

Royal Commission into the Casino Operator and Licence**STATEMENT OF PETER LAWRENCE**

Name: Peter Derek Lawrence

Address: Crown Towers, Level 3, 8 Whiteman Street, SOUTHBANK VIC 3006

Occupation: General Manager VIP Customer Service

Date: 22 May 2021

- 1 I make this statement in response to the Royal Commission's Request for Statement with reference RFS-Crown-013.
- 2 This statement has been prepared on the basis of my own knowledge, material that I have read and enquiries I have made with various employees within the Crown Resorts group.

1. Explain each role you have had, including your current role, at Crown.
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- 3 April 2012 – Present – Crown Melbourne Ltd – Melbourne, Australia
General Manager VIP Customer Service

Nov 2010 – Jan 2012 - SKYCITY Entertainment Group - Auckland, New Zealand
General Manager – Table Games

Aug 2009 - Jul 2010 - Marina Bay Sands – Singapore
Vice President – International Marketing

Aug 2007 – Aug 2009 - Melco Crown Entertainment Group, Macau PRC
Senior Vice President – VIP Services

July 1998- June 2007 - SKYCITY Entertainment Group, Auckland, New Zealand
General Manager – Table Games / International Business

May 1994-July 1998 - Crown Casino, Melbourne, Australia

Vice President – Mahogany Room Operations

Jan 1987 – Nov 1993 - ADELAIDE Casino, Adelaide, Australia

VIP Operations Manager

Nov 1984 – Dec 1986 - Paradise Island Resort & Casino, Nassau, Bahamas

Table Games Dealer

Jan 1983 – Nov 1984 - Diamond Beach Casino, Darwin, Australia

Table Games Dealer

Jan 1982 – Jan 1983 - Stakis Regency International Casino, Birmingham, UK

Table Games Dealer

Mar 1981 – Nov 1981 – Don Hotel Casino, Darwin, Australia

Table Games Dealer

2. In respect of each of those roles:

- a. describe your key responsibilities;**
- b. identify who reported to you; and**
- c. identify to who you reported.**

4 April 2012 – Present – Crown Melbourne Ltd – Melbourne, Australia. General Manager VIP Customer Service:

- Responsibility for overseeing all aspects of service delivery of the Mahogany Room, an exclusive 80 table games Members only VIP gaming room.
- Manage a team of 5 Service Managers, 18 Mahogany executive hosts, 21 Mahogany receptionists. catering to the local table games Crown Rewards, Platinum and Black tier members (approximately 3000) and visiting interstate Australia table games customers
- Working with Crown's marketing team to design and implement the annual premium events calendar for Crown Rewards, local Platinum and Black tier customers
- Establish and maintaining strong relationships with local and interstate premium customers

- Approve early release of funds, telegraphic transfers, bank cheques, other casino cheques as per the Early release of funds matrix
 - Approve cheque cashing facility applications as per the cheque cashing facilities approval matrix
 - Sit on both the Credit Committee and Responsible Gaming revocation committee
 - Additional responsibility of overseeing the interstate Australia and NZ domestic sales and marketing teams from 2014 to 2016
 - Travelling within Australia and NZ promoting Crown resorts as a premium gaming destination
 - Additional responsibility of overseeing the VIP International on property service team (approximately 6 months in 2014)
 - Reporting to me – Mahogany Room Manager. SVP International Business. AVP International Business. VP Domestic Sales and Marketing (2014-2016) SVP Customer Service Crown International (approximately 6 months)
 - Reporting to - Executive General Manager Table Games. Additional reporting line to EGM Crown International (approximately 6 months in 2014)
- 5 Nov 2010 – Jan 2012 - SKYCITY Entertainment Group - Auckland, New Zealand. General Manager – Table Games:
- Responsibility for 100 table game casino operation and approximately 630 table games staff
 - Reporting to me – Casino Shift Managers
 - Reporting to SVP – Strategic Marketing
- 6 Aug 09 - Jul 2010 - Marina Bay Sands – Singapore. Vice President – International Marketing:
- Pre-opening recruitment phase and training a large premium service team in readiness for opening
 - Responsibility for overseeing all aspects of service of the Paiza club, an exclusive table games Members only VIP gaming room

- Establishing and maintaining strong relationships with local and international premium customers
- Promote Marina Bay Sands as a premium gaming destination to international customers
- Reporting to me – VP International Marketing
- Reporting to - SVP – Strategic Marketing.

7 Aug 07 - Aug 09 - Melco Crown Entertainment Group, Macau PRC, China. SVP – VIP Services:

- Responsibility to recruit and develop a premium service team focussing on delivering a 6-star service to the high-end premium player market at both Crown Macau and City of Dreams
- Liaising regularly with table games operations, International marketing executives in relation to operational and customer service initiatives
- Establish and maintaining strong relationships with the fixed room junket operators, premium players
- Overseeing buy-in and settlements for in-house junket groups and overseas premium players
- Promote Melco Crown properties as premium gaming destinations
- Reporting to me – VP International Marketing
- Reporting to – EVP International Marketing

8 July 98- June 07 - SKYCITY Entertainment Group, Auckland, New Zealand. General Manager – Table Games / International Business:

- Responsibility for 100 table game casino operation and approximately 630 table games staff
- Ensuring all gaming is conducted within the approved rules
- Develop and implement SKYCITY premium player strategic plan, which promotes SKYCITY as a premium gaming destination to NZ, Australia and S.E. Asia customers. Design and implement appropriate premium events at SKYCITY group properties

- Establish and maintaining strong relationships with local and international premium customers
- Approve early release of funds, telegraphic transfers, bank cheques, other casino cheques as per the early release of funds matrix
- Approve cheque cashing facility applications as per the approval matrix
- Reporting to me – Casino Shift Manager. VP Sales & Marketing Australia, SE Asia x 2, North Asia x 2
- Reporting to – Group GM Business Development

9 May 94-July 98 - Crown Casino, Melbourne, Australia. Vice President – Mahogany Room Operations:

- Responsibility for overseeing all aspects of service and operations of the Mahogany Room, an exclusive 40 table Members only gaming room
- Directing all aspects of the gaming operations, service standards, food and beverage operations, cleaning services, facility maintenance and security
- Liaising regularly with table games, Crown international executives and marketing personnel in relation to operational and customer service initiatives
- Overseeing buy-ins and settlements for overseas junket groups and overseas and interstate premium players
- Reporting to me – Mahogany Room shift managers
- Reporting to VP Sales & Marketing

10 Jan 87 – Nov 93 - Adelaide Casino, Adelaide, Australia. VIP Operations Manager:

- Responsibility for overseeing all aspects of service and operations of the International room, an exclusive 20 table Members only gaming room
- Reporting to me – VIP Hosts
- Reporting to - Casino Manager.

11 Nov 84 – Dec 86 - Paradise Island Resort & Casino, Nassau, Bahamas:

- Table games dealer
- No one reporting to me
- Reporting to - Casino Manager

12 Jan 83 – Nov 84 - Diamond Beach Casino, Darwin, Australia:

- Table games dealer
- No one reporting to me
- Reporting to - Casino Shift Manager

13 Jan 82 – Jan 83 - Stakis Regency International Casino, Birmingham, UK:

- Table games dealer
- No one reporting to me
- Reporting to - Casino Shift Manager

3. Provide a response to the matters raised on pages 35 to 41 in the Hasna Transcript.

14 Mr Hasna arrived at Crown on 9 May 2016 and presented a bank cheque for AU\$100,000. I do not recall receiving a phone call requesting an early release of these funds however when a bank cheque is presented, I would usually receive a call from a Mahogany Room staff member or cashier. When this occurs, I would ask the cage cashier to confirm the cheque had all the right markers, dated, words match the dollar amount, signed by the bank. Once confirmed I would proceed to seek approval to early release the funds. Records show two approvers were obtained to early release this cheque as per the early release of funds approval matrix, me and the second approver being the Executive General Manager Table Games, Sean Knights. Once approved, Hasna signed to deposit the funds into his Crown deposit account. Hasna then withdrew the full amount signing to withdraw the funds from his Crown deposit account. Hasna received \$100,000 in casino chips.

- 15 As per Crown procedure the \$100,000 bank cheque was banked the next banking day being 10 May 2016. On 12 May 2016 I received an email from the Crown credit collection manager advising me the cheque had been dishonoured. When I receive advice of a dishonoured cheque, I reach out to the patron's Crown host in the first instance to contact the customer directly to advise them of the returned cheque.
- 16 I have never received a request by a staff member to waiver a debt and have never offered to waiver a debt and have no authority to do so.
- 17 No membership restrictions were applied to Hasna, other than stop codes placed on his Crown account indicating there was a debt outstanding.
- 18 On average I would receive approximately two requests each year from customers requesting to self-exclude from Crown and one request for information on the self-exclusion process. When a patron asks to self-exclude, I would immediately contact a responsible gaming officer to attend and speak to the customer to assist them to self-exclude. I have never suggested or tried to talk a patron out of self-excluding.
- 19 Following a dishonoured cheque, credit control places a 'CD' stop code on a customer's Crown deposit account as a flag. Should the customer conduct a financial transaction at the Crown cage the flag would prompt a cashier to call either the customer's host, a Mahogany service manager, or myself prior to the transaction being completed to ask for approval to allow the transaction to proceed. This allows for a conversation to be had with the customer if needed to address the outstanding debt.
- 20 Hasna made the following payments towards the debt at the Crown cage:
- \$10,000 on 3 August 2016
 - \$15,000 on 22 September 2016
 - \$25,000 on 25 September 2016
 - \$50,000 on 26 September 2016
- 21 On 25 September 2016, our records show Hasna posted a significant win of \$422K for the day (see Player Rating Transaction Report CRW.512.090.0047). Hasna states he approached the

cage to cash out his chips at the conclusion of the gaming session. The cashier would check SYCO for any stop codes. Given the 'CD' stop code in place on Hasna's Crown account the cashier would pause the transaction and call the patron's host or a Mahogany service manager or myself before proceeding with the transaction. I have no recollection of receiving a call regarding any of these transactions. Our records show the balance of the debt was settled by Hasna at the cage on 26 September 2016.

22 Hasna states that from May 2016 when the bank cheque dishonoured to December 2019, he lost \$5M at Crown. Our SYCO records show Hasna recorded the following win/loss results (see Player Yearly Transaction Report CRW.512.090.0096 and Player Rating Transaction Report CRW.512.090.0047):

- 2016 (May – December 2016) played 89 days and won \$47,700
- 2017 recorded play on 82 days and lost \$386,500
- 2018 recorded play on 85 days and lost \$89,200
- 2019 recorded play on 156 days and lost \$98,810
- A nett loss for the period May 2016 to December 2019 of \$526,810

23 I believe these win/loss results to be close to accurate based on Hasna play occurring predominantly in the Mahogany Room where we have more experienced table games staff and a better table games supervision ratio with one area manager overseeing 4 roulette tables versus the main gaming floor where one area manager oversees 8 roulette tables as a minimum. Hasna was afforded a higher table limit whilst playing in the Mahogany Room, this would result in a greater scrutiny by the area manager of Hasna play not only for accuracy of his win/loss but to ensure his personal limit was allowed to move with him on other roulette tables he played on.

- 4. Explain the current scope and operation of the standard operating procedures for cheque cashing and credit facilities, including without limitation:**
- a. the purpose of a cheque cashing facility, and how it is used by customers;**
 - b. how a customer obtains and uses a cheque cashing facility;**
 - c. the purpose of a counter cheque;**

d. the gambling debt collection process, including in respect of dishonoured cheques.

- 24 The purpose of a cheque cashing facility (**CCF**) is to allow the customer the convenience of not carrying large amounts of cash around with them when they visit Crown to game.
- 25 Once a CCF is approved the customer draws the funds down at the cashier and deposits these funds into their Crown deposit account. From there they can either draw funds at the cage or at a gaming table by signing a personal or counter cheque for the amount requested. Once the customer has finished their play session for the day the customer can choose to cash their casino chips out or, deposit their casino chips into their Crown deposit account or, redeem their CCF and have their counter cheque returned to them.
- 26 I note that Hasna has never operated a cheque cashing facility at Crown only a Crown deposit account.
- 27 See attached Cheque Cashing SOPs (CRW.510.045.7466) and ICS (CRW.510.045.6891).
- 28 A counter cheque is a Crown issued, bankable document, which states the patrons banking details. A counter cheque is used by the patron in place of their own cheque. The counter cheque must be signed by the patron.
- 29 Please refer to the Cheque Cashing Facilities & Credit Facilities, SOP. 5.2 Follow-Up of Gaming Debts.

5. Please identify any key differences between the current position and the position as at May 2016.

- 30 From 7 May 2021 Bank Cheques that are presented must be accompanied by the customer's account statement showing the customer's name and the withdrawal amount matching the bank cheque amount.

31 From 24 May 2021 Customers that have returned cheques or have a gaming debt with Crown are requested not to visit Crown until the debt is repaid stop codes placed on their Crown accounts.

32 As at May 2016, Bank Cheques presented did not require a statement to show the purchase. Customers that had returned cheques or had a debt with Crown could continue to visit Crown unrestricted.

33 I have read the whole transcript and would like to address the following:

- Page 17-20: Mr Hasna self-excluded on 17 April 2012, this self-exclusion was lifted on 18th December 2014 following a 20-month break from Crown. Hasna reference to self-excluding in 2015 was a withdraw of license (WOL) issued to Hasna by Crown for threatening and abusive behaviour towards Crown staff.
- Page 30-33: Between 2016 and 2017 Hasna was given a Roulette table limit of \$2,000 flat bet on the numbers, this limit was available to only several local players. In 2017 and in discussion with the General Manager Table Games a decision was made to reduce the flat bet limit from \$2,000 across the numbers on roulette to \$1,000 for that select group of local Melbourne players. This was communicated directly to Hasna by me at an appropriate time. I explained to Hasna that the business felt the volatility to both player and Crown was not preferred for local based Melbourne customers. Mr Hasna play periods from December 2014 were never of concern to me as he was not an everyday visitor to Crown. When he visited his play, periods were generally under 5 hours. I had never been made aware that he had hit any extended play period thresholds that would flag a concern.
- Page 23: Following the NSW ILGA Inquiry in 2020, Crown embarked on a Significant Player Review (**SPR**) of 'Know Your Customer' in October 2020. A review was conducted on our Crown Rewards Black and Platinum tier customers by our Gaming Integrity, Security Investigation Unit and Surveillance, AML and Responsible Gaming. Based on information available a decision was made to either allow customers to continue as is or, to obtain further information through a 'Source of Wealth statement' (**SOW**) or 'Accountants Declaration'. Currently around 123 patrons in our local table games Black and Platinum

tiers have failed to provide adequate SOW and have been issued with a withdrawal of license (**WOL**) from Crown. Patrons who were the subject of a WOL at the time of the SPR process were not given the opportunity to complete a SOW declaration. A decision by the business was to extend their WOL indefinitely. Mr Hasna fell into the category of having a WOL in place as of December 2020. I called Mr. Hasna to advise him that his WOL would now remain in place for an indefinite period. I recall briefly discussing the (NSW) inquiry, but I made it clear to Hasna that his indefinite WOL was as a result of historical threatening and abusive behaviour towards Crown staff.

- Page 34-35: Mr Hasna makes mention of drugs and prostitution being a common occurrence in the Mahogany Room. Since re-joining Crown in April 2012, I have headed up the Mahogany Service team. We have approximately 3,000 local table games Platinum and Black Crown Rewards members who have access to the Mahogany Room. From 2012 all members and guests are required to adhere to the premium gaming room entry policy by swiping their membership card at the VIP entry points with all guests being required to provide current photo ID and be registered against the members account. During my employment with Crown 1994 – 1998 there were occasions where prostitutes would enter the Mahogany Room. As soon as I became aware of this, I would ask the person to leave the room immediately. I am aware of one Crown Rewards member who has stated that she is a sex worker and operates her business away from Crown. Since April 2012 I have never observed a sex worker touting for business in the Mahogany Room or anyone taking illicit drugs in Crown. There have been several occasions during this period where I have become aware of small clear plastic bags being found in the Mahogany Room containing what looks like a suspicious substance. When this occurs, Security is called to collect the plastic bag and its contents. Surveillance are notified and an attempt is made to locate the owner. If the owner is found the police are called and the owner will be arrested, Crown will issue a WOL. If the owner cannot be located the bag and its contents will be locked away in a secure box by security, the police are notified to collect the item.

34 On **Confid** 2017 I became aware of an incident involving **Confidential** which had occurred the night before, **Conf** had been found to have consumed in excess of 6 alcoholic drinks during

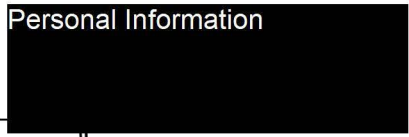
Conf shift and appeared to be intoxicated. Conf was asked to attend an informal meeting with Conf direct manger Confidential and assistant casino manager Confidential to explain Conf behaviour. Once I became aware of the incident, I made a call to surveillance to ask for a review of Conf movements during Conf shift on Confid 2017. I received a call back from a member of security advising me that Confidential was being investigated on a number of matters and a report was being prepared.

35 On Confidential a Crown surveillance analyst issued a report outlining serious misconduct by Mahogany Executive Host, Confidential, including committing fraud against Crown, accepting gratuities and staying overnight in a Crown Towers hotel room with two customers and three females who Conf later identified as prostitutes. The report also showed Conf made an unusually high number of visits to the bathroom during his shifts as well as being intoxicated during his shift on Confidential. Conf employment with Crown was terminated soon after.

36 Following the findings outlined in the surveillance analyst report on Confidential, I introduced the following:

- A daily complimentary report outlining all gaming and non-gaming comp issued in the previous 24-hour period, to which customer and by which staff member. The Mahogany Room Service Manager and I review these reports daily to check that the patron who received the complimentary were at Crown on the day the comp was issued.
- A Mahogany Executive Host, Code of Conduct was issued to each host individually by me in September 2017 and annually thereafter or on commencement into the role. Hosts signed agreeing to a number of professional behaviours required whilst performing their duties as a host, including, allowed to drink alcohol whilst on duty but only when entertaining customers at Crown and only if the customer is drinking alcohol too. Staff are limited to a maximum of two alcoholic drinks during their shift.

37 By signing the code of conduct hosts agree they are aware of the Tips and Gratuities policy. If you receive any gifts, tips or gratuities from a patron, you must surrender the item(s) to your manager as soon as possible.

Signed:  Personal Information

Date: 28/05/2021