



**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**

**MONDAY, 28 MARCH 2022  
AT 10:30 AM**

**DAY 8**

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

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

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**<THE HEARING RESUMED AT 10:33 AM**

**MR BELL SC:** Mr Aloi, you remain bound by the affirmation you made last Friday.

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**<DAVID ALOI, ON FORMER AFFIRMATION**

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

10 **<EXAMINATION BY MS SHARP SC:**

**MS SHARP SC:** Mr Aloi, you are aware that one the of The Star's core values is "do the right thing"?

15 **MR ALOI:** Yes.

**MS SHARP SC:** Do you agree that in 2020, Star Entertainment reoriented its values to include a value called "do the right thing"?

20 **MR ALOI:** Yes.

**MS SHARP SC:** And what does this mean?

25 **MR ALOI:** It means call out anything that doesn't look right and, if so, call it out to your manager and/or investigations and/or e-TIPS.

**MS SHARP SC:** Does it also mean that one should adhere to the spirit as well as the letter of the rule?

30 **MR ALOI:** Yes.

**MS SHARP SC:** And at all times since this new value came into place, have you conducted yourself in accordance with that value?

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

**MS SHARP SC:** As an employee of variously The Star and Star Entertainment, are you aware that at all times you have been bound by a code of conduct?

40 **MR ALOI:** Yes.

**MS SHARP SC:** And do you agree that the code of conduct sets out the guiding principles which shape the way decisions are made and how staff are to perform their duties?

45

**MR ALOI:** Yes.

**MS SHARP SC:** Do you agree that one of the rules in the code of conduct is "we

comply with the law"?

**MR ALOI:** Yes.

5 **MS SHARP SC:** Do you agree that another rule of the code of conduct is that "we are ethical"?

**MR ALOI:** Yes.

10 **MS SHARP SC:** And do you agree that one component of being ethical is being honest?

**MR ALOI:** Yes.

15 **MS SHARP SC:** And not being dishonest?

**MR ALOI:** Yes.

20 **MS SHARP SC:** Is it right that under the code of conduct, employees are expected to refrain from behaviours that could bring Star Entertainment into disrepute?

**MR ALOI:** Yes.

25 **MS SHARP SC:** And under the code of conduct, it is right, isn't it, that employees are to challenge and report unethical behaviours and practices?

**MR ALOI:** That's right.

30 **MS SHARP SC:** It's also the case that the code of conduct states that employees are expected to provide complete, honest and accurate information to any regulator who lawfully requests information?

**MR ALOI:** Yes.

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**MS SHARP SC:** And have you at all times been aware of that requirement while you have been employed by The Star and Star Entertainment?

**MR ALOI:** Yes.

40

**MS SHARP SC:** Do you agree that holding a casino licence is a special privilege?

**MR ALOI:** Yes.

45 **MS SHARP SC:** And is it right that with that special privilege comes commensurate responsibilities?

**MR ALOI:** Yes.

**MS SHARP SC:** And one of those responsibilities goes to ensuring integrity in casino operations?

5 **MR ALOI:** Yes.

**MS SHARP SC:** And it also goes to ensuring honesty, integrity and transparency in dealings with others?

10 **MR ALOI:** Yes.

**MS SHARP SC:** And do you agree that it is important to be honest, transparent and clear in all dealings that the casino operator has with the regulator?

15 **MR ALOI:** Yes.

**MS SHARP SC:** Now, could I take you, please, to exhibit C at tab 221 - if we can bring it up on the screen - that is, STA.3427.0037.5068. This is an email chain, Mr Aloï, into which you are copied. So we will start at the bottom of this chain. Could I ask you to please have a look at the email from Wallace Liu of 12 March 2018. Do you see that is sent to you?

**MR ALOI:** Yes.

25 **MS SHARP SC:** Do you recall receiving that email?

**MR ALOI:** I do.

**MS SHARP SC:** And did you understand from this email that the question was being asked from a Suncity representative as to whether there was any cash limit on the amount of cash that could be deposited into what is described as the "Suncity cage"?

35 **MR ALOI:** That's right.

**MS SHARP SC:** Now, when you received that email, did you have any concerns about the use of the words "Suncity cage"?

40 **MR ALOI:** Yes, I did.

**MS SHARP SC:** And what was your concern, Mr Aloï?

**MR ALOI:** My concern was, first of all, I was unaware of that title, Suncity Cage, at the time, and my concern was having a cage run inside the casino.

45

**MS SHARP SC:** And - well, the casino does run cages, so what's the problem with this one?

**MR ALOI:** This was a third party.

**MS SHARP SC:** Now, is it right that as at March 2018, Salon 95 had been operated by Suncity for about a month, since February 2018?

5

**MR ALOI:** It may have been. I'm not quite sure of - of the time.

**MS SHARP SC:** Sound about right to you?

10 **MR ALOI:** Yes.

**MS SHARP SC:** So is it right that when you received this email, this is the first time you had heard that the service desk in the Salon 95 room was being referred to as a "Suncity cage"?

15

**MR ALOI:** Yes.

**MS SHARP SC:** Now, can I take you to the email at the top, please. Now, this is an email that you sent to Mr Wayne Willett on 12 March 2018. You say:

20

"You would have thought that Suncity would have an AML program in place and know the reporting controls around that prior to setting up their own cage area in Rivers."

25 Now, do you remember sending this email?

**MR ALOI:** Yes.

**MS SHARP SC:** So is it right that at this time, you weren't pushing back on the proposition that Suncity could operate its own cage in Salon 95?

30

**MR ALOI:** No. I required some clarification from the AML team if they'd heard of what's going on.

35 **MS SHARP SC:** And how did you do that?

**MR ALOI:** I emailed the same email to Oliver White.

**MS SHARP SC:** And we will come to that in a moment. What was your concern about Suncity operating a cage with respect to anti-money laundering?

40

**MR ALOI:** For not having an AML program in place, for a start, and approval from the regulator.

**MS SHARP SC:** So you were - so far as you were aware at the time you got this email, there was no approval from the regulator for Suncity to operate a cage in Salon 95?

45

**MR ALOI:** I'd never seen one.

**MS SHARP SC:** And do you expect you would have, had such approval been given, given your position?

5

**MR ALOI:** Yes.

**MS SHARP SC:** You mentioned an email that you sent to Mr Oliver White. Could I bring up exhibit B tab 705, which is STA.3412.0019.5757. Now, if we can go to the pinpoint 5759, please. Now, if I could direct your attention, Mr Alooi, to the bottom of that page, you will see there's an email from you to Mr White dated 12 March 2018. I will give you a chance to read it, then can you tell me, is this the email you were referring to previously?

10

15 **MR ALOI:** That's right.

**MS SHARP SC:** So in simple terms, you raised your concern with one of the lawyers for Star Entertainment?

20 **MR ALOI:** Yes.

**MS SHARP SC:** Now I will take you to the next email in the chain, please, operator. If we could go up to the top. Now - and we will have to go to the previous page, pinpoint 5758. Now, if I could enlarge Mr White's email, please, operator. This is an email from Mr White to you, Mr Alooi, and others, dated 13 March 2018. Did you read this at the time?

25

**MR ALOI:** Yes.

30 **MS SHARP SC:** And it was at this point, was it, that you were informed that, in fact, Suncity had no authority to operate a cage?

**MR ALOI:** Yes.

35 **MS SHARP SC:** And that any transactions involving cash must only take place at The Star's Sydney cage?

**MR ALOI:** Correct.

40 **MS SHARP SC:** And it's right, isn't it, that at this time, Mr White requested that you should advise him if you became aware that Suncity was handling cash transactions?

**MR ALOI:** Yes.

45

**MS SHARP SC:** Did you become aware subsequently that Suncity was handling cash transactions in the cage?

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

**MS SHARP SC:** At no point did you become aware of that during the period 2018 to 2019?

5

**MR ALOI:** I became aware once the controls were put in place a few months later.

**MS SHARP SC:** So is it right that until those controls were imposed, nobody made it known to you, as the cashier services manager, that Suncity was handling cash in Salon 95?

10

**MR ALOI:** There was one email before May, that year, where a cash player was in that room. I'm not sure if it was at the desk or not.

15

**MS SHARP SC:** And what did that email say?

**MR ALOI:** There was a \$60,000 cash player in that room, but I --

**MS SHARP SC:** And did you take any further steps when you became aware of that email?

20

**MR ALOI:** I can't recall.

**MS SHARP SC:** I will move to a different topic now, Mr Aloii. I would like to call up STA.3034.0001.2165. Could you just pardon me for a moment, please, Mr Bell.

25

**MR BELL SC:** Yes, of course.

30

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

**MR BELL SC:** Yes.

**MS SHARP SC:** I'm just ensuring some documents have been loaded. Mr Bell, I think we have had a little technical hiccup. Could I have a five-minute adjournment to sort out the situation with some documents, please?

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

40

**MS SHARP SC:** Thank you.

**<THE HEARING ADJOURNED AT 10:46 AM**

**<THE HEARING RESUMED AT 11:06 AM**

45

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

**MS SHARP SC:** Thank you. Operator, could you please bring up document STA.3034.0001.2165. This is yet to be included as an exhibit, Mr Bell, so could I have this email chain marked for identification?

5 **MR BELL SC:** Yes. Email chain comprising - or commencing at STA.3034.0001.2165 will be MF116.

**MS SHARP SC:** Now, operator, could I ask you to please turn to pinpoint 2166. And, Mr Aloï, if I have that email enlarged, you will see this is an email from  
10 Brett Houldin, the group manager at the time, dated 8 February 2013 to you and others?

**MR ALOI:** Yes.

15 **MS SHARP SC:** Have you seen this email before?

**MR ALOI:** Yes.

**MS SHARP SC:** May we take it you read it at the time?  
20

**MR ALOI:** Yes.

**MS SHARP SC:** And it commences that:

25 "There has been a request about the use of UnionPay cards across the property as a way to get funds available for gaming. I believe, from memory, it was for the IRB -"

That's international rebate, is it?

30

**MR ALOI:** That's right.

**MS SHARP SC:**

35 "International rebate business to swipe/access cash from the cage, and it was deemed unavailable due to the regs."

Now, it then continues:

40 "This was discussed again today with John to explore the option but through the hotel channel."

Now, do you agree that by the time of this email, you were aware that it was not possible to swipe CUP cards through the cage in order for a patron to purchase  
45 gambling chips?

**MR ALOI:** Yes.



**MS SHARP SC:** And why you did have the awareness by that time?

**MR ALOI:** Because in the legislation, we can't have a device inside the blue line that facilitates gaming.

5

**MS SHARP SC:** Could you explain that in a bit more detail, including what you mean by "device" and "blue line"?

**MR ALOI:** EFTPOS facility/anything similar inside the casino boundary.

10

**MS SHARP SC:** Now, are you there referring to the prohibition in section 74 of the Casino Control Act relating to the use of credit and debit cards for purchasing chips?

15 **MR ALOI:** Yes.

**MS SHARP SC:** Now, you were aware at the time of this email, were you, that there was a proposal to use the hotel in order to swipe the CUP card?

20 **MR ALOI:** Yes.

**MS SHARP SC:** And why was that proposal being explored at that time, Mr Aloï?

25 **MR ALOI:** Because it wasn't inside a casino boundary.

**MS SHARP SC:** But the hotel was not a casino, was it?

**MR ALOI:** No, it wasn't, but it sat outside the boundary.

30

**MS SHARP SC:** So what was being proposed at this time, Mr Aloï?

**MR ALOI:** As I recall, it was being proposed whether - if it was possible to swipe a card at the hotel at the arrival lounge, and once it's into The Star accounts, is it possible to move it across into a patron's front money account.

35

**MS SHARP SC:** So this was a way of stepping around certain regulatory restrictions, was it?

40 **MR ALOI:** Yes.

**MS SHARP SC:** Who came up with that idea?

**MR ALOI:** I can't recall. It may have been either Brett or someone - another general manager maybe.

45

**MS SHARP SC:** It wasn't you?

**MR ALOI:** No.

**MS SHARP SC:** And do you agree that this email asks you to follow up on certain aspects of this proposal?

5

**MR ALOI:** Yes.

**MS SHARP SC:** Now, if I can take you to the second email in the chain, this is one from you dated 8 February 2013 to a number of your colleagues. Do you remember sending this email?

10

**MR ALOI:** Yes.

**MS SHARP SC:** And you refer to checking something with China Union directly. What is it that you checked directly with China Union?

15

**MR ALOI:** I think it was about whether China Union was an option on the property, pretty much.

**MS SHARP SC:** Did you tell - well, who did you speak to at China Union?

20

**MR ALOI:** I can't recall.

**MS SHARP SC:** Did you tell them that the idea was that the China UnionPay cards would be used to transfer money into a patron's front money account?

25

**MR ALOI:** I can't recall.

**MS SHARP SC:** And could I take you - I withdraw that. Could I then take that document down, please, operator, and bring up exhibit B, tab 23, STA.3412.0153.0315. And I will work backwards through this email chain, Mr Aloï. Could we go to pinpoint 0316. And in fact, we will go all the way back to 0317, please. Now - sorry, I've gone too far. We will go to pinpoint 0316. Now, do you see an email from Brett Houldin sent on 18 February 2013 addressed to you and others of your colleagues?

30

35

**MR ALOI:** Yes.

**MS SHARP SC:** And do you agree that this email is describing how the China UnionPay card may be available for use at the casinos?

40

**MR ALOI:** Yes. May I have it please enlarged?

**MS SHARP SC:** Yes. What I will do - I will take you to the end of it first and we will work through it. Could we go to pinpoint 0318. Now, if I just take your attention to the top there, you will see that it says:

45

"The UnionPay debit card is a convenient low-cost way for PRC residents to

get money out of China."

Now, that was consistent with your understanding, was it?

5 **MR ALOI:** Yes.

**MS SHARP SC:** And it was a matter that you understood at all times after reading this email?

10 **MR ALOI:** I believe so, yes.

**MS SHARP SC:** Could I just take your attention a little further down, four lines from the bottom. It says:

15 "The ideal solution would be to have UnionPay debit card facilities at our Sovereign Room cage windows."

So is it right that at this stage, that is, in February 2018, there was a plan of having an EFTPOS machine in the casino cage?

20 **MR ALOI:** Sorry, do you mean 2013?

**MS SHARP SC:** Yes, 2013.

25 **MR ALOI:** I believe that was discussed.

**MS SHARP SC:** But in your view, that couldn't be done because of the provisions in section 74 of the Casino Control Act?

30 **MR ALOI:** That's right.

**MS SHARP SC:** And to be clear, they're the provisions that prohibit a credit or debit card being used to purchase chips?

35 **MR ALOI:** Yes.

**MS SHARP SC:** And that is why you say that there was an option being considered to use the hotel at that time?

40 **MR ALOI:** Yes.

**MS SHARP SC:** Now, if I could work further up this email and take you back, please, to pinpoint 0316. Do you agree that what Mr Houldin is doing is assigning further tasks to people to work on?

45 **MR ALOI:** Yes.

**MS SHARP SC:** And the "David" referred to there is you, is it?

**MR ALOI:** Yes.

**MS SHARP SC:** And you're asked to:

5

"Follow up with Wayne on AML issues."

And you're also asked:

10

"Do we need a new one that's not linked to the casino?"

**MR ALOI:** Yes.

**MS SHARP SC:** And you are also asked:

15

"What code are the cage team going to reference to ensure the Opera/KCMS interface is correct?"

**MR ALOI:** Yes.

20

**MS SHARP SC:** Now, what is the Opera/KCMS interface?

**MR CONDYLIS:** Opera is the hotel sort of system they use, and KCMS as the CMS, which is known as Synkros.

25

**MS SHARP SC:** And the reference - I'm just wondering if you could help me understand what "code" means in the context, "what code are the cage team going to reference"?

30

**MR ALOI:** I believe that means what internal code that will be coded to at the back end.

**MS SHARP SC:** Is that the merchant category code?

35

**MR ALOI:** No.

**MS SHARP SC:** Now, may we take it you did follow up on the tasks that had been assigned to you?

40

**MR ALOI:** I can't recall if I did all of them, but I followed up on some of them. Yes.

**MS SHARP SC:** And just before we leave this email, you will see at pinpoint 0316, under the heading Background, the second-last dot point says:

45

"Our target is for international cash and rebate customers where funds deposited into front money accounts."

Now, that was your understanding of what the target was at that time?

**MR ALOI:** Yes.

5 **MS SHARP SC:** Can I take you, please, to part B, tab 2966, which is STA.3401.0007.1049. And I might have this scrolled down for Mr Aloï to review please, operator. And if we could just stop there on pinpoint 1050. Can you see that the person requesting approval or authorisation, is you?

10 **MR ALOI:** Yes.

**MS SHARP SC:** And that's your handwriting?

**MR ALOI:** Yes.

15

**MS SHARP SC:** And it's dated 25 February 2013?

**MR ALOI:** Yes.

20 **MS SHARP SC:** Do you remember completing this form?

**MR ALOI:** Yes.

25 **MS SHARP SC:** And you will see - is that your handwriting where it says:

"Debit card charged at hotel reception and then internally transferred to front money account."

**MR ALOI:** Yes.

30

**MS SHARP SC:** So we can be confident that by 25 February that the plan was to use the CUP card at the hotel?

**MR ALOI:** Yes.

35

**MS SHARP SC:** But is it your evidence that this was because there was concern that if it was swiped in the cage directly, section 74 of the Casino Control Act may be breached because of the prohibition on credit and debit cards being used to purchase gambling chips?

40

**MR ALOI:** Yes.

**MS SHARP SC:** Did it strike you at that time that such a device was an artifice?

45 **MR ALOI:** Yes.

**MS SHARP SC:** Did that cause any concern to you?

**MR ALOI:** Yes, it did.

**MS SHARP SC:** Did you do anything about that concern?

5 **MR ALOI:** I raised it with my manager at the time, who was Brett Houldin.

**MS SHARP SC:** And what did you say to him?

10 **MR ALOI:** I can't recall exactly, but I raised it as a concern and he just said, "Get it done."

**MS SHARP SC:** And did you raise your concern with anybody else?

15 **MR ALOI:** It may have been with David Kelley at the time. He was the general manager of risk.

**MS SHARP SC:** Do you have a positive recollection of raising the concern with him?

20 **MR ALOI:** I - I do recall having a discussion with him, but I don't - I can't recall the detail.

**MS SHARP SC:** And are they the only people you raised it with?

25 **MR ALOI:** At the time, I think it was.

**MS SHARP SC:** So in proceeding further with this plan, is it fair to say that you did feel uncomfortable with it because you regarded it as an artifice?

30 **MR ALOI:** Yes.

**MS SHARP SC:** Now, just looking further down this form, if we may - could I please have, operator, this scrolled to the next page. And you would agree that Mr Stevens signed this document on about 28 February 2013?

35

**MR ALOI:** Yes.

**MS SHARP SC:** So it's right that you had consulted with him about this proposal by this time?

40

**MR ALOI:** Yes.

**MS SHARP SC:** And you will see there's a reference here to a money laundering assessment. Are you able to tell us what the assessment was?

45

**MR ALOI:** No, I'm - no, I don't, sorry.

**MS SHARP SC:** It says at the bottom of this page that it's:

"Reviewed by relevant AML/CTF compliance officer."

5 And then David Kelley signs on - it looks like 23 May 2013. Was he the  
AML/CTF compliance officer at this time?

10 **MR ALOI:** I know he was the general manager of risk at the time. I'm not sure  
about the AML compliance officer. But that was - I believe he was overseeing that  
part of the business.

**MS SHARP SC:** And then if we go over to the next page, please. And then who is  
this signature that we see here?

15 **MR ALOI:** That's the MD at the time, Frederic Luvisutto.

**MS SHARP SC:** Now, is it right that in this AML assessment I've just taken you  
to, it was assumed that only patrons who already had a front money account would  
be permitted to use their CUP card to swipe and transfer money to their front  
money account?

20 **MR ALOI:** No.

**MS SHARP SC:** It wasn't?

25 **MR ALOI:** If they didn't have one, we would do the necessary KYC and open a  
front money account at the cage. That was a requirement.

30 **MS SHARP SC:** Could I just take you back to pinpoint 1051, please. And I will  
need to have it enlarged so I can read the handwriting, please, operator. Do you  
see in that bottom row that says:

"Reviewed by relevant AML/CTF compliance officer."

35 It says:

"Front money account subject to existing KYC procedures. No credit  
function. Drawdown on cleared funds only."

40 **MR ALOI:** Yes.

**MS SHARP SC:** Doesn't that mean that it was suggested that the customer  
already had to have a front money account to use this facility?

45 **MR ALOI:** No, it doesn't. Not in my view.

**MS SHARP SC:** Could I then take you to STA.3034.0001.1061. Operator, this  
was one of the new documents loaded. Now, here I'm showing you an email from  
Andrew Haberley to yourself dated 11 April 2013?

**MR ALOI:** Yes.

5 **MS SHARP SC:** Now, it's right that Andrew Haberley was the assistant account manager at NAB?

**MR ALOI:** Yes. He was managing The Star account at the time.

10 **MS SHARP SC:** And what he's doing here is attaching a merchant agreement for you?

**MR ALOI:** Yes.

15 **MS SHARP SC:** Are you able to explain what conversations you had had with Mr Haberley, if any, at this time about the CUP proposal?

20 **MR ALOI:** The initial discussion with Andrew Haberley was in February, and it was more about information about CUP at the time. He came back to me with information about - just general information about CUP. And then a week later, he gave me more information. We had another discussion on the phone. It was about what the intention of the business was with CUP, and he was going to follow up further with both NAB and CUP directly. At that time, in February, he forwarded the - more detail about China UnionPay and I gave him some scenarios of what our intention was, and the intention was to transact at the hotel and then move  
25 money across to the front money/playing accounts of the guest. And this email relates to whereby our legal team requested a merchant agreement, which he forwarded to me.

30 **MS SHARP SC:** And that was my very next question. You obtained this, did you, so that you could provide it to your legal team?

**MR ALOI:** That's right.

35 **MS SHARP SC:** And who, in your legal team, were you providing it to?

**MR ALOI:** Initially it was Graeme Stevens, and he forwarded it on to legal.

40 **MS SHARP SC:** Now, you say in your February discussion with Mr Haberley that he provided you with more information about China UnionPay. Was there any discussion at that time about the fact that UnionPay International prohibited China UnionPay cards being used to purchase gaming chips?

45 **MR ALOI:** Not in the initial conversation. I think it was later on in February whereby he forwarded me the rules of China UnionPay, and that's where I found out myself about it prohibited gaming.

**MS SHARP SC:** So is it right that Mr Haberley never told you that the UnionPay rules prohibited the CUP card being used to purchase gambling chips?



**MR ALOI:** Not at that point. He just forwarded me the rules, and I did my own investigation.

5 **MS SHARP SC:** And did your own investigation involve you reading the UnionPay rules yourself?

**MR ALOI:** Yes.

10 **MS SHARP SC:** And at that time, did you become aware that the CUP card could not be used to purchase gaming chips?

**MR ALOI:** Yes. Directly, yes.

15 **MS SHARP SC:** Did this concern you, given the transaction under consideration?

**MR ALOI:** Yes.

20 **MS SHARP SC:** Did you make your concerns known to anybody?

**MR ALOI:** Yes.

**MS SHARP SC:** Who did you make them known to?

25 **MR ALOI:** It was the legal team again, and that was - my initial direct concern was directed to - was the legal team.

30 **MS SHARP SC:** And who in particular in the legal team did you make aware of this?

**MR ALOI:** I can't recall.

**MS SHARP SC:** Would it have been Andrew Power?

35 **MR ALOI:** Possibly by Andrew Power - sorry, it may have been Graeme Stevens who sent it on to Andrew Power at the time.

**MS SHARP SC:** Would it have been Fiona Walmsley?

40 **MR ALOI:** Yes.

**MS SHARP SC:** Would it have been Oliver White?

45 **MR ALOI:** Possibly. I can't be certain.

**MS SHARP SC:** Would it have been Paula Martin?

**MR ALOI:** No.

**MS SHARP SC:** Did you provide - I withdraw that. I will put it - did you at any stage provide the UnionPay rules to the lawyers yourself?

5 **MR ALOI:** Yes. To Fiona Walmsley.

**MR BELL SC:** Mr Aloï, did you understand at the time that The Star's proposal was to use CUP cards to provide funds for patrons for gambling in breach of the UnionPay scheme rules?

10

**MR ALOI:** Yes, I did.

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

15 **MS SHARP SC:** Now, that matter, was that a concern you specifically raised with anyone in the legal team?

**MR ALOI:** I - the only person I can think of was Fiona.

20 **MS SHARP SC:** Did anyone from the legal team have any follow-up conversations with you regarding the appropriateness of using the CUP card to transfer money into a patron's front money account?

**MR ALOI:** Yes.

25

**MS SHARP SC:** And who was that and what was said?

**MR ALOI:** Fiona Walmsley. I can't recall what was said, but I followed up with NAB at the time in regards to that concern.

30

**MS SHARP SC:** And how did you do that?

**MR ALOI:** It was via an email.

35 **MS SHARP SC:** And who was that an email to?

**MR ALOI:** Andrew Haberley.

**MS SHARP SC:** And what did you say in that email?

40

**MR ALOI:** It was about putting the funds through a hotel account and then moving it across to a patron's front money account, and whether that is possible under the rules and --

45 **MS SHARP SC:** Sorry, I cut across you.

**MR ALOI:** And he said at the time via an email response, "As long as the merchant category code allowed the transaction to occur, I don't see a problem

with the funds being dispersed to the operating/playing accounts."

**MS SHARP SC:** And he said that to you in an email, did he?

5 **MR ALOI:** Yes.

**MS SHARP SC:** Did you have any telephone calls with him about this, or were your communications restricted to that email exchange you've just described?

10 **MR ALOI:** There may have been a phone call conversation, but I can't recall that one.

**MS SHARP SC:** So you simply have no memory of such a call?

15 **MR ALOI:** Yes, that's right.

**MS SHARP SC:** Could I take you to an email, please. This is STA.3401.0001.4216. I'm just getting the exhibit number, Mr Bell. Here it is. I will just take you down to the email exchange that starts at the bottom of pinpoint 20 4216. And, operator, if we could show the next page as well, please.

**MS RICHARDSON SC:** It's exhibit 332.

25 **MS SHARP SC:** Thank you, Ms Richardson. Can you read that, Mr Aloï, or do you require it to be enlarged?

**MR ALOI:** It's fine.

30 **MS SHARP SC:** So if we start on pinpoint 4217, we see an email from you to Mr Haberley dated 13 March 2013. And you there say that:

"The purchase would be the hotel package, room cost 1K and they swipe 50K. We then transfer 49K to their account. That would be the scenario. Could that be done do you think?"

35

And then Mr Haberley replies to you on 19 March 2013 and says:

40 "There is no transaction limit assigned by UnionPay, but NAB have a terminal limit of \$999,999. In regards to your request below around withdrawing the funds from customers' cards as they transact at the hotel, UnionPay has advised me this is fine as long as the merchant category code is not restricted or subject to transaction limits."

45 Is this the email exchange you're referring to?

**MR ALOI:** Yes.

**MS SHARP SC:** And you will see that Mr Haberley says to you:

"You will need to keep in mind that the transaction will not be completed and posted for 24 hours. Once the funds hit the account after 24 hours, you can disperse them according to the casino's operating/playing accounts."

5

**MR ALOI:** Yes.

**MS SHARP SC:** Now, after that email exchange, did you and Mr Haberley ever have further email or telephone conversations about the use to which CUP cards would be put when they were swiped at the hotel?

10

**MR ALOI:** I can't recall about a phone call, but there may have been some emails after this time.

**MS SHARP SC:** Now, could I take you, please, to another email, which is in the new documents at STA.3034.0001.2165. Mr Bell, just before I go any further forward, I omitted to obtain a marking of one of the documents, being STA.3034.0001. If I could have that marked for identification, please.

15

**MR BELL SC:** All right. Can you give me the doc ID again, please.

20

**MS SHARP SC:** Yes. STA.3034.0001.1061.

**MR BELL SC:** That's a document you have already taken Mr Aloï to?

25

**MS SHARP SC:** Yes.

**MR BELL SC:** STA.3034.0001.1061 will be MFI17.

**MS SHARP SC:** Could I have this document that I am now showing to Mr Aloï marked as MFI18.

30

**MR BELL SC:** Yes. STA.3034.0001.2165 will be MFI18.

**MS SHARP SC:** Now, it's right when you look at this document, your email from Mr Stevens to Mr Aloï on the 9th of - to you, I apologise - on 9 April 2013, he asked you to provide the merchant agreement so he could provide it on to the legal team?

35

**MR ALOI:** Yes.

40

**MS SHARP SC:** And you did pass that on so that it would be accessible to the legal team?

**MR ALOI:** Yes.

45

**MS SHARP SC:** Could I now take you to exhibit B at tab 2943, which is STA.3401.0007.0424. And if I could take you, please, to pinpoint 0426. And I will

have this - if you have a look at the bottom of this email chain, you will see there's an email from Brett Houldin to you dated 2 May 2013. And Mr Houldin says:

5 "Stephen, not sure how the transaction clearance (24 hours) will work operationally with any patrons?"

Now, you read that email at the time?

10 **MR ALOI:** Yes.

**MS SHARP SC:** Could I now take you up the chain, please. And you would agree that by this time, you were looking to amend an internal control in relation to China UnionPay?

15 **MR ALOI:** Yes.

**MS SHARP SC:** I will come back to that. Could I then show you pinpoint 0427. And if we could take you, please, to the bottom email, being from Andrew Power. You will see you're not included within this email, but do you agree that this email  
20 is forwarded to you, if we look at the next email in the chain?

**MR ALOI:** Yes.

**MS SHARP SC:** You do. You will see that Mr Power has referred to an advice  
25 that has been received about the operation of section 74(1)(c). Now, that is the provision that prohibits gaming chips being purchased on credit card or debit card. Did you ever review a copy of that external advice at the time?

30 **MR ALOI:** No.

**MS SHARP SC:** But did you read this email from Mr Power at the time which purported to summarise that advice?

35 **MR ALOI:** Yes.

**MS SHARP SC:** Did you thereafter understand that it had been advised that there was an exception to that rule in section 74(1)(c) which was to be found in section  
40 75?

**MR ALOI:** Yes.

**MS SHARP SC:** So is it right that your concern about the use of CUP cards to purchase chips was somewhat ameliorated by the fact that external lawyers had suggested there was a workaround?  
45

**MR ALOI:** Yes.

**MS SHARP SC:** And did you understand at the time that the workaround was that

under - it was permissible under section 75 for money to be deposited into a patron deposit account?

**MR ALOI:** Yes.

5

**MS SHARP SC:** And did you understand that the legal advice was to the effect that whether money had been deposited into the patron's deposit account would depend upon whether it could be said that money could lawfully be received into that account by way of electronic fund transfer?

10

**MR ALOI:** Yes.

**MS SHARP SC:** And thereafter, did you understand that your concern could be ameliorated if The Star sought approval from the authority to amend internal control 15 to make provision for money to be deposited by way of electronic funds transfer?

15

**MR ALOI:** Yes.

**MS SHARP SC:** So is it right that what you then set about doing was drafting an amendment to internal control 15 to put this amendment before the authority?

20

**MR ALOI:** Yes.

**MS SHARP SC:** And is it right that your sole concern at this point, that is, early May, was in having the authority amend internal control 15 so that it would also refer to electronic funds transfers?

25

**MR ALOI:** Yes.

30

**MS SHARP SC:** Now, are you aware that the external advice that was sought did not touch upon the question of whether there was any breach of China UnionPay rules by swiping the card in the hotel and thereafter transferring the funds over to patrons' front money accounts?

35

**MR ALOI:** I'm not aware because I haven't seen that advice.

**MS SHARP SC:** Are you aware that any external advice was ever provided about the propriety of doing that?

40

**MR ALOI:** I'm not aware.

**MS SHARP SC:** So certainly none was ever drawn to your attention?

**MR ALOI:** Yes.

45

**MS SHARP SC:** Can I move forward in time a little bit, Mr Aloï, and I will show you one of the new documents, which is STA.3034.0001.1957. Now, could I take

you to the bottom of this - well, almost the bottom - to an email from you to Ms Lim dated 30 April 2015?

**MR ALOI:** Yes.

5

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

"To ensure we are not in breach of CUP policy as per their agreement, we are only to use terminal with merchant code 7011."

10

**MR ALOI:** Yes.

**MS SHARP SC:** Now, obviously you knew that in 30 April 2015, but is it right that you also knew this by April of 2013?

15

**MR ALOI:** Yes.

**MS SHARP SC:** And you understood, didn't you, that merchant code 7011 refers to accommodation facilities?

20

**MR ALOI:** Yes.

**MS SHARP SC:** And you understood that that code needed to be used so that - I withdraw that. Now can I take you to another new document, STA.3034.0001.0676. Just before we leave that, I should have that document marked, Mr Bell.

25

**MR BELL SC:** Yes. STA.3034.0001.1957 will be MFI19.

30

**MS SHARP SC:** Thank you, Mr Bell. And I will now call up another new document, STA.3034.0001.0676. I'm sorry, it is 1676. And, really, just to confirm your understanding back in 2013, Mr Aloï, if I could take you to the bottom email. This is one from Fiona Walmsley, 17 June 2013. It is sent to Mr Stevens, Mr Andrew Power and yourself. Do you recall receiving this email at the time?

35

**MR ALOI:** Yes.

**MS SHARP SC:** And you will see that it refers to merchant category codes and the prohibited merchant category code 7995?

40

**MR ALOI:** Yes.

**MS SHARP SC:** And that was a prohibited category code which referred to purchasing gaming chips, was it?

45

**MR ALOI:** Yes.

**MS SHARP SC:** And was it your job at that time to find a merchant category

code --

**MS RICHARDSON SC:** Ms Sharp has frozen on our screen.

5 **MR BELL SC:** Yes. Would you like to repeat that question, Ms Sharp?

**MS SHARP SC:** Yes. Was your job at that time, Mr Aloï, to locate a suitable merchant category code to use that was not prohibited by UnionPay International?

10 **MR ALOI:** It was done much earlier than that time.

**MS SHARP SC:** Yes, but was that your job?

**MR ALOI:** Yes.

15

**MS SHARP SC:** All right. And then if we look to the top of this email chain, you email Ms Walmsley, Mr Power and Mr Stevens, advising that The Astral VIP lounge merchant category code is 7011, which is lodging, hotels, motels and resorts?

20

**MR ALOI:** Yes.

**MS SHARP SC:** So the plan at this time was to have the EFTPOS terminal be marked with the merchant code 7011?

25

**MR ALOI:** Yes.

**MS SHARP SC:** Even though it was your understanding at this time that the China UnionPay card would be swiped in order to permit the patron to have money transferred to a front money account so they could purchase chips?

30

**MR ALOI:** Yes.

**MS SHARP SC:** Did that strike you as somewhat of an artifice at the time?

35

**MR ALOI:** Yes.

**MS SHARP SC:** Was your concern that a merchant code was being used that did not truly reflect what service or good was, in fact, being purchased on the card?

40

**MR ALOI:** Yes, it did.

**MS SHARP SC:** And did you raise that concern with anyone?

45 **MR ALOI:** I can't recall if I raised it, but the reason why we come about with 7011 is because the merchant category code is based on the location of the terminal. And advice received from NAB at the time was if the MCC, they call it, is based at an EB level - EB level is the location of a terminal - hence they said if



you put it into a location that is allowable under the rules, which is 7011, you could then transfer it to one of the casino operating accounts.

5 **MR BELL SC:** Mr Aloï, did you understand at the time that the merchant category codes were designed to identify the service being provided rather than where the terminal was located?

**MR ALOI:** I'm not sure if I did or not.

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

**MS SHARP SC:** With this advice you say was provided from NAB, was that in the email chain that I previously took you to, or was that in some other communication?

15 **MR ALOI:** That was in some other communication.

**MS SHARP SC:** And was that a communication that occurred by email or over the phone, or how?

20 **MR ALOI:** That was an email from NAB to our treasury manager at the time whereby he stated the EB level - sorry, the MCC is determined by the EB level, which is the location of a terminal.

25 **MS SHARP SC:** And do you - are you still in possession of that email?

**MR ALOI:** Yes.

30 **MS RICHARDSON SC:** Perhaps if we go into private mode, I could assist on that.

**MS SHARP SC:** I don't think it's necessary. I'm thankful to Ms Richardson for that indication. I don't think I need to take that further at this time, Mr Bell.

35 **MR BELL SC:** Yes. All right.

**MS SHARP SC:** I will move on. Can I just have this document marked, Mr Bell?

40 **MR BELL SC:** Yes. The email chain commencing at STA.3034.0001.1676 will be MFI20.

**MS SHARP SC:** Now, you told me a moment ago that you did feel uncomfortable because this was somewhat of an artifice. Did you raise that concern with anybody at Star Entertainment at this point in time?

45 **MR ALOI:** Yes. Definitely Graeme Stevens. I can't recall - and possibly Fiona.

**MS SHARP SC:** And what were their responses?

**MR ALOI:** They were comfortable with the 7011 due to the fact it's based on the location of a terminal.

5 **MS SHARP SC:** Did that give you some comfort, or did you remain feeling somewhat uncomfortable about this matter?

**MR ALOI:** It gave me a bit of comfort, yes.

10 **MS SHARP SC:** Did you remain feeling somewhat uncomfortable about the matter?

**MR ALOI:** No, I don't think I did, not to the extent I was earlier.

15 **MS SHARP SC:** Can I move forward in time now, and I will show you exhibit B3100, which is STA.3401.0006.2956. Now, you will see this is a document from you - signed off by you, Mr Aloï, in your capacity as regulatory manager of New South Wales, to New South Wales Liquor and Gaming dated 10 September 2021, and it's in relation to a section 21 notice?

20

**MR ALOI:** Yes.

**MS SHARP SC:** And I take it you were involved in the preparation of this response?

25

**MR ALOI:** Yes.

**MS SHARP SC:** What was your involvement in the preparation of this response?

30 **MR ALOI:** Working with the business in collating as much information as possible for the request of information and records from Liquor and Gaming. And even though I signed the final letter, it's more of a collaboration of various stakeholders within the business.

35 **MS SHARP SC:** And did you understand it was important to provide the most accurate response available?

**MR ALOI:** Yes.

40 **MS SHARP SC:** And did you understand that it was important to include all relevant details in the response?

**MR ALOI:** Yes.

45 **MS SHARP SC:** And may we take it that, so far as you were aware, you ensured that no relevant information was omitted from this response?

**MR ALOI:** Yes.

**MS SHARP SC:** Could I take you, please, to pinpoint 2960. And there is, right at the top of that page, a question:

5 "Was the regulator informed about the CUP process? If not, why not?"

And then an answer is provided. Now, were you involved in the formulation of this response?

10 **MR ALOI:** Yes. Part thereof, yes. Correct.

**MS SHARP SC:** When you say "part thereof", what's the "part thereof" mean?

15 **MR ALOI:** It's more I may have been assisted from legal at some point with some of the wording.

**MS SHARP SC:** So in answer to the question:

20 "Was the regulator informed about the CUP process?"

The answer is:

25 "Yes, the casino regulator was informed about The Star's intended use of the CUP process as part of a request to update relevant internal controls. ILGA was advised in May 2013 about the proposed introduction of the CUP process and how it would work in a meeting with Graeme Stevens and David Aloï."

And:

30 "Approval to change the cheque cashing facility ICM to facilitate the use of the CUP process was given by ILGA on 5 June 2013."

35 Now, you understood, didn't you, that it was important to provide as much information as possible about how the regulator was informed of the CUP process?

**MR ALOI:** Yes.

40 **MS SHARP SC:** And may we take it that if you remembered more information about that than is recorded in paragraph 2 that I have just taken you to, it would have found its way into this answer?

**MR ALOI:** Yes.

45 **MS SHARP SC:** So what we do know is that you and Mr Stevens met with ILGA in May 2013?

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

**MS SHARP SC:** And your recollection is that the proposed introduction of the CUP process was referred to in that meeting?

5 **MR ALOI:** That's right.

**MS SHARP SC:** But is it correct that you have no further recollection of what was discussed in that meeting?

10 **MR ALOI:** That's right.

**MS SHARP SC:** Because if you did have any further recollection, it would have been included in this response; correct?

15 **MR ALOI:** Yes.

**MS SHARP SC:** Does that mean that you cannot say one way or the other whether, at that meeting, the authority was informed that the CUP card would be swiped at the hotel?

20 **MS RICHARDSON SC:** I object to that question. The material that the witness is being asked to comment on is a description that it was explained to ILGA how the CUP process would work. So in my submission, the question is not fairly characterising the material in that document.

25 **MR BELL SC:** Ms Sharp?

**MS SHARP SC:** I just wanted to ask a question about his understanding.

30 **MR BELL SC:** Yes. It was an open question, Ms Richardson. I will allow it.

**MS SHARP SC:** Is it right that you have no recollection at all as to whether the authority was informed that the CUP card would be used - or swiped at the hotel?

35 **MR ALOI:** I don't have a recollection of the conversations as such, but there were subsequent emails, I believe, between the regulator and myself and Graeme about discussions about debit cards, so to speak. But I don't recall the specifics of the conversation of that meeting.

40 **MS SHARP SC:** And is it right that you have no recollection of telling the authority during that meeting that China UnionPay, in fact, prohibited China UnionPay cards being used to purchase gambling chips?

**MR ALOI:** I have no recollection if that was discussed or not.

45 **MR BELL SC:** Are you saying you have no recollection one way or the other, Mr Alois?

**MR ALOI:** Correct. That's right.

5 **MR BELL SC:** If you had told the authority that what The Star was proposing was a breach of the UnionPay scheme rules, that is surely something you would remember?

**MR ALOI:** Absolutely. But I don't recall that discussion taking place either way.

10 **MR BELL SC:** Well, if that's the case, should I conclude that, so far as you can recall, the authority was not informed that what The Star was proposing was a breach of the UnionPay scheme rules?

15 **MR ALOI:** Like I said before, I can't comment either way on that one because I can't recall.

**MR BELL SC:** But you did tell me, did you, that you would recall now if that matter had been discussed?

20 **MR ALOI:** I would think so, yes.

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

25 **MS SHARP SC:** And given that you felt somewhat uncomfortable about what we've previously described as an artifice, does it stand to reason that it is most likely that you did not tell the regulator that the CUP rules prohibited the CUP card from being used to purchase chips?

30 **MR ALOI:** Yes. Again, I'm not sure if it's likely or unlikely because I can't recall that conversation taking place.

**MR BELL SC:** At any time subsequently to May 2013, did you ever inform the regulator that what The Star was doing was, to your understanding, a breach of the UnionPay scheme rules?

35 **MR ALOI:** I know China UnionPay was definitely discussed with them, but I'm not sure if the rules were.

**MR BELL SC:** So what's the answer to my question?

40 **MR ALOI:** About discussing the scheme rules?

45 **MR BELL SC:** At any time subsequently to May 2013, did you ever inform the authority that, as you understood it, what The Star was doing was in breach of the UnionPay scheme rules?

**MR ALOI:** No, I didn't personally.

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

**MS SHARP SC:** But the fact remains that the only amendment you sought at this May 2013 meeting was an amendment to internal control 15 to add the words "electronic funds transfer"?

5

**MR ALOI:** Yes.

**MS SHARP SC:** Now, can I take you, please, to STA.3027.0001.0001, which is exhibit C, tab 1. Now, you're not a party to this email, but do you see that what it is advising is that on 6 May 2013 a submission is being sent to the authority?

10

**MR ALOI:** Yes.

**MS SHARP SC:** Did you see a copy of that submission at or about the time it was sent?

15

**MR ALOI:** I don't think I did.

**MS SHARP SC:** But you attended a meeting to discuss that submission?

20

**MR ALOI:** Yes.

**MS SHARP SC:** I'm just wondering, why did you attend that meeting?

**MR ALOI:** Sorry, can you repeat that?

25

**MS SHARP SC:** Why did you attend that meeting?

**MR ALOI:** Because it was a cage function, hence I was invited to the - the meeting.

30

**MS SHARP SC:** Did you attend meetings very frequently with the regulator?

**MR ALOI:** Only if it related to cage matters. But we had a - a relationship with the regulator because they were in-house, hence I met with them regularly.

35

**MS SHARP SC:** At the time you met with the regulator, did you hold the expectation that if you told the regulator that, in fact, UnionPay prohibited China UnionPay cards being used to purchase gambling chips, the regulator would approve that proposal?

40

**MR ALOI:** Unlikely.

**MS SHARP SC:** It's most unlikely the regulator would approve such a proposal, isn't it?

45

**MR ALOI:** Yes.

**MS SHARP SC:** And you understood that at the time, didn't you?

**MR ALOI:** Yes.

5 **MS SHARP SC:** Well, doesn't that suggest to you that it is most unlikely that you, or Graeme Stevens, told the regulator that UnionPay International prohibited CUP cards being used to purchase gambling chips?

10 **MR ALOI:** As I stated before, it's with the MCC code. Because it wasn't related to a facility with gaming - it was based on where the terminal was located - I felt comfortable with that reasoning, on that advice from NAB.

15 **MS SHARP SC:** But my suggestion to you - and I will put it again - is doesn't it suggest to you that it was most unlikely that you would have told the regulator that UnionPay prohibited CUP cards being used to purchase gaming chips?

**MR ALOI:** I can't recall that conversation taking place either way, yes or no.

20 **MS SHARP SC:** But --

**MR BELL SC:** Can you answer Ms Sharp's question please, Mr Aloï.

**MR ALOI:** I don't recall that taking place at all.

25 **MR BELL SC:** You knew that it was most unlikely that the regulator would have approved this arrangement if you had told them that it was in breach of the UnionPay scheme rules; correct?

30 **MR ALOI:** Yes.

**MR BELL SC:** Does it not follow that it's most unlikely that you did inform the regulator at this time that the proposal was in breach of the UnionPay scheme rules?

35 **MS RICHARDSON SC:** Well, I do - just wait - I do object to that question because it's premised on the basis that the arrangement that was put forward was, in fact, a breach of the UnionPay rules.

40 **MR BELL SC:** Well, Ms Richardson, I understand this witness to have told me a couple of times that he understood it was in breach of the UnionPay scheme rules.

**MS RICHARDSON SC:** Well, he may have had an understanding. But in my submission, it can't be put that the arrangement that was put forward was, in fact, a breach of the UnionPay rules. It can't be put to this witness.

45 **MR BELL SC:** Well, Ms Richardson, that's not what I asked. I asked him about his understanding. Perhaps we can move on and I will just ask the question again. You've told me - and tell me if I am wrong - that you understood that what The

Star was proposing was in breach of the UnionPay scheme rules; correct?

**MR ALOI:** If we went through the - the cage, yes.

5 **MR BELL SC:** Well, did you or did you not understand that what was being proposed was in breach of the UnionPay scheme rules? You have answered this question a few times, but I'm just trying to clarify it.

**MR ALOI:** Yes.

10

**MR BELL SC:** And is it also the case that you understood it was most unlikely that if you informed the regulator that what you were proposing was in breach of the scheme rules, they would have approved it?

15 **MR ALOI:** Yes.

**MR BELL SC:** And does it not follow that it's most unlikely that you did inform the regulator that what was being proposed, as you understood it, was in breach of the UnionPay scheme rules?

20

**MR ALOI:** Yes.

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

25 **MS SHARP SC:** If I could take the witness to exhibit C, tab 2, which is STA.3027.0001.0003. Now, you will see this is a submission that Mr Graeme Stevens signed off on to the authority in relation to amending internal control 15. Is your evidence that you weren't shown this submission before you attended the meeting with ILGA?

30

**MR ALOI:** I don't recall seeing this.

**MS SHARP SC:** But didn't you draft the amendment to paragraph 15?

35 **MR ALOI:** That's right.

**MS SHARP SC:** You do agree, though, that there's nothing in this submission which refers to China UnionPay?

40 **MR ALOI:** That's right.

**MS SHARP SC:** And there's certainly nothing in this submission that refers to UnionPay International prohibiting China UnionPay cards from being used to fund gambling chips?

45

**MR ALOI:** Yes.

**MS SHARP SC:** And there's nothing in this submission that suggests that China



UnionPay cards will be swiped at the hotel rather than at the cage?

**MR ALOI:** That's right.

5 **MS SHARP SC:** Can I take you, please, to STA.3008.0004.0869. This is exhibit B, tab 29. Now, this is a letter from the manager of casino review at ILGA to the managing director of The Star, dated 5 June 2013, granting the approval. Was this shown to you?

10 **MR ALOI:** I think I've seen this before.

**MS SHARP SC:** And do you see that approval is granted to amend the internal control on cheque cashing and deposit facilities by amending control 15 to make a specific reference for patrons' funds that are transferred via electronic funds transfer?  
15

**MR ALOI:** Yes.

**MS SHARP SC:** And there is certainly nothing in this approval letter about using CUP cards?  
20

**MR ALOI:** Yes.

**MS SHARP SC:** And in particular, about using CUP cards at the hotel?  
25

**MR ALOI:** Yes.

**MS SHARP SC:** Now, can I take you, please, to one of your emails, which is exhibit B at tab 32 at STA.3412.0151.0026. And can we go to - we will have to go to the back, point 0031. Now, that same day that approval was granted, it's right that you sent an email to some of your colleagues, including Graeme Stevens and Brett Houldin, advising that The Star was now accepting the use of China UnionPay debit cards at the VIP arrival and check-in lounge?  
30

35 **MR ALOI:** Yes.

**MS SHARP SC:** And what you did was attach - do you see that you refer to - you say:

40 "Refer attached SOP."

**MR ALOI:** Yes.

**MS SHARP SC:** Could I take you to the attachment, please, which is exhibit B at tab 33. Now, this is, in fact, a flowchart you attached, and this explained your understanding of the way the buy-in would occur when a CUP card when been used?  
45

**MR ALOI:** Yes.

**MS SHARP SC:** Could we scroll down to the next page, please. And is this a flowchart that you developed, Mr Aloï?

5

**MR ALOI:** I think this was developed from - with myself and Brett Houldin.

**MS SHARP SC:** Did you draft it?

10 **MR ALOI:** I don't recall if I drafted it, but it was definitely myself and Brett Houldin. I think it was more Brett Houldin with the initial stage, and I finished it off for him.

15 **MS SHARP SC:** And this flowchart was certainly not a document that you provided to the authority in your meeting in May of 2013?

**MR ALOI:** I don't recall that.

20 **MS SHARP SC:** And what do you describe this flowchart as?

**MR ALOI:** It's more of a process of how the transaction would take place.

25 **MS SHARP SC:** And who was this document to be provided to, to your understanding?

**MR ALOI:** The hosts, cage staff, marketing staff maybe.

30 **MS SHARP SC:** But it's right that this was not incorporated into the cage SOP at about this time, isn't it?

**MR ALOI:** That's right.

**MS SHARP SC:** Why did you keep it out of the cage SOP?

35 **MR ALOI:** Because this is not the right format that gets included an SOP.

**MS SHARP SC:** Well, couldn't you have put it into the right format and then included it in the cage SOP?

40 **MR ALOI:** I could have, yes.

**MS SHARP SC:** Why didn't you?

45 **MR ALOI:** I'm not sure. I can't answer that one.

**MS SHARP SC:** Did you deliberately leave this as a standalone document?

**MR ALOI:** No, not at all.

**MS SHARP SC:** Pardon me, Mr Bell. Could I call up exhibit C at tab 317, which is STA.3008.0023.8406. Now, this document doesn't bear a date. Are you able to indicate what the date of this document is?

5

**MR ALOI:** It may have been, once it was approved, in June that year - or May or June that year, 2013.

**MS SHARP SC:** So this is a - you see down the bottom it says "version 1.0"?

10

**MR ALOI:** Yes.

**MS SHARP SC:** So it seems that you did put this into a format that resembles the format used in the cage standard operating procedure; don't you agree?

15

**MR ALOI:** Yes.

**MS SHARP SC:** But yet it wasn't put into the cage standard operating procedure?

20

**MR ALOI:** That's right.

**MS SHARP SC:** Why was that?

25

**MR ALOI:** This is just replicating, pretty much, the previous slide that you showed.

**MS SHARP SC:** But why didn't you paste this document into the cage standard operating procedure and amend it?

30

**MR ALOI:** This carries the same information.

**MS SHARP SC:** Was there any deliberate decision made by you to leave this as a standalone document, rather than incorporating it into the cage standard operating procedure?

35

**MR ALOI:** No, there wasn't.

**MS SHARP SC:** Now, it's right that a problem emerged with the use of the CUP card during 2013, and that was that it was taking too long for funds to clear in The Star's accounts; isn't that so?

40

**MR ALOI:** Yes.

**MS SHARP SC:** And that meant that there was a delay, sometimes of some days, between the time where the patron first swiped his or her card at the VIP lounge and the time at which gaming chips could be made available to that patron?

45

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

**MS SHARP SC:** And the concern there was if The Star did not wait for the funds to clear before providing the chips, it would be regarded as having provided credit to the patron?

5

**MR ALOI:** That's right.

**MS SHARP SC:** And at that time, that was prohibited by the Casino Control Act?

10 **MR ALOI:** Yes.

**MS SHARP SC:** Can I take you, please, to exhibit B, tab 32, which is STA.3412.0151.0026. And if we go to point 0027. Now, if I take you, firstly, to the email of 19 June 2013 from Mr Mark Walker, do you recall receiving that at the time?

15

**MR ALOI:** Can you enlarge that, please? Thank you. Yes.

**MS SHARP SC:** And just to assist, can I take you to point 0029. If I direct your attention to the bottom of the page, the email sent from Mr Houldin to you on 19 June 2013, it advises that some patrons are wanting to do this, but they're turned off by the 24-hour turnaround?

20

**MR ALOI:** Yes.

25

**MS SHARP SC:** And you agree you were, in fact, aware of that concern at that time?

**MR ALOI:** Yes.

30

**MS SHARP SC:** And then could I take you to pinpoint 0028. And there do you see Mr Stevens sends an email to you on 19 June 2013?

**MR ALOI:** Yes.

35

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

"Regulatory, if we release funds before they can be seen in our account, ILGA regard this as the provision of credit."

40

Now, that was consistent with your understanding of what the problem was at this time?

**MR ALOI:** That's right.

45

**MS SHARP SC:** Could I then take you, please, to exhibit B at tab 38, to STA.3008.0008.0184. And I will just have that email enlarged. You will see that's an email from Mr Oliver White to you and many of your colleagues, dated 26 July

2013?

**MR ALOI:** Yes.

5 **MS SHARP SC:** And Mr White says in the second paragraph that:

"In New South Wales, our regulator interprets the CCA such that cleared funds are required by the electronic funds transfer before chips may be issued, otherwise it is providing credit, which is prohibited under the CCA."

10

And then if I take you to pinpoint 0188 - I beg your pardon, 0.185. Following up that email chain, do you see that Damian Quayle, on 26 July 2013, sent an email to Mr Walker, copied to you and others, who comments:

15 "Far too long."

And you understood, didn't you, that he was saying it was far too long waiting for the funds to clear?

20 **MR ALOI:** Yes.

**MS SHARP SC:** So it's correct, isn't it, that by this time, you and others working with you were looking for a workaround so that patrons who swiped their CUP cards could have made available to them the chips as soon as they had swiped the CUP card?

25

**MR ALOI:** Yes, the business was looking at options. Yes.

**MS SHARP SC:** And were you involved in an approach to ILGA at that time?

30

**MR ALOI:** I don't recall, no.

**MS SHARP SC:** Well, let me take you to a letter and you can let us know whether you've seen it before, exhibit C at tab 7. This is ILGA.013.001.0073.

35 Now, I will just have you look at the last page of it. Operator, if we could go to the next page. You will see it is signed off by Graeme Stevens?

**MR ALOI:** Yes.

40 **MS SHARP SC:** Now, have you seen this document before?

**MR ALOI:** No, I have not seen this before.

45 **MS SHARP SC:** Well, I want to ask you about its contents because what the proposed change related to was the use of debit cards at the casino. And the proposal being put forward to the authority was that once the debit card transaction was processed, a merchant copy receipt would be printed, and The Star contended that the receipt was sufficient proof that the funds would be released to

the patron so that it was not providing credit to immediately make chips available. Were you aware that that proposal was being put to the authority in around November 2013?

5 **MR ALOI:** I was made aware of it maybe in 2014. I'm not sure about 2013.

**MS SHARP SC:** And what were you made aware of in 2014?

**MR ALOI:** About debit card transfers.

10

**MS SHARP SC:** And what about debit card transfers?

**MR ALOI:** Whether that can be put in place.

15 **MS SHARP SC:** And what was ILGA's response?

**MR ALOI:** I think they were positively interested initially, in 2014, and they wanted some clarification about the - you know, the delays that are occurring with when the funds will arrive and that sort of thing.

20

**MS SHARP SC:** And was that clarification provided?

**MR ALOI:** Yes. Mr Stevens provided it to them.

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

**MR ALOI:** I'm not sure what happened after that.

**MS SHARP SC:** Did you know that the submission I've just shown to you was not approved by ILGA?

30

**MR ALOI:** I knew it didn't have any legs, so to speak. I'm not sure why.

**MS SHARP SC:** I'm not sure what "didn't have any legs means". Could you just explain that?

35

**MR ALOI:** Sorry, the submission.

**MS SHARP SC:** So it wasn't approved?

40

**MR ALOI:** Yes.

**MS SHARP SC:** So did you understand that the authority did not accept that a receipt printed out from a terminal which processed a debit card could be used to establish that funds had cleared into The Star's account?

45

**MR ALOI:** I wasn't made aware of the reason why it was not approved.

**MS SHARP SC:** Well, I will put it another way. Did you know that merely having a receipt from an EFTPOS terminal did not mean you had cleared funds when the CUP card was swiped?

5 **MR ALOI:** Yes.

**MS SHARP SC:** And isn't it right that you investigated another workaround this problem of the delay in funds clearing?

10 **MR ALOI:** The business did, yes.

**MS SHARP SC:** When you say "the business did", did you have any involvement in developing that workaround?

15 **MR ALOI:** No, I didn't.

**MS SHARP SC:** And just to cycle back to this, is it right that you did not have any dealings yourself with ILGA in around November 2013 when the submission I've just shown to you was put to ILGA?

20

**MR ALOI:** I can't recall if I had any discussion with ILGA at the time, but I had discussions with ILGA in 2014 about this process.

25 **MS SHARP SC:** Okay. What discussion did you have in 2014 with ILGA about this process?

**MR ALOI:** That was a discussion in the meeting room on site with ILGA, just going through the concept of how this would work.

30 **MS SHARP SC:** And can you, doing the best you can, tell us what was actually discussed?

35 **MR ALOI:** About using a debit card transaction with a receipt and taking that as cleared funds, and that's where they wanted more information about the - the time delay in receiving those funds. I can't recall much more than that.

**MS SHARP SC:** Was this at a time before they knocked back the submission?

40 **MR ALOI:** Yes.

**MS SHARP SC:** And when you say the meeting occurred on site, do you mean on site at The Star Casino?

45 **MR ALOI:** Yes, because the regulator was on site during that time.

**MS SHARP SC:** And whereabouts exactly were you when you had this meeting on site?

**MR ALOI:** In the ILGA offices.

**MS SHARP SC:** Did you tell them that the debit would be made from a China UnionPay card?

5

**MR ALOI:** I believe it was discussed.

**MS SHARP SC:** What words were used?

10 **MR ALOI:** China UnionPay.

**MS SHARP SC:** Did you tell them at that time that, in fact, UnionPay International prohibited the use of China UnionPay cards being used to purchase gambling chips?

15

**MR ALOI:** I don't recall if that was discussed.

**MS SHARP SC:** It's most likely it was; do you agree - most unlikely it was; do you agree?

20

**MR ALOI:** Yes.

**MS SHARP SC:** And did you tell them that, in fact, the CUP card was being swiped at the hotel rather than at the casino?

25

**MR ALOI:** I can't recall that, but I'm sure they would have been aware because we can't have that within the boundary.

**MS SHARP SC:** Now, you say that the business developed a workaround. What was that?

30

**MR ALOI:** The temporary CCF option.

**MS SHARP SC:** And could you explain to us what the temporary CCF option was.

35

**MR ALOI:** The temporary CCF option was a workaround in lieu of the funds arriving, the business was looking at proposing a temporary CCF for the equivalent funds drawn against the - the cardholder until such time, when the funds arrived, they could have those funds, pretty much, you know, in a short space of time. When the funds arrived within 24 to 48 hours, we would redeem that CCF.

40

**MS SHARP SC:** Pardon me for one moment. Now, could I take you to - this is a new document - STA.3034.0001.2101. Mr Bell, could I have this marked for identification? This is one of the new --

45

**MR BELL SC:** Yes. STA.3034.0001.2101 will be MFI21.



**MS SHARP SC:** Now, I will work from the back of this, if I can, Mr Aloï. So if we go to pinpoint 2103, you will see there's an email from Suzanne Mawer of 21 February 2014 to you?

5

**MR ALOI:** Yes.

**MS SHARP SC:** And do you see the subject is SOP Additions for Debit Card?

10 **MR ALOI:** Yes.

**MS SHARP SC:** And she asks you, and Mr Stevens to whom it is also addressed:

15 "Can you please have a look at the attached and mark up anything that needs tweaking."

Now, it's right she was referring to a standard operating procedure, isn't it?

20 **MR ALOI:** Yes.

**MS SHARP SC:** Could I then take you to the next - the email at the bottom of pinpoint 2102. And you will agree that you're sent that email on 21 February 2014?

25 **MR ALOI:** Yes.

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

30 "Hi all. The standard operating procedure should not specify China UnionPay. Why is this not done in the buy-in room or at the cage? The SOP should simply be labelled Debit Card Fund Transfer and deal specifically with the use of the debit cards by international players."

35 And then can we go to your response, please, which is on pinpoint 2102. And do you see there's an email from you to Mr Stevens and Ms Mawer dated 21 February 2014 at 5 pm?

**MR ALOI:** Yes.

40 **MS SHARP SC:** And you say:

"The reason it's at Astral VIP lounge is because it can't be directly linked to the casino's account as it's against CUP policy."

45 Now, this reflected your understanding at the time that UnionPay International prohibited CUP cards being used to purchase gambling chips?

**MR ALOI:** Yes.

**MS SHARP SC:** And you then say:

5 "If we change to SR buy-in room, we will remove the existing CUP SOP and implement the new debit card SOP. However, we would need the NAB terminal linked to a bank account, not linked to gaming as such."

What were you saying here?

10 **MR ALOI:** I can't recall the reason why - what I was saying. If he was suggesting to put it in the buy-in room, it can't be linked - can't be linked to gaming.

**MS SHARP SC:** And that was --

15 **MR BELL SC:** What is the SR buy-in room, Mr Aloï?

**MR ALOI:** It's a Sovereign Room buy-in room, which is adjacent to the cage. So I was surprised this was brought up by Mr Stevens.

20 **MS SHARP SC:** Why were you surprised?

**MR ALOI:** Because we couldn't have debit card - or any facilities as such within the casino boundary.

25 **MS SHARP SC:** And that is because of the rule in section 74(1)(c), is it?

**MR ALOI:** Correct.

30 **MS SHARP SC:** Now, did you listen to the evidence given by Ms Scopel in these proceedings?

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

35 **MS SHARP SC:** Have you been made aware of its contents?

**MR ALOI:** No, I haven't.

40 **MS SHARP SC:** Did you listen to the evidence of Ms Dudek in these proceedings?

**MR ALOI:** No, I haven't.

**MS SHARP SC:** Have you been otherwise made aware of its contents?

45 **MR ALOI:** No. I just saw a media excerpt.

**MS SHARP SC:** Now, were you aware in 2019 that UnionPay International, via the NAB, was making inquiries of The Star in relation to transactions it had

flagged as suspicious?

**MR ALOI:** Yes.

5 **MS SHARP SC:** How did you become aware of that?

**MR ALOI:** I was working in treasury at the time. So I just moved there in July 2019. The first email that I saw was in August, the following month, of 2019. That's when I was first made aware. And if I recall - because I was learning the  
10 ropes of the treasury department, Sarah Scopel said, "We'll manage this. You deal - you deal with the day-to-day functioning of treasury, and we'll work with Oliver - legal in regards to a response to this. No need to worry about this." Along those lines.

15 **MS SHARP SC:** Could I take you to exhibit B, tab 1364, which is --

**MR BELL SC:** I'm sorry, Ms Sharp. Before you do that, I'm just trying to understand what information you're conveying in the last two sentences of your email to Mr Stevens and Ms Mawer on 21 February 2014:

20 "If we change to SR buy-in room, we will remove the existing CUP SOP and implement the new debit card SOP. However, we would need the NAB terminal linked to a bank account, not linked to gaming as such."

25 What does all that mean?

**MR ALOI:** You can't have anything to do with gaming, if I can recall.

**MR BELL SC:** What do you mean by "changing to the Sovereign Room buy-in  
30 room"?

**MR ALOI:** If they were looking at moving a terminal into that space, that's what you would have to do.

35 **MR BELL SC:** I see. Yes. Thank you. Yes, Ms Sharp.

**MS SHARP SC:** Yes. If I could take Mr Aloï to exhibit B at tab 1364, which is STA.3104.0008.9476. Now, could I just have the top half of this enlarged. I just want to show you that this email is sent to you. If I could just have that enlarged.

40 **MR ALOI:** Yes.

**MS SHARP SC:** Do you see that it was, in fact, on 15 May 2019 that an email is  
45 being sent to you and into it Oliver White, Sarah Scopel and Paulina Dudek are copied?

**MR ALOI:** Yes.

**MS SHARP SC:** And you will see that there's a request for information on a transaction. And do you see that the merchant details are The Star Pty Ltd Astral VIP?

5 **MR ALOI:** Yes.

**MS SHARP SC:** And if we could scroll down the page, please. Do you agree that - if I can put that up - what's being forwarded to you is an email from NAB?

10 **MR ALOI:** Yes.

**MS SHARP SC:** So you were aware in May of 2019 that NAB was making requests on behalf of UnionPay about what it described as "suspicious transactions"?

15

**MR ALOI:** They were making requests, inquiring about that transaction that is taking place, but that's all they were asking for.

20 **MS SHARP SC:** But the point I'm making is you were aware, while you were still working at the cage, that NAB was making requests about particular CUP transactions, weren't you?

**MR ALOI:** Yes.

25 **MS SHARP SC:** And then isn't it right that you knew these requests were continuing when you were seconded to treasury in around June of 2019?

**MR ALOI:** July 2019, yes.

30 **MS SHARP SC:** And there - can I take you to exhibit B at tab 1617, which is STA.3002.0012.0706. And again, this is an email chain. I will take you to the top of it. Now, this is an email from Oliver White, dated 28 August 2019, to Paulinka Dudek, and you are copied, as is Sarah Scopel?

35 **MR ALOI:** Yes.

**MS SHARP SC:** Now, may we take it you read that email at about the time you received it?

40 **MR ALOI:** Like I said earlier, I read an initial email in August. I'm not sure if it was this one or not.

45 **MS SHARP SC:** Well, I will just scroll up so you can see. If we can scroll it up please, operator. And do you see that email is from Ms Dudek, who refers to a NAB request, and she asks for documentation in relation to transactions and, in particular, the hotel invoice statements?

**MR ALOI:** Yes.

**MS SHARP SC:** And you knew at this time when you read this email that the inquiries were being made about CUP transactions that had occurred at the casino hotel VIP lounges?

5

**MR ALOI:** I knew in early August when this was sent through originally, I think.

**MS SHARP SC:** Is this consistent with the email you recall receiving at about that time?

10

**MR ALOI:** Yes, but I didn't see any responses at that time on my email that I saw.

**MS SHARP SC:** Well, can I just draw your attention to this one, which is from Paulinka Dudek on 28 August 2019, because you're copied into this one. Do you see that she says:

15

"Are the below responses still appropriate to be used in this instance? (1) The merchant operates integrated resorts in Australia, consisting of hotels, restaurants and other entertainment facilities; (2) the cardholder purchased hotel accommodation services with the transactions in question; (3) invoices for the relevant transactions are attached."

20

Did you read that proposed response - or were you aware that such a proposed response was being considered?

25

**MR ALOI:** No.

**MS SHARP SC:** So did you understand that at this time, that is, in the second half of 2019, The Star was telling NAB those matters I've just read out to you?

30

**MR ALOI:** As I said earlier, I wasn't - when I saw this email originally come through in August, I was advised, "You're still learning treasury. We'll look after it." So I had no involvement with these three points that you're referring to at all.

35

**MS SHARP SC:** So you - is your evidence that you were not involved in the communications to NAB in 2019?

**MR ALOI:** Correct.

40

**MS SHARP SC:** Now, with those points 1, 2 and 3 I've read out, do you think that's a fair summary of what CUP cards were being used for?

**MR ALOI:** No.

45

**MS RICHARDSON SC:** I think, in fairness to the witness, it should be broken down. There's three different aspects to it.

**MR BELL SC:** Well, he has answered the question, but perhaps you might go

into more detail, Ms Sharp.

5 **MS SHARP SC:** Well, I will ask you to read point 1, point 2, point 3 together. Taken together, do you think this is a fair and accurate summary of what these CUP cards were used to fund?

10 **MS RICHARDSON SC:** I object to that question. He should be put the questions that these answers were answering. These are answers to particular questions, which appear at the bottom of this email that aren't on the screen.

**MS SHARP SC:** I'm happy to do it that way, Mr Bell. Mr Aloï, could I ask you to have a look at the question that was asked. And operator, if you could scroll down a little bit, please. Now, if you could have a look at the bottom of point 0707. Now, the question that is asked - or there are three:

15                   "(1) Explain the business scope of the relevant merchants; (2) explain what type of goods or services did the cardholder purchase; and (3) provide the supporting documents for the attached transactions."

20 Now we'll go back to the proposed answer, if we could please, operator. Now, taking points 1, 2 and 3 together, do you think that answer is an accurate answer to the questions that were asked?

25 **MR ALOI:** No.

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

30 **MR ALOI:** Point 1, although we operate an integrated resort, there's no mention of the casino. Point 2, it wasn't just hotel accommodation services. And point 3 is just invoices, so I'm assuming they were forwarded.

**MS SHARP SC:** Because what this answer does not disclose is that, in fact, the CUP cards were being used to fund the purchase of gambling chips, right?

35 **MR ALOI:** Yes.

**MS SHARP SC:** And you agree that that is what meant this answer was not correct?

40 **MR ALOI:** Yes, that's right.

**MS SHARP SC:** And do you agree that this answer was positively misleading?

45 **MR ALOI:** Yes.

**MS SHARP SC:** Now, you were aware, weren't you, that in a number of instances in late 2019, this very answer was being provided to NAB, weren't you?

**MR ALOI:** Like I said, I - I didn't see this until March.

**MS SHARP SC:** March when?

5 **MR ALOI:** 2020. So even though I was copied on it, I didn't read it because the treasury team, besides me, were working on it, because I was new to the team, and they were working with legal to finalise a response.

10 **MS SHARP SC:** Well, can I take you to exhibit B, tab 1786, which is STA.3401.0003.2241. Now, if I can just enlarge the first page top half. Now, this is an email from Oliver White, but, again, you're copied into it, and this time it's 30 October 2019?

15 **MR ALOI:** Yes.

**MS SHARP SC:** All right. Now, did you read this email at the time you received it?

20 **MR ALOI:** No.

**MS SHARP SC:** Is there some reason you wouldn't have read an email into which you were copied?

25 **MR ALOI:** The reason I said earlier is because Paulinka and Sarah were looking after this response and said, "Manage my day-to-day functions in the treasury team."

**MS SHARP SC:** So is the position that if you thought it related to CUP, you just didn't read it?

30 **MR ALOI:** Because they were looking after it. Correct.

35 **MS SHARP SC:** All right. Well, you see this one - well, I withdraw that. Let me take you to exhibit B1809, which is STA.3401.005.3084. Now, if we go down - pardon me for one moment. I withdraw that question. Could I take you to exhibit B, tab 1965. And this is STA.3401.0005.3091. Now, can you see the bottom of that page is an email from Sarah Scopel to a number of people, into which you're copied, dated 29 November 2019?

40 **MR ALOI:** Yes.

**MS SHARP SC:** And do you agree that this also relates to queries from UnionPay as to the use to which the CUP card has been put?

45 **MR ALOI:** That's the header, UnionPay Information Request, yes.

**MS SHARP SC:** All right. Did you read this email at the time?

**MR ALOI:** I can't recall if I did.

**MS SHARP SC:** Can I take you to exhibit B, tab 2235. And this is STA.3002.0011.0016. Do you see this is an email from Sarah Scopel to Harry Theodore and Oliver White, and you and Ms Dudek are copied?  
5

**MR ALOI:** Can this be enlarged please?

**MS SHARP SC:** Yes. And you will see it says:  
10

"Attached is the latest information request from CUP via NAB."

**MR ALOI:** Yes.

**MS SHARP SC:** You read this at the time it was sent to you, did you?  
15

**MR ALOI:** Yes. I believe I did.

**MS SHARP SC:** Now, you were well aware in the latter part of 2019 and into early 2020 that NAB was sending to The Star queries that UnionPay International was making about the use to which CUP cards were put, right?  
20

**MR ALOI:** Yes.

**MS SHARP SC:** And were you aware that The Star was providing that same answer, with three dot points that I took you to previously, in answer to these requests?  
25

**MR ALOI:** No. I didn't - I wasn't at the time, no.  
30

**MS SHARP SC:** At any time, did you discuss the answers to these requests with any of your colleagues at The Star?

**MR ALOI:** No, I did not.  
35

**MS SHARP SC:** Do you see reference is made in that email to:

"We have a call at 4.30 with NAB to discuss the request."

**MR ALOI:** Yes.  
40

**MS SHARP SC:** Did you participate in that call?

**MR ALOI:** I know I got invited on the 3rd of that morning - or that - the meeting was the same day, so I'm not sure if I attended that one or not because I've only met NAB at a - much earlier than that. It wasn't - it wasn't that one.  
45

**MS SHARP SC:** Let me approach this a different way. Did you understand in late



2019 or early 2020 that NAB was being provided with responses by The Star which you did not consider provided an accurate account of the use to which the CUP cards were being put?

5 **MR ALOI:** I was made aware - I was aware that The Star was responding to their requests, but I wasn't aware of what the response was.

**MS SHARP SC:** How were you made aware that these responses were happening?

10

**MR ALOI:** Because, like I said, back in August when I saw the email originally from NAB, when Sarah and Paulinka were working with legal in the response, they were managing that part. And I was new to the team, therefore they said, "You manage the day-to-day function of treasury," which I did.

15

**MS SHARP SC:** Well, did you have any concerns during this period, that is, late 2019 to early 2020, that The Star was not providing an accurate account of the use of the CUP card to NAB?

20 **MR ALOI:** I didn't have a concern because I didn't see the response until this time here.

**MS SHARP SC:** So you were involved in the response of around 3 March 2020, were you?

25

**MR ALOI:** No. I saw the response because I wanted to find out what the meeting was about.

**MS SHARP SC:** And did you find out what the meeting was about?

30

**MR ALOI:** About transaction information.

**MS SHARP SC:** So you took steps to find out what the meeting was about, did you?

35

**MR ALOI:** The information - the transaction information Astral related, Sarah sent me an Excel spreadsheet of transactions and asked me to see if I can follow up with the guys in the cage to get information on it. That's what I was advised of.

40 **MS SHARP SC:** And were you given any advice about what was being told to NAB about the use to which the CUP cards were put?

**MR ALOI:** Not at this time, no.

45 **MS SHARP SC:** Did you at some point --

**MS RICHARDSON SC:** Sorry. Could I just raise one issue. It's 1 o'clock. This witness started giving evidence two and a half hours ago. Was there a proposal to

take a morning tea or lunch?

5 **MR BELL SC:** Well, we did have quite a long break this morning for technical reasons, but it is probably appropriate now to break for lunch. Is that a convenient time, Ms Sharp?

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

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

**<THE HEARING ADJOURNED AT 1:02 PM**

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

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

**MS SHARP SC:** Operator, could you please bring up exhibit B3100, which is STA.3401.0006.2956. I've been to this document with you before today, Mr Aloï. This is your letter to the - Liquor and Gaming New South Wales dated 10  
20 September 2021 in relation to a section 21 request?

**MR ALOI:** Yes.

25 **MS SHARP SC:** Now, did you satisfy yourself that you were comfortable with this answer before you sent it to Liquor and Gaming New South Wales?

**MR ALOI:** Yes.

30 **MS SHARP SC:** Can I take you, please, to pinpoint 2960. Now, I will direct your attention to question 3:

"Was the regulator informed about the CUP process?"

35 And the answer provided was:

"Yes, the casino regulator was informed about The Star's intended use of the CUP process as part of a request to update relevant internal controls. ILGA was advised in May 2013 about the proposed introduction of the CUP process and how it would work in a meeting with Graeme Stevens and -"

40 Yourself. Now, you have no recollection as to whether - in the May 2013 meeting you attended, as to whether the authority was made aware that the CUP process would involve the CUP card being swiped at the hotel?

45 **MR ALOI:** Yes, that's right.

**MS SHARP SC:** But don't you agree that is an integral part of the way the CUP process did work at The Star?

**MR ALOI:** Yes.

5 **MS SHARP SC:** Is it right, then, that you failed to provide a clear and transparent answer to the regulator when you were asked whether the regulator had been informed about the CUP process?

10 **MR ALOI:** Yes. If I can't recall exactly what was said in that meeting, I would say yes.

**MS SHARP SC:** Because a clear and transparent answer to the regulator would involve telling the regulator what was and wasn't discussed back in 2013, wouldn't it?

15 **MR ALOI:** That's right.

**MS SHARP SC:** And your letter does not do that, does it?

20 **MR ALOI:** No. Not to that level, no.

**MS SHARP SC:** Mr Bell, I will now, with your leave, hand over to my learned junior Ms Abdiel to continue the questions.

25 **MR BELL SC:** Yes. Yes, Ms Abdiel.

**<EXAMINATION BY MS ABDIEL:**

30 **MS ABDIEL:** Thank you, Mr Bell. First, Mr Aloï, I just wanted to clarify with you some of the evidence that you gave to the review on Friday. In relation to cheque cashing facilities, in the periods that you were cage supervisor - sorry, the cashier services manager, you understood, in relation to a cheque cashing facility, that a cheque made payable to the casino operator was required for a person to be issued chips or a chip purchase voucher?

35 **MR ALOI:** Yes.

**MS ABDIEL:** Because otherwise, it would be effectively a provision of credit, which would be in breach of the Casino Control Act?

40 **MR ALOI:** Yes.

**MS ABDIEL:** And you gave evidence that in relation to patrons holding domestic bank accounts that a photocopy of a personal cheque would be held on file?

45 **MR ALOI:** Yes.

**MS ABDIEL:** And that cheque was not made out to anyone?

**MR ALOI:** Yes, if it wasn't made out to anyone - it - it would be The Star or blank, but - that's correct.

5 **MS ABDIEL:** And once an initial cheque cashing facility was established, no further cheque was required to be provided by a patron even if the patron wished to draw down further on their cheque cashing facility?

**MR ALOI:** That's right.

10 **MS ABDIEL:** And a counter cheque instead was issued if a domestic patron wished to draw down on their CCF?

**MR ALOI:** That's right.

15 **MS ABDIEL:** But in relation to overseas banks, a personal cheque was held?

**MR ALOI:** Yes.

20 **MS ABDIEL:** And that's because overseas banks don't accept - don't honour counter cheques?

**MR ALOI:** Yes.

25 **MS ABDIEL:** And those being the counter cheques issued by The Star?

**MR ALOI:** Yes.

30 **MS ABDIEL:** And that cheque would be blank and was not made payable to anyone?

**MR ALOI:** Sorry. Which cheque are you talking about, sorry? Can you repeat that?

35 **MS ABDIEL:** In relation to patrons holding accounts with overseas banks, a personal cheque would be held by The Star?

**MR ALOI:** Yes.

40 **MS ABDIEL:** And that cheque would be blank and was not made payable to anyone?

**MR ALOI:** No, it was made payable to The Star.

45 **MS ABDIEL:** Okay. But it would be blank in the sense of not having a value filled out onto it?

**MR ALOI:** Correct. Not at the buy-in stage. Correct.

**MS ABDIEL:** Thank you. I would just like to turn now to the matter of the temporary cheque cashing facility that was introduced in relation to the use of CUP cards - China UnionPay cards. Could I take you to exhibit C at tab 20 - this is STA.0014.0001.0449 - at pinpoint 0469. And, Mr Aloï, this is the cage operations standard operating procedure that was effective on 4.9.2014. Do you see that?

**MR ALOI:** Yes.

**MS ABDIEL:** You will see at steps - at the bottom of the prior page, it sets out that it's an acceptance of China UnionPay debit card task?

**MR ALOI:** Yes.

**MS ABDIEL:** And just focusing on point 0469, it sets out the steps undertaken to conduct a CUP transaction for a patron?

**MR ALOI:** Yes.

**MS ABDIEL:** And steps 1 through 5 would have been the same as prior iterations of the standard operating procedure prior to the introduction of the temporary cheque cashing facility?

**MR ALOI:** Yes.

**MS ABDIEL:** And step 6 states that:

"If funds are available, buy-in process can take place and funds deposited into front money."

Which would also have been in prior iterations of the standard operating procedure?

**MR ALOI:** Yes.

**MS ABDIEL:** And then at 7, it states:

"Uncleared funds cannot be released to the guest."

And that would also have been in prior iterations of the standard operating procedure?

**MR ALOI:** Yes.

**MS ABDIEL:** And then from 8 onwards, it sets out the process for introducing a temporary cheque cashing facility for a patron wishing to take advantage of the CUP facility?

**MR ALOI:** Yes.

**MS ABDIEL:** And that includes the completion of a limit change form for a cheque cashing facility?

5 **MR ALOI:** Yes.

**MS ABDIEL:** And it includes the increase of a cheque cashing limit to be introduced as a permanent increase?

10 **MR ALOI:** Yes.

**MS ABDIEL:** At 12. And at this point - in the standard operating procedure, there's no reference to a counter cheque at this point?

15 **MR ALOI:** No.

**MS ABDIEL:** And then at 13 over the page on point 0470, we can see that task 13 says:

20 "CCF can be drawn down and used for buy-in. The guest is issued a chip purchase voucher up to the requested amount."

**MR ALOI:** Yes.

25 **MS ABDIEL:** And at no point in any of the prior steps is the patron issuing a personal cheque?

**MR ALOI:** That's right.

30 **MS ABDIEL:** I will take you to exhibit B833 - this is also a cage standard operating procedure - STA.3008.0002.1493. And the effective date of this SOP is 1 June 2018. And if we could go through to pinpoint 1517. And you will see, Mr Aloï, that the steps from 1 to 7 are roughly similar to the prior iterations of the cage standard operating procedure?

35

**MR ALOI:** Yes.

**MS ABDIEL:** And, Mr Aloï, I'm not suggesting that this is the next iteration of the standard operating procedure, but just one issued in 2018. Do you understand that?

40

**MR ALOI:** Yes.

**MS ABDIEL:** And at dot point 8, it states that:

45

"If an approved receipt is presented, a temporary CCF is set up in line with the approved amount."

Do you see that?

**MR ALOI:** Yes.

5 **MS ABDIEL:** And it no longer states, as it did in the prior version, that uncleared funds cannot be released to the guest?

**MR ALOI:** Yes, I can't see that on that page.

10 **MS ABDIEL:** Well, it's not on the following page. If we can go to the following page also.

**MR ALOI:** Yes.

15 **MS ABDIEL:** And that's because it became apparent that in relation to none of the CUP swipes were funds clearing from China UnionPay immediately upon the merchant receipt being approved?

**MR ALOI:** That's right.

20

**MS ABDIEL:** And on this version of the SOP, it does contain, on the right-hand side at the bottom of point 0157, reference to a "CMS counter cheque"? In the second to last paragraph on the right-hand side column?

25 **MR ALOI:** Yes.

**MS ABDIEL:** And that requires that a number of details be included on the CMS counter cheque?

30 **MR ALOI:** That's right.

**MS ABDIEL:** Now, I would just like to take you to pinpoint 0501 of that same document. And the definition of "counter cheque", if that could be brought up. And the definition of "counter cheque" says it:

35

"Means a document printed for The Star on which provision is made for patrons' bank account details to be recorded in order for patrons to draw cheques on their bank accounts."

40 Do you see that?

**MR ALOI:** Yes.

45 **MS ABDIEL:** And then just by way of contrast, going to the page following that, we see the definition of the "gaming cheque", if that could be highlighted. And "gaming cheque" is defined as a document that is:

"A cheque drawn by The Star upon its account at an approved bank. Cheques

are issued and made payable to a patron for redemption of gaming chips, plaques, and in exchange for cash."

And so on and so forth.

5

**MR ALOI:** Yes.

**MS ABDIEL:** So a gaming cheque had two characteristics - well, had characteristics that included that it was made payable to someone?

10

**MR ALOI:** Yes.

**MS ABDIEL:** And that it could be redeemed for something?

15

**MR ALOI:** Yes.

**MS ABDIEL:** And then returning to the definition of "counter cheque", do you see that that definition does not contain any of those two characteristics?

20

**MR ALOI:** A counter cheque and a gaming cheque are two different things.

**MS ABDIEL:** Yes. And, Mr Aloï, I would suggest to you that it's not the intention, at least as far as this document is concerned, that a counter cheque operates in the same way as a cheque?

25

**MR ALOI:** That is correct.

**MS SHARP SC:** And it's not the intention, as far as this document is concerned, that the counter cheque be made payable to the casino operator? And in fact, it's just a document on which a patron's bank account details can be recorded in order for a patron to draw cheques on their own bank accounts?

30

**MR ALOI:** That's right.

35

**MS ABDIEL:** I would just like to take you to an example of a CCF limit change. This is exhibit B, tab 73. And this is an example of a CUP transaction in relation to Phillip Dong Fang Lee. And the first page is the request for the cheque cashing limit change that we referred to earlier?

40

**MR ALOI:** Yes.

**MS ABDIEL:** And on the second page, that's the counter cheque that would have been issued to Mr Lee?

45

**MR ALOI:** Yes.

**MS ABDIEL:** And that's the cheque that's printed by The Star's CMS system?



**MR ALOI:** Yes.

**MS ABDIEL:** And it wouldn't have been taken out of his cheque book?

5 **MR ALOI:** No.

**MS ABDIEL:** And it's not a cheque - there's no cheque from Mr Lee that would have been sitting behind this counter cheque?

10 **MR ALOI:** That's right.

**MS ABDIEL:** And neither you, nor your cage staff, would have had any idea, would you, whether China Construction Bank approved the issuance of cheques drawn on Mr Lee's account?

15 **MR ALOI:** That's right.

**MS ABDIEL:** And you would have not even known whether he had a chequing facility with the bank?

20 **MR ALOI:** That is correct.

**MS ABDIEL:** And you gave evidence, Mr Aloï, that overseas banks would not honour counter cheques; that's right, isn't it?

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

**MS ABDIEL:** And - but, Mr Aloï, in respect of every patron swiping a China UnionPay card, their card would have been issued by an overseas bank, would it not?

30 **MR ALOI:** That's right.

**MS ABDIEL:** And you agreed with me earlier that in order for a cheque cashing facility to not be a breach of the Casino Control Act and that Act's prohibition against credit, that there was required to be a cheque payable to the casino operator?

40 **MR ALOI:** Yes.

**MS ABDIEL:** But in fact, in relation to China UnionPay transactions, there was no such cheque because the document would not have been honoured by overseas banks?

45 **MR ALOI:** That's right.

**MS ABDIEL:** And so it follows, doesn't it, that the issuance of chips and chip purchase vouchers while a CUP transaction was pending and funds had not cleared

in The Star's accounts would be in breach of the Credit Control Act's prohibition on credit, would it not?

5 **MS RICHARDSON SC:** Well, I object to that. The question can be directed to his knowledge, but a legal conclusion can't be put to a non-legal witness, in my submission.

10 **MR BELL SC:** I reject that question. You can ask this witness about his understanding, Ms Abdiel.

**MS ABDIEL:** Mr Aloï, to your understanding of the Casino Control Act's prohibition on credit, in the period between when a China UnionPay card was swiped and when funds hit the account, if chips or chip purchase vouchers had been issued to a patron, it would have been a breach of that Act's prohibition on credit, would it not?  
15

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

20 **MS ABDIEL:** And so in each and every instance in which a temporary check cashing facility was established in relation to a China UnionPay card that was issued by an overseas bank, that would have been, to your understanding, a breach of the Casino Control Act, would it not?

25 **MR ALOI:** The cage received legal advice and approval from the MD at the time that we can proceed with a temporary CCF.

**MR BELL SC:** Could you answer the question that Ms Abdiel asked you, Mr Aloï.

30 **MR ALOI:** Can you repeat the question, please?

**MS ABDIEL:** It would follow from the propositions that I've taken you to, Mr Aloï, that if chips or chip purchase vouchers were issued to a patron after a CUP card had been swiped but funds had not yet hit The Star's account, to your understanding, that would have been a breach of the Casino Control Act's prohibition on the provision of credit, would it not?  
35

**MR ALOI:** Yes, that's right.

40 **MS ABDIEL:** And it would have been so in relation to each and every individual China UnionPay card swipe for which a temporary cheque cashing facility had been established?

45 **MR ALOI:** Yes.

**MS ABDIEL:** Now, you stated, Mr Aloï, that you received legal advice in relation to that proposition or that problem?

**MR ALOI:** That's right.

**MS ABDIEL:** And who was that legal advice from?

5 **MR ALOI:** Oliver White.

**MS ABDIEL:** And when did he provide that advice?

10 **MR ALOI:** When the temporary CCF was proposed.

**MS ABDIEL:** And prior to his provision of that advice, did this facility and your knowledge of the fact that overseas banks would not honour counter cheques - did the temporary cheque cashing facility give you any cause for concern?

15 **MR ALOI:** No, because I was guided by the legal advice at the time.

**MS ABDIEL:** I was asking you about the proposal to introduce a temporary cheque cashing facility before you that legal advice was obtained.

20 **MR ALOI:** Yes.

**MS ABDIEL:** And did you hold concerns about whether this would constitute a breach of the Act at the time?

25 **MR ALOI:** Yes.

**MS ABDIEL:** And did you raise those concerns with anyone?

30 **MR ALOI:** As I said, Oliver sought approval to proceed in that way.

**MS ABDIEL:** Sorry, you said "Oliver sought approval". Do you know who he sought approval from?

35 **MR ALOI:** The managing director at the time.

**MS ABDIEL:** And that was?

**MR ALOI:** John Redmond.

40 **MS ABDIEL:** And was any external legal advice sought in relation to that, to your knowledge?

**MR ALOI:** I wasn't privy to that information.

45 **MS ABDIEL:** Okay. So the only advice that you received was from Oliver White?

**MR ALOI:** Yes.

**MS ABDIEL:** And was that advice in an email?

**MR ALOI:** Yes. Email/memo.

5

**MS ABDIEL:** And within that memo, did Mr Oliver White tell you that Jonathan Redmond had approved the introduction of the temporary cheque cashing facility?

**MR ALOI:** No, he didn't.

10

**MS ABDIEL:** And so that was a separate communication he made to you?

**MR ALOI:** The separate communication came from the credit and collections general manager.

15

**MS ABDIEL:** And who was that?

**MR ALOI:** Adrian Hornsby.

20

**MS ABDIEL:** I will just move to a slightly different topic, Mr Aloï. In your role as cashier services manager, you would have been alive to a number of potential risks faced by the cage, and on the floor, of potential money laundering activities?

**MR ALOI:** Yes.

25

**MS ABDIEL:** And would some of those money laundering risks or compliance risks include patrons drawing down on facilities for large sums of money and then engaging in minimal play?

30

**MR ALOI:** Yes.

**MS ABDIEL:** And would it include depositing funds with The Star and then seeking to have those funds paid out in winnings or non-winnings cheques?

35

**MR ALOI:** Yes.

**MS ABDIEL:** And would it include things like holding on to chips or plaques?

**MR ALOI:** Yes.

40

**MS ABDIEL:** And taking them home?

**MR ALOI:** Yes.

45

**MS ABDIEL:** And would it include, potentially, patrons seeking to deposit funds into their front money account and obtaining chips that are given to other patrons?

**MR ALOI:** Yes.

**MS ABDIEL:** And if you observed those activities, or they were raised with you, they would be very concerning matters?

5 **MR ALOI:** Yes.

**MS ABDIEL:** And are these the kinds of items that would warrant something like a suspicious matter report?

10 **MR ALOI:** Yes.

**MS RICHARDSON SC:** Well, I object. Just --

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

**MS RICHARDSON SC:** Well, I'm just concerned about the provisions of the AML/CTF Act.

20 **MR BELL SC:** I understand Ms Abdiel to be asking hypothetical questions about the general circumstances in which such a report might issue, and I would allow that question.

25 **MS ABDIEL:** And, Mr Aloï, those are the kinds of things that would warrant raising concerns by you with senior management?

**MR ALOI:** Yes. They're red flags.

30 **MS ABDIEL:** And might warrant the consideration of some measures taken to limit the gaming activities of the patron, potentially?

**MR ALOI:** Sorry, can you repeat that?

35 **MS ABDIEL:** And might warrant some consideration of limitations or restrictions placed on a patron - patron's gaming activities, potentially?

**MR ALOI:** Yes.

40 **MS ABDIEL:** And from time to time in your tenure as cashier services manager, would you have been involved in internal decisions taking to - those kinds of measures that might be taken in relation to a patron engaging in those kinds of activities or where there is a potential concern around a patron engaging in those kinds of activities?

45 **MR ALOI:** I would relay information, if it come to my knowledge, to the AML team.

**MS ABDIEL:** Would you be involved in making decisions as to measures that would be taken in relation to patrons?

**MR ALOI:** No.

**MS ABDIEL:** Are you sure?

5

**MR ALOI:** The only time is if - I may be asked that question if someone is declined or - you know, that sort of thing for specific transactions, but - if that's what you're talking about, yes.

10 **MS ABDIEL:** All right. Well, Mr Aloï, I will take you to some documents. Did you - well, before I do that, did you come to know a patron called Mr Phillip Dong Fang Lee in your period as cashier services manager?

**MR ALOI:** Yes.

15

**MS ABDIEL:** And you are aware that he gambled with The Star for many years?

**MR ALOI:** Yes.

20 **MS ABDIEL:** At least since probably 2007?

**MR ALOI:** Yes.

25 **MS ABDIEL:** Are you aware of whether Mr Lee played on any kind of rebate program in the period that you were operating the cage?

**MR ALOI:** I'm not aware of that.

30 **MS ABDIEL:** Sorry, you don't know or --

**MR ALOI:** I'm not aware of Mr Lee playing on rebate programs.

35 **MS ABDIEL:** Would you have had occasion to look up Mr Lee's patron profile while were you operating the cage?

**MR ALOI:** Yes.

40 **MS ABDIEL:** I will just take you to a document, exhibit B, tab 3483. And would you have seen this document, Mr Aloï, or this screenshot from the customer information database?

**MR ALOI:** I've seen this type of screenshot before, but not this one.

45 **MS ABDIEL:** Would you have seen a version of this in relation to Mr Lee?

**MR ALOI:** No.

**MS ABDIEL:** I will take you to another document, 3465 of exhibit B. This is

STA.3009.0008.0599. Would you have seen this, Mr Aloï?

**MR ALOI:** No.

5 **MS ABDIEL:** Do you know which system this would have been printed from?

**MR ALOI:** It's our investigation system, so I'm thinking - I couldn't tell you the name of it, sorry.

10 **MS ABDIEL:** And I will take you to exhibit B, tab 3564. Would you have seen this - a screenshot from this system, if you know what it is?

**MR ALOI:** Yes.

15 **MS ABDIEL:** You would have?

**MR ALOI:** That's the Synkros database.

20 **MS ABDIEL:** And that would have been visible to those operating the cage?

**MR ALOI:** Yes.

**MS ABDIEL:** Including Mr Lee's driver's licence?

25 **MR ALOI:** Yes.

**MS ABDIEL:** Mr Aloï, do you recall periods in which there were concerns that Mr Lee was not playing commensurate to the amounts - sorry, I will withdraw that. Mr Aloï, you are aware that Mr Lee utilised the China UnionPay facility at The Star while he was a patron there?

30

**MR ALOI:** Yes.

**MS ABDIEL:** And do you recall periods in which there was a concern that Mr Lee was not playing commensurate to the amounts that he was swiping with his China UnionPay card?

35

**MR ALOI:** Yes.

40 **MS ABDIEL:** Do you recall there being any other concerns around Mr Lee's conduct at The Star?

**MR ALOI:** No.

45 **MS ABDIEL:** Mr Aloï, I will take you to exhibit B, tab 2471, document ID STA.3014.0006.2471. This is a 4 January 2015 email. If could I take you to the final page of this - that is not the document. Sorry. This is STA.3014.0006.2471. Apologies. There we go. Could we please go down to the final page of that email.

Now, Mr Aloï, unfortunately this does not show the recipients of this email, but I will take you to several emails further up the chain which I believe you might have been in receipt of. Do you recall this email?

5 **MR ALOI:** I can't recall this one specifically, but - yes, I can't recall this one.

**MS ABDIEL:** This is the type of email you would have been in receipt of while you were cashier services manager?

10 **MR ALOI:** Likely, yes.

**MS ABDIEL:** And would you have read this kind of email?

**MR ALOI:** Yes.

15

**MS ABDIEL:** And this email is from Mr Pisani, a cash services duty manager, who would have been one of your subordinates?

**MR ALOI:** Yes.

20

**MS ABDIEL:** Saying:

"Please note a Star non-winnings cheque has been issued today to Phillip Lee for \$2.1 million."

25

And then he notes that the CCF outstanding is \$9.78 million and the CUP transaction swipes are \$9.78 million. And those two amounts, does that reflect a temporary cheque cashing facility in place?

30 **MR ALOI:** It looks like it, yes.

**MS ABDIEL:** And going further up the chain, to the bottom of the next page, is an email from David Procter back to Mr Pisani, copying The Star cage. Do you recall this email?

35

**MR ALOI:** I've read it now. Thank you.

**MS ABDIEL:** And the email, in the second line, says:

40 "With a significant amount -"

Firstly, he says:

45 "Hi sonny, cage. With a significant amount of CUP transactions occurring, we need to ensure play levels are in line swipes."

Then he says:



"Did he indicate why a \$2.1 million cheque was required."

Do you see that?

5 **MR ALOI:** Yes.

**MS ABDIEL:** And then if we go further up the chain, to the middle email on the first page of the document, this is a response from Mr Pisani. Do you see that?

10 **MR ALOI:** Yes.

**MS ABDIEL:** Do you recall that email?

**MR ALOI:** I don't recall it specifically, but I'm reading that now.

15

**MS ABDIEL:** And Mr Pisani says:

"Also, Phillip did not indicate what he required the cheque for."

20 **MR ALOI:** Yes.

**MS ABDIEL:** And then at the top of the email chain from Adrian Hornsby - and it's copying The Star cage - Mr Hornsby responds to Mr Pisani, and he copies the cage.

25

**MR BELL SC:** We can't see that on the screen yet, Ms Abdiel.

**MS ABDIEL:** Sorry. If the operator could go to the top email. And it's copied to the cage. Do you recall this email?

30

**MR ALOI:** Yes.

**MS ABDIEL:** And Mr Hornsby says:

35

"CUP is not to be used as his personal money changer. Please ensure this is clearly explained to him prior to Lee swiping."

**MR ALOI:** Yes.

40 **MS ABDIEL:** So you would agree that at this point in time, there were concerns at The Star that were relayed to you that Mr Lee was in some way misusing the China UnionPay facility?

**MR ALOI:** Yes.

45

**MS ABDIEL:** And there were concerns that he was using it as his personal money changer?

**MR ALOI:** Yes.

**MS ABDIEL:** Do you recall whether any action was taken in response to the concern at this time?

5

**MR ALOI:** I can't recall.

**MS ABDIEL:** I will take you to - I'm sorry. The concern that is being raised by Mr Hornsby is that Mr Lee was effectively withdrawing cash from the China UnionPay facility and taking it away with him. Is that the nature of the concern?

10

**MR ALOI:** The concern is swiping with no play, that sort of thing, or minimal play.

**MS ABDIEL:** Okay. I will take you to exhibit B, tab 65. This is STA.3014.0006.2590. This is an email of 4 April 2015 from Adrian Hornsby to Rong Chen, copying the cage. Do you recall this email?

15

**MR ALOI:** Yes.

20

**MS ABDIEL:** And Rong Chen was Mr Lee's relationship manager; is that right?

**MR ALOI:** Yes.

**MS ABDIEL:** And Mr Hornsby states:

25

"If Phillip Lee doesn't play sufficiently to warrant his CUP withdrawals, he will be banned from future CUPs."

**MR ALOI:** Yes.

30

**MS ABDIEL:** Is that the same issue that was raised in January, about four months prior?

**MR ALOI:** I believe so.

35

**MS ABDIEL:** And do you recall if any steps were taken in response to this?

**MR ALOI:** I can't recall.

40

**MS ABDIEL:** I will take you to a document, exhibit B, tab 66. And this is dated 4 April 2015, so the same day as that email that was issued by Mr Hornsby?

**MR ALOI:** Yes.

45

**MS ABDIEL:** And you would agree that this is a request for cheque cashing limit change which represents a China UnionPay transaction? If the operator could scroll down. Actually, if the operator could scroll down to point 1931. And you

will see that there are a number of merchant receipts here - five, in fact - each for half a million dollars?

**MR ALOI:** Yes.

5

**MS ABDIEL:** Each swiped within a minute of one another?

**MR ALOI:** Yes.

10 **MS ABDIEL:** And then at point 1925, we have another series of merchant receipts of amounts of both 750,000 and 900,000. There are five receipts there, all swiped within a minute - or a couple of minutes of one another?

**MR ALOI:** Yes.

15

**MS ABDIEL:** And then point 1919. We have a further four receipts of \$900,000 each?

**MR ALOI:** Yes.

20

**MS ABDIEL:** And so going back up to the top, you would agree that this is a China UnionPay transaction of around \$11.5 million for Mr Lee?

**MR ALOI:** Yes.

25

**MS ABDIEL:** In about 14 separate swipes?

**MR ALOI:** Yes.

30 **MS ABDIEL:** And this document and the documents - I withdraw that. I will take you to exhibit B, tab 67. And at the very bottom of that chain, at pinpoint point 2593, Mr Coombs - sorry, if I could have the next page brought up on the screen for Mr AloI. And the bottom of the next page. Sorry, it's awkwardly over two pages. Thank you very much, operator. And this email is from Denning Coombs,  
35 who is a cash services supervisor, who would have been one of your subordinates?

**MR ALOI:** Yes.

40 **MS ABDIEL:** And he is stating in this email to Adrian Hornsby and David Procter, which is copied to credit collections and The Star cage:

"CUPs done for Phillip Lee worth 11.8 million."

And then the final line of the email is:

45

"I spoke with the op manager, Ms Budway, and pushed the issue that should Mr Lee not gamble an amount that constitutes the CUP swipes that he will be banned from further use. Do you see that?"

**MR ALOI:** I do.

**MS ABDIEL:** And do you recall that email?

5

**MR ALOI:** Yes.

**MS ABDIEL:** And then further up the chain, on the prior page of pinpoint point 2592, at the very bottom of that page, Denning Coombs provides an update at 1.33 am?

10

**MR ALOI:** Yes.

**MS ABDIEL:** And do you recall receiving this email?

15

**MR ALOI:** I may have read it at the time.

**MS ABDIEL:** Well, it says:

20

"Hi mate, update on Phillip Lee, he's playing but not the numbers we desire."

Do you see that?

**MR ALOI:** Yes.

25

**MS ABDIEL:** And then in the second paragraph, the second line, he says:

"Looking at the above, he took the 12 mil in chips at 6 o'clock, then went to dinner, only to return with \$235,000."

30

Do you see that?

**MR ALOI:** Yes.

35

**MS ABDIEL:** And then further up the chain, Mr Hornsby responds to Mr Coombs at 7.16 pm. And if the operator could further scroll up that same page, it says:

"All, if Lee hits a \$12 million rolling target, he can further draw on his CUP card."

40

Do you see that?

**MR ALOI:** Yes.

45

**MS ABDIEL:** Do you recall seeing that email?

**MR ALOI:** I do recall seeing it, yes.

**MS ABDIEL:** And then if we go to the very top of this page of the email chain, a further email from Mr Coombs at 11 pm - sorry, operator. The email of 11 pm on the very top page of the document. Thank you. And Mr Coombs - sorry. Do you recall receiving this email from Mr Coombs?

**MR ALOI:** I remember seeing this one, yes.

**MS ABDIEL:** And he says:

"Attached is a tracking total for Mr Lee for today's activities. Total turnover is about 9.2 million."

Now, turnover is not a reflection of the total amount a customer has waged, is it?

**MR ALOI:** Turnover is - is how much they've waged over a period of time. So they may win a bet and then place it again. That's turnover.

**MS ABDIEL:** Okay. So it doesn't represent the net amount that a patron has put down on the table?

**MR ALOI:** That's right.

**MS ABDIEL:** And then in the seventh line of the email, Mr Coombs says:

"At no point are we seeing the 12 mil."

Do you see that?

**MR ALOI:** Yes.

**MS ABDIEL:**

"Mr Lee's ratings show no reason why he needed the full CUP amount. 2 million would have sufficed."

And then it says in large typeset in red:

"Mr Lee is now requesting to do CUPs worth 11 million. Please advise."

Do you see that?

**MR ALOI:** Yes.

**MS ABDIEL:** And then at the very top of the email, Mr Hornsby says:

"Okay. As per below."

**MR ALOI:** Yes.

5 **MS ABDIEL:** Now, you would agree with me that at this time, concerns have already been raised in relation to Mr Lee not playing commensurate with his CUP swipes?

**MR ALOI:** Yes.

10 **MS ABDIEL:** And he has just, on the two days prior to this, swiped his CUP card to the amount of \$11.8 million?

**MR ALOI:** Yes.

15 **MS ABDIEL:** And Mr Hornsby has just approved additional CUP swipes in the amount of \$11 million?

**MR ALOI:** Yes.

20 **MS ABDIEL:** Notwithstanding that it's been notified by Mr Coombs that \$2 million total would have sufficed for the amount that he was playing at the time?

**MR ALOI:** Yes.

25 **MS ABDIEL:** Now, did you have any concerns about Mr Lee's activity at this point?

**MR ALOI:** I'm sure I did.

30 **MS ABDIEL:** Did you have any concerns about Mr Hornsby approving further CUP swipes?

**MR ALOI:** I think Mr Hornsby - did I have concerns, yes, but Mr Hornsby has gone with the approval in a prior email.

35 **MS ABDIEL:** Did you escalate those concerns that you had to anyone?

**MR ALOI:** I can't recall.

40 **MS ABDIEL:** Do you recall Mr Aloï, that after this, a ban was imposed on Mr Lee?

**MR ALOI:** No.

45 **MS ABDIEL:** You don't recall?

**MR ALOI:** I don't recall.

**MS ABDIEL:** I will take you to a document, tab --

**MR BELL SC:** Sorry. Sorry, Ms Abdiel. Just before do you that. What does a \$12 million rolling target mean, in your understanding?

5 **MR ALOI:** Turnover. I think it's turnover. You can't just have one hand and that's it; you've got to keep playing it until your turnover hits that target of 12 million, for example.

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

10

**MS ABDIEL:** I will take you to exhibit B, tab 73. This is a document that I've shown you before in relation to the temporary cheque cashing facility. But we can see that on the day that Mr Hornsby approved the additional \$11 million swipe, it was undertaken so that the temporary cheque cashing facility limit for Mr Limit  
15 was raised to \$23.3 million?

**MR ALOI:** Yes.

20

**MS ABDIEL:** Could we please go to exhibit B, tab 74. And if we could go to the email of Mr Jared Tasker, which is on the bottom of the first page of this email and the top of the latter page. Mr Aloï, are you able to see that writing? It's quite small.

25

**MR ALOI:** Yes, I can just read it.

**MS ABDIEL:** If you could read it to yourself briefly.

**MR ALOI:** Yes.

30

**MS ABDIEL:** And this is an email from Jared Tasker to you. Do you recall this email?

**MR ALOI:** Yes.

35

**MS ABDIEL:** And it's dated 11 April 2015. And Mr Tasker says:

40

"Hi Dave, just wanted to bring to your attention a few things about Lee. In my mind, he appears to be taking advantages of the winnings cheque system of taking his daily winnings in winnings cheques, although, in fact, he has not supplied any fresh funds."

Did you understand what he was referring to?

45

**MR ALOI:** I know Mr Lee was - he requested winnings cheques as a preference, so I'm assuming that is what - that is what he is referring to.

**MS ABDIEL:** To your understanding, what did Mr Tasker mean by "although, in actual fact, he has not supplied any fresh funds"?

**MR ALOI:** I can't recall at the time what that fresh funds component is talking about.

5 **MS ABDIEL:** Okay. Well, further down - you do agree, though, he was raising a concern with Mr Lee taking advantage of the winnings cheque system?

**MR ALOI:** Yes.

10 **MS ABDIEL:** And then in the third paragraph, Mr Tasker says:

"Furthermore, we have the issue of him holding onto chips."

He says:

15

"Today we have had to get more cash plaques out of the vault as he's holding on to most of the stock we have. In plaques alone, there is 27.15 million outstanding. Lee has bought in for a total of 25.78 million using FOD, CUP and his CCF."

20

I will just pause there. Does "FOD" means funds on deposit?

**MR ALOI:** Yes.

25 **MS ABDIEL:** Is that effectively the front money account?

**MR ALOI:** That's right.

**MS ABDIEL:**

30

"There is now nothing left in his FOD and today Mr Lee -"

A different Mr Lee:

35

"Drew down 2 million CUP, of which most of the funds were transferred as cash chips to Lee."

Do you see that?

40

**MR ALOI:** Yes.

**MS ABDIEL:** And he says:

45

"Basically, looking for some advice on how to handle this moving forward. You get the feeling that now there's nothing left in his FOD, he will come in tomorrow wishing to do another big CUP transaction and again take his daily winnings as a winnings cheque."



And then you respond to this email, if we could move up to the first page. And do you recall sending this response to Mr Tasker?

**MR ALOI:** Yes.

5

**MS ABDIEL:** On the same day?

**MR ALOI:** Yes.

10 **MS ABDIEL:** And you say:

15 "Team, this doesn't add up, winnings cheques against ratings over a 24-hour period. Looks like we have issued a new winnings cheque, with his previous cheque not taken into consideration. If we don't allow for cheques already taken, we are breaching the process of issuing winning checks and ILGA will come looking for answers."

First of all, Mr Aloï, could you explain what you've said in this email?

20 **MR ALOI:** With winners cheques, you have to - there's a date period for winners cheques. So it's not by the midnight to midnight scenario; it's when you get issued that cheque. So it's the 24-hour period prior. So for example, if you take a winners cheque at 6 pm, you take into consideration what happened the prior 24-hour period. So it looks like that's - someone has taken the period of midnight the  
25 previous day until 6 pm the following day.

**MS ABDIEL:** Mr Aloï, just so I've understood this correctly, is there a policy in place at The Star for the issuance of winning cheques, that winnings cheques be issued in a certain period of time after a patron wins at the gaming table, to ensure  
30 that the winnings cheques actually reflect winnings and are not just issued for funds deposited by the patron at any time?

**MR ALOI:** That's right.

35 **MS ABDIEL:** And you have said:

"We're breaching the process of issuing winnings cheques."

40 So would that have been a breach of internal Star policy, potentially?

**MR ALOI:** Potentially, yes.

**MS ABDIEL:** And you have said:

45 "ILGA will come looking for answers."

What gave you that concern?

**MR ALOI:** Because I had discussions with ILGA at the time, maybe the same year. We just changed the winners cheques SOP policy because it used to be midnight to midnight and then we changed it with ILGA, and they agreed that it - went from midnight to midnight to whenever the cheque was taken, the  
5 24-hour period prior.

**MS ABDIEL:** And did the concerns that Mr Tasker raised with you give you cause for concern?

10 **MR ALOI:** Yes.

**MS ABDIEL:** Did you raise that - escalate those concerns with anyone?

**MR ALOI:** I'm sure I raised it with the AML team when I was back at work.  
15

**MS ABDIEL:** I will ask you not to say anything in this mode around that issue.

**MR ALOI:** Yes.

20 **MS ABDIEL:** But just in relation to your escalation of those concerns, did you raise it with anyone in prior management?

**MR ALOI:** I'm - I'm sure I did, yes.

25 **MS ABDIEL:** And what was the concern that you might have raised?

**MR ALOI:** Taking - having cheques, taking chips away from property, that sort of thing.

30 **MS ABDIEL:** Okay. And why is that a concern?

**MR ALOI:** Because there was no playing or gaming action taking place with those plaques.

35 **MS ABDIEL:** And patrons weren't allowed to take chips away from the property; correct?

**MR ALOI:** No. They can.

40 **MS ABDIEL:** They can?

**MR ALOI:** Yes.

45 **MS ABDIEL:** So the primary concern that you held at this point was that Mr Lee was not playing commensurate with his CUP swipes and also abusing the winnings cheque system?

**MR ALOI:** Yes.

**MS ABDIEL:** And did you hold any concerns at this point around whether Mr Lee was potentially engaging in some kind of money laundering activity?

5 **MR ALOI:** Yes.

**MS ABDIEL:** And did you raise those concerns with internal management?

10 **MR ALOI:** I'm sure I did, yes.

**MS ABDIEL:** Did you seek to have any steps imposed - or any measures imposed on Mr Lee to restrict his gaming or use of CUP facilities or winnings cheques at this point?

15 **MR ALOI:** I referred the matter to my CFO at the time.

**MS ABDIEL:** And given that you had the concerns that you did, and you raised them with the CFO, did you expect that Mr Lee would be excluded at that point?

20 **MR ALOI:** I'm not sure of the exclusion, but at least possibly in discussion.

**MR BELL SC:** Who was the CFO with whom you raised your concerns?

25 **MR ALOI:** Christine Bletsas.

**MS ABDIEL:** If we could go to exhibit B, tab 78, STA.3014.0006.2483. If we could first go to the final page of this document, which is pinpoint 2487. It's an email from Sonny Pisani on 13 April 2015. Do you recall receiving this email?

30 **MR ALOI:** I have seen it before, yes.

**MS ABDIEL:** And on this email, Mr Pisani says:

35 "Dear all, please note Adrian Hornsby has advised that for the remainder of April, no more CUP transactions to be swiped for the below three players."

And the three players include Mr Phillip Dong Fang Lee. Do you recall that?

40 **MR ALOI:** Yes.

**MS ABDIEL:** And you recall now that there was a two-week ban imposed on Mr Lee for the use of the CUP facility?

45 **MR ALOI:** No, I don't recall it was a two-week ban. I recall seeing no - no more CUP, though.

**MS ABDIEL:** Yes. Sorry. I should have been clearer in my question. The measure that was taken was the restriction of Mr Lee's use of the CUP facility?

**MR ALOI:** Yes.

5 **MS ABDIEL:** But he was allowed to continue with other forms of gaming?

**MR ALOI:** I assume so.

**MS ABDIEL:** And he was allowed to continue to deposit moneys with The Star?

10 **MR ALOI:** I assume so.

**MS ABDIEL:** Including the moneys that he had already swiped - the approximately \$23 million that he had already swiped with China UnionPay?

15 **MR ALOI:** Yes.

**MS ABDIEL:** And he was allowed to keep the winning cheques already issued to him?

20 **MR ALOI:** Yes.

**MS ABDIEL:** I will take you further up the chain. At the bottom of the next page, Mr Chris Wong sends an email - I withdraw that. I will take you to the following page after that, which is pinpoint 2485. This is an email dated 28 April 2015. And I should note that the prior email imposing a restriction on Mr Lee for the use of the China UnionPay facility was of 13 April, so the restriction for the remainder of April was approximately two weeks. Do you recall that?

25 **MR ALOI:** Yes.

**MS ABDIEL:** And this email is from a person called Febrianti Febrianti. Who is that person?

**MR BELL SC:** I am just going to ask you, Ms Abdiel, not to name the other patron who is referred to in the email.

30 **MS ABDIEL:** Yes, Mr Bell. Thank you. Who was Mr Febrianti, or Ms?

**MR ALOI:** I think it's someone from the VIP team.

35 **MS ABDIEL:** And that person says:

"Dear Jake, as per booking form -"

40 **MS ABDIEL:** And that person says:

"Mr X will buy in \$5 million using CUP plus cash and add sharer Phillip Dong Fang Lee to all the rooms. Please note Adrian Hornsby has advised that

for the remainder of April, no more CUP transactions to be swiped for Phillip Dong Fang Lee."

Do you recall that, receiving that email?

5

**MR ALOI:** I may have seen it, but I don't recall it - but - yes. Okay. I've read it.

**MS ABDIEL:** And then the email further up the chain from Adison Guan says:

10

"Dear cage -"

And this is an email that would have been addressed to The Star cage, which you would have been in receipt of. Do you recall that email?

15

**MR ALOI:** Same as below. I may have seen it, but don't recall it.

**MS ABDIEL:** And it says:

20

"Just give you heads up below, Mr X is a friend of Mr Lee Phillip who will possibly swap CUP for the fund."

And then you forward - further up the chain at the top of that page, you forward that email to Adrian Hornsby. Do you recall doing that?

25

**MR ALOI:** Yes.

**MS ABDIEL:** And why did you forward that to Mr Hornsby?

30

**MR ALOI:** It's because of the previous - no more CUPs situation.

**MS ABDIEL:** And so you had a concern at this point that Mr Lee was seeking to use CUP through another patron?

35

**MR ALOI:** I must have, yes.

**MS ABDIEL:** I will take you to the next page of the document, which is pinpoint 2484. And at the bottom of that page is an email that's copied to you from Adrian Hornsby to Jake Lee. And it says:

40

"Hi Jake, please confirm which casinos Mr X plays at so we can verify his play there? Macau or Singapore? I believe this is another proxy Phillip Lee is using to swipe CUP for his own purposes and Mr X is not a player. Please advise ASAP."

45

Do you recall receiving that email?

**MR ALOI:** Yes.

**MS ABDIEL:** And Mr Adrian Hornsby is raising a couple of concerns here and the first of which is that Mr Lee is using another patron as a proxy for the use of China UnionPay cards?

5 **MR ALOI:** Yes.

**MS ABDIEL:** And the second appears to me to be a concern that he's using China UnionPay cards for his own purposes. Would you agree with that?

10 **MR ALOI:** Yes.

**MS ABDIEL:** And those purposes don't necessarily include gaming?

15 **MR ALOI:** That's right.

**MS ABDIEL:** I will take you to the very top email. And I won't take you through all of the various responses to that email because there's quite a few, but the very top email is an email from Mr Hornsby to Adison Guan and Jake Lee, copied to The Star cage. Do you recall this email?

20 **MR ALOI:** No. I'm just reading that now to refresh. Okay.

**MS ABDIEL:** Does that refresh your recollection?

25 **MR ALOI:** A little, yes.

**MS ABDIEL:** And Mr Hornsby says:

30 "Okay to let Mr X swipe CUP 5 million for now, no more. We will need to closely monitor what he does with Phillip Lee and if Mr X plays at a sufficient level."

And then he says:

35 "If Phillip Lee ends up with the chips with little play from Mr X, Mr Lee won't be permitted to swipe any CUP in May either."

Do you see that?

40 **MR ALOI:** Yes.

**MS ABDIEL:** Do you agree at this point there were serious concerns being raised that Mr Lee was not playing commensurate to the amounts he was transacting through the China UnionPay facility?

45 **MR ALOI:** Yes.

**MS ABDIEL:** And he now - there was now being raised with you and others that

he was abusing the non-winnings cheques system?

**MR ALOI:** Yes.

5 **MS ABDIEL:** In a way that made you concerned that the regulators would start looking at into it?

**MR ALOI:** Yes.

10 **MS ABDIEL:** And that this conduct was sufficient for there to have been a ban imposed, at least a short-term ban, for his use of the China UnionPay facility?

**MR ALOI:** Yes.

15 **MS ABDIEL:** And now we see that there are additional concerns that he was using others as proxies to conduct China UnionPay transactions?

**MR ALOI:** Yes.

20 **MS ABDIEL:** And even greater concerns that - sorry, I withdraw that. And there were additional concerns that he was using it for his own purposes and not for gaming?

**MR ALOI:** Yes.

25 **MS ABDIEL:** And you personally held concerns that he was engaging with these processes for the purposes of money laundering?

**MR ALOI:** Yes.

30 **MS ABDIEL:** And did you raise these concerns with anyone that you reported to?

**MR ALOI:** Yes.

35 **MS ABDIEL:** And who did you raise that concern with, that you reported to?

**MR ALOI:** As I stated before, it was the CFO.

40 **MS ABDIEL:** So did you raise this additionally, or was this the same time that you raised these concerns?

**MR ALOI:** The same time.

45 **MS ABDIEL:** And was it the CFO of The Star or Star Entertainment that you raised it with?

**MR ALOI:** The Star.

**MS ABDIEL:** Was that Christine Bletsas?

**MR ALOI:** Yes.

5 **MS ABDIEL:** Now, Mr Aloï, are you sure that you raised that with Ms Bletsas at this point in time?

**MR ALOI:** It was definitely discussed because - I discussed it with her because it affected our chip liability report at the time.

10

**MS ABDIEL:** In April of 2015?

**MR ALOI:** When the significant swipes took place, yes. If that happened in April, that's when - that's when she would have been advised of.

15

**MS ABDIEL:** And no further steps were taken to restrict Mr Lee's gaming at The Star at that time?

**MR ALOI:** Not that I'm aware of.

20

**MS ABDIEL:** And he was allowed to continue to utilise the CUP facility thereafter, wasn't he?

**MR ALOI:** I believe he was.

25

**MS ABDIEL:** I will take you to a further document. This is exhibit B, tab 79. This is an email of - well, the opening email is 26 May 2015. The document ID is STA.3014.0006.2584. Mr Aloï, this is quite a long chain. I will take you to the second to last and third to last pages of the chain. Actually, sorry, I will take you to the fourth to last, pinpoint 2586. This is an email from Stewart Byles to you?

30

**MR ALOI:** Yes.

**MS ABDIEL:** Of 26 May 2015. Do you recall receiving this email?

35

**MR ALOI:** Yes.

**MS ABDIEL:** And Stewart Byles was one of your subordinates to the cage?

40

**MR ALOI:** Yes.

**MS ABDIEL:** I will give you a moment to read back through that email. It spans over three pages, so you can just ask the operator to go to the next page when you're done.

45

**MR ALOI:** Next page, please. Yes.

**MS ABDIEL:** Do you recall this incident, Mr Aloï?



**MR ALOI:** Yes.

5 **MS ABDIEL:** And do you agree that Mr Byles is raising with you a concern about - well, in the first place, that he is raising with you that Mr Phillip Dong Fang Lee was playing in the pit. He had given \$90,000 worth of chips to a friend to cash out?

10 **MR ALOI:** Yes.

**MS ABDIEL:** And then the cash out was declined?

**MR ALOI:** Yes.

15 **MS ABDIEL:** And then Mr Lee sought to cash out \$25,000?

**MR ALOI:** That's right.

20 **MS ABDIEL:** And someone in the cage was on the phone with - it refers to "Adrian". Would that have been Adrian Hornsby?

**MR ALOI:** Yes.

25 **MS ABDIEL:** To obtain some approval for that. And in the meantime, Mr Byles was handed a phone and on the other end of that phone was Damian Quayle?

**MR ALOI:** Yes.

30 **MS ABDIEL:** And Mr Byles is raising with you that at the time, Damian tried to demand that Mr Byles release the \$25,000 to Mr Lee?

**MR ALOI:** Yes.

35 **MS ABDIEL:** And he says:

"Mr Lee has a CCF of 500K, but we have a pending CUP not received yet."

**MR ALOI:** Yes.

40 **MS ABDIEL:** And Damian Quayle says:

"That's just an EFTPOS transaction, so it's cleared funds."

45 **MR ALOI:** Yes.

**MS ABDIEL:** And Mr Byles says:

"Not quite. He was issued credit and it hasn't been received to redeem yet."

To which Mr Quayle responds:

5 "He's a \$20 million player and I don't want to jeopardise The Star's relationship with him, so I'm authorising you to pay him out."

**MR ALOI:** That's right.

10 **MS ABDIEL:** And Mr Byles is raising with you that Mr Quayle said to Mr Byles:

"This is ridiculous. It's only \$25,000 against half a mill. Pay him out."

**MR ALOI:** Yes.

15 **MS ABDIEL:** And Mr Byles is raising with you that this was an abuse of Mr Quayle's authority, and he didn't feel as though Mr Hornsby's decision about the cash out should have been overridden?

20 **MR ALOI:** Yes.

**MS ABDIEL:** And then going up to the top of point 2586, you respond by forwarding this email to Adam Hooper, I believe, who you call "Hoop"?

25 **MR ALOI:** Yes.

**MS ABDIEL:** And you ask him to add to the below as you have to answer to Greg and Christine about the incident tomorrow and what actually transpired?

30 **MR ALOI:** That's right.

**MS ABDIEL:** And you add that Mr Hornsby could add anything to the email?

**MR ALOI:** Yes.

35 **MS ABDIEL:** Then going further up - and sorry, you say you've got to answer to Greg and Christine. Is that Christine Bletsas and Greg Hawkins?

**MR ALOI:** That's right.

40 **MS ABDIEL:** Going up the chain, there's a further email from Adrian Hornsby at point 2585?

**MR ALOI:** Yes.

45 **MS ABDIEL:** And do you recall receiving this response to your email?

**MR ALOI:** Yes. Can I quickly read it?

**MS ABDIEL:** Of course.

**MR ALOI:** Yes. Okay.

5 **MS ABDIEL:** And Mr Hornsby says to me:

10 "Hi DA, to me this is not solely based on a 25K cash out request. Phillip Lee has been allowed to swipe \$30 million in CUP over the last few months. He constantly tries to use proxy players to swipe on his behalf claiming they are real players. His loss during this period is no more than 5 mill and his so-called player friends simply transfer their CUP swipes and chips back to Lee."

Do you see that?

15

**MR ALOI:** Yes.

**MS ABDIEL:** And then it says, in the next paragraph:

20 "Lee had approximately \$14 million in plaques at home and always requesting me to grant approval to swipe 500K CUP to clear his CCF balance and then immediately redraw without using his plaques."

**MR ALOI:** Yes.

25

**MS ABDIEL:** And then he says:

30 "I allow this as the casino best interests is to get paid on CCF debts and the best interests of keeping a relationship with Lee for the business."

**MR ALOI:** Yes.

**MS ABDIEL:** And then two paragraphs later, he says:

35 "Due to cage concerns, I request to hold further cash outs. I explained the situation to DQ over the phone and authorised the cash out."

That was the \$25,000 cash out that Mr Lee was requesting?

40 **MR ALOI:** Yes.

**MS ABDIEL:** And then he says:

45 "Lee went home and took another \$12 million in non-winning cheques in plaques and spat his dummy over our decisions to not let him do as he pleases, even if we only required a little more time to clarify what he was up to. Lee has been playing games for a number of weeks now with CUP requests far exceeding his play losses. This concerns me and should concern

the company if allowed to continue unabated."

And then that email is forwarded by Adrian Hornsby to others. Now, did you have a meeting with Mr Hawkins and Ms Bletsas the following day?

5

**MR ALOI:** I believe it was with Ms - Mrs Bletsas.

**MS ABDIEL:** And what took place at that meeting?

10 **MR ALOI:** I can't recall exactly. I think it was just going through what happened, that sort of scenario, moving forward. But, yes, I can't remember - I can't recall the actual detail of that meeting.

15 **MS ABDIEL:** Do you recall whether Mr Quayle was cautioned in any way regarding his behaviour toward Mr Byles?

**MR ALOI:** She said she was going to address it with Mr Quayle.

20 **MS ABDIEL:** Did you observe that any such approach was taken?

**MR ALOI:** No.

25 **MS ABDIEL:** And to your knowledge, was Mr Lee allowed to continue playing after this incident took place?

**MR ALOI:** I can't recall.

30 **MS ABDIEL:** Do you recall that he was allowed to continue using the China UnionPay facility after this incident was raised?

**MR ALOI:** Again, I can't recall.

35 **MS ABDIEL:** I will take you to a further document. And this is tab 80 of exhibit B, STA.3014.0006.2580. Mr Bell, I do note the time, but I will move to another topic in about five minutes and perhaps we can take a break thereafter.

**MR BELL SC:** Yes.

40 **MS ABDIEL:** At the bottom of this email chain, at pinpoint 2581, there's an email from Damian Quayle to Christine Bletsas, copying you and Mr Hornsby. Do you see that?

**MR ALOI:** Yes.

45 **MS ABDIEL:** Does this refresh your recollection as to the outcome of the meeting that you had with Ms Bletsas?

**MR ALOI:** I think some of these points were in discussions with Christine and

Damian and not myself.

**MS ABDIEL:** Okay. But do you recall receiving this email?

5 **MR ALOI:** Yes.

**MS ABDIEL:** And do you agree that it imposes some kinds of restrictions on Mr Lee's use of China UnionPay and other things?

10 **MR ALOI:** Yes.

**MS ABDIEL:** And at the top, the first bullet point restriction is a:

"No charge monthly CUP."

15

What did that mean?

**MR ALOI:** That was the commission that we would charge players - some players for the usage of CUP, and Phillip Lee was exempt from that, according to this - the first point.

20

**MS ABDIEL:** And it goes on to say his withdrawal limit is \$10 million and any subsequent withdrawals are limited to \$1 million per day at 1.5 per cent commission?

25

**MR ALOI:** Yes.

**MS ABDIEL:** And would you agree that that is not a significant limitation imposed on Mr Lee, having regard to the fact of his prior China UnionPay swipes amounting to approximately \$11 million on several occasions?

30

**MR ALOI:** Yes, that's right.

**MS ABDIEL:** And then the next bullet point is that he can cash out five per cent of his CUP withdrawal?

35

**MR ALOI:** Yes.

**MS ABDIEL:** Incidentally, were cash withdrawals generally permitted in relation to China UnionPay?

40

**MR ALOI:** Generally not.

**MS ABDIEL:** But an exception was made for Mr Lee?

45

**MR ALOI:** No. They followed the CCF cash out policy.

**MS ABDIEL:** And the next bullet point is:

"Winnings to be calculated at the end of play (daily). Winners cheques can be issued if ratings show winnings."

5 And then the next point is:

"Non-winnings cheques can be issued for other gaming transactions, chips out, etcetera."

10 And would you agree that Mr Lee is able to continue to take advantage of the non-winnings cheques system after this restriction is imposed?

**MR ALOI:** Yes.

15 **MS ABDIEL:** And it further states that:

"CUP withdrawals must clear before chips are issued."

And:

20

"Any special requests or approvals outside of this arrangement need to include Christine Bletsas and/or Damian Quayle as approvers."

25 Now, further up the chain, on the next page, there's an email from Mr Hornsby at the bottom of point 2580, and you are copied to this email.

**MR ALOI:** Yes.

**MS ABDIEL:** Do you recall this email?

30

**MR ALOI:** Yes.

**MS ABDIEL:** And Mr Hornsby says if he could add one more point:

35 "Zero CCF to avoid any confusions with cheque due dates and cash-outs."

And he further goes on to say:

40 "Using CUP at this level means he won't need a CCF as his funds are easy accessible."

**MR ALOI:** Yes.

45 **MS ABDIEL:** And you would now agree at this point there were very serious concerns that had now been raised with you multiple times, that Mr Lee was not playing commensurate with his CUP swipes of around \$30 million in the prior few months?

**MR ALOI:** Yes.

5 **MS ABDIEL:** And that he been abusing the winnings cheque systems and non-winnings cheque system in a way that made you concerned about regulators raising alarms?

**MR ALOI:** About the winners cheques yes.

10 **MS ABDIEL:** And that there were concerns now being raised with you, and people you reported to, that he was using others as proxies to conduct CUP swipes?

**MR ALOI:** That's right.

15 **MS ABDIEL:** And he was holding on to chips and plaques and taking them home?

**MR ALOI:** Yes.

20 **MS ABDIEL:** And now you have Mr Quayle putting pressure on your subordinates to provide cash out to Mr Lee?

**MR ALOI:** Yes.

25 **MS ABDIEL:** And these are the only measures imposed on Mr Lee, at the bottom of this email, that allow him to continue to withdraw on the China UnionPay facility to the tune of \$11 million per day?

**MR ALOI:** Yes.

30 **MS ABDIEL:** Now, sitting here today, Mr Aloï, would you agree that this is a fairly deficient response to the very serious concerns that have been raised at this point?

35 **MR ALOI:** Yes.

**MS ABDIEL:** And this could not have done anything to ameliorate the concerns held about Mr Lee at this point?

40 **MR ALOI:** Yes.

**MS ABDIEL:** And it didn't do anything to address the issue of CUP swipes not being commensurate to play?

45 **MR ALOI:** That's right.

**MS ABDIEL:** And it didn't do anything to address the issue of him taking home chips or plaques, or using others as proxies?

**MR ALOI:** Yes.

5 **MS ABDIEL:** In fact, there is a thoroughly deficient response, wouldn't you say?

**MR ALOI:** Yes.

10 **MS ABDIEL:** And Mr Lee was not curbed because it was best for business that he be allowed to continue to do what he wanted?

**MR ALOI:** That's right.

**MS ABDIEL:** And as Mr Quayle put it, because he was a \$20 million player?

15 **MR ALOI:** Yes.

**MS ABDIEL:** And would you agree that in this instance, The Star prioritised the making of money from Mr Lee over compliance with its own rules?

20 **MR ALOI:** It seems that way.

**MS ABDIEL:** And over very serious compliance and regulatory concerns?

25 **MR ALOI:** Yes.

**MS ABDIEL:** And concerns that you personally held at this point that he was potentially engaging in money laundering?

30 **MR ALOI:** Yes.

**MS ABDIEL:** Mr Bell, if this is a convenient time to take the afternoon adjournment?

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

**<THE HEARING ADJOURNED AT 3:29 PM**

**<THE HEARING RESUMED AT 3:44 PM**

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

45 **MS ABDIEL:** Thank you, Mr Bell. Mr Aloï, I would like to turn now to the overseas and domestic patron accounts that The Star and its related entities held. I just want to be clear on the terminology that I will use. When I refer to "patron accounts", I mean the front money and safekeeping accounts, which are the ledger entries made by The Star to reflect moneys held for patrons. Do you understand that?



**MR ALOI:** Yes.

5 **MS ABDIEL:** And I will refer to "patron bank accounts" as the term for bank accounts held by Star Entertainment Group entities into which patron deposits can be made for front money or CCF redemptions. Do you understand that?

**MR ALOI:** Yes.

10 **MS ABDIEL:** I will try to be consistent in my terminology, but, Mr Aloï, if I am inconsistent and you don't understand, please do let me know. Now, during the relevant period, Mr Aloï, SGR entities held both domestic and overseas patron bank accounts?

15 **MR ALOI:** That's right.

**MS ABDIEL:** And there were domestic patron bank accounts held with National Australia Bank; correct?

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

**MS ABDIEL:** I would like to turn to exhibit D, tab 41, which is STA.3009.0007.0605. Apologies, it might be tab 40. It's a native file. I will ask you some - and you can see from rows - on this document, from rows 1 through to 25 31 are the existing patron bank accounts held by SGR entities?

**MR ALOI:** Yes.

30 **MS ABDIEL:** And during the relevant period, SGR entities - and I will focus here on The Star Pty Ltd and EEI Services (Hong Kong) Limited - those entities held overseas bank accounts?

**MR BELL SC:** What do you mean by "the relevant period", Ms Abdiel?

35 **MS ABDIEL:** Apologies, Mr Bell. In the period from 2013 onwards, SGR entities held overseas bank accounts; is that right, Mr Aloï?

**MR ALOI:** Sorry, what year - sorry?

40 **MS ABDIEL:** From the period 2013 onwards?

**MR ALOI:** Yes.

45 **MS ABDIEL:** And The Star Pty Ltd - the cage at The Star Pty Ltd accepted patron deposits into bank accounts held with Bank of China Macau?

**MR ALOI:** Yes.

**MS ABDIEL:** And those deposits were received up to the end of 2017; is that

right?

**MR ALOI:** That's right.

5 **MS ABDIEL:** There were also Bank of China Macau accounts held by EEIS?

**MR ALOI:** Yes.

10 **MS ABDIEL:** And by "EEIS", I mean EEI Services (Hong Kong) Limited.

**MR ALOI:** Yes.

15 **MS ABDIEL:** And also United Overseas Bank patron bank accounts held by The Star Pty Ltd?

**MR ALOI:** Yes.

20 **MS ABDIEL:** Is it right, Mr Aloï, that The Star would periodically perform what is called a sweep of overseas bank accounts?

**MR ALOI:** The treasury team would, yes.

25 **MS ABDIEL:** And from your experience within the treasury team, can you explain to the review what a sweep is?

**MR ALOI:** Bringing funds from offshore to onshore, so moving funds from overseas bank accounts to our local accounts.

30 **MS ABDIEL:** And can you explain to the purpose for which the sweep was performed?

**MR ALOI:** So we can utilise those funds to - like, within The Star accounts in regards to AP purposes, payroll, that sort of thing.

35 **MS ABDIEL:** And just to clarify, it was the remit of the treasury, not the cage, to perform sweeps?

**MR ALOI:** Funds onshore, yes.

40 **MS ABDIEL:** To your knowledge, was there any anti-money laundering component to the sweep?

45 **MR ALOI:** The - if it moved from - if it moved from overseas bank accounts to local, the - the IFTI - is that what you - you are talking about IFTIs?

**MS ABDIEL:** No. I will clarify my question, Mr Aloï, because it might have been a bit unclear. To your knowledge, was there any AML directed transaction monitoring component to the sweep performed by treasury?

**MR ALOI:** Not that I'm aware of.

5 **MS ABDIEL:** So you're not aware of - I withdraw that. How regular is the sweep?

**MR ALOI:** It's irregular. It doesn't happen often. But when the funds build up in those accounts, they bring them across.

10 **MS ABDIEL:** And what determines the regularity - sorry, I think you have answered that for me. The build-up of funds to a certain level is what determines the regularity of that sweep?

**MR ALOI:** It may, yes.

15 **MS ABDIEL:** Now, I would like to confirm with you the usual process adopted at the cage for a patron depositing funds into an overseas bank account. Is it correct that a deposit of funds is received into a relevant overseas patron bank account about which the cage would be informed by credit and collections or the international marketing team?

20

**MR ALOI:** That's right.

**MS ABDIEL:** And sometimes the cage will have identified the deposit in the bank account itself?

25

**MR ALOI:** Yes.

**MS ABDIEL:** And the cage then logs into the bank to identify the transaction?

30 **MR ALOI:** Yes. If - if we're able to, yes.

**MS ABDIEL:** Is that - and by if you are able, does that mean if you have access to the bank - online banking portal?

35 **MR ALOI:** Correct.

**MS ABDIEL:** And you don't always have access to the online banking portal?

40 **MR ALOI:** At certain stages, the treasury and the corporate team would access on our behalf.

**MS ABDIEL:** And can you be clear as to which bank accounts and when the cage would not have had access to via an online portal? Perhaps we can start with the domestic NAB accounts held by The Star Pty Ltd. Did at all times the cage hold online banking details for that account?

45

**MR ALOI:** Only if it was gaming related.

**MS ABDIEL:** Okay. But it could access that account?

**MR ALOI:** It could view it, yes.

5 **MR BELL SC:** When you say "that account", Ms Abdiel, there seem to be many accounts held with the NAB.

**MR ALOI:** Yes, there was.

10 **MS ABDIEL:** And when you say that you had access to the domestic National Australia Bank accounts held by The Star Pty Ltd, would you have had access to all of them or only some of them, or one or two of them?

**MR ALOI:** There's at least - so all of the foreign currency NAB accounts, yes.  
15 And the ones ending 3265, 7939 and 0430.

**MS ABDIEL:** And all of those accounts were corporate chequing accounts into which patrons could deposit funds?

20 **MR ALOI:** One was for receiving funds, and one was for sending funds.

**MS ABDIEL:** And in relation to National Australia Bank --

**MR BELL SC:** Just be careful identifying the account, Ms Abdiel.  
25

**MS ABDIEL:** Yes, I will, Mr Bell. I'm conscious of that. National Australia Bank accounts, which will be under the closed accounts rows, I believe, held by EEI Services (Hong Kong) Limited. Did the cage have access to the online portal for those accounts at any period up to the present - or up to the time that they were  
30 closed, apologies?

**MR ALOI:** We did - we didn't initially, but we did after the first six months.

**MS ABDIEL:** And when was that?  
35

**MR ALOI:** I think it was - so this is the NAB accounts, right, EEIS?

**MS ABDIEL:** Yes.

40 **MR ALOI:** It was later - 2018 - I would - I'm assuming late 2018, at the earliest.

**MS ABDIEL:** And then in relation to Bank of China Macau accounts held by The Star Pty Ltd and EEI Services (Hong Kong) Limited, did the cage have access to those accounts?  
45

**MR ALOI:** We did. Again, it wasn't immediate, but we did eventually.

**MS ABDIEL:** And The Star's patron bank accounts held with Bank of China

Hong Kong? It might be up under Existing Accounts, operator. Apologies. That would be the EEI Services (Hong Kong) Limited Bank of China Hong Kong accounts. Did the cage have access to those accounts?

5 **MR ALOI:** I can't recall. I do recall seeing those. I'm not sure if I saw them in treasury or in the cage.

**MS ABDIEL:** Okay. Mr Aloï, going back to the process adopted for when a patron would deposit funds into an overseas bank account, if it was the case that  
10 the cage had the log-in details, it could log in to the bank account to identify the transaction; is that right?

**MR ALOI:** That's right.

15 **MS ABDIEL:** And if it didn't, it would contact treasury?

**MR ALOI:** Yes.

**MS ABDIEL:** And the cage would generally only log in to the bank accounts, or  
20 seek treasury to log in to the bank accounts, if it was apprised of the fact that a deposit might have been made on behalf of a patron or by the patron themselves?

**MR ALOI:** For our overseas accounts, yes. But for our local accounts, no.

25 **MS ABDIEL:** And I might come back to that, Mr Aloï. But then once a deposit had been made and it has been identified by the cage, the cage then credits the amount to the patron's account in Synkros?

**MR ALOI:** That's the end product, yes.  
30

**MS ABDIEL:** Okay. Are there any steps prior to that?

**MR ALOI:** Yes. We ensure that those funds belong to that person who is - who it  
35 belongs to, the - ensure that we've had the owner of the funds.

**MS ABDIEL:** I might come back to that also. And after that point, if - and I'm  
raising as a hypothetical question, if there was a threshold transaction report or a  
suspicious matter report to be filed in relation to a transaction, that would be done  
40 at that stage?

**MR ALOI:** It would be done at the time of the transaction taking place. Correct.

**MS ABDIEL:** And that would be raised through the AML team?

45 **MR ALOI:** It'd be raised to the AML team. Correct.

**MS ABDIEL:** And if there was an IFTI to be raised, that's the point at which it  
would be notified to the AML team?

**MR ALOI:** We would raise it, yes.

**MS ABDIEL:** I will just turn to the cage standard operating procedure once more.  
5 This version is exhibit D, tab 38, STA.3008.0002.1493 at pinpoint 1589.  
Apologies, Mr Bell. That was exhibit B833. And if we could go through to  
pinpoint 1589 of the document. And that document at that pinpoint refers to the  
lodging of IFTIs. And it states at paragraph 1:

10 "An international funds transfer instruction report is to be raised when a guest  
transfers funds into or out of Australia."

Mr Aloï, when --

15 **MR BELL SC:** Could that be blown up a bit please, operator. Thank you.

**MS ABDIEL:** Mr Aloï, when transactions for the China UnionPay facility were  
conducted, were IFTIs raised?

20 **MR ALOI:** No.

**MS ABDIEL:** And that's because the view was taken internally that moneys from  
UnionPay came via the National Australia Bank to The Star; is that right?

25 **MR ALOI:** That was part of the reason.

**MS ABDIEL:** What was the other part of the reason?

**MR ALOI:** It was more like an EFTPOS type of transaction.  
30

**MS ABDIEL:** Notwithstanding that the SOP states that when a guest transfers  
funds into or out of Australia and in circumstances where China UnionPay cards  
were held with overseas banks in all instances?

35 **MR ALOI:** That's right.

**MS ABDIEL:** Could I put to you the following scenarios as hypotheticals so that  
we can understand the mechanics of the flow of funds into The Star's patron bank  
accounts. Up to the end of 2017, were there cash deposits into The Star's Bank of  
40 China Macau accounts, would those have been transferred by ledger entry of the  
cage into the customer's FOD or front money account?

**MR ALOI:** Yes.

45 **MS ABDIEL:** Or applied to their CCF, as it were?

**MR ALOI:** That's right.

**MS ABDIEL:** And there would be no separate deposit into Star's domestic accounts?

**MR ALOI:** Not at that time, no.

5

**MS ABDIEL:** And would there have been an IFTI raised in relation to such a transaction?

**MR ALOI:** Yes.

10

**MS ABDIEL:** And in relation to a wire or telegraphic transfer into the EEI Services (Hong Kong) Limited, Bank of China Hong Kong accounts, if you are still following me after that, those would still be transferred by way of ledger entry of the cage into a patron's front account at The Star; that is right?

15

**MR ALOI:** Yes. And/or redemption of CCF.

**MS ABDIEL:** And/or redemption of CCF?

20

**MR ALOI:** Most likely.

**MS ABDIEL:** And there would be no separate transfer into The Star's domestic patron bank accounts?

25

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

**MS SHARP SC:** And in relation to third-party remittance services overseas depositing funds into EEI Services (Hong Kong) Limited NAB accounts held domestically, would those be transferred by way of ledger entry to the patron's front money account or against their CCF redemption?

30

**MR ALOI:** Yes.

**MS SHARP SC:** And would an IFTI be raised in relation to those transfers?

35

**MR ALOI:** What year are you talking? 2017?

**MS ABDIEL:** Well, I will start there.

40

**MR ALOI:** Funds into - into Australia from overseas wouldn't raise an IFTI at that time.

**MS ABDIEL:** And then --

45

**MR BELL SC:** Why not?

**MR ALOI:** That was the advice from the AUSTRAC - or AML team.

**MR BELL SC:** From your AML team, was it?

**MR ALOI:** Correct.

5 **MS ABDIEL:** And then, Mr Aloï, I'm not sure whether I asked you, but just to be clear in case I did not, where there was a transfer into the EEIS Bank of China Hong Kong accounts and a ledger entry had been performed by the cage into a person's front money or CCF redemption, would an IFTI be raised in that circumstance?

10

**MR ALOI:** Yes.

**MS ABDIEL:** And in relation to the repayment of loans held by patrons with EEI Services - I withdraw that. In relation to repayment of loans held with EEIS that were repaid, these were repaid into the EEIS NAB account; is that correct?

15

**MR ALOI:** That account, yes, that's correct.

**MS ABDIEL:** And if a patron had made a transfer of funds from an overseas bank account into a NAB account, would an IFTI be raised in that circumstance?

20

**MR ALOI:** No, it's - it's gone to a local account.

**MS ABDIEL:** And how were you made aware of that, of the position that an IFTI did not need to be raised in that circumstance?

25

**MR ALOI:** Again, it's the AML team.

**MS ABDIEL:** Okay. And in relation to the repayment of EEIS loans, was it the cage's responsibility to keep track of those?

30

**MR ALOI:** Can you clarify keep - what do you mean, keeping track?

**MS ABDIEL:** Was it the cage's responsibility to enter details of any repayments by patrons into a spreadsheet?

35

**MR ALOI:** I think that was carried out by the credit team.

**MR BELL SC:** Sorry, Mr Aloï. Can I just go back to a hypothetical that Ms Abdiel was asking you about a little while ago. And it was third-party remittances - remittance services paying funds into the EEIS NAB account in Australia. And I think you said that no IFTIs were raised by The Star in 2017; is that right?

40

45 **MR ALOI:** That's right.

**MR BELL SC:** And I think you asked Ms Abdiel to clarify the time period. Did that change at some time after 2017, or was that always the case?



**MR ALOI:** Yes. So since about 2014, the position has changed - I think it's about five times - about when and when not to raise IFTIs. So we're guided by the AML team on that one.

5

**MR BELL SC:** So in 2017, there weren't any. What about in 2018?

**MR ALOI:** 2018, it was only for offshore accounts --

10 **MR BELL SC:** Sorry. Just pausing there. We're talking about third-party remittance services paying funds into the EEIS NAB account, and you said IFTIs are only raised in respect of offshore accounts. What do you mean by that precisely?

15 **MR ALOI:** Accounts held overseas for The Star but made available for guests or patrons in Australia.

**MR BELL SC:** Well, I'm zeroing in on payments by third-party remittance services to the NAB account in Australia of EEIS, and I'm asking you to focus on 20  
20 2018 and I'm trying to understand whether IFTIs were raised by The Star in that hypothetical circumstance or not.

**MR ALOI:** I do recall IFTIs being done for certain guests, but not - I think it was late 2018 - definitely late - definitely late 2020 it was.  
25

**MR BELL SC:** Late 2020?

**MR ALOI:** Yes.

30 **MR BELL SC:** But just so I'm clear, you are telling me that it was only at some point in late 2018 that IFTIs were first lodged when remittance services paid funds into the EEIS NAB account? Have I understood that right?

**MR ALOI:** EEIS - the EEIS and NAB only opened in 2018, late.  
35

**MR BELL SC:** I see. Right. So when you said there were no IFTIs lodged in 2017, there was, in fact, no account in 2017?

**MR ALOI:** Bank of China had an account for EEIS.  
40

**MR BELL SC:** But just to be clear, I'm asking you about the NAB account in Australia for EEIS, and the hypothetical was remittance services paying funds into that account. You told me it was only opened in 2018.

45 **MR ALOI:** That's right.

**MR BELL SC:** What is your evidence about whether IFTIs were lodged in respect of third-party remittance services paying funds into that account?

**MR ALOI:** If it was made into Australia, it wouldn't be completed.

**MR BELL SC:** It would not?

5

**MR ALOI:** That's right.

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

10 **MS ABDIEL:** Thank you, Mr Bell. Mr Aloï, during the period you operated as a cashier services manager up to 2019, was the cage performing the function of transaction monitoring for The Star's patron bank accounts for AML purposes?

**MR ALOI:** Yes.

15

**MS ABDIEL:** And, Mr Aloï, when I referred to transaction monitoring - or, rather, when you answered affirmatively to my question, what sort of transaction monitoring was it performing?

20 **MR ALOI:** Looking for unusual amounts, narratives not clear, you know, anything that looks odd in regards to the amounts being - coming through. That's the type of red flag that we would be looking at.

**MS ABDIEL:** Would you undertake activities like - or is it your evidence that you would undertake, in the period up to 2019, activities like matching the narrative of the bank statement, the name or number of the patron's front money account?

25

**MR ALOI:** That would be part of it.

30 **MS ABDIEL:** What would be the other parts?

**MR ALOI:** Well, we would - if we're not satisfied with what the narrative stated, we would ask for - or seek more evidence in regards to a receipt of some sort.

35 **MS ABDIEL:** Is there anything else - any other steps that you would take?

**MR ALOI:** If anything that doesn't look right - didn't look right, we would raise it and get clarification from the AML team.

40 **MS ABDIEL:** I will take you to cage SOP dated 5 November 2021. This is exhibit D, tab 29. Mr Aloï, the contents of this document may be confidential, so I will ask you not to refer to its contents specifically, but I will ask you about parts of the document. And you recognise this version of the document?

45 **MR ALOI:** I do slightly, but I wasn't cage manager at the time.

**MS ABDIEL:** Because you were still in treasury?

**MR ALOI:** No. This was last year, and I was in my current role.

**MS ABDIEL:** Yes. I will take you to point 0178 - pinpoint 0178, and direct you to points 2 through 6. If you could read those to yourself.

5

**MR ALOI:** Yes.

**MS ABDIEL:** And if I could ask the operator to zoom out the document so that we can see the heading under which those points fall. Do you see that heading?

10

**MR ALOI:** Yes.

**MS ABDIEL:** Now, I will take you also to cage SOP with the effective date of 30 July 2020, which is exhibit D, tab 24. And at pinpoint point 0032. And at the very bottom of the page - if that could be - and you see at point 12 on the right-hand side - do you see what's written there?

15

**MR ALOI:** Yes.

**MS ABDIEL:** Okay. And I will also take you to point 0109. And under the heading emboldened in the middle of the left-hand column. And do you see there's five points under that heading?

20

**MR ALOI:** Yes.

25

**MS ABDIEL:** I will take you back to the cage SOP at exhibit B, tab 833 - we were at that one before - at point 1515. And this is the SOP with effective date 1 June 2018. Now, if the operator could zoom out, please - or are you able to read that, Mr Aloï?

30

**MR ALOI:** Could you make it slightly bigger, please?

**MS ABDIEL:** Certainly.

**MR ALOI:** Thank you.

35

**MS ABDIEL:** Would you agree with me - have you reviewed that page, Mr Aloï?

**MR ALOI:** No.

40

**MS ABDIEL:** I would ask you to review that page and let me know when you're --

**MR BELL SC:** I think the operator will need to zoom out a little bit so that Mr Aloï can read the whole of the page.

45

**MR ALOI:** Thank you.

**MR BELL SC:** And, operator, you will need to zoom out a little bit more so that Mr Aloï can read all of the page, please.

**MR ALOI:** Yes.

5

**MS ABDIEL:** And it goes over the page as well. If you could review the following page, which contains an additional four steps.

**MR ALOI:** Yes.

10

**MS ABDIEL:** Now, would you agree with me, Mr Aloï, that this part of the document contains no requirement that the cage match the narrative on a bank statement to the name or number of a patron's front money account?

15 **MR ALOI:** Can the operator go back up, please? Yes, it does not spell that out.

**MS ABDIEL:** And it doesn't contain any requirement for the cage to request a receipt if the details didn't match?

20 **MR ALOI:** Just request direct hard copy - I can't see that anywhere.

**MS ABDIEL:** And there's no requirement that the cage reject a transaction where there was no clear linkage between the details on the deposit and the patron for whom the funds were ostensibly deposited?

25

**MR ALOI:** That's right.

**MS ABDIEL:** And there's no requirement where funds were deposited by a company that the cage seek some confirmation that the front money account beneficiary was the sole owner and director of the company depositing the funds?

30

**MR ALOI:** Yes, that's right. The reason why that company wording come into play was because we were getting requests from guests a lot after this time.

35 **MS ABDIEL:** What do you mean by that, Mr Aloï?

**MR ALOI:** Well, guests were wanting to deposit funds for a company account, as opposed to their individual account, and that's when we decided to add that into the SOP at a later date.

40

**MS ABDIEL:** And it was not - and do you recall what date - around what date that was?

**MR ALOI:** It may have been some time in 2020, I'm assuming.

45

**MS ABDIEL:** And do you agree that this document contains no requirement that large cash transactions of \$100,000 or more would require the collection of the source of funds of the customer?

**MR ALOI:** Source of funds didn't come out for The Star from a cage perspective at this time. However, the 100K threshold may have been the AUSTRAC reporting SOP.

5

**MS ABDIEL:** But that was not contained in the cage SOP?

**MR ALOI:** No, the AUSTRAC reporting SOP is part of the cage SOP.

10 **MS ABDIEL:** And this document does not contain a requirement on the cage team to conduct transaction monitoring of the patron bank accounts to ensure that appropriate gaming activity has occurred?

**MR ALOI:** I don't recall that being listed on here.

15

**MS ABDIEL:** And it doesn't require - specifically require that transaction monitoring be conducted across the bank accounts to monitor for indicia of money laundering?

20 **MR ALOI:** Not that I recall, no.

**MS ABDIEL:** And it contains no reference to transaction monitoring at all, doesn't it, Mr Aloï?

25 **MR ALOI:** Not on this task, no.

**MS ABDIEL:** And, Mr Aloï, you gave evidence to Mr Bell that you would expect that all - as a very detailed document, the standard operating procedure would set out the detail of all the functions and tasks conducted by the cage. Do you recall that?

30

**MR ALOI:** Yes.

**MS ABDIEL:** And you expected that those would be followed because they were very important compliance-related functions?

35

**MR ALOI:** That's right.

**MS ABDIEL:** And that you wouldn't expect that things that were not contained in the cage standard operating procedure would not be followed?

40

**MR ALOI:** That's right.

**MS ABDIEL:** And so, Mr Aloï, would you like to revise your evidence about whether the cage was performing transaction monitoring functions for AML purposes in the period up to 2019?

45

**MR ALOI:** No.

**MS ABDIEL:** And why is that?

5 **MR ALOI:** Because we were monitoring transactions by the bank account at all times. Even if - even if it didn't state it in the SOP, that's what we were doing as well.

10 **MS ABDIEL:** Mr Aloï, were you - is it your evidence the review that you were performing transaction monitoring for AML purposes in the period up to 2019?

**MR ALOI:** My evidence is we were monitoring the bank accounts and if anything that didn't look right, so to speak, or was - we were unsure about, we referred it to the AML team at the time.

15 **MS ABDIEL:** Mr Aloï, you are not answering my question. Is it your evidence to the review that the cage was performing transaction monitoring for anti-laundering and counter-terrorism financing purposes in the period up to 2019?

20 **MR ALOI:** Yes.

**MS ABDIEL:** But it was not performing any of the tasks that I referred you to that are not contained in this SOP?

25 **MS RICHARDSON SC:** Well, I object to that question. It is patently unclear, in my submission.

30 **MS ABDIEL:** Well, I will step back, Mr Bell. Your evidence to the review, Mr Aloï, was that the cage SOP was a very detailed document because it contained every single task that was expected to be performed by the cage. Do you recall that evidence?

**MR ALOI:** Yes.

35 **MS ABDIEL:** And that I drew your attention to a number of tasks, including tasks that you referred to that are not contained in the SOP for 2018?

**MR ALOI:** Not - maybe not this specific SOP.

40 **MS ABDIEL:** Well, they were not contained in this version of the SOP which had an effective date of 1 June 2018; that's right, isn't it?

**MR ALOI:** For task number 12?

45 **MS ABDIEL:** I'm sorry, Mr Aloï. I don't know what you're referring to.

**MR ALOI:** There is a AUSTRAC reporting SOP embedded in the cage SOP.

**MR BELL SC:** Somewhere else in this document; is that what you are telling me?

**MR ALOI:** Yes.

5 **MR BELL SC:** Are you able to remember where it is?

**MR ALOI:** It's part of this document. I'm not sure what number it is.

**MR BELL SC:** All right. Do we have an index for this document, Ms Abdiel?

10 **MS ABDIEL:** There will be one. But, Mr Aloï, perhaps I could take you to a further pinpoint, which is point 0588 - sorry, point 1588, and point 1587. And this is task 68. I will give you a moment to read that to yourself.

15 **MR ALOI:** Yes.

**MS ABDIEL:** Mr Aloï, there's no reference here, under the task headed AUSTRAC Reporting, to an AML SOP here?

20 **MR ALOI:** Sorry. Can you repeat that, please?

**MS ABDIEL:** There's no reference in this task to an AML SOP here?

25 **MR ALOI:** No, but there is a step in this task about the provision of designated services.

**MS ABDIEL:** Well, let's go to that under Suspicious Matter Report at item 1.

30 **MS RICHARDSON SC:** I just query whether this can be done in a public session.

**MS ABDIEL:** That's not an invalid concern, Mr Bell. I do need to take the witness in private mode to another document, and I would be content with going into private mode, if you are content.

35 **MR BELL SC:** Yes. All right. Do you have any other questions in public mode for Mr Aloï?

**MS ABDIEL:** I don't.

40 **MR BELL SC:** Before we go to private mode, Ms Richardson, are there any questions that you wanted to ask Mr Aloï in public mode?

**MS RICHARDSON SC:** There are, but they're on a different topic.

45 **MR BELL SC:** Well, why don't you ask them now?

**MS RICHARDSON SC:** Certainly. I might just foreshadow - I've sought to foreshadow this with those assisting you, Mr Bell - I will be referring to some

documents that were produced yesterday, and we gave notice to solicitors assisting of the document numbers. So hopefully the operator can bring them up, even though they're not formally in a bundle yet.

5 **MR BELL SC:** Just before you do. Ms Abdiel, have you and the other counsel assisting had a chance to review the documents that Ms Richardson is going to be taking the witness to?

**MS ABDIEL:** No. I don't think so, Mr Bell.

10

**MR BELL SC:** All right.

**MS RICHARDSON SC:** I accept that it's unlikely that counsel assisting have had a chance to review that material. So if counsel assisting and you, Mr Bell, think it would be fairer for counsel assisting to think about whether they want to ask questions in-chief about those documents as opposed to me dealing with them first, I'm happy either way.

15

**MR BELL SC:** All right. Well, I think the most efficient way forward is to now move into private mode so counsel assisting can complete their questions of Mr Aloï, and then we will see where we are after that. So we will now, operator, move into private mode, please.

20

**<THE HEARING IN PUBLIC SESSION ADJOURNED AT 4:33 PM**

25

**<THE HEARING IN PUBLIC SESSION RESUMED AT 4:57 PM**

**MR BELL SC:** Yes, Mr Aloï. Your examination will be paused now and it will resume tomorrow, at which time Ms Richardson will have some questions for you.

30

**<THE WITNESS WAS RELEASED**

**MR BELL SC:** Now, I understand Mr Stevens is being recalled, Ms Sharp.

35

**MS SHARP SC:** Yes, I call Mr Stevens.

**MR BELL SC:** Do you need a minute or two to have that ready, Ms Richardson?

40

**MS RICHARDSON SC:** We do need a couple of minutes just to arrange the witness to enter the relevant room.

**MR BELL SC:** I will just adjourn for two minutes.

**<THE HEARING ADJOURNED AT 4:58 pm**

45

**<THE HEARING RESUMED AT 5:01 pm**

**MR BELL SC:** Mr Stevens, would you prefer to take an oath or make an



affirmation.

**MR STEVENS:** Affirmation.

5 **<GRAEME SCOTT STEVENS, AFFIRMED**

**MR BELL SC:** Yes, Ms Sharp. I think you are on mute, Ms Sharp.

**<EXAMINATION BY MS SHARP SC:**

10

**MS SHARP SC:** Mr Stevens, on Friday, Mr Condylis asked you some questions about Salon 95 and the submission that you made to the authority regarding the activities envisioned to be undertaken within Salon 95. He started asking you about that matter at page 690 of the transcript, and you told him - and the transcript reference is 691 - that there was a follow-up email maybe in June that year after a phone call with Atish Bucktowonsing to try and progress the approval process.

15

20

And then you were asked about your first email to the regulator at page 692, where you had explained that the changes to the room - and, in particular, the office within the room - were requested to create a more customer-friendly environment by installing a service desk. At that point, Mr Condylis made a call for documents. I can now interpolate that that call has been answered and it has been established that available to this review are two documents. And I will take you to one momentarily. It was put to you, in relation to your original email, that nowhere in the submission was there a reference to the functionality of this room being a buy-in desk. And you said:

25

30

"No."

This is at page 695. And at page 696, Mr Condylis said:

35

"There is no indication in the submission to the regulator there may be installation of this window to facilitate the provision of cash and/or chips into this room."

And you said:

40

"No."

And Mr Condylis said to you:

45

"There was nothing in the submission with any reference to the cage in Salon 95 or a buy-in desk in Salon 95?"

And you said:

"Correct."

And Mr Condylis said:

5 "You would agree that this submission is misleading."

And then Mr Bell said:

"Was leading."

10 And you said:

"Correct."

And then at page 697, Mr Condylis said to you:

15 "So you knowingly misled the regulator."

And you said:

20 "Yes."

I now wish to take you to the email that you referred to that post-dated your initial email to the regulator, seeking approval in Salon 95 to a window being installed in the office. Operator, could I call up STA.3418.0014.8070. I will just give that document number again. It's STA.3418.0014.0870. And I'm told the operator has this document. Now, I will take you to the back because it's an email chain, Mr Stevens. Could we please go to pinpoint 8071. And can I draw your attention, please, Mr Stevens, to the middle of the page, an email from Atish Bucktowonsing dated 21 November 2017.

30

**MR STEVENS:** Yes.

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

35 "As mentioned in my voice messages, we require further clarifications in regard to the better service being provided to the junket participants as a result of the proposed changes for Salon 95. This includes a description of the current service being provided in Salon 95 and what better services will be provided once the proposed structural changes are approved and completed."

40

Now, do you recall receiving that email?

**MR STEVENS:** I do.

45 **MS SHARP SC:** Could I please take you to what I understand is your email in reply. Operator, if we could go to pinpoint 8070. Could I please have enlarged for Mr Stevens the bottom half of that page. Now, what I'm going to do, Mr Stevens, is ask you to read that to yourself. This is an email replying to Atish

Bucktowonsing on 21 November 2017. Once you have read it, could you please tell me is this the further email you referred to in your evidence to Mr Condylis last Friday.

5 **MR STEVENS:** That is the email.

**MS SHARP SC:** Now, do you agree that nowhere in that email do you directly explain what the "better services" would be?

10 **MS RICHARDSON SC:** Well, I object to that question.

**MR BELL SC:** Why? What's the objection?

15 **MS RICHARDSON SC:** Well, because - well, it's a very long email and there's material in it that is - would suggest the answer to that - well, it is a very long email. He should be given more time to read it because the question that is put is not consistent with the question, in my submission.

20 **MR BELL SC:** Have you had enough time to read the email, Mr Stevens?

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

25 **MR BELL SC:** Yes. I will allow the question. Would you like to put it again, Ms Sharp.

**MS SHARP SC:** Thank you, Mr Bell. Do you agree that nowhere in this email do you directly explain what the "better services" would be?

30 **MR STEVENS:** Yes. That there's no direct explanation of what the better services are.

**MS SHARP SC:** Because, in fact, what you do is say:

35 "Well, first let me explain the service and operation of a junket."

And then you give a lengthy outline of how a junket operates?

**MR STEVENS:** Correct.

40 **MS SHARP SC:** And one of the things you refer to in that lengthy explanation is that:

45 "An operator receives chips and then provides chips to those players, who will then return them to the junket operator. The operator is the person who then rolls them over. This is the exchange of premium chips for non-negotiable chips at the gaming table. At the completion of the junket, it is the operator who then presents all of the chips back to the casino for redemption."

Now, you would agree that by this time, in the email, you have not provided any explanation of what the "better services" would be that were to be provided in Salon 95; correct?

5

**MR STEVENS:** Correct.

**MS SHARP SC:** Now, when we get to the third-last paragraph, you say:

10 "Currently, this provision of chips and the return of those chips takes place  
either at the gaming table or in the junket operator's office. If it is at the table,  
then there is a lack of privacy for the player, particularly when there are other  
players present. When it is in the office, this takes place in a fairly enclosed  
15 space where there may be other documentation or records on display which  
the junket operator does not want the players to see."

What you are there conveying is that the better service would be one relating to the change of premium chips for non-negotiable chips; correct?

20 **MR STEVENS:** No.

**MS SHARP SC:** Well, what you say is:

25 "Currently, this provision of chips and the return of those chips takes place  
either at the gaming table or in the junket operator's office."

And then you explain some problems with the exchange of those chips, one being a lack of privacy at the table and the second one being a lack - well, a fairly enclosed space where others might see documents if it is in the office. My  
30 question to you is: all you're there referring to is the exchange of chips?

**MR STEVENS:** Within that paragraph, yes.

35 **MS SHARP SC:** Yes. And what I mean by "the exchange of chips" is the rolling  
of the chips, that is, the change of premium chips for non-negotiable chips.

**MR STEVENS:** No. What I mean by - in this paragraph is it's the exchange of  
chips between the junket operator and the player, not the rolling of chips between  
40 the junket operator and the casino.

**MS SHARP SC:** Well, that's not what you say here in these paragraphs, is it?

**MR STEVENS:** The reference in that third paragraph is the change - or - or  
45 relates back to the first paragraph where I've said:

"When the operator receives the chips, they then provide those chips to the  
players, who will then return them to the junket operator."

**MS SHARP SC:** Yes, but --

5 **MR STEVENS:** It - it - it's about the - sorry to interrupt you, Ms Sharp. It is about the exchange of chips between the player and the junket operator so that it's more transparent and easy to see what - what happens. It's not about the exchange of chips between the junket operator and the casino.

10 **MS SHARP SC:** I will be clearer. There's nothing in this email anywhere where you suggest that what will take place in that enclosed office with the window is the exchange of chips for cash, is there?

**MR STEVENS:** Not in the clarification at the bottom, no.

15 **MS SHARP SC:** No. And there's nothing here where you suggest that what will happen in that enclosed office with the window is that a buy-in of cash will take place, is there?

**MR STEVENS:** No, there isn't.

20 **MS SHARP SC:** And there's nothing where you suggest that Suncity will hand over cash to patrons in exchange for chips, is there?

**MR STEVENS:** Not in the - in the - in the paragraphs at the bottom, no.

25 **MS SHARP SC:** Although, at that time, you well knew that what was occurring in the cage was that - I withdraw that. You well knew that what was occurring in the Suncity room is that buy-ins were occurring in the Suncity room?

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

**MR BELL SC:** What's the objection?

35 **MS RICHARDSON SC:** Well, it may be preferable to do it in the absence of the witness.

**MR BELL SC:** Well, perhaps you can ask a slightly different question, Ms Sharp.

40 **MS SHARP SC:** I withdraw it. I see the problem with the question. I withdraw the question.

**MS RICHARDSON SC:** There's a date problem --

45 **MR BELL SC:** Mr Stevens, there's absolutely nothing in this email to suggest to the authority that cash transactions are occurring in Salon 95, is there?

**MR STEVENS:** No.

**MR BELL SC:** And in that respect, your email was misleading, wasn't it?

**MR STEVENS:** Yes, I - I do know I had a phone conversation with Mr Bucktowonsing prior to sending that email in relation to there, I talked through and put it down. But it's - it's - there's nothing documented in this around the - the  
5 exchange of cash. So I - I understand why you say it's misleading, Mr Bell.

**MR BELL SC:** And you accept, do you, that it was misleading in that regard?

**MR STEVENS:** Yes.  
10

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

**MS SHARP SC:** And one step further, you knowingly misled the regulator here, didn't you?  
15

**MR STEVENS:** I don't believe so.

**MS SHARP SC:** Well, at this time, you understood that cash transactions would take place in the salon when it commenced operation; correct?  
20

**MR STEVENS:** Yes, I - I - I believe that. And - and - and subsequent to that, we certainly put processes around - around that. So, yes, I - I knew there was - there would - there would likely be cash transactions.

**MS SHARP SC:** Well - and you understood that would be a matter of significant importance for the regulator, didn't you, to know that there was a buy-in desk at Salon 95?  
25

**MR STEVENS:** Yes.  
30

**MS SHARP SC:** And you made a deliberate decision not to refer to the fact that cash would be exchanged in Salon 95 when you provided this answer to the regulator?

**MR STEVENS:** No, I didn't.  
35

**MS SHARP SC:** Well, I suggest you did know.

**MR STEVENS:** No. Again, I - I didn't knowingly leave that out or - I did not knowingly not tell the regulator that there could have been those cash transactions.  
40

**MS SHARP SC:** I suggest that you knowingly misled the regulator about this matter and your intention was to prevent the regulator from understanding that a buy-in desk would operate within Salon 95.  
45

**MR STEVENS:** That was not the case.

**MS SHARP SC:** I have no further questions.

**MR BELL SC:** Yes. Ms Richardson, do you have any questions for Mr Stevens?

**<EXAMINATION BY MS RICHARDSON SC:**

5

**MS RICHARDSON SC:** What was your understanding of what the buy-in desk would involve within Salon 95?

10 **MR STEVENS:** That it would bring into that salon greater transparency about the activity that was happening within a junket, that the - the interactions and the exchanges between the player and the junket operator would be a bit more easily seen and we would be aware of those. It would take some activity that may have been taking place in a hotel room into - bring it into the light, so to speak. That there may have been some cash transactions for - for buy-ins where funds were  
15 provided, but I did not know where or what that - that level would have been. Those transfers of funds that happened in relation - large amounts of funds, happened not in there at that desk but would happen at the cage and would be between transfers of funds from the player and the player's accounts into the junket operators' accounts before it then moved on - on through to us.

20

**MS RICHARDSON SC:** And what was the role of Star cage personnel in respect of those transactions you've just described?

25 **MR STEVENS:** They would - those - those transactions would be recorded within our system and - and - and recorded in all of the junket line information, etcetera, that came through.

**MS RICHARDSON SC:** Can you describe in more detail what the buy-in at Salon 95 involved, in the sense of what was being exchanged as part of that  
30 buy-in.

**MR STEVENS:** Well, I think the paperwork between the junket - any paperwork may have been exchanged at - or signed at that desk, but I'm not 100 per cent sure because I wasn't there watching that. The - I wasn't and didn't expect that there  
35 would be provisions of - necessarily provision of cash through for that buy-in at those tables because we didn't know what would happen. The - the - those financial transactions were expected to take place at - at The Star's cage and not - not necessarily at that desk. What I did expect might happen at this desk is that funds may be provided back to the player from the junket operator, and - and  
40 that was about it. There might have been small amounts of funds given to the junket operator from the player for subsequent participation in a junket. But how much and what, I didn't know.

45 **MS RICHARDSON SC:** What was your understanding about whether cash was being - where cash would be exchanged for chips? Was that at the casino cage or in Salon 95?

**MR STEVENS:** Cash - so cash from the player or cash from the junket operator?

**MS RICHARDSON SC:** Cash from the junket operator.

**MR STEVENS:** That would happen at the casino cage.

5

**MS RICHARDSON SC:** Those are my questions. Thank you.

**MR BELL SC:** Mr Stevens, in your answer to Ms Richardson a little earlier, did you say that you understood that there would be funds to the player from the junket operator occurring in Salon 95?

10

**MR STEVENS:** As the - at the completion of the junket - when they - they settled the junket, I - I thought it was possible that the junket operator then may disburse some of those funds from the settlement to the - to the player through there.

15

Normally, those funds would be disbursed via a transfer from the junket operator's account through to the player's account, and that would take place through transactions at The Star's cage. But I - you know, I - I did believe that it may have been possible that some funds would have been transferred straight from the junket operator, withdraw the cash and then give it to the player. I also knew that where players were redeeming - or being reimbursed for any expenditure that they may have made in Sydney by the junket operator, such as expenditure where they went shopping or - etcetera, that that may have been given to them at that desk, which is why it was a \$25,000 cash box.

20

**MR BELL SC:** All right. And you agree there's nothing in this email which we are looking at, on 21 November 2017, which gives the regulator any indication that the junket operator might be providing cash to players?

25

**MR STEVENS:** No. There isn't nothing - there isn't anything that clearly says that. And I might have thought that my explanation of the junket would have extrapolated that that might have happened, but it's not clearly stated within this email that that would have happened at the bottom.

30

**MR BELL SC:** Well, there's nothing that says it at all, is there?

35

**MR STEVENS:** Other than the line where sometimes junket operators share some or all of the rebate earned through gaming with players. There - there isn't - or the line that, "also receive requests for food, accommodation, tours, etcetera, from the players" - no, sorry, there isn't something clearly in relation to that. No.

40

**MR BELL SC:** There is nothing at all about it, is there?

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

**MR BELL SC:** Anything arising, Ms Sharp?

45

**MS SHARP SC:** Only to have you mark this document for identification, please, Mr Bell.



**MR BELL SC:** Yes. Can I just have the doc ID, please.

**MS SHARP SC:** Yes. It is STA.3418.0014.8070.

5

**MR BELL SC:** STA.3418.0014.8070 will be MFI22. Does that conclude Mr Stevens's evidence, Ms Sharp?

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

10

**MR BELL SC:** Yes. Mr Stevens, thank you. The direction will be that your examination is adjourned, but you won't be required again unless you receive some notification. Thank you.

15 **<THE WITNESS WAS RELEASED**

**MR BELL SC:** So tomorrow, Ms Sharp, we will be returning to Mr Aloï. And who is the witness after that?

20 **MS SHARP SC:** Mr Michael Whytcross.

**MR BELL SC:** Yes. I will now adjourn until 10 am tomorrow.

**<THE HEARING ADJOURNED AT 5:26 PM**