

FELSTEAD

INSPECTOR BRYANT: This is a recorded interview between Inspector Bryant of the Victorian Commission for Gambling and Liquor Regulation and Mr Barry Felstead, conducted at the Victorian Commission for Gambling and Liquor Regulation, 12 Shelley Street, Richmond, on 28 March 2018. Also present is Inspector Stephen Brown.

Q1. Do you agree the time is now five past two?

A I do.

Inspector Brown, could you please identify yourself for the purpose of the recording by stating your full name and position?

INSPECTOR BROWN: Yes, Inspector Stephen Brown number 116.

INSPECTOR BRYANT: Additionally, legal counsel for Barry Felstead is present. Could you please identify yourself for the purposes of the recording by stated your full name and position?

MR PRESTON: Joshua Preston, chief legal officer, Australian Resorts for Mr Felstead and for Crown.

MR MURPHY: Richard Murphy, partner Minter Ellison, also for Mr Felstead and Crown.

INSPECTOR BRYANT:

Q2. What is your full name?

A Barry Felstead.

Q3. Your current address?

A

Q4. Your date of birth?

A

Q5. The purpose of today's interview is to seek information in relation to the circumstances

surrounding the arrest of Crown employees in China, as part of an ongoing investigation under s.24 of the Casino Control Act 1991. Anything you say in this interview or any information you provide may be considered by and relied upon by the Commission as part of this investigation, and any subsequent actions may be taken by the Commission. Do you have any questions about the purpose of the interview?

A No.

MR MURPHY: Can I also say for the transcript that it's being - the interview's being conducted in accordance with a letter to Mr Felstead, misspelt as Mr Falstead.

INSPECTOR BRYANT: Apologies.

MR MURPHY: Dated 14 March 2018, and pursuant to general conditions in relation to these interviews, which was the subject to a letter from Minter Ellison to you gentlemen dated 1st March 2018.

INSPECTOR BRYANT: Thank you, Richard, and apologies. That was my bad mistake.

A That's fine.

Q6. So what's your current position within the Crown group?

A Current position is CEO Australian Resorts.

Q7. How long have you held that position?

A I've held that position since August 2013. I'm not great on the dates but I'm pretty sure that's it, Josh, August 2013?

MR PRESTON: Yes.

MR FELSTEAD: Yeah.

INSPECTOR BRYANT:

Q8. At the time of the arrest of the Crown employees in China what was your position?

A My position was CEO Australian Resorts.

Q9. Could you please detail your employment history for the last five years with Crown?

A Yeah, sure. Going backwards, I've been CEO of Australian Resorts since August 2013. Prior to that I was CEO of Crown Perth and for a period from March 2013 to August 2013 I did joint role of CEO Crown Perth and I was running International as part of my portfolio as well but it didn't actually reflect in the title. I've been doing CEO at Crown Perth since 2007.

Q10. At the time of the arrests in China what Crown boards were you on?

A I wasn't on the Crown boards, I appeared at Crown boards but I wasn't a formal - I wasn't a formalised director of any of the boards. Actually, sorry, no, that's incorrect. I was actually on the Crown Perth board and I was on the Crown Melbourne board, sorry. Apologies for that. I was thinking of the Crown Resorts board, which I used to appear in but I'm not a director.

Q11. At the time of the arrest in China what was your position responsible for?

A My position was responsible for the operation of the Australian Resorts which included the VIP business.

Q12. What was your reporting line in relation to the VIP business at that time?

A My reporting line in my position as CEO Australian Resorts, I reported to at the time Ryan O'Grady who was the CEO of Crown Resorts.

Q13. Who reported to you in your role?

A I had - in relation to international or overall?

Q14. Overall let's say.

A Well I had a whole (indistinct) of people reporting to me. I had - in both properties I had the head of gaming, I had the head of food and beverage, heads of HR, head of international, head of legal, 14 direct reports so I mean I can name them but - - -

Q15. No, that's okay. And one of them was obviously VIP Business?

A That's correct, and that was a gentleman by the name of Jason O'Connor.

Q16. I know this must have fluctuated at times. What sort of percentage of your time would have been responsible for the VIP International part of the business?

A It was a relatively - I'd say probably a smaller percentage. But what the - probably the time - I did spend time was actually travelling, but the actual day to day operation of the business was - it didn't take up a hell of a lot of time. That was a - I would have spent more on other areas of the business.

Q17. Like what other areas?

- A Probably local gaming, that was probably my main focus. That was local gaming across both properties.
- Q18. Were you aware of any matrix reporting in relation to VIP International, like reporting to you and someone else or another role?
- A No, sorry - - -
- Q19. Sorry, so it was just a direct report of VIP International business to you in your position?
- A Correct, yeah. So Jason was head of International, he reported through to me. He was one of my executives.
- Q20. Just a bit of overall governance questions in relation to your position.
- A Yeah.
- Q21. What was your understanding of the governance in relation to VIP International at the time of the arrests?
- A In terms of what occurred or - - -
- Q22. No, in terms of governance policies and committees that you might have been on at the time?
- A Yeah. Well we had a series of - we would have had a series of policies and procedures that we ran in relation to VIP, which were no different from the other department. Obviously there would be - the difference would be from a location perspective and we would take - we would take regular temperatures checks of the environment that we operated in and they were probably the - they were probably the key governance issues that we had from a VIP

perspective. But it wasn't part of our overall company matrix and risk compliance procedures.

Q23. So what sort of formal risk committees were you involved in at that time?

A I receive a - I receive updates on a quarterly basis, not part of - which is in relation to the overall risk matrix for the company, and we would be - I would certainly be aware and made aware of any individual risks that would crop up from time to time. So there was a formal process and then there was when things came up I was made aware of that and we would (indistinct) require to act depending on the risk identified.

Q24. So at least on a quarterly basis you would receive reports in relation to risk?

A I would, yes. I would sit down with head of risk compliance in both properties and we would have a meeting and we would look at had any of the risk moved in terms of severity, in terms of - or has anything been wound back, along those lines.

Q25. And if I was looking for those particular documents where would I find them?

A Certain Josh would have access to those.

MR PRESTON: I think if I can add to that the Melbourne one was on verbal updates and then there was the standard documentation. But it was predominantly verbal updates I believe to Barry from (indistinct) if I recall correctly.

MR FELSTEAD: Yeah.

MR PRESTON: The documentation was a different process.

INSPECTOR BRYANT: Look, I suppose to cut to the chase, I'm interested mainly and we've gone through this in the whole interview process. Any documentation pertaining to the risk particularly in China we're interested in. So if there's quarterly business updates being provided in your role, certainly interested in obtaining those. I would have thought we would have covered off on this in the previous demands but I can clarify it again if I have to.

MR PRESTON: Yeah, that's why I've referenced the fact I'm pretty sure that quarterly sort of updates were verbal to Barry. The other stuff is in a different realm. It's not - - -

INSPECTOR BRYANT: Okay. Can I just go back to Barry then.

Q26. Can you just elaborate then in relation to quarterly updates, how would you received them?

A So what would normally happen is I'd be presented with a risk matrix and it would have a series of risks on there; whether it be financial, whether it be reputational, whether it be - it could be union based. There's a whole host of things and it would cover all different areas of business. We would review that. We'd look at it and I would get an update on what potentially has moved over the course of time, and that may be in relation to - there may be an issue with the unions, for example. So we may need to take a higher - a higher look at something along those lines. So that was how that would (indistinct).

Q27. That was broken down into each one of your business units or reports?

A Yeah, it was the overall business. So we'd look at the overall business. It could be - our issues could be - it could be a credit profile or it could be - like you said there was a variety of things in there.

Q28. Appreciate that. One of the contributing things to that would have been VIP International. Is that correct?

A That was certainly one of them, yeah.

Q29. What documents can you recall from VIP International going into that risk matrix preceding the arrests in 1996?

A 1996?

Q30. 2016, my apologies.

A Probably - I can't recall any documents from the - prior to the actual arrests going into there.

Q31. If I wanted to be more specific with the timeframe I'm asking. From say 2014 up to the time of the arrests, you can't recall any documents from the VIP International about risk?

A There may well have been. There may well have been documents in terms of what was occurring in our overseas markets that would have adjusted some of the risk profiles. I can't recall specific ones though.

Okay, thanks. Steve, have you got any questions?

INSPECTOR BROWN: Not at the moment.

INSPECTOR BRYANT:

- Q32. Just in relation to Crown Resorts Pte Ltd, a company that was registered in Singapore and was actually operating out of Hong Kong, you are a director of that company. Are you aware of that?
- A Yes, yeah.
- Q33. What can you tell us about that particular company?
- A Not an awful lot. I think I was a director in primarily name only. So I certainly didn't - I certainly didn't set the company up. Yeah, probably not an awful lot to be honest.
- Q34. Okay. Were you aware if that company had a risk register?
- A I'm not aware of that.
- Q35. It's our understanding that that company was set up primarily it's been described to us as a vehicle to employ overseas staff.
- A That was my understanding.
- Q36. Are you a member of any of the audit committees at Crown?
- A As of now or back then?
- Q37. No, sorry, I should always give you the timeframe. In relation to at the time of the arrests, were you a member of any of the audit committees?
- A No.
- Q38. As a director of Crown Resorts Pte Ltd - - -
- A I was never a director of Crown Resorts Pte Ltd. Are you talking about the one in Singapore?
- Q39. I am, sorry.
- A Sorry I thought you meant the one here, yeah.
- Q40. As a director of that company how did you go about

ensuring that company adhered to Crown procedures and policies with regard to such things as OH&S?

A I didn't have any involvement in relation to that.

Q41. Who would have?

A I don't know the answer to that.

Q42. What about in relation to the code of conduct for those employees?

A We had a code of conduct but the code of conduct and the procedures around employees was mainly based in Melbourne, so it was coming out of there. So the acting management of the group of the employees was certainly more centred around - all based in Melbourne and I think your comment before was in relation to the Pte company, it was more a company for employment as opposed to a proper entity.

Q43. From what we're heard before, that company then came under what you'd consider the umbrella of Crown companies with regards to policies and procedures?

A Correct, yeah.

Q44. For staff. Would that be a fair statement?

A Yeah. The staff there would work under the same set of policies, procedure and guidelines as staff in Australia because they were Crown employees.

Q45. Just going back. Crown's - under Crown's risk management charter, it talks about each particular company having its own risk register. Why wouldn't have Crown Resorts Hong Kong - the company in Hong Kong had its own risk register policies?

- A I would assume because there was one in Melbourne and Perth.
- Q46. Do you think that's adequate to cover the particular risks of a company set up overseas?
- A Are you asking my opinion on that?
- Q47. Yeah.
- A How I would have thought it would be, because I mean they were fairly closely managed by the people out of Melbourne because the management were in Melbourne.
- Q48. I just want to talk about overall strategies in relation to attracting persons from China to the Melbourne casino. Prior to 2013, what was the strategy used?
- A Prior to 2013, it was very much - it's been the same strategy for quite some time. You would - you would do - you'd do meetings with customers, you would make contact with customers and you would visit customers.
- Q49. Did you travel to China often yourself?
- A I travelled to China quite a few times in my role as - post 2013. Like, numerous trips to the region.
- Q50. When you're talking about customers, you're talking with potential people to come and gamble in the casinos?
- A We're talking about - we're talking about current customers primarily and part of my role was to be a - I guess the senior person there to show face. Which is not an uncommon thing in the casino

business.

Q51. I understand. Would you be involved in signing off on particular incentives for people to come to Melbourne and Perth casinos with customers?

A From a staff incentive or a customer incentive?

Q52. No, from a customer incentive.

A Generally I wouldn't sign off on those. I may have been made aware of those on occasion but generally that would be done by the level below me.

Q53. That'd be like the Gambling Commission's to go back to potential customers?

A Sorry, the Gambling Commission?

Q54. Yeah, incentives for high rollers to come out to Australia. Would you be involved in those sort of decisions?

A No, sorry, that's - didn't we just answer that? So are you talking about - if we're saying to the customer if you come to Australia here's the deal, for example?

Q55. Yes.

A No, I wasn't involved in things like that but some of them I would have been made aware of. Generally that was handled at a level below me.

Q56. And what level would that be handled at?

A That was primarily - it'd be the commercial team in VIP, so that'd be Jason and his people. They would get Michael Chen on that as well and on occasion I'd be consulted but generally that was - that was not my bread and butter role.

Q57. So after 2013, did the strategy change in any way?

- A No, probably the only thing that changed, we probably - we probably made - I was probably on board and I probably made more visits than my predecessors, so I don't think Rowen and Greg who was running the (indistinct) - a lot of business over there but I made the decision that we - that was something (indistinct words) that was the key change.
- Q58. What about as far as the budget goes for the staff on the ground over there, did that increase from 2013?
- A Budgets increase every year, so unless there's some logical reason, excuse me, for them not to but, yeah, we would increase budgets depending - and obviously you resource (indistinct).
- Q59. As the resources being put into that area increase, was there any change in the risk policies or procedures?
- A No, we believed that our risk policies and procedures were adequate so we felt no need to change - increase in staff. Obviously you're training people but - and it was - when I say an increase in staff, it didn't go from two people to 100 people overnight, it was a slow process - it was a gradual process.
- Q60. When you talk about the staff training, what sort of training were they given before they go over there?
- A They were given compliance training, they were given training in relation to - they were given

training in relation to - they were given sales training, they were given advice on what they can and can't do. I didn't actually - I was involved in the training per se but that was certainly - that would be what I was led to believe the main training would consist of.

Q61. When you say sales training, sales in what sort of - - -

A Sales in - sorry I'm not trying to be (indistinct) but sales are sales. I mean these are sales people.

Q62. Sales in particular, like what Crown offers as far as gambling products and - - -

A Well there's the - we want staff to know about the suite of offers we have here, so we want to staff to know we have a golf course, we bring them out here for an induction, we'd show them the villas, we'd show them the golf course, we would show them the facilities we have so in Perth we have a boat. It was along those lines. So they get familiar with the property so they can sell the property to potential customers.

Q63. Would they also be trained up in the rebates and that that are offered to gamblers to come out here?

A They would know all about those, yeah.

Q64. Now I want to go a bit more particular into what we've phrased the Chinese crackdown that started to occur in - from the documents we have seen from at least 2015 onwards. In your own words can you tell us what you recall about that time?

A Up until the actual detain - the people were detained?

Q65. Yeah, the timeframe we have got, and I'll go through the documents. The first one I've got I'll refer to specifically is in 2000- - February 15. So you can go to that now if you'd like.

A Sure.

Q66. The document's headed, "China's president just declared war on global gambling". It's 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 pages. Do you agree - and it's dated 7 February 2015. Do you agree that's the document I'm showing you?

A I agree that's the document you're showing me.

Q67. Take a minute or two just to have a read.

A Sure.

Q68. What can you recall about that time, Barry, in relation to the - what we'd describe as a (indistinct) change in the landscaping - - -

A My recollection from the time, and this is in relation to what information's come from talking to the customers and the like, was that there was certainly a - certainly a move from the Chinese government to restrict some of the activities of its citizens in terms of - and a lot of that - well certainly my understanding was based about Macau, which was evidenced in the drop off in the business in Macau. And a lot of it was and this is once again information from customers and what you hear in the industry, a lot of it was a crackdown on government officials engaging in gambling, which

was - always seemed a bit of a sore point for the Chinese government. That was certainly made loud and clear to us from customers who we would converse with and talk to, and there was certainly a large degree of trepidation about business in Macau for some of our customers, because a lot of the crackdowns were occurring around that. So that was probably the - that was probably the key thrust that I took from that period.

Q69. Would articles like this be brought to your attention in your role?

A Yeah, you would see some articles. I mean I would get - I would receive a series of press clippings on a daily basis and sometimes you would receive 70 or 80 clippings a day but you would certainly be aware of some of the more major things and like I said, the crackdown in Macau especially, that wasn't - I didn't particularly - I didn't read that many particular news article. That was something that was fairly well known in the industry.

Q70. That certainly started to effect all the Macau casinos from - - -

A Well yeah, and there (indistinct words), so there was restrictions on Chinese citizens entering Macau. There was crackdowns on that. A lot of the larger, wealthier plays in some of the junkets were curtailing business to Macau, and certainly to Macau and certainly from a customer perspective the (indistinct) government officials was quite a critical one.

Q71. Just in relation to this particular article, it seems to be a lot broader than that. I appreciate what you're saying but even the comments of the President at the time, has officially declared war on the global gambling industry, warning foreign casinos that Chinese citizens will be gambling much less in China, neighbouring companies and the US. So to me I read that as it's a bit broader than just a focus on Macau. What do you say to that?

A I think - look, I still maintain the focus is primarily in Macau. Now in terms of the actual individual article that you showed me, I hadn't seen that particular one but look in terms of what was going on from a casino marketing perspective, major casinos were operating in China. From our perspective, advices that we took were that we had a series of guidelines we had to follow up there and if we complied with those that was obviously positive, that was a good thing to do, and so yeah, so probably from that perspective I certainly didn't sense any - I didn't sense any great trepidation in visiting China. As long as we followed the guidelines that were laid down.

Q72. Can you recall having discussions with Jason O'Connor around this time, about this - sorry, about this particular issue?

A I would speak to Jason about many issues and look, that certainly would have come up but it wasn't the - it wasn't the heart of every conversation he had. And I'd speak to Michael Chen for that matter too,

so once again that was - these issues would have been discussed but not the - it wasn't the key issue of the year sort of thing.

MR MURPHY: Barry, when you say "these issues", are you talking about the crackdowns that you've referred to rather than what Tim was asking about specifically there with the crackdown - - -

MR FELSTEAD: So I'm talking about in relation - I was talking about in relation to what was going on in Macau and what was going in other properties. That's the information that we talked about primarily.

INSPECTOR BRYANT:

Q73. Just in relation to Michael Chen then, what conversations can you recall him having in relation to risk in China at this time?

A Michael - I was certainly informed through Michael that he had actually gone and done assessments in terms of what can or can't be done in China, but this was - this was a fairly regular thing. So this is always - Michael, he's the one taking the temperature of the various countries and this was one of the things that he did, and as I said feedback was given that as long as we comply with certain guidelines we were okay.

Q74. Was that at Michael's initiative to go and get that - seek those guidelines and - - -

A Michael did that on a regular basis but that is to be expected from a senior manager. If Michael didn't do it someone else would have done it. But that was part of Michael's role.

Q75. Just from most of the correspondence we've been given from Crown with Michael Chen, it was very limited in relation to what was provided to Jason O'Connor. Can you recall any instances of you receiving direct reports, emails of that from Michael Chen?

A (Indistinct words) I can't recall any individual instances of - from Michael in relation to this but you know Michael would send me information on occasion about a variety of things but a lot of this would have been done, Michael and myself and Jason, we'd get verbal updates, we'd have semi-regular meetings where things like this would have been spoken about.

Q76. There's a couple of newspaper articles at the time that came out in February also in relation to Macau and comments from Rowen Craigie. "China's corruption and crackdown still weighs on James Packer's casino joint venture", it's dated February 3, 2015. Do you agree that's a document I'm showing you?

A I agree that's the document.

Q77. If you just want to have a quick look at that for us.

A Well that would certainly highlight the comment I made earlier in relation to the China corruption weighs on James' casino joint venture which was Macau.

Q78. Yes.

A So that probably would support what I said, and I

was right, we did have a small percentage of mail. We were a relatively small part of the family in terms of percentage wise.

Q79. Then was it seen as an opportunity to increase your market for travellers to then come to Australia if Macau was a bit off limits for some of the gamblers?

A Yeah, and that was - look, certainly part of it would be that if players are going to go somewhere, and they were, they go to Vegas, they're going - whatever casinos they're going, we'd like them to come to Australia.

Q80. We touched on this before. Around 2015 Crown engaged the services of WilmerHale in relation to legal advice and Mintz for risk assessment advice regarding China. Who made the decision to engage them at that time?

A I believe that would have been Michael.

Q81. Michael Chen?

A Michael Chen, yeah.

Q82. Can you recall any specific discussions with Michael in relation to engaging them?

A Not the engagement of them. I can recall discussions about the content of the meetings and the advices.

Q83. Anything in particular you can recall?

A Just in relation to we could do - what we could and couldn't do when we went to - when we were in the field.

Q84. What could you - - -

A Primarily around, you know, we had to be very conscious that we couldn't meet with groups of more than 10, obviously no incentives from a gaming perspective and no solicitation of customers for straight gaming. So no promotion of gaming.

MR MURPHY: So Barry that was your understanding having obtained legal advice?

MR FELSTEAD: Correct, correct.

INSPECTOR BRYANT:

Q85. It's my understanding that Crown intend to maintain legal professional privilege in relation to that of course.

A Yeah.

Q86. So in relation to the no initiatives, was that the word? And no solicitations.

A Yeah, so we couldn't take an incentive. We couldn't take any - - -

Q87. Incentives.

A Incentive for - with customers.

Q88. One thing I - looking outside at times is that obviously it was considered to take a lower key approach in China at this time?

A Yes.

Q89. In relation to your activities?

A Yes.

Q90. So it's almost incongruous to what the nature of the business was, that you were there to attract people to come to the casinos in Melbourne to gamble?

A Well we've always had a low key approach in China,

we've never been overt about what we do there, even before any of - even before any of the advice we were given. So we've never been an overt company, we'd never gone and done lavish parties and the like in China, we've always kept a fairly low key approach which is very much in line with what a lot of our competitors were doing. Some were a bit more aggressive than us but, you know, we worked on those guidelines.

Q91. When you say more aggressive, how were they more aggressive?

A Well I mean in terms of some of the other properties, they may have been more forthright in deals with customers, they may have - you know, I wasn't at any of these meetings but you know they may have dealt with larger groups, they may have been overt in the promotion of gaming.

Q92. So can you recall when you were first made aware of the engagement of the Mintz group?

A I can't, no, no.

Q93. Can you recall that being escalated from your position in the Crown group chain of management?

A No.

Q94. Do you think it's something that should have been escalated?

A No, I think it was - I think when someone wants to do an assessment of what's occurring in a particular region and they engage the relevant people, I think that's a logical approach and I think it's - I think that's probably fine to do

that. I can't see why that would have needed to be
- to escalate it.

Q95. But do you agree that this time Crown, like on the
ground they decided to take a lower key approach to
how they were engaged?

A As I said before, Crown's always had a relatively
low key approach. It is good to get advice on
occasion and make sure you are doing the right
thing, but part of this was affirmation of what we
were currently doing.

Q96. When you say no solicitations, what were you
referring - - -

A That was more - just more about the - when I say
solicitation, that was more about taking an
incentive from players. That's more referring to
around that.

Q97. Is it possible for the people on the ground to
actually perform their role without being able
to - - -

A Definitely. Absolutely. I mean the people that
they talk to are gamblers. No one goes and finds
someone on the street, a wealthy Chinese gentleman
or lady and says I (indistinct) you're a gambler.

Q98. I appreciate that.

A That's not how it works. You know, these people
are on our databases, these people are on worldwide
databases, so there's not a - you know, this is not
a - this is not a gamblers grooming exercise
because that just doesn't occur.

Q99. Sorry, that wasn't the point I was trying to make.

I suppose what I was interested in is, in engaging say potential referrals of new customers who might be gamblers but haven't dealt with Crown before, your sales staff on the ground must be able to provide them with information about what the benefits are in gambling at Crown?

A Yeah, the sales staff can talk about things such as commission rates and the like. So they can certainly do that but the majority of the conversation is round about what is there at Crown. So, you know, do you play golf? Come and have a round of golf with us. Do you like boating? We've got a boat. That sort of thing. So it was more sales of the property because it's important to realise that in terms of any commission programs we offered to patrons, and this is what I believe, there's not a lot of difference between what we're offering, what Macau's offering, what Singapore's offering, what Vegas is offering. So there's not a lot of difference in that, it's more about from the customer perspective the experience. That's the bit that was primarily sold.

Q100. I'd imagine those margins are quite - - -

A They're very narrow, they're very narrow.

Q101. Yeah.

A So like I said you won't find one casino offering .65, another casino offering .95, because that just doesn't occur.

Q102. How difficult would it be to find out what the other casinos were offering?

A It's not difficult at all. It's not difficult. It's very common knowledge. I can tell you what Sydney's offering tomorrow, it's simple. You know, players will tell you.

MR MURPHY: Because your customers use it to negotiate - - -

MR FELSTEAD: That's exactly right, yeah. But a lot of the times and that's - but a lot of the times that's what the players will do. They'll say, you know, I can get .75 in Sydney, can you give me that? But most of - like I said, these are known customers. We're not out there on a street corner in Beijing handing out learn to play cards.

INSPECTOR BRYANT:

Q103. I certainly wasn't going down that path but I appreciate what you're saying there.

A No, no. I'm not trying to be flippant, but it is worth making that distinction.

Q104. Yeah, I understand, I understand. Just in relation to what we touched on before about risk assessments provided from the Mintz group. I'll just draw your attention to this. It's a 10 page document and it's headed, "Final memo project wager". It's from Michael Chen to Jason O'Connor as a covering email, 26th March 2015, and then the first page in it's 25th March and it's to Michael Chen from Randy Phillips. Do you just want to take - - -

A Sure.

Q105. Firstly, do you agree that's the document I'm showing you?

A I agree that's the document titled "Final memo

project wager", dated 26th March 2015.

Q106. If you just want to take your time to familiarise yourself with that.

A Sure.

Q107. At the time, Barry, can you recall ever receiving a copy of that document?

A No.

Q108. Do you think it's the sort of document you should have been made aware of?

A No, I think - I think if Michael has sent it to Jason, Jason was head of the Department, Michael was head on the ground, I think that's fairly logical.

Q109. Do you think it's the sort of document that should inform higher level decisions in relation to risk.

A Well reading the document I mean it really states what - there's probably no great massive surprise in the document. It talks about the risk in Macau. He talks about - you know, talks about the risk in Macau, he talks about various people have carried on business unimpeded, quotes a journalist. He talks about - there's a summary at the end which says, "It would still seem prudent to proceed with planned marketing efforts but keep them low key and deal with small groups at a time and little or no publicity", which is what we were doing. So I think if, you know, they're probably - they're probably the key take outs in that. There's probably nothing there which I'd see was overly unique and go I didn't know that, but - - -

Q110. Thank you. The next thing that occurred in the timeline, so this happens around March obviously that Michael Chen engages with Mintz, and that's provided. In June there was the arrest of the Koreans. What can you tell us about that at the time?

A Yeah, the arrest of the Koreans, I was aware of that. That did get - sorry, that did get publicity plus it was fairly well known amongst casino circles. The word that I certainly heard in relation to the Koreans which was - which was relayed by quite a few sources was that Koreans were acting in a very, very overt manner in terms of how they would deal with Chinese customers. And there was also very strong rumours out there, I can't say whether they're true or false but certainly the strong rumour out there was they were moving money across from China to Korea and the other - what I was informed as well was - and this is from customers and interview sources was that they received a warning, an official warning not to do that and chose to ignore it. So was I surprised that the South Koreans got arrested? I wasn't overly surprised, bearing in mind the behaviour I was led to believe was occurring there.

Q111. Just in relation to the official warning, what did you hear about that?

A Just as I said, you know, they were - well I was led to believe they were warned by government officials in China not to do that.

- Q112. How were they warned?
- A I don't know how they were warned. I don't know how they were warned, that was just more a - that was just more industry talk and feedback.
- Q113. You can't recall any - who specifically told you in relation to that?
- A No, no, but that sort of thing, that was a fairly, that was a fairly decent item of news, so there was a bit of talk around that. You know, I've been in the casino business since 1985, I've got a lot of contacts and you know people will talk about that. And it was mainly around the fact, not the actual punishment, mainly around the fact that what these people were doing. And, you know, in the casino business you do get unscrupulous operators and that was certainly seen in the - people were flying - not sticking to policy.
- Q114. When you say in relation to they were moving money, were they moving cash. Is that what they do?
- A I don't know, I just heard they were assisting in the movement of money across into China.
- Q115. From China?
- A Sorry, from China into Korea, sorry, my mistake.
- Q116. Can you recall if that official warning was given to them written?
- A No, no, I've no idea of that. I've no idea on that.
- Q117. Because one thing we heard was that the Chinese government did relate to casinos around that time as far as warning them.

- A Oh did write to Crown? Not that I'm aware of.
- Q118. No, no, that wasn't trying to - we have asked that question but that's why I'm just (indistinct) that official warning, that's one thing we did hear of the Singaporean regulator actually.
- A Okay.
- MR MURPHY: Did you hear of the warning anyway they (indistinct words) Koreans?
- MR FELSTEAD: No, that was - that was the one I heard of. That was certainly the one I heard of.
- INSPECTOR BRYANT:
- Q119. Do you know who that official warning came from?
- A No, not the person, definitely not.
- Q120. Not the person but the area in the Chinese government?
- A No, I didn't. I don't know that. It's probably - it is certainly fairly common knowledge amongst the casino industry. Don't ask me to prove it because I can't, that there were certain casino operators who would operate in a very, call it unscrupulous manner with little regard for rules. And that includes some of the Cambodian casinos and some of the Korean casinos. So I think my point earlier was, was I surprised when I heard that the Koreans had been detained for this sort of behaviour? No, and the actual behaviours themselves didn't surprise me either.
- Q121. When you say rules, what rules?
- A Just in terms of, you know, not following any guidelines. I mean if you're assisting in the

movement of - allegedly if you're assisting in the allegedly movement of funds. If you received a warning, an official - a warning whether official or unofficial from the Chinese government and you choose to ignore that, that to me would be regarded as foolhardy behaviour. I think that would be a silly thing to do and also ignore the warning.

Q122. Do you mind - we've been going for 45 minutes, do you mind if we have a quick break?

A Sure.

Q123. I get a bit of a dry mouth myself and bathroom (indistinct) - - -

A Yeah.

Q124. Thank you. Do you agree the time is now 10 to three?

A I do.

Thanks, Barry.

INTERVIEW SUSPENDED

INTERVIEW RESUMED

INSPECTOR BRYANT: Interview's recommenced.

Q125. Do you agree that the time is now 3.08, Barry?

A Yes, I do.

Q126. Thank you. Just before we broke, we were talking in relation to the Koreans and the arrest therefore. There's two articles here I'd just like to show you from the Straits Times, and - I'm not sure which newspaper this is, around 20th and 21st June, "South Korean casino operators hit by arrests in China". Do you agree there that - - -

A "South Korean casino operators hit by arrests in

China", 20th June. I agree that's the document you handed me.

Q127. So just before we broke, that's the situation we're talking about at the time, is that correct?

A Yeah, and I didn't - I didn't actually see this article but it's certainly - I think it certainly goes to what I was talking about before in luring Chinese citizens to casinos and violating foreign currency laws. Whether we believe what we read in the papers but that's certainly what I was - what I was hearing as well.

Q128. My understanding is those arrests didn't escalate in the Crown risk assessment food chain, up the chain at the time. Is that correct?

A I think in relation to that because of the specific nature of what was occurring in South Korea and Crown was operating in Wuhan, which was as far removed from there as you can get, that probably wouldn't have raised any great alarm bells. Whether further assessments were done, I'm not aware but that may well have been the case.

Q129. Okay. In July 2010, we've got some correspondence where a Crown member was detained and questioned in China. Were you aware of that at the time?

A I was aware of the - I was aware of one of our staff members - excuse me - getting questioned.

Q130. Okay. Who brought that to your attention?

A I don't recall. It could have been - I'm assuming it would have been either Michael or - might well be Jason. Jason or Michael, one of the two.

- Q131. Can you recall how that was relayed to you?
- A Look, I think it was - yeah, I think it was in relation to we've had a staff member who's been - who's been questioned and my understanding, it was in relation to a particular - it could have been in relation to a particular patron but I don't recall a lot of details about it but I definitely remember there was an incident where a staff member was questioned by a government agency, whether it was the police, I can't remember.
- Q132. Can you recall it being in the context of a patron?
- A That was my understanding.
- Q133. Okay. Can you recall if you received any emails in relation to it?
- A I don't recall getting an email on it. I was definitely aware of it.
- Q134. Okay. I'll just show you, this is the email from Michael Chen and it's going back to Randy who was at Mintz at the time.
- A Yeah.
- Q135. Just starts of, "Hi Randy". Do you agree that's the document I'm showing you?
- A It is, yes. Document, "Hi Randy". Yeah.
- Q136. Would you like to offer a comment in relation to the comment, that first paragraph?
- A Yeah, we had another staff member, that was - I only recall one, that was news to me that there was another staff member visited by the local police. That is - that would be news to me.
- Q137. What about he's requested to furnish a letter from

the company providing that he works for Crown?

A Yeah, I would have - yeah, look, that certainly rings a bell. That wouldn't - that certainly wouldn't be a great surprise to me.

Q138. Are you aware of that ever happening before?

A No, I'm not aware of that occurring before.

Q139. In the correspondence between Randy and Jen - I'll let you have a read. It's an email Lizzy Dobell and it's - I've attached this to it so it's just one page dated 10 July 2015. Take your time to familiarise yourself with it.

A Sure. Okay, yeah.

Q140. I suppose one of the concerns is where it talks about, "This document could go to an evidentiary pile in the future", what do you have to say about that?

A I don't know what that would refer to. So that would be news to me.

Q141. In the context of what you were talking about before how the Koreans were warned, would you consider that could have been possibly a warning that was being given?

A No, I wouldn't have - no, I wouldn't have thought so. I would have thought - a warning to me would be, yeah, if - sorry, I'll give you that back. A warning to me would be if we received either verbal or written correspondence from someone in government saying do not - basically, leave the country, do not deal with her citizens. That to me would be a - certainly a warning.

- Q142. Do you think this part of the correspondence where it talks about the effect of contributing to an evidentiary pile, that that should have been escalated to you?
- A I can't really comment on that. I mean I don't know. I mean I'm not exactly sure what he means by an evidentiary pile.
- Q143. Well what happened eventually that Crown employees were questioned and charged, to be it indicates a step in that process is what he's referring to could happen.
- A Yeah, I don't think anyone was particularly charged. It was more - like I said my understanding of the whole incident was it was in relation to a customer which probably would be no great surprise in terms of sometimes they may have spoken to a customer who maybe a person of interest, unbeknown to them, but yeah, I don't think - yeah, I think that's probably - that was certainly my take on the incident.
- Q144. Can you recall any other incidents of your sales staff over there being questioned by police?
- A No, that's the one. Just that one.
- Q145. I suppose just to go back over it again, when it says evidentiary pile, to me in the context of what eventually happened I see this as an escalating risk in what was happening in China. What do you say to that?
- A Well I know we would have been continuing to receive advices and I was certainly - I was

certainly informed from time to time of the advice that we received. As you can see there's advice there from Randy and he's saying - I don't think he's saying that there's any great concern with that.

Q146. A letter was provided by Tim Spearman, "To whom it may concern", dated July 9th, 2015. I'll just show you the letter.

A Yeah.

Q147. Do you agree that's what I'm showing you?

A Yeah.

Q148. Were you aware that that letter was provided?

A I was aware that letter is provided, yeah.

Q149. Can you just give us the context of it, of your awareness of it?

A Yeah, this states that the employee, I think his name was, I think his name was Benny, was - he was an employee of Crown, that was it, and that was the request that - well according to that previous letter that was the request for them to do that.

Q150. Did that go through you at the time, can you recall?

A I was aware - I was aware of this, the letter.

Q151. Who made you aware of it?

A I can't recall who made me aware but I was made aware of it.

Q152. Once again I'd just like to go over. Do you think that sort of information with Crown employees on the ground in China being questioned by police should have been escalated at Crown? From your

role?

A Well, if it was something that was an ongoing thing, I mean it appeared to happen once and I believe that the information I was given as to why it happened, which seemed fairly logical to me, and bearing in mind throughout all these processes, you know, there were continued assessments of on ground risk in relation to China.

Q153. When you say continued assessments, that's on that ground level with Michael Chen?

A Correct, correct.

Q154. So at the time you were relying on Michael Chen on the ground to do those risk assessments for Crown?

A Michael was certainly in the best position. He was on the ground. He was a regular visitor to China and he had a team there. So he would be in my view the most logical person to do that.

Q155. But Crown employees getting questioned by police you don't think should have got escalated further up the chain from your position?

A Crown employee interviewed by the police, no, I think the - I think the response was - I think the response was adequate.

Q156. And what was the response?

A Well the response that we actually gave. So we were requested to do a letter of employment, which we did, and as I said before if the incident was mainly focused around an individual player, which I was led to believe it was, that to me was a - that to me was not a material risk for our employees in

China.

Q157. Just in relation to all the correspondence I haven't taken on board what you're saying but there's no indication in any of the documents we've got that it was about an individual player or anything.

A No, and like I said that's what I was led to believe.

Q158. By Michael?

A I can't remember who it was. I'm assuming it would have been Michael. It would have been Michael or Jason, I'm not exactly sure who.

Q159. But one of those two?

A Yeah.

Steve, you got any questions?

INSPECTOR BROWN:

Q160. Yeah, and sorry Barry - sorry, the reason that I understand that you believe - that you were led to believe that it might have been in relation to the Chinese government focusing on a particular player that had an association with one of your staff. Is that what you're trying to say?

A No, what it is, our player - sorry, our staff will talk to customers. Now this customer, like I said I was led to believe he could have been a person of interest of the Chinese government and the - they could have been - for all we know they could have been following him and the response to the staff member could be what were you talking to the customer about?

Q161. Okay. So basically what you believe is that it was not the fact that they were looking at your activities in the sense of what your employee was doing. It was more the activities of the player and that just happened to be connected to one of your employees.

A That's was my belief.

Okay, that's fine.

INSPECTOR BRYANT:

Q162. Just to move on. In October 2015, there was a CCTV, which is the Chinese national TV channel I'm led to believe, that Michael escalated this to Randy about, "Have you seen this report?". He wanted his advice on it. So I appreciate you don't speak Chinese.

A Not a lot. Not a lot.

Q163. Sounds like more than me. So it's dated 14 October 2015 and he attached the link when he emailed it to Randy Phillips, so I've just got the front page, and we've got a translation made. So there's a three page translation. Could you just take the time and have a look at that for us?

A Sure. Okay.

Q164. I know you've just - is that the first time you've seen that, Barry?

A That's the first time I've seen that, yeah.

Q165. Is there anything you'd like to comment on in relation to - - -

A Well it seems like Michael's being thorough, as per usual, in terms of getting updates on what's the

current state of affairs and any change. The article seems to focus very much on South Korean, which I spoke about before and we were certainly aware of questionable practices in South Koreans casinos and it properly supports that. Yeah, that's - like I said that's the - like I said my comments on that but that's the first time I've seen that article.

Q166. One of the translations is a paragraph, "The Chinese government seems to want" - and this has a quote from the - seems to want to crack down on any organised gambling in China. Not only to South Korea but also worldwide, and it talks about the Ministry of Public Security launching the chain breaking action against gambling activities this year. So the (indistinct) broader - I know there's a bit in there about the Korean - but it seems broader than just the South Koreans. What do you say to that?

A I think what it's shown to - from Michael's perspective he's obviously looked at that and gone there's some concern there and he sought advice on, you know, do we need to do anything different? That's how I would interpret that.

Q167. Once again, this wasn't escalated to you in particular. You can't recall - - -

A I definitely don't recall that.

Q168. Do you think it's the sort of information that should have been escalated to you at the time in your role?

- A Look, that particular one I think once again I think Michael's dealt with that adequately.
- Q169. Just before I move on from those specific examples of what I consider an escalating risk, is there anything from that period on, from October 15 to the time of the arrests, there's no material we've received from the Minister going to Crown. Were you aware of any updated risk profiles around that time from - - -
- A Only what I would have been - what I would have heard from Michael and/or Jason. And it's probably worthwhile noting, you know, we're talking about these supposed escalating risks which you obviously have a view on. We were travelling into China, so I was travelling into China myself. Michael was, Jason was, so this was not a - this was not like it was a hands off, we think there's a great concern there. We were travelling there on a regular basis.
- Q170. So, that period - - -
- A Sorry, I'll add on there.
- Q171. No, don't.
- A With no consequence. When I say no consequence, there was never an issue. We just followed the guideline that were laid down and that's how we operated.
- Q172. When you talk about the guidelines, they're the guidelines - - -
- A There's the one we mentioned numerous times, yeah.
- Q173. About - - -

A Groups of 10, no, you know, call it kickbacks but no - you know, no commissions and no probation (indistinct), just be low key about it. (Indistinct words), you know and visits from management including myself were continuing through that period.

Q174. Michael O'Connor's visit to China when he was arrested, were you aware that he travelling at that time?

A Jason O'Connor.

Q175. Jason O'Connor, sorry, my apologies.

A I was aware, definitely.

Q176. What was the purpose of that trip?

A That was a marketing trip. So he was to show face, so what would happen typically there was myself and Jason and Michael and a couple of others. We were the senior group and we would do on occasions road shows if we were promoting a specific event. So a golf tournament for example, and we would go to different regions. That particular time I went to London to meet customers, I think Michael went to southeast Asia and Jason went to China. Now that could have been the other way round, so there was no (indistinct) on that but we would generally send a senior person out there to show face to customers, which is what the other casinos were doing. So this is not - Crown was not playing in this field alone, so it was a common thing.

Q177. When was your last trip to China before the arrests?

A Mine was 10 days before the - Jason was arrested, I was in Shenzhen.

Q178. Okay. That's just over the border from Hong Kong isn't it?

A Correct, yeah.

Q179. So do you think there was any particular reason why they decided to arrest the people at the time they did?

A I have no idea why that occurred and I think that will be a mystery for - you know, if they were 10 days earlier they would have arrested me.

Q180. So in general terms what do you see looking back are the risks financial and non-financial associated with Crown operating in China?

A I think the risks were - some of the financial risks were collection of - collection of debts. That was always a financial risk. But in terms of material risk for our staff, I mean we had a team of I think it was probably 18 people in China we were employing over there. We had people in our team who were long term casino veterans who worked in China for many, many years and these are pretty - these are pretty savvy people with their ear to the ground. We know a lot of customers over there. So there was certainly no indication from a customer from a staff member about what - about what occurred or was about to occur. That was certainly a surprise to all of us, and like I said we operated on the guidelines that were set down.

Q181. Some of the staff - some of the people we've spoken

to were surprised that they weren't told that their fellow sales employees had been questioned by the police. What do you say to that?

A What fellow sales? I'm only aware of the one instance, and like I said I've explained that my interpretation of that was but I certainly wasn't aware of large numbers of our staff getting questioned. That was certainly - - -

Q182. No certainly not large numbers.

A More than one, that would certainly be news to me.

Q183. Okay. I'm just going off - the correspondence indicates another and - - -

A Yeah, well as I said, you know, from the escalation perspective I would definitely expect to know about that and I did but the other one, if there was another one, that would be news to me.

Q184. Do you think the other sales staff members should have been made aware of what had occurred?

A The other sales staff?

Q185. Yeah, in China, that someone - one of their sales team had been questioned by the police?

A The staff would have been aware. I would be surprised - I mean this is - you know, the staff certainly talk, I'm sure they would have been aware of this.

Q186. Two of the people we've spoken to weren't aware.

A Okay, well you know - I can't comment on that. I mean I was aware but I would have assumed that - you know, people talk and they would have been aware but if they weren't - - -

- Q187. I'll just confirm your reporting lines for governance of risk in this scenario. It was Michael Chen on the ground in China, is that correct?
- A Michael Chen was on the ground, yeah he was running the sales team. Reported through to Jason who was based in Melbourne and Jason reported through to me, he was one of my 14 executives.
- Q188. For matters to get escalated further up the tree that would have been via you?
- A If there's anything else that needed to be escalated I would escalate that up by - and depending on the issue, depending what department it involved, depending on the severity I would either talk to our legal people who should be either Deb Dagoney(?) or Michael Neilson (indistinct words).
- Q189. The documents were all - I think we've requested and gone through previously as far as board meetings and minutes. I think we've covered off on that pretty comprehensively.
- A M'mm.
- Q190. We'll just go over the Crown Resorts risk profile. Now this has got two dates on it because there was an updated version. So we've got 22nd May and June 15. You just want to have a look at that.
- A Sure.
- Q191. Thanks.
- A So this was June 2016?
- Q192. Yeah, I think it was - first there was May 2015 and

then it was updated to include what's underscored in one of those paragraphs if I'm reading correctly. So can you recall having any input into that, Barry?

A Not this particular one, I don't.

MR PRESTON: Barry, were you a member of the Crown Resorts Risk Committee during any of the periods for the 13th or 16th?

MR FELSTEAD: No. No.

INSPECTOR BRYANT:

Q193. Thanks.

A No, I don't - - -

Q194. Can you recall specifically contributing to that risk profile?

A No, look I can't. I might have but I mean I don't particularly recall this one, no.

Q195. Okay, thanks.

A I'm not saying I didn't but I just don't recall. Don't recall that particular one.

Q196. One of the controls here is, "Ongoing communication with government and regulators in relevant jurisdictions to ensure regulation is clear that proposed activities are compliant and perceived by regulators to be compliant". I take it that refers to the Australian jurisdiction. Is that correct?

A That would definitely refer to the Australian - I would assume that would be the Australian jurisdiction.

Q197. Okay. I've just got a two page Crown Melbourne Ltd risk management plan, November 15. Do you agree

that's what I'm showing you?

A I do, yes, that's the (indistinct) risk management plan.

Q198. Can you recall your input in relation to that document?

A Just let me finish reading it.

Q199. Sorry.

A That's all right. No, I don't recall input in that document but what's written here sounds logical to me.

Q200. It talks about treating as a significant risk with controls as the annual strategic planning and business process, planning processes including monitoring review of the premium gaming strategy. What input did you have in relation to that risk assessment?

A Probably not an awful lot. This is mainly around - well, by reading this I would say some of the things in the examples are in relation to currency movement and the like. I was certainly aware that there were issues around that. Yeah, that's probably all I can really add to that.

Q201. How would those processes assess the risk in relation to operating in China?

A They would - well the majority of the - the majority of the assessment of operating in China was done - as we said before, was done on the ground. So we had a - we had a scenario which was there for quite some number of years which - what we could and couldn't do in China and that was

refreshed and updated to my knowledge on a policy with the documents there on a fairly regular basis by Michael who was on the ground. That's (indistinct words) see that.

Q202. I think I've covered this off before but I just want to - "be responsible for monitoring and reviewing the premium gaming strategy". Where would that be captured?

A Look, I think the overall premium gaming strategy there is there's no - you can't go and refer to a particular document that says here's the premium gaming strategy. This is just how we operated and there was - there'd be a series of - there'd be a series of initiatives that we'd done - in terms of premium gaming there'd be a series of rule and guidelines, but there was no - I can't go to a bookshop and buy the thing that says here's the premium gaming strategy. Like I can't - there's no document which say is the local gaming strategy or local (indistinct words) strategy. So these form part of business plans and the like.

Q203. I understand. Now in relation to the internal audit, and the internal audit plan for 16 and 18, that's 1, 2, I've got four pages here. Do you agree that's what I'm showing you?

A Yes, that's the casino budget and internal audit plan.

Q204. What involvement in that would you have had?

A I would have been aware of - I may have received - I may have had input in it but I certainly wasn't

the author of it but this would not be a document which is unfamiliar to me, that's probably the best way to describe that.

Q205. When we went through this with Rowen Craigie, he talks about internal audit wouldn't be the sort of area that would cover off on the sort of risks we're talking about in this instance. Is that a fair statement?

A Well to a degree and I think what we've got here is you've a scenario which is fluid and you know things change in different countries. Hence why I think Michael was certainly very proactive in receiving and sending information on advices received about what was going on in the particular countries. So, you know, and that's with regard to what we've heard, what other external influences may be out there and the like.

Q206. So you don't think it's the sort of thing that should be - would have been covered off in an internal audit or fit into that area?

A Look, it could have been but I think the main thing - as I said the main thing was if you've got a scenario which is live - these were live scenarios, you're dealing with live customers, you need to be nimble and you need to move quickly when you think there is something going on which is out of the ordinary, and I'd like to think and I think some of the documentation you've shown me will support that - that that was certainly very nimble.

Q207. Can I just ask you a really general question then.

A Sure.

Q208. Your views on what went wrong then with the arrest?

A My views, look there's a variety of theories which it probably doesn't mean a lot by me going into it but we were operating in a similar matter to all the other major casinos apart from some of the (indistinct) casinos, and I was as surprised as anyone when this occurred as were the staff. I mean if anyone had any inkling that anything was going to occur I wouldn't have had 18 staff in China, and I wouldn't have been there 10 days before and Jason, you've met Jason, probably one of the more cautious people you'll ever meet in your life, more (indistinct) accountant so to speak, I'm sure he wouldn't have gone there if he thought there was any risk. It was - you know, it happened, it took us all by surprise, very unpleasant surprise and you know to this day I still don't know why that - why we were targeted, why that occurred.

Q209. Do you think there's a danger in - that there was - you know, you had Michael Chen responsible for the risk assessment on the ground and he's also highly incentivised with his contract?

A No, no, not at all, not at all. Michael was making trips to China so Michael is not the sort of - Michael is a Harvard educated gentleman, incredibly intelligent, incredibly strategic, he would not put himself or his team at risk for money. I would be certain that would not be the case. Why would he

do that?

Q210. What steps have Crown taken to ensure this doesn't happen - - -

A Well we're not in China for a start.

Q211. I know that, I appreciate that.

A Yeah.

Q212. But as far as your overall risk governance?

A We've taken advices on all our jurisdictions now. We've taken legal advices on all our jurisdictions and what's been - what I've been led, certainly what's been passed on is that we have made some significant structural changes in the way we operate our overseas businesses now, which by the way hasn't been followed by the properties, so you know they've obviously got a different view of the world. We've taken an incredibly cautious view, as you would, when you get 19 staff locked up. So we don't visit China in any shape or form anymore.

Q213. Do you know if any of your competitors have people on the ground in China?

A Absolutely, absolutely they do. Most casinos when this occurred they pulled their staff out and most of them put them staff back in there. There's casinos with offices there in China. There's casinos with offices in Asia - sorry, Macau, Singapore, Malaysia.

Q214. Do you have any reason why it was Crown who was targeted?

A I'd only be speculating and I'm not sure this is the venue for speculation.

Q215. One of the things we got told by one of your ex staff members, it was because Crown were considered the next big fish in China.

A It could be, it could be, who knows. It could have been just as easily Star. I think if someone's trying to send a message, they certainly got the message across.

Q216. So just to go over it again in relation to like post what happened, governance. What about a review of your risk assessment processes, has something like that occurred?

A Like I said we do that on a - that's done on a regular basis in a whole bunch of areas, so you know we've obviously done some very, very specific work around any risk involved in dealing with our overseas entities and we've made changes there. But the China one was not so much as a result of the risk component, it was as a result of, you know, we've had people arrested, we aren't going to go back in China. So that's - and we actually have got advices post that to say what we're actually doing is probably the prudent thing to do.

Okay. Steve, you got any other questions?

INSPECTOR BROWN: Not at the moment, no.

INSPECTOR BRYANT:

Q217. Barry, have you got anything else you'd like to say?

A No, no, I think it's been a - I think you've covered all the things you needed to cover and hopefully I've answered in the best - to the best

of my knowledge.

Q218. Have you got any concerns with how the interview's been conducted?

A No, no, that's fine, no, not at all, no.

Q219. Thank you, I think we'll conclude the interview.

Thank you. Do you agree the time is now 3.43?

A 3.43, yes, I do.

Thank you.

INTERVIEW CONCLUDED