

Coonan's turn to front Crown royal commission



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Crown Resorts' executive chairman Helen Coonan will front Victoria's investigation into the \$8.6 billion casino giant this week to convince the [head of the royal commission](#) of her attempts to overhaul the company, and explain the alleged decade-long \$272 million tax underpayment.

The royal commission, led by Ray Finkelstein, QC, will determine whether Crown should keep its Melbourne casino licence in October, following two months of public hearings that have revealed damning evidence, including a possible [\\$272 million underpayment of state gambling taxes](#), and [bombshell stories](#) of Crown failing to prevent problem gambling.

On Thursday, a spotlight will be shone on [Ms Coonan's knowledge of the potential tax underpayment](#), which the commission heard she first became aware of in February but didn't disclose to directors, even when news of it broke during a board meeting on June 7.

Commissioner Finkelstein has made it clear throughout the inquiry that the way Crown manages problem gambling will also weigh heavily on his decision to allow the James Packer-backed gambling giant to operate Victoria's only casino.

When Ms Coonan fronts the inquiry from Sydney, she will also be expected to explain why Crown has failed to protect problem gamblers at Crown, some of whom have committed [suicide, spent time in prison and become bankrupt](#); Crown's [failure to investigate the arrest of 19 Crown](#) employees in China; and fresh evidence of money laundering. Shares in Crown, which is mulling a merger offer from rival casino group The Star, have plummeted 9.35 per cent to \$11.92 since the Victorian royal commission hearings started on May 17.

A 10-year veteran of Crown, Ms Coonan took the reins after the damning Bergin inquiry in NSW left her largely unscathed.

The NSW probe found Crown unfit to open its Sydney casino because it had been infiltrated by organised crime, facilitated money laundering, failed to care for its staff in China, and been too beholden to Mr Packer's "disastrous influence".

A slew of Crown's top brass will appear this week before Ms Coonan takes her turn, but notably Mr Packer is not scheduled to front the probe. In [April, the NSW casino regulator](#) struck a deal with Mr Packer to neuter his influence over Crown until 2024.

Five Crown executives are set to testify at the inquiry's final hearings this week, along with two non-executive directors, Antonia Korsanos and Jane Halton - the two surviving board members after the NSW regulator gutted Crown's leadership following the NSW inquiry.

On Monday, Crown Melbourne's CEO, Xavier Walsh, will be the first of the five executives to appear.

He will be followed by Crown Resorts' new chief executive, former Lendlease boss Steve McCann, and chief financial officer Alan McGregor.

While the NSW casino regulator has said Crown is on track to open the Sydney casino by the end of the year, [Commissioner Finkelstein last week cast doubt](#) on the company's efforts to overhaul itself, openly wondering if it would "go back to their old ways" after the heat of the inquiry subsided.

His doubts were expressed after counsel assisting, Meg O'Sullivan, told the inquiry of fresh money laundering concerns sparked by Crown allowing [high rollers to illegally withdraw up to \\$500,000 in cash or chips at the casino via credit cards at the hotel front desk between 2012-2016](#).

Crown knew the credit card facility was likely [illegal under Victorian gambling laws and devised arguments](#) in case it was caught by the regulator. Crown stopped the China Union Pay credit card transactions in 2016 after 19 employees were arrested.

But the true extent of the illegal behaviour was only discovered last month after an employee tipped off management.

Commissioner Finkelstein asked last week whether the “real question” is, “are the people that we are dealing with going to go back to their old ways when everybody stops looking?”

He pointed to Crown’s credit card scheme, which churned at least \$160 million through the hotel’s front desk.

“The whole thing was a fraudulent scam from the outset, and everybody involved would have known that,” he said.

“If a hotel issues a fake invoice, even the desk clerk will say, ‘there’s something going on’.

“You might not know this is money laundering, but if you are issuing fake documentation, you know something crooked is going on.” Crown also faces a royal commission in Western Australia into whether it is suitable to hold its Perth casino licence. Public hearings recommence on July 19.

The Victorian royal commission is scheduled to hand down a final report on October 15.

Elouise Fowler is a journalist for The Australian Financial Review base