminals."

10

Now, first of all, do you agree with me that NAB is clearly directing here that the merchant terminal at Astral not be used to swipe a CUP to purchase gambling chips?

15 **MR HAWKINS:** Yes, he - he is making it clear that no proceeds or deposits for gambling are placed through that terminal.

MS SHARP SC: And at this point in time, you are the managing director of Star Sydney, and you have responsibilities for the casino as well as Astral Hotel, and you are aware that the China UnionPay card is being used to fund the purchase of gaming chips. Were you made aware by Mr Theodore of this email?

20

MR HAWKINS: No, I wasn't.

25 **MS SHARP SC:** Do you agree that you ought to have been made aware of this email by Mr Theodore at the time?

MR HAWKINS: Myself, probably should have. It's - the relationship with the bank was established and - and sat within our corporate finance area that I wasn't a part of. So I assume it was just - this information was contained within that direct banking relationship.

30

MS SHARP SC: Well, you were the person who had the power to direct that the CUP card not be used in this manner, weren't you?

35

MR HAWKINS: I would have been one of those people, yes.

MS SHARP SC: Well, don't you agree it should have been made known to you?

40 **MR HAWKINS:** Look, I accept that, you know, it's relevant information, absolutely, to the use of the card and how I would have formed a view on it.

MS SHARP SC: Would you tell the board that this should have been made known to you?

45

MR HAWKINS: Sorry. Can you repeat that question?

MS SHARP SC: If the board of your organisation asked you, would you tell them that Mr Theodore should have made this email known to you?

5 **MR HAWKINS:** I expect the board would have expected that this information was made more broadly available.

MS SHARP SC: To you?

10 **MR HAWKINS:** Yes.

MR BELL SC: And that's because, Mr Hawkins, do you agree, that NAB are making it clear this is not just a banking issue; they're calling out that this is a reputation issue as well, aren't they?

15 **MR HAWKINS:** Yes.

MR BELL SC: Yes, Ms Sharp.

20 **MS SHARP SC:** Can I take you, please, to exhibit B at tab 287. This is STA.3401.0001.4063. Do you see that this is an email from Mr White to a number of people, and you're copied?

MR HAWKINS: I have to have it enlarged, please.

25 **MS SHARP:** And first of all, can I just show you up the top. It's called:

"CUP recent developments, new limits, processing and documentation."

30 Is it most likely you would have read this at about the time you were copied into it?

MR HAWKINS: Yes.

35 **MS SHARP SC:** Now, there in the first paragraph, Mr White says:

"The use of China UnionPay direct debit cards at our properties is a sensitive issue, particularly as China UnionPay cards are not to be used directly for acquiring gaming chips."

40 Now, that didn't come as any surprise to you at the time, did it?

MR HAWKINS: No, I don't think it would have.

45 **MS SHARP SC:** So you appreciated at that time that the use of the China UnionPay card was a sensitive issue at The Star?

MR HAWKINS: Yes.

MS SHARP SC: And you appreciated at the time that the cards were not to be used directly to acquire gaming chips?

5 **MR HAWKINS:** Yes. I'm quite sure that was my understanding, yes.

MS SHARP SC: And the reason you had that understanding was because you were aware that UnionPay International prohibited China UnionPay cards being used to purchase gaming chips?

10 **MR HAWKINS:** No, I wasn't aware of the UnionPay International rules.

MS SHARP SC: But you were aware there was some rule prohibiting CUP cards being used to purchase gaming chips?

15 **MR HAWKINS:** Well, I - I had an understanding that that couldn't occur, yes.

MS SHARP SC: And do you see in the next paragraph, Mr White says that The Star has been given queries or requests for detailed documentation in relation to four transactions occurring in March?

20 **MR HAWKINS:** Sorry, is that - I'm just trying to locate that.

MS SHARP SC: Yes. I will just read it out to you. It says:

25 "The potential for issues has been highlighted over the last three working days with requests for detailed documentation on CUP transactions from China UnionPay (via NAB) in relation to four large transactions."

MR HAWKINS: Yes, I see that.

30 **MS SHARP SC:** And we may take it that you understood from this email that these queries were being made to The Star at that time?

MR HAWKINS: Yes.

35 **MS SHARP SC:** And do you see the email goes on to say:

40 "The details in the information provided can be extremely sensitive, particularly where the relevant documentation does not support the charge as a credit to the relevant patron's hotel room, which is the basis for the relevant transaction."

MR HAWKINS: Yes, I see that.

45 **MS SHARP SC:** Now, you were well aware by this time, weren't you, that sham documentation was being created to support these CUP swipes at the hotel terminal; correct?

MR HAWKINS: Yes, I would have been aware that that process was in place.

5 **MS SHARP SC:** And there you see that Mr White requests everybody to ensure that the limit for a CUP swipe is reduced to \$100,000, with a maximum of five swipes per day?

MR HAWKINS: Yes.

10 **MS SHARP SC:** So is it correct that you took no steps at this time to call into question the appropriateness of engaging in these kinds of transactions at all?

MR HAWKINS: That's correct.

15 **MS SHARP SC:** And that is so notwithstanding you were aware at this time that China UnionPay, via NAB, was querying the true purpose of these CUP transactions?

20 **MR HAWKINS:** I - I was aware, based on this email, that they had requested more information. My understanding was it was - it was a sensitive issue, and it was related to the - the scale of transactions.

25 **MS SHARP SC:** Did it occur to you by this point in time, that is, May 2017, that it was, in fact, entirely inappropriate to be permitting patrons to swipe their CUP cards at the hotel and making funds available to them to purchase gaming chips?

MR HAWKINS: No, it didn't occur to me. It was a practice that was established, had been ongoing for some time and my recollection was it was something that existed across the sector. But at the time, no.

30 **MS SHARP SC:** Was it a substantial lapse of judgment on your part not to have that matter occur to you at the time?

35 **MR HAWKINS:** I - I accept that in hindsight, you know, we should have focused on it more, yes. But I was privy to aspects of information that - but I accept what you're saying.

40 **MS SHARP SC:** Because it's right, isn't it, that by this point in time, whilst all of those members of senior management copied into this email was aware of this practice, nobody called it out?

MR HAWKINS: That's correct.

45 **MS SHARP SC:** Can I now go back to your first statement please, Mr Hawkins. And I will take you to paragraph 143, if I may. Now, you say at paragraph 143 - if I can have that enlarged, please, operator - that:

"During the time in which CUP was in use at The Star, I did not turn my mind to whether CUP generally gave rise to a money laundering risk."

Isn't that an extraordinary lapse of judgment on your part, given that you were the managing director of Star Sydney?

5 **MR HAWKINS:** Well, as I said, it was a practice that had been established for some time. And, you know, as I've said there, I had made the assumption that it was captured within our program.

10 **MS SHARP SC:** But did you at any point turn your mind to the fact that casinos are, of their nature, vulnerable to money laundering, and part of your obligation as the managing director of The Star in Sydney was to take all appropriate steps to minimise the risk of money laundering occurring at the casino?

15 **MR HAWKINS:** I accept that that's an obligation that - that I have, and a responsibility. But in this circumstance, I had made the assumption that it was captured in the AML/CTF program and was reliant on others to guide me on that. But I - you know, I accept I could have done more.

20 **MS SHARP SC:** Well, to say that during the time the CUP card was in use, you did not turn your mind to whether the CUP card generally gave rise to a money laundering risk, is, given the position you held and the responsibilities that attended that position, an extraordinary lapse of judgment on your part?

25 **MR HAWKINS:** I was relying on other established areas within the group to guide me specifically on matters with regards to that. So – (indistinct).

MS SHARP SC: Do you accept it was an extraordinary lapse of judgment on your part or not?

30 **MR HAWKINS:** Look, within the context of the responsibilities I have, I perhaps could have done more. But I don't think it's unreasonable to rely on established other entities within the organisation to provide me with guidance as well.

35 **MS SHARP SC:** Well, I'll suggest it to you clearly and you tell me yes or no. Was this an extraordinary lapse of judgment on your part or not?

MR HAWKINS: I don't think necessarily think it was an extraordinary lapse of judgment based on my reliance on others to guide me in that role.

40 **MS SHARP SC:** Wasn't one of the very big problems of this process that it completely obscured the nature of the transaction?

45 **MR HAWKINS:** My understanding is that the transaction was processed. There was relevant knowledge of the customer that was transacting at the time that was - that occurred. So --

MS SHARP SC: Well, let me approach it this way: anyone viewing the patron's bank account statement would have no idea that the funds had, in fact, been applied to purchase gaming chips, would they?

5 **MR HAWKINS:** I accept that, yes.

MS SHARP SC: And the bank would have no idea, when it was looking at the bank account statement, that the funds had, in fact, been used to purchase gaming chips?

10

MR HAWKINS: That's correct.

MS SHARP SC: Law enforcement officials would have no idea that the card had, in fact, been used to fund gaming chips, would they?

15

MR HAWKINS: I think we had reporting obligations that existed with regards to the use of the funds. And certainly if there was any law enforcement who made requests in this space, I'm very confident that was followed up and the relevant information was provided.

20

MS SHARP SC: And to the best of your knowledge, no checks were conducted on patrons making these CUP debits in relation to their source of funds?

25 **MR HAWKINS:** I - I would have to clarify that with the AML team, but I would expect that relevant information for customers would have been obtained.

MS SHARP SC: Well, you just have no idea whether or not that's the case, sitting here today, do you?

30 **MR HAWKINS:** I - I know that, you know, more recently we've enhanced procedures to ensure source of funds are clarified. But at this time, I'm - I'm unclear.

35 **MS SHARP SC:** And it's right, isn't it, that no threshold transaction occurred to - sorry, no threshold transaction reports were lodged to AUSTRAC in respect of these debits because they weren't cash transactions; correct?

40 **MR HAWKINS:** I - I would expect if there were any resulting cash transactions, they would have been reported.

MS SHARP SC: And it's right, isn't it, that no international funds transfer instructions were lodged in respect of these swipes of the CUP card at Star, were they?

45 **MR HAWKINS:** That's my understanding.

MS SHARP SC: So, in fact, the CUP card debit scheme established at the hotel in Sydney stood very much outside the AUSTRAC reporting regime, didn't it?

MS RICHARDSON SC: I object to that question.

5 **MS SHARP SC:** I withdraw it. Can I take you, please, to paragraph 142? There you say:

10 "Although I was generally aware that there were restrictions on Chinese patrons taking money out of China, I did not consider whether the arrangement enabled patrons from mainland China to avoid Chinese laws restricting capital flight from China."

Is that your serious evidence?

15 **MR HAWKINS:** Yes.

MS SHARP SC: Are you seriously telling this review that you did not consider whether this arrangement enabled patrons from mainland China to avoid Chinese laws restricting capital flight from China?

20 **MR HAWKINS:** At the time this was occurring, it - it wasn't something that I was applying to this process. That's right.

25 **MS SHARP SC:** Well, surely with all of your many years of experience in the casino industry, both here and in Macau, this was very much at the front of your mind in relation to the use of CUP cards?

30 **MR HAWKINS:** I - I've always found the directions on capital flight have varied quite a bit over time and I think can be unclear. And I've also been advised that disclosures could be made by various customers to enable them to access funds as well. But it wasn't necessarily front of mind for me at the time.

MS SHARP SC: Well, wasn't the very point of these CUP cards at The Star to assist patrons in moving their funds out of mainland China?

35 **MR HAWKINS:** Yes. It was to enable them to access funds - their funds, yes.

MS SHARP SC: This can't seriously be your evidence, is it - or your truthful evidence?

40 **MR HAWKINS:** At the time I was aware we had the CUP process, it was an established process. I wasn't - my understanding at the time was that, you know, we had reviewed it internally and effectively approved it. And I hadn't turned my mind to the relevant Chinese guideline at the time.

45 **MS SHARP SC:** Well, I suggest that it is completely incorrect of you to say, as you do, at paragraph 142:

"I did not consider whether the arrangement enabled patrons from mainland China to avoid Chinese laws restricting capital flight from China."

5 **MR HAWKINS:** At the time, with regards to its use, I hadn't turned my mind that to.

MS SHARP SC: And I suggest your answer now is not truthful.

10 **MR HAWKINS:** I disagree.

MS SHARP SC: Now --

15 **MR BELL SC:** If I were to accept your evidence at paragraph 142, do you agree that that's something you ought to have considered at the time?

20 **MR HAWKINS:** I - I accept there's relevance of that, Mr Bell. My point before was the directions on funds out of mainland China I have always found have been very opaque. I - I don't profess to understand it clearly. And even in the time I was in Macau, these were never direct - or clear - in my view, clear directions. So I was generally aware that there was a focus in this space, but beyond that I found that it changed quite regularly.

25 **MR BELL SC:** But you do you accept, do you, that it's something you should have turned your mind to and considered at the time?

MR HAWKINS: I accept that.

MR BELL SC: Yes, Ms Sharp.

30 **MS SHARP SC:** Now, could I take you to paragraph 146 of your statement. I will have that enlarged for you. You say:

"I was aware on a general level that bank queries had been received from time to time about the use of CUP."

35

Now, can I take that down, please, operator. When did you become aware at a general level that bank queries had been received about the use of CUP?

40 **MR HAWKINS:** I think there was the correspondence that Mr White had sent. And I recall there was another meeting that Mr Barton had initiated a number of years ago to discuss the use of the card, but I don't recall the specific date of that.

MS SHARP SC: Was that at a time when Mr Barton was the CEO - sorry, CFO?

45 **MR HAWKINS:** That's correct.

MS SHARP SC: And tell us what he told you at that meeting - or what anybody told you at that meeting?

MR HAWKINS: I don't recall it in detail, but it was just to - just to - I think to reinforce, you know, the use of the card and, you know, the scale and frequency of the transactions which - which may have been changed at that point. But it was quite a few years ago. I don't remember it specifically.

MS SHARP SC: Well, what did he say about bank queries and what the bank knew - or what did anyone at that meeting say about it?

MR HAWKINS: I only recall generally that, you know, there was a reference to queries. That's all. There was nothing specifically that I recall mentioned.

MS SHARP SC: You were aware, were you, that from time to time NAB was making queries of The Star about the purpose for which funds were being debited on the CUP cards?

MR HAWKINS: I think that reference to Mr White's email that there was a general inquiry, yes.

MS SHARP SC: And that was in 2017?

MR HAWKINS: Yes.

MS SHARP SC: And were you aware that The Star was providing answers to NAB's request?

MR HAWKINS: No.

MS SHARP SC: Were you aware that NAB was continuing to make inquiries in 2019 about the purpose of the CUP transactions?

MR HAWKINS: Not at any level of detail.

MS SHARP SC: Well, what level of detail were you aware of this at?

MR HAWKINS: Well, I think there was guidance from finance to change again the frequency and/or scale of transaction around that time.

MS SHARP SC: Well, is it the position that when Star received inquiries from NAB about the use to which the debits were applied, The Star's reaction was to drop the limit?

MR HAWKINS: I - I think that had occurred, yes.

MS SHARP SC: All right. And you were consulted about dropping the limit, weren't you?

MR HAWKINS: I was directed about it, yes.

MS SHARP SC: Well, you were consulted about whether to drop the limit, weren't you?

5 **MR HAWKINS:** I wouldn't say I was consulted, no.

MS SHARP SC: And why was the limit being dropped, to the best of your understanding?

10 **MR HAWKINS:** I would have thought to reduce the overall scale of transaction activity which may be more acceptable.

MS SHARP SC: And why was there a question of acceptability at this time?

15 **MR HAWKINS:** I'm assuming because of those inquiries or about the use of the card that were being managed.

MS SHARP SC: Did you know at the time that The Star was providing answers to NAB that were not accurate?

20

MR HAWKINS: No.

MS SHARP SC: When do you say you first became aware of that?

25 **MR HAWKINS:** As - my knowledge of that was really related to - I'm trying to recall - I think as part of this inquiry.

MS SHARP SC: Can I take you to STA.3008.0009.0002. Now, I'm taking you to an email exchange that you had with Harry Theodore, Matt Bekier and Paula Martin. Do you see you are being consulted there about whether to drop the limit for CUP transactions because of NAB queries?

30

MR HAWKINS: Could I please have it enlarged?

35 **MS SHARP SC:** Yes. It's a 6 November 2019 email. It's exhibit B tab 1817.

MR HAWKINS: Okay.

40 **MS SHARP SC:** You don't seem to express any surprise that NAB are making transaction inquiries?

MR HAWKINS: I think I was accepting - I - I just need to be able to read the second half of the email, please.

45 **MS SHARP SC:** Well, I'll take you to that. Do you see - if we can have it enlarged - Mr Theodore writes:

5 "We have been getting more requests for details 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. Generally the pattern of requests are on larger transactions. 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."

10 **MR HAWKINS:** Yes.

MS SHARP SC: And then it later says:

15 "When we last got focused questions we reduced our limits and it seemed to assist."

And do you see right at the end, it says:

20 "I think it is prudent we do this in the short term. We can monitor it and review whether we want to shift it (or whether we want to make exceptions for any specific customers). I will work with Greg on best managing this."

MR HAWKINS: Yes.

25 **MS SHARP SC:** And is it right that he did work with you on how to manage it?

MR HAWKINS: As I recall, coming out of that was a direction to change the volumes or the - the limits. I think his reference was working with me to ensure there was awareness of it.

30 **MS SHARP SC:** Well, did he work with you in 2017 when The Star dropped its limit to five swipes at a maximum of 100,000 each per day?

35 **MR HAWKINS:** No, I wouldn't describe that as working with me. I think they were directions coming from finance.

MS SHARP SC: You were being kept generally up to date by Mr Theodore about developments with the CUP process and the inquiries by NAB, weren't you?

40 **MR HAWKINS:** Not regularly on - this is an example - quite a high level, but --

MS SHARP SC: Well, you're not expressing any surprise about the transactions queries, are you, in your reply?

45 **MR HAWKINS:** Sorry. Can I just review my reply, please?

MS SHARP SC: In fact, you say:

"Understand Harry."

MR BELL SC: Operator, can we scroll up the page so Mr Hawkins can see the email that he sent, please.

5 **MR HAWKINS:** I - I don't think that would be expressing surprise, but - I accept that.

MS SHARP SC: And were you aware that at this time, The Star was providing answers to NAB about its inquiries that were not accurate?

10

MR HAWKINS: No, I wasn't.

MS SHARP SC: Can I take you to exhibit B1806 - I withdraw that. I've taken you to that already. Can I take you to --?

15

MR BELL SC: Ms Sharp, would this be a convenient time to take the morning adjournment?

MS SHARP SC: Yes, Mr Bell.

20

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

<THE HEARING ADJOURNED AT 11:30 AM

25 **<THE HEARING RESUMED AT 11:48 AM**

MR BELL SC: Yes, Ms Sharp.

30 **MS SHARP SC:** Mr Bell, could I take this opportunity to tender some more documents. You should have before you a list which is entitled Part H. It comprises 638 tabulated documents. I tender that list as exhibit H.

MR BELL SC: Those documents will be H1 to H638.

35 **MS SHARP SC:** Mr Hawkins, I want to take you to a document. I'm not suggesting that you are a party to this document, but I'd like to know whether you were made aware of it. It's STA.3002.0010.0096. I will just read out the number again: STA.3002.0010.0096. Now, I will have this enlarged for you so you can see it. What I'm showing you is a response sent by an employee of The Star in relation to an NAB request about the purpose of the CUP transactions. And the response, which this time is dated 19 June 2019, is that:

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

And you can take it from me that an invoice with the hotel letterhead on it was included. Were you at any time made aware that this response was made on a number of occasions to NAB queries about the purpose of CUP transactions?

5 **MR HAWKINS:** No, I wasn't.

MS SHARP SC: But do you agree that this response is quite misleading?

MR HAWKINS: With regard to --

10

MS SHARP SC: What the purpose of the transaction was.

MR HAWKINS: Yes.

15 **MS SHARP SC:** But you say that you were never made aware that these kinds of responses were periodically given to the NAB in relation to its queries?

MR HAWKINS: No, I wasn't.

20 **MS SHARP SC:** Can I show you another document, please, STA.3002.0010.0389. Now, just to put this in its context, by this time, you had received the email from Mr Theodore on 5 November 2019 advising that the NAB was querying CUP transactions. Now, what I'm showing you is an email from Ms Dudek to NAB dated 16 December 2019. And what I'll ask is for you to read
25 that to yourself. So I will need to have it enlarged for you and then scrolled down. This ends at about the bottom of this page.

MR HAWKINS: If that could scroll down, please.

30 **MS SHARP SC:** And, Mr Bell, this is exhibit B2069.

MR HAWKINS: Okay. Scroll down, please. Okay. I've read that.

35 **MS SHARP SC:** Were you made aware at the time that this response had been provided to NAB?

MR HAWKINS: No.

40 **MS SHARP SC:** Do you agree that this response, in relation to the query of what the CUP cards were being used for, was utterly misleading?

MR HAWKINS: For the majority of use of the funds, yes.

45 **MS SHARP SC:** Now, you can take it from me that Paula Martin was aware that this response would be sent; Oliver White was aware that this response would be sent; Harry Theodore was aware that this response would be sent; and Sarah Scopel was aware this response would be sent. Does it surprise you that you were not aware that this response was sent?

5 **MR HAWKINS:** Look, not necessarily. I mean, as I've said, the - the banking communication and relationships were managed by the corporate entity. And I would, you know, not be advised of those communications typically. So I'm not completely surprised.

10 **MS SHARP SC:** Now, you were made aware, weren't you, that a warning letter was sent from UnionPay to NAB about the use of these cards at The Star in March of 2020?

MR HAWKINS: I don't recall that.

15 **MS SHARP SC:** Can I take you, please, to exhibit - actually, I don't know the exhibit number. I will take you to STA.3401.0001.2816. Now, I will show you - there are two emails here. This is exhibit B2258. If I could start with the email towards the bottom of the page. This is a 4 March 2020 email to you. Now, you agree you were sent this at the time?

20 **MR HAWKINS:** Yes.

MS SHARP SC: So you were kept in the loop about the fact that The Star was switching off these transactions?

25 **MR HAWKINS:** Yes.

MS SHARP SC: And, in fact, what was happening here was that Mr Theodore was sending you a draft of the messaging that was to go out to the rest of the team at Star; do you agree? And you might need to look at the top of the message.

30 **MR HAWKINS:** I - I agree that was what he was doing, yes.

MS SHARP SC: All right. And you were consulted with about what that messaging should be, weren't you?

35 **MR HAWKINS:** Sorry. Can I just read the main email again, please? He does say, yes, "If you are comfortable with the content." Yes.

MS SHARP SC: And do you see at the top, he says:

40 "I will circulate to the team tomorrow unless other input is suggested by Greg."

Now, do you agree that you were consulted with about switching off the CUP card at The Star?

45

MR HAWKINS: No.

MS SHARP SC: Well, isn't this letter part of that consultation, Mr Hawkins?

MR HAWKINS: Well, he's - he's told me, "We have agreed to switch off the terminals." And then he's sent a draft of a proposed communication piece. So --

5 **MS SHARP SC:** Well, the reason why he's sending a draft to you is to seek your comment on that draft; that's right, isn't it?

MR HAWKINS: I - I thought you were asking was he consulting me on switching the terminals off.

10

MS SHARP SC: Yes. He's consulting you in relation to how to tell the team about it?

MR HAWKINS: That's right, yes.

15

MS SHARP SC: And he's also consulting you in relation to when it's going to be switched off, isn't he?

MR HAWKINS: Yes. Yes.

20

MS SHARP SC: So you were kept in the loop to this extent, weren't you?

MR HAWKINS: Yes.

25 **MS SHARP SC:** And, in fact, isn't it right that you asked for a little delay in when it was switched off - when it would be switched off?

MR HAWKINS: I think that may have been the case, yes.

30 **MS SHARP SC:** Well, could I take you to STA.3401.0001.2819. Now, can I direct your attention to the middle of the page, an email from you dated 4 March 2020 at 6.24 pm. And what you say is:

35 "Is it an option to have it effective from Monday 9 so we can have a little bit more time to plan specific customer comms and take action with relevant in-house guests?"

MR HAWKINS: Yes, I see that.

40 **MS SHARP SC:** Well, the reality is that you were kept closely informed of developments with the CUP process at The Star, isn't it?

MR HAWKINS: Harry had kept me updated. I'm aware of some changes to frequency and scale of transaction, yes. And Harry had guided that we were switching it off. And, yes, I had requested could we have a bit more time to manage the implications of that.

45

MS SHARP SC: And that's because you understood that the China UnionPay card was an important payment channel for your premium players, wasn't it - or high-value players?

5 **MR HAWKINS:** Yes, it would have been to, yes, be able to make any relevant communication with users or if there was, as I've referred to, anyone else who was staying in-house to advise them of the cessation as well.

10 **MS SHARP SC:** Now, Mr Hawkins, have you been entirely frank in your statement to this review and in your oral evidence about the level of your involvement in the CUP process at The Star?

MR HAWKINS: I believe I have.

15 **MS SHARP SC:** Is it the case that you have been understating the level of your involvement in that process?

MR HAWKINS: I don't think so.

20 **MS SHARP SC:** And do you regard your own conduct in relation to the CUP process as being entirely ethical?

25 **MR HAWKINS:** I accept that we had evolved a mechanism to - as a workaround and, as I said, my understanding was that that was endorsed internally. But I accept it was questionable practice.

MS SHARP SC: And tell me, that questionable practice that you were involved in, is that conduct becoming of a close associate of the casino operator?

30 **MR HAWKINS:** I think on reflection, you know, with what I knew at the time, I perhaps should have considered it more.

35 **MS SHARP SC:** Can I take you now, please, to paragraph 48 of your first statement. And just to give you the context, if we scroll up a little bit to question 10, what you were asked to do was identify the 15 largest junkets by turnover per year at The Star during the relevant period. You recall putting this part of your statement together?

40 **MR HAWKINS:** Yes.

MS SHARP SC: And now if we go to the table you've got there, that is, the top 15 junkets by turnover, that first junket you have identified is the Minmin Shen junket?

45 **MR HAWKINS:** Yes.

MS SHARP SC: And it is Sixin Qin who's the funder - I might get you to assist me pronounce that correctly.

MR HAWKINS: Yes. Mr Qin, yes.

MS SHARP SC: How do you - you pronounce it Mr Qin?

5

MR HAWKINS: Qin is, yes, what I would describe it.

MS SHARP SC: And how do you pronounce Mr Qin's first name?

10

MR HAWKINS: Sixin.

MS SHARP SC: Sixin?

MR HAWKINS: That's my understanding, yes.

15

MS SHARP SC: So at all times while the Shen junket operated at The Star in Sydney, you understood that Mr Qin was the junket funder of that junket?

20

MR HAWKINS: It wouldn't have been a focus of mine prior to taking over the international rebate sales business.

MS SHARP SC: All right. And to be clear, you took over the international rebate sales business in April of 2018?

25

MR HAWKINS: That's right.

MS SHARP SC: So do you understand, from that time, that Mr Qin was the funder of the Shen junket?

30

MR HAWKINS: I would have been aware of it. It - it wasn't a matter that I focused on too much, but I - I would have been probably aware of it.

35

MS SHARP SC: Well, of course you would have focused on who the funder of the junket was if you had overall responsibility for the international rebate business?

MR HAWKINS: I - I relied on the credit and collections team as well, but - to oversee some of these areas, but - so as I said, I would have had the --

40

MS SHARP SC: Well, of course you had knowledge that Mr Qin was the funder of this junket if you were the head of the international rebate business and this was one of the largest junkets The Star dealt with.

45

MR HAWKINS: I accept that I know of his name, but - and I accept that he was the funder of the junket.

MS SHARP SC: Right. Are you trying to minimise your level of involvement in the international rebate business here?

MR HAWKINS: No, I'm not.

5 **MS SHARP SC:** Now, can I take you to the second table in your statement, which appears at page 11.

MR HAWKINS: Yes.

10 **MS SHARP SC:** Now, were you aware - if you look at the entry for the Song Junket, which is the fourth one down. Were you aware that Xiangmo Huang was the funder of that junket?

MR HAWKINS: Sorry, I've just got to --

15 **MR BELL SC:** This table identifies Mr Huang as the promoter of the junket, Ms Sharp, I think.

MS SHARP SC: Yes. I'm asking a slightly different question.

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

MR HAWKINS: I don't think I was aware of that at the time, Ms Sharp.

25 **MS SHARP SC:** Is it your evidence that you were not aware at any time that you were - or any time you've been employed by Star that Xiangmo Huang was the funder of a junket operating at The Star?

30 **MR HAWKINS:** I recall that he was a junket participant and - do I recall if he was a specific funder? No, I don't, as I sit here. But I - I accept that.

MS SHARP SC: And (indistinct) if I take you a little bit further down, you see there's a reference to the Qiyun Zhou junket. And, operator, I will need you to show the right part of that page. This is the - yes. Did you know Tom Zhou was associated with that junket?

35 **MR HAWKINS:** That was in 2017; is that right?

MS SHARP SC: Well, I'm not restricting it to time. Are you aware that Tom Zhou was associated with that junket?

40 **MR HAWKINS:** The - Qiyun Zhou - I - I've certainly heard of the name Tom Zhou and accept that he was associated with that junket, yes.

MS SHARP SC: And how was he associated with that junket?

45 **MR HAWKINS:** I - I've heard of his name. I'm not sure what part he played in the junket.

MS SHARP SC: Have you met Tom Zhou?

MR HAWKINS: Not that I recall.

5 **MS SHARP SC:** Have you met - sorry for my pronunciation. Have you met Qiyun Zhou?

MR HAWKINS: No, not that I recall.

10 **MS SHARP SC:** He's a junket operator associated with the Chinatown junket, isn't he?

MR HAWKINS: I remember Tom Zhou is associated with the Chinatown junket, yes.

15

MS SHARP SC: All right. And you know that Qiyun Zhou is also associated with the Chinatown junket?

MR HAWKINS: I accept that. I'm not that close to that junket.

20

MS SHARP SC: And the junket underneath it, the Yulan Pan junket, there the promoter is listed as Zhaoyuan Pan. That's a reference to Simon Pan, isn't it?

25 **MR HAWKINS:** I'm trying to recall if that was a reference to Simon Pan or another Pan that was associated with that junket.

MS SHARP SC: So you're not sure now?

30 **MR HAWKINS:** I - I recall reading that that person's sister was potentially the - associated with the junket, and Simon Pan was a player. But I'm not 100 per cent sure of that.

35 **MS SHARP SC:** Now, can I take you, please, to paragraph 53 of your first statement. And what you do there is start to describe the due diligence process for junkets at The Star during the relevant period?

MR HAWKINS: Yes.

40 **MS SHARP SC:** And you say that that due diligence process was informed by the four documents you itemise there?

MR HAWKINS: Yes.

45 **MS SHARP SC:** Now, it's right, isn't it, that it's really only the rebate play standard operating procedure that has anything to say about the due diligence process for junkets?

MR HAWKINS: My understanding is that SOP captures the application process, yes.

5 **MS SHARP SC:** And you identify, at paragraph 54, that the rebate play standard operating procedure has changed during the relevant period from version 1 through to version 7?

MR HAWKINS: Yes.

10 **MS SHARP SC:** And you there describe - or thereafter, from paragraph 55, describe aspects of the due diligence procedure based upon version 6 of the rebate play standard operating procedure?

MR HAWKINS: Yes.

15 **MS SHARP SC:** And if I can just take you to your statement at paragraph 55(b) - sorry, I withdraw that. 55(a). You refer to task 6 being in relation to assessing eligibility for rebate play. That task is directed to the junket participant, isn't it, rather than the junket promoter?

20 **MR HAWKINS:** Yes. For international rebate players, yes.

MS SHARP SC: And it is paragraph - I withdraw that. It's task 8 that applies to junket promoter due diligence, which you describe at 55(b); is that right?

25 **MR HAWKINS:** Yes, that's the - the application and approval process.

MS SHARP SC: And just to be clear, not much changed in this process - or nothing of materiality changed in this process between version 1 and version 6 of the rebate SOP that you describe in your statement?

30

MR HAWKINS: I - I accept that.

35 **MS SHARP SC:** And so if we look at paragraph 55(b), the aspects of the due diligence process for the junket promoter were: (1) an application form to be completed; (2) a police clearance certificate to be obtained from the place of residence of the junket promoter; a Thomson Reuters World-Check to be conducted; a Google search to be conducted by the cage manager; an interview; and an email to the AML team to check if the junket promoter is on the sanction list.

40

MR HAWKINS: Yes.

45 **MS SHARP SC:** And that was all that was done in the relevant period by way of due diligence assessment of the junket promoter; is that right?

MR HAWKINS: Well, that would - that could require an output of provisional approval and then the information was sent to the investigations and AML/CTF team to review and formally grant full approval, I guess.

5 **MS SHARP SC:** Well, that's what I wanted to ask you about. Are you suggesting that the investigations team conducted an investigation with respect to each and every junket promoter application?

MR HAWKINS: Yes, I would expect that was happening.

10

MS SHARP SC: Well, is it the case that on some occasions, provisional approval was given and the application never proceeded to an investigation by the investigations team, or do you just not know?

15 **MR HAWKINS:** I would expect that this process was followed and that the investigations team did make a determination.

MS SHARP SC: Well, if the investigations manager, Mr Houlihan, did not give any evidence to the effect that an investigation was conducted with respect to every junket application, would that suggest to you it did not happen?

20

MR HAWKINS: Are you saying he said that didn't occur?

MS SHARP SC: Well, he hasn't made any mention of it occurring.

25

MR HAWKINS: Well, my expectation is that every application went through, and that's what the investigations and AML/CTF team did, to grant full approval.

MS SHARP SC: And are you saying that this happened during the entirety of the relevant period?

30

MR HAWKINS: Well, that's my understanding, as provided for in the relevant SOP.

35 **MS SHARP SC:** (Indistinct) I'm asking you about due diligence for junkets because you have been in charge of the international rebate business since April 2018. So is it the case that, generally, the only due diligence done is that you've articulated in paragraph 55(b), or is it the case that an investigation is always conducted?

40

MR HAWKINS: Yes, it's my --

MS SHARP SC: Or do you not know?

45 **MR HAWKINS:** It's my understanding that investigation - or a level of due diligence by that team occurs to provide full approval.

MS SHARP SC: And was full approval provided in every case, or was provisional approval sufficient? Or can't you answer?

5 **MR HAWKINS:** Well, my understanding is that - I'm not aware of any that weren't provided full approval.

MS SHARP SC: (Indistinct) do you know one way or the other whether some junkets only ever received provisional approval?

10 **MR HAWKINS:** I'm not 100 per cent clear on that.

MS SHARP SC: So you don't know?

15 **MR HAWKINS:** No. I have - I could form a view that if full approval wasn't granted, you know, the junket wouldn't proceed.

MS SHARP SC: Is that just your speculation?

20 **MR HAWKINS:** Yes.

MS SHARP SC: All right. So you don't actually know whether or not some junkets only ever obtained provisional approval?

25 **MR HAWKINS:** No, I'm not 100 per cent clear on that.

MR BELL SC: Mr Hawkins, can I just clarify something. At 55(b)(3) - 55(b)(iii) of your statement, having set out the requirements of the application in 55(b)(i), you say:

30 "If adverse information is found, the application will be forwarded to the investigations department."

Do you see that?

35 **MR HAWKINS:** I see that, yes.

MR BELL SC: Are you telling counsel assisting that, in fact, your understanding is that every application is forwarded to the investigations department whether or not adverse information is found?
40

MR HAWKINS: Yes, that's my understanding.

MR BELL SC: So 55(b)(iii) is incorrect, is it?

45 **MR HAWKINS:** I think that's referring to if - if any immediate adverse information is found under 55(b), number 3, which is that immediate check which is conducted by the cage. But my understanding is that certainly every application is sent to the investigations department for final and full approval.

MR BELL SC: Whether or not adverse information is found?

MR HAWKINS: Yes. Yes.

5

MR BELL SC: I see. Thank you.

MS SHARP SC: But you're simply not in a position to tell Mr Bell whether there were some junkets that never proceeded past provisional approval to obtain full approval?

10

MR HAWKINS: That's right.

MS SHARP SC: So it may well be the case that a number of junkets operated at Star in circumstances where they only ever obtained provisional approval?

15

MR HAWKINS: If they - if full approval wasn't granted, then they couldn't proceed with operating. So --

MS SHARP SC: But isn't the point of provisional approval, so they can proceed with operating?

20

MR HAWKINS: Yes, so provisional approval enables the activation of the junket and then subject to final approval being received by the investigations team. So if - again, if that - the final approval was deemed not appropriate, the junket, if activated, would have ceased.

25

MS SHARP SC: Well, let's just go to the standard operating procedure, if we could. I will just call it up. If we could go to STA - and I'm taking you to version 6 because this is the version you describe in your statement. If we go to STA.3008.0021.1427. And you see I'm showing you version 6. It's confidential, apparently. I will take you to task 8. This is - I'm sorry. It's exhibit B2574. It starts at page 30.

30

MR BELL SC: I don't understand that task 8 is confidential, Ms Richardson; is that correct? My version of Mr Hawkins' statement indicates that task 8 is not confidential. Can you confirm that, please?

35

MS RICHARDSON SC: That's correct.

40

MR BELL SC: Thank you.

MS SHARP SC: So what I'm showing you now are the steps that are set out in this standard operating procedure in terms of junket promoter approval. And if I could take you, please, to pinpoint 1457. You will see there's a heading midway down, 3, Provisional Approval. Now, isn't that defined to mean on-the-spot provisional approval?

45

MR HAWKINS: Yes, that's what it says.

MS SHARP SC: And it's possible to give such approval in the circumstances set out in 3.1 to 3.6. And I will need to show you the next page so you can see 3.6.

5

MR BELL SC: It will need to be blown up, operator, for Mr Hawkins to read it.

MR HAWKINS: Yes, I see that.

10 **MS SHARP SC:** So is it right that provisional approval can be given whenever no adverse information is found on World-Check or a Google search and there's a police clearance certificate?

MR HAWKINS: Yes, in addition to the other - other factors outlined there.

15

MS SHARP SC: Okay. So that's citing the original documentation, lodging the application, applying for membership of the Sovereign Room and sending details to the AML team?

20 **MR HAWKINS:** Yes.

MS SHARP SC: All right. There's no requirement there about the AML team doing anything, though, is there?

25 **MR HAWKINS:** Not at that step.

MS SHARP SC: And is there anything in that task that says that once provisional approval has been given, one must go on and seek a full approval?

30 **MR HAWKINS:** I will need to just review the rest of the document.

MS RICHARDSON SC: Could I raise a matter in the absence of the witness that's relevant to this question?

35 **MR BELL SC:** Yes, of course. Operator, could we move to private mode in the absence of Mr Hawkins, please.

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45

MR BELL SC: Yes, Ms Sharp.

MS SHARP SC: Just pardon me a moment while I find the page. Could I take you, please, to pinpoint 1462? Now, I will have to ask you to read this, and I know you will need it enlarged. It's this page and the next. Is there anything here that indicates to you whether or not it is necessary that full approval be sought with respect to each junket with which The Star dealt?

MR BELL SC: Read it carefully before you answer that question, Mr Hawkins.

MR HAWKINS: If - if I could continue down the page, please. Keep going down the page. Ms Sharp, could you just repeat your question, please?

MS SHARP SC: Yes. Was it always necessary to proceed to a full approval?

MR HAWKINS: My understanding is yes.

MS SHARP SC: And what do you base that understanding on? Is that your – is that your knowledge, that is, your awareness that in each case when a junket promoter - sorry, I withdraw that. Is that based upon your knowledge that in all cases where a junket promoter applied for approval, there was a full investigation? Or is it based on your reading of this document, or something else?

MR HAWKINS: It's primarily based on my reading of the documentation.

MS SHARP SC: So even though you're the head of the international rebate business, and have been since April 2018, you don't know, as a matter of fact, whether that happened?

MR HAWKINS: That's right. I - I would be confident that it was occurring. I didn't think I needed to question that.

MS SHARP SC: Are you able to indicate how it is that the AML team's enhanced customer due diligence procedures tie in with junket promoter due diligence assessment?

MR HAWKINS: My understanding is all of junket promoters, all CCF holders, are - are transitioned directly into enhanced customer due diligence, which, from the AML team's perspective, would be - require a deeper assessment of the KYC information, further scrutiny of relevant perhaps global databases of information relative to those applicants and/or perhaps the initiation of independent investigation to understand more about the applicants as well.

MS SHARP SC: And is that enhanced due diligence conducted at the time of any initial investigation into whether to proceed with a relationship with a particular junket promoter?

MR HAWKINS: You mean by the investigations team?

MS SHARP SC: Well, at all. Whether by the investigations team or not.

MR HAWKINS: I would assume it - it's part of their formal approval process.

5 **MS SHARP SC:** But you're not sure?

MR HAWKINS: I understand it is.

10 **MS SHARP SC:** Now, this standard operating procedure about due diligence with respect to junkets doesn't impose any requirement in respect of the junket funder, does it?

MR HAWKINS: I recall there's a separate CCF application process.

15 **MS SHARP SC:** So that's in a situation, of course, where the junket funder - I withdraw that. That's in the situation, though, where it is the cheque cashing facility applicant who applies for the cheque cashing facility?

MR HAWKINS: Yes.

20 **MS SHARP SC:** Are there cases where the person who is in substance funding the junket is a different person to the person who holds the cheque cashing facility for the junket?

25 **MR HAWKINS:** I'm not aware of that.

MS SHARP SC: Can I take you to paragraph 80 of your first statement, please. And do you see that you refer in the table to that of particular junket groups?

30 **MR HAWKINS:** Yes.

MS SHARP SC: And you then reproduce a question, which I will read out for you. It's question 19(b):

35 "Identify in detail what due diligence was conducted with respect to those individuals during the relevant period."

40 Now, it's right, isn't it, that so far as Alvin Chau was concerned, you did not annex all the supporting due diligence documents that were available to The Star during the relevant period?

MR HAWKINS: I'm unclear on that, Ms Sharp.

MS SHARP SC: Well, you didn't really annex any, did you?

45 **MR HAWKINS:** I accept that.

MS SHARP SC: And you didn't annex anything for Mr Qin, did you? Sixin Qin?

MR HAWKINS: I accept that.

MS SHARP SC: Although you were asked to do that, weren't you?

5 **MR HAWKINS:** Yes, it does say:

"And annex supporting documents."

10 **MS SHARP SC:** All right. And you were to:

"Identify in detail what due diligence was conducted."

You didn't do that, did you?

15 **MR HAWKINS:** Yes, I think the response was probably within the remit of what I had understood had occurred. But if we hadn't added all the relevant information from other areas of the business, I accept that.

20 **MS SHARP SC:** Well, in fact, quite a bit of due diligence has been done on Mr Qin, hasn't it?

MR HAWKINS: I expect that would be the case, yes.

25 **MS SHARP SC:** All right. But you didn't tell this review what it was in your statement, although you were asked to do so?

MS RICHARDSON SC: Could I raise one matter in the absence of the witness, please.

30 **MR BELL SC:** Can we move to private mode, please, operator, in the absence of Mr Hawkins.

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MR BELL SC: Yes, Ms Sharp.

45 **MS SHARP SC:** So you do agree that you didn't describe the due diligence that was conducted on Mr Qin during the relevant period?

MR HAWKINS: Yes, I think I referred to some of the formal application process that he was subject to. But with regards to any other due diligence or enhanced due

diligence that the AML or investigations team had conducted or information related to that, I did not attach that.

5 **MS SHARP SC:** Or refer to it?

MR HAWKINS: Or refer to it.

10 **MS SHARP SC:** Although you accept that it was open to you to make inquiries to provide a fulsome response in your statement in answer to that question?

MR HAWKINS: Yes, I accept that I looked at the - looked at the question slightly narrower, information that could have been provided.

15 **MS SHARP SC:** Can I take you, please, to exhibit B, tab 442, which is STA.0025.0001.0922. Here, I'm showing you the managing director and CEO's report to the board for October 2017. Now, you had a standing invitation to board meetings during this time, didn't you?

20 **MR HAWKINS:** That's right.

MS SHARP SC: And you were provided with the board meetings for the purpose of - I beg your pardon, the board papers for the purpose of those meetings?

25 **MR HAWKINS:** Yes.

30 **MS SHARP SC:** Could I take you, please, to pinpoint 0948. And what I'm showing you is the report of the managing director in relation to Mr Qin. And can you see at pinpoint 0949 that - if we go to the next page. The first dot point there is that in November - and that's - you will see it's November 2016. The board approved a resolution for a CCF to Mr Qin of \$50 million?

MR HAWKINS: Yes.

35 **MS SHARP SC:** And that's because he was the funder of one of the biggest junkets at The Star, right?

MR HAWKINS: I accept that.

40 **MS SHARP SC:** And if you have a look at pinpoint 0950. It says that:

"Mr Qin has historically been one of Crown Resorts major customers, however much of this business has shifted to The Star over the past six months on the Shen Minmin junket."

45 **MR HAWKINS:** Yes.

MS SHARP SC: And that Mr Qin holds an equity interest in the David Group, which is a junket?

MR HAWKINS: Yes.

5 **MS SHARP SC:** And you were aware of this information at the time?

MR HAWKINS: I would have received this document as part of the board pack, yes.

10 **MS SHARP SC:** And have you met Mr Qin before?

MR HAWKINS: I - I don't recall. I possibly could have been introduced to him.

15 **MS SHARP SC:** Can I take you, please, to exhibit B472, which is STA.3432.0001.0219. I think we've got the wrong number here. I will just give you the number in case I've read out the wrong exhibit. The correct number is STA.3423.0001.0219. Now, this is another board report. This is exhibit B472. Given that had you a standing invitation to board meetings at this time, it's likely you would have read this document, is it?

20 **MR HAWKINS:** I certainly would have received it and looked at it.

MS SHARP SC: Can I take you, please, to pinpoint 0237. And do you see that this is - this page refers to Mr Qin's involvement in junkets all over the world, the second arrow point there?

25 **MR HAWKINS:** Yes, I see that.

MS SHARP SC: Is that your handwriting, by the way?

30 **MR HAWKINS:** No.

MS SHARP SC: No.

35 **MR BELL SC:** Do you know whose handwriting it is?

MR HAWKINS: No, it's - it's not my document. I'm not sure.

MR BELL SC: Yes.

40 **MS SHARP SC:** Could I take you, please, to exhibit B1085, which is STA.3410.0017.1974. And I'll direct your attention midway through the page. It's at - an email from Adrian Hornsby of 11 September 2018. And do you see you're one of the recipients?

45 **MR HAWKINS:** Yes.

MS SHARP SC: And do you see, six paragraphs down, there's a reference to David Group?

MR HAWKINS: Yes.

MS SHARP SC: Four main partners?

5

MR HAWKINS: Yes.

MS SHARP SC: And do you see Mr Qin is identified as one of those partners?

10 **MR HAWKINS:** Yes, I see that.

MS SHARP SC: All right. And it says that the David Group is still operating the junket and is liquid enough to support The Star and their other international business ventures?

15

MR HAWKINS: Yes.

MS SHARP SC: So you were kept - at least once you assumed responsibility for the international rebate business, you were kept apprised of liquidity issues and other key developments with Star's key junkets, weren't you?

20

MR HAWKINS: I expect I would have been, yes.

MS SHARP SC: Can I take you to exhibit B1451, which is STA.5002.0005.2214. And this is a board paper that you prepared on 23 July 2019?

25

MR HAWKINS: Yes.

MS SHARP SC: So you're providing a report to the board on Mr Qin's junket, aren't you?

30

MR HAWKINS: Could I please have it enlarged? Yes. Providing an update on a pending trip. Yes.

MS SHARP SC: All right. So you made it your business to understand key developments with the key junkets with which The Star dealt at this time, that is, the time from which you assumed responsibility for the international rebate business?

35

MR HAWKINS: Yes. This - this was specifically to update the board on - on that proposed trip and may - may have been requesting some delegated approval on matters. But I'd need to read it fully to understand.

40

MS SHARP SC: Well, what you're saying here under the heading Purpose - and you're referring to the Qin junket - Mr Sixin Qin's junket - is:

45

"The trip is expected to drive significant volume to both the Gold Coast and Sydney properties."

MR HAWKINS: Yes.

5 **MS SHARP SC:** And what you're doing here is reporting on historically how much revenue the Qin junket has brought into The Star?

MR HAWKINS: Yes.

10 **MS SHARP SC:** And if I take you over the page. At pinpoint 2215, you refer to the cheque cashing facility that Mr Qin holds?

MR HAWKINS: Yes, the CCF summary.

15 **MS SHARP SC:** So we may take it you took the time to acquaint yourself with relevant details relating to Mr Qin?

MR HAWKINS: Yes, I would have.

20 **MS SHARP SC:** And this was so you could properly brief the board on 23 July 2018?

MR HAWKINS: Yes, I'm - anything that I was aware of, yes.

25 **MS SHARP SC:** In relation to one of the key junkets that you expected to shortly attend the properties and bring in revenue?

MR HAWKINS: Yes.

30 **MS SHARP SC:** Now can I show you exhibit G693, which is STA.3023.0005.0022. Now, do you see the date of this report is 26 July 2019?

MR HAWKINS: Yes.

35 **MS SHARP SC:** So it's three days after the date of your report to the board, and it's a report of an external due diligence provider. Do you understand that?

MR HAWKINS: I accept that.

40 **MS SHARP SC:** And you understand, from the document ID on the top of it, it's held by The Star?

MR HAWKINS: Sorry. Which document ID are you referring to?

45 **MS SHARP SC:** The one right at the top, STA.

MR HAWKINS: Is that what that means? I wasn't sure.

MS SHARP SC: Yes.

MR HAWKINS: I accept that.

5 **MS SHARP SC:** All right. Now, do you expect if significant adverse intelligence becomes available to The Star at the time you were in charge of the international rebate business, and that adverse intelligence was relevant to one of your key junkets, you would have been informed of it?

10 **MR HAWKINS:** Yes, if it was impacting on their suitability to continue. Yes.

MS SHARP SC: Can I take you, please, to pinpoint 0024. Do you see there's a heading at the top Key Findings?

15 **MR HAWKINS:** Yes.

MS SHARP SC: And Executive Summary?

MR HAWKINS: Yes.

20 **MS SHARP SC:** I beg your pardon. Was this made known to you at the time, this information about --

25 **MR HAWKINS:** Sorry, Ms Sharp. You're breaking up. Can I ask you to repeat the question, please?

MS SHARP SC: Yes. Was this information about Mr Qin made known to you around 26 July 2019?

30 **MR HAWKINS:** No, it wasn't.

MS SHARP SC: Is that of concern to you in any way given that, three days prior, you had briefed the board on a forthcoming trip by Mr Qin and his junket?

35 **MR HAWKINS:** I consider if the - whoever requested this report deemed it relevant information, they would have advised me. But I don't recall that occurred.

MS SHARP SC: Well, do you think it's relevant information?

40 **MR HAWKINS:** I - I think it is important information to consider in terms of the relationship.

MS SHARP SC: Well, should it have been provided to you?

45 **MR HAWKINS:** I perhaps could have been updated that there was consideration being made with regards to Mr Qin based on this. But that didn't occur, as far as I recall.

MS SHARP SC: Well, do you think you should have been made aware of this?

MR HAWKINS: Yes. If I could have added value to any further discussion or assessment of the continuing relationship with Mr Qin, that could have - could have helped. But I'm unclear on what other action was taken.

5

MS SHARP SC: So nothing sticks in your mind about action taken at this time in respect of one of the largest junkets with which The Star was dealing at that time?

MR HAWKINS: I don't - don't recall being privy to anything else.

10

MS SHARP SC: Are you aware that in December of 2019, Mr Qin applied for, and was granted, a loan facility from EEIS Services for \$166 million?

MR HAWKINS: No, I - I don't recall being aware of it. I accept I may have been copied on some information, but it's - it's not something I recall seeing or necessarily approving.

15

MS SHARP SC: Well, you were the head of the international rebate business at this time, weren't you?

20

MR HAWKINS: I was, yes.

MS SHARP SC: It's not every day that a loan of \$166 million is advanced to a patron, is it?

25

MR HAWKINS: No.

MS SHARP SC: Well, isn't this exactly the kind of thing you ought to have been aware of as the head of the international rebate business?

30

MR HAWKINS: I would just need to understand the approval process of what occurred. I - I don't recall participating.

MS SHARP SC: But you were the head of the international rebate business, Mr Hawkins.

35

MR HAWKINS: I accept that.

MS SHARP SC: Well, isn't it unusual that you weren't made aware that EEIS Services was going to give this man a loan of \$166 million?

40

MR HAWKINS: I'm just - I'm just unclear on the context, if it was a change in existing CCF. I'm just not sure of the detail, but --

MS SHARP SC: Well, in fact, it wasn't a CCF; it was a loan from EEIS. Are you able to tell us why it was he was given a loan rather than a CCF?

45

MR HAWKINS: I would assume that he was not in a position to provide the cheque associated with the CCF.

5 **MS SHARP SC:** But wasn't it necessary for him to provide a cheque to obtain a loan from EEIS?

MR HAWKINS: I don't think so.

10 **MS SHARP SC:** Wasn't it a requirement of the EEIS standard operating procedure that the loan recipient provide a personal cheque made out in favour of EEIS, unless that requirement was waived?

MR HAWKINS: I don't recall. Sorry.

15 **MS SHARP SC:** So even though you're the head of the international rebate business, you can't tell us why a loan of \$166 million was made to one of the largest junkets with which Star dealt, rather than the ordinary procedure of a cheque cashing facility?

20 **MR HAWKINS:** I - I don't recall it at the time. I can only assume there was a request for that and it was followed through in terms of the relevant approvals for that, and any associated checks occurred. But I just don't recall being involved in the detail of it.

25 **MS SHARP SC:** Well, given you were the head of the international rebate business, did you have any approval role in relation to that?

MR HAWKINS: Generally, the - the CCF or others were initiated within the credit and collections area, which didn't report to me. So I don't think I did.

30 **MS SHARP SC:** I'm reminded --

MR BELL SC: Is this a convenient time, Ms Sharp?

35 **MS SHARP SC:** Yes. Is this a convenient time?

MR BELL SC: Yes, it is. I will now adjourn for one hour.

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

<THE HEARING RESUMED AT 2:08 PM

MR BELL SC: Yes, Ms Sharp.

45 **MS SHARP SC:** Operator, could we go to exhibit H465, please, which is INQ.001.001.0692. And you will see, Mr Hawkins, I'm showing you The Star Entertainment Group annual report for 2021?

MR HAWKINS: Yes.

5 **MS SHARP SC:** Could we go, please, operator, to pinpoint 0698. And you see there's a heading Executive Team, and you're featured at the bottom of the left-hand column?

MR HAWKINS: Yes, I see that.

10 **MS SHARP SC:** Could we just have that blown up, please, operator. And do you see it says at the bottom:

"Greg has extensive operational and strategic gaming experience and provides valuable insight into the Asian VIP and premium mass market sectors."

15

MR HAWKINS: Yes, I see that.

20 **MS SHARP SC:** And that's right, isn't it, that you provide valuable insight into the Asian VIP and premium mass market sectors?

MR HAWKINS: Yes. I think by nature of having worked in Macau for a period and retaining some semblance of a network there, I can provide some value.

25 **MS SHARP SC:** And that's certainly the way that Star holds you out to the shareholders, isn't it?

MR HAWKINS: Yes.

30 **MS SHARP SC:** Now, could I go to exhibit B at 1085, which is STA.3410.0017.1974. I'm showing you an email chain. I will start at the pinpoint 1975, if I can. Operator, could you enlarge the second half of this page. Now, you see I'm showing you an email from Harry Theodore dated 10 September 2018 to people including you?

35 **MR HAWKINS:** Yes.

MS SHARP SC: The others being Matt Bekier, Chad Barton, Danny Huang and Michael Whytcross?

40 **MR HAWKINS:** Yes.

MS SHARP SC: And Adrian Hornsby?

45 **MR HAWKINS:** Yes.

MS SHARP SC: And you read this at the time, did you?

MR HAWKINS: I probably would have.

MS SHARP SC: And do you agree that what Mr Theodore is doing is briefing each of you on his conversation with an analyst in relation to the Macau VIP casino market?

5

MR HAWKINS: Yes.

MS SHARP SC: Because part of your job was to keep yourself up to date on developments in the Macau VIP casino market; do you agree?

10

MR HAWKINS: Yes, I would have expected to have been kept updated and keep an eye on what was happening there. Yes.

MS SHARP SC: And that was so you could provide your valuable insights into the Asian and VIP casino market?

15

MR HAWKINS: Yes.

MS SHARP SC: And you will agree one of the things you're told about is the Suncity junket being a top three junket?

20

MR HAWKINS: Yes.

MS SHARP SC: And you're being told that Neptune isn't one of the top three junkets?

25

MR HAWKINS: Yes.

MS SHARP SC: And you, of course, knew that Neptune and Guangdong were one and the same junket?

30

MR HAWKINS: Yes, I'm aware of that.

MS SHARP SC: And the David Group, which is identified as a medium junket, is the one Mr Qin is involved in; that's correct, isn't it?

35

MR HAWKINS: Yes. That's correct, yes.

MS SHARP SC: And if I can take you over the page, please, to pinpoint 1976. Do you see it says right at the top:

40

"Macro becoming more challenging (trade war, tax reform in China, new social security payment system), all impacting demand/liquidity in VIP."

45 **MR HAWKINS:** Yes.

MS SHARP SC: And it says:

"Also expects there will be more noise on cracking down on outflows to scare people from taking money out of China."

MR HAWKINS: Yes.

5

MS SHARP SC: And it says:

"Rate differential with US, trade balance, CPI higher than expected, inability to print money and the China de-leveraging focus all means limiting capital outflows is high on the agenda so expect it to continue to get harder to get money out of China."

10

MR HAWKINS: Yes.

MS SHARP SC: And you were all over that problem, weren't you, the increased difficulties in getting money out of China?

15

MR HAWKINS: I - I was, yes, aware of that. Yes.

MS SHARP SC: And you were aware, weren't you, that CUP cards were one way of getting money out of China, weren't you?

20

MR HAWKINS: Yes.

MS SHARP SC: And if we go a little bit further up this email chain. Could I take you, please, to the first page of this document, 1974, to the email from Adrian Hornsby of 11 September 2018. And you see you're one of the recipients to that?

25

MR HAWKINS: Yes.

30

MS SHARP SC: And what Mr Hornsby is doing is providing you with his information on junkets in Macau, isn't he?

MR HAWKINS: Yes, that's right.

35

MS SHARP SC: And do you see - if I take you to the second last paragraph there - he advises - I don't think this is quite grammatically correct, but he says:

"We are still received very strong patronage in the CUP service with large amounts of patrons utilising this (222 last month). The volume amounts are consistent totalling in the AUD\$10 to \$20 million per month range, mainly given our daily swipe at 100,000K times five. We have not received any noise from the banks regarding particular transactions for six months or more."

40

Now, you were kept regularly up to date, weren't you, about developments in CUP at The Star?

45

MR HAWKINS: I think I was copied in from different people about the use of it, but I don't think it was - I was necessarily kept updated in a structured way. It was - had certainly come in from different team management.

5 **MS SHARP SC:** Whether the updates were structured or not, you were regularly kept updated about the usage of the CUP card at The Star, weren't you?

MR HAWKINS: I - I would - I recall receiving reports about the use of China UnionPay across the property from my CFO at the time, which I had requested her
10 to do. And, yes, I would have been copied in on various emails from time to time.

MS SHARP SC: I suggest you were all over the detail.

MR HAWKINS: I don't necessarily agree.
15

MS SHARP SC: And do you see it says:

"We have not received any noise from the banks regarding particular
20 transactions for a period of six months or more."

You well understood that at the time to be a reference to queries from NAB and UnionPay regarding the purpose to which the CUP swipes were put, didn't you?

MR HAWKINS: I - I would assume that was the case, yes.
25

MS SHARP SC: And this is back in 2018, isn't it?

MR HAWKINS: I would have to check the date of the email again.

30 **MS SHARP SC:** Well, you can take it from me. And do you see the last paragraph says:

"We have been hearing noise regarding China capital control measures for a
35 long period of time."

MR HAWKINS: Yes.

MS SHARP SC:

40 "But the major actions taken thus far have been the closure of all (indistinct) some Macau and Hong Kong banks refusing to take casino winning wires from us. On top of that we are noticing many clients from north regions are having troubles wiring to Star directly (indistinct) such as EEIS local NAB or
45 KK contract structure for -"

And if we can take over the page:

"The KK contract structure for other payments matters as a last resort."

Now, you were well aware in 2018 that it was getting harder and harder to move money out of China for the purpose of funding gambling or the repayment of gambling debts in Australia; correct?

5

MR HAWKINS: Yes, I accept that.

MS SHARP SC: And you were involved in developing payment channels to ensure the flow of funds continued?

10

MR HAWKINS: I was certainly kept up to date on various channels that we developed, yes. They were really being led by our credit collections and finance team. But I - I was aware of them, yes.

15 **MS SHARP SC:** And those payment channels were pivotal to the overall performance and the successful performance of international rebate business; do you agree?

MR HAWKINS: Yes.

20

MS SHARP SC: And you were the head of that business?

MR HAWKINS: Yes.

25 **MS SHARP SC:** So it was in your interests, wasn't it, to ensure there were as many payment channels open as possible?

MR HAWKINS: Yes, that would assist.

30 **MS SHARP SC:** And that reference there to "the KK contract structure" is a reference to the Kuan Koi arrangement, isn't it?

MR HAWKINS: I understand that would be the case, yes.

35 **MS SHARP SC:** And you were aware of the Kuan Koi arrangement, weren't you?

MR HAWKINS: I - I would have been (indistinct).

40 **MS SHARP SC:** And you were aware of the arrangements with EEI Services (Hong Kong) Pty Ltd?

45 **MR HAWKINS:** Yes. Look, I - I was definitely aware of them. It took me a while to get a closer understanding of those initiatives because I had - if they had been established prior to my involvement in the business. So I think at least initially I didn't feel I was particularly close to it, but I understand their purpose.

MS SHARP SC: Now, could I take you to exhibit B, tab 2087 which is STA.3421.0029.5348. I'm showing you an Excel file. You can take it from me that

it's dated 2 January 2020. Do you see it identifies which junkets hold which cheque cashing facilities?

5 **MR HAWKINS:** Yes, identifies the CCF holder for the junket.

MS SHARP SC: And you see that the Iek junket corresponds to the cheque cashing facility for Alvin Chau?

10 **MR HAWKINS:** Yes.

MS SHARP SC: And that's a \$70,000 cheque cashing facility?

MR BELL SC: \$70 million, I think, Ms Sharp.

15 **MS SHARP SC:** I beg your pardon. \$70 million?

MR HAWKINS: Yes.

20 **MS SHARP SC:** And do you see that just above that, for the Shen Minmin junket, Sixin Qin is nominated as having a \$50 million cheque cashing facility?

MR HAWKINS: Yes, I see that.

25 **MS SHARP SC:** And you agree that that is the second largest cheque cashing facility for a junket - equal, I should say - equal second largest. You might want to look at the number 18, Wang Chi Hung junket?

MR HAWKINS: Yes, I agree.

30 **MS SHARP SC:** And you were well aware of this as at January 2020, we may take it, given that you were the head of the international rebate business?

35 **MR HAWKINS:** Yes. I - I certainly would have had access to this information, yes.

MS SHARP SC:

40 **MS SHARP SC:** Can I now show you another document, please. If we can bring up exhibit G747, which is STA.3023.0005.0045. And what I am going to show you is a report of an external due diligence provider. Could I ask you not to name the name of that provider? Do you see it relates to Sixin Qin?

MR HAWKINS: Yes.

45 **MS SHARP SC:** And do you see it's dated January 2020?

MR HAWKINS: I do.

MS SHARP SC: Can you go - operator, could you take us, please, to pinpoint 0051. Do you see there's a heading Further Inquiries Re Mr Qin?

MR HAWKINS: Yes.

5

MS SHARP SC: Do you see it says:

10 "According to confidential sources, the main source of wealth of Mr Qin are (a) illegal money laundering (by casino chip stacking and loan-sharking and acting as junket, (b) --"

MR BELL SC: It actually says "illegal money lending", I think, Ms Sharp.

MS SHARP SC: I'm sorry. I will start again:

15

"According to confidential sources, the main sources of wealth of Qin are (a) illegal money lending (by casino chip stacking and loan-sharking and acting as junket), (b) operating illegal online gambling gaming and illegal online bookmaking especially on soccer and horses and (c) maintaining a rolling account with Suncity Group (amount \$HK20 million with interest at 3.12 per cent per month) to fund his gambling activities."

20

MR HAWKINS: Yes, I see that.

25 **MS SHARP SC:** And could I take you over the page, please, pinpoint 0052. Do you see at the top it says question 2:

30 "Your interim report suggested the subject is an online gaming banker. Is there any additional information relating to this gaming activity, i.e., is it legal? Any related open source material?"

And then answer:

35 "According to confidential sources, Qin is the main 'banker' and operates online gambling and also online bookmaking activities by renting illegal online gambling websites, such as -"

And then a few examples are given from casinos:

40 "All of Qin's online gambling activities are illegal. No information would be available from open sources."

And then can I take you to pinpoint 0053. And do you see there's a question 8 there:

45

"Any adverse information, personal or business related?"

Then it says 8:

5 "Qin was a swindler in Shanghai and he is very cautious by nature and very apprehensive that his previous 'Shanghai' identity would be exposed to allow his Shanghai creditors to locate him. Therefore, he does not trust anyone, even his driver, although 'hand-picked'. Currently there is no obvious adverse information against Qin."

And then at 9, question:

10 "Further to your interim report which indicated the subject is not known to be a triad member, is Qin suspected of having any criminal associations?"

And 9:

15 "Qin maintains very low key and on the face is a 'bona fide' businessman but in fact he is the 'gold master' behind illegal online gambling and bookmaking syndicates. Qin is not known to be a member of any triad society or to be involved in any triad activity but cannot avoid being acquainted with triad members through his illegal gambling activities."

20

Now, was this information made known to you in around January 2020?

MR HAWKINS: No, it wasn't.

25 **MS SHARP SC:** Was this report provided to you at about that time?

MR HAWKINS: No, it wasn't.

30 **MS SHARP SC:** You can assume that this report was held by The Star at this point in time. Should this have been provided to you in light of the fact that Mr Qin was the funder of one of the largest junkets with which Star dealt by way of turnover?

35 **MR HAWKINS:** Yes, I think it's relevant information to consider the relationship we have with him. Yes.

MS SHARP SC: It's highly relevant information, isn't it?

40 **MR HAWKINS:** It is, yes.

MS SHARP SC: Well, it's the external due diligence provider that The Star has contracted with, saying that it's uncovered information that he's involved in illegal gambling activities, isn't it?

45 **MR HAWKINS:** I'm not sure who initiated this report, but - or if it was done in conjunction with other information, but on face value it's very relevant information, yes.

MS SHARP SC: And bearing in mind that you are the head of the international rebate team at this time, as at January 2020, shouldn't this information have been made available to you immediately?

5 **MR HAWKINS:** Unless there was any other reason not to. I'm unaware of the conclusions that were drawn by the relevant requesters of this information. So I think it's relevant information to be seriously considered in terms of the relationship.

10 **MS SHARP SC:** Well, is it right that this should have immediately triggered another due diligence assessment for this person?

MR HAWKINS: I would have expected, in terms of the enhanced level of due diligence, that this would be part of it or this would have precipitated other
15 information and conclusions to be drawn.

MS SHARP SC: Just so we understand, when the requirement of enhanced due diligence is triggered, one of the things that Star does is seek reports of external due diligence providers, isn't it?
20

MR HAWKINS: Yes. That's one of the avenues that can be taken, yes.

MS SHARP SC: All right. And it looks like that's what has been done here, is that an external due diligence provider has provided its intelligence to The Star?
25

MR HAWKINS: It appears that way, yes.

MS SHARP SC: But that's not been made known to you?

30 **MR HAWKINS:** No.

MS SHARP SC: And you, therefore, were not in any way equipped to make this known to the board?

35 **MR HAWKINS:** No.

MS SHARP SC: Even though this was one of the largest junkets with which The Star was dealing at this point of time?

40 **MR HAWKINS:** That's correct.

MS SHARP SC: Are you concerned about that in any way?

MR HAWKINS: It is of interest just to understand the - I guess, the - the
45 collective information on the player that was behind any decision to continue the relationship. But it's relevant information.

MS SHARP SC: It's highly relevant, isn't it?

MR HAWKINS: It appears to be highly relevant, yes.

5 **MS SHARP SC:** Because you'd agree, wouldn't you, that The Star ought not be dealing with people engaged in illegal gambling activities?

MR HAWKINS: Yes. If - if they are called as illegal and, you know that's thoroughly understood and investigated, yes.

10 **MS SHARP SC:** Well, the way that The Star investigates things is to obtain external due diligence reports, isn't it?

MR HAWKINS: That's my understanding, is one of the avenues they would - that team would use, yes.

15

MS SHARP SC: Well, this is an external due diligence report obtained by Star.

MR HAWKINS: Okay.

20 **MS SHARP SC:** And it's not looking good, is it, when the external due diligence report has been obtained?

MR HAWKINS: No, it's relevant information.

25 **MS SHARP SC:** It's not information upon which you could form an opinion that Mr Qin was a suitable person or a person of good repute having regard to character, honesty and integrity, is it?

30 **MR HAWKINS:** I would have thought it would provide guidance on an assessment, yes.

MS SHARP SC: It would provide a lot of guidance, wouldn't it, the fact that your external due diligence provider has turned up this information?

35 **MR HAWKINS:** I'm just not privy to if there's other information the team had. So I can only base my assessment on this, and it's relevant information.

40 **MS SHARP SC:** Can I take you to exhibit - actually, I'm not sure - I don't even know if it's been marked as an exhibit yet, Mr Bell. Can I call up STA.3 - in fact, I will go - sorry, I need to go to another document. Can I call up exhibit B tab 1957, which is STA.3008.0004.0001. Now, I'm not suggesting this is your document. You see it's a memorandum from Angus Buchanan to Paula Martin and copied to Skye Arnott, Oliver White and Kevin Houlihan?

45 **MR HAWKINS:** Yes.

MS SHARP SC: And it's entitled "Enhanced Customer Due Diligence Project: Use of New Methodology and Review of Findings."

MR HAWKINS: Yes.

5 **MS SHARP SC:** You were aware that that enhanced customer due diligence project was taking place, weren't you?

MR HAWKINS: I'm not sure if I was, Ms Sharp.

10 **MS SHARP SC:** Well, you attended a meeting - an out-of-round JRAM meeting to consider some of the results of this enhanced customer due diligence project, didn't you?

15 **MR HAWKINS:** I would have to see the relevant information just to prompt my memory on it.

20 **MS SHARP SC:** Well, we can come back to that. Now, you can take it from me that while this document bears the date 25 November 2019, in fact it appears this document is dated a little bit later than that. It's dated about - pardon me, I will get the right - could I just have a minute, Mr Bell. I just want to get the right month for this. You can take it from me that this is dated March of 2020. I want to take you to what it says at pinpoint 0028. Do you see it provides an enhanced customer due diligence profile for Sixin Qin?

25 **MR HAWKINS:** Yes.

MS SHARP SC: And there's some information in blue shade - you can read that to yourself - because it's confidential.

30 **MR HAWKINS:** Could I please have it enlarged? Thank you. Okay. I've read that.

MS SHARP SC: And could I take you over the page, please, to pinpoint 0029. Do you see there's a heading February 2020?

35 **MR HAWKINS:** Yes.

MS SHARP SC: And do you see it says:

40 "Information suggests that Qin's source of wealth is derived from (a) illegal money lending, (b) acting as a junket, (c), operating illegal online gambling gaming and illegal online bookmaking operations."

MR HAWKINS: Yes.

45 **MS SHARP SC:** It does rather look like that information has come from the external due diligence report I've just taken you to?

MR HAWKINS: It - it sounds like a similar summary, yes.

MS SHARP SC: So this is a result being reported on the enhanced due diligence investigation to date. Do you understand that?

5 **MR HAWKINS:** I accept that, yes.

MS SHARP SC: Was this information made known to you?

10 **MR HAWKINS:** I don't believe it was, no.

MS SHARP SC: Would it affect your view about whether it was appropriate for The Star to be dealing with Mr Qin as one of its largest junkets?

15 **MR HAWKINS:** Yes, I think it's - it's relevant information to consider the relationship.

MS SHARP SC: How relevant is it?

20 **MR HAWKINS:** Very important.

MS SHARP SC: Can I take you, please, to a printout from the TrackVia system. Do you understand what the TrackVia system is?

25 **MR HAWKINS:** Yes, I do.

MS SHARP SC: And what is that?

30 **MR HAWKINS:** It's the system that our AML/CTF investigations team use to maintain all relevant transaction monitoring on customers who are entered into that and other relevant information which assists with the identification of - is my understanding, of trends or relevant action or investigations that should occur for the purpose of AML reporting or other decisions to be made.

35 **MS SHARP SC:** Does it contain records of due diligence conducted about patrons?

MR HAWKINS: I would assume it does, yes.

40 **MS SHARP SC:** Can I take you to STA.3023.0003.0155. Now, I will just have this enlarged for you. Do you see - this is exhibit H554. If I have the top part of it enlarged. Do you see this document was printed on 2 March 2022?

MR HAWKINS: Yes.

45 **MS SHARP SC:** And you will agree that it relates to Sixin Qin?

MR HAWKINS: Yes.

MS SHARP SC: Can I take you to pinpoint 0158. Now, do you see that's an entry created on 1 February 2022?

MR HAWKINS: Yes.

5

MR HAWKINS: Can I please have it enlarged to be able to read it?

MS SHARP SC: Yes. And I will direct your attention in particular to the last two paragraphs, in case that assists. And I need to take you over the page as well.

10

MR HAWKINS: I've read that.

MS SHARP SC: And I will take you over the page as well, to pinpoint 0160.

15

MR HAWKINS: I've read that.

MS SHARP SC: And do you agree that there's no reference whatsoever to that adverse information in the external due diligence report I just took you to, in terms of actually stating what that information was?

20

MR HAWKINS: I'm just trying to understand the - the reference to 7 May '21 and that due diligence report with findings of note.

MS SHARP SC: Yes. Well, the report I took you to was dated February 2020 - I beg your pardon, it was January 2020. See, what it does say, Mr Hawkins, at the beginning of that second page is:

25

"Of note, external reports from two separate providers did not detail the adverse information."

30

MR HAWKINS: Yes, I agree.

MS SHARP SC: Do you agree that this account appears to omit highly relevant information?

35

MR HAWKINS: It appears that it doesn't call out the information that we reviewed previously, yes.

MS SHARP SC: So do you agree that this account omits highly relevant information (indistinct).

40

MR HAWKINS: Sorry. You are breaking up, Ms Sharp.

MS SHARP SC: Do you agree that this account omits highly relevant information?

45

MR HAWKINS: It appears to not refer to that in terms of the timeframe of the previous report.

MS SHARP SC: Okay. I am going to keep asking my question until you answer it. Do you agree that this account omits highly relevant information?

5 **MR HAWKINS:** Yes, I can't see a reference to that information.

MS SHARP SC: And it's highly relevant information, isn't it?

10 **MR HAWKINS:** It is relevant, yes. Yes. Based on what I read, yes.

MS SHARP SC: And do you see further down that page, it refers to "AML CO Review". That stands for AML compliance officer, doesn't it?

15 **MR HAWKINS:** I accept that.

MS SHARP SC: And it says "approved"?

MR HAWKINS: Yes.

20 **MS SHARP SC:** And anyone reviewing this record alone would have no understanding that The Star, in fact, held information that said that Mr Qin was involved in illegal money lending and illegal online gaming, would they?

25 **MR HAWKINS:** In reading the information contained in this report - just to clarify, have I seen all pages of this report?

MS SHARP SC: Yes.

30 **MR HAWKINS:** I accept that.

MS SHARP SC: Now, can I take you, please, to a printout, also from TrackVia, from April of 2022. This is STA.3046.0001.0009. And this is exhibit H618. Now, can you see that this document relates to Mr Qin and has been printed from TrackVia on 14 April 2022?

35 **MR HAWKINS:** Could it just be made slightly larger, please? Thank you. 14 April '22, yes, Mr Qin.

40 **MS SHARP SC:** And could I take you, please, to pinpoint 0010. And do you see there's reference to information - if I direct you to the bottom of the page, there's reference to information from 12 January 2021. We will have to have that scrolled down, please, operator.

45 **MR HAWKINS:** Yes, I see that.

MS SHARP SC: And do you see there's information from November 2019?

MR HAWKINS: Down below, yes.

MS SHARP SC: And over the page, do you see there's reference in - under the heading Adverse Media Related Information to --

5 **MR HAWKINS:** Sorry. Can I please have it enlarged?

MS SHARP SC: Yes. There's reference to an email received from investigations on 7 February 2020?

10 **MR HAWKINS:** Sorry, that's the shaded area?

MS SHARP SC: Yes.

15 **MS RICHARDSON SC:** Could the witness just be indicated that that's confidential. That's why it's shaded.

MR HAWKINS: I'm sorry. I'm just reading it. Yes, I've read that.

20 **MS SHARP SC:** And I will take you over the page to 0013. And do you agree, once you've had the opportunity to read it - and I will have it enlarged - that there is no reference to the content of that January 2020 due diligence report I took you to?

25 **MR HAWKINS:** Is the first sentence referring to it?

MS SHARP SC: Well, I don't know, Mr Hawkins, when I read this record. Do you?

30 **MR HAWKINS:** No. By reading this, there's - apart from a reference to another uncorroborated information, there's no call out of the matters that were raised in that previous report.

35 **MS SHARP SC:** And do you see that towards the bottom of this page, Ms Arnott, who was the AML compliance officer at the time, approved continuing the customer relationship on 14 February 2022?

MR HAWKINS: I might need to scroll down a bit.

40 **MS SHARP SC:** I will have it scrolled, please.

MR HAWKINS: Yes, I see that.

45 **MS SHARP SC:** See, it seems to be a very selective rendering of the due diligence information available to The Star at the time of this decision, doesn't it?

MR HAWKINS: Well, on - on face value, this document appears to not contain all - or a reference to the other information. I can only read that section before where it referred to an external report as uncorroborated. But I haven't seen this

report before. So I'm not sure in totality. If I - if I read this singularly, yes, there's no reference to that.

5 **MS SHARP SC:** Of course, isn't it right, though, based upon the information Mr Houlihan is recorded as providing, that would provide some corroboration for what is set out in the due diligence report, assuming that's the one referred to?

MR HAWKINS: Yes, unless there was a reason for it to be discounted.

10 **MS SHARP SC:** Well, can you explain why there seems to be a very selective rendering of the due diligence information actually available to The Star in this TrackVia document?

MR HAWKINS: I - I don't have a view on that.

15

MS SHARP SC: Does it concern you as the head of the international rebate business?

20 **MR HAWKINS:** Well, it - it concerns me to the extent to understand the previous investigative report that I saw and to understand why that hasn't been represented here, yes.

MS SHARP SC: It doesn't provide a very accurate audit trail, does it?

25 **MR HAWKINS:** I'm just not clear on what other information is either attached or collated within this file. I'm not close to it.

30 **MS SHARP SC:** Well, if I give you this hypothetical: assume that this printout is given to a regulator to show what due diligence consideration has been given to a patron at a particular point in time. You would agree, wouldn't you, that it does not disclose very relevant information that was available to Star about the propriety of that patron at this point in time?

35 **MR HAWKINS:** Yes, I'm - I'm unclear why that information was discounted. I don't know, Ms Sharp.

MS SHARP SC: Isn't the appropriate course one that involves stating the information and clearly explaining why it was discounted?

40 **MR HAWKINS:** That could present a more thorough assessment of the information, yes.

45 **MS SHARP SC:** Now, you'd agree that what Ms Arnott has decided there, according to this document on 14 February 2022, was that the customer relationship with Mr Qin should be continued?

MR HAWKINS: Yes.

MS SHARP SC: Can I take you to paragraph 98 of your first witness statement. What you say is that:

5 "In light of The Star Entertainment Group's decision to cease dealing with junket groups due to the risk posed, my opinion is that Sixin Qin is not a suitable person for The Star Entertainment Group to deal with."

MR HAWKINS: Yes.

10 **MS SHARP SC:** So is it this position you've expressed here in paragraph 98 that represents The Star's attitude to maintaining a relationship with Mr Qin, or is it Ms Arnott's decision in February '22 that represents that position?

15 **MR HAWKINS:** I - I think this was asking for my consideration. This was my view.

MS SHARP SC: And have you let other people in the business know your view?

20 **MR HAWKINS:** I do believe it was around the time that we had ceased dealing with junket groups, and I'm just unclear on the timing of Mr Qin's exclusion. But I didn't, beyond the preparation of this, engage with anyone else.

MS SHARP SC: Mr Qin hasn't been excluded from the casino, has he?

25 **MR HAWKINS:** I'm unclear of the current status of Mr Qin.

MS SHARP SC: Well, to your knowledge, he has not been excluded, has he?

30 **MR HAWKINS:** I'm unsure.

MS SHARP SC: But you consider he's not a suitable person for Star to be dealing with?

35 **MR HAWKINS:** Yes, that was - that's my opinion, yes.

MS SHARP SC: Can I take you to exhibit B732, which is STA.3410.0051.8577. I'm moving to a new topic now. Can I take your attention, please, to the email at the bottom of this page, which is from Michael Whytcross, dated 13 April 2018 to Skye Arnott, copied to you?

40 **MR HAWKINS:** Yes.

MS SHARP SC: And this relates to what's described as the Suncity service desk?

45 **MR HAWKINS:** Yes.

MS SHARP SC: And you're familiar with the fact that Suncity had exclusive access to a VIP room, being room - or Salon 95, in early 2018?

MR HAWKINS: Yes.

5 **MS SHARP SC:** And you recall, don't you, that there were issues in early 2018 about cash transactions taking place at the service desk in salon --

MR HAWKINS: Yes. I'm aware of that.

10 **MS SHARP SC:** And what were those issues you recall?

MR HAWKINS: They included the exchange of cash for chips at the service desk. And I think there was representation of a non-junket participant in the room. And there was also the - a - the identification of a transfer of cash that had occurred in the room as well.

15 **MS SHARP SC:** And what was the problem with this?

MR HAWKINS: Well, they weren't expressly permitted to be occurring at that particular service desk.

20 **MS SHARP SC:** Because isn't the issue here that the service desk was being used like a casino cage?

MR HAWKINS: Yes. There was transactions identified there that were certainly not appropriate.

MS SHARP SC: Because the correct position, isn't it, that cash should only be exchanged for chips at the cage?

30 **MR HAWKINS:** That's right.

MS SHARP SC: Of the casino operator?

MR HAWKINS: Yes.

35 **MS SHARP SC:** And vice versa, being chips should only be exchanged for cash at the cage?

MR HAWKINS: That's right. Yes.

40 **MS SHARP SC:** But you had been made aware, hadn't you, of a number of instances where cash and chips had been exchanged at the Suncity service desk?

MR HAWKINS: I had, yes.

45 **MS SHARP SC:** Can I take you, please, to exhibit B769, which is STA.3411.0024.7383. And you see at the top there's an email from Mr Whytcross to you dated 9 May 2018?

MR HAWKINS: Yes.

5 **MS SHARP SC:** And by this time, you are the head of the international rebate business?

MR HAWKINS: Yes, I had recently taken that responsibility.

10 **MS SHARP SC:** So you were well aware of arrangements with Suncity in relation to Salon 95 at this time?

MR HAWKINS: I - I was certainly aware of it and getting up to speed as quickly as possible on understanding the background.

15 **MS SHARP SC:** And, of course, Salon 95 was in the facility for which you were the managing director?

MR HAWKINS: That's correct.

20 **MS SHARP SC:** Now, if I can take your attention, please, to the email that was forwarded to you, this being from Anthony Lui on 8 May 2018. You were also copied into that email, weren't you?

MR HAWKINS: Yes.

25 **MS SHARP SC:** And you see there's a report that Star had met with Suncity and Salon 95 to confirm they acknowledge that chips exchanged to cash is prohibited in their salon?

30 **MR HAWKINS:** Yes.

MS SHARP SC: But the problem kept occurring, despite that acknowledgement, didn't it?

35 **MR HAWKINS:** It did, yes.

MS SHARP SC: And you then sent a warning letter to Suncity, didn't you?

40 **MR HAWKINS:** Yes, it was - yes. My name was on the original letter. Yes, I sent that to them.

MS SHARP SC: Well, when we say your name was on the letter, that's because you sent it to them, wasn't it?

45 **MR HAWKINS:** Yes.

MS SHARP SC: Could we take you to that letter, which is exhibit B733, STA.3008.0003.0049. And that's your letter, isn't it?

MR HAWKINS: Yes, it is.

5 **MS SHARP SC:** And your letter of 10 May 2018 to Mr Lon, the junket promoter of the Suncity junket, is one by which you reiterate the restrictions regarding the operation of a service desk in Salon 95?

MR HAWKINS: Yes.

10 **MS SHARP SC:** And you see at the bottom of that first page, the last dot point there - if I can have that highlighted - you expressly state:

"The following transactions must not take place at the service desk, being exchange of cash for chips and exchange of chips for cash."

15

MR HAWKINS: Yes.

20 **MS SHARP SC:** And over the page, at the dot point at the top of the second page, you say:

"The service desk is for the exclusive use of your customers. Individuals who are not your customers should not seek services from the service desk."

25 **MR HAWKINS:** Yes.

25

MS SHARP SC: Now, it's a big problem for the casino operator, isn't it, if some other organisation is operating a pseudo cage in its casino?

30 **MR HAWKINS:** Yes.

30

MS SHARP SC: Because that other organisation is not licensed to operate a casino?

35 **MR HAWKINS:** That's correct.

35

MS SHARP SC: All right. So it was very important for you to take steps to ensure that there was no pseudo cage in operation at The Star in Sydney?

40 **MR HAWKINS:** That's right.

40

MS SHARP SC: But it's right, isn't it, that even after this letter was sent, we saw - or you saw examples of a pseudo cage in operation?

45 **MR HAWKINS:** Yes. After the first letter was issued, there was further issues that occurred in the room. That's right.

MS SHARP SC: So your warning letter was not an effective control, was it?

MR HAWKINS: It didn't appear to be. That's right.

MS SHARP SC: Did you ever tell the regulator that this problem had occurred, that being New South Wales Liquor and Gaming or ILGA?

5

MR HAWKINS: I didn't personally, no.

MS SHARP SC: Is there some reason why you didn't notify them that this had occurred?

10

MR HAWKINS: I'm - I'm unclear if it did occur as - as part of another update from our legal or compliance area. But I - I didn't.

MS SHARP SC: Could you just pardon me for a moment, Mr Bell. Can I take you to a document, which is STA.3427.0018.3096? Now, this is an email sent from a senior investigator to Mr Power and Mr Houlihan. I want to find out whether you were made aware of Mr McGregor's sentiments. If I can take you to the second page of this document. You can see it's dated 14 May 2018 - well, I'll just go back so you can see that. You see it's dated 14 May 2018?

15

20

MR HAWKINS: Yes, I see that.

MS SHARP SC: And if I take you now to the next page.

25

MR HAWKINS: Would you like me to read it?

MS SHARP SC: Well, I will read it to you, the second-last paragraph. It says:

30

"Today's activities with Suncity have been very strange, we have an entity within our four walls which is totally non-compliant to reasonable requests for basic information. I'm going to call it out early, Suncity is operating a business model under our noses which is problematic for The Star Entertainment Group with respect to AML/CTF laws."

35

Now, was this concern made known to you at that time, that is, at a time after you had sent your warning letter to Suncity?

MR HAWKINS: No.

40

MS SHARP SC: It's a pretty serious call for the senior investigator to be making, isn't it?

MR HAWKINS: Yes, it is.

45

MS SHARP SC: And it's highly concerning, isn't it, to have one of your senior investigators articulating to other senior members of the management team that a business model is operating under your noses that's problematic with respect to AML and CTF laws?

MR HAWKINS: Yes.

5 **MS SHARP SC:** Can I take you now to exhibit B at 783, which is STA.3411.0010.3415. Now, I'm showing you an email from John Lomax dated 15 May 2018. It's to you and to Mr Quayle?

MR HAWKINS: Yes.

10 **MS SHARP SC:** And you said he was the person responsible for on-site surveillance a bit earlier in your evidence?

MR HAWKINS: Yes, security and surveillance. That's right.

15 **MS SHARP SC:** And it's right, isn't it, that he's reporting to you about events in Salon 95?

MR HAWKINS: Yes.

20 **MS SHARP SC:** And what he's telling you is that the investigator's team are looking at an international rebate player in the Suncity junket, and they're looking for footage of cash to chip transactions?

MR HAWKINS: Yes.

25 **MS SHARP SC:** So it's right, isn't it, that Mr Lomax is briefing you on what the investigation team is doing in relation to Salon 95?

MR HAWKINS: Yes.

30 **MS SHARP SC:** And then you reply:

"Can we discuss that email address and its purpose."

35 What's that about?

40 **MR HAWKINS:** I think there was - one of our assistant gaming managers in the salon had reported a cash transaction in the room to the investigations email, is what I understand. So I think I was just asking that email address because I hadn't seen it before.

MS SHARP SC: And are you able to explain why you're receiving updates from Mr Lomax about what the investigation team is doing with respect to Salon 95?

45 **MR HAWKINS:** Mr Lomax would have been keeping me updated, particularly there as it relates to his resourcing. So the request made by the investigation team, which sat in a different entity within the group, impacted on the surveillance team as well. So he was probably just, for the purpose of this, keeping me updated and

giving me some insight on it, but also the impact on, you know, the other requests that were coming through.

5 **MS SHARP SC:** And is it correct that you met with Mr Power, Mr Paul McWilliams and Micheil Brodie in or around 11 May 2018 to discuss the situation of cash for chips in Salon 95?

10 **MR HAWKINS:** I suspect I did. There was quite a bit of correspondence around the matter, which included Mr McWilliams and Mr Brodie and Mr Power.

MS SHARP SC: Is there some reason why you didn't direct that the room be shut down at this point in time?

15 **MR HAWKINS:** I think there was a recommended course of action coming out of it to - if I recall, to cease the - any transactions at the desk while there was other initiatives being put in place to try and sort of correct the situation quickly.

20 **MS SHARP SC:** Well, you'd, by this time, written an email to the junket promoter telling him not to permit these kinds of transactions to occur. And yet they continued to occur, despite your direction. Wasn't the appropriate course now to say, "Shut the room down"?

25 **MR HAWKINS:** I felt at the time - that wasn't the course of action that I took, obviously - that we still had a number of initiatives in place to correct the situation. So --

MS SHARP SC: Well, they weren't working, were they?

30 **MR HAWKINS:** Not immediately, no.

MS SHARP SC: Well, not afterwards either, were they?

35 **MR HAWKINS:** My understanding is in time, but I - I accept that it took too long.

40 **MS SHARP SC:** Well, let me take you to exhibit B at tab 790, which is STA.3411.0010.3560. What I'm showing you now is an email from your general counsel, Andrew Power, dated 15 May 2018. I will have it enlarged for you. Now, given that it's sent to you, and you alone, may we take it you read this at the time?

MR HAWKINS: Yes.

45 **MS SHARP SC:** And what Mr Power advises you is that he's been briefed on conduct occurring in Pit 95 and he's reviewed available footage. And he says:

"In my opinion, the junket group's conduct has exposed The Star to an unacceptable level of risk and constitutes a breach of the agreement and applicable laws or otherwise amounts to casino operations. In particular, (1)

cash for chips (and vice versa) transactions taking place at the service desk; and (2) withdrawal of cash (terms unknown) by non-junket participants at the service desk locations."

5 In view of the fact that your general counsel was advising you at this time that there was an unacceptable level of risk, wasn't the only appropriate course for you, as managing director and head of the international rebate team, to direct that the room be shut down then and there?

10 **MR HAWKINS:** My consideration at the time was that we still had the ability to get the room operating the way it needed to. I took on board the next steps that Mr Power had outlined and, at that - at that time, felt that the actions being taken were enough to bring about activities in the room that we would expect to be compliant with how we operate the property.

15 **MS SHARP SC:** But how --

MR BELL SC: Mr Hawkins, shouldn't these illegal casino operations by Suncity have been immediately reported to the regulator?

20 **MR HAWKINS:** I - I expect that would be the case, Mr Bell, yes. I'm not sure if that occurred.

MR BELL SC: Yes.

25 **MS SHARP SC:** Wasn't it your obligation, as the managing director of Star Sydney, to ensure that that did occur?

MR HAWKINS: I would have had reliance on the compliance team to - to do that but accept I should have checked if that was an obligation.

MS SHARP SC: Well, it was your responsibility at the end of the day, as managing director, wasn't it?

35 **MR HAWKINS:** I accept that. But at the same time, I was fully aware that our chief risk officer, our head of compliance, our head of legal and our head of investigations were assisting with the matter. And based on my assessment at the time, I felt the course of action we took was the right one to try and get it rectified.

40 **MS SHARP SC:** Now, if I can take you further up this email chain. What you did was forward this advice to Mr Bekier on 16 May 2018. Can you see that?

MR HAWKINS: Yes.

45 **MS SHARP SC:** What did you discuss with Mr Bekier about this matter?

MR HAWKINS: I don't recall it specifically, but I think it just would have been an update on the matters and the steps being proposed moving forward. That's all I --

5 **MS SHARP SC:** May we take it that he did not suggest to you that the room be shut down?

MR HAWKINS: I - I don't recall that being presented.

10 **MS SHARP SC:** Well, had he done that, you would have done it, wouldn't you, that is, shut down the room?

MR HAWKINS: Yes.

15 **MS SHARP SC:** And may we take it he did not tell you to alert the regulator to this situation?

MR HAWKINS: I - I don't recall if he guided on that. I'm not sure.

20 **MS SHARP SC:** Well, had he provided that guidance, may we expect that you would have taken steps to alert the regulator at this time?

MR HAWKINS: Yes.

25 **MS SHARP SC:** Now, can I take you to exhibit B, tab 803. Do you see there's an email from Mr White to a number of people, and you're copied into it, dated 16 May 2018?

MR HAWKINS: Sorry. Can I just have that enlarged slightly, please?

30

MS SHARP SC: And please read that to yourself and then I'll ask you a question.

MR HAWKINS: Yes, I've read it.

35 **MS SHARP SC:** And so is it correct that what happened at this point is that your team worked to put together a standard operating procedure to give to Suncity about transactions at the service desk, and you permitted operations to continue?

MR HAWKINS: Yes.

40

MS SHARP SC: And it's right, isn't it, that you sent a second letter to Suncity on 5 June 2018?

MR HAWKINS: That's correct.

45

MS SHARP SC: And I will show you that second letter. This is STA.3008.0004.0199, which is exhibit B863. And I will have that enlarged so you can read it, Mr Hawkins. And do you see in the last paragraph there, you say:

5 "The Star views this breach very seriously and I note that any further breaches of processes will result in The Star terminating the use of the service desk for your junket representatives in Salon 95 and may result in The Star reviewing your exclusive access to Salon 95."

MR HAWKINS: Yes.

10 **MS SHARP SC:** And it's right that after that letter was sent, concerning cash transactions continued to occur, didn't they?

MR HAWKINS: I - I - if I recall, I think there may have been some other cash to chip transactions, yes.

15 **MS SHARP SC:** And they occurred in June of 2018, didn't they?

MR HAWKINS: I accept if that's the case.

20 **MS SHARP SC:** And are you aware that by this time, your - that is, The Star's investigation team was investigating Salon 95 in an investigation called Operation Money Bags?

MR HAWKINS: No, I wasn't aware of that.

25 **MS SHARP SC:** No one made you aware of the fact that that investigation was occurring in relation to conduct occurring in the casino for which you were the managing director?

MR HAWKINS: No.

30

MS SHARP SC: Isn't that a matter of enormous concern to you, in view of the fact that you're sending now your second warning letter to the junket about this very issue?

35 **MR HAWKINS:** I - I was aware that Mr Houlihan and team were investigating matters but wasn't privy to the specifics.

MS SHARP SC: Well, shouldn't you have been made aware of the specifics?

40 **MR HAWKINS:** It - yes. It would have helped inform a broader view, yes.

MS SHARP SC: It would have helped you inform the board of the risk, wouldn't it?

45 **MR HAWKINS:** Yes.

MS SHARP SC: Now, can I take you to STA.5002.0004.1047, which is exhibit B1011. Mr Bell, I have to get a page number here. Would it be convenient for the afternoon adjournment to be taken at this point?

5 **MR BELL SC:** Just before we do, Mr Hawkins, Mr White and Mr Power have given evidence to this review to the effect that they regarded the second warning letter as a weak response having regard to the continued pseudo cage operations at Suncity. And I appreciate that that's the decision you made at the time. But looking
10 back on it now, would you accept that it was a weak response to the problem?

MR HAWKINS: I think the first letter that was sent was sent quite quickly when I engaged in oversight of that business. And based on what I know now, I accept that.

15 **MR BELL SC:** And looking back on it now, would you accept that this was a circumstance where business goals took priority over compliance goals?

MR HAWKINS: I think the - you know, the relationship with the junket was maintained and, from my point of view, I don't think there was necessarily any
20 pressure applied to anyone else to continue that. So I think from a collective perspective, you know, the incorrect action holistically was probably taken. But, you know, the junket contribution in the scheme of things is far, far smaller than our local business is. I think it was just a matter of wanting to maintain the relationship and trying to get the area rectified to a compliance state as quickly as
25 possible.

MR BELL SC: I understand that this was a collective decision and you were a part of a collective decision. And I understand that you took certain action at the time. But bearing in mind that you accept that it was a weak response, looking
30 back on it now, would you accept that it indicated that business goals were given priority by the organisation over compliance goals?

MR HAWKINS: With the information I've subsequently been provided about the matters in the room, I accept the response was not appropriate. And I think the
35 potential divisions of accountability within the organisation didn't assist with ultimately the position that we should have taken.

MR BELL SC: Yes. All right. Well, I will now adjourn for 15 minutes.

40 <THE HEARING ADJOURNED AT 3:27 PM

<THE HEARING RESUMED AT 3:46 PM

MR BELL SC: Yes, Ms Sharp.
45

MS SHARP SC: I'm presently showing you exhibit B1011, which is the minutes of the board of directors of 26 July 2018. And can you see you attended that meeting?

MR HAWKINS: Yes.

5 **MS SHARP SC:** And if I take you over the page to pinpoint 1049. Do you see in about the middle of that page, there's a reference to the paper titled The Star Entertainment Group Managing Director and CEO Report of May 2018?

MR HAWKINS: Yes.

10 **MS SHARP SC:** And the June 2018 report has been taken as read?

MR HAWKINS: Yes.

15 **MS SHARP SC:** Now, it's most likely you did read those reports before attending the meeting?

MR HAWKINS: I - I certainly would have read the New South Wales section, but I likely skimmed through the rest of it. Yes.

20 **MS SHARP SC:** And could I take you to the May 2018 managing director/CEO report, which is exhibit B753, STA.5002.0004.1675. And can I take you, please, to pinpoint 1696. And if I can highlight the third dot point there. That says:

"Salon 95 service desk."

25

And it's advised that:

30 "In May, concerns emerged around certain activities undertaken at the junket service desk in Salon 95. At present functions at the service desk are limited pending the roll out of detailed processes for the junket representatives in that salon. It is expected that training will be completed on 8 June, with regular ongoing compliance monitoring following the resumption of services at the service desk."

35 Now, do you agree that the impression conveyed was everything is under control now?

40 **MR HAWKINS:** Yes, I think it's - it's a limited assessment of the matters that had occurred, yes.

MS SHARP SC: Now, can I take you to exhibit B149, which is - sorry, 1492, which is STA.3009.0004.0005. Were you aware, Mr Hawkins, that on 23 May 2019, Mr Stevens conducted an audit upon Suncity's compliance with the standard operating procedures it had been given in relation to the service desk?

45

MR HAWKINS: No, I don't recall being aware of that.

MS SHARP SC: Can I take you, please, to STA.3427.0018.3537. Do you see this is an email from Mr McGregor, the senior investigator, to Kevin Houlihan, Andrew Power, copied to Paula Martin, dated 5 June 2019?

5 **MR HAWKINS:** Yes.

MS SHARP SC: And you will see that it attaches a document called Information Report Salon 95 May 2019?

10 **MR HAWKINS:** Yes.

MS SHARP SC: Right. And you can take it from me that information report postdates the Stevens compliance order document of May that I just showed to you.

15

MR HAWKINS: Okay.

MS SHARP SC: This is exhibit G674, by the way, Mr Bell. Let me take you to the attachment to that email. This is exhibit - actually, I'm not sure what the exhibit number is, but STA.3412.0042.8585. And, I'm sorry, I will have to show you a different version of this document because redactions have been made here. I will show you exhibit G at 675, which is STA.3427.0018.3538. And do you see it's an information note from Mr McGregor dated 5 June 2019?

25 **MR HAWKINS:** Yes.

MS SHARP SC: So this was the information note that was emailed to the three lawyers and to Mr Houlihan?

30 **MR HAWKINS:** Okay.

MS SHARP SC: And do you see that the activity - do you see how that's described at the top?

35 **MR HAWKINS:** Could I ask for it to be enlarged, please?

MS RICHARDSON SC: Sorry. Could the witness be told - I think that is confidential and shouldn't be read out. I don't know - the shading doesn't appear there. Just so the witness knows the sensitivity about that material.

40

MS SHARP SC: Yes. Thank you. Mr Hawkins, just read the activity entry to yourself but don't read it out, please.

MR HAWKINS: I've read that.

45

MS SHARP SC: Now, I just want to take you through this document briefly, if I can. Can you see the first entry in the box in the heading "Summary"?

MR HAWKINS: Yes. Would you like me to read it?

MS SHARP SC: And do you agree that - sorry?

5 **MR HAWKINS:** Would you like me to read it? Sorry.

MS SHARP SC: To yourself. And please assume it's confidential.

MR HAWKINS: Yes, I've read that.

10

MS SHARP SC: And could I take you to the bottom of the first page, please, and ask you to read that paragraph to yourself?

MR HAWKINS: Yes, I've read that.

15

MS SHARP SC: And it clearly states there:

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

20

MR HAWKINS: So it says, yes.

MS SHARP SC: And if I take you over the page. Could I show you the top - if I take you to pinpoint 3540 and ask you to read that top paragraph to yourself.

25

MR HAWKINS: Can it be enlarged, please? Thank you.

MS SHARP SC: And I will just have it scrolled down to that part of the document appearing under the heading Postscript.

30

MR HAWKINS: Could I just ask a question? I'm unclear what room that paragraph is referring to.

MS SHARP SC: It's referring to Salon 95 and the little office in there that's sometimes called the service desk.

35

MR HAWKINS: Right. Thank you.

MS SHARP SC: And do you see there's a heading Postscript, and it says that:

40

"It appears that Suncity associates bring cash into Salon 95 concealing it in a few ways and that this concealment has thwarted casino surveillance's efforts to track its source and/or arrival time."

45 **MR HAWKINS:** Yes.

MS SHARP SC: And a little further down, it says:

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

5 **MR HAWKINS:** Yes, I see that.

MS SHARP SC: So it's pretty clear from this document, isn't it, that Suncity is not complying with the service desk protocols that were given to it?

10 **MR HAWKINS:** It - yes, it appears that's what Mr - Mr McGregor, I think, is calling out. Yes.

MS SHARP SC: And can I take you to pinpoint 8586 - I beg your pardon. If I can take you over the page. And you see there's a heading Follow Up/Recommendation. If I can take you to that part of the document. Do you see it says:

20 "The balcony area adjacent to Salon 95 is used by them as a storage area with several items of luggage kept there today. In the past, the presence of these bags was indicative of covert cash movements into and out of Salon 95."

MR HAWKINS: Yes.

25 **MS SHARP SC:** Now, were you made aware of these incidents at the time, that is, in June 2019?

MR HAWKINS: No, I don't believe I was.

30 **MS SHARP SC:** Were you made aware of an investigation by The Star investigations team called Operation Lunar 2019?

MR HAWKINS: No, I wasn't.

35 **MS SHARP SC:** You should have been made aware of this, shouldn't you, given you were the managing director of Star Sydney and the head of the international rebate team?

40 **MR HAWKINS:** The investigations unit didn't report to me and sat within the corporate entity. So they may have formed reasons as to not to include the site management, but --

MS SHARP SC: You should have been made aware of it, shouldn't you?

45 **MR HAWKINS:** Unless there was a reason not - for me not to be made aware. Yes, I accept that.

MS SHARP SC: Well, you can't possibly think of a reason why - as the head of the international rebate business and the managing director of Star Sydney, why you should not have been made aware of this, can you?

MR HAWKINS: I think by this stage I wasn't overseeing the property operations, but I - I continued to oversee the international rebate business. But I - I accept that it's very relevant information.

5

MS SHARP SC: And let me take you to this document, which is exhibit B1437, STA.3418.0011.0621. Exhibit B1437. And, operator, I will give you the doc ID. It's STA - there it is. Now, you're not a party to this email, but you can see it's dated 24 June 2019?

10

MR HAWKINS: Yes.

MS SHARP SC: And you can read it to yourself. What it's doing is referring to incidents of a concern in Salon 95 on seven different occasions in May and - all in May of 2019; do you agree?

15

MR HAWKINS: The - the author is suggesting --

MS SHARP SC: And please don't read out the words in blue.

20

MR HAWKINS: Okay. Okay. Yes, I accept that.

MS SHARP SC: Were any of these made aware to you in June of 2019 or indeed in May 2019?

25

MR HAWKINS: No, they weren't.

MS SHARP SC: Well, they all indicate that there's a very big problem occurring in Salon 95, don't they?

30

MR HAWKINS: They appear to indicate that, yes.

MS SHARP SC: And to be clear, this is a point after which you have written two warning letters to Suncity and have caused them to be provided with a service desk protocol?

35

MR HAWKINS: That's correct.

MS SHARP SC: And yet none of this was made known to you at that time; is that the position?

40

MR HAWKINS: Yes.

MS SHARP SC: All right. Now, it was made known to you, wasn't it, that in July of 2019, the Police Commissioner excluded a number of people associated with Suncity from Star Sydney, right?

45

MR HAWKINS: That's right.

MS SHARP SC: All right. I will take you to STA.3427.0037.3741. Do you see you're copied into that email dated 22 July 2019?

5 **MR HAWKINS:** Yes.

MS SHARP SC: And it said there are - there's correspondence from the Police Commissioner --

10 **MR HAWKINS:** Yes.

MS SHARP SC: -- relating to a number of exclusions:

"As I understand it, six of these are associated with Suncity."

15

MR HAWKINS: Yes.

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

20 **MR HAWKINS:** I would have, yes.

MS SHARP SC: This is exhibit G684, Mr Bell. Isn't there every indication from this information I've just shown you that there are serious money laundering concerns in relation to Salon 95 as at May, June and July 2019?

25

MR HAWKINS: I - I think the - the collection of the information you've presented to me, yes, would indicate that there's the potential for that. Yes.

30 **MS SHARP SC:** Well, it's not appropriate in any way, shape or form that this kind of conduct is occurring in the casino, is it, that is, large bags of cash being brought in?

MR HAWKINS: Without, you know, substantiation of that, yes, I accept that.

35 **MS SHARP SC:** Well, how much more substantiation is necessary before a conclusion is reached that there's a very serious problem occurring in Salon 95?

40 **MR HAWKINS:** I - I was unclear of the information that we looked at before. I hadn't been provided it. So I could only rely on investigations and/or other teams to determine the appropriate course of action.

MS SHARP SC: Well, hasn't there been a major breakdown if you have not been made aware of this information at the time?

45 **MR HAWKINS:** I'm not sure who else was made aware of the information.

MS SHARP SC: Well, I'm asking about you being made aware of the information.

MR HAWKINS: I think it's relevant to ongoing relationships, yes.

5 **MR BELL SC:** Mr Hawkins, were you the executive with responsibility for managing relationship with Suncity at this time?

MR HAWKINS: Yes, I would have still been overseeing international sales business. Yes.

10 **MR BELL SC:** It would appear, would it not, that there's siloing of information and that you're being prevented from being made aware of relevant information to your duties; do you agree?

15 **MR HAWKINS:** I was certainly reliant on units within those silos and the structure to guide myself and others on material matters like this. So to the extent that that - that didn't occur, I'm not clear as to why or what conclusions were ultimately drawn by those who had investigated it. But I accept what you're saying, Mr Bell.

20 **MR BELL SC:** As the executive responsible for the relationship with Suncity, this was information - and I must say this is information - the information that counsel assisting has taken you to that occurred in 2019 - that you needed to know, wasn't it?

25 **MR HAWKINS:** Yes, in terms of the - the relationship we - we had with Suncity. So the sales team I oversaw managed that relationship. But as I said, we - we would rely on the - the due diligence and assessment formality to be occurring within another space. And it appears - I'm unclear what - well, the conclusions that were drawn at the time. But it should have warranted broader discussion, yes.

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

MS SHARP SC: Can I take you, please, to exhibit C at tab 78, which is STA.3427.0037.3869. And, again, it's not your email, but I want to show you what's attached to it. Do you see it's dated 12 June 2019?

MR HAWKINS: Yes.

40 **MS SHARP SC:** From Angus Buchanan. Now, you knew who he was at the time, didn't you?

MR HAWKINS: I think - he's an investigator, I think - or an analyst in our AML area, I think.

45 **MS SHARP SC:** And do you see he is sending an email to Ms Martin, Mr White and Mr Houlihan?

MR HAWKINS: Yes.

MS SHARP SC: And do you see the attachment there is HKJC Suncity Report?

MR HAWKINS: Yes.

5

MS SHARP SC: That's a reference, in fact, to the Hong Kong Jockey Club report?

MR HAWKINS: Right. Yes.

10

MS SHARP SC: And you see what Mr Buchanan says in that email is:

15 "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."

MR HAWKINS: Yes.

20 **MS SHARP SC:** Were you provided with a copy of this report at the time?

MR HAWKINS: No.

MS SHARP SC: Have you ever seen it?

25

MR HAWKINS: No.

MS SHARP SC: Was anyone - did anyone at Star make you aware that Star held a copy of it?

30

MR HAWKINS: Not that I recall.

MS SHARP SC: You know, don't you, that in media allegations published on and from late July 2019, it was alleged that the Hong Kong Jockey Club had made serious adverse findings about Alvin Chau and Suncity?

35

MR HAWKINS: I - I recall reading those media reports.

MS SHARP SC: And did you ask anybody at The Star if they had any knowledge about this Hong Kong Jockey Club report that cast serious aspersions on the character of Mr Chau and that of Suncity?

40

MR HAWKINS: No, I don't think I did.

45 **MS SHARP SC:** But you accept from looking at this email that, in fact, Angus Buchanan had it, Ms Martin had it, Mr White and Mr Houlihan had it?

MR HAWKINS: I - yes, it appears that way. Yes.

MS SHARP SC: And we can add to that that Ms Arnott had a copy of it. It doesn't say that here, but you can assume that from me, okay?

5 **MR HAWKINS:** I accept that.

MS SHARP SC: Now, could I take you to the report. If we go to exhibit C at tab 79, STA.3427.0037.3870. Now, can I just ask you to read that section in blue shade to yourself. It's confidential.

10

MR HAWKINS: Sorry. Is - just so I'm clear, this is the actual Hong Kong Jockey Club report?

15 **MS SHARP SC:** This is the cover letter to the Hong Kong Jockey Club report, being one of the documents that was circulated by Mr Buchanan in that email.

MR HAWKINS: Right. I've read that.

20 **MS SHARP SC:** And do you see that below that paragraph, it says:

"Suncity clearly involves a number of criminal enterprises, although the business lines are so diverse that they are well hidden in more obscure legitimate businesses."

25 **MR HAWKINS:** Yes, I see that.

MS SHARP SC: All right. This is very relevant information in terms of assessing the propriety of Alvin Chau and Suncity, isn't it?

30 **MR HAWKINS:** Yes, I would have thought it's relevant information for that team to consider. Yes.

MS SHARP SC: And for you as the head of the international rebate business to consider; don't you agree?

35

MR HAWKINS: Yes.

40 **MS SHARP SC:** Can I take you to part - I will take you to STA.3014.0007.0001. This is the Hong Kong Jockey Club report that I'm showing to you now. Could I take you to pinpoint 0003? Do you see at paragraph 2, it says in relation to Alvin Chau:

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

MR HAWKINS: Yes.

MS SHARP SC: Now, this is a report prepared, at least in part, by the due diligence officer of The Star at the time he was an investigator at the Hong Kong Jockey Club. Do you understand?

5

MR HAWKINS: I understand.

MS SHARP SC: And if I take you to paragraph 3, do you see it there says that:

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

MR HAWKINS: I see that.

MS SHARP SC: And it says that:

15

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

MR HAWKINS: Yes, I see that.

20 **MS SHARP SC:** And 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 scale money laundering activities."

25

MR HAWKINS: Yes, I see that.

MS SHARP SC: This is highly concerning information, isn't it?

30 **MR HAWKINS:** Yes, it's certainly relevant information. Yes.

MS SHARP SC: It's highly concerning information, isn't it?

35 **MR HAWKINS:** It's concerning and - and relevant to the assessment, yes.

MS SHARP SC: Well, it's a due diligence investigation report on Alvin Chau and Suncity; you understand that?

40 **MR HAWKINS:** I understand.

MS SHARP SC: And from the Hong Kong Jockey Club report - sorry, the Hong Kong Jockey Club?

45 **MR HAWKINS:** Yes.

MS SHARP SC: Can I take you to pinpoint 0010. And I will ask you to read paragraph 39 to yourself. It's confidential, although it's not marked as such there.

MR HAWKINS: Could I - thank you. 39, was it?

MS SHARP SC: Yes.

5 **MR HAWKINS:** Yes, I've read that.

MS SHARP SC: And could you read paragraph 40 as well, please.

MR HAWKINS: Yes, I've read that.

10

MS SHARP SC: Now, these are separate strands of information which cast considerable doubt on the good character of Mr Chau, aren't they?

MR HAWKINS: Yes. They cast doubt, yes.

15

MS SHARP SC: Considerable doubt? Do you agree?

MR HAWKINS: I - I accept that, yes. Yes.

20

MS SHARP SC: This is not one instance of isolated information, is it?

MR HAWKINS: No, it's not.

25

MS SHARP SC: Could I take you - this report comes in a few different parts. I will take you to the next part, which is exhibit B, tab 3455, STA.3014.0007.0011. And let me take you to paragraph fifty - well, pinpoint 0012. Do you see there's a heading "Links to Organised Crime"? And paragraph 55 is referring to the person identified as Mr Chau's business partner? Now, you agree, don't you, that this is another strand of information casting doubt on the good character of Mr Chau?

30

MR HAWKINS: Yes.

MS SHARP SC: And casting doubt on the good character of Suncity?

35

MR HAWKINS: Yes.

MS SHARP SC: And if I take you over the page to pinpoint 0013 to paragraph 57. You see it there states that:

40

"As at May 2017, intelligence -"

And that's - you can take that from me that's footnoted to be Australian law enforcement:

45

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

MR HAWKINS: Yes, I see that.

MS SHARP SC: That's another strand of information casting doubt on Mr Chau and Suncity's good character, isn't it?

5 **MR HAWKINS:** I accept that, yes.

MS SHARP SC: And you see at 58 what it says? That's confidential.

10 **MR HAWKINS:** And just for my clarity, the person mentioned in 58 is the partner; is that right?

MS SHARP SC: The business partner of Mr Chau in Suncity.

15 **MR HAWKINS:** Yes.

MS SHARP SC: So these are separate strands of information which, both individually and together, cast considerable doubt on the good character of Mr Chau and Suncity; do you agree?

20 **MR HAWKINS:** Yes, I accept that. Yes.

MS SHARP SC: But this information is never made - or has never been made to you, that is, this report?

25 **MR HAWKINS:** That's right.

MS SHARP SC: And isn't it the case that in late July/early August 2019, you were called upon to prepare a briefing note to the board about allegations in the media about Alvin Chau?
30

MR HAWKINS: Yes, I think - yes. I did that in conjunction with Ms Martin, I think, yes.

35 **MS SHARP SC:** Wouldn't it have been preferable for Ms Martin to make you aware that she held a copy of this report?

MR HAWKINS: I'm just trying to recall the specifics of the board paper.

40 **MS SHARP SC:** Well, we'll come to that in a minute. But you can answer the question now, can't you?

MR HAWKINS: Sorry. Could you please repeat the question?

45 **MS SHARP SC:** Given that you were preparing a report to the board with Ms Martin about the media allegations concerning Alvin Chau and Suncity, wouldn't it have been preferable that Ms Martin said, "By the way, here's a copy of this report"?

MR HAWKINS: I - I think it's, yes, relevant information to be considered. Yes.

MS SHARP SC: Do you agree that she should have made this information known to you?

5

MR HAWKINS: Just to clarify, she - she had a copy of it?

MS SHARP SC: Yes.

10 **MR HAWKINS:** I'm just unclear on what conclusions - or how this was being factored into the assessment by the investigations and AML team. But I agree there's - there's relevant information here, yes.

15 **MS SHARP SC:** Well, do you agree that Ms Martin should have made this report available to you, given that you were involved in briefing the board?

MR HAWKINS: Yes, I think it's relevant knowledge. Yes.

20 **MS SHARP SC:** Because isn't it the case that even once Suncity departed from Salon 95, it simply moved into Salon 82 to continue its junket operations at The Star in Sydney?

MR HAWKINS: Yes. Correct.

25 **MS SHARP SC:** And you were part of that decision-making process, weren't you?

MR HAWKINS: Yes.

30 **MS SHARP SC:** Well, shouldn't you have been made aware of this report for the purpose of making that decision?

35 **MR HAWKINS:** Look, I continued to rely on that part of the business to guide on the suitability of various individuals. And, you know, it's relevant information. I'm not 100 per cent - I'm not clear as to why a conclusion was drawn to maintain the relationship, whether or not there's other information that was relevant to their determination.

40 **MS SHARP SC:** Well, weren't you involved in the decision to maintain that relationship?

MR HAWKINS: Yes, I was.

45 **MS SHARP SC:** Because you were the head of the international rebate business?

MR HAWKINS: Yes.

MS SHARP SC: Well, shouldn't you have been provided this document in order to assist you with making that decision?

5 **MR HAWKINS:** At the time, as I said, I - I would - without the knowledge of this, would've continued and be - have been guided by that team on if it was acceptable to continue that relationship.

MS SHARP SC: Well --

10 **MR HAWKINS:** But I - I accept that --

MS SHARP SC: Sorry. I talked over you.

15 **MR HAWKINS:** No, I was going to say I accept that it's - that it's a relevant piece of information to be considered.

20 **MR BELL SC:** Mr Hawkins, the question that counsel assisting has asked you a couple of times now is whether you accept that you should have been made aware of this information.

MR HAWKINS: Well, I accept it's - it's important information to consider with regards to the ongoing Suncity relationship. And I think it would have been worth a discussion with that team, yes.

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

MS SHARP SC: That's a very mild response, Mr Hawkins. Is that all you think about it?

30 **MR HAWKINS:** I'm just unclear - you know, this is the first time I've seen this and, you know, knowing that that team took these matters very seriously - what other points of data or reports they were using to, you know, form their view.

35 **MS SHARP SC:** Well, it's a due diligence report prepared by a reputable overseas gaming organisation, isn't it?

MR HAWKINS: Yes. The jockey club is - is a significant business in Hong Kong, yes.

40 **MS SHARP SC:** And your - that is, The Star's due diligence officer was one of the people responsible for preparing that document?

MR HAWKINS: Yes, I agree.

45 **MS SHARP SC:** And one can only conclude - considered that what was stated in that document was accurate as at the time it was stated?

MR HAWKINS: Yes, I accept that.

MS SHARP SC: Well, aren't you pretty concerned that no one in the organisation made you aware of the existence of this document?

5 **MR HAWKINS:** Yes look, it is surprising. As I've said before, the - the verticals within the business sort of contain some of the - the assessments and information to - to make determinations. But it is a - it's a very relevant piece of information.

10 **MS SHARP SC:** And can I take you, please, to exhibit B1525. It's STA.0015.0001.0271. Do you see that's an email from Marcus Lim to you dated 13 August 2019?

MR HAWKINS: Yes.

15 **MS SHARP SC:** And what Marcus Lim is reporting to you on was an arrangement negotiated with Alvin Chau to move the Suncity junket from Salon 95 to Salon 82?

MR HAWKINS: Yes.

20 **MS SHARP SC:** Now, it might be that you would have decided matters differently had you been given access to this report; do you agree?

25 **MR HAWKINS:** I think if there was a broader discussion with regards to that report and intelligence, you know, we may have formed a different view, yes. I accept that.

30 **MS SHARP SC:** Can I take you, please, to exhibit B at tab 1538, STA.5002.0005.2241. This is a board paper dated 15 August 2019 from you and Ms Martin?

MR HAWKINS: Yes.

35 **MS SHARP SC:** Now, in putting your name to this document, that means that you took responsibility for its contents, doesn't it?

MR HAWKINS: Yes.

40 **MS SHARP SC:** And you would have done your best to ensure that the board was accurately briefed, wouldn't you?

MR HAWKINS: Yes, that's important.

45 **MS SHARP SC:** And you authored this document with Ms Martin?

MR HAWKINS: Yes, it was drafted for us. But I certainly reviewed it, yes.

MS SHARP SC: And may we take it that you liaised with Ms Martin in the context of reviewing it for accuracy?

5 **MR HAWKINS:** I'm sure that was the case, yes.

MS SHARP SC: Well, isn't it nothing short of extraordinary that Ms Martin did not make you aware of the fact that she held a copy of the Hong Kong Jockey Club report?

10 **MR HAWKINS:** I think this report - this paper was providing a specific response to the media that had occurred. So it may have been narrower in scope.

MS SHARP SC: I will just take you through this document. You see under the heading "Background", it refers to the media allegations on 27 and 28 July 2019?
15

MR HAWKINS: Yes, I see that.

MS SHARP SC: And do you see at pinpoint 2242, there's a heading Review and Monitoring:
20

"Management has and will continue to monitor media reports."

Now, you were one of those people who was continuing to monitor the media reports, weren't you?
25

MR HAWKINS: Yes. I was being updated on them, yes.

MS SHARP SC: And you understand - or you understood, didn't you, as you can see written here, that the allegations against Crown could be summarised as a wilful disregard of anti-money laundering and counter-terrorism related risk and systemic disregard to the suitability of the individuals with whom Crown was trading and the conduct being displayed by those people?
30

MR HAWKINS: Yes.
35

MS SHARP SC: And is it right that you were concerned that the same allegations not be levelled against The Star?

MR HAWKINS: Yes, I think the - at this time, the response was to understand those allegations and assess them against what we were doing.
40

MS SHARP SC: And I will take you to one of the attachments to your paper which went to the board. This is at pinpoint 2245. Now, I will have to show you the bottom of pinpoint 2245 and the top of pinpoint 2246. And do you see on that first page, in the first column, the Crown allegation is:
45

"Crown was wilfully blind to the criminal activity of key business partners. Particularly junket operators. This included claims related to Hong Kong Jockey Club ban on Suncity."

5 **MR HAWKINS:** Yes, I see that.

MS SHARP SC:

10 "Crown conducted little or no due diligence on people it ought to have known were criminals or strongly linked to criminal enterprises."

MR HAWKINS: Yes.

15 **MS SHARP SC:** So it's right, isn't it, that at that time, the media had made specific allegations about the existence of the Hong Kong Jockey Club report and the findings it made in relation to Alvin Chau and Suncity?

MR HAWKINS: Yes, if I recall, that was in the media. Yes.

20 **MS SHARP SC:** Now, in that context and in the context you're reporting to the board about it, isn't it nothing short of astonishing that Ms Martin did not make you aware of the fact that Star held a copy of that report?

25 **MR HAWKINS:** I'm just reviewing what's said there. Yes, I accept that if we were in position - possession of the report, that it's - it's a relevant insight, yes.

MS SHARP SC: Particularly so, given that it cast considerable doubt on the good repute of Alvin Chau and Suncity; do you agree?

30 **MR HAWKINS:** Yes.

MS SHARP SC: Now, you were aware at this time, were you, that ILGA or New South Wales Liquor and Gaming was making inquiries of The Star because of these media allegations?

35

MR HAWKINS: Yes, I think that was the case. Yes.

MS SHARP SC: And were you involved in the preparation of responses to New South Wales Liquor and Gaming?

40

MR HAWKINS: I'm - look, I just don't recall if I was or not. I would need to have a look at it.

45 **MS SHARP SC:** Do you think you would have been? You weren't the managing director at this time; you were the chief casino officer.

MR HAWKINS: I didn't typically see all the submissions being made to Liquor and Gaming, but I'm just unsure.

5 **MS SHARP SC:** Well, let me take you to the documents, and you can tell us whether you think it likely that you did play a role. If I can take you to pinpoint 2244. Do you see that attached to your joint paper with Ms Martin are letters from Liquor and Gaming New South Wales dated 29 July and 8 August 2019 respectively?

MR HAWKINS: Yes.

10 **MS SHARP SC:** And also a section 21 notice issued by Liquor and Gaming New South Wales?

MR HAWKINS: Yes.

15 **MS SHARP SC:** So do you think, given that the letters were annexed to this paper signed off by you, you would have at least read those letters from New South Wales Liquor and Gaming?

20 **MR HAWKINS:** I probably would have read them, yes.

MS SHARP SC: Well, I'll take you to those letters now that are appended to your report. Do you see - hang on, I will take you - pinpoint 2251 - I beg your pardon, 2250. Do you see this is a letter dated 29 July 2019 from New South Wales Liquor and Gaming?

25 **MR HAWKINS:** Yes.

MS SHARP SC: And you agree that it refers to the media allegations about connections between Crown Resorts and criminal figures?

30 **MR HAWKINS:** Yes.

MS SHARP SC: And you agree that it says:

35 "In particular, the media reports raised allegations relating to suspicious junket arrangements in China and Australia, and queried the suitability and conduct of some junket operators and their representatives."

40 **MR HAWKINS:** Yes, I see that.

MS SHARP SC: And it then says:

45 "As you are aware, there are materially significant risks associated with junkets operations."

MR HAWKINS: Yes.

MS SHARP SC: And do you see down the bottom, it says:

"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."

5

MR HAWKINS: Yes, I see that.

MS SHARP SC:

10 "I note that a more specific discussion around the individuals and organisations identified in the reports is to take place."

MR HAWKINS: Yes.

15 **MS SHARP SC:** So you had no doubt what New South Wales Liquor and Gaming was concerned to ensure, being the suitability of junkets with which Star dealt?

20 **MR HAWKINS:** Yes. That - that representative was inquiring about that, yes.

MS SHARP SC: And can I take you to the next letter from New South Wales Liquor and Gaming, which is at pinpoint 2251. This is the letter dated 8 August 2019. And can I draw your attention, please, Mr Hawkins, to the fourth paragraph that 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."

30 **MR HAWKINS:** Yes, I see that.

MS SHARP SC: Now, you can take it from me that Alvin Chau is one of the people listed in that letter. It would have been highly relevant to the regulator's inquiries, wouldn't it, to know that Star held this Hong Kong Jockey Club report about Alvin Chau and Suncity?

35

MR HAWKINS: Yes, in the - I'm unclear of - you'll probably take me to it - what information was provided. But, you know, that's - that's relevant information, yes.

40 **MS SHARP SC:** All right. Well, you can assume that this report was not made known to the regulator. You agree, don't you, that it's important to be clear and transparent with the casino regulator at all times?

45

MR HAWKINS: Yes, that's important.

MS SHARP SC: And do you agree that when the casino regulator was inquiring specifically about the risks that may arise because of ongoing associations between The Star and particular junket operators, it was appropriate to make the

regulator aware of the fact that The Star held this information about - or held the Hong Kong Jockey Club report?

5 **MR HAWKINS:** Yes, I accept that it - it was a report that has been referred to quite regularly in publications and the media. But I don't think they requested it specifically. But I think it's - it's an important report that contains, based on what I saw, relevant information in assessing the relationship.

10 **MS SHARP SC:** Even - I mean, it wouldn't be very fair to expect the regulator to specifically request a document it had no idea that Star possessed, would it?

MR HAWKINS: Yes, I accept that.

15 **MS SHARP SC:** All right. And your obligation - I withdraw that. The obligation of the casino licensee is to be clear and transparent with the regulator, isn't it?

MR HAWKINS: Yes.

20 **MS SHARP SC:** Not to take a technical and sharp approach to answering the regulator?

MR HAWKINS: No, I think the relationship should be broader than that.

25 **MS SHARP SC:** All right. And if a technical and sharp approach is taken, that would be quite inappropriate; do you agree?

MR HAWKINS: In being as transparent as possible, I accept that.

30 **MS SHARP SC:** And do you agree that the transparent way of approaching Liquor and Gaming's questions would have been to disclose the fact that there had been problems in Salon 95?

MR HAWKINS: I - I'm - I'm unclear if they were advised to the regulator.

35 **MS SHARP SC:** Well, you can take it from me that they weren't. Do you have any comment about that?

40 **MR HAWKINS:** Yes, I accept that those types of transgressions were appropriate to report.

MS SHARP SC: And particularly when the regulator was specifically asking about ongoing risks of any junkets with which Star was associated, do you agree that it was appropriate to disclose those problems to the regulator?

45 **MR HAWKINS:** Yes, I accept that it - it goes to the heart of our determination of the relationship with the individual, and - and that decision was made to continue for reasons. But those matters are important matters.

MS SHARP SC: Can I take you to another document now, please, Mr Hawkins. This is exhibit B at tab 2603. It's STA.3002.0005.0001. Now, what I'm showing you is a draft of a paper that Angus Buchanan provided to Andrew Power, Oliver White and Kevin Houlihan regarding an updated assessment of Alvin Chau. Can you see that?

MR HAWKINS: Yes.

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

"It is assessed Mr Chau, as alleged, was indeed a member of the 14K triad group in his youth."

MR HAWKINS: Sorry. Can I please have it enlarged?

MS SHARP SC: I'm sorry.

MR HAWKINS: Yes, I see that.

MS SHARP SC: And it says:

"Contemporary information suggests he is no longer an active member and that he has disassociated himself from his triad antecedents as he attempts to 'gentrify' his various business interests. However, it is suspected Mr Chau and/or his subordinates retain close links with triad entities who assist with certain aspects of his VIP junket business."

This isn't an appropriate person for The Star to be dealing with, is it?

MR HAWKINS: So it's calling out that he is no longer an active member --

MS SHARP SC: Does that make it any better, Mr Hawkins?

MR HAWKINS: I'm just - I'm reading it. And, yes, the - the suspicion that he retains those links. Yes, I accept that.

MS SHARP SC: So this is not an appropriate person for The Star to be dealing with, is it?

MR HAWKINS: I accept ultimately, with everything I've seen, yes.

MS SHARP SC: Well, on this alone, it's not appropriate, is it?

MR HAWKINS: In reading that from my point of view, I accept that. Again, I'm not sure what other information that particular team had used to form their view. But I accept that.

MS SHARP SC: All right. And your judgment counts, doesn't it, given that you're the head of the international rebate business?

5 **MR HAWKINS:** I - I think it's - I have a view. But as you can see, I - I don't always - I don't have access to the breadth of information that others in the organisation do.

10 **MS SHARP SC:** Well, you rely upon them to accurately report the information they do have to you, don't you?

MR HAWKINS: I - I rely on them to guide me principally if relationships should continue.

15 **MS SHARP SC:** And if they don't accurately report to you the information and genuine opinions they hold, that disables you from properly doing your job, doesn't it?

20 **MR HAWKINS:** Yes, I think it would prevent clarity - excuse me - clarity on relationships. But I - I would rely on their professional competence to - to form a broadly informed view.

MS SHARP SC: I will just take you to a few more parts of this report. I should indicate it's a draft report. If I can take you to pinpoint 0005, paragraph 31. He says:

25 "Recent reporting from a third-party provider (September 2020) suggests that in his youth, Mr Chau was a low-level member of the 14K triad."

30 And then a little further on:

"The report also suggests Mr Chau no longer has any active involvement with the 14K. This information is consistent with law enforcement intelligence holdings, media reporting and information provided by industry contacts and well-placed sources in Macau and Hong Kong."

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

40 **MS SHARP SC:** Now, you would agree as a general proposition, wouldn't you, that if a person considered the information to be consistent at that point in time, their view would remain that that same information was consistent with enforcement intelligence holdings?

MR HAWKINS: Sorry. Can I ask you just to repeat that?

45 **MS SHARP SC:** Yes. I don't know that I put that very clearly. If Mr Buchanan, who was the author of this document, held that view at the time, that is, that the due diligence information was consistent with law enforcement intelligence

holdings, that is a view that would be correct there ever after, based on those same pieces of information?

5 **MS RICHARDSON SC:** I object to that question. It's too unclear. I mean, the witness --

MR BELL SC: I reject the question. I reject the question.

10 **MS SHARP SC:** Can I take you to paragraph 32. It says:

"Given the important role --"

We will have that enlarged:

15 "Given the important role triad groups play in assisting certain elements of the junket, i.e, recovery of gambling debts and illicit movement of cash out of China, it is assessed that either Mr Chau and/or his Suncity subordinates retain a 'business' relationship with individuals who are either members of, or are closely associated with, triad groups. Experience in investigating Chinese
20 organised crime for over 30 years suggests that triad members may well become criminally inactive, but they very seldom leave or cease contact with their triad group unless they relocate overseas."

25 **MR HAWKINS:** (Indistinct).

MS SHARP SC: Now, you understand that Mr Buchanan is bringing to bear his experience in investigating Chinese organised crime for over 30 years in expressing that opinion?

30 **MR HAWKINS:** Sorry. Just to remind me, this was from him to Mr Power; is that right?

MS SHARP SC: And Ms Martin and Mr Houlihan.

35 **MR HAWKINS:** Yes, I - I accept that he was providing his insights based on his experience. Yes.

40 **MS SHARP SC:** And can I take you, please, to pinpoint 0012 under the heading Finding/Risk Factors. And could I ask you to read paragraphs 77 and 78 to yourself, please.

MR HAWKINS: Yes, I've read that.

45 **MS SHARP SC:** Now, you expect, don't you, that in stating these findings and opinions, Mr Buchanan was, at that time, basing his views on his considerable investigatory experience?

MR HAWKINS: I assume that's the case, yes.

MS SHARP SC: And do you agree that if no new information was brought to light to contradict any of these opinions, it would be quite odd for Mr Buchanan to change his opinions?

5

MS RICHARDSON SC: Again, I object to that question. It's too hypothetical and unclear about what Mr Buchanan may or may not do.

MR BELL SC: I reject the question.

10

MS RICHARDSON SC: In my submission --

MR BELL SC: I reject the question.

15 **MS SHARP SC:** I will approach it a different way. You do agree, don't you, Mr Hawkins, that this draft report casts very serious doubt on the good repute of Mr Chau having regard to character, honesty and integrity?

MR HAWKINS: Yes, certainly in the author's opinion. Yes.

20

MS SHARP SC: And may we take it that if you were basing a decision on whether to deal with Mr Chau on this report, you would decide not to deal with Mr Chau?

25 **MR HAWKINS:** I - I think I - I would engage in further dialogue with the author to get a sort of deeper understanding of it and understand the formalities of the allegations. But on - as I read it, it would be materially concerning.

30 **MS SHARP SC:** Well, his opinions are pretty unequivocally expressed here, aren't they?

MR HAWKINS: Yes. He's - it's quite direct, yes.

35 **MS SHARP SC:** All right. Well, what more information would you need, having read this opinion of your due diligence officer?

MR HAWKINS: I think a discussion with him, just to verbalise it and understand his source of information, and I believe more detail would be relevant to forming a view.

40

MS SHARP SC: Now, are you aware that a process was initiated whereby the AML compliance officers at the time decided whether or not to continue a relationship with Alvin Chau and certain other individuals?

45 **MR HAWKINS:** No, I don't think I was aware of that.

MS SHARP SC: Well, didn't you attend an out-of-cycle meeting of the - what's called the JRAM on around 17 August 2021 to discuss that very matter?

MR HAWKINS: Yes, I recall that email from Mr Power. And myself and - from what I can gather, myself and Mr Peasley provided - or Mr Peasley provided some further information, as the president of international, to Mr Power. And I don't
5 recall attending the meeting, but I accept that we may - or I may have dialled in for a part of it.

MS SHARP SC: And why did you dial in for part of it?

10 **MR HAWKINS:** The request from Mr Power was to provide any further insight or information on a list of customers, which Mr Peasley has done, and to discuss or further review that.

MS SHARP SC: Did you have any role in making a decision about whether to
15 continue dealing with Mr Chau?

MR HAWKINS: No, I didn't.

MS SHARP SC: Can I take you, please, to a printout from TrackVia. This is
20 STA.3023.0003.0050. Can you see at the top that this document was printed out on 2 March 2022?

MR HAWKINS: Yes, I can see that.

25 **MS SHARP SC:** And, Mr Bell, this is exhibit G932.

MR BELL SC: Thank you.

MS SHARP SC: Can I take you, please, to pinpoint 0058. And, sorry, I should
30 have asked you previously. You agree that this document relates to Alvin Chau? Do you need to go back to the first page?

MR HAWKINS: I saw that.

35 **MS SHARP SC:** So you agree with that?

MR HAWKINS: Yes.

MS SHARP SC: And can you see it says:
40

"AML due diligence review report."

MR HAWKINS: Yes.

45 **MS SHARP SC:** And at the bottom, can you see it says:

"AML compliance officer review, 18 August 2021, approved."

MR HAWKINS: Yes.

5 **MS SHARP SC:** Now, that meant - and I will take you over the page so you can see, at pinpoint 0059. Do you see the final decision is "maintain customer relationship"?

MR HAWKINS: Yes.

10 **MS SHARP SC:** Now, does this concern you in any way on the basis of the information I've shown you in the Hong Kong Jockey Club report and the draft due diligence report of Mr Buchanan?

15 **MR HAWKINS:** It - it's of interest to understand the position that was taken and, you know, what was accepted or not accepted with regards to the data that was held with regards to that customer.

20 **MS SHARP SC:** Well, I think Mr Bell will be interested in your judgment here, Mr Hawkins, in view of the position you hold and in view of the fact that you're the head of the international rebate business. On the basis of those two documents I've shown to you, are you concerned about this decision?

25 **MR HAWKINS:** I - I think there's - there's grounds to have some concern about it, based on those documents I've seen, again, without having - being aware or seeing the totality of what was used to ultimately form that position.

MS SHARP SC: Can I take you back to pinpoint 0058, please. Do you see here that there's reference to that out-of-cycle JRAM meeting on 19 August 2021?

30 **MR HAWKINS:** Yes.

MS SHARP SC: And a number of potential risk mitigation strategies were discussed at that meeting?

35 **MR HAWKINS:** Yes, there's a list of strategies. Yes.

MS SHARP SC: And do you see at number 6, it says:

40 "An independent report to be delivered to the AML compliance officer and the chief legal and risk officer for deliberation."

MR HAWKINS: Yes.

45 **MS SHARP SC:** And do you understand from reading this that that independent report was one of the things that Mr Houlihan relied upon in making this decision?

MR HAWKINS: It's definitely called out as an action or recommended strategies. So I would assume it occurred, yes.

MS SHARP SC: And can you read the rest of this page to yourself, please.

MR HAWKINS: Can I just clarify who the author of this is?

5 **MS SHARP SC:** It would appear that the author - you will need to make your own assessment, but this entry is - finishes with "AB". And the entry underneath it, which I will take you to in a moment, also ends "AB".

MR HAWKINS: I've read that section I can see.

10

MS SHARP SC: And can I take you to the next section.

MR HAWKINS: Yes, I've read that.

15 **MS SHARP SC:** Now, there is that reference at point number 6 in the top half of that document to the independent report. Do you see it?

MR HAWKINS: I did see that, yes.

20 **MS SHARP SC:** But you agree, don't you, that there's no reference in this document to Alvin Chau being a current or former triad?

MR HAWKINS: No, that's not referenced here.

25 **MS SHARP SC:** And there's no reference here to any concern that Alvin Chau may have been involved in money laundering, is there?

MR HAWKINS: No.

30 **MS SHARP SC:** And there's no reference here, is there, to the fact that Mr Cheng's business partner is considered to be a drug trafficker and money launderer, is there?

MR HAWKINS: No.

35

MS SHARP SC: Can I take you to the final report of Mr Buchanan, please. I will take you to exhibit B at tab 2779, STA.3412.0054.3083. Do you see there's a different date on this report now, but it's still described as an updated assessment, Alvin Chau? And can I take you to pinpoint 3084.

40

MR HAWKINS: So just to clarify, Ms Sharp, this is a formal memo that was sent?

MS SHARP SC: Yes, this is the last version of the memo.

45

MR HAWKINS: Thank you.

MS SHARP SC: And can you just read for yourself the whole of that page, that is, pages 7 to 13, under the heading Alleged Triad and Organised Crime Associations.

5 **MR HAWKINS:** I'm sorry. Just for clarity, the inquiry referred to is the Bergin Inquiry. Is that --

MS SHARP SC: That's the Bergin Inquiry, yes.

10 **MR HAWKINS:** I've read to 13.

MS SHARP SC: And then could I ask you to read pinpoint 3087. If I can take you to the heading Findings. We will have to go to the heading Findings, operator, which is on pinpoint 3088. I'm sorry if I said the wrong number. And can I ask
15 you, please, to read paragraphs 42 and 43.

MR HAWKINS: I've read 42 and 3.

MS SHARP SC: And do you agree there's been a considerable softening in the
20 views that Mr Buchanan expressed in the October 2020 version of the report I previously took you to?

MR HAWKINS: Yes, there's - it's expressed differently. I agree.

25 **MS SHARP SC:** There's been a considerable softening, hasn't there?

MR HAWKINS: There's certainly less specific information that was called out previously on Mr Chau and Mr Cheng that I recall reading prior, yes.

30 **MS SHARP SC:** And what there has been is a minimisation of concerns about the good repute of Mr Chau; do you agree?

MR HAWKINS: Is - in 43, he's certainly being more specific about the repute of Mr Chau. I - I just can't recall if he did form a view on that in the previous draft,
35 but he certainly had more background information which would be considered of concern in the previous draft.

MS SHARP SC: And, indeed, what he says at paragraph 43 is:

40 "To the contrary, Mr Chau appears to be a respected figure across South East Asia and enjoys the reputation of being a successful and astute businessman."

MR HAWKINS: Yes. It says that, yes.

45 **MS SHARP SC:** Now, the expression of being a respected figure across South East Asia and enjoying the reputation of being a successful and astute businessman is really quite inconsistent with the expression in the Hong Kong Jockey Club report about Mr Chau and his characteristic, isn't it?

MR HAWKINS: There's certainly, yes, different positions taken. Yes.

5 **MS SHARP SC:** And - but they're different positions taken by the same man; you understand that?

MR HAWKINS: I understand that.

10 **MS SHARP SC:** If I could take you to pinpoint 3087 - I withdraw that. Can I take you, please, to pinpoint 3086? And can I have enlarged for you paragraph 24. Do you see it says:

"The Star recently confirmed that Cheng Ting Kong - Mr Cheng and Mr Chau each own 50 per cent of Suncity Group Limited."

15 **MR HAWKINS:** Yes, I see that.

MS SHARP SC: Right. But you saw from the Hong Kong Jockey Club report dated April 2018 that that assertion was made, didn't you?

20 **MR HAWKINS:** Yes, I accept that.

MS SHARP SC: And that document came into the possession of The Star in June 2019?

25 **MR HAWKINS:** Yes.

MS SHARP SC: So you agree it is incorrect to assert - this is in a January 2021 report - that The Star recently confirmed that Cheng Ting Kong and Mr Chau each owned 50 per cent of Suncity Group Limited?

30

MR HAWKINS: Sorry. Just to clarify, the date on the original report you said I don't think was correct. What was the date of the original draft?

35 **MS SHARP SC:** The date of the original report, that is, the Hong Kong Jockey Club report, was April 2018. The date that report was provided to The Star was June 2019, and the date of Mr Buchanan's earlier draft of this document was 1 October 2020.

40 **MS RICHARDSON SC:** I think the question should be put to the witness - there has been so many elements of this where things that other people have written in this document this witness hasn't seen. It's very unclear, and it's also quarter past 5, in my submission.

45 **MR BELL SC:** Operator, can we go to private mode in the absence of the witness, please.

<THE HEARING IN PUBLIC SESSION ADJOURNED AT 5:14 PM

<THE HEARING IN PRIVATE SESSION RESUMED AT 5:14 PM

<THE HEARING IN PRIVATE SESSION ADJOURNED AT 5:17 PM

5

<THE HEARING IN PUBLIC SESSION RESUMED AT 5:17 PM

10 **MR BELL SC:** Mr Hawkins, we anticipate that there might be about another half an hour of questions for you. It has been a long day for you, and I really wanted to give you the option of either doing that half an hour now or coming back tomorrow. It's really - it's a question of what you would prefer to do.

MR HAWKINS: I'm happy to continue, Mr Bell.

15 **MR BELL SC:** Do you want to have a break for a couple of minutes, or are you happy to keep on going?

MR HAWKINS: If I could take five minutes, that would be appreciated.

20 **MR BELL SC:** All right. Well, I will now adjourn for five minutes.

<THE HEARING ADJOURNED AT 5:18 PM

<THE HEARING RESUMED AT 5:23 PM

25

MR BELL SC: Yes, Ms Sharp.

30 **MS SHARP SC:** Mr Hawkins, just before I return to that report, were you aware that Angus Buchanan and Kevin Houlihan went to see the Hong Kong Jockey Club representatives in Hong Kong in July of 2019?

MR HAWKINS: No.

35 **MS SHARP SC:** No one told you that?

MR HAWKINS: No.

40 **MS SHARP SC:** No one told you what the results of their discussions were with the Hong Kong Jockey Club?

MR HAWKINS: No, I don't recall being updated on that.

45 **MS SHARP SC:** Did anyone update you on the discussions that Kevin Houlihan had during that same trip with representatives of the AFP about Alvin Chau?

MR HAWKINS: No.

MS SHARP SC: Can I return to this report, please, pinpoint 3087. I just take you to paragraph 37. Now, if I can just highlight paragraph 37 for you. Do you see it says:

5 "From March to May 2019, the group compliance officer conducted an audit to certain if Suncity was adhering to Salon 95 service desk processes. The audit found Suncity staff were compliant and that The Star now had an effective oversight of the operation of the room."

10 **MR HAWKINS:** Yes, I see that.

MS SHARP SC: Do you agree that the reasonable impression from reading this paragraph is that from May 2019, Suncity were compliant in respect of Salon 95?

15 **MR HAWKINS:** Yes. That's - that's the - that's the impression given, yes.

MS SHARP SC: And there's no reference there, is there, to the fact that the New South Wales Police Commissioner excluded six people from the casino in July of 2019 who were associated with Suncity?

20 **MR HAWKINS:** No, that's not referred to.

MS SHARP SC: And there's no reference there to - let's call it those incidents referred to in Ian Tomkins's email that I took you to about incidents of concern in the Suncity room in May of 2019?

25

MR HAWKINS: No, they're not referred to in that section.

MS SHARP SC: Do you agree that paragraph 37 gives a rather incomplete account of whether Suncity was compliant in Salon 95 from May 2019 onwards?

30

MR HAWKINS: I'm just trying to process it. So the - the audit was conducted between March and May. I'm assuming the conclusions drawn were relative to the later date and prior; is that right?

35

MS SHARP SC: I don't understand what you mean.

MR HAWKINS: (Indistinct) Conducted that the audit, which was completed in May 2019. So the audit found Suncity staff were compliant and that The Star now had an effective oversight of the operation of the room at the time that the audit - that report was completed.

40

MS SHARP SC: All right. Well, from the documents I showed you earlier today, you could not fairly conclude that The Star did have effective oversight in the period from June to August 2019, could you?

45

MS RICHARDSON SC: Again, I object to this line of questioning. The witness, very late in the day, is being asked to comment on a document that he

hadn't - didn't receive at the time and didn't draft. The completeness or otherwise of this report depends on what the author of the report knew, what they put in and so on. In order to do it fairly, it would involve a very elaborate process that would yield little benefit. And I would respectfully adopt the observations you made, Mr
5 Bell. It's a question of submission as to the adequacy of this report or not, not what Mr Hawkins thinks about it.

MR BELL SC: I think counsel assisting is entitled to ask whether the witness
10 accepts that this pays no regard to the concerning matters - cash transactions that took place in Salon 95 after the date of the report. That's what I understand to be the gist of the question. So, Ms Sharp, I will permit you to ask a question along those lines.

MS SHARP SC: Do you accept that paragraph 37 has no regard to incidents of
15 concern regarding cash transactions after May of 2019 in Salon 95?

MR HAWKINS: I accept it doesn't make reference to that.

MS SHARP SC: And do you agree, from the perspective of the person ultimately
20 in charge of the international rebate business, that it is important that people who make decisions in relation to continuing to deal with VIP patrons are fully briefed concerning any propriety concerns held in respect of those patrons?

MR HAWKINS: I accept that from an international rebate sales perspective, the
25 ongoing maintenance of those relationships is predicated on an understanding of who we're dealing with and a reliance on others within the organisation to provide guidance for that to be ongoing. That's what I had done. And, you know, if there was broader matters to be considered, it may have been relevant to - to bring them to my attention. But, you know, that reliance was there on - on the - the unit and
30 the professionals we had in this space.

MS SHARP SC: And you need to be able to rely on the units and professionals
within your space to make appropriate decisions, don't you?

35 **MR HAWKINS:** Yes, I accept that. Yes.

MS SHARP SC: Now, who is Marcus Lim?

MR HAWKINS: Marcus Lim is a former employee of the company whose most
40 recent role was president of our international rebate business sales team.

MS SHARP SC: And it's right, isn't it, that he commenced at Star Entertainment
in March of 2016?

45 **MR HAWKINS:** I'm not sure of the exact date, but I accept that.

MS SHARP SC: And it's right, isn't it, that from April 2018 until January 2021,
he was the president of international VIP sales?

MR HAWKINS: That's right, yes.

5 **MS SHARP SC:** And he reported directly to you?

MR HAWKINS: That's correct.

10 **MS SHARP SC:** And he occupied a very senior position within the management at Star Entertainment, didn't he?

MR HAWKINS: He had an important management role in overseeing the international rebate sales team.

15 **MS SHARP SC:** And given that he reported to you, you - it follows, doesn't it, that you were responsible for supervising him?

MR HAWKINS: That's correct.

20 **MS SHARP SC:** Were you aware that serious allegations against him were investigated by Mr Houlihan in 2018?

25 **MR HAWKINS:** I'm aware that - I liaised with Mr Houlihan on some allegations that I became aware of and that he had subsequently - I understand he has investigated those.

MS SHARP SC: And when - I'm talking about the 2018 investigation. First of all, to position this, are you aware that there was a separate investigation in 2019 relating to Mr Lim?

30 **MR HAWKINS:** No.

MS SHARP SC: So you were aware of the 2018 investigation, were you?

35 **MR HAWKINS:** Could I ask for more specifics? My - my response was that I was - it was brought to my attention of some gambling behaviour that Mr Lim potentially participated in, and I informed Mr Houlihan of that at the time. I - I can't recall the specific date. So if it's investigations or allegations outside of that particular matter, I'm not sure I am aware of them.

40 **MS SHARP SC:** I will take you to what Mr Houlihan says about it, just to make sure we're on the same page. Operator, could I please show Mr Hawkins the first statement of Mr Houlihan. This is exhibit A627, INQ.002.004.0174. And what I will do is show you Mr Houlihan's statement at paragraph 21, commencing at - I beg your pardon, page 21, commencing at paragraph 181. And do you see there's a
45 heading there, Marcus Lim?

MR HAWKINS: Yes.

MS SHARP SC: And at 183, it's stated:

"I am aware allegations were made in respect of Mr Lim. In summary, those allegations were as follows."

5

MR HAWKINS: Yes.

MS SHARP SC: Now, at paragraph - I beg your pardon, page 22, do you see a series of allegations are recorded?

10

MR HAWKINS: Yes, I do.

MS SHARP SC: Now, take your time to read this, but were you made aware of each of these allegations?

15

MR HAWKINS: No, not all of those allegations.

MS SHARP SC: Which ones weren't you made aware of?

20

MR HAWKINS: (a), (b), (c), (d), (f), (g), (i), (j) and (k).

MS SHARP SC: Well, given you were his supervisor, should you have been made aware of these allegations?

25

MR HAWKINS: I would assume that if these allegations were being investigated, that was being done independently of me. So I'm not surprised by that.

MS SHARP SC: Well, at least some of these allegations were made in 2018, and Mr Lim continued to be employed by The Star until January 2021. What resolution was there of the investigations you were aware of?

30

MR HAWKINS: I'm - I'm not clear of that. But I would have had an expectation that if they were confirmed, you know, I would have been advised of that.

35

MS SHARP SC: Well, is it your evidence you were not made aware of the outcome of any of these investigations?

MR HAWKINS: Yes.

40

MS SHARP SC: But they were made - some of these allegations at least were made from 2018?

45

MR HAWKINS: As I said, I - I wasn't made aware of them. And I understand that that investigations team would be conducting - or responding to these types of things for various personnel. And if there was legitimate outcomes, I would expect that I would have been advised.

MS SHARP SC: Well, does it suggest to you something has broken down in the process here, given that you haven't been made aware of any of the outcomes of the investigation, notwithstanding there was at least some investigation from 2018 onwards?

5

MR HAWKINS: Again, I'm assuming if - if they weren't substantiated, the investigations team made a determination not to advise me of that. And, you know, I would fully expect if there was, you know, material issues, they would have raised that with me.

10

MS SHARP SC: Well, is it rather the case that nobody concluded these investigations and instead Mr Lim was made redundant so these investigations did not need to be finalised?

15 **MR HAWKINS:** I don't know the answer to that.

MS SHARP SC: Can I show you STA.3004.0006.0003. Do you see this is an information note dated 19 July 2019?

20 **MR HAWKINS:** Yes.

MS SHARP SC: And this is exhibit G690. Do you see it's called Operation Great Wall?

25 **MR HAWKINS:** Can I have it enlarged, please? Yes, I see that.

MS SHARP SC: Well, you can take it from me that was an investigation into the allegations against Marcus Lim. You can see that from the summary, can't you?

30 **MR HAWKINS:** Yes.

MS SHARP SC: And do you see this document is dated 19 July 2019?

MR HAWKINS: Yes.

35

MS SHARP SC: And do you understand from this document that Mr Houlihan went overseas to interview people about some of these allegations?

40 **MR HAWKINS:** Sorry, I'm just reading the summary. I can see where it says down below Mr Houlihan met with members in Hong Kong. So I accept he travelled. Yes.

MS SHARP SC: Well, there has been plenty of time to finalise this investigation, hasn't there, Mr Hawkins?

45

MR HAWKINS: I don't know it has been finalised or not.

MS SHARP SC: Well, given that it was apparently commenced by at least 19 July 2019, does it surprise you that it wasn't finalised in any period of time before Mr Lim was made redundant?

5 **MR HAWKINS:** I - I don't understand the depth of the investigation that was occurring, or the complexity related to it. But I'm accepting what you're saying if it wasn't completed.

10 **MS SHARP SC:** So even though you were Mr Lim's direct supervisor from April 2018, you can't assist us in any way in understanding the veracity of any of these serious allegations?

MR HAWKINS: That's right.

15 **MS SHARP SC:** Were you properly supervising the international VIP team, Mr Hawkins?

20 **MR HAWKINS:** I think I was. I was in constant communication with Mr Lim and others in that group and, you know, would meet with him regularly. At the same time, I had a reliance on him as a senior manager to, you know, perform his duties appropriately. But I felt at the time I was monitoring what was happening with the objectives of the sales team.

25 **MR BELL SC:** Mr Hawkins, you told me earlier that you had brought some allegations of inappropriate gambling by Mr Lim to Mr Houlihan's attention in 2018; is that correct?

MR HAWKINS: I'm just unclear of the date, Mr Bell.

30 **MR BELL SC:** All right.

MR HAWKINS: But I did do that, yes.

35 **MR BELL SC:** Did you not ever follow up with Mr Houlihan to find out what had happened about those matters which you had brought to his attention?

MR HAWKINS: I recall speaking with him, and my recollection was that it was - they were unsubstantiated. That's as far as I recall.

40 **MR BELL SC:** Mr Houlihan told you that the allegations had no substance or were unsubstantiated; is that correct?

MR HAWKINS: That's my understanding.

45 **MR BELL SC:** Yes. Thank you.

MS SHARP SC: So is it your position that you continued to work closely with Mr Lim and rely upon him in relation to the international rebate team even though

he was under investigation in relation to serious allegations from 19 July 2019 which (a) you didn't know about and (b) no one reported the outcome to you about?

5 **MR HAWKINS:** That's right.

MS SHARP SC: Well, does that cause you to think that you did not have effective supervision of the international VIP business?

10 **MR HAWKINS:** Well, I was operating and overseeing that manager clearly with what I was aware of. And I understand the investigations team was conducting something independent of me, which happens from time to time. As I said, if - if there was anything material coming out of it, I expect they would have been rigorous in advising me of that.

15 **MS SHARP SC:** But you simply don't know if there was anything material coming out of that investigation or not, do you?

MR HAWKINS: No, I don't.

20 **MS SHARP SC:** Now, you're aware now, aren't you, that there has been an issue with representatives in the Macau office providing the Bank of China in Macau with letters which falsely suggested the source of funds for particular cash deposits?

25 **MR HAWKINS:** I'm aware of that matter, yes.

MS SHARP SC: When did you first become aware of that?

30 **MR HAWKINS:** As part of submissions to this inquiry.

MS SHARP SC: So you had no understanding that that was going on at the time it was going on?

35 **MR HAWKINS:** No.

MS SHARP SC: Well, doesn't that suggest to you - you did not have effective supervision over the international VIP team?

40 **MR HAWKINS:** I think the - the construct of the VIP team was the sales team members and the credit and collection team members and the relevant compliance personnel in those jurisdictions. Those areas did report to different executives within the company.

45 **MS SHARP SC:** Are you saying you had no responsibility at all for the sales staff that handed over fake documentation to the Bank of China about the source of funds for large cash deposits?

MR HAWKINS: I accept if - if it was the sales team members who were doing that, they did sit under my structure, yes.

5 **MS SHARP SC:** Well, do you know whether they're the people who did it?

MR HAWKINS: I'm just trying to recall the - the meetings we've had recently to discuss it. It may have been the sales team members, in addition to some of the credit team members. I just don't recall specifically.

10 **MS SHARP SC:** Well, it's a matter of grave concern if any overseas employees of The Star are handing false documentation to a bank about the source of funds for cash deposits, isn't it?

15 **MR HAWKINS:** I agree. Yes.

MS SHARP SC: All right. Well, what do you know about the outcome of the investigation now?

20 **MR HAWKINS:** I attended a series of meetings that we had within the company to understand the matter and put some actions around trying to get a deeper insight into timing or the resources or how it occurred. I recall there was probably three or four meetings that we had over the last few months to discuss that. That was chaired by someone from our legal team. And I'm unclear on the current status of it. I haven't attended a meeting on that matter for a period.

25 **MS SHARP SC:** But you're still the head of the international rebate team, aren't you?

30 **MR HAWKINS:** Yes.

MS SHARP SC: Isn't this a matter that should have been promptly investigated?

35 **MR HAWKINS:** At the time I became aware of it, and others did, we initiated a series of meetings, which were occurring weekly at the time, to understand more - to try and access relevant documentation to interview resources who may have been participating or have an understanding of it. And that's - was ongoing, as far as I'm aware. And I think the last meeting I attended on that - excuse me - was approximately - probably six - six to eight weeks ago.

40 **MS SHARP SC:** All right. Well, it's about six months ago that you became aware of these allegations, isn't it?

45 **MR HAWKINS:** I'm unclear of the date. But it was, I think, when - when the original submissions were made to one of the legal teams. But it may - may have been towards the end of last year.

MS SHARP SC: Well, as the head of the international rebate team, can you tell us why this investigation has not been finalised as of yet?

MR HAWKINS: Well, my understanding is it's continuing. It was being chaired by one of our legal team. As I said, I attended a series of meetings and, at a point in time, was becoming particularly involved in preparation for - for this inquiry.
5 So I don't have a current status of the investigation.

MS SHARP SC: Well, why is this investigation taking so long?

MR HAWKINS: I think at the time - my understanding is that there was very few
10 resources who were in Macau or Hong Kong at the time who are still with the company. They have all been made redundant as a result of the changes that we've made. And if I recall, the - trying to gain access to the information from the relevant bank was taking some time as well, to understand, you know, the scale or quantum of what had occurred. And I think one of the resources in the credit team
15 was being interviewed or still being interviewed at the time. So that's as much as my awareness of where the matter is at the moment.

MS SHARP SC: Is it acceptable to you that it has taken this long to investigate these serious allegations?
20

MR HAWKINS: I think at the time, every effort was being made to expedite it. You know, there was - you know, a number of the ExCo representatives were on these meetings weekly. It was being pushed hard by Mr Bekier and others to understand what was occurring. At the same time, I think access to personnel
25 and/or records which were maintained offshore was proving difficult. But I would have to seek a further status update from the relevant chairperson of that meeting.

MS SHARP SC: Has any decision been made to go slow on finalising this investigation while this review is pending, Mr Hawkins?
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MR HAWKINS: No, not - not as far as I'm aware.

MS SHARP SC: Now, it's right, isn't it, that Mr Hya R Wong Simon Kim was the senior vice president of international marketing until 13 June 2020?
35

MR HAWKINS: Yes, that's correct.

MS SHARP SC: I will call him Simon Kim, and you will understand who I mean?
40

MR HAWKINS: Yes.

MS SHARP SC: And that was somebody who reported to you through Mr Marcus Lim, wasn't it?
45

MR HAWKINS: Yes, that's correct.

MS SHARP SC: And it's right, isn't it, that in the period 18 September 2017 to 2019, he was the international marketing manager?

MR HAWKINS: Yes, I accept that. Yes.

5

MS SHARP SC: And he reported to you throughout that period, firstly through Mr Chong and then through Mr Lim?

MR HAWKINS: Mr Chong didn't report to me, but Mr Lim did.

10

MS SHARP SC: He was based in Macau?

MR HAWKINS: That's my understanding, yes.

15 **MS SHARP SC:** And you're aware, aren't you, of various allegations that Simon Kim has misappropriated funds while working at Star Entertainment?

MR HAWKINS: Yes, I'm aware of that.

20 **MS SHARP SC:** You're aware, aren't you, that it's alleged he defrauded Guoyi Su of winnings after playing in the Suncity junket?

MR HAWKINS: Yes, I'm aware of that.

25 **MS SHARP SC:** And you're aware, aren't you, that he's alleged to have been involved in a \$13.3 million false transfer instruction to Suncity?

MR HAWKINS: I'm aware of that allegation, yes.

30 **MS SHARP SC:** And the allegation there is that Suncity thought that it was transferring money to The Star, but, in fact, it transferred the money to Simon Kim?

MR HAWKINS: Yes. Or not - not to The Star, yes.

35

MS SHARP SC: And there's also an allegation that he was involved in a fraud on Suncity relating to \$4 million and Chan Chun Kuen; correct?

MR HAWKINS: I - I don't recall if that was related to Suncity or just with Mr Chan.

40

MS SHARP SC: And the fact is that he abandoned his employment with The Star Entertainment Group, isn't it?

45 **MR HAWKINS:** Yes.

MS SHARP SC: He disappeared, and it was only after he disappeared that The Star issued him with a termination letter dated 13 June 2020?

MR HAWKINS: That's correct.

5 **MS SHARP SC:** And what, if any, investigation has taken place in relation to the allegations that Mr Simon Kim engaged in fraudulent behaviour?

10 **MR HAWKINS:** I - I recall at the time that when Mr Kim didn't report for work, that we initiated a process to try and find him. The matter was reported to the Macau police. I engaged with our people and performance team to try and contact him directly, and/or anyone else that we had on record, to try and reach out to him. Subsequent to that, I recall Mr White had been engaging with the relevant legal firms who were involved in those allegations and had been leading a process to try and understand what had occurred.

15 **MS SHARP SC:** Have you failed to properly supervise the international VIP team in the time that you have been responsible for it?

MR HAWKINS: No, I don't think so.

20 **MS SHARP SC:** Have there been any shortcomings in your supervision of that team?

25 **MR HAWKINS:** Yes, I think I made every effort to meet with them regularly, to - to guide that team, to ensure they understood the expectations of their performance. But I accept that Mr Kim's disappearance and those allegations shed a poor light on - on him if - if it's proven that occurred.

30 **MR BELL SC:** Ms Sharp, Mr Hawkins, we have continued for another half an hour. I don't think it's fair to ask Mr Hawkins to continue any further. Mr Hawkins, I regret you will have to come back at 10 o'clock tomorrow morning.

MR HAWKINS: Okay.

35 **MR BELL SC:** And I will now adjourn until then.

<THE HEARING ADJOURNED AT 5:55 PM