



**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**

**FRIDAY, 25 MARCH 2022  
AT 10AM**

**DAY 7**

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

**Star Witnesses  
MR GRAEME SCOTT STEVENS  
MR DAVID ALOI**

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**<THE HEARING RESUMED AT 10:01 PM**

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

5 **<GRAEME SCOTT STEVENS, ON FORMER AFFIRMATION**

**<EXAMINATION BY MS SHARP SC:**

10 **MS SHARP SC:** Mr Stevens, yesterday I asked whether you wanted the opportunity to review a document overnight, and I will have that document brought up on screen. It is exhibit C, tab 9, STA.3023.0001.1333.

**MR STEVENS:** Yes.

15 **MS SHARP SC:** And this was a document - the Cage Operations SOP. And at transcript page 682, I asked if you wanted to review this SOP overnight and let us know if it discloses what the process was in relation to China UnionPay. Did you review this overnight?

20 **MR STEVENS:** I did.

**MS SHARP SC:** And can you take us to where this Standard Operating Procedure discloses the process with China UnionPay?

25 **MR STEVENS:** 3.7 has reference, but it's not within this document.

**MS SHARP SC:** Okay. And I will just take us to 3.7, if I can. Now, I will just scroll that - you will see it's at pinpoint 1342, pinpoint 1343. What was the reference to which you were referring?

30 **MR STEVENS:** Well, it has reference to China UnionPay under 3.7, dot point 1.

**MS SHARP SC:** All right. You would agree, wouldn't you, that this does not disclose anything about the China UnionPay card being swiped at the hotel?

35 **MR STEVENS:** I agree.

**MS SHARP SC:** Now, yesterday when I asked you some questions, I asked you about an email dated 19 February 2014 which also attached a Cage Operations Standard Operating Procedure. And at page 684 of the transcript, I referred that document to you, and I will bring it up again. It is exhibit C at tab 11, which is STA.3023.0001.1956.

45 **MR STEVENS:** Yes.

**MS SHARP SC:** And I asked you to - if you would like the opportunity to review that overnight and let us know whether there was anything in this document that referred to what we were describing as the second workaround yesterday, which

was the temporary cheque cashing facility in relation to China UnionPay. Did you take the opportunity to review this document overnight?

**MR STEVENS:** I did.

5

**MS SHARP SC:** And did you find anything in there about the second workaround?

**MR STEVENS:** No, I didn't.

10

**MS SHARP SC:** Now, you will also recall that I asked for the production of any emails in the period 2013 to 2014 from you to the authority which attached standard operating procedures. Were you, or the people assisting you, able to locate any such emails?

15

**MR STEVENS:** I'm not aware - I - I didn't do the - the - the look at it. Ms - Ms Richardson's team were - were looking at that.

**MS SHARP SC:** Well, what - I might hand over to Ms Richardson.

20

**MS RICHARDSON SC:** An email has just gone from my solicitors to Maddocks updating on the status of the call for productions, which is that there may be further data received in relation to the call for documents within the hour. But we're still processing it. We apologise for that. So I can't respond to the call at this moment.

25

**MS SHARP SC:** There's a further update, if I can provide it. At this stage, my instructions are that KWM has produced two documents in answer to that call, and I will take Mr Stevens to them now. The first of those documents is - and I don't have an exhibit number for it yet, but it is STA.3026.0001.3647.

30

**MR STEVENS:** Yes.

**MS SHARP SC:** Do you see, Mr Stevens, that's an email from yourself to Ms Jocelyn Smith at the authority of 4 September 2013?

35

**MR STEVENS:** I do.

**MS SHARP SC:** And do you see that in the attachment section of the email it refers to a Cage Operations SOP, 30 August 2013?

40

**MR STEVENS:** I do.

**MS SHARP SC:** Can I take you, please, to that attachment, which you will see on the right-hand side of your screen, which is STA.3026.0001.3648.

45

**MR STEVENS:** I see it, yes.

**MS SHARP SC:** Now, could I take you, please, to section 3.7 of that document, which is at pinpoint 3657.

**MR STEVENS:** Yes.

5

**MS SHARP SC:** And I will - this goes over pages. You will note the first paragraph there refers to China UnionPay debit cards?

**MR STEVENS:** It does.

10

**MS SHARP SC:** And then you will see that section 3.7 continues over to point 3659?

**MR STEVENS:** It does.

15

**MS SHARP SC:** Do you agree that there is absolutely no reference to the swipe of the CUP card taking place at the hotel?

**MR STEVENS:** Not in this document, no.

20

**MS SHARP SC:** And a further document was produced, and I will take you to that one now. I'm sorry, Mr Bell. Can I have that document marked for identification, please.

25

**MR BELL SC:** I assume both the email and the attachment?

**MS SHARP SC:** Yes. Thank you.

**MR BELL SC:** Yes. STA.3026.0001.3647 and point 3648 will be MFI10.

30

**MS SHARP SC:** Then, Mr Stevens, I will call up document STA.3026.0001.4666. I will just give that number again. This is not yet an exhibit. It is STA.3026.0001.4666. Operator, do you have that document? Mr Bell, I wonder whether contact can be made with the operator so I can call up this document.

35

**MR BELL SC:** Yes. I will take an adjournment for a minute and find out what's happening.

40

**MS SHARP SC:** Thank you.

**<THE HEARING ADJOURNED AT 10:10 am**

**<THE HEARING COMMENCED AT 10:12 am**

45

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

**MS SHARP SC:** Mr Bell, thank you for that opportunity. I will now call up that

document, STA.3026.0001.4666.

**MR STEVENS:** Yes.

5 **MS SHARP SC:** Now, can you see, Mr Stevens, this is an email from you to Ms Jocelyn Smith at the authority dated 4 September 2013?

**MR STEVENS:** I do.

10 **MS SHARP SC:** And do you see the attachment is referred to as Cage Operations SOPs, 30 August 2013?

**MR STEVENS:** I do.

15 **MS SHARP SC:** If I could take you to that attachment. It's pinpoint 4669. And, Mr Stevens, do you see at the bottom of that first page, it says, "Effective 30 August 2013"?

**MR STEVENS:** I do.

20 **MS SHARP SC:** And I will suggest this is exactly the same version of the Cage Operations SOP that I took you to before that short adjournment.

25 **MR STEVENS:** Yes. This is a marked - this will be a marked-up version because we were making changes to this SOP in relation to the introduction of a high-value ticket printer.

**MS SHARP SC:** All right. And that, just to confirm, had nothing to do with China UnionPay?

30

**MR STEVENS:** Nothing at all.

35 **MS SHARP SC:** Now, yesterday we discussed what we described variously as the second workaround or the temporary cheque cashing facility in relation to China UnionPay. Could I take you to a version of the Cheque Cashing and Deposit Facility Standard Operating Procedure of 14 March 2019. I understand that this document is confidential, so I won't read its contents onto the transcript. Could I please bring up exhibit B1311.

40 **MR BELL SC:** And, Ms Sharp, I will add STA.3206.0001.4666, being an email and its attachment, to MFI10.

45 **MS SHARP SC:** Thank you, Mr Bell. Now, I need to take you to a particular pinpoint here, Mr Stevens. Could the operator please bring up point 0246. I beg your pardon, operator. I have given you the wrong pinpoint. Could you go, please, operator, to page 39 of the document. And this is pinpoint 1936. Do you see the task referred to at the top of this document?

**MR STEVENS:** I do.

5 **MS SHARP SC:** Now, what I will ask you to do is look firstly at paragraphs 1 to 7 in the Steps column. And once you have looked, tell me whether you agree with me that these seven steps relate to the situation where there are cleared funds after a CUP card has been swiped.

**MR STEVENS:** They do.

10 **MS SHARP SC:** Now could I ask you to have regard to paragraphs 8 to 17 - and you will need to be scrolled over to the following page - and could you indicate whether you agree that these relate to the situation where there are not cleared funds after the CUP card has been swiped.

15 **MR STEVENS:** They do.

**MS SHARP SC:** Now, isn't it right that paragraphs 8 to 17 set out the process which we have called the second workaround or the temporary cheque cashing facility?

20

**MR STEVENS:** They do.

**MS SHARP SC:** And if I could take you to pinpoint 1937. Can you look in the Standards column at paragraph 12. Now, is it correct that when a temporary CCF is set up, no cheque is provided by the patron but, rather, receipts from the EFTPOS transaction are used?

25

**MR STEVENS:** Yes.

30 **MS SHARP SC:** And can I have you look at paragraph 18. Is it correct that on the basis of those receipts, a counter cheque is drawn?

**MR STEVENS:** That's correct.

35 **MS SHARP SC:** I suggest to you, Mr Stevens, that you were not at all times in your dealings with the regulator about the China UnionPay card clear and transparent with the regulator about the process of using the China UnionPay card.

40 **MR STEVENS:** I don't agree. This is quite a clear document setting out the process of how we used and where we used that China UnionPay card. This was provided through to the regulator - to - to the authority - to review and makes reference both to the use of the card at a hotel swipe, it makes reference through to the generation of the counter cheque and it makes reference to the fact that this is when the funds have been withdrawn but not receipted into our account.

45

**MS SHARP SC:** Well, Mr Stevens, that is absolutely wrong and at no time in 2013 or 2014 was this version of the Standard Operating Procedure with these contents shown to the regulator.

**MR STEVENS:** No, may not have been in 2013. Two thousand - because I - I think we started using this workaround later. Whether it was 2014 or even later again in 2015, I don't know.

5

**MS SHARP SC:** Well, I wish to be very clear with you, Mr Stevens: at no point in 2014 was this document or any document bearing these contents shown to the regulator.

10 **MR STEVENS:** I - I - I won't disagree with that because I - I don't know that I could prove otherwise.

15 **MS SHARP SC:** And what I am very clearly suggesting to you is that you were not transparent with the regulator in 2014 and 2013 about the process for using the CUP card at Star Casino.

**MR STEVENS:** Again, in 2013 - or 2014, the relationship with the regulator we had at the time - they were on site. Mohan Hariharan, the audit manager --

20 **MS SHARP SC:** Are you going to answer my question or not, Mr Stevens?

**MR STEVENS:** I'm trying to, Ms Sharp.

25 **MS SHARP SC:** Well, it's very simple. Were you clear and transparent with the regulator about that matter or not?

**MR STEVENS:** I believe we were --

30 **MS RICHARDSON SC:** Well, I - no. I object to that question. He is attempting to explain it by reference to staff being on site. He should be allowed to answer, in my question.

35 **MR BELL SC:** Yes. Mr Stevens, you may answer the question that has been put, but please do so directly.

40 **MR STEVENS:** Yes. The staff who were on site had full access through to our cheque cashing facility records. They were provided with copies of those cheque cashing facility records. We met with them and discussed these issues on a regular basis, and I believe that they were across this process.

**MS SHARP SC:** I further suggest to you that you deliberately set out to mislead the regulator about the use of the CUP card at The Star in 2013 and 2014.

45 **MR STEVENS:** I - I disagree.

**MS SHARP SC:** And I suggest you deliberately set out to mislead the regulator in relation to what we have described as the temporary CCF and/or the second workaround by not disclosing that workaround to the regulator at any time in 2013

or 2014.

**MR STEVENS:** I did not deliberately choose to disclose - not to disclose anything to them.

5

**MS SHARP SC:** And I further suggest to you that you have absolutely no idea when the version of the Standard Operating Procedure for the cage operations, which does, in fact, refer to the second workaround, was ever put to the regulator.

10 **MR STEVENS:** Yes, I don't know whether that was put to the regulator.

**MS SHARP SC:** Could you give me one moment, please, Mr Bell. We've just received a further document production.

15 **MR BELL SC:** Yes.

**MS SHARP SC:** Can I take you to a new document, please, Mr Stevens. It is STA.3412.0038.3606.

20 **MR STEVENS:** Yes.

**MS SHARP SC:** Do you see these are minutes of a meeting held on 17 October 2013 between yourself and Mr Power and Mr Luvisutto from The Star and Mr Brodie, then the chief executive officer of ILGA, and Mr Brearley from  
25 ILGA?

**MR STEVENS:** Yes.

**MS SHARP SC:** Could I take your attention, please, to the second page, which is  
30 pinpoint 3607.

**MR STEVENS:** Yes.

**MS SHARP SC:** And do you see there's a heading number 5, ATM for IRB?  
35

**MR STEVENS:** Yes.

**MS SHARP SC:** Now, is that a reference to an ATM for the international rebate  
40 business?

**MR STEVENS:** Yes.

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

45 "FL talk about the China Pay debit card."

**MR STEVENS:** Yes.



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

"This is how Chinese players get cash out of China ."

5 **MR STEVENS:** Yes.

**MS SHARP SC:** And:

10 "The Star is looking to see how it can allow players to use this debit card effectively.

**MR STEVENS:** Yes.

**MS SHARP SC:**

15

"MB noted that he was amenable that this is not credit it is a transaction clearing problem. Look to see if this can be handled in the ICM. If it is open to take a tolerant view, then ILGA will. Accounting for the legislative requirements. Star will investigate and submit."

20

**MR STEVENS:** Yes.

**MS SHARP SC:** Do you agree that, by this time, nothing had been put to the authority about what I will call the second workaround, being the temporary cheque cashing facility, associated with the China UnionPay card?

25

**MR STEVENS:** Yes, except I don't remember - this is summation of the talking points of the meeting. I - I don't remember the exact discussion of this item in - in that meeting.

30

**MS SHARP SC:** And what I'm going to suggest to you is that at this point in time, that is, 2 October 2013, The Star had not come up with the second workaround.

35 **MR STEVENS:** Possibly not.

**MS SHARP SC:** I have no further questions, Mr Bell.

**MR BELL SC:** Yes.

40

**MS SHARP SC:** Can I indicate that I am now going to hand over to Mr Condylis of counsel. Before I do so, can I have that document marked, that is, STA.3412.0038.3606.

45 **MR BELL SC:** Yes. That document will be marked MF111. Do you require a short adjournment before Mr Condylis takes over?

**MS SHARP SC:** Yes, Mr Bell. If I could just have one or two minutes, I would

be grateful.

**MR BELL SC:** I will adjourn for a couple of minutes.

5 **MS RICHARDSON SC:** If I - sorry. If I could have a couple of minutes to decide whether I need to put a few questions to Mr Stevens, if that could happen, please.

**MR BELL SC:** Well, you could either do that now or after Mr Condylis has finished, whichever you prefer.

10

**MS SHARP SC:** I should say, just so it's clear, Mr Condylis will continue to examine Mr Stevens.

**MR BELL SC:** Yes.

15

**MS RICHARDSON SC:** That's convenient. Thank you.

**MR BELL SC:** All right. Well, I will now adjourn for a minute or two.

20

**MS SHARP SC:** Thank you.

**<THE HEARING ADJOURNED AT 10:28 am**

**<THE HEARING RESUMED AT 10:31 am**

25

**MR BELL SC:** Yes, Mr Condylis.

**<EXAMINATION BY MR CONDYLIS:**

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**MR CONDYLIS:** Mr Stevens, we are going to move to a different topic now. Operator, could I please bring up STA.0006.0002.0405.

**MR BELL SC:** What's the exhibit number for that document?

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**MR CONDYLIS:** Exhibit B, tab 383. Mr Stevens, when I say "Salon 95", that makes sense to you?

**MR STEVENS:** It does.

40

**MR CONDYLIS:** And you were indeed the regulatory affairs manager at The Star as at 2017?

**MR STEVENS:** I was.

45

**MR CONDYLIS:** You will see on your screen there is a document called the Win/Loss Rebate and Exclusive Access Agreement.

**MR STEVENS:** Yes.

**MR CONDYLIS:** Have you seen this document before?

**MR STEVENS:** Not to my recollection.

5

**MR CONDYLIS:** You will see it's the rebate agreement between The Star Pty Ltd and Mr Iek. Of course, you appreciate Mr Iek was the promoter of the Suncity junket?

10 **MR STEVENS:** Yes.

**MR CONDYLIS:** And I take it, then, that as you are not aware of this document, you didn't see it at or around the time it was entered into by The Star?

15 **MR STEVENS:** No.

**MR CONDYLIS:** I'm going to take you through some terms, because as the regulatory affairs manager - I'm going to ask for your assistance in trying to understand some of these terms. So you will see that, of course, the agreement is between The Star and Mr Iek. And if I can just take you to pinpoint 0408. Thank you, operator. You will see in clause 1 that it's a - the condition on the promoter - there's a condition on the promoter achieving a minimum monthly non-negotiable turnover of \$50 million. Do you see that?

25 **MR STEVENS:** I do.

**MR CONDYLIS:** And you would agree with me that, as a monthly sum, that is a significant amount of money?

30 **MR STEVENS:** It's a reasonable amount of money, yes, but it depends on your understanding of what turnover is as to - to what that is. And turnover is referred to here as the summation of wagers made for the - sorry, the - the exchange of non-negotiable chips for premium chips, and the total value of the exchange of those chips. And so if somebody was wagering a million dollars, then that would only necessarily be 50 wagers to - to reach that level.

35

**MR CONDYLIS:** Yes. And as a minimum requirement, a \$50 million minimum turnover hurdle is a substantial amount of money?

40 **MR STEVENS:** No. Turnover is much greater than the initial buy-in that goes from - from an - from a junket because of the number of hands that are involved in it that will play over that period of time.

45 **MR CONDYLIS:** Okay. If I can take you to pinpoint 0415, clause 4. And of course, I should tell you this is the same agreement that also conferred the exclusive access right of the junket to Salon 95.

**MR STEVENS:** Yes.

**MR CONDYLLIS:** And you will see at clause 5, the minimum turnover hurdle to which I just took you is a condition of the junket retaining that exclusive access right. And so you will see down below that if that threshold is not met each  
5 month - sorry, in three executive calendar months, then the casino has the ability to withdraw the use of Salon 95.

**MR STEVENS:** Yes.

10 **MR CONDYLLIS:** And I will just take you to - and just page over, 0416. And you will see, again, there's a - in the middle of that page, there's a further extension of that obligation for six consecutive calendar months. In that clause, it actually says that the casino - the licensee - can terminate the agreement. And so you can see  
15 how there's a difference between withdrawing the exclusive access right and then also terminating the agreement as a whole.

**MR STEVENS:** I do.

**MR CONDYLLIS:** If I can just take you to the page over, and it's pinpoint 0417.  
20 Now, this is the clause that conferred the exclusive access right on - or to Mr Iek's junket. You will see that it reads:

25 "Subject to the terms of this agreement, during the term of this agreement, The Star will provide the promoter with exclusive access to the following VIP gaming salon at The Star for gaming on special rebate programs by the promoter's customers."

And then there's an indentation, and it reads:

30 "Salon 95 located first floor of the Darling hotel, above the Sokyo bar and restaurant (see schedule)."

And that's defined as the exclusive VIP salon. And so that's the clear conferral of the right to the junket to the exclusive use of the salon?

35

**MR STEVENS:** Yes.

**MR CONDYLLIS:** And then some important language is included below that initial provision, and it says that:

40

"Promoter acknowledges and agrees that The Star retains sole operational and management control of the exclusive VIP salon."

45 So you understand that the casino there is trying to make clear that it ultimately retains control of the room?

**MR STEVENS:** I do.

**MR CONDYLIS:** And then the parenthesis that follow are very important because it says:

5           "(Including the operating hours, who may access the exclusive VIP salon, the conduct of gaming, the operation of the cage, provision of food and beverage service and enforcing service standards and presentation)."

Now, does anything strike you as unusual about that clause?

10   **MR STEVENS:** No.

**MR CONDYLIS:** So it is normal, in your view, that there is a provision that says there is to be a cage in the salon?

15   **MR STEVENS:** Some of our salons previously had cage windows within the actual salon itself. And so - and so that's, you know, why that provision was there. As I remember the discussion around having an exclusive use agreement with Suncity, the - the concern was that the Suncity would act as if it was their area and not The Star's and that would try and operate - operate - influence the operation  
20   within that area. And we wanted to make it clear that we would not allow that to happen and that this was an area that was controlled by The Star and managed by The Star, even though it was set aside to allow the Suncity players to use that specific area.

25   **MR BELL SC:** So, Mr Stevens, even though you haven't seen this document before, should I take it that you were generally aware that Mr Iek's junket had an agreement with The Star in 2017 containing provisions to this effect?

30   **MR STEVENS:** Yes.

**MR CONDYLIS:** And do I understand your evidence to be that it was not controversial that there would be a cage in Salon 95?

35   **MR STEVENS:** No, I think this was around - not specifically Salon 95, but the operation of the cage in general, that in - there was never a cage in Salon 95.

**MR CONDYLIS:** I understand that, but my question is a specific one relating to this clause.

40   **MR STEVENS:** Yes.

**MR CONDYLIS:** You will see the way the clause --

45   **MR STEVENS:** Sorry. Yes. Not controversial for there to be a cage in - in a salon if we were operating and maintaining that cage.

**MR CONDYLIS:** Right. But this clause says that The Star has overall operation and control of the room?

**MR STEVENS:** Yes.

5 **MR CONDYLLIS:** But it doesn't indicate that - who will actually be operating the cage day-to-day on the ground in Salon 95, whether it's Suncity staff or Star employees?

10 **MR STEVENS:** Well, my understanding and - and certainly what - when we ever discussed this, it was always - could only ever be Star City staff to operate that cage - or The Star staff to operate that cage, and there would be licensing obligations for any such person who was working in that environment, that they would need to have a special employee licence from Liquor and - from ILGA to - to work in that type of environment.

15 **MR CONDYLLIS:** Okay. So just on that question - so I take it that you understand the concept of special employee licences under the Casino Control Act?

**MR STEVENS:** I am.

20 **MR CONDYLLIS:** And so was your answer directed to the fact that whoever would be operating a cage needed to be licensed as a special employee under the Act?

25 **MR STEVENS:** I do. Yes.

**MR CONDYLLIS:** And specifically section 44 of the Act provides the appropriate definition?

30 **MR STEVENS:** Yes.

**MR CONDYLLIS:** Now, to your knowledge, were the Suncity staff members who occupied the - what would later become the service desk, were they ever licensed as special employees?

35 **MR STEVENS:** Not to my knowledge, no.

**MR CONDYLLIS:** So to the best of your knowledge, they were not?

40 **MR STEVENS:** No.

**MR CONDYLLIS:** And if they were, you would have known about it because you were the person through whom the licensee would have communicated that request and approval to the authority?

45 **MR STEVENS:** No. The individual made application - so the individual licensee makes application through to the regulator to get their licence. The Star has processes in place for their staff where they are overseeing in relation to that. But other staff who are not part of The Star don't go through The Star process and we

wouldn't necessarily know whether or not those individuals had a licence granted from the authority.

5 **MR CONDYLLIS:** Did you ever check whether the staff - the Suncity staff had been licensed as special employees?

**MR STEVENS:** No.

10 **MR BELL SC:** But it was your understanding, was it, Mr Stevens, that they didn't hold that special licence?

**MR STEVENS:** They didn't hold that licence and - but they weren't performing functions where they needed to hold that licence.

15 **MR BELL SC:** Yes. Thank you.

**MR CONDYLLIS:** And so I take it from that answer, then, if they were to perform functions by way of a de facto cage operation, then that would be a serious matter because they would be doing so without a licence?

20

**MR STEVENS:** Yes.

**MR CONDYLLIS:** If I can just take you to the next point - pinpoint, which is 0418. And you will see in the middle of the page it says that:

25

"Promoter will remain responsible for non-gaming related customer service to the promoter's customers, including liaison with The Star's non-gaming facilities on behalf of promoter's customers."

30 And then it says:

"The Star will be responsible for all aspects of the operation of the exclusive VIP salon, at its own cost."

35 And so you understand that the casino is making it clear that it retained ultimate responsibility and operational control of the room?

**MR STEVENS:** I do.

40 **MR CONDYLLIS:** And just for completeness, you will see that on pinpoint 0425, there's another reference to the cage. However, if I can just - it's just above subparagraph (j). And you will see there how the reference to "cage" is "the cage at The Star", whereas the previous clause where "cage" was referenced had no such additional language. It was just "the cage". And this word doesn't appear to  
45 be a defined term in the agreement. But as I understand your evidence, there's no suggestion that the referral - the reference to "cage" in clause 6 was referring to The Star cage; it was referring to the cage in Salon 95?

**MR STEVENS:** No, there was no cage in Salon 95.

5 **MR CONDYLLIS:** Sorry. I just want to go back, then, to that clause. So, operator, please go back to pinpoint 0417. Just to be very clear on this, the reference to "cage" in that final paragraph of that clause is a reference to a cage located within the exclusive VIP salon.

10 **MS RICHARDSON SC:** I think this - this is not an agreement that this witness has seen before. He is being asked to interpret it.

**MR BELL SC:** Yes.

15 **MS RICHARDSON SC:** He has given an answer that there was only a cage in the casino as a whole, that there was no cage. So if that proposition is sought to be tested, it shouldn't be put to him as a leading proposition based on an agreement that he is not familiar with. He has given evidence that there was no cage inside this room.

20 **MR BELL SC:** Yes. I reject that question, Mr Condylis. You can ask this witness - he has given evidence that he understood that there was an agreement that contained provisions generally to this effect, and you can test him on his understanding, but I think that's as far as you can go.

25 **MR CONDYLLIS:** Thank you, Mr Bell. Mr Stevens, do you have any recollection or knowledge of whether this agreement was approved as a controlled contract?

**MR STEVENS:** No, I don't believe it was.

30 **MR CONDYLLIS:** What's the source of that belief?

**MR STEVENS:** Because at that time, controlled contract submissions were either discussed with me or were submitted by me. Generally, they were discussed with me as we went through those provisions.

35 **MR BELL SC:** Mr Stevens, can I just try and clarify some things in my mind. What is your understanding of a cage? Can you give us a general definition of a cage as you understand it?

40 **MR STEVENS:** Yes. A cage is a cashier window where the - patrons deposit cash into their front money accounts or - or The Star's accounts. It's where they exchange their chips - or the chips they hold with us - for cash or - or cheques in response. It's the repository of our reserve stocks of chips and - and cash that's held within - in the building. And the operation of that cage is governed under the Casino Control Act and the internal controls.

45 **MR BELL SC:** And do I understand your evidence to be that you did not understand that there was an agreement with Mr Iek which permitted Suncity to operate a cage in Salon 95?



**MR STEVENS:** Yes.

**MR BELL SC:** Yes, Mr Condylis.

5

**MR CONDYLLIS:** Do you understand the purpose of a contract being approved as a controlled contract? Why is that a requirement under the Casino Control Act?

10 **MR STEVENS:** To keep criminal influence away from the casino and out of the casino. It's a provision that was originally drawn from Nevada - provisions were put into the casinos in Nevada to stop organised crime having contracts with the casino and then taking money out of the casino specifically through - for purported provision of service of goods which were never actually received. It's to ensure that the casino operator is in business with individuals of a fit and proper probity level.

15

**MR CONDYLLIS:** Yes. And of course, there's a materiality threshold in one aspect of the definition, which says that certain contracts that affect the integrity of the casino's operations should be approved by the regulator.

20

**MR STEVENS:** Yes. And there's a definition of materially significant contracts that was provided to us back in 2013 as to what the regulator deemed to be materially significant.

25 **MR CONDYLLIS:** Okay. And to your knowledge, this agreement was not approved as a controlled contract?

**MR STEVENS:** No.

30 **MR CONDYLLIS:** I'm going to take you to a new document, Mr Stevens. Operator, could I please bring up exhibit D, tab 4. The document reference is STA.3023.0001.0628. So that should be exhibit D, tab 4. And, operator, could you please show the document in landscape and please zoom into the right-hand side of the document. Thank you. Mr Stevens, this document is dated 4 September 35 2017. You can take it from me that that is what - that's what the date records at the bottom. Are you able to tell Mr Bell what you understand that room on the right to be?

40 **MR STEVENS:** So that's Salon 95. The three tables that are positioned there with 95-98, 95-68 and 95-66 are the three gaming tables where patrons played. Next to that, there's a table for people to sit and eat at. There is a desk and another small room - or - or desk to the side there as well.

45 **MR CONDYLLIS:** Yes. And you will see that the enclosed space next to the - there are two desks to the right-hand side. One is what I understand to be the service lounge. That's a desk that's not enclosed; is that right?

**MR STEVENS:** Yes.

**MR CONDYLLIS:** And then to the left of it is the - what was later called the service desk?

5 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And the service desk was originally understood to be an office for the Suncity staff?

10 **MR STEVENS:** Correct.

**MR CONDYLLIS:** And then later it was - a window was installed in that so there could be patron and staff interaction?

15 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And that is the room that later caused issues for the casino?

20 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And you will see that there's a balcony located to the right and within Salon 95. Do you see that?

25 **MR STEVENS:** Yes.

**MR CONDYLLIS:** Are you able to tell Mr Bell, to the best of your knowledge, what surveillance was on the balcony in terms of any camera?

30 **MR STEVENS:** No, I don't know what surveillance was on that balcony.

**MR CONDYLLIS:** Did you ever attend Salon 95?

**MR STEVENS:** I did.

35 **MR CONDYLLIS:** Was that around 2017?

**MR STEVENS:** Yes.

40 **MR CONDYLLIS:** Did you - how many times would you go into Salon 95 to perform your role and duty at the casino?

45 **MR STEVENS:** Not that often. In - my role wasn't to monitor operational day-to-day matters. And so it was only if I needed to go there to - to speak to somebody that I might have gone through - or have a meeting in there. Generally, I didn't frequent that area very often at all.

**MR CONDYLLIS:** What would be the reason for you to go there?

**MR STEVENS:** If I needed - if I wanted to talk to one of the staff there. Sometimes we may - but in relation to any operational matter that might have happened. Other than that, I had - I had no real reason to go in.

5 **MR CONDYLLIS:** Okay. And on some of the documentation, the expression "Rivers" is referred to. Can you explain what that means in the context of Salon 95?

10 **MR STEVENS:** Yes. The gaming salons at The Star are divided into three general locations. Each of those general locations has a water feature name: Harbours, Rivers, Lakes. Rivers is the reference to these gaming salons that are situated above the Sokyo hotel - sorry, the Sokyo restaurant.

15 **MR CONDYLLIS:** Right. And in the documentation, there is reference to a Rivers reception and a Rivers window. Do those concepts mean anything - or terms mean anything to you?

**MR STEVENS:** They do.

20 **MR CONDYLLIS:** And in broad terms, what were those spaces within the Rivers level?

25 **MR STEVENS:** So not on - on this map. If you scroll to the left - okay. So in the middle, there's - at the bottom of the - of the drawing, there's a double door that's open and a protrusion from the drawing down. That's a walkway that leads across the Darling Hotel reception area. It leads - on - on the other side of - of that area, there is a reception desk manned by Star staff where all patrons entering that area are provided to show their ID or their member's card to move through. There is also a cage window - a cage facility located in that area as well.

30 **MR CONDYLLIS:** And that cage facility was staffed, of course, by Star employees?

35 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And that was the - is that - that would be called a satellite cage?

40 **MR STEVENS:** They may have referred to that as a satellite cage.

**MR CONDYLLIS:** With the main cage being on the main gaming floor of the casino?

45 **MR STEVENS:** Yes. Yes.

**MR CONDYLLIS:** And as we'll get to - but the requirement was that that is where the cash transactions and the cash for chip transactions should take place, and that was the - it was a common walk to be done from Salon 95 to the Rivers cage?

**MR STEVENS:** Yes.

5 **MR BELL SC:** Mr Stevens, can you help me in identifying precisely where on this diagram the Rivers cage is?

**MR STEVENS:** That's not on this diagram.

10 **MR BELL SC:** I see.

**MR STEVENS:** It's on a - a separate side. This is diagram is just of the gaming salons; it isn't of the full area.

15 **MR BELL SC:** Yes. Thank you.

**MR CONDYLLIS:** Thank you, Mr Stevens. If I can take you to a new document. This is STA - one moment. This is STA.3008.0004.0697. It is exhibit B, tab 412. Now, Mr Stevens, you were not party to any of these emails, but I just want to take you to some pinpoints and ask for your opinion on some of these aspects. If I can just take you to pinpoint 0703. And you will see that this is an email dated 10 August 2017, and you will see that there's a reference - these are Star employees who, I assume, you know or have some professional dealings with?

25 **MR STEVENS:** They are.

**MR CONDYLLIS:** And they are discussing the set-up and operation of Salon 95. Do you see that?

30 **MR STEVENS:** I do.

**MR CONDYLLIS:** And the questions is asked:

35 "From what I gather in the email trail below, you are looking to add a cage with two windows and a service counter with two seaters in Salon 95. Will this just be a buy-in desk or fully enclosed cage? In regards to the service counter, will a desk suffice? In addition, could you please confirm you would like to keep three tables in the salon before we engage our property service team?"

40 And so - and you will see that the discussion about the cage and the buy-in desk continues over to the next email, which is at 0702. And at the bottom, the response is:

45 "My preference would be for a buy-in desk to minimise cost and disruption rather than a fully enclosed cage. The service counter will need to be better quality than a desk we have in storage and would envisage needing locked cupboards also."

And all I want to ask you here is, was it - were you aware of such conversations taking place in the business about the cage in Salon 95 and its particulars, how it was going to be set up?

5 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And were you aware of the intention of the business to accommodate what clearly was a request in the contemplation of Suncity that it would be able to have some sort of buy-in desk in Salon 95?

10

**MR STEVENS:** Yes.

**MR BELL SC:** Mr Stevens, you told me earlier that you understood that the agreement with the Suncity junket didn't permit the junket to operate a cage in Salon 95; correct?

15

**MR STEVENS:** Correct.

**MR BELL SC:** So should I understand that these emails - and I appreciate you were not a party to them, but you would regard these emails as inconsistent with your understanding of what was permitted under that agreement with Suncity?

20

**MR STEVENS:** Yes.

25 **MR BELL SC:** Yes. Thank you.

**MR CONDYLLIS:** But I think your evidence was that you too were aware, as at August 2017, that it was being contemplated by The Star and/or Suncity that there would be a cage, and it would have some sort of buy-in desk?

30

**MR STEVENS:** Yes.

**MR CONDYLLIS:** Did you - are you aware whether the regulator was informed at around this time of that intention?

35

**MR STEVENS:** Yes. We made a submission to the regulator in - in relation to this.

**MR CONDYLLIS:** Okay. Was it one submission, or do you have any - what's your recollection of that submission?

40

**MR STEVENS:** We made a submission because we needed building approval from the regulator and outlined what the design of - of the cage and with the follow-up email outlining the activities that were envisaged to take place at that desk.

45

**MR CONDYLLIS:** Okay. And so - and that, I think, the - so the email you might be referring to - can I just take you to a new document. So this is

STA.3417.0078.6717. Mr Bell, this is a - the email is already in evidence, or in the hearing book, but this version has the attachments to it, I'm instructed. And so it probably should be marked for identification and to be included in a subsequent tender.

5

**MR BELL SC:** Could I just have the doc ID again, please?

**MR CONDYLLIS:** It is - sorry, Mr Bell. It is STA - there it is. STA.17 - STA.3417.0078.6717.

10

**MR BELL SC:** So STA.3417.0078.6717 and the attachments to it will be MFI12.

**MR CONDYLLIS:** Thank you, Mr Bell. Now, is this the email and submission you were referring to?

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**MR STEVENS:** That is the submission. There was a follow-up email in maybe June of that year, after a phone call with Atish Bucktowonsing to try and progress the approval process.

20

**MR CONDYLLIS:** Sorry, June - June - so this email is dated 12 October 2017?

**MR STEVENS:** So - so there was a submission - so whether or not that submission was - I thought it was 2018, but - in - in - in follow up to that. But there was a definite submission and then follow-up email to a phone conversation Atish and I had around the purpose of the service desk.

25

**MR CONDYLLIS:** And what - and so you're saying that conversation took place after you sent this email?

30

**MR STEVENS:** I believe so, yes. It was in relation to we were trying to get approval. So whether this - whether it was this - or this is a modification to the original submission that we may have put in.

35

**MR STEVENS:** And - but am I right to understand that the content of that conversation was the same as the content of the submission?

**MR STEVENS:** Yes.

40

**MR CONDYLLIS:** And so whatever was stated in that subsequent conversation was, in substance, what was stated and attached to this email - in - attached to this email?

**MR STEVENS:** Yes.

45

**MR CONDYLLIS:** Was there a subsequent email that you sent? I think you might have said that before, or was it just --

**MR STEVENS:** There was a - there was a subsequent email that I - I - I sent to

Atish clarifying what activity would be taking place at that service desk or the nature that activity.

5 **MR BELL SC:** Mr Stevens, I thought you told me - I'm sorry to interrupt, but I thought you told me there had been a submission to the regulator to operate a cage in Salon 95; is that right?

10 **MR STEVENS:** No, no. The - the - the submission wasn't to operate a cage. The submission was to get approval for the service desk, not for a cage. We've never made submission to operate a cage in Salon 95.

**MR BELL SC:** But this is asking for changes to the office to create a more customer-friendly environment by installing a service desk.

15 **MR STEVENS:** Yes.

**MR BELL SC:** And that's what you asked the regulator to approve, is it?

20 **MR STEVENS:** Yes.

**MR BELL SC:** Yes. Thank you.

25 **MR CONDYLLIS:** Mr Bell, I call on that email that the witness has referred to. I think it was - it's an email - I don't know - do you know what the date was, Mr Stevens?

**MR STEVENS:** I think it was June. Whether it was June 2017 or 2018, I don't know.

30 **MR CONDYLLIS:** Okay. Well, I call on that email, Mr Bell.

**MR BELL SC:** Just to be clear, Mr Stevens, is the email that you are referring to after the email that we're looking at on the screen or before?

35 **MR STEVENS:** I am trying to remember, Mr Bell, whether or not we made a submission in 2017, then got approval for - for that in June 2017 and then made a subsequent submission around alterations to the service desk.

40 **MR BELL SC:** So you're referring to an email in the period 2017 to 2018?

**MR STEVENS:** Yes.

**MR BELL SC:** From you to Liquor and Gaming in relation to amendments to Salon 95?

45

**MR STEVENS:** Yes.

**MR BELL SC:** Is that what you are calling for, Mr Condylis?

**MR CONDYLIS:** The production of that email, yes, Mr Bell, and any attachments.

5 **MR BELL SC:** Yes. Ms Richardson, are you able to deal with that?

**MS RICHARDSON SC:** I will make inquiries.

**MR BELL SC:** Yes. Thank you.

10

**MR CONDYLIS:** Thank you. If I can just take you to this email, Mr Stevens. So, operator, can I just scroll down to show the content of the email. Now, it's - you agree that it's an email from you in your capacity as a regulatory affairs manager at The Star Sydney?

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**MR STEVENS:** I do.

**MR CONDYLIS:** And it's to Liquor and Gaming, who is - you understood was the regulator?

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**MR STEVENS:** Yes.

**MR CONDYLIS:** And you state:

25

"The Star is proposing to make some minor changes to the junket operator's office located in the Rivers gaming Salon 95. The purpose of these changes is to create a more customer-friendly environment by installing a service desk in the salon and service window in the wall of the junket operator's office. Due to the nature of this work, we believe that the COA lease terms require owner's consent from ILGA, which I understand to have been delegated to LNG. Please find attached the formal submission and plans of the works. If you have any questions or require the submission in another format, please let me know."

30

35 And that was the content of the email?

**MR STEVENS:** Yes.

**MR CONDYLIS:** And then the email included several attachments. And if I can just take you to the next page - well, I will take you to the final two pages - sorry. Can I go to 6 - point 6724. And am I right in understanding, Mr Stevens, that what we're looking at is the original version of the right-hand side of the room? So you remember when I showed you the layout of the diagram, there was a service lounge and an enclosed office. This is what the salon previously looked like - or was proposed to look like?

45

**MR STEVENS:** Yes.



**MR CONDYLIS:** And if I can also take you to 6725, which is the next page. And again, that's the service - well, that's the Suncity office. And you will see how there's no window?

5 **MR STEVENS:** Yes.

**MR CONDYLIS:** And so what your email was doing was making a submission to the regulator for there to be a window installed so - I assume, where the circle glass mirror is located?

10

**MR STEVENS:** I can't remember the location.

**MR CONDYLIS:** Okay. But you do know that eventually there was a window where the mirror is located?

15

**MR STEVENS:** I - I - I don't recollect that.

**MR CONDYLIS:** But you agree with me that the purpose of your submission was - you said in your covering note - you said "the installation of a window".

20

**MR STEVENS:** Yes.

**MR CONDYLIS:** "So that it might be a more customer-friendly environment". That's what you said?

25

**MR STEVENS:** Yes.

**MR CONDYLIS:** And what you're asking is for this room to have a window installed so there can be a more customer-friendly environment?

30

**MR STEVENS:** Yes.

**MR CONDYLIS:** Okay. And just to show you - so if I can take you now to 6718, which is another attachment to the email. And this is the request. So you're asking for a window to be included in the office?

35

**MR STEVENS:** Yes. On the - this is on the right-hand side, not necessarily - as you looked back at the - where the desk is. But yes.

40 **MR CONDYLIS:** Yes. But the image I was showing you before is - that was the previous version of the what we are now looking at?

**MR STEVENS:** Yes.

45 **MR CONDYLIS:** Okay. And so the - Liquor and Gaming are to understand, well, you're making a request for an office now to have an open window?

**MR STEVENS:** Yes.

**MR CONDYLLIS:** And I will take you to the next page, which is 6719. And again, there's more diagrammatic images that show the regulator what's being proposed?

5 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And then the next page, operator, which is 6720. And then that appears to be the after-shot of what's being proposed to the previous version I showed you a few pages earlier?

10

**MR STEVENS:** I believe that's a mocked-up picture to indicate what it would look like.

**MR CONDYLLIS:** Yes. And just for completion - so there was another - there was 15 6721. Just - again, just changing of the framing around the door. And then there was also a further two diagrams, 6722 and then 67 (indistinct). And then, importantly, there was a formal submission, which is 6726. And the submission, it's fair to say, broadly, in substance, goes into a bit more detail as to the - what was stated in the covering email?

20

**MR STEVENS:** Yes.

**MR CONDYLLIS:** And you say - so again, it's addressed - it's titled Casino 25 Application for Approval. It's by you, the regulatory affairs manager. Date of submission, 10 October 2017. And importantly, you say as the reason for submission:

30 "To enable the junket operators who use Salon 95 to provide better service for the junket participants. The Star proposes to open a service window into the wall of the junket operator's office. The authority's approval for this work is required under the provisions of the casino operations agreement lease terms. The Star therefore requests the consent in writing from the authority as required by clause 5.16 of the casino operations agreement lease terms."

35 And there's still some information. Details of changes from previous approval:

40 "Minor building works to allow the insertion of a service window into the interior wall of the junket operator office, installation of a service desk adjacent to the junket operator's office."

And then you go on to say:

45 "The purpose of these changes is to create a more customer-friendly environment by installing a service desk in the salon and service window in the wall of the junket operator's office."

Now, do you agree with me that nowhere in this submission is there any reference to there being a cage in Salon 95?

**MR STEVENS:** That's correct.

5 **MR BELL SC:** And, Mr Stevens, were you responsible for this submission to the authority?

**MR STEVENS:** I was.

10 **MR BELL SC:** Yes.

**MR CONDYLLIS:** And nowhere in the submission is there any reference to the functionality of this room being a buy-in desk?

15 **MR STEVENS:** No.

**MR CONDYLLIS:** And there is no indication in the submission to the regulator there may be - the installation of this window may be to facilitate the provision of cash and/or chips into this room?

20 **MR STEVENS:** No.

**MR CONDYLLIS:** Did you --

25 **MS RICHARDSON SC:** Could I just stop there. I think it's an accident. Mr Condylis is expressing his questions, "There's no indication," and the witness is saying no. We have got double negatives. I understand he is agreeing with the proposition that there's no indication, but there are a number of questions that are mismatching because they are being put in a negative form.

30 **MR BELL SC:** I think that is a fair point, Mr Condylis. It would be helpful if you expressed your questions in the positive.

35 **MS RICHARDSON SC:** Or another option: if he is putting the proposition there is no indication - if he says "correct" at the end, then the witness knows, if it is correct, he can say yes.

**MR BELL SC:** That's how I understood the answers, Mr Condylis. But just for the record, you might want to go over that again.

40 **MR CONDYLLIS:** I'm very grateful to my learned friend. Mr Stevens, the answers you just gave me - you were accepting that nowhere in this submission was there any reference to the cage in Salon 95 or a buy-in desk in Salon 95?

45 **MR STEVENS:** Correct.

**MR CONDYLLIS:** Thank you. You would agree with me, Mr Stevens, that this submission is misleading?

**MR STEVENS:** It - it - it doesn't detail that the junket operator was receiving cash from the players as to facilitate their buy-in - the junket operator was subsequently used to buy in to their rebate program with us. So - so it's not a fulsome explanation from that perspective.

5

**MR BELL SC:** It was misleading, wasn't it, Mr Stevens?

**MR STEVENS:** Correct.

10 **MR CONDYLLIS:** And you knew at the time of sending the submission to the regulator that there was - it was in the contemplation of there to be a cage and/or a buy-in desk in that room?

15 **MR STEVENS:** Not a contemplation of a cage, but a contemplation that they would be - the players would be providing funds to the junket operator to - to participate within the junket.

20 **MR CONDYLLIS:** And you knew at the time of sending the submission that you had not included that additional information in the submission?

20

**MR STEVENS:** Yes.

**MR CONDYLLIS:** So you knowingly misled the regulator?

25 **MR STEVENS:** Yes.

30 **MR CONDYLLIS:** I'm going to take you to a new document, Mr Stevens. It's exhibit B, tab 520. The document reference is STA.3008.0004.0507. Mr Stevens, you can see at the bottom of that page, it's an email dated 12 January 2018. You're not party to the email, nor are you copied to it, but there is a reference to you - or advice you gave. And what I'm interested in, and how you can assist Mr Bell, is understanding what that advice was. I understand it's in the context of non-negotiable chips, and it would appear that that was another feature of Salon 95. And I just want to understand what that advice you gave was.

35

40 **MR STEVENS:** So it's - I think in the first instance - and forgive me if I - I expand a little bit here. It's around the way that a junket plays and is operated and their rebate is calculated. And so the junket plays with a particular set of chips called non-negotiable chips. There is a series of those non-negotiable chip sets that we assign to individual junkets. When a patron makes a wager with a non-negotiable chip, they are played with premium chips. And eventually, when they have used all of their non-negotiable chips because they will lose, you know, those premium chips are then exchanged for non-negotiable chips and we do a rebate calculation on those. We assign one non-negotiable chip set per junket. We also, in Salon 95, ran junkets using Australian dollars and junkets using Hong Kong dollars. And we needed to ensure that Australian and Hong Kong dollar chips weren't used on the same tables and that we shouldn't be using multiple sets of non-negotiable chips that had been assigned to different junkets at the same

45

table.

**MR CONDYLLIS:** Yes.

5 **MR BELL SC:** Sorry, Mr Stevens. I just want to make sure I understand. The junkets play with non-negotiable - they are issued non-negotiable chips?

**MR STEVENS:** Yes.

10 **MR BELL SC:** The patrons use those non-negotiable chips. If they win, they are paid with something else called premium chips?

**MR STEVENS:** Correct.

15 **MR BELL SC:** And then when they have finished, they exchange those premium chips back into non-negotiable chips?

**MR STEVENS:** Yes. So - and that exchange is the figure that we use to calculate their turnover for their rebate.

20

**MR BELL SC:** Thank you.

**MR CONDYLLIS:** Thank you, Mr Stevens. I'm going to take you to another document. Exhibit B, tab 2209. The document reference is STA.3412.0053.6455.

25 Now, this is a document - this is an email - the important part of this document is - are the emails that are below. And it appears that you forwarded those emails to Mr Power and Mr White on 25 February 2020. Do you recall doing that?

**MR STEVENS:** No, I don't.

30

**MR CONDYLLIS:** Okay. If I can just take you to the substance of the emails, beginning with pinpoint 6457. And you will see that Mr Liu is asking a question of Mr Aloï:

35 "As Suncity is using Salon 95 as junket salon, their manager TK inquire what amount of cash limit from patrons can they deposit into Suncity cage without any AML requirement?"

Do you see that?

40

**MR STEVENS:** I do.

**MR CONDYLLIS:** And then Mr Aloï elevates or escalates that question to Mr White, who I understand was the corporate counsel at the casino?

45

**MR STEVENS:** Correct.

**MR CONDYLLIS:** Have you seen - do you recall seeing these emails before?

**MR STEVENS:** A vague recollection.

5 **MR CONDYLLIS:** Okay. But you understand the question being raised by Mr Liu?

**MR STEVENS:** I do.

10 **MR CONDYLLIS:** And you see, again, this reference to the Suncity cage in that email?

**MR STEVENS:** I do.

15 **MR CONDYLLIS:** And then Mr Aloï asks Mr White - he says:

"I would assume Suncity would have an AML program in place prior to setting up a cash desk in the Rivers salons. Wouldn't that be one of the requirements for The Star allowing them to transact on the property?"

20 And that makes sense to you; Mr Aloï is asking a question of the corporate counsel about a very important AML issue in circumstances where a cash desk is being operated. He says in the Rivers salon, but presumably he is referring to Salon 95?

25 **MR STEVENS:** Correct.

**MS RICHARDSON SC:** Well, I object - well --

30 **MR BELL SC:** I reject that question, Mr Condylis. You need to break it up into bite-sized propositions that the witness can deal with, please.

**MR CONDYLLIS:** Thank you, Mr Bell. The question being asked of Mr White is that because a cash desk is being set up in the Rivers salon, the assumption is that there would be an AML program in place?

35 **MR STEVENS:** Yes, by Suncity.

40 **MR CONDYLLIS:** Yes. And then if I can just go to the next page, and that's 6456. And you will see that Mr White responds to Mr Aloï and Mr Liu. And do you recall having seen this email before?

**MR STEVENS:** No, I don't.

45 **MR BELL SC:** Mr Condylis, can you just wait a moment. I want to read this and absorb it all.

**MR CONDYLLIS:** Yes.

**MR BELL SC:** Yes. Thank you.

5 **MR CONDYLLIS:** So your evidence is even though you appear to have forwarded this email to Mr Power and Mr White in February 2020, you presently have no recollection of having seen this particular email before?

**MR STEVENS:** Yes.

10 **MR CONDYLLIS:** Okay. I'm going to ask you some questions about this email in your capacity as the - as at March 2018, as the regulatory affairs manager of The Star. Do you understand that?

**MR STEVENS:** I do.

15 **MR CONDYLLIS:** And it was your evidence yesterday, in answer to a question from Ms Sharp, that you had a broad understanding of the AML/CTF Act requirements as they pertain to a casino?

**MR STEVENS:** I do.

20 **MR CONDYLLIS:** And am I right - have you had a chance now, Mr Stevens, to read this email and digest now its contents?

**MR STEVENS:** Yes.

25 **MR CONDYLLIS:** And am I right, in the broad summary, that Mr White is giving advice to these two individuals about how it is that the service desk can operate in Salon 95 in circumstances where Suncity does not have an AML/CTF program?

30 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And you would agree with me that this is absolutely critical advice that is being given to these two individuals because it would be a serious matter if Suncity were to be engaging in a designated service without an appropriate AML/CTF program in place?

**MR STEVENS:** Yes.

40 **MR CONDYLLIS:** And it would be a serious matter if Suncity were not engaging in the requirements under the AML/CTF Act, such as the requirements as to reporting?

**MR STEVENS:** Yes.

45 **MR CONDYLLIS:** And it would be particularly serious for The Star because Salon 95 is located on the casino's premises?

**MR STEVENS:** Yes.

**MR CONDYLLIS:** And so the advice that Mr White gives is that Salon 95 is not to have a cage and does not have a cage?

5 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And in effect, the handling of cash is only to be done by The Star Sydney's cage?

10 **MR STEVENS:** Yes.

**MR CONDYLLIS:** Which is why there should be no issue with the fact that Suncity may not be meeting any AML/CTF Act requirements?

15 **MR STEVENS:** Correct.

**MR BELL SC:** Mr Stevens, would you agree that Mr White is making it clear there must not be any cash transactions in Salon 95?

20 **MR STEVENS:** Yes.

**MR BELL SC:** Because otherwise, there would be AML/CTF requirements in respect of Suncity's operations. Do you agree he is also making that clear?

25 **MR STEVENS:** Yes.

**MR BELL SC:** Yes. Thank you.

30 **MR CONDYLLIS:** You would also appreciate, Mr Stevens, having been the regulatory affairs manager between 2006 and 2019, that compliance with the AML/CTF Act is obviously very important?

**MR STEVENS:** Yes.

35 **MR CONDYLLIS:** The underlying purpose - or the end that compliance should achieve, that is, preventing money laundering and terrorism financing?

**MR STEVENS:** Correct.

40 **MR BELL SC:** And, Mr Stevens, the individual whose first name is Wallace, what is that person's full name?

**MR STEVENS:** Liu.

45 **MR BELL SC:** And what was his role at that time at The Star?

**MR STEVENS:** I think he - I can't remember if he was a vice president of premium services or - he was a senior executive within the premium services



team.

**MR BELL SC:** And the "David" that is referred to, is that Mr David Aloï?

5 **MR STEVENS:** It is.

**MR BELL SC:** And what was his role at the time?

**MR STEVENS:** Cashier services manager.

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**MR BELL SC:** Yes. Is that a convenient time, Mr Condylis, to take the morning adjournment?

**MR CONDYLLIS:** Yes, Mr Bell.

15

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

**<THE HEARING ADJOURNED AT 11:29 am**

20 **<THE HEARING RESUMED AT 11:45 am**

**MR BELL SC:** Yes, Mr Condylis.

25 **MR CONDYLLIS:** Mr Stevens, I'm going to take you to a new document. That is exhibit B, tab 745, document ID STA.3419.0003.6802. Now, do you have any recollection of seeing this document before, Mr Stevens?

**MR STEVENS:** Can you make it slightly bigger, please.

30 **MR CONDYLLIS:** Sure. I will also show you the next page, to show you the author. If you could go to that next page, operator, and the page over as well.

**MR STEVENS:** No, I haven't seen this document.

35 **MR CONDYLLIS:** Do you recall ever discussing with Ms Arnott a risk assessment she was performing in or around April 2018?

**MR STEVENS:** Yes. Vaguely.

40 **MR CONDYLLIS:** Okay. And you can take it from me that this was the risk assessment she was undertaking, and these were her findings which were ultimately approved by Mr McWilliams.

**MR STEVENS:** Sure.

45

**MR CONDYLLIS:** Reading the document now - and I'm going to ask you some questions about it, again, in your capacity as the AML - sorry, as the regulatory affairs manager between 2006 and 2019. You will see that at the top of the first

page - that's 6802 - there are three risks that Ms Arnott identified and that were incorporated in this document.

5 **MS RICHARDSON SC:** Sorry, I should correct. I think it's "Arnott".

**MR BELL SC:** I think that's right, Mr Condylis.

**MR CONDYLLIS:** Yes. Sorry, Mr Bell. Skye Arnott is the person I'm referring to. And you will see that the first risk that is being identified in this document is:

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"The accidental provision of a designated service by Suncity without appropriate AUSTRAC registration or structures in place."

Do you see that?

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**MR STEVENS:** I do.

**MR CONDYLLIS:** The next risk is:

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"That operations of the casino could be (or perceived to be) conducted by a person other than the casino operator which is prohibited under the Casino Control Act."

**MR STEVENS:** Yes.

25

**MR CONDYLLIS:** And then finally:

30 "The operation of super junkets where unrelated parties are added to an overarching junket agreement rather than each group of people being treated as an individual junket."

**MR STEVENS:** Yes.

35 **MR CONDYLLIS:** I want to ask you some questions about the middle risk, the risk where - being identified here that another entity is effectively giving - is giving effect to the casino licence.

**MR STEVENS:** Yes.

40 **MR CONDYLLIS:** You would agree that if that were to occur, that would be an extremely serious matter?

**MR STEVENS:** Yes.

45 **MR CONDYLLIS:** Can you assist Mr Bell in understanding why something like that would be so serious.

**MR STEVENS:** Because the casino licence is issued to a company that's gone

through an assessment around its probity, its conduct. The staff who work for that entity are monitored and their probity reviewed on a regular basis by the casino regulator. The operations that are - that happened are reviewed by the regulator, but - and monitored by the regulator, but the - the entity that's responsible for those operations is the casino licence-holder. And if another individual was acting in- in that way, then they would not have that licence. There would be no clear oversight around the operation of those activities. And there would be nothing to give certainty to - to the regulator or - or the community that gaming is happening in a manner that would be acceptable.

5

**MR CONDYLLIS:** Yes. And it's the case that, of course, the suitability of Suncity was never considered by the regulator, to your knowledge?

**MR STEVENS:** The suitability to be a casino - a casino licence holder?

10

**MR CONDYLLIS:** In any way, in any sense?

**MR STEVENS:** I don't remember - I don't - I don't believe they were because I think perhaps the junket operator provisions changed in the Act prior to them becoming a junket operator with us.

15

**MR CONDYLLIS:** Yes. And Suncity were never approved as a close associate of the licensee?

**MR STEVENS:** No.

20

**MR CONDYLLIS:** And so if it were the case that Suncity were, in fact, operating a mini casino within The Star, then they would be doing so without a licence and any regulatory oversight?

25

**MR STEVENS:** Yes.

**MR CONDYLLIS:** Of course, this is all in circumstances where the rebate agreement conferring the exclusive access right to Salon 95 is not a controlled contract - hasn't been approved as a controlled contract?

30

**MR STEVENS:** Well, the rebate agreement wasn't approved as a controlled contract - wasn't submitted as a controlled contract. I don't know if it met the definition of a controlled contract. But whether or not the - there was - even if there had been a controlled contract in place, I wouldn't have envisaged that that - that the controlled contract would in any - would necessarily negate the need for it to be a casino licence holder if it was operating under the licence.

35

**MR CONDYLLIS:** Quite right. But it's an additional matter because the regulator is not getting the opportunity to consider the rebate agreement at the controlled contract stage. Do you agree with that?

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**MR STEVENS:** Yes.

**MR CONDYLLIS:** The regulator is not getting the opportunity to consider the suitability of Suncity at the close associate stage?

5 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And the regulator is not getting the opportunity to consider the employees of Suncity at the special employee stage?

10 **MR STEVENS:** Correct.

**MR CONDYLLIS:** There's also no AML/CTF program in place?

15 **MR STEVENS:** That would be a matter for Suncity, not for The Star, because Suncity is its own entity and they're the ones that would need to have that program.

20 **MR CONDYLLIS:** Yes. But if Suncity doesn't have that in place, then you would agree with me that there is a complete gap in regulation of their operations in Salon 95?

**MR STEVENS:** Yes.

25 **MR CONDYLLIS:** One final thing I wanted to ask you on this topic, Mr Stevens, is you are aware that there's requirements under the Casino Control Act for the approval of surveillance and camera locations in and around the casino?

**MR STEVENS:** Yes.

30 **MR CONDYLLIS:** And are you aware as to whether the regulator approved the location of any of the surveillance cameras in Salon 95?

35 **MR STEVENS:** So when Salon 95 was initially set up and the cameras were put in place - so that would have been in - in 2012 - the provisions under the Act required that approval to occur, and - and there was a specific approval process that went through where the regulator approved the configuration and - and set-up of - of those cameras in those areas. As we progressed and the Act changed, in 40 2018 when the surveillance internal controls came into provision, there was - the approval under there made reference into agreed standards that were in place for The Star. And so that - where we put in place cameras that met those standards, there was no need for the regulator to go through and approve. Where we had cameras in place that didn't meet those standards, then we would have needed to seek regulator approval.

45 **MR CONDYLLIS:** Okay. Am I understand from that answer is that, no, there was no regulator approval, to your knowledge, for any of the cameras in Salon 95?

**MR STEVENS:** No. The - the gaming table cameras would have been approved

by the regulator when that area was commissioned.

**MR CONDYLLIS:** Yes. Any other cameras?

5 **MR STEVENS:** And some of the other camera positions within that area would  
have taken - taken place as - at - at that stage as well. With the reconfiguration  
with the implementation of the service desk, I don't know that there was a  
submission made to the regulator to approve because it was - the - the positioning  
10 of those cameras would have then been covered by the internal control that was in  
place at that time. So if the internal - and I - sorry. Forgive me. I think  
we're - we're - the service desk was early 2018?

**MR CONDYLLIS:** Yes. So I think February 2018 was when Salon 95 began --

15 **MR STEVENS:** Yes. At - at that stage, we did have a standard in place. We did  
have an agreement with the regulator around the requirements for the positioning  
and location of cameras, but they didn't give specific individual approval for each  
camera as it was located.

20 **MR CONDYLLIS:** Okay. So there's a broad approval of camera type, camera  
form, you said on the gaming tables --

**MR STEVENS:** Location of cameras, where there is a fixed camera, whether  
there needs to be a pan-tilt-zoom camera in certain areas, what - what areas need  
25 to be covered by - by cameras. So there are broad guidelines in relation to all of  
those.

**MR CONDYLLIS:** I see. But in terms of the actual specific location of each  
camera in Salon 95, you are not able to say one way or another whether the  
30 location of those cameras were approved by the regulator?

**MR STEVENS:** Yes.

**MR CONDYLLIS:** I'm going to show you - if I can just take down that document,  
35 operator. I'm going to show you some CCTV footage, Mr Stevens. I should say,  
it's INQ.020.002.0001.

**MR BELL SC:** Is this footage that has already been marked for identification or  
not?  
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**MR CONDYLLIS:** It's not, Mr Bell. This is further CCTV footage that has not yet  
received an MFI.

**MR BELL SC:** Sorry. Can you give me that doc ID again, please?  
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**MR CONDYLLIS:** Certainly. INQ.020.002.0001.

**MR BELL SC:** Thank you.

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**MR CONDYLLIS:** I should say, Mr Bell and Mr Stevens, for your benefit, this is a shorter version of footage that was produced to the review by Star Entertainment. It has been shortened for the purpose of the public hearing. And just so you know, there is a longer version of the footage. What I'm going to do, Mr Stevens, is in a moment I will ask the operator to play this footage through. And then we will go through it again and I will ask the operator at that occasion to stop, and I will ask you some questions about each passage. Of course, as you can see on your screen, this is footage from Salon 95. You can see that?

**MR STEVENS:** Yes.

**MR CONDYLLIS:** And you will see that it's timestamped 21 April 2018?

15 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And you will see there are three screens showing on your computer screen. The top left-hand corner is a depiction of the service lounge and the service desk?

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**MR STEVENS:** Yes.

**MR CONDYLLIS:** The right cornered screen is a depiction from on top of the service lounge?

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**MR STEVENS:** Yes.

**MR CONDYLLIS:** And then the bottom left-hand cornered screen is a camera inside the service desk?

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**MR STEVENS:** Yes.

**MR CONDYLLIS:** All right. So I ask the operator now to play the footage.

35 **<THE RECORDING COMMENCED AT 12.00 PM**

**<THE RECORDING CONCLUDED AT 12.02 PM**

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**MR CONDYLLIS:** I will ask the operator to stop it there. Mr Bell, what appears to have happened is that this is the actual longer form of the video. I will make inquiries as to what the actual reference for the shorter form of the video is.

**MR BELL SC:** Yes. Thank you.

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**MR CONDYLLIS:** I will ask that to happen now. But I will use this opportunity to still ask the witness some questions about this footage in any event. Operator, could you please go back to the beginning of the footage. So, Mr Stevens, you will recall that at the beginning of the footage you saw a gentleman in the grey top.

You see that in the top right-hand picture right now?

**MR STEVENS:** Yes.

5 **MR CONDYLLIS:** And you recall that that gentleman passed the white bag through the side door of the service desk?

**MR STEVENS:** Yes.

10 **MR CONDYLLIS:** And I will ask you: do you recall seeing the image of where the Suncity staff that received that white bag started removing objects from that white bag?

**MR STEVENS:** Yes.

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**MR CONDYLLIS:** And do you recall seeing that, from the white bag, cash was taken out of the bag?

**MR STEVENS:** That's what it appeared to be, yes.

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**MR CONDYLLIS:** Yes. Now, just pausing there, is it - in your - or have you seen this footage before?

**MR STEVENS:** No.

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**MR CONDYLLIS:** Have you seen CCTV footage from the service desk before?

**MR STEVENS:** Yes.

30 **MR CONDYLLIS:** And in your capacity as the regulatory affairs manager of The Star, indeed at this time in April 2018, should a white bag of - a bag of cash should be provided through the side door in the service desk?

**MR STEVENS:** No.

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**MR BELL SC:** Or anywhere else in the service desk?

**MR STEVENS:** No.

40 **MR CONDYLLIS:** And so you would agree with me that what appears to be happening is - as it did in this footage, is that cash is being handled by the service desk?

**MR STEVENS:** Yes.

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**MR CONDYLLIS:** And this is precisely the type of conduct that Mr White, in his advice to Mr Liu and Mr Aloï, indicated should not be happening at the service desk?

**MR STEVENS:** Correct.

5 **MR CONDYLIS:** And of course, you will recall the risks that Ms Arnott alluded to in her risk assessment that I took you to a minute ago?

**MR STEVENS:** Yes.

10 **MR CONDYLIS:** And if it is the case that cash is being provided to the service desk, particularly through a plastic bag, that the risk of - an unlicensed entity is dealing with that cash?

**MR STEVENS:** Yes.

15 **MR CONDYLIS:** And also that entity, which may not have an AML/CTF program in place, is dealing with that cash?

**MR STEVENS:** Yes.

20 **MR CONDYLIS:** And indeed, isn't it an extremely serious situation to be taking place on the premises of the casino?

**MR STEVENS:** Yes.

25 **MR CONDYLIS:** Operator, I'm going to try and deal with it this way. Because we don't have the shorter form of the video at hand, I want you to go to 6:10:40 in this footage. If that can happen. And can I ask that it go to 6:11:20. Can you please focus in on the bottom left-hand screen. Zoom in. Okay. That's not possible. I'm going to still ask you questions about this still in any event, Mr Stevens. You will see that - and I'm referring to the screen that's called Pit 95 Manager, and you will see on the left-hand side of the screen is what appears to be a money counter?

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**MR STEVENS:** Yes.

35 **MR CONDYLIS:** Should that - okay. I'm informed that the short version is now available. And it should be the same doc ID operator, if it can be brought up. So I will ask that this version be taken down and for the shorter form of the version to be shown now.

40 **MR BELL SC:** It has the same doc ID, does it, Mr Condylis?

**MR CONDYLIS:** Those are my instructions, Mr Bell.

**MR BELL SC:** All right. And what is the length of the shorter version?

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**MR CONDYLIS:** Sorry. It should be no more than around a minute, Mr Bell, but it hopefully will speed up the process in the long run.



**MR BELL SC:** Thank you.

5 **MR CONDYLLIS:** Okay. All right. My instructions are that that is not going to come through now, Mr Bell. I will just deal with it now. Mr Stevens, there should be no money counter in the service desk; is that right?

**MR STEVENS:** I can't see a reason why there would be one.

10 **MR CONDYLLIS:** And - sorry. I just really to show - can I go back to that footage, operator, and I think it was 6:11:20 on the time. You can see there, Mr Stevens, that there's a money counter on the desk. Okay. Now, there's no window partition as you would see in a normal cage. So you know that the main cage at The Star has a window partition; correct?

15 **MR STEVENS:** It does.

**MR CONDYLLIS:** And it creates a separation between the staff and the patron?

20 **MR STEVENS:** It does.

**MR CONDYLLIS:** Whereas, here, you can see there's no window partition; it's a completely open space?

25 **MR STEVENS:** Yes, it is.

**MR CONDYLLIS:** And there is a money counter sitting on the desk that is no more than a metre away from a patron?

30 **MR STEVENS:** Yes.

**MR CONDYLLIS:** It is very informal - a very informal set-up that we are watching here?

35 **MR STEVENS:** Correct.

**MR CONDYLLIS:** You will see how there are four - there are five - what appear to be five Suncity employees in a very close - very close vicinity in the service desk?

40 **MR STEVENS:** Yes.

**MR CONDYLLIS:** Would you agree with me that that could potentially obfuscate the surveillance of that room?

45 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And it's hard to see where the person of each - each employee or each Suncity member in that space?

**MR STEVENS:** Yes, correct.

5 **MR BELL SC:** Mr Stevens, do you recognise the uniforms that these people are wearing as the uniforms worn by Suncity employees?

**MR STEVENS:** I do.

10 **MR BELL SC:** Thank you.

**MR CONDYLLIS:** To your knowledge, Mr Stevens, is there any other camera in the service desk?

15 **MR STEVENS:** Not that I'm aware of.

**MR CONDYLLIS:** And so if there is no camera located, say, on the other corner - so we're looking at - I'm talking about the bottom left-hand screen and we're looking towards the door of the room?

20 **MR STEVENS:** Yes.

**MR CONDYLLIS:** There's no camera next to the door looking at the other way and there is a blind spot in that room.

25 **MR STEVENS:** Correct.

**MR CONDYLLIS:** And is it the case that there's actually a cupboard located around the corner of the - in the service desk?

30 **MR STEVENS:** I believe so, but I'm not 100 per cent certain.

**MR CONDYLLIS:** And so that cupboard could be accessed by the people in that room without this camera being able to see what's happening?

35 **MR STEVENS:** Correct.

**MR CONDYLLIS:** And you would agree with me that that is an extremely concerning situation because proper surveillance of that room cannot take place?

40 **MR STEVENS:** Correct.

**MR CONDYLLIS:** All right. I'll take down that document, operator. Now, Mr Stevens, I'm going to ask you some questions now about your statement that you provided to this review. I mean, it is the case that you provided a statement dated 4  
45 February 2022?

**MR STEVENS:** Correct.

**MR BELL SC:** Mr Condylis, just before you go on, just for the sake of the record, I will mark the CCTV footage which you, in fact, showed to the witness, bearing INQ.020.002.0001 and continuing for some minutes, as MF113.

5 **MR CONDYLLIS:** Thank you, Mr Bell. And for the record, Mr Bell, it appeared to be the longer form of the video and I told you that (indistinct).

**MR BELL SC:** Yes.

10 **MR CONDYLLIS:** So it is the case, Mr Stevens, that you have given a statement to this review?

**MR STEVENS:** Correct.

15 **MR CONDYLLIS:** And can you confirm that the content of the statement you provided is true and correct according to your knowledge, recollection and belief?

**MR STEVENS:** Correct.

20 **MR CONDYLLIS:** As I understand your evidence in that statement, you were not formally involved in the 2018 investigation performed by the casino?

**MR STEVENS:** Correct.

25 **MR CONDYLLIS:** But you were, from time to time, informed about that investigation verbally?

**MR STEVENS:** I was.

30 **MR BELL SC:** This is an investigation in relation to cash transactions in Salon 95 in around May 2018, is it, Mr Stevens, that you are giving evidence about?

**MR STEVENS:** Yes.

35 **MR BELL SC:** Yes. Thank you.

**MR CONDYLLIS:** And which individuals informed you about the progress of that investigation?

40 **MR STEVENS:** Ian Tomkins.

**MR CONDYLLIS:** And who is Ian Tomkins?

45 **MR STEVENS:** Ian Tomkins was a senior - a senior regulatory adviser who reported to me at the time. He was ex-superintendent of police. Had worked as - in our compliance space for a number of years and was specifically assigned to assist the investigations team to go through to provide - review that footage and provide his input and - as to what was seen and what it could possibly be.

**MR CONDYLIS:** Sorry. And did you say Mr Tomkins reported to you?

**MR STEVENS:** Yes.

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**MR CONDYLIS:** Okay. And he was a senior regulatory affairs adviser?

**MR STEVENS:** Yes.

10 **MR CONDYLIS:** And he had a background in policing?

**MR STEVENS:** He did.

15 **MR CONDYLIS:** And so you would agree with me that if Mr Tomkins was to raise something with you that concerned him, you would accept that concern and give it weight and require further investigation?

**MR STEVENS:** I would.

20 **MR CONDYLIS:** In around May 2018, Mr Tomkins asked you to review some CCTV footage?

**MR STEVENS:** He did.

25 **MR CONDYLIS:** And you followed that request and viewed that footage?

**MR STEVENS:** I did.

**MR CONDYLIS:** What did you see in that footage?

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**MR STEVENS:** It was somebody with a sports bag, I think, that took some money out - or - or did something within the sports bag that looked like breaking down the contents of the sports bag. Couldn't ascertain from the footage whether or not it was cash or money - it wasn't clear enough - then put it back into the sports bag and - and - and took it out of the room.

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**MR CONDYLIS:** Which room are you talking about?

**MR STEVENS:** I think it was that back office.

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**MR CONDYLIS:** So the service desk in Salon 95?

**MR STEVENS:** Yes.

45 **MR CONDYLIS:** And is it the case that Mr Tomkins thought that what he viewed was suspicious?

**MR STEVENS:** Yes. He wanted to get my opinion whether or not I

thought - what that activity may have been, as a sense check of what he thought, which he then used in whatever report that he provided through to the investigations team.

5 **MR CONDYLIS:** And what conclusion did you draw, having reviewed that footage?

10 **MR STEVENS:** It appeared to me that an individual brought what was probably cash into the room, broke a large bundle of cash into three smaller bundles and then removed it from the room.

**MR CONDYLIS:** And was this individual to - based on what you saw, did that individual appear to be a Suncity employee?

15 **MR STEVENS:** I don't believe he had the Suncity uniform on, no.

**MR CONDYLIS:** So it may have been a patron, possibly?

20 **MR STEVENS:** It could have been a patron. I - my recollection is he had been identified as a limo driver that was perhaps - was working for Suncity, but he didn't have a Suncity uniform on.

25 **MR CONDYLIS:** And so what did you - do you recall your reaction and mindset after seeing that footage?

**MR STEVENS:** That that was activity that needed to be stopped, couldn't be allowed and that was - which Ian agreed with me and was being conveyed back to the investigations team who were reviewing and following through with that - that - that review.

30 **MR CONDYLIS:** And of course, it was - it would have been extremely concerning to you to see that footage in the context of the risks we have discussed already in this examination?

35 **MR STEVENS:** Correct.

**MR CONDYLIS:** Particularly because it's - Suncity does not have a casino licence?

40 **MR STEVENS:** Correct.

**MR CONDYLIS:** And yet there appears to be cash being provided in bags into the service desk?

45 **MR STEVENS:** Correct.

**MR CONDYLIS:** And it's your understanding that there was a formal investigation taking place by the investigation team at the casino?

**MR STEVENS:** Correct.

5 **MR CONDYLLIS:** And are you aware when that investigation concluded, about what time?

**MR STEVENS:** May or June.

10 **MR CONDYLLIS:** And did you - do you recall ever seeing the final report for that investigation?

**MR STEVENS:** No, I didn't.

15 **MR CONDYLLIS:** Did you discuss the final report with anybody?

**MR STEVENS:** I - I believe I was told by Mr Houlihan that they had taken action, that the individual had been banned and was no longer working for Suncity, and that we then went to - with Suncity to make further restrictions or clearer restrictions around their operation of that service desk.

20 **MR CONDYLLIS:** Now, at this time, Mr Stevens, you're aware that a letter was sent by The Star to Suncity about non-compliances in Salon 95?

25 **MR STEVENS:** Yes.

**MR CONDYLLIS:** Did you have any involvement in the preparation of that letter?

30 **MR STEVENS:** Yes. I - I discussed it with Saro Mugnaini as he was in the drafting phase.

**MR CONDYLLIS:** Operator, if we could go to STA.3008.0003.0049. Did you see - have you seen this document before? It is the first letter that was sent by the casino to Suncity.

35 **MR STEVENS:** Yes, I have.

**MR BELL SC:** Is it an exhibit, Mr Condylis?

40 **MR CONDYLLIS:** Sorry, Mr Bell. It is. It is exhibit B, tab 773. And if I can just ask the operator to scroll down so we can see the two bullet points clearly. You will see that in this letter - it's a letter to Mr Kit Lon Iek, and it's referring to exclusive salon - operation of service desk. And you will see that it's - the letter is asking - or it says:

45 "Please note that the service desk must not operate a cash float. Any cash received at the service desk must be deposited with The Star, Sydney cage. Likewise, any payments you make to your customers in relation to programs must be drawn from The Star, Sydney's cage."

So again, it is - in no uncertain terms, the junket is being told that the service desk is not to operate as a cage?

5 **MR STEVENS:** Correct.

**MR CONDYLLIS:** And then the next point that is made is:

10 "In addition to the above, the following transactions must not take place at the service desk: exchange of cash for chips; exchange chips for cash."

Do you see that?

15 **MR STEVENS:** I do.

**MR CONDYLLIS:** And then finally:

20 "The service desk is for the exclusive use of your customers. Individuals who are not your customers should not seek the services from the service desk."

And that's over the page. Now, these are, of course, very serious matters that are being raised in this letter?

25 **MR STEVENS:** They are.

**MR CONDYLLIS:** Did you - your evidence to me a moment ago was you recall being involved in the preparation of the drafting of this letter, or at least discussing it?

30 **MR STEVENS:** Yes.

**MR CONDYLLIS:** So does that mean you were part of the business decision to send this letter?

35 **MR STEVENS:** I wasn't part of the business decision, but I provided - I think I provided feedback as - around the content.

**MR CONDYLLIS:** And in what capacity were you providing that feedback?

40 **MR STEVENS:** Just based on my general understanding of - of the operation of the casino and how that room was meant to operate.

**MR CONDYLLIS:** Are you aware if this letter was disclosed or provided to the regulator at any point?  
45

**MR STEVENS:** I don't believe it was.

**MR CONDYLLIS:** Why not?

**MR STEVENS:** I think it was seen as a matter between us and the - and Mr Iek. I don't know whether or not the investigation was discussed by the investigations team with the regulator or not.

5

**MR BELL SC:** The point that was being made in this letter, as I understand it - tell me if you agree, Mr Stevens - is that it appeared as though the service desk was operating as an unlawful cage; is that correct?

10 **MR STEVENS:** Yes.

**MR BELL SC:** Wouldn't that have been something that the regulator would want to know about?

15 **MR STEVENS:** Yes. I - I - I don't know whether chips were being exchanged for cash, but certainly cash was being there and - and perhaps the regulator should have been informed.

20 **MR BELL SC:** Yes, Mr Condylis.

**MR CONDYLLIS:** In hindsight, Mr Stevens, sitting there now, it's not perhaps the regulator should have been informed; it's the regulator should have been informed. That would have been the proper thing to do?

25 **MR STEVENS:** That's correct.

**MR CONDYLLIS:** And it's extremely regrettable that the regulator was not informed at that time?

30 **MR STEVENS:** I agree.

**MR CONDYLLIS:** Now, if I can take you to a new document. This is exhibit B, tab 805, STA.3008.0003.0049.

35 **MR BELL SC:** I'm sorry. I missed the exhibit number, Mr Condylis.

**MR CONDYLLIS:** Sorry. It's exhibit B, tab 805.

40 **MR BELL SC:** Thank you.

**MR CONDYLLIS:** If that could be brought up, operator. Sorry. It's STA.3412.0018.7211. Have you seen this document before, Mr Stevens, on your screen?

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

**MR CONDYLLIS:** You will see that it is dated 15 May 2018?



**MR STEVENS:** I do.

**MR CONDYLLIS:** So it's about five days after the first letter - warning letter was sent to Suncity?

5

**MR STEVENS:** Yes.

**MR CONDYLLIS:** It's authored by Andrew McGregor?

10 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And it's titled Operation Money Bags - Legal Summary?

**MR STEVENS:** Yes.

15

**MR CONDYLLIS:** And it's addressed to Oliver White, general counsel corporate?

**MR STEVENS:** Correct.

20 **MR CONDYLLIS:** Is this the outcome of the investigation to which you make reference in your statement or it possibly could be?

**MR STEVENS:** I believe it is.

25 **MR CONDYLLIS:** And what's the basis of that belief?

**MR STEVENS:** Because Ian Tomkins was assisting the investigation teams with that - with their investigation. The investigation was at this period of time, and this report is being generated in - in relation to the matters that were covered by Ian - Ian Tomkins assisted in that review.

30

**MR CONDYLLIS:** And what - you were informed of the outcomes of that investigation, I believe?

35 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And who informed of those outcomes?

**MR STEVENS:** Ian Tomkins.

40

**MR CONDYLLIS:** And what did he say to you?

**MR STEVENS:** As I remember, that - that an individual who was not on the Suncity program had entered the room who was, I believe, a limo driver, who had dropped off some cash and then - and taken it back out. And - and that there was seen to be break-up and counting of cash in the room, that - and that measures needed to be taken to prevent it.

45

**MR CONDYLLIS:** To the best of your recollection, did Mr Tomkins convey any indication of the severity or seriousness of the findings of the report?

**MR STEVENS:** No.

5

**MR CONDYLLIS:** I'm going to ask you some questions about this document now, in your capacity as the regulatory affairs manager --

**MR STEVENS:** Yes.

10

**MR CONDYLLIS:** -- at the time that this document was authored. You will see that it's - the purpose of the document was to brief The Star's legal team to assist in the preparation of legal advice for the business in relation to legal and regulatory obligations arising from the investigation and to prepare any anticipated legal proceedings?

15

**MR STEVENS:** Yes.

**MR CONDYLLIS:** Did Mr Tomkins indicate to you why this investigation was undertaken?

20

**MR STEVENS:** No.

**MR CONDYLLIS:** I will take you to pinpoint 7212. And you will see this appears to be Mr McGregor's summary and recount of the steps he took to investigate matters that arose during his investigation?

25

**MR STEVENS:** Correct.

**MR CONDYLLIS:** And you will see that at paragraph 9, he is questioning individuals in connection with the Suncity Pit 95?

30

**MR STEVENS:** Yes.

**MR CONDYLLIS:** And he's asking for information about the individual that he - or the circumstances he reviewed in the CCTV footage?

35

**MR STEVENS:** Yes.

**MR CONDYLLIS:** And he asks specifically, and he says:

40

"What reporting they did, such as to The Star or AUSTRAC on cash transactions/payouts and -"

45 Those individuals:

"Answered that they were not required to."

**MR STEVENS:** Yes.

5 **MR CONDYLLIS:** If it is the case that, during the investigations, Mr McGregor was discovering the unwillingness of Suncity to engage in any reporting, that would be an extremely serious matter?

**MR STEVENS:** I agree.

10 **MR CONDYLLIS:** And you will see that during his investigations, the individuals told him that according to The Star/Suncity agreement they were not required to keep such documents. Do you see that?

**MR STEVENS:** Third line from the bottom, yes.

15 **MR CONDYLLIS:** And it would indicate that the people with whom he was dealing were not cooperating with him?

**MR STEVENS:** It would seem to be the case.

20 **MR CONDYLLIS:** And if I can take you to pinpoint 7213. And again, he's further clarifying whether the records were not kept or they chose not to keep the records. Do you see that at the top of the page?

**MR STEVENS:** Yes.

25 **MR CONDYLLIS:** And it was confirmed that they decided not to?

**MR STEVENS:** That's what it states.

30 **MR CONDYLLIS:** And you would agree with me that if this is indicative of the way in which staff in Salon 95 are responding to the questions of a Star investigator, that this is an extremely concerning response to be recorded in this document?

35 **MR STEVENS:** Correct.

**MR BELL SC:** So should I understand this report to be conveying that, first, there were cash transactions occurring in Salon 95?

40 **MR STEVENS:** I believe so, Mr Bell. This is the first time I've seen this report.

**MR BELL SC:** I see.

45 **MR CONDYLLIS:** And if I can just take you to the summary on page 7215, Mr Stevens. And you will see that there is just a general statement by the investigator, Mr McGregor:

"It should be noted that on many occasions the cash appeared in the Rivers

and Pit 95 in suitcases, backpacks and other carriers, which visually can't be attributed to an owner customer/promoter's customer and is not known which amounts were ultimately attributed to whom."

5 Do you see that?

**MR STEVENS:** I do.

10 **MR CONDYLLIS:** That is an extremely serious finding for an investigator to make; do you agree?

**MR STEVENS:** Yes.

15 **MR CONDYLLIS:** It discloses that The Star has very little control over what is happening in Salon 95?

**MR STEVENS:** Yes.

20 **MR CONDYLLIS:** It shows that - you remember I asked you how The Star said it ultimately contained control over the Salon 95? That was in the actual original agreement?

**MR STEVENS:** I do.

25 **MR CONDYLLIS:** Doesn't this show that, in fact, The Star has very little control and effective oversight of what's happening in this room?

**MR STEVENS:** Yes.

30 **MR CONDYLLIS:** This is an incredible circumstance to be taking place within a licensed casino in this State?

**MR STEVENS:** I agree.

35 **MR CONDYLLIS:** Now, I'm going to take you to another document. So this is exhibit B, tab 814. And I understand in your witness statement, you provided a commentary on the service desk processes that were to apply to Salon 95?

**MR STEVENS:** I did.

40 **MR CONDYLLIS:** And this is an email from you to Mr Power where you have provided comments on that very document?

45 **MR STEVENS:** Correct. So this is around standard operating procedures being developed for the operation of that desk.

**MR CONDYLLIS:** And we will just go to that document. So it is exhibit B, tab 815.

**MR STEVENS:** Yes.

5 **MR CONDYLLIS:** It's STA.3009.0004.0055. So this is the Salon 95 Service Desk Standard Operating Procedures?

**MR STEVENS:** Yes.

10 **MR CONDYLLIS:** Is this a document that was ever provided to the regulator, to your knowledge?

15 **MR STEVENS:** No. This document was being developed to give guidance to Suncity as to the process they needed to put in place for themselves. It wasn't a document that was put in place for our staff.

**MR CONDYLLIS:** And so it was really just an internal document, as I understand it, that put in place restrictions on how Suncity was to use Salon 95?

20 **MR STEVENS:** Correct.

**MR CONDYLLIS:** And is it the case that this document was not finalised until May 2018?

25 **MR STEVENS:** Yes.

**MR CONDYLLIS:** So is it the case that before - I think it's 23 May 2018 that the final version of this document emerges. Does that broadly accord with your understanding?

30 **MR STEVENS:** Yes.

**MR CONDYLLIS:** So before that date or that period, there was no operating guideline or procedure in place for Salon 95?

35 **MR STEVENS:** No.

**MR CONDYLLIS:** And so Salon 95 was in operation in or around February 2018?

40 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And it wasn't until May 2018 that The Star decided to put in place some guidelines as to how the salon would be utilised?

45 **MR STEVENS:** No, Salon 95 itself had been in operation since 2012. The exclusivity agreement I think earlier we saw was 2017. The establishment of the service desk, which came into effect from February 2018, there was - Suncity didn't have any processes detailing how that service desk was seen to be managed. This document was put in place so Suncity had their processes in place. We still

had our normal monitoring processes around gaming activity, etcetera, that happened in - in that space that we had always had.

5 **MR CONDYLLIS:** But what I want to understand is, you recall that email that Mr White circulated to Mr Aloï and Mr Liu about their questions?

**MR STEVENS:** Yes.

10 **MR CONDYLLIS:** And how he was very clear about how a cage should not be operated at the service desk in Salon 95?

**MR STEVENS:** I do.

15 **MR CONDYLLIS:** What I'm asking here is there was no actually formal procedure or operating document that set that out, as to how the service desk was to operate, until this document emerged?

**MR STEVENS:** No.

20 **MR CONDYLLIS:** So the business was aware of the risks as at April 2018?

**MR STEVENS:** Yes.

25 **MR CONDYLLIS:** The business was aware that there was a concern that Suncity did not have an appropriate AML/CTF program in place, and that's what we saw those questions being raised by Mr Aloï and Mr Liu?

**MR STEVENS:** Yes.

30 **MR CONDYLLIS:** And there was advice from Mr White that cash transactions shouldn't be taking place at the service desk?

**MR STEVENS:** Correct.

35 **MR CONDYLLIS:** All the while, there was no actual formal procedure in place until May 2018?

**MR STEVENS:** Correct.

40 **MR CONDYLLIS:** So February and April was a period in time where there was just only an informal understanding as to how the service desk was to operate?

45 **MR STEVENS:** You would have to ask Mr Aloï what his level of understanding was around those controls for that - that area, as he was in operational control at the - at - at the time.

**MR CONDYLLIS:** But you would agree with me that it's concerning that if there were no guidelines until that point, that would be a problem?

**MR STEVENS:** Yes.

**MR CONDYLLIS:** Why would that be a problem?

5

**MR STEVENS:** Because staff wouldn't be aware of what was acceptable and what wasn't acceptable and wouldn't know what - what they then needed to report through to senior management to take action. And that without some guidelines, the Suncity staff would perhaps feel like they could act in a - in much more laissez faire manner than they should have been in that environment.

10

**MR CONDYLLIS:** Mr Stevens, that is an incredibly serious situation given the risks that were at stake. Do you agree with that?

15

**MR STEVENS:** I agree.

**MR CONDYLLIS:** So this document was provided to you for your input; that's right?

20

**MR STEVENS:** Correct.

**MR CONDYLLIS:** And are you able to assist Mr Bell in giving the substance of what the input was that you provided to this document?

25

**MR STEVENS:** Changes around the timeframe, stipulating that chips weren't to be - were only - were only be - to be provided to junket participants, ensuring that records were kept of every transaction that was taking place and that a log was put in place so we knew the reason and - and rationale behind those transactions, and ensuring that receipts were being issued. The instruction that only cash to come from the casino cage, not from the Suncity desk.

30

**MR CONDYLLIS:** Yes. If I can take -

**MR BELL SC:** Mr Stevens, this document has a draft marking on it.

35

**MR STEVENS:** Yes.

**MR BELL SC:** Was there ever a Salon 95 standard operating procedures document finalised?

40

**MR STEVENS:** There was. That was provided through to Suncity for Suncity to adhere to.

**MR BELL SC:** And are you able to help me about when that occurred?

45

**MR STEVENS:** That would have been end of May, if not June.

**MR BELL SC:** Yes. Thank you.

**MS RICHARDSON SC:** I can give an exhibit reference to that, if it assists.

**MR BELL SC:** Well, if you have it, yes, please.

5

**MS RICHARDSON SC:** Part A, tab 1332.

**MR BELL SC:** Thank you, Ms Richardson. Yes, Mr Condylis.

10 **MR CONDYLLIS:** The input you gave - if I can go to point 0057 - pinpoint 0057. So these are your - this is your commentary, is it not, Mr Stevens?

**MR STEVENS:** It is.

15 **MR CONDYLLIS:** Just in relation to the second comment bubble, can you just read - just refresh your memory. Just read that to yourself.

**MR STEVENS:** Yes.

20 **MR CONDYLLIS:** Now, you indicate there that your preference would be for no cash. Do you see that?

**MR STEVENS:** I do.

25 **MR CONDYLLIS:** But you thought this was not practical. With the benefit of hindsight, should you have just told the business that there should be no cash transactions at all in Salon 95?

**MR STEVENS:** Yes.

30

**MR CONDYLLIS:** Why didn't you say that at the time?

**MR STEVENS:** Because we - the understanding of - or my understanding of the way junkets worked and where patrons wanted to do additional buy-ins to the junket program as - as they progressed that program, that the provision of the - the cash at the - at the service desk to Suncity, which would then be transferred, would - would facilitate a more streamlined activity in that room. And that if we had strict controls around the reporting and recording and depositing of that cash within the timeframe that we could go back to monitor, that we would then be able to have a high level of oversight.

40

**MR BELL SC:** Wasn't that cash transaction supposed to be occurring at the Rivers cage?

45 **MR STEVENS:** Yes.

**MR CONDYLLIS:** Mr Stevens, I suggest to you that it was entirely improper and inappropriate for the casino to allow any cash transactions to occur in Salon 95.



**MR STEVENS:** Correct.

5 **MR CONDYLIS:** And you should have raised that in your capacity and your experience - having been the regulatory affairs manager since 2006, you should have raised that in this document.

**MR STEVENS:** Correct.

10 **MR CONDYLIS:** The failure to raise and give that frank advice to the business has given rise to a situation where an entity has been operating Salon 95 with no AML/CTF program in place; that's right?

**MR STEVENS:** Correct.

15 **MR CONDYLIS:** And are not licensed and have not undergone the same probity checks and suitability investigations as a licensee undergoes?

**MR STEVENS:** No, they haven't.

20 **MR BELL SC:** In fairness to you, Mr Stevens, should I understand that there were many other people, other than yourself, that understood that there were cash transactions occurring at Salon 95?

25 **MR STEVENS:** That's correct.

**MR BELL SC:** Including senior management?

**MR STEVENS:** Yes.

30 **MR BELL SC:** Up to what levels of senior management, in your understanding?

**MR STEVENS:** At least general counsel, if not above.

35 **MR BELL SC:** By "general counsel", are you referring to Mr White or Mr Power?

**MR STEVENS:** Mr White - both of them.

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

**MR CONDYLIS:** I'm going to take you to another document, Mr Stevens. Could I just have the current one taken down. Before I do that - so you're aware that a second warning letter was sent to Suncity?

45 **MR STEVENS:** I believe so.

**MR CONDYLIS:** Were you involved in that decision to send a second warning

letter?

**MR STEVENS:** Not to my recollection.

5 **MR CONDYLIS:** Okay. I will just show you that document. It's exhibit B, tab 863. It's doc ID STA.3008.0004.0199. And you will see it is dated 5 June. So this is not even a month after the Operation Money Bags report was provided to the business. And it's again addressed to Mr Iek. And it states that - it refers to the earlier letter dated May 2018. And critically, it's indicated there that:

10

"On 29 May, I understand -"

And this is, of course, comes from Mr Hawkins. I will just show you that at pinpoint 0200. And if I can just go back to the previous page. The indication in the letter is that there's an understanding:

15

"That certain material processes were not followed."

And:

20

"The Star views this breach very seriously and I note that any further breaches of the 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."

25

Do you agree, Mr Stevens, that given the matters - I will do it this way: you knew that there were serious problems as at June 2018 with Salon 95. You had that knowledge at that time?

30 **MR STEVENS:** Yes.

**MR CONDYLIS:** You were asked to review the processes - the service desk processes document in or around May 2018?

35 **MR STEVENS:** Yes.

**MR CONDYLIS:** You had had conversations and discussions with people who were part of the investigation into Salon 95 performed by Mr McGregor?

40 **MR STEVENS:** I did.

**MR CONDYLIS:** And you were aware of the risks of the unregulated unlicensed entity engaging in that conduct?

45 **MR STEVENS:** Yes.

**MR CONDYLIS:** I'm asking for your opinion, Mr Stevens, given your experience in the industry, your knowledge and particularly your understanding of the strict

requirements under the Casino Control Act about the decision of the business to issue a further warning letter rather than terminate the relationship with Suncity, what would you have done if it were up to you?

5 **MR STEVENS:** I probably would have terminated the relationship. I would want to take into consideration the - the timeframe that has gone between those processes being put in place and - and - and implemented and the actual activity that's referred to in here as - as - as that breach. But certainly - because if we - if - if there's a limited timeframe - and so if you look at here, there's maybe  
10 six days difference from the - the letter to the - the activity that's being referenced, then that's, for want of a better word, why you might have given a final warning, but to make it clear to Iek and the Suncity that, you know, we are not going to tolerate this - that behaviour.

15 **MR CONDYLLIS:** To your knowledge, given that you're the main liaison with the regulator, do you know if this second letter was provided to the regulator?

**MR STEVENS:** No, it wasn't.

20 **MR CONDYLLIS:** Why not?

**MR STEVENS:** Again, I was - I was aware that a letter had been sent. I didn't have the letter, I don't believe, to go through and provide. I didn't have the details. The investigation has - was done at arm's length from myself and others, so I  
25 didn't have full details of what went through and what the outcomes were to that. Just input and sense checking some of the activity that was - was gone on there. So I didn't have clear knowledge to go through and - and - and provide information through to the regulator.

30 **MR CONDYLLIS:** But to your knowledge of what - as you were - I think your evidence yesterday was you saw most communications go to the regulator. That was your primary job?

**MR STEVENS:** Yes. And I - I - I'm not aware that this went through to the - a  
35 copy of this or notification of this went through to the regulator.

**MR CONDYLLIS:** And sitting here now, given your experience in the industry, should a copy have gone to the regulator?

40 **MR STEVENS:** Yes.

**MR CONDYLLIS:** Why is that?

**MR STEVENS:** Going - looking at the level of transparency around activity that's  
45 happening and the reporting of activity that's happening through - that needs to happen through to the regulator, then they need to be informed of incidents of - of this nature where it - where it - when and if it should occur. I believe the processes that we've been putting in place now, they would be informed of this sort of

information should - should it happen now.

5 **MR CONDYLLIS:** But as at that time, would you agree with me that if it wasn't disclosed to the regulator, then it was an extremely serious matter not to be disclosed?

**MR STEVENS:** Yes.

10 **MR CONDYLLIS:** I'm going to show you some further footage. And hopefully this time this should be a shorter form of the footage that can be played. The doc ID is INQ zero - yes. One moment, Mr Bell. I've just got to get some instructions about this.

15 **MR BELL SC:** Well, perhaps you could move on to something else and come back to that after the luncheon adjournment, which is coming up fairly soon.

20 **MR CONDYLLIS:** I will take you, Mr Stevens, to exhibit B, tab 23. Sorry. It should be STA.3411.0025.7155. Mr Bell, I understood that this document was exhibit B, tab 23, but I will get instructions as to whether that's the correct exhibit number. But this is the document I wanted to take the witness to in any event.

**MR BELL SC:** Yes.

25 **MR CONDYLLIS:** You will see, Mr Stevens, that rather than terminate the relationship with Suncity, what, in fact, happened was that the win/loss rebate and exclusive access agreement was renewed?

**MR STEVENS:** Yes.

30 **MR CONDYLLIS:** And you were independently aware of that fact before (indistinct) this document?

**MR STEVENS:** No.

35 **MR CONDYLLIS:** So this is the first time you have realised that Suncity - the relationship with Suncity wasn't terminated in the middle of 2018?

40 **MR STEVENS:** No. This is the first time I - I was - I'm aware that it was amended - that the agreement was amended and reviewed.

**MR CONDYLLIS:** And so I take it from that answer, then, this agreement also was not provided to the regulator as a controlled contract?

**MR STEVENS:** No.

45 **MR CONDYLLIS:** And so - and given that you're the main liaison between The Star and the regulator, that this document was not provided to the regulator for any probity purpose?

**MR STEVENS:** No.

5 **MR CONDYLLIS:** And you will see that this document - you will recall I took you to the initial agreement between Mr Iek and the licensee. You recall that earlier today?

**MR STEVENS:** I do.

10 **MR CONDYLLIS:** And this is the renewal of that agreement. This is dated 21 June 2018. So it's not even - it's still within the month of the second warning letter being issued?

**MR STEVENS:** Yes.

15 **MR CONDYLLIS:** That was (indistinct) 5 June 2018. I will just show you the similarity of that agreement with the previous agreement. It, of course, includes a minimum turnover requirement. If I can take you to pinpoint 7517. And you will see now that the minimum monthly non-negotiable turnover is now AUD\$100  
20 million.

**MR STEVENS:** Yes.

25 **MR CONDYLLIS:** And I might take you to pinpoint 716. And you will see there - sorry, 7160 should be the pinpoint. And you will see at the bottom, Mr Stevens - you will recall that I took you to the analogous provision in the earlier agreement. And again, there is the ability there for the licensee to withdraw the use - or withdraw the exclusivity right of the VIP salon? Do you see that?

30 **MR STEVENS:** I do.

**MR CONDYLLIS:** And then if I take you over to pinpoint 7161. And you will see, again, a very similar clause, clause 6, which again confers exclusive access to VIP salons:

35 "Subject to the terms of this agreement, during the term of this agreement, The Star Sydney will provide the promoter with exclusive access to the following VIP gaming salons at The Star Sydney for gaming on special rebate programs by the promoter's customers."  
40

And then the indentation there:

45 "Salon 95 located first floor of the Darling Hotel, above the Sokyo bar and restaurant (see schedule)."

So again, it is, in substance, the same clause. And that is called the exclusive VIP salon. And again, the same clarity is there about the oversight and control of the room. You will see there again in this clause:

5 "The promoter acknowledges and agrees that The Star Sydney retains sole operational and management control of the exclusive VIP salon (including operating hours, who may access the exclusive VIP salon, the conduct of gaming, the operation of the cage, provision of food and beverage service and enforcing service standards and presentation)."

10 So pausing there, whoever has drafted this agreement appears to have absolutely no understanding about what has just happened in terms of the issues with the reference of "cage" in Salon 95. Do you agree with that?

**MR STEVENS:** Correct.

15 **MR CONDYLLIS:** But there is a change in this clause because now it's acknowledged that:

20 "Promoter may have approved junket representatives present in the inclusive VIP salons subject to The Star's approval to assist in customer liaison and customer service in non-gaming matters. The promoter's junket representatives will conduct all activities in the VIP salon, including the service desk provided in there -"

And it's defined as service desk:

25 "In accordance with The Star's required process from time-to-time processes."

Now - and:

30 "The Star retains the right to audit the promoter's activities at the service desk in accordance with the processes at any time."

35 Now, looking at that, it appears that the drafts person is trying to acknowledge the problems that have occurred in the past, that in the context of the business decision not to terminate the relationship but, in fact, to continue the relationship with Suncity. Do you see that?

**MR STEVENS:** I do.

40 **MR CONDYLLIS:** And not only is the relationship not terminated; the exclusive access right, which is an incredible privilege to operate a private gaming salon at a casino, is being extended and included in this document?

45 **MR STEVENS:** Correct.

**MR CONDYLLIS:** And you would agree with me that it was wholly inappropriate for that step to be taken, and what should have happened is that the relationship should have terminated?

**MR STEVENS:** Correct.

**MR BELL SC:** Is that a convenient time, Mr Condylis?

5

**MR CONDYLLIS:** It is, Mr Bell.

**MR BELL SC:** So we will adjourn until 2 pm.

10 **<THE HEARING ADJOURNED AT 12:58 pm**

**<THE HEARING RESUMED AT 2:00 pm**

**MR BELL SC:** Mr Condylis.

15

**MR CONDYLLIS:** Mr Stevens, I'm going to take you now to some different CCTV footage of a different event on another day. Operator, could I please bring up INQ.020.002.0002. Mr Bell, this footage I don't believe has an exhibit number and should be given an MFI for identification.

20

**MR BELL SC:** I will mark INQ.020.002.0002 as MF114.

**MR CONDYLLIS:** Thank you, Mr Bell. This is a - I'm instructed that this is a shorter form version of longer footage that was produced to this review by Star Entertainment Group. And so, Mr Stevens, just so you understand, this has been shortened for the purposes of the public hearing. I'm going to play the video - ask the operator to play the video once, which should take about two minutes, and then we will go back and I will stop certain parts of the video and ask you some questions about it. The questions I will ask you will be because you are the regulatory affairs manager at the time this footage occurred, and I will ask you the questions on that basis. Operator, could you please play the footage.

25

30

**<THE RECORDING COMMENCED AT 2:02 pm**

35 **<THE RECORDING PAUSED AT 2:02 PM**

**MR CONDYLLIS:** Can you just pause it there, operator. Just before this goes on, again, you will see this is dated 15 June 2018. You see that in the footage, Mr Stevens?

40

**MR STEVENS:** I do.

**MR CONDYLLIS:** And again, this is - the previous still was from Salon 95. You agree with that?

45

**MR STEVENS:** I do.

**MR CONDYLLIS:** And from (indistinct) screen, you can see it is the Rivers

reception?

**MR STEVENS:** Correct.

5 **MR CONDYLIS:** Okay. Please keep playing, operator.

**<THE RECORDING COMMENCED AT 2:02 PM**

**<THE RECORDING CONCLUDED AT 2:03 PM**

10

**MR CONDYLIS:** Okay. Operator, could you please take the footage back to the beginning and stop it there. So, Mr Stevens, have you seen this footage before?

**MR STEVENS:** No.

15

**MR CONDYLIS:** Are you aware of the issue regarding the blind spot on the balcony in Salon 95?

**MR STEVENS:** No.

20

**MR CONDYLIS:** I'm going to play through - ask the operator to play this footage, and I will ask the operator to stop at certain moments. Could you please play the footage, operator.

25 **<THE RECORDING COMMENCED AT 2:05 PM**

**<THE RECORDING PAUSED AT 2:05 PM**

30 **MR CONDYLIS:** Stop it there. So you agree with me that on the screen it appears there are two non-Suncity employees who are sitting at the table, which is not a gaming table, in Salon 95?

**MR STEVENS:** I agree.

35 **MR CONDYLIS:** Please keep playing, operator.

**<THE RECORDING COMMENCED AT 2:05 pm**

**<THE RECORDING PAUSED AT 2:05 PM**

40

**MR CONDYLIS:** Now, pause it there. You can take it from me, Mr Stevens, that what has been shortened is the individuals from Salon 95 have gone from the salon to the Rivers reception to collect something, and these are the individuals who you can see in the top right-hand corner who are waiting at the service  
45 reception, okay?

**MR STEVENS:** Okay.



**MR CONDYLLIS:** Please keep playing the footage, operator.

**<THE RECORDING COMMENCED AT 2:06 pm**

5 **<THE RECORDING PAUSED AT 2:06 pm**

**MR CONDYLLIS:** Just pause it there. So you agree that you saw about seven wads of hundred dollar bills that were counted at the Rivers reception?

10 **MR STEVENS:** I do.

**MR CONDYLLIS:** And you were shown a still shot of that money being taken from the reception?

15 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And now you - currently on the screen, the three individual are walking away from the reception?

20 **MR STEVENS:** Yes.

**MR CONDYLLIS:** Just pausing there. You recall that you explained to Mr Bell the proximity between the Rivers reception and the Salon 95 gaming room?

25 **MR STEVENS:** I do.

**MR CONDYLLIS:** And does this accord with your understanding of the walkway you spoke about between those two locations?

30 **MR STEVENS:** Yes. So what - on the top right screen, they're making their way towards the doors that lead to the walkway.

**MR CONDYLLIS:** Yes. And does that walkway go back towards Salon 95?

35 **MR STEVENS:** It goes back to the Rivers salons, opens into a doorway with a corridor which you then turn left, right or straight ahead, depending which salon you are going into.

40 **MR CONDYLLIS:** Yes. Please keep playing, operator.

**<THE RECORDING COMMENCED AT 2:08 PM**

**<THE RECORDING PAUSED AT 2:08 PM**

45 **MR CONDYLLIS:** Pause it there. You will see the person in the top right-hand screen has placed something into his jacket. Did you see that?

**MR STEVENS:** No, I didn't. I was looking at the - I think there was one of

the - there's three individuals there. Are you talking about the - the gentleman at the front?

**MR CONDYLIS:** Yes.

5

**MR STEVENS:** Okay. He certainly seems to be placing something into his jacket.

10 **MR CONDYLIS:** Could we please rewind it just about two seconds, operator, just to show that action. And please play.

**<THE RECORDING COMMENCED AT 2:08 PM**

**<THE RECORDING PAUSED AT 2:08 PM**

15

**MR CONDYLIS:** So you will see there how he put something into his front pocket.

**MR STEVENS:** I do.

20

**MR CONDYLIS:** Please keep playing the footage, operator.

**<THE RECORDING COMMENCED AT 2:08 PM**

25 **<THE RECORDING PAUSED AT 2:08 PM**

**MR CONDYLIS:** Pause it there. These are the three individuals who left from the Rivers reception and are now returning to Salon 95?

30 **MR STEVENS:** Yes.

**MR CONDYLIS:** And the gentleman who appeared to put something in his front pocket is the person at the front, do you see that?

35 **MR STEVENS:** Yes.

**MR CONDYLIS:** And please keep playing, operator.

**<THE RECORDING COMMENCED AT 2:09 PM**

40

**<THE RECORDING PAUSED AT 2:09 PM**

45 **MR CONDYLIS:** Pause it there. You can now see the three individuals who are returning into Salon 95. You can see that from the bottom camera. Do you agree with that?

**MR STEVENS:** I do.

**MR CONDYLIS:** Please keep playing, operator.

**<THE RECORDING COMMENCED AT 2:09 PM**

5 **<THE RECORDING PAUSED AT 2:09 PM**

**MR CONDYLIS:** Pause it there. The person who has been at the front since returning from the reception is now the person on the balcony in the top left-hand screen. Do you agree that's that what you have just seen?

10

**MR STEVENS:** Yes.

**MR CONDYLIS:** Please keep playing, operator.

15 **<THE RECORDING COMMENCED AT 2.09 PM**

**<THE RECORDING PAUSED AT 2.09 PM**

20 **MR CONDYLIS:** Pausing there, you can see the top right-hand screen, the other individual has now proceeded to approach one of the individuals who was sitting at that desk at that first image I showed you at the very beginning of this footage?

25

**MR STEVENS:** I can't quite make that out because of the timestamp at the top, but --

**MR CONDYLIS:** Okay. That's okay. Please keep playing, operator.

**<THE RECORDING COMMENCED AT 2:10 PM**

30 **<THE RECORDING PAUSED AT 2:10 PM**

**MR CONDYLIS:** Pausing there. You can see now that that individual is walking towards the balcony?

35 **MR STEVENS:** I can do.

**MR CONDYLIS:** That's the person who we first saw at the beginning of the footage?

40 **MR STEVENS:** Yes.

**MR CONDYLIS:** And now a second person is also about to enter the balcony. You can see that in the top left-hand corner?

45 **MR STEVENS:** Yes.

**MR CONDYLIS:** Please keep playing, operator.

**<THE RECORDING COMMENCED AT 2.10 PM**

**<THE RECORDING PAUSED AT 2.10 PM**

5 **MR CONDYLLIS:** Pausing there. You can see that the gentleman who is on the top left-hand corner screen is looking up at the camera. Can you see that?

**MR STEVENS:** Yes, he's looking up. Yes.

10 **MR CONDYLLIS:** Please keep playing.

**<THE RECORDING COMMENCED AT 2:11 PM**

**<THE RECORDING PAUSED AT 2:11 PM**

15 **MR CONDYLLIS:** Pausing there. Can you confirm that you now see that all three individuals are no longer in sight of the camera?

**MR STEVENS:** Yes.

20 **MR CONDYLLIS:** And you can see that they, in fact, are in the camera's blind spot?

**MR STEVENS:** Yes.

25 **MR CONDYLLIS:** Please keep playing.

**<THE RECORDING COMMENCED AT 2.11 PM**

30 **<THE RECORDING PAUSED AT 2.11 PM**

**MR CONDYLLIS:** Pausing it there. There was another gentleman who was already sat on the balcony. He appears to be looking over at whatever is happening in - underneath the camera, and now he is leaving the balcony. You can see that?

35 **MR STEVENS:** Yes.

**MR CONDYLLIS:** Please keep playing, operator.

40 **<THE RECORDING COMMENCED AT 2:12 PM**

**<THE RECORDING PAUSED AT 2:12 PM**

45 **MR CONDYLLIS:** Pausing there. You agree you just saw one individual in the top left-hand screen retrieve what appeared to be a bag from near to where all three were situated?

**MR STEVENS:** Can you go back. I - I wasn't looking at that - that screen.

**MR CONDYLLIS:** Please rewind about two seconds, operator. Do you see that, Mr Stevens?

5 **MR STEVENS:** I see him pick up something off of that desk. What - what that object is, I can't tell you.

**MR CONDYLLIS:** Okay. Please keep playing, operator.

10 **<THE RECORDING COMMENCED AT 2:12 PM**

**<THE RECORDING PAUSED AT 2:12 PM**

15 **MR CONDYLLIS:** You would agree that one individual now has emerged from the blind spot and has left the balcony?

**MR STEVENS:** I do.

20 **MR CONDYLLIS:** Pause it there. You can see that the gentleman who was the original non - appeared to be a non-staff member has emerged from the blind spot also?

**MR STEVENS:** Yes.

25 **MR CONDYLLIS:** And he is now holding a bag?

**MR STEVENS:** Correct.

30 **MR CONDYLLIS:** Please keep - and do you recall seeing him holding a bag when he emerged on to the balcony originally?

**MR STEVENS:** No, I don't.

35 **MR CONDYLLIS:** Please keep playing, operator.

**<THE RECORDING COMMENCED AT 2.13 PM**

**<THE RECORDING PAUSED AT 2.13 PM**

40 **MR CONDYLLIS:** Please pause there. Now, the final person is also leaving the balcony and has emerged - or has emerged from the blind spot and is leaving the balcony. You see that?

45 **MR STEVENS:** I do.

**MR CONDYLLIS:** Please keep playing, operator.

**<THE RECORDING COMMENCED AT 2:13 PM**

**<THE RECORDING PAUSED AT 2:13 PM**

5 **MR CONDYLLIS:** Mr Stevens, I should confirm with you that the gentlemen wearing the suits with the black tie appear to be Suncity employees?

**MR STEVENS:** I would agree. I - I don't know them individually, but it looked like the Suncity suit or uniform that they wear.

10 **MR CONDYLLIS:** Yes. You would agree what you have just been shown in that footage is concerning conduct in the sense that the individuals seem to have consciously taken advantage of the blind spot on the balcony?

15 **MR STEVENS:** I agree.

**MR CONDYLLIS:** It's not clear exactly what happened when they were sitting beneath - or were situate beneath the camera?

20 **MR STEVENS:** No.

**MR CONDYLLIS:** But whatever happened appeared to be covert?

**MR STEVENS:** Correct.

25 **MR CONDYLLIS:** Have you yourself ever been on the balcony of Salon 95?

**MR STEVENS:** A couple of times, yes.

30 **MR CONDYLLIS:** Would there be any reason - is it factually the case that there's only a wall beneath that camera; there's nothing further beyond that point?

35 **MR STEVENS:** No, there's nothing further beyond that point. I think there's a wall - that balcony is designed for people to sit out there and smoke, and there's nothing else there in relation to that.

**MR CONDYLLIS:** Yes. Seeing that footage, is that - in your experience as regulatory affairs manager at the casino, does that footage concern you?

40 **MR STEVENS:** Yes.

**MR CONDYLLIS:** Why does it concern you?

45 **MR STEVENS:** Because it appeared the individuals took cash from a casino cage, then went and met up with somebody else off camera and then came back in. That there was - there was no indication that they were out there smoking or talking for any period of time, and we don't know what happened underneath that camera.

**MR CONDYLLIS:** Thank you, Mr Stevens. And you would agree with me that this is - from a regulatory perspective in terms of being in control of Salon 95 as a casino, that this is a very concerning issue?

5 **MR STEVENS:** Yes.

**MR CONDYLLIS:** If I can just take you now to a new document. This is exhibit B, tab 1084. The document ID is STA.3412.0057.1655.

10 **MR STEVENS:** Yes.

**MR CONDYLLIS:** Now, you will see that this is an email from you, again as regulatory affairs manager. It's dated 5 September 2018, and it's addressed to an Amy Lim.

15

**MR STEVENS:** Yes.

**MR CONDYLLIS:** Do you remember sending that email?

20 **MR STEVENS:** I do.

**MR CONDYLLIS:** Who is Amy Lim?

25 **MR STEVENS:** She was the vice president of international operations who worked for The Star and I think was the main liaison at the time between The Star and Suncity.

**MR CONDYLLIS:** And I will just take you to the preceding email correspondence. So the email below is a request from Ms Lim to yourself wherein she has asked:

30

"Suncity has requested to install a new signage in Salon 95."

And she appears to attach images of the signage. Do you recall reading that previous email?

35

**MR STEVENS:** I do.

**MR CONDYLLIS:** And your response is:

40 "While I understand that there is an existing sign which this will replace, I have a concern that this room is now beginning to look like the Suncity Casino and not The Star. I have discussed the matter with Andrew Power and he will be raising this with Oliver White."

45 **MR BELL SC:** We can't see that on the screen, Mr Condylis.

**MR CONDYLLIS:** Sorry. Sorry, Mr Bell. Operator, could you please bring the - scroll up to show that email. So, Mr Bell, I just read out what's now depicted

on the screen. And of course, Mr Stevens, you recall stating that to Ms Lim?

**MR STEVENS:** I do.

5 **MR CONDYLLIS:** Why did you say what you said in that email?

**MR STEVENS:** Because the branding that was being put - considered to go into that room made it look like it wasn't The Star Casino but it was a casino that was being run by Suncity, which was not the case and was not what we wanted to be  
10 the case.

**MR CONDYLLIS:** And so you were voicing opposition to something that concerned you?

15 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And was it a common occurrence, in your experience, for that expression "Suncity Casino" to be mentioned?

20 **MR STEVENS:** No. It was my expression to try and get across that it is - that it was making it look like a Suncity casino, not The Star. It was - or the inference from all of that branding that would have been in that room with that size of that signage.

25 **MR CONDYLLIS:** Yes. And I'm going to take you to another document, Mr Stevens. Is it - just one further question. Is it - why were you being asked for approval for that - why was that request being directed to you?

**MR STEVENS:** Because if we went through and amended the signage, we would  
30 have been making representation to Liquor and Gaming, or maybe it was Police - Police New South Wales by that - by that time, as owners under the casino operations lease agreement for the building work to install the signage.

**MR CONDYLLIS:** And so you're saying that that would have had to have  
35 occurred - a further submission would have needed to be made?

**MR STEVENS:** Possibly, depending on the nature and size of that signage, yes.

**MR CONDYLLIS:** And that's the reason why you not want that step to be taken?  
40

**MR STEVENS:** No. I didn't want that signage to go in because it was changing the branding to make the - the room look like it was operated and controlled by Suncity, not that we wouldn't be putting it through to the regulator one way or the other. If the determination had been made by others to go through, then that's what  
45 we would have submitted. But, no, my opposition was based on the level of branding that was going into that - that room and that - and that that would make the room appear to be a Suncity controlled area - a Suncity casino and not actually The Star casino as it was.



**MR CONDYLLIS:** I will take you to another document, Mr Stevens. This is exhibit B, tab 1232, document ID STA.3008.0004.0503. Now, this is another request - this is a sequence of emails wherein another request is made to you. I will take you to the preceding emails at pinpoint 0504.

**MR STEVENS:** Yes.

**MR CONDYLLIS:** You will see that is again an email from Ms Lim. This is dated 10 January 2019, and she asks:

"Suncity has requested to place bottled water, ashtray, lighters with Suncity's logo in Salon 95. Please advise."

15 And then on the page over, 0503. And then it appears that Ms Mugnaini has responded, and she sent an email to Mr --

**MS RICHARDSON SC:** Sorry. I think it's a man, Mr Mugnaini.

20 **MR CONDYLLIS:** My apologies, Mr Bell. Mr Mugnaini has responded and - to you and Ms Lim where he has said:

"I would think this is a business decision and I don't have an issue with this."

25 Do you see that at the bottom of your screen? I will just ask the operator to scroll down.

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

30 **MR CONDYLLIS:** And that is dated 11 January 2019?

**MR STEVENS:** Yes.

35 **MR CONDYLLIS:** And then you have responded, it appears, to Mr Mugnaini, Ms Lim, Oliver White and Andrew Power, also copied to Heidi Huang and a VIP international VIP email address - that's what it would appear - and you state:

40 "Hi all. Yes, it is a business decision and there is no regulatory impediment. However, the risk around the operation of a dedicated room like this is at what stage does it look like we are no longer in charge of the room and it belongs to Suncity. Having the sign at the desk and a service kiosk is one thing, but when we then expand that material through the room, in my view, this level of branding gives us that impression. I strongly recommend against us doing this."

45

And that last part is underlined:

"Should the regulator form the view that this is Suncity's room and not ours,

it will mean that they are probably a close associate and for that they need a L&G probity assessment. It may also mean that the Suncity room is materially significant to our business and we need a controlled contract in place."

5

And you recall giving that advice to the business, Mr Stevens?

**MR STEVENS:** I do.

10 **MR CONDYLLIS:** Do you still stand by that advice you gave?

**MR STEVENS:** Yes.

15 **MR CONDYLLIS:** Just breaking down what you stated: the view that you have adopted in that first paragraph is you see a concern with the added level of branding, and I understand that to be to the branding on the ashtrays, the water and lighters in the salon?

20 **MR STEVENS:** I do.

**MR CONDYLLIS:** And you're against that because it appears the - the risk which is identified in the second paragraph - and which we'll go into in a bit more detail, but this will lead to issues with the regulator. At a general level, that's what you're linking your view to?

25

**MR STEVENS:** I wouldn't say it would lead to issues with the regulator. It would mean that there would be further probity and assessment required of Suncity and of that relationship.

30 **MR CONDYLLIS:** But at that point, to your knowledge, Suncity was not approved as a close associate?

**MR STEVENS:** Correct.

35 **MR CONDYLLIS:** And at that point, there was no controlled contract in place?

**MR STEVENS:** No, there wasn't.

40 **MR CONDYLLIS:** And is your advice based on some implicit acceptance by you that there would be a problem if Suncity were to be assessed for the purpose of being a close associate of a licensee?

45 **MR STEVENS:** No, my - my advice is based on if we were to go through and - and - and do that, we would need to take further probity assessments - the regulator would need to be involved to make probity assessments around all of that. It - it wasn't an issue. It was letting the business know that these are the steps that they need to be prepared for if we were to move forward.

**MR CONDYLIS:** Mr Stevens, you would agree with me that the placement of branding on water bottles, ashtray and a lighter would not be the key fact that would turn an entity from not being a close associate into a close associate to the licensee?

5

**MR STEVENS:** Not in itself, but then if we're looking at the overall room and the operation of that room and what that room would appear to - to look like, it would indicate that there's a lack of control and ownership of that area, and therefore that's what would then move it into being a close - a close associate.

10

**MR CONDYLIS:** But I suggest to you that the other matters, such as the rebate agreement, the cheque cashing facility and the size of that facility, and the fact that the junket has its own exclusive gaming room in the casino - those are the matters that are pertinent to the matter of whether the junket is a close associate of the casino, not whether there is branding on the ashtray, water bottle or lighters?

15

**MR STEVENS:** They're things to consider, except rebate agreements have not been approved by the regulator. Junket operators and - don't undergo close associate assessment in - in terms of the agreements with the junket operators and haven't undergone those. The regulator, up until 2010 and 2009, would go through and do probity assessments of junket operators but then moved away from that with legislation at that stage and were not seeking to give approval for junket operators and - and do that level of probity assessment.

20

**MR CONDYLIS:** So you're saying that the sending of this email - you had no concern in your mind whether Suncity may already be a close associate?

25

**MR STEVENS:** No, I didn't.

**MR CONDYLIS:** And that the only thing that could change the facts and circumstances on the ground was the addition of branded water, ashtray and lighters in that room?

30

**MR STEVENS:** I - I felt that was moving it away from a room that we controlled - or - or - and was then becoming the property of - of Suncity because of all that material, all the way - all the way through there. That the staff who were working in that room would not necessarily regard that as being a Star controlled area and would think that different rules apply to the individuals that worked in that area because it was no longer a Star site, even though it was Star staff working within that area.

35

40

**MR CONDYLIS:** Well, I suggest to you that if you had a concern about the additional branding that would turn Suncity into a close associate, then you should have already had that concern.

45

**MR STEVENS:** I can accept that.

**MS RICHARDSON SC:** Sorry. Sorry. Just wait. Well, I object to that question.

It's premised on "if you had a concern about" - sorry. The question has been answered. I apologise.

**MR BELL SC:** Yes. Let's proceed, Mr Condylis.

5

**MR CONDYLLIS:** And equally, Mr Stevens, if you were concerned about the additional branding of the water bottle, the lighter and the ashtray, meaning they were the key facts that would turn the situation to one where a controlled contract be in place, then you would have already had that concern at that moment?

10

**MR STEVENS:** The controlled contract provisions, I don't think, necessarily captured the operation of that room - or - or the way that they're written or the way that the materially significant definition we have from ILGA in 2013 - I don't think they necessarily covered that type of contract.

15

**MR CONDYLLIS:** Mr Stevens, did you ever consider - other than before or around the sending of this email, did you ever consider whether Suncity was a close associate of the licensee?

20

**MR STEVENS:** I don't believe I did.

**MR CONDYLLIS:** Having read this email now and the questions I've asked you, do you consider that you should have?

25

**MR STEVENS:** Yes.

**MR CONDYLLIS:** Why is that?

30

**MR STEVENS:** Apart from the obvious fact you're asking these questions and - and prosecuting a case to imply that it should be the close associate, that - those questions indicate to me that there's a consideration that we needed to make as to whether or not that would meet the definition of a close associate and have a conversation in relation to that. I don't believe that I would be asking these questions if you hadn't formed a view or were contending that this should be a close associate. And if, you know - and if - if a person such as yourself was to raise that - that as a contention, then that's something that we would need to seriously look at.

35

40

**MR CONDYLLIS:** Mr Stevens, I'm asking you, in your capacity as a regulatory affairs manager, your experience, your detailed understanding of the Casino Control Act - I'm asking you for your opinion, okay? And I'm asking you about - based on your experience and the fact that you did have this concern as at 11 January 2019, I'm asking you whether you should have done more to consider that issue?

45

**MR STEVENS:** And I'll say yes.

**MR CONDYLLIS:** And equally, given that you've raised the issue of a controlled

contract, in hindsight, based on your experience as the regulatory affairs manager between 2006 and 2019, should you have further considered whether a controlled contract should have been in place?

5 **MR STEVENS:** No, because we'd never had - we'd never had a controlled contact put in place with junket operators previously in relation to the junket agreements and those processes that - and how they operated. And I don't believe that we ever considered - or I ever considered that they would be that now classed or deemed a controlled contract because historically that hadn't been the case.

10

**MR CONDYLLIS:** But you did consider that possibility in this email of 11 January 2019?

**MR STEVENS:** Yes.

15

**MR CONDYLLIS:** Mr Stevens, I'm going to now ask you some further questions about your statement. If we can go to exhibit B, tab 1309, document STA.3008.0004.0519. This is an email that you sent to Mr White, as I understand, based on your statement you were performing what was called an audit of Salon 95 commencing around March 2019?

20

**MR STEVENS:** That's correct.

25 **MR CONDYLLIS:** And you - in your statement, you say that you had various discussions with individuals about that review that you were performing?

**MR STEVENS:** I did.

**MR CONDYLLIS:** Who were those individuals that you had discussions with?

30

**MR STEVENS:** Andrew, Micheil Brodie - sorry, Andrew Power, Micheil Brodie, Will Kumarasinghe, Saro Mugnaini, Oliver White, as - as indicated by the email, that - around the need for us to go through and take a review to see if the issues that had been dealt with in May 2018 - if we could see if there was a continuance of those issues.

35

**MR CONDYLLIS:** Yes. And the idea was to rely on the Salon 95 process document to assess the compliance of Suncity?

40 **MR STEVENS:** It - the idea was to assess whether they were conforming to that process document.

**MR CONDYLLIS:** Yes. And I will take you to the document, exhibit B, tab 1313. This is STA.3415.0033.0872.

45

**MR STEVENS:** Yes.

**MR CONDYLLIS:** And this is the - I think there were two attachments that you

provided against which the assessment would be performed. This was one of the attachments, and I understand that there was another attachment. This is STA.3415.0033.0878. And that exhibit will be tab 1337. Do you remember attaching these documents as - to be the basis of the assessment?

5

**MR STEVENS:** Yes.

**MR CONDYLLIS:** And these were the documents on which had you previously commented in 2018?

10

**MR STEVENS:** Correct.

**MR CONDYLLIS:** And you performed your assessment over March, April and May 2018?

15

**MR STEVENS:** Yes. Well, the activity that was looked at was in March and April, and - and the drafting of the report would have been in May.

20

**MR CONDYLLIS:** Yes. And what processes did you undertake - well, first of all, can you please be clear as to what exactly you were looking at for the purposes of your audit?

**MR STEVENS:** Whether or not Suncity was conforming to this document.

25

**MR CONDYLLIS:** And why were you asked to perform that audit?

30

**MR STEVENS:** Because we put this document in place, and that - and that around the conditions of how they worked to what rate to try and minimise any risk of issues that had been seen previously, and that we wanted confirmation that they were adhering to this document.

35

**MR CONDYLLIS:** But it was - and the issues that you're referring to were the types of problems that were referred to in the operation money bags investigation; is that right?

**MR STEVENS:** Correct.

**MR CONDYLLIS:** And particularly the cash handling in the service desk?

40

**MR STEVENS:** Correct.

**MR CONDYLLIS:** And would you consider that that investigation that you performed in March, April and May 2019 was a thorough investigation?

45

**MR STEVENS:** I wouldn't say it was thorough. This was one of the first such investigations and reports that we'd undertaken in my department. So we were still establishing what our processes and things were in relation to these - these investigations.

**MR CONDYLIS:** So you accept that your investigation wasn't thorough?

5 **MR STEVENS:** It wasn't as thorough as it would be if I was to do an investigation today.

**MR CONDYLIS:** So why is there a difference between what you did back in March, April and May 2019 and what you would do now?

10 **MR STEVENS:** I would have had more detailed records as to what footage that we looked at, who the individuals were that we interacted with. I would have had more detail around the - the incident reports and databases that went through. I would have possibly expanded that database beyond the standard incident report database that we looked at. I would, I think, have looked at a longer period in  
15 terms of where and what footage it was. We focused, really, on the activity in March and what we could see on the CCTV footage during that time. We didn't go outside of that period we looked at. We certainly didn't go further back earlier from March to see if anything was happening in November, September the previous year. And it was - the - the intent was to go in there and do a short, sharp  
20 review of this is what the activity we are seeing in the room and does it conform to this - this documented process. It wasn't a audit or review such as an internal audit team might undertake of such premises or even our investigations team. This was more for us to gain a level of comfort that the Suncity team were adhering to this process document.

25 **MR BELL SC:** Mr Condylis, we are talking about an investigation in March and April 2019, are we, not 2018?

30 **MR CONDYLIS:** 2019, Mr Bell.

**MR BELL SC:** Yes. Thank you.

**MR CONDYLIS:** I will take you to the final report that was produced by Mr Stevens. If I could go to exhibit B, tab 1492, and the document is  
35 STA.3009.0004.0005. It's dated 23 March 2019, as you can see on your screen --

**MR STEVENS:** 23 May.

40 **MR CONDYLIS:** Sorry. I withdraw that. 23 May 2019. And it's addressed to Mr Andrew Power as general counsel of The Star Sydney. Is this the entirety of your report, Mr Stevens?

**MR STEVENS:** It is.

45 **MR CONDYLIS:** You would agree with me it's a short report - it's two pages?

**MR STEVENS:** I do.

**MR CONDYLIS:** You will agree with me that it's - there's almost no indication in the report as to the steps you took, the information you acquired, the scope of your investigations - it's not set out in your report in any depth at least?

5 **MR STEVENS:** No, it's not.

**MR CONDYLIS:** You've given Suncity a - well, you've given a rating of "satisfactory". What were the possible categories of rating that could have been included, just so I understand where "satisfactory" sits on the spectrum of possible  
10 outcomes?

**MR CONDYLIS:** High, satisfactory, unsatisfactory.

15 **MR CONDYLIS:** So, sorry, can you please repeat that.

**MR STEVENS:** High, satisfactory or unsatisfactory, I think, were the three ratings that we - we were using at that time. As I said, this was the first of the reports that we were doing. We were still developing our report template and format as - as we undertook this work.  
20

**MR CONDYLIS:** And so you have given Suncity a mid-range as to their conduct in Salon 95?

25 **MR STEVENS:** Yes.

**MR CONDYLIS:** And you say that:

30 "The overall control environment was satisfactory and representative of good practices. However, the agreed upon procedures require changes as the SOP did not reflect the actual operational model that was agreed with Suncity in May 2018. Some of the changes that have taken place are strengthening the internal controls but were not documented. Overall, there was commitment by the international VIP business unit and Suncity service desk team to achieving compliance with the spirit of the agreed upon procedures."  
35

40 That's what you have said underneath the rating of "satisfactory". And you would agree with me that someone reading that view - that opinion you've provided - would form the impression that there was a satisfactory level of compliance by the junket?

**MR STEVENS:** Correct.

45 **MR CONDYLIS:** And you then proceed to set out the objectives and scope of the report whereby you show that the areas assessed were essentially to - well, (1) to verify what junkets had been assessed and approved; (2) the cash transactions of the junket for buy-ins will occur in the Suncity service desk and transferred to The Star cage within two hours of the transaction; (3) the settlement payments for buy-ins were to occur at the Suncity service desk, and a log would be kept of all



such buy-ins; (4) petty cash management - I understand there was a limit of \$25,000; and then (5) the controls around registering junket players requires participants to play within 48 hours or be removed from the junket.

5 So they were the areas of assessment. And you then go and comment - you see on the right-hand side, that's the second page of the document, and it's effectively - what you have done is essentially agree with compliance of the five items of areas being assessed. Is that a fair summation of what has happened in the comment part of your report?

10

**MR STEVENS:** Yes. Other than point 3.

**MR CONDYLLIS:** Right. And there you're saying actually what was happening in practice - well, can you explain what you say in that item?

15

**MR STEVENS:** That in - in the service document - or the agreed process document we had sent through to them that we were assessing against, it allowed those transactions to happen at the buy-in - at the service desk. The actual transactions were all occurring at the cage, and the patrons were being escorted and having those transactions occur at the cage and not at the desk. And so that was a superior level of control because, again, it kept everything back away out of that service desk.

20

**MR CONDYLLIS:** And so that's - you're commending - that's a commendation that was something good that was happening?

25

**MR STEVENS:** Yes. So a stronger control than what we've initially said to Suncity.

30 **MR CONDYLLIS:** And then you provide a suggested management action plan:

"It was recommended by review team that the standard operating procedures that govern the service desk operations of Salon 95 should be amended immediately to reflect the current practice and agreed with Suncity."

35

So because you found there was a practice occurring, that was something that should be reflected in the SOP?

**MR STEVENS:** In the documentation, yes, to say this is what the practice was.

40

**MR CONDYLLIS:** And then your ultimate conclusion is:

"The international VIP business unit and Suncity service desk team responded positively to the review conducted by regulatory affairs which was appreciated and the areas for improvement were advised. There was no evidence of the practices that raised a concern around the operation of the room in 2018 continuing and The Star now has effective level of oversight of the operation of the room."

45

That's your overall conclusion?

**MR STEVENS:** That's correct.

5

**MR CONDYLLIS:** Now, do you still stand by that conclusion, Mr Stevens, knowing what you know now?

**MR STEVENS:** I'm not sure what you mean by that, Mr Condylis.

10

**MR CONDYLLIS:** Okay. Well, I'm going to take you - well, you're aware that there were still issues with Salon 95 as at May 2019?

**MS RICHARDSON SC:** Well, I think, in fairness to this witness, it should be put to him what those issues are and then pose the question.

15

**MR BELL SC:** I reject the question.

**MR CONDYLLIS:** I will take you to a document. So exhibit B, tab 1437.

20

**MR BELL SC:** Well, let me just ask you this, Mr Stevens: since writing this report, have facts come to your attention in relation to Salon 95 which would cause you to alter the conclusion which you there expressed?

25

**MR STEVENS:** Yes.

**MR BELL SC:** And what are they?

**MR STEVENS:** I was made aware of an email that I received from Ian Tomkins that made reference to some issues. I don't remember - I'm not sure if I - I don't remember receiving that email at the time. I know that if I did remember that - from my cursory understanding of that email, that I would have amended my report in relation to this immediately. And if that email did show that there were issues, that we would have taken action which I would have recommended Suncity no longer having that room, if that had been the case. I'm not sure I - I - I do remember receiving - being copied on an email from Ian where he was giving an overview of some information, which I understood to be historical from 2018, to Skye Arnott, not an actual reflection of activity that was currently happening in that room.

30

35

40

**MR BELL SC:** Yes, Mr Condylis.

**MR CONDYLLIS:** I will take you to that email now, Mr Stevens. It is exhibit B, tab 1437, and the document reference is STA.3418.0011.0621. You will see that on the screen there is something highlighted in blue. I will ask you not to repeat that part because it is confidential. So this was an email dated 24 June 2019, and it is addressed to Skye Arnott from Ian Tomkins. Do you see that?

45

**MR STEVENS:** I do.

**MR CONDYLLIS:** And you appear to be copied into that email?

5 **MR STEVENS:** I am.

**MR CONDYLLIS:** And your evidence to Mr Bell was that you have no recollection of receiving that email?

10 **MR STEVENS:** No, I don't.

**MR CONDYLLIS:** Is it your ordinary practice to read emails to which you are copied?

15 **MR STEVENS:** It is, but I don't always read the cc emails on the day that I receive them.

**MR CONDYLLIS:** Okay. But it's your ordinary practice to read them at some later point in time, within a week, say?

20 **MR STEVENS:** Yes, Mr Condylis. And I would expect that I was aware and across this issue.

**MR CONDYLLIS:** So is it your evidence that you would expect you would have read this email?

25

**MR STEVENS:** Yes.

**MR CONDYLLIS:** And so are you accepting that - sorry. I just want to be clear. So you're now accepting that you probably did read this email at or around the time, say, within a week of receiving it?

30

**MR STEVENS:** Of 24 June, yes.

**MR CONDYLLIS:** And this is an email from Ian Tomkins, who reported to you in the regulatory affairs team?

35

**MR STEVENS:** Yes.

**MR CONDYLLIS:** Mr Tomkins is raising matters regarding CCTV footage or footage of incidents involving Salon 95 that had been saved in case Ms Arnott wish to review them?

40

**MR STEVENS:** Correct.

45

**MR CONDYLLIS:** And you will see that there are about seven - well, there are seven dot points which broadly relate to seven or so incidents that had been outlined by Mr Tomkins?

**MR STEVENS:** Yes.

5 **MR CONDYLLIS:** And I believe your evidence to one of the - your evidence earlier was that Mr Tomkins had a policing background and he is someone who, if he raised something, you would have taken the issue seriously?

**MR STEVENS:** Correct.

10 **MR CONDYLLIS:** And your evidence was to that effect, as I understand it?

**MR STEVENS:** Yes.

15 **MR CONDYLLIS:** And you will see that Mr Tomkins has highlighted what he called [redacted], and he provides four dates, they being 20 May 2019 and through to 31 May 2019?

**MR STEVENS:** I do.

20 **MR CONDYLLIS:** And he says there are:

"Others I have saved and worthy of reviewing."

25 And again, those dates of 9 May 2019 at two separate times and then there's another incident on 22 May 2019. Do you see that?

**MR STEVENS:** I do.

30 **MR CONDYLLIS:** These are matters that clearly concerned Mr Tomkins based on this email?

**MR STEVENS:** Yes.

35 **MR CONDYLLIS:** These are matters which, if you had read this email, which I understand your evidence to be you probably would have, would have concerned you?

**MR STEVENS:** Yes. Correct.

40 **MR CONDYLLIS:** You will see there is nothing historical about the matters in this email; they are, in fact, covering - they, in fact, arise in May 2019?

**MR STEVENS:** Correct.

45 **MR CONDYLLIS:** And in fairness, your report was dated 23 May. So some of those matters in this email post-date your report, in fairness to you. Okay.

**MR STEVENS:** Correct.

**MR CONDYLLIS:** But there are two matters at least that occurred on 9 May 2019 - that's at 2.16 pm, and the second is at 3.30 - sorry, 3.37 pm on 9 May 2019?

5 **MR STEVENS:** Correct.

**MR CONDYLLIS:** Now, I will ask you: are they matters that fell within your period of review?

10 **MR STEVENS:** We reviewed the CCTV footage for March 2019 in April 2019.

**MR CONDYLLIS:** Okay. And so - but what this email is at least showing is that your audit or your review was not comprehensive?

15 **MR STEVENS:** This review shows that there was activity that shouldn't have been allowed happening outside of the review period that I looked at. I - I - I said earlier that if I was to conduct a review today with the training I've since had and the experience I've - I've since had with undertaking and organising these reviews, it would be a more thorough review than the one that we undertook at the time.

20

**MR CONDYLLIS:** Yes.

**MR BELL SC:** Mr Stevens, this email is indicating that cash transactions involving large amounts of cash were still occurring in May 2019. Do you agree?

25

**MR STEVENS:** I agree.

**MR BELL SC:** And this was the very kind of behaviour which had led to the two warning letters sent to Suncity in 2018, was it not?

30

**MR STEVENS:** It was.

**MR BELL SC:** Yes, Mr Condylis.

35 **MR CONDYLLIS:** So, as I understand, what you're now saying is that you agree that the review wasn't thorough and, because it wasn't thorough, it did not pick up these types of incidents that were still taking place?

40 **MR STEVENS:** What I'm - I'm saying is that we didn't identify those instances. I don't know if incidents like this were taking place at the time that we reviewed the CCTV footage for there. They may well have been. I'm not trying to suggest that they weren't. But I'm just trying to say that, you know, when we go back and do a review, we didn't have specific timeframes to go through to look at to identify if there was behaviour or things we needed to investigate. We went back to look at  
45 random timeframes of CCTV that we had in the system to see if we could identify anything at the service desk.

**MR CONDYLLIS:** So your evidence was that you probably would have read this

email within a week of receiving it?

**MR STEVENS:** Yes.

5 **MR CONDYLLIS:** And did you revise your report, having likely - it likely to be the case that you read this email?

**MR STEVENS:** No, I didn't.

10 **MR CONDYLLIS:** Are you saying to Mr Bell that you did, in fact, become aware of this email as at or around 24 June 2019?

**MR STEVENS:** Yes.

15 **MR CONDYLLIS:** So you did know as a matter of fact, Mr Stevens, that Mr Tomkins had raised squarely with you in this email - or squarely with Ms Arnott, to which you were copied, these matters, and you were aware - you had that knowledge within a week of 24 June 2019?

20 **MR STEVENS:** Yes.

**MR CONDYLLIS:** And did you do anything to revise your report?

25 **MR STEVENS:** No, I didn't revise my report.

**MR CONDYLLIS:** Why not, Mr Stevens?

30 **MR STEVENS:** My - my report was written and issued for a specific period of time, and it had already been issued. Whether or not - whether or not I should have issued a subsequent note or revision based on these, I, you know, would say now, yes, that I - I would have done that. But at the time, we were there and we were focused moving on with the issue as was raised and what actions would then be taken in relation to these issues, not going back to review or report that all had been issued and circulated to Mr Power. Mr Power was aware of these issues, I understood. So I didn't feel that I needed - or wouldn't have felt that I needed to go  
35 then and revise my reports, and Mr Power was further aware of these issues.

40 **MR CONDYLLIS:** How do you know Mr Power was aware of these issues that are being stated in this email?

**MR STEVENS:** I - I believe they were discussed with him by Ian Tomkins or if not myself. Ian Tomkins had a good relationship with Andrew Power and would go and raise these things with himself verbally. And I would also trust that Skye Arnott would have raised these issues with Mr Power as well.

45 **MR CONDYLLIS:** As I just showed you your - I went through your report where you gave the satisfactory rating to Suncity in Salon 95, you basically gave the all clear. It was a very dangerous situation where your report stood and gave the

impression that there were no or very few issues with the salon and the junket in that salon, and yet you have subsequently become aware of this information, and yet you did not - there was no subsequent document that was issued revising or qualifying or discounting the previous document.

5

**MR STEVENS:** No, Mr Condylis. There wasn't. And I've said, this was one of the first of these sorts of reports that we were generating and doing in that area. And we were still learning what the process is and should be in relation to these matters.

10

**MR BELL SC:** Mr Stevens, would you agree that this email is providing evidence that unregulated transactions with a high risk of money laundering were still occurring in Salon 95?

15

**MR STEVENS:** Yes.

**MR BELL SC:** And you didn't do anything about it?

20

**MR STEVENS:** It was being directed through to Skye Arnott, who was the AML compliance manager at the time, and I was leaving it for Skye to process and follow through with these issues.

**MR BELL SC:** Yes, Mr Condylis.

25

**MR CONDYLLIS:** You recall the first CCTV footage I showed you, Mr Stevens, and I asked you questions about the cupboard that was located in the Salon 95 service desk?

30

**MR STEVENS:** Yes.

**MR CONDYLLIS:** And you can see that in this email, Mr Tomkins is raising the issue about the use of the cupboard in that room. You see that? And to assist you, he says:

35

"To me and immediately, no bags should be permitted in that office. Also despite that we know the money is leaving the cupboard, there was no way of knowing how the money is getting into the cupboard unless it is being secreted in the male coat pockets via smaller amounts. Any envelopes should be submitted with see-through plastic folders for use in there."

40

Do you see that?

**MR STEVENS:** I do.

45

**MR CONDYLLIS:** Mr Tomkins continues:

"There was some obvious movements of on occasion three persons going into the cabinet with the door shut in such a confined space and appeared

ridiculous. To deter this, if the computer cupboard is our property, why cannot this be locked and force them into other overt activity."

Do you see that?

5

**MR STEVENS:** I do.

**MR CONDYLIS:** You would agree that this is very, very concerning matters that are being raised by Mr Tomkins?

10

**MR STEVENS:** I agree.

**MR CONDYLIS:** And --

15 **MS RICHARDSON SC:** I apologise for this. I apologise, Mr Condylis. There is a matter I need to raise briefly in private session before something goes to the live feed. I apologise for interrupting.

20 **MR BELL SC:** Yes. We will go to private mode now. Should Mr Stevens be present while you raise this or not?

**MS RICHARDSON SC:** I don't think it matters, but it might be safer so that counsel assisting isn't concerned about what I'm going to say.

25 **MR BELL SC:** Operator, could you please take Mr Stevens out of the private hearing room.

**<THE PUBLIC HEARING SESSION ADJOURNED AT 3:02 pm**

30 **<THE PRIVATE HEARING SESSION RESUMED 3:02 PM**

**<THE PRIVATE HEARING SESSION ADJOURNED AT 3:09 PM**

**<THE PUBLIC HEARING SESSION RESUMED AT 3:09 PM**

35

**MR BELL SC:** Yes, Mr Condylis.

**MR CONDYLIS:** You will see in the final paragraph, Mr Tomkins continues - he states:

40

"There needs to be another camera on the balcony. It would appear activity occurs beyond camera range which is obvious to them. It also makes it hard to track where they go or cash coming in and being removed from bags out there."

45

Do you see that?

**MR STEVENS:** I do.



**MR CONDYLIS:** You see that the - that concern that Mr Tomkins had is similar to the - is of the same nature to the issues that arose in the second CCTV footage I showed you earlier today?

5

**MR STEVENS:** It does.

**MR CONDYLIS:** It shows the blind spot that is present on the balcony at Salon 95 being creating a surveillance problem for the casino?

10

**MR STEVENS:** It does.

**MR CONDYLIS:** And so that issue which was present as at 15 June 2018, which was the date of that footage I showed you, is still subsisting as at May 2019?

15

**MR STEVENS:** Correct.

**MR CONDYLIS:** And in fact, based on this email at least, it would appear that the problem with the camera and surveillance on the balcony is an issue that had not yet been fixed?

20

**MR STEVENS:** Correct.

**MR CONDYLIS:** And so if I can just take you back to your report, which is exhibit B, tab 4-1492. And you will see - if I can draw your attention to your conclusion on page 2. That's pinpoint 0006.

25

**MR STEVENS:** Yes.

**MR CONDYLIS:** And the particular line I'm going to draw to your attention is the second-last sentence where you say:

30

"There was no evidence of the practices that raised a concern around the operation of the room in 2018 continuing and The Star now has an effective level of oversight of the operation of the room."

35

That sentence, when compared to the issues that were being raised by Mr Tomkins, particularly the matter of the cupboard and the covert - or the risk of covert behaviour happening on the balcony, was still subsisting as at May 2019?

40

**MR STEVENS:** Correct.

**MR CONDYLIS:** Yet in your report, you have said:

45

"There was no evidence of the practices that raised a concern around the operation of the room in 2018 continuing."

It was your conclusion that you drew at that point in time.

**MR STEVENS:** Because I wasn't aware at that time when we did this report of the blind spot with - with - with the camera.

5 **MR BELL SC:** Would you say that a reasonable person reading Mr Tomkins's email, would have formed the directly opposite conclusion to that which you reached?

**MR STEVENS:** Yes.

10

**MR CONDYLLIS:** Yes. And you would accept that you do not qualify in your conclusion in any way, at least not that sentence, to provide the reader an understanding that you hadn't done certain things and explored certain lines of investigation?

15

**MR STEVENS:** I accept that.

**MR CONDYLLIS:** And so that conclusion, as it stands, is highly problematic?

20

**MR STEVENS:** Yes.

**MR CONDYLLIS:** And that the business may have relied on that conclusion and not taken the appropriate measures to respond to risks and, in fact, matters that were happening on the ground that needed to be addressed as a matter of urgency?

25

**MR STEVENS:** Correct.

**MR CONDYLLIS:** Do you recall - I will just take you to an email, exhibit B tab 1505. This is STA.3008.0006.4442. Is it the case that you provided your report to the individuals who are parties to this email, so Ms Arnott, Mr Power, Micheil Brodie, Mr Houlihan and Mr Whytcross?

30

**MR STEVENS:** Yes.

**MR CONDYLLIS:** And did you - this, of course, post-dates Mr Tomkins's email. So you had - this is 9 August 2019. Did you say to any of these individuals - did you raise the problems that you had seen - well, that you had become informed of through the Tomkins email - did you tell these individuals, "By the way, my report does not account for these other problems that are still going on in the salon"?

40

**MR STEVENS:** No, I didn't.

**MR CONDYLLIS:** You accepted that the matters raised in Mr Tomkins's email showed that - effectively contradicted your conclusion in your own report?

45

**MR STEVENS:** Correct. And I was providing primarily this report to Skye, who had requested that, who was also copied on that email - who that email from Mr Tomkins was directed to. I - I understood that Skye was already aware of these

issues and that - but I was providing her and those on there the copy of the report that we'd generated in May.

5 **MR CONDYLIS:** So it's your evidence that you didn't need to tell the other people to whom you provided the report because they already knew that those issues that were raised by Mr Tomkins were occurring? Is that your evidence?

**MR STEVENS:** That's my evidence.

10 **MR CONDYLIS:** What's the basis for you to say that Mr Power, Mr Brodie, Mr Houlihan and Mr Whytcross already knew about those problems, as at May, that were occurring, that we saw in May 2019?

**MR STEVENS:** I don't have evidence to say that.

15

**MR CONDYLIS:** Not evidence. What is the source of your belief that they had that knowledge?

20 **MR STEVENS:** Because I believe I had a conversation with Skye in relation to this.

**MR BELL SC:** What did she tell you?

25 **MR STEVENS:** I - I - I understood that the reason that it had come up in the joint risk assessment meeting was, in - in part, to the issues raised by Mr Tomkins.

**MR BELL SC:** What did she tell you?

30 **MR STEVENS:** That they were undertaking - looking to undertake a risk assessment of - of the Suncity and could I provide the report, and that risk was being undertaken in - in conjunction with the email that Ian had sent to her.

**MR BELL SC:** Yes, Mr Condylis.

35 **MR CONDYLIS:** If I can take you to exhibit B tab 1505, and this is STA.3008.0006.4442.

**MR STEVENS:** Yes.

40 **MR CONDYLIS:** Sorry, Mr Stevens. On my screen, it hasn't yet come up. Has it come up on your screen?

**MR STEVENS:** 4442 is up on my screen.

45 **MR CONDYLIS:** Sorry. It should be - okay. Can I - this is - okay. So down below is an email from Ms Arnott dated 30 July 2019, and it is an email to Ms Paula Martin, and it's titled Joint Risk Assessment Meeting. And over the page, at pinpoint 4443, you will see that there's reference to a joint risk assessment

meeting, and it appears to be Ms Arnott's note about what had happened at that meeting. Do you see that?

**MR STEVENS:** I do.

5

**MR CONDYLLIS:** And is it the case that you attended that meeting?

**MR STEVENS:** No, I didn't.

10 **MR CONDYLLIS:** Okay. But Ms Arnott --

**MR BELL SC:** It's Skye Arnott, Mr Condylis.

15 **MR CONDYLLIS:** Ms Arnott provided you a copy of the note that she provided to Ms Martin. So you can see on the previous page - this is 4442.

**MR STEVENS:** Yes.

20 **MR CONDYLLIS:** So why was she providing you that note? Sorry. Operator, could you please go to 4442. You will see how it's an email to you, Micheil Brodie, Mr Power, Mr Houlihan and Mr Whytcross?

**MR STEVENS:** Yes.

25 **MR CONDYLLIS:** So why was she providing you that note?

30 **MR STEVENS:** Because she was making aware of the reason why she was asking - I think I had a phone conversation with her prior to this email being forwarded to me. And then she - then, as a response to that - this email she sent to me, I - I responded back with the attachment.

35 **MR CONDYLLIS:** And it's your understanding that the issues that were raised by Mr Tomkins in the 24 June email were common knowledge, at least to the people whom you provided your report, and so you didn't need to make any further written change or revision or at least qualification to that report?

**MR STEVENS:** It was my view that Ms Arnott was across those issues, and I thought the others would have been as well, yes.

40 **MR CONDYLLIS:** Do you ever recall discussing your report with Ms Paula Martin?

**MR STEVENS:** No, I don't.

45 **MR CONDYLLIS:** Do you recall discussing your report with any other individual other than those who are copied - or, sorry, addressed in this email?

**MR STEVENS:** I'm not sure whether I discussed it with Micheil Brodie. I think I

may have discussed it with Micheil Brodie, particularly as he was the one who raised the issue with me - or made the initial request to conduct the review, I should say. Then - and I may have discussed this report with the premium services team, so Saro Mugnaini, when we issued that report.

5

**MR CONDYLLIS:** Just one moment, Mr Bell. I just need to consider something, if that's okay. Operator, could you please bring up INQ.002.004.0241. Mr Stevens, this is Ms Arnott's statement to this review dated 7 February 2022. Do you see that?

10

**MR STEVENS:** I do.

**MR CONDYLLIS:** And I just want to take you to pinpoint 0248. And you will see at paragraph 41 that Ms Arnott gives the evidence that she does in that paragraph. I would ask you to read that paragraph to yourself.

15

**MR STEVENS:** I've read it.

**MR CONDYLLIS:** You see that there's no indication by Ms Arnott of any qualification regarding further concerns you had with Salon 95, particularly the matters raised by Mr Tomkins in his email?

20

**MR STEVENS:** I do.

**MR CONDYLLIS:** And --

25

**MS RICHARDSON SC:** Well, sorry. I think, in fairness to the witness, he should be allowed to read paragraph 42 as well.

30

**MR CONDYLLIS:** Yes. Please read paragraph 42.

**MR STEVENS:** I've read that.

**MR CONDYLLIS:** And so does that accord with your understanding with what had happened subsequent to your report and subsequent to you receiving the email from Mr Tomkins?

35

**MR STEVENS:** Not quite. Ms Arnott makes reference to that we were undertaking the report of Suncity during June and July 2019 when we had actually undertaken the audit several months earlier.

40

**MR CONDYLLIS:** What I'm trying to understand is - if I could just have that taken down, operator.

**MR STEVENS:** Whether or not there were - if she remembers me being in meetings where we discussed that and that activity, I - I don't have a - I don't have a strong recollection of that being the case. But if Ms Arnott is saying that I was in meetings with her, I would accept that as - as being the case.

45

**MR CONDYLIS:** What do you say was your expectation as to what should have happened following the receipt of Mr Tomkins's email of 24 June?

5 **MR STEVENS:** I believe we should have been moving to remove Suncity from having that operation of the room.

**MR CONDYLIS:** Did you discuss that with anybody?

10 **MR STEVENS:** I - I believe that - well, having just seen Ms Arnott's statement, I believe that might have been some of the discussions that happened in those meetings.

15 **MR CONDYLIS:** I'm going to now show you - to your knowledge, was there any further audit taken in 2019 of Salon 95?

**MR STEVENS:** Not that I'm aware of.

20 **MR CONDYLIS:** Are you aware that from September 2019, Suncity stopped using Salon 95?

**MR STEVENS:** I am.

25 **MR CONDYLIS:** What's your understanding of what happened following Suncity's cessation of the use of Salon 95?

30 **MR STEVENS:** As I understand, they no longer had the - the private use. They may have then had use of a salon up in the Harbour, so level 16 of the Grand Tower where we had gaming salons in there. And - but I - I don't know the details from - from beyond that.

**MR BELL SC:** Was that Salon 82, Mr Stevens?

35 **MR STEVENS:** Yes.

40 **MR CONDYLIS:** I just want to take you to a final document, Mr Stevens. This is exhibit B, tab 2779, and it is STA.3412.0054.3083. And you will see that this is a document dated 7 January 2021. It was an updated assessment performed on Mr Alvin Chau by Mr Buchanan. Do you see that?

**MR STEVENS:** Yes.

**MR CONDYLIS:** Have you seen this document before, Mr Stevens?

45 **MR STEVENS:** No.

**MR CONDYLIS:** Were you aware that Mr Buchanan was undertaking an assessment of Suncity and Mr Chau throughout or in 2018 - sorry, 2020 and 2021?

**MR STEVENS:** No, I wasn't.

**MR CONDYLIS:** And if I can take you to paragraph 37, which is pinpoint 3087.  
5 And you will see that at paragraph 37, it reads:

10 "From March to May 2019, the group compliance officer conducted an audit to ascertain if Suncity was adhering to the Salon 95 service desk processes. The audit found Suncity staff were compliant and The Star now had effective oversight of the operation of the room."

Does that sound like your report, Mr Stevens?

**MR STEVENS:** What paragraph was this?  
15

**MR CONDYLIS:** Paragraph 37.

**MR STEVENS:** Yes.

20 **MR CONDYLIS:** When did you become the group compliance officer?

**MR STEVENS:** I became group compliance officer in September 2019.

**MR CONDYLIS:** And that's a role you still hold to this day?  
25

**MR STEVENS:** Yes.

**MR CONDYLIS:** Sorry, was that "yes"?

30 **MR STEVENS:** That's - that's yes.

**MR CONDYLIS:** Sorry, you just cut out a bit on my feed. And so it appears Mr Buchanan is referring to your report because at that point in time you were then group compliance officer when the - Mr Buchanan was providing his assessment?  
35

**MR STEVENS:** I would assume so, yes.

**MR CONDYLIS:** And are you aware of any other audit that took place in March to May 2019 to which Mr Buchanan could be referring?  
40

**MR STEVENS:** No.

**MR CONDYLIS:** And then you will see - if I can take you to paragraph 52, which is at pinpoint 3089. You will see from time to time parts highlighted in blue, Mr Stevens. I would ask you just not to read those out; they are confidential. And just for context, Mr Buchanan in this broader document was providing options to the business about the continuation of the cessation of the relationship with Suncity. And this is in the context of the second option, which is:  
45

"That The Star continues to engage Mr Chau and Suncity."

5 And you will see how reasons are put in support of that option. And this is Mr Buchanan writing his report and which was actually addressed to Andrew Power, copied to Mr Houlihan. And you will see the second bullet point appears to be a reference - well, a similar reference to paragraph 37 I took you to a short while ago, and it says:

10 "The group compliance officer's audit report, completed in May 2019, found that Suncity were adhering to the mandatory Salon 95 service desk processes. The report provides some comfort that Suncity are indeed capable of operating compliant junket programs."

15 Do you see that?

**MR STEVENS:** I do.

20 **MR CONDYLLIS:** Stating, as he does, in that bullet point, it appears that your report is being utilised in support of continuing the relationship with Suncity and Mr Chau. Do you see that?

**MR STEVENS:** I can see that, yes.

25 **MR CONDYLLIS:** You can see what appears to have happened is because you haven't qualified your report in any way, it's still being relied on as at January 2021 to support the argument that The Star should continue having a relationship with Suncity and Alvin Chau?

30 **MR STEVENS:** I can see that.

**MR CONDYLLIS:** And is it your evidence that that should not be done because you made it clear to other individuals in the business about further problems that were taking place in Salon 95?

35

**MR STEVENS:** Yes.

**MR BELL SC:** But none of that was ever put in writing; is that what you are telling me?

40

**MR STEVENS:** That's true.

**MR BELL SC:** You can see the risk of problems occurring if you've written a report in respect of which your views have changed and you have taken no steps to alter those views in written form.

45

**MR STEVENS:** I do, Mr Bell. And as I said earlier, this was one of the first of such reviews that we were undertaking. I - if I was to undertake a review like this



again, or the reviews we take now, they are much more qualified. They are much more detailed in where and what we have looked at and what we find, and the level of detail has increased. Because of - as I've received further training in this sort of area, that my level of understanding in conducting these sorts of reviews has improved.

**MR BELL SC:** Yes, Mr Condylis.

**MR CONDYLLIS:** Mr Bell, I note the time. Would now be a convenient moment for the mid-afternoon adjournment?

**MR BELL SC:** Well, how much longer are going to be with Mr Stevens?

**MR CONDYLLIS:** Not long at all, Mr Bell. I just want to - just requesting the adjournment take place now to make sure that there's nothing else I want to cover with the witness.

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

**MS RICHARDSON SC:** Could I raise one matter because it might assist Mr Condylis. There are two outstanding calls for documents which we are still working on, and I apologise for that. But they are unlikely to be resolved before Mr Condylis completes his questions after afternoon tea.

**MR CONDYLLIS:** I'm grateful to my friend for that.

**MR BELL SC:** Thank you. I will now adjourn.

**<THE HEARING ADJOURNED AT 3:32 pm**

**<THE HEARING RESUMED AT 3:45 pm**

**MR BELL SC:** Yes, Mr Condylis.

**MR CONDYLLIS:** Mr Stevens, I am just going to ask you some final questions about your statement. Operator, could I please bring up INQ.002.004.0021. And if you could please go to pinpoint 0024. Mr Stevens, I draw your attention to paragraph 21 where you - I will give you a chance to read it again.

**MR STEVENS:** Yes.

**MR CONDYLLIS:** Now, you effectively restate your conclusion from your report, that is, your 23 May 2019 report, in that paragraph?

**MR STEVENS:** Correct.

**MR CONDYLLIS:** You add:

"As all cash transactions for buy-ins and settlement were now occurring through The Star's cage."

5 You don't detail anywhere the further matters that I've raised with you about the subsequent problems that were drawn to your attention by Mr Tomkins in that 24 June email, and you don't say anything about you making verbal representations to other members of the business about concerns you had flowing from that email from Mr Tomkins. Do you agree with that?

10 **MR STEVENS:** I do agree.

**MR CONDYLLIS:** Is there a reason why you didn't include those matters in your statement?

15 **MR STEVENS:** I was making - not specifically. I was making a statement based on the report that I found and - and the conclusions and reiterating what my report actually stated. That's - that's all I was doing in that statement.

20 **MR CONDYLLIS:** If I can just take you to the question you were asked to address in your statement. That's at pinpoint 0022. You will see question 1 which tasked to you:

25 "Provide a detailed outline of all the reviews and investigations you conducted of operations in Salon 95 in the relevant period, together with relevant supporting documents."

Do you see that?

30 **MR STEVENS:** I do.

**MR CONDYLLIS:** And you gave Mr Bell evidence that there were, in fact, matters that arose following your 23 May 2019 report which you did not include in your statement, and I just took you to paragraph 21 where you give your conclusion.

35 **MR STEVENS:** Yes.

**MR CONDYLLIS:** You don't state any qualification to your conclusion in that paragraph?

40 **MR STEVENS:** No, I don't.

45 **MR CONDYLLIS:** And I suggest to you that that was a material matter that should have been included in your statement so that this review would have understood that you did have reservations about your report and that you had an expectation that someone else would be taking the appropriate step to perform a further audit or to qualify the findings in your report.

**MR STEVENS:** I agree.

**MR CONDYLLIS:** And I want to give you an opportunity to explain why it is you didn't include that matter in your statement.

5

**MR STEVENS:** I think because I had forgotten about the email and that subsequent exchange with Skye Arnott until it was raised.

**MR CONDYLLIS:** Mr Stevens, as a matter of fairness, I'm required to suggest to you that the reason why you didn't include that matter in your statement was because you did not want to undermine your report and the work you did to perform and provide a report to the business.

10

**MR STEVENS:** No.

15

**MR CONDYLLIS:** And that you did not want to make any admission that the work you did in relation to that report was not thorough, it wasn't comprehensive and, indeed, it had significant gaps in it.

20

**MR STEVENS:** No.

**MR CONDYLLIS:** And I suggest to you that the explanation that you are now giving about raising these matters with other people, and having an expectation that those individuals would take the appropriate steps to effectively qualify your report, simply is not true.

25

**MR STEVENS:** No.

**MR CONDYLLIS:** Mr Bell, I have no further questions for the witness. I understand Ms Sharp does. I just need to hand over to Ms Sharp.

30

**MR BELL SC:** Yes. Okay.

**<EXAMINATION BY MS SHARP SC:**

35

**MS SHARP SC:** Two topics, Mr Bell. Mr Stevens, when I examined you yesterday at page 651 in the transcript, you told Mr Bell that you believe that you informed ILGA during a meeting in 2014 that you had received independent legal advice and that it was in relation to the release of funds. That advice has subsequently been produced to this review. Have you taken the opportunity to review that advice?

40

**MR STEVENS:** No.

**MS SHARP SC:** Well, I suggest to you it has absolutely nothing to do with the release of funds.

45

**MR STEVENS:** I - I will take your word for it, Ms Sharp. I don't have that advice

in front of me. And if I - and if I was incorrect in what I said, then I apologise.

**MR BELL SC:** Ms Sharp, just so there's no misunderstanding, I think you should make it clear who the author of the advice was.

5

**MS SHARP SC:** Indeed. This was an advice of - and I will bring it up. An advice authored by Mr Bret Walker of senior counsel. I will bring up the advice. It's STA.3435.0088.1779. And can I take you to the last page, please, which is pinpoint 1784. You will see that advice is dated 14 September 2012?

10

**MR STEVENS:** I do.

**MS SHARP SC:** You will see it's authored by Mr Walker of senior counsel?

15

**MR STEVENS:** I do.

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

20

**MR BELL SC:** Yes. The memorandum of advice dated 14 September 2012 will be MFI15.

**MS SHARP SC:** Now, to the extent that you believed that you had discussed with the regulator advice from Mr Walker regarding the release of funds, your recollection is entirely wrong.

25

**MR STEVENS:** I will accept that.

**MS SHARP SC:** The second matter: at page 657 of the transcript, you were asked:

30

"Were you aware that the UnionPay rules prohibited China UnionPay cards from being used to purchase casino gaming chips?"

And you said you were not. And you said that you became aware of this since the inquiry commenced. You --

35

**MR STEVENS:** I said --

**MS SHARP SC:** If I can finish the question. You repeated the position at page 660 and 661 of the transcript. At page 675 of the transcript, I said:

40

"Did you know, in June 2013, that UnionPay International prohibited the use of China UnionPay cards to purchase gambling chips?"

45 And you said:

"Yes."

What is the correct position?

5 **MR STEVENS:** That - I - I was aware that there was a restriction on the terms and conditions between the - China UnionPay and the holder of the card around the use of China UnionPay to purchase gaming chips.

**MS SHARP SC:** And you were aware of that in 2013, were you?

10 **MR STEVENS:** I think I was aware of it in 2014.

**MS SHARP SC:** So when you gave evidence to this inquiry, as recorded at page 657, that did you not become aware of that matter until this inquiry commenced, that was wrong?

15 **MR STEVENS:** Yes, that was wrong.

**MS SHARP SC:** And was that deliberately untruthful?

20 **MR STEVENS:** No, it wasn't.

**MS SHARP SC:** I have no further questions.

**MR BELL SC:** Ms Richardson?

25 **MS RICHARDSON SC:** No questions. Thank you.

**MR BELL SC:** Yes. Mr Stevens, the direction that I will make is that your examination be adjourned, but you won't be required again unless you receive notification from those assisting the review. Thank you very much.

30 **MR STEVENS:** Thank you.

**<THE WITNESS WAS RELEASED**

35 **MR BELL SC:** Who is the next witness, please, Ms Sharp?

**MS SHARP SC:** Mr Bell, just before I go to that, could I seek a non-publication order in relation to the CCTV footage which you marked today as MFI13 and MFI14. I seek a non-publication order that the faces of the individuals not be published but that that order not apply to the lawyers and staff assisting the review.

40 **MR BELL SC:** Yes. I will make such a direction, but it won't be effective until I sign it, which I will do as soon as is convenient.

45 **MS SHARP SC:** Thank you, Mr Bell. With your leave, I will call David Aloï, but I will have Ms Abdiel take him.

**MR BELL SC:** All right. I will adjourn for a couple of minutes to enable preparations for that to occur.

**<THE HEARING ADJOURNED AT 3:57 pm**

5

**<THE HEARING RESUMED AT 4:01 pm**

**MR BELL SC:** Mr Aloï, would you prefer to take an oath or an affirmation?

10 **MR ALOI:** Affirmation please.

**<DAVID ALOI, AFFIRMED**

**<EXAMINATION BY MS ABDIEL:**

15

**MS ABDIEL:** Mr Aloï, please state your full name.

**MR ALOI:** David Aloï.

20 **MS ABDIEL:** And please state your current position?

**MR ALOI:** Regulatory manager, New South Wales.

**MS ABDIEL:** For The Star Sydney?

25

**MR ALOI:** For The Star Entertainment Group.

**MS ABDIEL:** Mr Aloï, is your address known to those assisting the review?

30 **MR ALOI:** Yes.

**MS ABDIEL:** Mr Aloï, when did you commence working for The Star Entertainment Group?

35 **MR ALOI:** August 1995.

**MS ABDIEL:** And when you commenced working for The Star Entertainment Group, were you cashier services supervisor in the cage?

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

**MS ABDIEL:** And at that time, were you employed by The Star Entertainment Group?

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

**MS ABDIEL:** And in 2002, did you become the duty manager for The Star in the cage?

**MR ALOI:** That's right.

5 **MS ABDIEL:** And were you still employed by the entity Star Entertainment Group?

**MR ALOI:** Yes.

10 **MS ABDIEL:** Mr Aloï, I will refer to Star Entertainment Group by "SGR", its ticker. Is that okay with you?

**MR ALOI:** That is fine.

15 **MS ABDIEL:** And in 2012, Mr Aloï, did you become the cashier services manager for the cage?

**MR ALOI:** That's correct.

20 **MS ABDIEL:** And your employing entity was SGR at that time?

**MR ALOI:** Yes.

**MS ABDIEL:** And from 2012, Mr Aloï, who did you report to?

25 **MR ALOI:** Mr Brett Houldin, the CFO, until 2013/2014, I think it was.

**MS ABDIEL:** And then in 2014, who did you report to?

30 **MR ALOI:** The CFO was Christine Bletsas.

**MS ABDIEL:** Until what year?

**MR ALOI:** 2018/2019 - so 2018, I would say, where it changed to Steven Witten.

35 **MS ABDIEL:** And what position did Mr Witten hold?

**MR ALOI:** General manager of cashier services.

40 **MR BELL SC:** Excuse me. I think there's some voices in the background. If I could ask people in the background to be quiet, please. Yes, Mrs Abdiel.

**MS ABDIEL:** Thank you, Mr Bell. And I'm sorry, Mr Aloï. When did you cease reporting to Mr Witten?

45 **MR ALOI:** In July 2019.

**MS ABDIEL:** And is that when you were seconded to the treasury as a treasury manager?

**MR ALOI:** That's correct.

5 **MS ABDIEL:** And in the period 2013 to 2018, did - who did Mr Houldin and Ms Bletsas report to?

**MR ALOI:** The MD, Mr Brett Houldin, reported to Frederic Luvisutto.

10 **MS ABDIEL:** And who did Mr Steven Witten report to when you were reporting to him?

**MR ALOI:** I believe it was Matt Bekier.

15 **MS ABDIEL:** Thank you. And once you were seconded to treasury as a treasury manager, were you employed by SGR?

**MR ALOI:** Yes.

20 **MS ABDIEL:** And that was a group treasury role?

**MR ALOI:** That's right.

**MS ABDIEL:** Could you explain that role?

25 **MR ALOI:** The treasury function was about the daily funding, drawdown of loans for the business, executing repayments for the business. So it was more the day-to-day funding to be sure there was enough cash to pay the bills.

30 **MS ABDIEL:** And who did you report to in that role?

**MR ALOI:** Sarah Scopel.

**MS ABDIEL:** And did anyone report to you in that role?

35 **MR ALOI:** No.

**MS ABDIEL:** In that role, did you have interactions with the banks with whom The Star had facilities?

40 **MR ALOI:** Yes.

**MS ABDIEL:** And what were those banks?

45 **MR ALOI:** NAB, CBA, ANZ, UOB, BNP.

**MS ABDIEL:** And, Mr Aloi, in the period that you were seconded to treasury, you were seconded to treasury until September 2020; is that correct?



**MR ALOI:** That's right.

5 **MS ABDIEL:** And in the period that you were seconded to treasury and you had interactions with banks, were those direct interactions with representatives of banks, or were they through other employees of SGR within treasury?

**MR ALOI:** They were direct - some were direct contacts and some were through other contacts within treasury.

10 **MS ABDIEL:** Now, in September 2020, did you return back to the cage to become cashier services manager again?

**MR ALOI:** That's right.

15 **MR BELL SC:** Just so I understand, Mr Aloï, from 2012 to 2019 when you were cashier services manager at the cage, was that at The Star in Sydney?

**MR ALOI:** Yes, that's right.

20 **MR BELL SC:** Thank you.

**MS ABDIEL:** But during that period, you were employed by SGR or The Star Sydney, Mr Aloï?

25 **MR ALOI:** I would say Star Pty Ltd, but the overarching company would have been The Star Entertainment Group.

30 **MS ABDIEL:** And when you returned back to the cage in September 2020, was the employing entity of you at that time also The Star Pty Ltd?

**MR ALOI:** That's correct.

35 **MS ABDIEL:** And from May 2021 to the present, did you become the regulatory manager at The Star Sydney?

**MR ALOI:** Yes.

**MS ABDIEL:** And what was your - what is your employing entity now?

40 **MR ALOI:** The Star Entertainment Group.

**MS ABDIEL:** And, I'm sorry, going back to the cashier services manager role that you held from 2020 to 2021, who were you reporting to in that role?

45 **MR ALOI:** Sorry, can you repeat that question?

**MS ABDIEL:** When you went back to the position of cashier services manager in the cage from September 2020 to May 2021, who were you reporting to?

**MR ALOI:** Mr Peter Humphreys.

**MS ABDIEL:** And what position did he hold?

5

**MR ALOI:** Generally manager of cashier services and electronic gaming.

**MS ABDIEL:** And who did Mr Humphreys report to?

10 **MR ALOI:** Mr Damian Quayle.

**MS ABDIEL:** Mr Aloï, could you describe the position of cashier services manager - the position that you held in 2012 to 2019?

15 **MR ALOI:** It was overseeing the cage operations to deal with revenue and non-gaming revenue for the casino; ensuring that we were operating in line with policies, procedures and internal controls; and working with ensuring that the team was following processes.

20 **MS ABDIEL:** We will return to that Mr Aloï. But in the meantime, did you receive anti-money laundering and counter-terrorism financing while you have been an employee at The Star?

**MR ALOI:** Yes.

25

**MS ABDIEL:** And what was that training?

**MR ALOI:** It's an online module that occurs every two years. It goes through the different stages of the AML Act, the stages of the AML itself where it's the placement, the layering and integration of cash, that sort of thing. KYC standards. That's - and then there's different scenarios that the module goes through as well. Then there's a cage specific module that happens every year. That's only occurred over the last few years, whereby it's related to transaction types that may occur in the cage, scenarios - refresher - it's more of a refresher program. So that happens every year for cage staff. Plus there was face-to-face learning as well.

35

**MS ABDIEL:** And when did the cage specific module come into place?

**MR ALOI:** I think it was 2020.

40

**MS ABDIEL:** And did you say that's an annual training session?

**MR ALOI:** That's right.

45 **MS ABDIEL:** So, Mr Aloï, in your positions - I'm sorry. Did you also receive anti-money laundering and counter-terrorism financing training when you held the position in treasury?

**MR ALOI:** I don't think I did. I don't recall doing training at that time specifically for treasury, but there was an online module that carried through when I was still in the cage. So that followed through as well. So it was carried over from the cage into my treasury role.

5

**MS ABDIEL:** Mr Aloï, I may throughout this examination refer to periods in which you were cashier services manager. You can assume that, when I do so, I'm referring to both periods, the 2012 to 2019 period and also the period of September 2020 to May 2021. And I will try to be clear when I'm referring to specific aspects of those periods. Now, when you performed your roles from 2012 onwards, would you have been familiar with the concept of a reporting entity?

10

**MR ALOI:** Yes.

15 **MS ABDIEL:** And familiar with the concept of designated services?

**MR ALOI:** Yes.

20 **MS ABDIEL:** And familiar with the concept of transaction monitoring which you referred to before?

**MR ALOI:** Yes.

25 **MS ABDIEL:** And you understand that transaction monitoring includes reviewing bank accounts for indicia of money laundering?

**MR ALOI:** Yes.

30 **MS ABDIEL:** Including things like structuring or layering?

30

**MR ALOI:** Yes.

35 **MS ABDIEL:** And you're familiar, as you referred to before, with the know your customer requirements?

35

**MR ALOI:** Yes.

**MS ABDIEL:** And source of funds?

40 **MR ALOI:** Yes. Source of funds come in late in 2021 when I just moved across to the treasury team.

45 **MS ABDIEL:** And when you say "came in late", is that training that was conducted - I will strike that. When you say it came in late, was it that source of funds was brought to your attention in training in 2021?

**MR ALOI:** Yes. So I moved across to - May - when I moved across to my current role in May last year, that's - the source of funds was released to the cage at that

same time. So it was very brief.

5 **MS ABDIEL:** Okay. I may return to that, Mr Aloï. I would just like to talk about the function of the cage and the cashier services department. The cage is a secure area within the casino, the purpose of which is to house the casino cashiers; is that right?

**MR ALOI:** That's correct.

10 **MS ABDIEL:** And the cage serves as the central location in the gaming facility for financial transactions associated with gaming?

**MR ALOI:** That's correct.

15 **MS ABDIEL:** And the purpose of the cage is to maintain custody of things like currency and gaming chips and cheques?

**MR ALOI:** That's correct.

20 **MS ABDIEL:** And the purpose of the casino cage is also to approve and exchange and redeem cheques in conjunction with gaming?

**MR ALOI:** Yes.

25 **MS ABDIEL:** And does that include the banking of a cheque provided by a patron in conjunction with gaming?

**MR ALOI:** Yes.

30 **MS ABDIEL:** Does it include ensuring a cheque is valid so that it could be banked if need be?

**MR ALOI:** Yes.

35 **MS ABDIEL:** And does the casino cage also receive and distribute and redeem gaming chips and plaques?

**MR ALOI:** Yes.

40 **MS ABDIEL:** Now, within the cage, do cashier managers supervise the cashiers?

**MR ALOI:** Yes.

45 **MS ABDIEL:** And there are frontline cashiers that serve customers to exchange chips and slot vouchers at the cage; is that right?

**MR ALOI:** That's right.

**MS ABDIEL:** And is it correct that the cashier services department is the operational unit that - within the casino that operates the cage?

**MR ALOI:** Yes.

5

**MS ABDIEL:** And that department also consists of a management team that monitors cashiers?

**MR ALOI:** Yes.

10

**MS ABDIEL:** And it also includes a count team that processes the revenue dropped out of gaming tables and gaming machines?

**MR ALOI:** Yes.

15

**MS ABDIEL:** And in the period 2012 to 2019, were there around 100 people in the cashier services department?

**MR ALOI:** That's right.

20

**MR BELL SC:** Does that mean in Sydney, Mr Aloï, or is that over the whole of The Star Entertainment's facilities in New South Wales and Queensland?

**MR ALOI:** That's Sydney alone.

25

**MR BELL SC:** Thank you.

**MS ABDIEL:** And was the cashier services manager the head of the cashier services department?

30

**MR ALOI:** Yes.

**MS ABDIEL:** And as cashier services manager, in 2012 to - strike that. As cashier services manager in the period 2012 to 2019, you had responsibility for overseeing the account team?

35

**MR ALOI:** Yes.

**MS ABDIEL:** And overseeing money that was flowing to and from bank accounts into which patrons could deposit funds?

40

**MR ALOI:** Can you repeat that question, please?

**MS ABDIEL:** Certainly. As cashier services manager, did you have responsibility for overseeing the flow of money into and out of bank accounts held by The Star into which patrons could deposit funds?

45

**MR ALOI:** Treasury - the corporate treasury team had a role as well. But the cage

had a function as - as well.

5 **MS ABDIEL:** I'm speaking specifically, Mr Aloï, about bank accounts into which patrons could deposit funds. Is that a matter for which the cage held primary responsibility?

**MR ALOI:** The cage held primary responsibility, yes.

10 **MS ABDIEL:** And the cage - I will strike that. The cashier services manager had primary responsibility for that, for overseeing that function performed by the cage?

**MR ALOI:** Yes.

15 **MS ABDIEL:** And that would include hexagon and telegraphic transfers and electronic funds transfers coming into The Star's accounts?

**MR ALOI:** Yes.

20 **MS ABDIEL:** I should clarify that that - and by that, I'm referring to accounts into which patrons could deposit funds?

**MR ALOI:** That's right.

25 **MS ABDIEL:** And that included funds that were being deposited by patrons overseas?

**MR ALOI:** Yes.

30 **MS ABDIEL:** And did it also include overseeing the ledger entries that would designate money from within those accounts into which patrons could deposit funds to move funds into front money and safekeeping accounts held by patrons at The Star?

35 **MR ALOI:** Yes.

**MS ABDIEL:** And did you have an internal name or reference for that function of ledger entries that would move patron funds into front money and safekeeping accounts held by patrons?

40

**MR ALOI:** There was a TT spreadsheet that the cage kept for all transactions going into and out of our bank accounts.

45 **MS ABDIEL:** And that would effectively have operated as a ledger to monitor on behalf of whom the patron - sorry, I will strike that. That would operate as a ledger in respect of the patrons on whose behalf The Star was holding funds for gaming?

**MR ALOI:** That was one - one ledger. That was an Excel spreadsheet. That's

what I'm talking about. The other - other component was when the funds moved from the bank account into the system of Synkros. That's another system that we use as well.

5 **MS ABDIEL:** And I will return to that function as well, Mr Aloï. But in the meantime, was it also the responsibility of you, as cashier services manager, to oversee reporting to AUSTRAC? I can be more specific, actually, Mr Aloï. Would it have been your responsibility, as cashier services manager at the cage, to oversee reporting of any necessary IFTIs?

10

**MR ALOI:** IFTIs were captured under the AML team.

**MS ABDIEL:** Was it your responsibility, in 2012 to 2019, to oversee the raising of any IFTIs provided to - that would be notified to the AML team?

15

**MR ALOI:** That's right.

**MR BELL SC:** Just so I'm clear, Mr Aloï, are you telling me that the cage team which you managed had no role, as you understood it, in relation to IFTIs?

20

**MR ALOI:** No, we would advise the AML team that an IFTI was required for a certain transaction.

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

25

**MS ABDIEL:** And it was the responsibility of the cashier services manager to oversee the raising of suspicious matter reports with the AML team?

**MR ALOI:** Yes.

30

**MS ABDIEL:** And also threshold transaction reports?

**MR ALOI:** Yes.

35

**MS ABDIEL:** Mr Aloï, who within the senior executive in the period 2012 to 2019 was responsible for cage operations?

**MR ALOI:** I reported to the CFO for most of that duration, so the CFO. Up until 2018 when Steven Witten took over.

40

**MR BELL SC:** I'm just not clear - I thought the CFO in that period was Mr Chad Barton. Am I misunderstanding something?

**MR ALOI:** Yes. So he was the group-wide CFO at one stage, but also The Star had property-wide or property-specific CFOs.

45

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

**MS ABDIEL:** During that period, Mr Aloï, did you then also report to Mr Chad Barton as CFO?

**MR ALOI:** Sorry, could you repeat that last one?

5

**MS ABDIEL:** During the period 2012 to 2019, you said you were reporting to Star Pty Ltd CFOs; is that correct?

**MR ALOI:** That's right.

10

**MS ABDIEL:** And were you also reporting to CFOs at a group level?

**MR ALOI:** No.

15

**MS ABDIEL:** I would like to take you to a document, Mr Aloï. It's exhibit B833. The document ID is STA.3008.0002.1493. And, Mr Aloï, you will see that this is the Cage Operations Standard Operating Procedures. Do you see that?

**MR ALOI:** Yes.

20

**MS ABDIEL:** And this version of the standard operating procedures has an effective date of 1 June 2018?

**MR ALOI:** Yes.

25

**MS ABDIEL:** And this is the document that governs the role and functions of the cage?

**MR ALOI:** Yes.

30

**MS ABDIEL:** And there are a number of versions that - strike that. There were a number of versions that were in operation in the period 2012 to 2019, and also 2020 to 2021, when you held the position of cashier services manager.

35

**MR ALOI:** Yes.

**MS ABDIEL:** And are there other standard operating procedures that govern the functions of the cage?

40

**MR ALOI:** There are cheque and deposit facility SOPs during that period, but they sit under the credit and collections portfolio.

**MS ABDIEL:** And you would have known the cheque cashing facilities standard operating procedure reasonably well?

45

**MR ALOI:** Yes.

**MS ABDIEL:** But it is fair to say, is it, that the cage standard operating procedure



is the primary document governing most of the integral - sorry, all of the integral activities that would be performed by the cage staff?

**MR ALOI:** Yes.

5

**MS ABDIEL:** It's a very detailed document, Mr Aloï?

**MR ALOI:** Yes.

10 **MS ABDIEL:** And it would set out in detail each of the steps required to be performed by cage staff?

**MR ALOI:** That's right.

15 **MS ABDIEL:** And that's because the cage staff must often deal with large quantities of money and chips?

**MR ALOI:** Yes.

20 **MS ABDIEL:** And there's a lot of regulation regarding how the cage and cage staff and cashier services department staff must deal with those large quantities of money and chips?

**MR ALOI:** That's right.

25

**MS ABDIEL:** And there's always a risk, isn't there, that there might be some criminal activity associated with those large quantities of money coming to and from The Star that the cage must guard against?

30 **MR ALOI:** Yes.

**MS ABDIEL:** And those risks include money laundering?

**MR ALOI:** Yes.

35

**MS ABDIEL:** And so the cage standard operating procedure sets out, in a lot of detail, the steps that the cage staff must take to guard against those risks?

**MR ALOI:** Yes.

40

**MS ABDIEL:** And it sets out that detail because The Star needs to ensure, isn't it correct, that cage staff are following those steps each and every time they perform an activity or function?

45 **MR ALOI:** Yes.

**MS ABDIEL:** And you would have been well versed in this document and the other versions of this document that were in operation during the period that you

were cashier services manager?

**MR ALOI:** Yes.

5 **MS ABDIEL:** And that's in part also because you've been working in The Star's cage for almost 20 - you had been working in The Star's cage for almost 20 years?

**MR ALOI:** Yes.

10 **MS ABDIEL:** And is it fair to say that you would not expect the - I will strike that. Is it fair to say you would not expect the cage to be performing any integral compliance-related functions that weren't set out in the cage SOP?

**MR ALOI:** That's right.

15

**MS ABDIEL:** Mr Aloji, when - you can take that document down, operator. Thank you. When people emailed the group email within The Star Pty Ltd Star cage, would you have personally received that email as cashier services manager?

20 **MR ALOI:** I would have received it but not necessarily read it.

**MS ABDIEL:** Okay. And who else would have been on that group email?

**MR ALOI:** Supervisors and duty managers.

25

**MS ABDIEL:** And how many supervisors and duty managers would there have been employed by The Star in the period 2012 to 2019, just a rough estimate during that period?

30 **MR ALOI:** Yes. So we had up to - up to eight - eight or nine duty managers and probably 25 supervisors.

**MS ABDIEL:** And during the period 2012 to 2019 when were you the cashier services manager, did personnel operate within the cage - sorry, I will strike that. During the period 2012 to 2019 when you were cashier services manager, did personnel operating within the cage who dealt with patrons directly wear uniforms?

35

**MR ALOI:** Yes.

40

**MS ABDIEL:** And were those uniforms grey suits with salmon coloured ties? If you recall.

**MR ALOI:** Yes, I don't recall, sorry.

45

**MS ABDIEL:** Do you recall that they were grey suits?

**MR ALOI:** They were dark suits. I'm not sure if they were grey.

**MS ABDIEL:** Okay. They weren't black, Mr Aloï, to the best of your recollection?

5 **MR ALOI:** In males or females - males or females?

**MS ABDIEL:** Well, both.

**MR ALOI:** May have been black. If I can try and think about it.

10

**MS ABDIEL:** Maybe you could have a think about it overnight - or over the weekend.

**MR ALOI:** Okay.

15

**MS ABDIEL:** Now, Mr Aloï, I'd like to turn to the concept of a front money account. Was the front money account also known as the funds on deposit account at The Star?

20 **MR ALOI:** Yes.

**MS ABDIEL:** And the front money account is a deposit account permitted to be established with the casino operator by a patron?

25 **MR ALOI:** Yes.

**MS ABDIEL:** And The Star could credit that amount with the value of any money or cheques payable to the casino operator or traveller's cheques provided by the patron?

30

**MR ALOI:** Yes.

**MS ABDIEL:** And that account could be debited by the casino operator to the value of chip purchase vouchers issued to a patron?

35

**MR ALOI:** Yes.

**MS ABDIEL:** But it couldn't be overdrawn at any time; that's right, isn't it?

40 **MR ALOI:** That's right.

**MS ABDIEL:** Now, did the cage - there was a KYC process performed before a patron could open a front money account; is that correct?

45 **MR ALOI:** Yes, that's right.

**MS ABDIEL:** Did the cage have any responsibility in performing that KYC process?

**MR ALOI:** Yes.

**MS ABDIEL:** And what was that responsibility?

5

**MR ALOI:** It was to obtain the KYC identification. Back in the early days, it was 100 points of ID. Passport, driver's licence, Medicare card - that sort of thing - to verify that. And that was detailed on the application form.

10 **MS ABDIEL:** And the patron filled in the application form, as well as providing that identification?

**MR ALOI:** That's right.

15 **MS ABDIEL:** And how long would it usually take for that KYC process to be conducted?

**MR ALOI:** Up to 10 minutes, generally.

20 **MS ABDIEL:** And apart from the provision of 100 points of ID and the filling out of an application form, was there any other Know Your Customer check performed on a patron for the purposes of opening a front money account?

25 **MR ALOI:** Yes. World-Check, Google check - or Google. They were the two main ones.

**MS ABDIEL:** And, Mr Aloï, would those be conducted on the spot with the patron?

30 **MR ALOI:** Yes.

**MS ABDIEL:** So those could all be conducted within 10 minutes of the patron arriving at the cage for the purposes of opening a front money account?

35 **MR ALOI:** As quickly as practicable, yes.

**MS ABDIEL:** And at the time, there was no - in the period 2012 to 2019, there was no source of wealth check on the patron for the purposes of opening a front money account?

40

**MR ALOI:** Source of wealth wasn't a cage function at the time.

**MS ABDIEL:** To your knowledge, in the period 2012 to 2019, was there any investigation as to a patron's source of wealth performed by any person at The Star when a patron would seek to open a front money account?

45

**MR ALOI:** Not by cage staff.

**MS ABDIEL:** Who performed that function, to your knowledge? If anyone?

**MR ALOI:** I thought it may have been a VIP team. But I can't be certain.

5 **MS ABDIEL:** Mr Aloï, you told me a little bit ago that it took only about 10 minutes to provide the KYC check in order for a person to open up a front money account. Is it probable that - at least in the period 2012 to 2019, that a source of wealth check was not being performed by any other unit or department within The Star?

10 **MR ALOI:** Source of wealth would have been conducted by the credit team. But not necessarily for a front money account.

15 **MR BELL SC:** So if I came to the casino with a million dollars and deposited it into my front money account, as you understand it, there would be no source of wealth analysis unless and until I sought to open a cheque cashing facility or something of that nature; is that right?

20 **MR ALOI:** There was no source of wealth conducted by the cage that I'm aware of, and - like I said previously, the only time something similar come into play was source of funds when it was May last year.

25 **MR BELL SC:** So if I came to The Star Sydney in 2013 with a million dollars cash to open a front money account, there was no source of wealth analysis done in relation to that unless I was also seeking to open a cheque cashing facility; is that right?

**MR ALOI:** That's right.

30 **MR BELL SC:** Yes, Ms Abdiel.

35 **MS ABDIEL:** Thank you, Mr Bell. Mr Aloï, you also referred to a Google check and a World-Check that would be performed in performing the KYC due diligence by the cage in opening a front money account. Was there any search done for prior criminal history of patrons before they opened a front money account?

**MR ALOI:** No, because everything would be - would be in the World-Check database.

40 **MS ABDIEL:** Okay. So you were relying on the World-Check database for that information?

**MR ALOI:** Yes.

45 **MS ABDIEL:** I would like to turn now, Mr Aloï, to cheque cashing facilities. During the period you have worked at The Star, you understood there to be a facility by which the casino was permitted to accept a cheque that was payable to the casino operator?

**MR ALOI:** Yes.

5 **MS ABDIEL:** And you understood that a patron's front money account could be credited with the amount of that cheque payable to a casino operator?

**MR ALOI:** Yes.

10 **MS ABDIEL:** And the casino operator could also directly issue chip purchase vouchers of an equivalent value of a cheque made payable to a casino operator?

**MR ALOI:** Yes.

15 **MS ABDIEL:** And there was a facility by which the casino was permitted to redeem a cheque for the equivalent amount in chip purchase vouchers or chips?

**MR ALOI:** Sorry. Can you repeat that, please?

20 **MS ABDIEL:** There was a facility by which the casino was permitted to redeem a cheque for the equivalent amount in chip purchase vouchers or chips?

**MR ALOI:** Yes.

25 **MS ABDIEL:** And that cheque provided by a patron must be made out to - I will strike that. And that cheque provided by the patron must be made payable to the casino operator?

**MR ALOI:** Yes.

30 **MS ABDIEL:** And that cheque must be banked within 30 days; is that right?

**MR ALOI:** For international bank cheques, yes.

35 **MS ABDIEL:** Did you understand there to be a difference between international bank cheques and cheques drawn on domestic banks?

**MR ALOI:** Yes.

40 **MS ABDIEL:** And the difference was?

**MR ALOI:** 10 working days for local - local cheques.

45 **MS ABDIEL:** Thank you. Now, internally, those facilities that I just drew your attention to were referred to within The Star as cheque cashing facility; is that right?

**MR ALOI:** Yes.

**MS ABDIEL:** Now, before that facility is established, there's a process undertaken by which a patron's creditworthiness is assessed by the casino; is that right?

5 **MR ALOI:** That's right.

**MS ABDIEL:** And who performs that assessment?

**MR ALOI:** The credit and collections team.

10

**MS ABDIEL:** Does the cage have any role in performing that function?

**MR ALOI:** Sometimes we can assist.

15 **MS ABDIEL:** And in what ways would the cage assist?

**MR ALOI:** In taking the application from the guest at the frontline and ensuring the application form is complete.

20 **MS ABDIEL:** Now, this creditworthiness check conducted - was it conducted by the credit team, sorry?

**MR ALOI:** Yes.

25 **MS ABDIEL:** And that credit check was a slightly different process to the checks performed in conjunction with establishing a front money account?

**MR ALOI:** Yes.

30 **MS ABDIEL:** Would you say it's more extensive?

**MR ALOI:** Yes.

35 **MS ABDIEL:** Do you recall, in the period 2012 to 2019, would there have been any assessment of a patron performed by the anti-money laundering teams in relation to a patron seeking to establish a cheque cashing facility?

**MR ALOI:** I believe there would have, but I - that - that's a question more likely for the credit and collections team.

40

**MS ABDIEL:** So you don't have personal knowledge of what that assessment would look like?

45 **MR ALOI:** I know there's risk ratings for - or there's ECDD for those type of applications. So they will be going through that sort of matrix.

**MS ABDIEL:** Mr Aloï, I'm just talking about the period 2012 to 2019, just to make sure that we're on the same page, as to the process that was adopted during

that period. So in that period, there would have been a credit assessment process undertaken, but that was not undertaken by the cage; is that correct?

**MR ALOI:** That's right.

5

**MS ABDIEL:** And would you have been aware - or were you aware of whether or not that process included checks on a person's criminal background?

**MR ALOI:** I wouldn't be aware of that.

10

**MS ABDIEL:** Would you have been aware of whether or not it took into account whether a person had engaged in any kind of money laundering activity in their past?

15 **MR ALOI:** I would say yes.

**MS ABDIEL:** You would say yes. Is that based on your personal knowledge, or is that an assumption?

20 **MR ALOI:** Assumption.

**MS ABDIEL:** And were you aware of whether or not that credit process also established the source of a patron's wealth at that time?

25 **MR ALOI:** Yes.

**MS ABDIEL:** And again, is that an assumption, or is that based on your personal knowledge?

30 **MR ALOI:** Personal knowledge.

**MS ABDIEL:** And was that source of wealth investigation a thorough process, would you have said?

35 **MR ALOI:** As thorough as can be, I - I believe. They have - the credit team has various databases that they collate data from. So to the best of their ability, they can collect that information.

40 **MS ABDIEL:** And because you had awareness of the process of assessing the source of a patron's wealth, can you say was that process directed towards predominantly the patron's ability to repay the casino if it came into debt to the casino?

**MR ALOI:** Yes.

45

**MS ABDIEL:** And it was primarily directed towards that aim?

**MR ALOI:** Yes.



**MS ABDIEL:** And are you aware of how frequently, if at all, creditworthiness was checked after that initial cheque cashing facility had been established with a patron?

5

**MR ALOI:** I believe there were reviews.

**MS ABDIEL:** And how frequently were those reviews?

10 **MR ALOI:** I can't answer that.

**MS ABDIEL:** Were you aware, in the period 2012 to 2019, whether those reviews were also directed towards ensuring that a patron had funds to pay back The Star if they became indebted to The Star?

15

**MR ALOI:** Yes.

20 **MS ABDIEL:** Are you aware of whether or not that credit check could tell you, for example - I will strike that. Are you aware of whether any investigations were performed in the period 2012 to 2019 of where source of funds - of the patron's source of funds for any particular transaction?

**MR ALOI:** No.

25 **MS ABDIEL:** I think you mentioned that that came in a bit later; is that correct?

**MR ALOI:** From a cage perspective, yes.

30 **MS ABDIEL:** Are you aware of any unit that performed that function in the period 2012 to 2019, other than the cage?

**MR ALOI:** No.

35 **MS ABDIEL:** Is that because you don't know or there was no unit performing that function during that period?

**MR ALOI:** I don't know if any other unit performed a source of funds check besides the cage.

40 **MS ABDIEL:** And, Mr Aloï, you require a front money account for the purposes of establishing a cheque cashing facility; that's right?

**MR ALOI:** That's right.

45 **MS ABDIEL:** Now, I would just like to set aside the matter of temporary cheque cashing facilities for the moment. But I would like to ask you, Mr Aloï: did you observe the evidence given by Mr Stevens?

**MR ALOI:** No.

5 **MS ABDIEL:** So, Mr Aloï, setting aside the issue of a temporary cheque cashing facility in conjunction with the use of CUP cards, I would just like to discuss the counter cheques that were provided in conjunction with a cheque cashing facility. Those counter cheques, were they issued on Star paper?

**MR ALOI:** Yes.

10 **MS ABDIEL:** And they were printed by the CMS; is that right?

**MR ALOI:** That's right.

15 **MS ABDIEL:** And is that a software application, Mr Aloï?

**MR ALOI:** Yes. It's known as Synkros.

**MS ABDIEL:** And a counter cheque is not drawn from a person's cheque book?

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

**MS ABDIEL:** It is not drawn on an external bank?

25 **MR ALOI:** No.

**MS ABDIEL:** Now, when presented in connection - I will strike that. When a person opens up an ordinary cheque cashing facility, the patron provides a personal cheque; is that correct?

30 **MR ALOI:** Yes.

35 **MS ABDIEL:** And is that - and that personal cheque is held by The Star so that if a patron gambles and loses, it could, hypothetically at least, be banked if the patron became indebted to The Star?

**MR ALOI:** That's only for overseas cheques.

40 **MR BELL SC:** Sorry. I thought you told me early, Mr Aloï, that if it was a domestic cheque, it had to be banked within 10 days; is that right?

**MR ALOI:** Correct.

45 **MR BELL SC:** So if I had a cheque cashing facility and I was an Australian citizen, you could only hold the cheque for 10 days before you banked it; is that right?

**MR ALOI:** Yes. 10 working days.

**MR BELL SC:** Yes. Thank you.

5 **MS ABDIEL:** And in conjunction with an ordinary - or a traditional cheque cashing facility, was there always a personal cheque held by The Star that was issued by the patron?

**MR ALOI:** No.

10 **MS ABDIEL:** Was a personal cheque always held by The Star - a personal cheque made out by the patron to the casino operator always held by The Star when a patron had drawn down on their cheque cashing facility for the purposes of gaming at The Star?

15 **MR ALOI:** Not for local cheques.

**MS ABDIEL:** Could you explain that, Mr Aloï?

20 **MR ALOI:** So local cheques were able - Australian banks accepted our counter cheques or markers to be banked and presented. Therefore, we didn't require an actual personal cheque from a patron's cheque book to be banked on every occasion. Whereas an overseas account required us to present a actual cheque.

25 **MR BELL SC:** Can I just see if I can understand that. So I'm an Australian citizen and I'm setting up a cheque cashing facility. Are you saying that you can provide me with chips without me drawing a cheque on my bank and giving it to you, as long as you have issued a counter cheque or a marker?

30 **MR ALOI:** Once it goes through all the approval stages, the guest will provide us a copy of his cheque from his cheque book. So we keep it on file. But drawn on an Australian bank, we are able to bank it into the banking system.

35 **MR BELL SC:** It's late in the week, but can I just see if I can ask you a couple of propositions now to see if I can clarify this. Is it right that a marker is what a layman would call an IOU?

**MR ALOI:** It's a - it's a - it's an instrument, so to speak. Banking instrument.

40 **MR BELL SC:** Okay. Well, let me try another question. I'm an Australian citizen and I'm setting up a cheque cashing facility for a million dollars. And what do I have to give you before you can give me chips worth a million dollars, as you understand it?

**MR ALOI:** A signed counter cheque or signed marker.

45 **MR BELL SC:** So I don't have to give you a cheque that's drawn on my bank and signed by me in the ordinary sense, as you understand it; is that right?

**MR ALOI:** That's right.

**MR BELL SC:** You can give me a million dollars in chips as an Australian citizen, as long as there's some document I've signed which you call a counter cheque or a marker; is that right?

5

**MR ALOI:** Correct.

**MR BELL SC:** And what, as you understand it, is the difference between a counter cheque and a marker?

10

**MR ALOI:** It's the same thing; just different terminology.

**MR BELL SC:** Right. So they're interchangeable terms?

15

**MR ALOI:** Correct.

**MR BELL SC:** Yes. Thank you, Ms Abdiel.

**MS ABDIEL:** Thank you, Mr Bell.

20

**MR BELL SC:** I should ask one more question. How did you gain that understanding, that you could give me a million dollars' worth of chips as an Australian citizen without me giving you a cheque, as long as I had signed the document that you call a counter cheque?

25

**MR ALOI:** The counter cheque or the marker has the same details listed as the actual cheque itself.

**MR BELL SC:** And where did you get that understanding?

30

**MR ALOI:** Whether it's in the Casino Control Act and/or in the Australian legislation for - for cheques - I think I've seen it along those lines. But it's been in - in the casino industry sort of for a long time, that marker terminology and marker acceptance.

35

**MR BELL SC:** How familiar would you say you with are section 75 of the Casino Control Act?

**MR ALOI:** I'm familiar with parts of it, yes.

40

**MR BELL SC:** Yes, Ms Abdiel. Is that a convenient time, or are there other matters you would like to explore before we adjourn?

**MS ABDIEL:** Mr Bell, thank you. I would just like to clarify a couple of things.

45

**MR BELL SC:** Yes.

**MS ABDIEL:** I understand it is late in the week. Mr Aloï, just to clarify, you said

earlier to Mr Bell that there was a personal cheque held on file after the establishment of a cheque cashing facility; is that correct?

5 **MR ALOI:** There's a copy of it. Correct.

**MS ABDIEL:** A copy of it. And would that cheque have been made out to The Star already, or was it blank?

10 **MR ALOI:** I'm trying to recall what it looks like. It's been a while since I've seen one. It may be a blank copy of a cheque from a cheque book that we have on file.

**MS ABDIEL:** And to be clear, Mr Aloï, it would have been a blank cheque insofar as there was not any amount of money specified that would be made payable; is that correct?  
15

**MR ALOI:** Yes, it's only a photocopy.

**MS ABDIEL:** And it would also be blank in the sense of not having been made out to anyone; is that correct?  
20

**MR ALOI:** This cheque forms part of the application, so it would be blank.

**MS ABDIEL:** Thank you.

25 **MR BELL SC:** And who holds the original of this cheque? You said there was a copy on the file. Where is the original kept?

**MR ALOI:** The guest would have the original. He just gives us a copy.

30 **MR BELL SC:** So you never actually get a cheque at all; you just get a photocopy of a cheque. Is that right?

**MR ALOI:** We take a copy of it. Occasionally what happens for new applications, to ensure that cheque account does exist, we may bank that first cheque to see - to make sure that does exist in the first instance. But thereafter, it would be a counter cheque or markers.  
35

**MR BELL SC:** But did you tell me earlier that the customer keeps the original cheque and you only get a photocopy; is that right?  
40

**MR ALOI:** With the application form, that's correct.

**MR BELL SC:** So the bank never, in fact, receives an original cheque that I've signed; just a photocopy of it. Is that right?  
45

**MR ALOI:** No. The photocopy version is put with the application. The cheque that's drawn - on the first occasion, we will bank the actual cheque from the cheque book to ensure that cheque account exists. But thereafter, if any cheques

go to the bank, it's a counter cheque or a marker.

5 **MR BELL SC:** So just let me try and put some flesh around this. So I've come to you with a million dollars - with a cheque for a million dollars, a cheque that I've drawn on my bank, and you - or The Star approves a cheque cashing facility and gives me a million dollars in chips. And for the first time that transaction occurs, you take my cheque and you bank it within the prescribed period, 10 days; is that right?

10 **MR ALOI:** Yes, that's right.

**MR BELL SC:** And then I come back and I lose all that money and I come back and I want to get another million dollars in cheques. On this occasion, you don't take a cheque from me; you just issue a counter cheque. Am I understanding you correctly?  
15

**MR ALOI:** That's correct.

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

**MS ABDIEL:** And, Mr Aloï, was that different in respect of patrons who held accounts with overseas banks?

25 **MR ALOI:** Yes.

**MS ABDIEL:** And could you explain how it's different?

**MR ALOI:** You would always keep a personal cheque on file, an actual hard copy of.  
30

**MS ABDIEL:** And was that cheque made out to The Star?

**MR ALOI:** Yes.

35 **MS ABDIEL:** And would that cheque have been a blank cheque?

**MR ALOI:** It would be signed and not - no dollar amount until the settlement occurs - until - until the guest leaves and agrees with the amount owing.

40 **MS ABDIEL:** And in your experience at The Star, have you ever observed The Star banking a cheque that had been made out to The Star by a patron holding an overseas bank account?

45 **MR ALOI:** Sorry, can you repeat that again?

**MS ABDIEL:** Yes. Sorry. I worded that poorly. Were you ever aware of instances in which The Star banked cheques with overseas banks in relation to patrons who held cheque cashing facilities?

**MR ALOI:** Yes.

5 **MS ABDIEL:** Mr Aloï, you said a bit earlier that - or maybe you can clarify whether you gave evidence earlier of whether overseas banks accepted counter cheques. Do you recall whether you gave that evidence?

**MR ALOI:** I recall saying they don't accept our counter cheques.

10 **MS ABDIEL:** Okay. And that was your understanding, that they do not accept counter cheques - overseas banks do not accept counter cheques?

**MR ALOI:** That's correct.

15 **MS ABDIEL:** And that was your understanding through the period in which you were cashier services manager?

**MR ALOI:** Yes.

20 **MR BELL SC:** Is that a convenient time, Ms Abdiel?

**MS ABDIEL:** Yes, that is a convenient time. Thank you Mr Bell.

25 **MR BELL SC:** All right. On Monday, I will be commencing the public hearings at 10.30 am and concluding at 5.30 pm. So I am now adjourning until 10.30am on Monday.

30 **MS RICHARDSON SC:** Mr Bell, could I raise a short matter with you in private session about the transcript. I apologise to do it so late, but I need to do it, in my submission.

**MR BELL SC:** There's nothing I would rather do, Ms Richardson. We will now go to private session.

35 **<THE HEARING ADJOURNED AT 5.07 PM**