
TRANSCRIPT OF PROCEEDINGS (Private Session)

COMMISSIONER: HON. RAY FINKELSTEIN AO QC

**IN THE MATTER OF A ROYAL COMMISSION
INTO THE CASINO OPERATOR AND LICENCE**

MELBOURNE, VICTORIA

02.33 PM, WEDNESDAY, 05 MAY 2021

**Counsel Assisting the Commission
(instructed by Corrs Chambers Westgarth
as Solicitors Assisting the Commission)**

**MR ADRIAN FINANZIO SC
MS PENNY NESKOVICIN QC
MS MEG O'SULLIVAN
MR GEOFFREY KOZMINSKY**

14:32 1 COMMISSIONER: Thank you, everyone.
14:33 2
14:33 3 MR KOZMINSKY: Mr Commissioner, I call Mr Binbin Du.
14:33 4
14:33 5 COMMISSIONER: Thank you.
14:33 6
14:33 7
14:33 8 **MR BINBIN DU, AFFIRMED**
14:33 9
10
14:33 11 COMMISSIONER: Sit down, Mr Du.
12
13 MR DU: Thank you.
14
15
14:33 16 **EXAMINATION-IN-CHIEF BY MR KOZMINSKY**
14:33 17
18
14:33 19 MR KOZMINSKY: Good afternoon, Mr Du. Could you please
14:33 20 tell the Commissioner your full name?
21
14:33 22 A. Do you want me to stand up?
14:33 23
14:33 24 Q. No, you can sit down the whole time.
25
14:34 26 A. Commissioner, my full name is Binbin Du.
27
14:34 28 Q. Where do you currently live?
14:34 29
14:34 30 **Personal Information**
31
32 Q. Thank you.
33
14:34 34 Mr Operator, if you could bring up a document, please,
14:34 35 SUB.004.0026.0005.
36
14:34 37 That is a submission I think you filed?
38
14:34 39 A. Yes, I did.
40
14:34 41 Q. Is everything in that submission true and correct?
42
14:34 43 A. Yes.
44
14:34 45 MR KOZMINSKY: Mr Commissioner, I tender that document.
14:34 46
14:34 47 COMMISSIONER: I will describe it as the statement of

14:34 1 Mr Binbin Du, undated.
14:34 2
14:34 3 ASSOCIATE: RCPH0012.
4
5
6 **EXHIBIT #RCPH0012a/b - STATEMENT OF MR BINBIN**
7 **DU (UNDATED)**
8
9
14:34 10 COMMISSIONER: I should comment for the record that the
14:35 11 statement doesn't seem to bear Mr Du's name either.
14:35 12
14:35 13 MR KOZMINSKY: That is correct.
14:35 14
14:35 15 COMMISSIONER: I'm just saying, when people read the
14:35 16 transcript, they will be able to reconcile it too. Thank you.
14:35 17
14:35 18 MR KOZMINSKY: Mr Du, can you tell the Commissioner
14:35 19 where it is you grew up?
14:35 20
14:35 21 A. Commissioner, I grew up in China, Changchun City, which
14:35 22 is the capital city of Jilin Province, it's the northeastern part of
14:35 23 China, it's further north from the capital city Beijing. I grew up
14:35 24 and came to came to Australia when I was 16 years old in 2002.
25
14:35 26 Q. When you came to Australia, did you study here?
14:35 27
14:35 28 A. I did study high school in Brisbane from 2002 to 2006.
29
14:35 30 Q. And did you study university after that?
14:36 31
14:36 32 A. I did my university at Bond University in the Gold Coast
14:36 33 for four years from 2006 to 2010.
34
14:36 35 Q. What did you study at Bond University?
14:36 36
14:36 37 A. I did law and business. Double degree at Bond, yeah.
38
14:36 39 Q. And have you studied at any other universities in Australia?
14:36 40
14:36 41 A. I did complete a masters degree at Griffith University after
14:36 42 graduating from Bond.
43
14:36 44 Q. What was your masters degree in?
14:36 45
14:36 46 A. Accounting.
47

14:36 1 Q. After you finished your masters degree in accounting, did
14:36 2 you stay in Australia?
14:36 3

14:36 4 A. No, I didn't, because of the immigration policy. So what
14:36 5 happened in 2000 --- when I graduated from law, the
14:36 6 qualification was not enough to apply for migration because the
14:36 7 Federal Government took solicitor occupation off the
14:37 8 immigration list, so ---
14:37 9

14:37 10 COMMISSIONER: So you originally came here on a student
14:37 11 visa?
14:37 12

14:37 13 A. Yes, I did.
14:37 14

14:37 15 COMMISSIONER: And then when you finished your studies,
14:37 16 you had to get another visa to stay beyond your student days?
14:37 17

14:37 18 A. Yes, yes. I couldn't obtain, or not eligible to apply for
14:37 19 extension, so I went back to China, worked there for about three
14:37 20 or four years before I was granted a permanent visa. Permanent
14:37 21 resident visa to come back to Australia in May 2015.
14:37 22

14:37 23 MR KOZMINSKY: And when you came back to Australia, did
14:37 24 you work here? What did you do when you came back?
14:37 25

14:37 26 A. I did work in a law firm in the Gold Coast to gain
14:37 27 experience, to gain admission to practice law.
14:37 28

14:37 29 Q. What was the name of the law firm?
14:37 30

14:37 31 A. It's Bell Legal. It is an old law firm. Very traditional law
14:38 32 firm, yeah.
14:38 33

14:38 34 Q. Now, in the second paragraph of your statement you say
14:38 35 that in 2017 you got married?
14:38 36

14:38 37 A. Yes.
14:38 38

14:38 39 Q. Is that right?
14:38 40

14:38 41 A. Yeah.
14:38 42

14:38 43 Q. At that time, can you tell the Commissioner a little bit about
14:38 44 your financial position ---
14:38 45

14:38 46 A. Yeah, so --- yes.
14:38 47

- 14:38 1 Q. --- did you own various properties? What was the position?
2
- 14:38 3 A. Yeah, thank you. So what happened was my wife and I, we
14:38 4 had three properties, and --- they were all in a --- you know, with
14:38 5 mortgage, so we lived in one property and then rented out the
14:38 6 other two. But after marriage in 2017, to alleviate some of the
14:38 7 financial debt position, we sold one property and moved to the
14:39 8 second property to live as a family home.
9
- 14:39 10 Q. And in 2017 were you still working at the law firm or were
14:39 11 you working somewhere else?
14:39 12
- 14:39 13 A. No, I worked at Bell Legal for six, seven months just to
14:39 14 gain the necessary experience to gain admission, and --- I moved
14:39 15 back --- I just moved back to Brisbane because I had to commute
14:39 16 every day, so I moved back to Brisbane and then applied for
14:39 17 a sales position in an organic dairy company, and worked as a
14:39 18 full-time job there.
19
- 14:39 20 Q. In the second paragraph of the statement you say you lost
14:39 21 your job that year. Was that the sales job that you lost?
14:39 22
- 14:39 23 A. No, it was --- was a full-time job, but wasn't the sales job.
24
- 14:39 25 Q. It was a different job?
26
- 14:39 27 A. Yes, yes, but it's full-time and it generated a steady income,
14:39 28 and my wife has been working as a full-time nurse in a local
14:39 29 medical clinic.
30
- 14:40 31 Q. So --- but your statement says that at some time in 2017 you
14:40 32 lost your job, and that that caused you --- then you started
14:40 33 gambling?
34
- 14:40 35 A. Yes.
36
- 14:40 37 Q. Is that right?
38
- 14:40 39 A. Yes, yes. So what happened was because of the ending of
14:40 40 the work, I had a lot of free time and I thought, you know, to
14:40 41 gamble and maybe this chance to make some money. Stupid
14:40 42 thought, looking back now, but at the time there was a lot of free
14:40 43 time, and the gambling started.
44
- 14:40 45 Q. So ---
14:40 46
- 14:40 47 COMMISSIONER: Before you go on, does that mean before this

14:40 1 particular time that you are talking about in 2017, you hadn't
14:40 2 gambled anywhere at all previously?
3

14:40 4 A. I did gamble previously, but since I got married and had
14:40 5 stable work, I didn't gamble at all. So it's only because of the loss
14:41 6 of job that started this gambling behaviour.
7

14:41 8 Q. In your statement you talk about a few different online
14:41 9 betting sites: Betfair and Crown Bet.
10

14:41 11 A. Yes, they were both owned by, I think partially owned, it's
14:41 12 not --- by the Crown Resorts and at the time I didn't know, but it
14:41 13 was basically a promotion of gambling online.
14

14:41 15 Q. And what sort of events were you gambling on?
14:41 16

14:41 17 A. Mostly races and NBA basketball games because I like
14:41 18 watching NBA basketball.
14:41 19

14:41 20 COMMISSIONER: Again, I'm just a little bit --- I want to make
14:41 21 sure that I've got this right.
22

14:41 23 A. Yes.
14:41 24

14:41 25 COMMISSIONER: At this stage, after your marriage broke
14:41 26 down, did you shift from Brisbane and come to Melbourne?
27

14:41 28 A. No.
14:41 29

14:41 30 COMMISSIONER: This is events now we are still talking about
31 ---
32

33 A. Still in ---
34

14:42 35 COMMISSIONER: Still in Brisbane?
36

14:42 37 A. Still in Brisbane. Which will lead to my --- (overspeaking)
14:42 38 ---
14:42 39

14:42 40 COMMISSIONER: I was trying to work out whether we were
14:42 41 still in Brisbane.
42

14:42 43 A. Yeah.
14:42 44

14:42 45 MR KOZMINSKY: I think the evidence was the witness was
14:42 46 gambling online. Sitting anywhere in the world one can gamble
14:42 47 online ---

14:42 1
14:42 2 COMMISSIONER: Thank you for reminding me of that.
14:42 3
14:42 4 MR KOZMINSKY: How regularly were you gambling online?
5
14:42 6 A. Almost daily, because of the free time. And then, you
14:42 7 know --- during the day especially, because night-time I normally
14:42 8 spent with my wife, and, you know, we had a happy marriage
14:42 9 until the loss of job and then the gambling addiction came in.
10
14:42 11 Q. You say that in the second paragraph of your statement, you
14:42 12 say your marriage broke down partially because of gambling.
14:42 13 Can you explain a little bit more about what it was that ---
14:42 14
14:42 15 A. Yeah, so the marriage was happy, you know, until I lost my
14:42 16 job, but it still continued. And it continued until September 2018
14:43 17 when we broke up officially. Or separated. And during this time,
14:43 18 the gambling losses stacked up and to relieve some of the
14:43 19 mortgage stress, and also to help me with family finance, I
14:43 20 decided to sell our second property, which was our home, to pay
14:43 21 off the debt and relieve the burden, yeah.
22
14:43 23 Q. So you're living in Queensland and you sold two of the
14:43 24 three properties you had at the beginning of your marriage?
14:43 25
14:43 26 A. (Nods head).
27
14:43 28 Q. And you then speak in your statement about gambling at the
14:43 29 casino in Melbourne.
30
14:43 31 A. Yes.
32
14:43 33 Q. How is it --- Commissioner, this is probably where one of
14:44 34 your questions was going to --- how was it, if you are in
14:44 35 Queensland losing all this money, you are affording to fly down
14:44 36 to Melbourne to gamble?
37
14:44 38 A. Yeah, so what happened was the Crown Bet was owned by
14:44 39 Crown Resorts, and they had this collateral --- they both
14:44 40 promoted the same --- well, they both had --- the --- how do you
14:44 41 put it, they linked their marketing together, so if I earned --- if I
14:44 42 gambled on Crown Bet online I could earn points that will seduce
14:44 43 me to gamble at the Crown Casino in Melbourne because they
14:44 44 have the same promotional product, per se. So, you know, that's
14:44 45 how I came to Crown because I could use my points from the
14:44 46 Crown Bet online and use them in the physical casino in
14:44 47 Melbourne. So that's how I came to Melbourne later on.

1
14:44 2 Q. So you are accruing points through your online betting
14:45 3 which you can then use at the casino.
14:45 4
14:45 5 A. Yes.
14:45 6
14:45 7 Q. I see. Did you use the points to get to Melbourne or just at
14:45 8 the casino?
14:45 9
14:45 10 A. Just at the casino. Because at the start everything was
14:45 11 recreational. There wasn't any intention, you know, to stay there
14:45 12 long, or gamble long, or what have you, or lose a lot of money.
14:45 13 There wasn't any intention of that.
14:45 14
14:45 15 Q. So when you first --- so we're now sort of late 2018 and
14:45 16 early 2019 ---
14:45 17
14:45 18 A. Yes.
14:45 19
14:45 20 Q. --- and what room are you gambling in at the casino when
14:45 21 you go there?
14:45 22
14:45 23 A. I initially --- I initially gambled at their blackjack table. It
14:45 24 has a table minimum of \$50 a bet. So I gambled there initially.
14:45 25
14:45 26 Q. Was that on the main gaming floor or in one of the ---
14:45 27
14:45 28 A. In the --- so the Crown Casino has about four exclusive
14:45 29 areas. So the first one is Riverside, which is filled with pokie
14:46 30 machines. The second one is Maple Room, which is the main
14:46 31 gaming areas for a game called baccarat, but they have a table, a
14:46 32 blackjack table in the corner there so I gambled there.
14:46 33
14:46 34 They also have a third VIP room, which is Teak Room, they have
14:46 35 a restaurant and the various concentration of table games,
14:46 36 baccarat and pokie machines. And then the high end, the high
14:46 37 end is the Mahogany Room, which we will talk about.
14:46 38
14:46 39 Q. And so in your statement you talk about someone called
14:46 40 Confidential I might not pronounce his surname correctly, Confidential
14:46 41
14:46 42 A. Yep.
14:46 43
14:46 44 Q. Confidential
14:46 45
14:46 46 A. Yep.
14:46 47

14:46 1 Q. And you say he lured you to gamble at the Mahogany
14:46 2 Room and promoted their product known as commission-based
3 play.
4

14:46 5 A. Yes, yes.

14:46 6

14:46 7 Q. Breaking that up, can you tell the Commissioner what
14:46 8 commission-based play is?
14:46 9

14:46 10 A. The commission play program --- they call it the program
14:47 11 --- so what happened was it is mainly for the baccarat game,
14:47 12 a game called baccarat invented in France about 150, 200 years
14:47 13 ago. So it is particularly favoured by Chinese and Asian
14:47 14 gamblers. So what happened is they lure you to play this game by
14:47 15 offering free accommodation and a percentage as a rebate, based
14:47 16 on your turnover. So what happened with the mathematics of the
14:47 17 game is, the game --- the house advantage is about 1.3 per cent,
14:47 18 that's what they publish in their annual report. So they make
14:47 19 1.3 per cent off your total turnover as their revenue. But they lure
14:47 20 you in to play the game by giving you about 0.7 per cent as
14:47 21 a rebate, which consists of 0.45 per cent as a cash rebate, and
14:48 22 0.25 per cent as food and beverage credits, which you can use
14:48 23 across their property. So --- but the game and the offering is ---
14:48 24 are designed in a way that --- to keep you play more so you can
14:48 25 generate more rebate and more turnover, but in the end it's the
14:48 26 casino that makes about 0.6 per cent off your total turnover.
14:48 27

14:48 28 COMMISSIONER: Is the effect of that basically that the house
14:48 29 take, the casino take, is a smaller percentage than the 1.3 per cent
14:48 30 or whatever it is?
14:48 31

14:48 32 A. It takes smaller than 1.3 per cent, but 1.3 per cent is the
14:48 33 theoretical ---
14:48 34

14:48 35 COMMISSIONER: That is the standard rate --
36

37 A. --- theoretical ---
38

14:48 39 COMMISSIONER: --- and with your bonuses, or with the --- what
14:48 40 they offered you, the end result was you pay a lower percentage?
14:48 41

14:48 42 A. Lower percentage in a way, but the whole game and
14:48 43 offering are designed to keep people playing more.
14:49 44

14:49 45 COMMISSIONER: Yes, but leaving aside the latter aspect ---
14:49 46

14:49 47 A. Yeah, it lessens the house edge. It lessens the house edge

14:49 1 because of all these products and offerings. Well, the perks and
14:49 2 the seducements.

14:49 3
14:49 4 MR KOZMINSKY: Confidential you say, invited you to gamble
14:49 5 at the Mahogany Room; is that right?

6
14:49 7 A. Yes, that is the commission play, that is how the casino
14:49 8 works on the commission play, and they generate a lot of, we're
14:49 9 talking about \$52 billion worth of turnover in 2015 at the peak of
14:49 10 their operation, if you read their annual report. So they generate
14:49 11 a lot of turnover from the game itself, mainly from high rollers
14:49 12 from Mainland China. But, you know, Confidential on the other
14:49 13 hand, he is part of the marketing team, so he can see my record
14:50 14 playing on their blackjack table and then he came downstairs on
14:50 15 the Maple Room and just asked me, and lured me in with this
14:50 16 interstate player card, which entitles me to drinks and hotel rooms
14:50 17 and also gave me access to gamble in Mahogany Room.

18
14:50 19 Q. So I can be clear, you were gambling at the Maple Room
14:50 20 and you were approached by Confidential who says that you can
14:50 21 come to the Mahogany Room with this interstate card,
14:50 22 commission-based play and here are all the perks?

23
14:50 24 A. Yes. Yes. And they said --- he said, and it is pretty true for
14:50 25 interstate players, you know, I could only buy --- I could just need
14:50 26 \$3,000 to buy-in to access these kind of perks. I can't remember
14:50 27 it's 2,000 or 3,000, so anyone from interstate could afford that
14:51 28 kind of buy-in. But what he didn't tell me, and this is what I
14:51 29 found out later on and what I have seen over and over again, was
14:51 30 the gambling addiction, the harm that caused because of their
14:51 31 game and how it is designed and how their promotion works.

14:51 32
14:51 33 Q. At this time, so through the middle of 2019, you've
14:51 34 frequented Crown, but are you also still gambling online on
14:51 35 Crown Bet and Betfair?

36
14:51 37 A. Betfair mainly. Crown Bet, I think they --- yeah, now it is
14:51 38 mainly on Betfair because I felt, stupidly, that there was a way to
14:51 39 gamble on a betting exchange, which is what Betfair is, to make
14:51 40 a consistent profit, but that's not the case.

41
14:51 42 Q. Just for the benefit of the Commissioner, is it right that
14:51 43 Betfair is a platform where you can either place a bet but you can
14:52 44 also take a bet, what you call laying a bet? So you can be the
14:52 45 bookmaker or the punter, effectively, is that right?

14:52 46
14:52 47 A. The Betfair --- they call themselves the betting exchange

14:52 1 but realistically it is still a promotion of gambling in nature. So
14:52 2 what happens is you can back a horse, for example, on a race to
14:52 3 win and lay a horse, which means you bet the horse will not win.
14:52 4 But it is all mathematics. But the nature of the activity, the nature
14:52 5 of this platform is still promotion of gambling.

14:52 6
14:52 7 COMMISSIONER: Who sets the odds?

14:52 8
14:52 9 A. The public. That's what the betting exchange --- how it
14:52 10 works. So what happens is the punters on either side of the
14:52 11 betting exchange, I can back the horse to win and then
14:52 12 Mr Kozminsky can lay the horse not to win. And we are
14:53 13 effectively betting against each other. And how the betting
14:53 14 exchange works is they take a percentage of that winning, the
14:53 15 profit ---

14:53 16
14:53 17 COMMISSIONER: The total pool.

14:53 18
14:53 19 A. If the horse wins and my bet wins, they take about 5 to
14:53 20 10 per cent of the profit from my winning. So, regardless of who
14:53 21 wins, they make --- generate revenue.

14:53 22
14:53 23 COMMISSIONER: (Nods head).

14:53 24
14:53 25 MR KOZMINSKY: I think you said --- I missed the precise
14:53 26 wording, but I think you thought at the exchange you would be
14:53 27 able to make some money out of it.

14:53 28
14:53 29 A. Yes, because they promoted it as a trading opportunity, but
14:53 30 effectively it is still gambling.

14:53 31
14:53 32 Q. And you say in the fourth paragraph of your statement that
14:53 33 you banned yourself from Crown's online gambling site.

14:53 34
14:53 35 A. Yes.

14:53 36
14:53 37 Q. I am going to ask you a few things. The first thing I would
14:53 38 like to ask you is, why did you exclude yourself? What caused to
14:54 39 exclude yourself?

14:54 40
14:54 41 A. So what happened was because of the loneliness, the
14:54 42 boredom and the negative emotions, grief associated with the
14:54 43 breakdown. At the time, it was about half a year, maybe less than
14:54 44 a year from my separation from the relationship collapse. You
14:54 45 know, it was --- I used gambling as a way to escape, and I
14:54 46 gambled more and more on Betfair. On one particular night, I
14:54 47 lost about 15,000 in only one bet, and that just made me mad and

14:54 1 frustrated and angry and all these negative emotions just
14:54 2 worsened. And I threw my laptop on the floor and said to myself
14:54 3 not to gamble again on Betfair, so I excluded myself.
4

14:54 5 Q. And so after you excluded yourself, from paragraph 4, am I
14:55 6 right in assuming that you excluded yourself and then you come
14:55 7 to this November/January betting spree that we'll come to?
8

14:55 9 A. Yeah. Yeah.
10

14:55 11 Q. Just before we come to that, in paragraph 4 you say that you
14:55 12 had lost \$90,000 from the sale of your home in Brisbane.
13

14:55 14 A. Yes.
15

14:55 16 Q. Do we take from that that there was the sale of the third
14:55 17 property at some point around this time?
18

14:55 19 A. Yes. So it was --- the proceeds was about \$300,000 ---
14:55 20 about 250 or 300, I can't remember exactly. But that is the
14:55 21 proceed of the sale of the last home. So ---
22

14:55 23 Q. Just pausing there, when did that happen?
24

14:55 25 A. The sale? The settlement?
14:55 26

14:55 27 Q. Yeah.
28

14:55 29 A. The settlement was in October that year, 2019. Yeah. So
14:55 30 one month after the settlement I used the proceeds to gamble at
14:56 31 Crown.
32

14:56 33 Q. So that is paragraph 4 of your statement, you talk about the
14:56 34 most devastating experience taking place between November
14:56 35 2019 and January 2020.
36

14:56 37 A. Yep.
38

14:56 39 Q. And that's happened after you excluded yourself from
14:56 40 an online betting agency owned by Crown?
41

14:56 42 A. Yes, Betfair, effectively. I lost --- prior to that I lost about,
14:56 43 I would say conservatively, \$100,000 on the Betfair alone, online.
14:56 44 That's why I was so mad about myself and frustrated. I wasn't
14:56 45 suicidal but it was not the experience you want anyone to
14:56 46 experience.
14:56 47

14:56 1 COMMISSIONER: Whereabouts did you get that \$100,000 ---
14:56 2
14:56 3 A. Savings.
14:56 4
14:56 5 COMMISSIONER: --- to lose?
14:56 6
14:56 7 A. Savings. And basically the saving was gone, and then the
14:56 8 settlement of the last home completed, so I had the proceeds from
14:57 9 them.
14:57 10
14:57 11 MR KOZMINSKY: In answer to the Commissioner's question,
14:57 12 savings and also presumably the money you got from the sale of
14:57 13 the first and the sale of the second property ---
14:57 14
14:57 15 A. Yep.
14:57 16
14:57 17 Q. --- then you sell the third property and you go to Crown
14:57 18 Casino in November.
14:57 19
14:57 20 A. Yep.
14:57 21
14:57 22 Q. In this statement or submission of yours, you talk a lot
14:57 23 about being induced to gamble at Crown. When you came in
14:57 24 November 2019, who was your contact point at Crown Casino?
14:57 25
14:57 26 A. I think because of their relentless marketing tactics, so
14:57 27 I was pretty fed up with **Confidential** and I think I switched --- I
14:57 28 asked them to change my host. But the message was always the
14:57 29 same, it was ---
14:57 30
14:57 31 Q. Just --- when did you change your host? Was that during
14:57 32 the November to January period or before, or?
14:57 33
14:57 34 A. I can't remember exactly. Maybe during or maybe before,
14:58 35 but I always got the same message.
14:58 36
14:58 37 Q. When you say you always got the same message, what was
14:58 38 the same message?
14:58 39
14:58 40 A. The same message was, "You have to gamble more. Your
14:58 41 turnover was not enough." I'm happy to assist by submitting all
14:58 42 these text messages the hosts sent me, because, you know ---
14:58 43
14:58 44 COMMISSIONER: Do you have it with you?
14:58 45
14:58 46 A. Not with me today, it's on my other phone. But it was on
14:58 47 my phone in Brisbane. I didn't bring it with me. But you hear

14:58 1 message after message, again and again, that "Your turnover was
14:58 2 not enough, and you need to gamble", implying that you need to
14:58 3 gamble more and stay more to gamble. So I'm pretty fed up with
14:58 4 **Confidential** my initial guy who lured me to gamble in
14:58 5 Mahogany, so I changed the host. But, again and again, the host
14:58 6 came back with the same message, the turnover was not enough
14:59 7 ---
14:59 8
14:59 9 COMMISSIONER: Not enough for what? That's the bit I don't
14:59 10 understand just yet.
14:59 11
14:59 12 A. Not enough to give me any perks or any hotel stay, because
14:59 13 they give you --- maybe they lure you in with one or two nights'
14:59 14 free accommodation ---
14:59 15
14:59 16 COMMISSIONER: Yes.
14:59 17
14:59 18 A. --- there and after that they don't have anything to do with
14:59 19 you ---
14:59 20
14:59 21 COMMISSIONER: Was the situation like this that you were
14:59 22 requesting some benefits like a hotel room ---
14:59 23
14:59 24 A. I was expecting ---
14:59 25
14:59 26 COMMISSIONER: --- or a meal or something like that?
14:59 27
14:59 28 A. I was expecting that given the amount of turnover, this ---
14:59 29 we are talking about 270 --- I think the message she texted me
14:59 30 last at that time was 270,000 turnover a day. And theoretically, if
14:59 31 you times that 1.33 per cent, that's about 3 or 4,000 dollars'
14:59 32 revenue they generate.
14:59 33
14:59 34 COMMISSIONER: I'm just trying to work out in what
14:59 35 circumstances you got these messages to ---
14:59 36
14:59 37 A. Yes.
14:59 38
15:00 39 COMMISSIONER: --- you explain it as to encourage you to bet.
15:00 40 Was that in response to your requests for some kind of benefit ---
15:00 41
15:00 42 A. Yes.
15:00 43
15:00 44 COMMISSIONER: --- like a hotel or a meal or something like
15:00 45 that.
15:00 46
15:00 47 A. Yes.

15:00 1
15:00 2 COMMISSIONER: So you would make a request for a benefit
15:00 3 of one kind or another ---
4
5 A. Yeah.
6
15:00 7 COMMISSIONER: --- and the response was you haven't earned
15:00 8 enough points or you haven't turned over enough in your betting
15:00 9 activities to justify getting the particular benefit that you were
15:00 10 after?
15:00 11
15:00 12 A. They were expecting \$300,000 turnover a day to give that
15:00 13 kind of benefit ---
15:00 14
15:00 15 COMMISSIONER: Okay.
16
15:00 17 A. --- which I find to some degree unconscionable. I think if
15:00 18 they theoretically make about \$4,000 off a player, a \$200 or \$300
15:00 19 room, the gambler should be entitled, but even with that, they
15:00 20 said, "No, you are not entitled, you need to gamble more."
15:01 21
15:01 22 MR KOZMINSKY: Can I just ask you, during that November to
15:01 23 January period ---
24
25 A. Yeah.
26
15:01 27 Q. --- how frequently were you gambling?
28
15:01 29 A. I was there every day, more than eight hours a day.
15:01 30 Sometimes, I think on two occasions maybe 15 hours a day.
15:01 31 Looking back now, it was a shameful experience, it was binge
15:01 32 gambling. I couldn't experience --- I couldn't see myself doing
15:01 33 that at the time. I couldn't see that I was seriously addicted,
15:01 34 because of, you know, when you were in that moment you were
15:01 35 trying to gamble and chase what you lost in a very quick period of
15:01 36 time. So it was

15:01 37
15:01 38 Q. I wanted to ask you, you say November to January, was it
15:01 39 --- how many? Was it three months?
40
15:01 41 A. About two months.
42
15:01 43 Q. About two months, okay. And in that two-month period
15:02 44 you say that there was only, I think it is paragraph 6, there was
15:02 45 only one time --- so you were gambling every day for two months
15:02 46 for at least eight hours, sometimes up to 15, it was only one time
15:02 47 that someone approached you --- this is on the second page ---

15:02 1
15:02 2 A. Yes.
15:02 3
15:02 4 Q. --- last section of the first paragraph, I think. One person
15:02 5 ever approached you about responsible gambling; is that right?
15:02 6
15:02 7 A. Yes. His name is **Confide** I can't remember his surname,
15:02 8 he's from the Responsible Gambling Department. I think Crown
15:02 9 --- that was maybe 1 month or 1.5 months of me gambling there
15:02 10 non-stop every day.
15:02 11
15:02 12 He came to the Mahogany Room. They have a certain area, so he
15:02 13 pulled me over and then tried to talk to me and see if I'm okay, I
15:02 14 said to him, "I'm okay, I'm just chasing my losses." Then he
15:02 15 started talking about budgeting, how much you can spend, how
15:03 16 much loss you stop, which was responsible to some degree on
15:03 17 their part, but I had been there for 1.5 months, 1 month or
15:03 18 1.5 months and I lost, at that point, about \$50,000 or \$60,000. So
15:03 19 I was there chasing. I couldn't give you --- I couldn't care more
15:03 20 about setting a budget and stop loss. I was --- from their record
15:03 21 they could tell I was seriously addicted. And that's the only time
15:03 22 that I had been approached for responsible gambling.
15:03 23
15:03 24 Q. When you were gambling during this period, every time
15:03 25 you gambled were you presenting your interstate player card?
15:03 26
15:03 27 A. Yep.
15:03 28
15:03 29 Q. How would you describe, based on your experience,
15:03 30 Crown's approach to the Responsible Service of Gambling?
15:03 31
15:03 32 A. Well, I would say there is nothing responsible about their
15:04 33 Responsible Gambling regime. Maybe I am exaggerating. It
15:04 34 does provide some relevant materials like they have a 24/7
15:04 35 support centre, they have a Responsible Gaming Committee,
15:04 36 I have a particular problem with the way they name everything
15:04 37 related to gambling on their public records is called "gaming", not
15:04 38 "gambling". But they have a Responsible Gaming Committee. I
15:04 39 understand that in 2010 it was chaired by Professor John
15:04 40 Horvath, who is a former Chief Medical Officer. They also have
15:04 41 a chaplaincy, a code of conduct and the employee training. But,
15:04 42 you know, during my time there and from my experience, there
15:04 43 was no staff ever approached gamblers, including myself. Maybe
15:04 44 **Confiden** was the one exception. There was no staff or dealers or
15:05 45 floor managers approaching the gamblers saying, "Have you
15:05 46 talked to someone that may help you with your gambling
15:05 47 addiction". They just let gamblers lose more and more and more

15:05 1 and gamble more and more. It is still going on now, because I've
15:05 2 been there since the lockdown were lifted and, you know, it is
15:05 3 business as usual. Maybe not in Mahogany Room, but in Maple
15:05 4 Room and Teak Room, the main gaming floor, it is business as
15:05 5 usual. There wasn't anything.

6
15:05 7 Q. I just want to clarify one thing.

8
15:05 9 A. Yes.

10
15:05 11 Q. You've mentioned annual reports and you've obviously read
15:05 12 Crown's annual report.

13
15:05 14 A. I did, yes.

15
15:05 16 Q. But I'm just more curious and want to clarify something,
15:05 17 when you gave your answer about Crown's approach to the
15:06 18 Responsible Service of Gambling and you mentioned the
15:06 19 chaplaincy and committees and the centre, were you aware of that
15:06 20 at the time, that there was a chaplain and a responsible --- or did
15:06 21 you learn that afterwards?

22
15:06 23 A. I was aware --- sorry to interrupt --- I was aware of this
15:06 24 24/7 support centre where you can ban yourself.

25
15:06 26 Q. Yes.

27
15:06 28 A. But that's about it. I think that's what most gamblers who
15:06 29 are addicted to it, in the end they have no --- they are desperate,
15:06 30 they are tapped out, there is nothing left in their bank account.
15:06 31 And they resorted to this kind of responsible gambling measure.
15:06 32 By saying that, most gamblers when they gamble long hours,
15:06 33 we're talking about days and nights, and then losing so much
15:07 34 money, there should be someone regularly checking the floor and
15:07 35 monitoring the area and go to talk to them, approach them. Not
15:07 36 to give them a player card and say how much money and how
15:07 37 long you can gamble each day and then call that responsible
15:07 38 gambling.

39
15:07 40 Q. I want to ask you one more thing. A few more things, but
15:07 41 one more thing about your statement at paragraph 3, you say:

42
15:07 43 *I personally saw a gambler lose \$2 million in a very short*
15:07 44 *span of time betting \$150,000 per bet and Crown did*
15:07 45 *nothing but let him gamble all his money away. The next*
15:07 46 *day he was spending \$2,000 attempting to win his loss*
47 *back.*

1
15:07 2 I want to break that down.
3
4 A. Yes.
5
15:07 6 Q. Did you see that during your 2-month gambling spree?
7
15:07 8 A. Yes, I did. It is one example that left some --- that I could
15:07 9 remember vividly because he was betting more than the table
15:08 10 maximum. The table maximum in Mahogany is 100,000. So he
15:08 11 has a personal limit tag and he bet 150,000 a hand.
15:08 12
15:08 13 COMMISSIONER: Which game? Blackjack or baccarat?
14
15:08 15 A. Baccarat, because most --- that's what the casino allows, to
15:08 16 increase the personal limit. So he lost, I would say, 1.5 to
15:08 17 \$2 million maybe in less than an hour, maybe 30 minutes,
15:08 18 quickly. He's from China. He's an international player coming to
15:08 19 gamble at Crown.
15:08 20
15:08 21 COMMISSIONER: Did you know the person?
15:08 22
15:08 23 A. I didn't know. I could have talked to him and then get his
15:08 24 details. I have so many acquaintances and friends that ruined
15:08 25 their lives, been affected or even ruined by gambling in
15:09 26 Mahogany. I know a few people. But he lost that money and
15:09 27 then there wasn't anything expressed on his face, but I know that,
15:09 28 because being a gambler myself, I know how --- what kind of
15:09 29 emotional response that would generate to you, especially if you
15:09 30 don't have that kind of money to gamble. I don't know how he
15:09 31 got his money ---
15:09 32
15:09 33 COMMISSIONER: Well, if you don't know how he got his
15:09 34 money, how do you know whether he had plenty to gamble
15:09 35 away? It might not have been a big issue for him.
36
15:09 37 A. It could be. Most gamblers doing that in the casino have
15:09 38 problems with gambling.
15:09 39
15:09 40 COMMISSIONER: Wouldn't you say that most people who can
15:09 41 bet 100,000 ---
15:09 42
15:09 43 A. Is crazy.
15:09 44
15:09 45 COMMISSIONER: --- have plenty of money so they can easily
15:09 46 afford it or relatively easily afford ---
47

15:09 1 A. They could lose that kind of money quickly too. We are
15:09 2 talking about \$2 million in the span of half an hour. And I also
15:10 3 heard, that's what I heard from level 39, which is the international
15:10 4 salon, so they have the whole floor designated for international
15:10 5 high rollers, mainly from mainland China and we're talking about
15:10 6 100 million lost, a night. \$100 million. But I didn't see it but
15:10 7 that's what the dealer told me because she dealt there. The next
15:10 8 day he was betting \$2,000 trying to chase that loss and, you
15:10 9 know, I feel sorry for him. But he is only one of numerous
15:10 10 examples. Before 2018 I think --- 2015 was the peak that Crown
15:10 11 generated \$52 billion turnover from commission plays all on their
15:10 12 annual report. So, you know, but after 2015 because Chinese
15:11 13 authority restricted the international transfer of funds so, you
15:11 14 know, there was less activities like the high roller I saw. But he
15:11 15 was only one and I couldn't see --- I didn't see --- I couldn't access
15:11 16 to level 39 but I'm pretty sure there are a lot of gamblers losing
15:11 17 money like that. Also I know personally --- well, we had a dinner
15:11 18 together. He exposed --- he lost about \$10 million just gambling
15:11 19 on the 39th floor. He couldn't do that now because what is
15:11 20 happening now because of the Bergin Report and international
15:11 21 border closure, the international Chinese high rollers cannot come
15:11 22 in. And also Crown imposes that the high rollers have to report
15:12 23 their income and the assets which take about two weeks to
15:12 24 approve. So there is a reduction of activities in the Mahogany
15:12 25 Room, but ---

15:12 26
15:12 27 COMMISSIONER: How do you know this?

15:12 28
15:12 29 A. I have --- well, because the friend was applying to play in
15:12 30 the Mahogany Room and there ---

15:12 31
15:12 32 COMMISSIONER: He was somebody that's coming in from
15:12 33 elsewhere in Australia, from overseas, from China mainland?

15:12 34
15:12 35 A. He's from mainland China.

15:12 36
15:12 37 COMMISSIONER: But how do you know things have changed?

15:12 38
15:12 39 A. That's the only thing I knew that has changed because
15:12 40 I have friends that still gambling there, and I didn't --- I don't
15:12 41 want to get into the situation I was in before, so I talk to them and
15:12 42 they revealed that, and their hosts, one friend's, he's a ---
15:12 43 I think --- I don't want to reveal too much, but he has the ability to
15:12 44 talk to the host at Crown, and he still --- the host said to him that
15:13 45 if he wants to play in the Mahogany Room, it takes about two
15:13 46 weeks and he has to report his income, assets. And most
15:13 47 gamblers, especially some of the people who want to hide their

15:13 1 source of income and assets, they avoid gambling at Crown
15:13 2 because of this, implications, you know, there may be tax
15:13 3 implications, may be money laundering investigations. So they
15:13 4 shy away from Crown. But, you know, that is only in Mahogany
15:13 5 and in level 39. The business is still back to normal in their
15:13 6 Maple and Teak Room, because I've been there, I know. After
15:13 7 the Bergin Report and, you know, lockdown were lifted last year.
15:13 8

15:13 9 MR KOZMINSKY: I might take the witness back to the series of
15:13 10 events that we were discussing in terms of where you were at. So
15:14 11 you finished up this betting spree in January 2020; is that right?
15:14 12

15:14 13 A. Yes, before COVID, yeah.
15:14 14

15:14 15 Q. How much had you lost by the end of that process?
15:14 16

15:14 17 A. It's all on record, about \$90,000 from the --- I transferred
15:14 18 \$300,000 to their bank account, and there was nobody ask me
15:14 19 about the source of income or what have you.
15:14 20

15:14 21 Q. So between 2017 and 2020, am I right in saying you lost all
15:14 22 three properties?
15:14 23

15:14 24 A. Well, say, majority.
15:14 25

15:14 26 Q. Of the equity in them?
15:14 27

15:14 28 A. I was scared about this, you know, the addiction and what
15:14 29 the casino could do to me, so there was some remaining savings,
15:14 30 so I transferred that to my parents in China. So I don't keep any
15:15 31 of the savings, and that's why I was brave --- I was not brave but I
15:15 32 want to expose some of the experiences I had at Crown.
15:15 33

15:15 34 Q. But you sold all three properties?
15:15 35

15:15 36 A. Yes.
15:15 37

15:15 38 Q. And whatever equity was remaining you've transferred
15:15 39 back to China to your parents so you can't spend it?
15:15 40

15:15 41 A. After all the losses, yes.
15:15 42

15:15 43 Q. And marriage unfortunately also came to an end?
15:15 44

15:15 45 A. Yeah, it was --- I have moved on, but it's after two years of
15:15 46 difficulty dealing with it, yes.
15:15 47

15:15 1 Q. I understand.
15:15 2
15:15 3 Is there anything else you want to share with the Commissioner?
15:15 4
15:15 5 A. I have some notes that I had written down just in
15:15 6 preparation for the hearing.
15:15 7
15:15 8 I will say they were --- the casino has --- I grouped maybe three
15:15 9 ways to generate revenue in their business. The first one was
15:15 10 their gambling revenue, which they have a --- they make money
15:16 11 by maintaining a mathematical advantage over the gambler, and
15:16 12 they make money from every bet that each gambler makes over
15:16 13 a large volume of bets. For example, the baccarat game, it's
15:16 14 theoretically intended to take about 1.3 per cent of the total
15:16 15 turnover from the gamblers. And the higher person stakes in a
15:16 16 bet, the more bets the person makes, the longer he stays to gamble
15:16 17 and the more frequent those games are played, the more revenue
15:16 18 the casino makes. The pokies are the worst form of gambling as
15:16 19 the house edge is computer programmed to be as
15:16 20 high as about 12, 15 per cent. These games are designed to
15:16 21 addict an average person into gambling with very high frequency
15:16 22 of spins. It can spin as many as 1,000 times an hour. So, to give
15:17 23 you a perspective, if you push a button with \$1 denomination, it
15:17 24 can spin 1,000 spins an hour, and you times 10 per cent house
15:17 25 edge into it, the average person can lose about \$100 an hour just
15:17 26 to push that button again and again. And there are 2,628
15:17 27 machines reported by Crown on their casino floor.
15:17 28
15:17 29 And, also, the second way that the casino makes money is
15:17 30 through gambling addiction. I call it a way to exploit human
15:17 31 conditioning, because when a gambler gambles and loses quickly
15:17 32 because of the high minimum stake --- I haven't talked about the
15:17 33 minimum bet in the casino. The minimum bet in the Maple
15:18 34 Room on the baccarat game is \$100. For an average person,
15:18 35 betting \$100 a bet and if you lose that bet and then lose several
15:18 36 bets, we are talking about \$1,000 loss in a very quick period of
15:18 37 time. And then the person, the person or gambler or public starts
15:18 38 to chase that loss with higher bet and more money to win back
15:18 39 that loss. And this could lead to further losses and become
15:18 40 self-destructive, uncontrollable and negative reinforcing
15:18 41 behavioural patterns, and some may end up in bankruptcy,
15:18 42 borrow money to gamble, commit serious crime or even suicide.
15:18 43 Even if one wins, there is a temptation built into the casino games
15:18 44 that one will stay longer to win more, especially if they lose in the
15:18 45 past.
15:18 46
15:18 47 And also there are biological responses when you gamble. The

15:19 1 biological responses are activated when you are anticipating the
 15:19 2 result of the game, forcing your brain to release feel-good
 15:19 3 addictive chemicals like dopamine and adrenaline. So if you
 15:19 4 imagine you can play the game one time after one time, and
 15:19 5 pokies can be played a thousand times an hour, it is naturally
 15:19 6 reinforcing that kind of addictive process biologically. This,
 15:19 7 together, also trigger the fear and scare response when the high
 15:19 8 stakes are involved. Personally speaking, I risked about \$10,000
 15:19 9 on one bet in their Mahogany Room during that two months'
 15:19 10 gambling binge, just attempting to win back what I lost, about
 15:19 11 \$8,000 on that night, and I experienced all kind of these
 15:20 12 biological responses and unfortunately I almost --- I lost that bet
 15:20 13 so the immediate reaction was to use \$20,000 to chase that
 15:20 14 \$10,000, and that's how gamblers could lose more and more and
 15:20 15 more and could lose all of their wealth and --- or even commit
 15:20 16 suicide.

15:20 17
 15:20 18 And the third way the casino makes money is through their
 15:20 19 diversified businesses in property trust and hotels and events,
 15:20 20 restaurants and bars. I have read their financial reports just to get
 15:20 21 a feeling of what kind of business it is. 80 per cent of their
 15:20 22 revenue come from the main gaming floor and the VIP
 15:20 23 commission play, so we are talking about 80 per cent of their total
 15:20 24 revenue, and 20 per cent from their non --- they call it
 15:20 25 non-gaming business. So the annual report for the Melbourne
 15:20 26 property in 2007 generated \$1.4 billion in revenue which consists
 15:21 27 of 60 per cent, \$800 million, from the main gaming floor,
 15:21 28 20 per cent, which is \$290 million, from the VIP commission
 15:21 29 play and only 20 per cent, which is \$280 million, from the hotels
 15:21 30 and events and their diversified businesses.

15:21 31
 15:21 32 And then the figure, the revenue figure grew more than
 15:21 33 50 per cent from 1.4 billion to 2.2 billion in 2015, which consists
 15:21 34 of 50 per cent main floor gambling revenue, 30 per cent VIP
 15:21 35 commission play revenue and 20 per cent non-gaming revenue.
 15:21 36 And last year it was \$1.6 billion because of the COVID
 15:22 37 restrictions. So we are talking about a business that generates
 15:22 38 a significant amount of revenue. We are talking about 80 per cent
 15:22 39 of their revenue from gambling losses from the public.

15:22 40
 15:22 41 COMMISSIONER: Did you ever, at any stage, either raise with
 15:22 42 your host, whoever that was from time to time, or with somebody
 15:22 43 else at Crown the problems that you were having with gambling?
 15:22 44 For example, did you ever make a complaint either to your host or
 15:22 45 to Crown rather than your host?

15:22 46
 15:22 47 A. I was bullied. The story was --- first of all, I felt there

15:22 1 was a --- if I have a problem I wouldn't talk to them because they
15:22 2 will say, you know, the gambling is your own choice ---
15:22 3
15:22 4 COMMISSIONER: No, I just wondered whether you have or
15:23 5 haven't made a complaint, either to the host that was looking after
15:23 6 you ---
7
8 A. Yeah.
9
15:23 10 COMMISSIONER: --- or to Crown itself.
11
15:23 12 A. Yeah, I was talking to the host **Confidential**, and that's why
15:23 13 I was a bit angry with the way he presented the game ---
15:23 14
15:23 15 COMMISSIONER: You mentioned that, but is there any other
15:23 16 host or have you made any complaint to Crown about what
15:23 17 happened to you?
15:23 18
15:23 19 A. It was all --- the reply would be --- was all similar in a way
15:23 20 that --- I remember once the host said, you know, "This is like
15:23 21 water, you can either drink it or don't drink it." That's what he
15:23 22 said to me, straight to my face. He said --- well, I made some
15:23 23 complaint, I said I lost money and what have you, and he said
15:23 24 "This is water; gambling is like a glass of water, you can either
15:23 25 drink is or don't drink it." He put it as simple as that, rather than
15:24 26 telling me the addictive potential of all these games. And I'm
15:24 27 pretty sure, I'm 100 per cent confident that they have seen all
15:24 28 these losses in their monitoring because they can access player's
15:24 29 records each day to update, to write their report or to see what
15:24 30 kind of offerings they can provide to the gambler to keep them to
15:24 31 gamble more if they lose money yesterday, or to say, "No, your
15:24 32 turnover is not enough, you need to gamble more" if the gamblers
15:24 33 are winning. So it's kind of --- no --- and I also don't trust them.
15:24 34 What happened later on in the trip, I was actually bullied. I made
15:24 35 a complaint about their rebate. I thought I would be entitled to
15:24 36 get reimbursement for my hotel stay from that 0.25 per cent of the
15:24 37 rebate for food and beverage, but they cut the rebate into half and
15:25 38 gave me that amount in cash, and they said that I couldn't use
15:25 39 those to offset my hotel stays and other expenses. And I was
15:25 40 actually bullied and I said, "I want to make a complaint", and the
15:25 41 floor manager, I don't have his full name, his name is **Con** --- I
15:25 42 cannot remember, and the host at the time was **Confide**(?), I think,
15:25 43 I don't have their full names, you know, but he bullied me and
15:25 44 said, "You could not come to the casino for three days", and then
15:25 45 later they changed it to one year because I complained.
46
15:25 47 So it's very unpleasant experience and, you know, it just gives me

15:25 1 the feeling that I have been bullied and there is a culture of
15:25 2 corporate arrogance and indifference. But I wasn't surprised
15:25 3 when the Bergin Report came out, because that's exactly how I
15:26 4 felt and experienced at their property.

15:26 5
15:26 6 COMMISSIONER: Thank you. I understand.

15:26 7
15:26 8 MR KOZMINSKY: Nothing further from me.

15:26 9
10

11 **THE WITNESS WITHDREW**

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13

15:26 14 COMMISSIONER: All right. Adjourned until tomorrow at
15:26 15 10 o'clock.

15:26 16

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18 **HEARING ADJOURNED AT 3.26 PM UNTIL THURSDAY,**
19 **6 MAY 2021 AT 10.00 AM**

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