



Mr Sean Goodchild Director Compliance Operations Liquor and Gaming NSW Level 6, 323 Castlereagh Street HAYMARKET NSW 2000 sean.goodchild@liquorandgaming.nsw.gov.au	Mr Riad Allam Licensee/Director, Tonita Enterprise Pty Ltd c/o Mr Robert Gorczyca Holman Webb Lawyers GPO Box 119 SYDNEY NSW 2001 robert.gorczyca@holmanwebb.com.au
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7 January 2020

Dear Sir/Madam

Reference No.	DOC20/001688
Matter	Disciplinary Complaint
Licence No.	GMT4010748
Licensee	Mr Riad Allam
Complainant	Mr Sean Goodchild, Director of Compliance Operations, Liquor and Gaming New South Wales
Premises	Unit 5 10 Morgan Street, BOTANY NSW 2019
Issue	Whether disciplinary action should be taken under Part 8 of the <i>Gaming Machines Act 2001</i> (NSW) against Mr Riad Allam.
Legislation	Part 8 of the <i>Gaming Machines Act 2001</i> (NSW)

Decision with Reasons and Notice of Disciplinary Action on Complaint to the Independent Liquor and Gaming Authority against Mr Riad Allam, holder of Gaming Machine Technician licence No GMT4010748, under Part 8 of the *Gaming Machines Act 2001* (NSW)

On 1 March 2018, Mr Sean Goodchild ("Complainant"), Director Compliance Operations, Liquor and Gaming New South Wales, a delegate of the Secretary of the Department of Industry (then responsible for liquor and gaming matters), submitted to the Independent Liquor and Gaming Authority ("Authority") a disciplinary complaint ("Complaint") in relation to Mr Riad Allam who is the licensee of Gaming Machine Technician Licence GMT4010748.

The Complaint is made under Part 8 of the *Gaming Machines Act 2001* (NSW) ("Act") and specifies three grounds of complaint ("Grounds") that are available under section 129(3) of the Act. The Authority has considered the Complaint material (briefly listed in Schedule A below) and all submissions received in relation to the Complaint and decided to take the following disciplinary action:

- (i) Pursuant to section 131(2)(d) of the Act, Gaming Technician Licence Number **GMT4010748** held by Mr Riad Allam is **cancelled** with effect from 4 February 2020.
- (ii) Pursuant to section 131(2)(f) of the Act, Mr Riad Allam is **disqualified** from holding a gaming related licence, commencing 4 February 2020 for a period of 3 years thereafter.
- (iii) Pursuant to section 131(2)(a)(i) of the Act, Mr Riad Allam is ordered to **pay a monetary penalty** to the Secretary of the New South Wales Department of Customer Service ("Secretary, DCS") in the sum of **\$11,000.00** by no later than 4 February 2020.
- (iv) Pursuant to section 131(2)(i)(i) of the Act, Mr Riad Allam is ordered to pay the Secretary, DCS the amount of **\$55,122.39**, being the costs on the investigation giving rise to this Complaint, by no later than 4 February 2020.

Information about review rights is provided at the end of the attached statement of reasons. If you have any questions about this letter, please contact ilga.secretariat@liquorandgaming.nsw.gov.au

Yours faithfully



Murray Smith

Deputy Chairperson

For and on behalf of the Independent Liquor and Gaming Authority

FINDINGS ON COMPLAINT

INTRODUCTION

1. On 1 March 2018, Mr Sean Goodchild ("Complainant"), the Director Compliance Operations for Liquor and Gaming New South Wales ("LGNSW") in his capacity as a delegate of the Secretary of the New South Wales Department of Industry ("Secretary"), made a disciplinary complaint to the Independent Liquor and Gaming Authority ("Authority") under Part 8 of the *Gaming Machines Act 2001* (NSW) ("Act"). The complaint is made in relation to Mr Riad Allam, who personally holds a Gaming Machine Technician ("GMT") Licence number GMT4010748.
2. OneGov licensing records maintained by LGNSW and obtained by the Authority on 4 April 2019 indicate that the primary premises and only premises recorded in respect of this licence is Unit 5, No 10 Morgan Street Botany New South Wales ("NSW") 2019 ("Primary Premises"). The licence has a recorded start date of 28 May 1993, with a current expiry date of 15 February 2020.

GROUND OF COMPLAINT

3. The Complaint Letter ("Complaint") specifies three grounds ("Grounds") that are available under section 129(3) of the Act. Relevantly, the Authority notes that section 127(1) defines a licensee to include the holder of a gaming-related licence (which includes a GMT Licence as held by Mr Allam).
4. Ground 1 is based upon section 129(3)(a)(i) of the Act and alleges that the licensee, Mr Allam, has contravened provisions of the Act or *Gaming Machines Regulation 2010* (NSW) ("Regulation"). Briefly, the six Particulars in this Ground specify the following contraventions:
 - (a) Ground 1 Particular 1 alleges that in or around January 2016 to April 2017 Mr Allam has contravened section 71(2) of the Act by purchasing approved gaming machines from a person, Mr Habib Kayrouz, who is not authorised by or under this Act to sell gaming machines.
 - (b) Ground 1 Particular 2 alleges that in or around April 2017 Mr Allam, who is not the holder of a dealer's or seller's licence or the director or secretary of a corporation that is the holder of such a licence, sold approved gaming machines in contravention of the prohibition in section 85(1) of the Act against selling gaming machines without the required licence.
 - (c) Ground 1 Particular 3 alleges that in or around 2016 Mr Allam, engaged in another instance of selling approved gaming machines without the required licence contrary to section 85(1) of the Act.
 - (d) Ground 1 Particular 4 alleges that in or around March 2017 Mr Allam contravened section 80(4) of the Act when, by a fraudulent representation, scheme or practice he obtained for himself or another person, or induced a person to deliver, give or credit to him or another person, any money, benefit, advantage, valuable consideration or security.
 - (e) Ground 1 Particular 5 alleges that Mr Allam between 2015 and 2017 engaged in another instance of selling approved gaming machines in contravention of the prohibition in section 85(1) of the Act against selling gaming machines without the required licence.
 - (f) Ground 1 Particular 6 alleges that from around 2013, Mr Allam contravened clause 72(1) of the Regulation in that without the approval of the Authority he conducted his technician's business on or from premises other than the premises that had been approved by the Authority, at the time of grant of the technician's licence, as the primary premises on or from which the activities authorised by the licence are to be carried on.
5. Ground 2 is based upon section 129(3)(e)(iv) of the Act and alleges that the gaming-related licensee, Mr Allam, is no longer a fit and proper person to hold a gaming-related licence. Ground 2 refers to the matters specified in Ground 1 and makes certain additional allegations going to Mr Allam's honesty, ability and knowledge arising from his dealings with LGNSW inspectors during the LGNSW investigation that preceded the Complaint.

6. Ground 3 is based upon section 129(3)(j) of the Act and alleges that gaming related licence GMT4010748 has not been exercised in the public interest. Ground 3 refers to the Particulars specified in Grounds 1 and 2 as matters going to whether the licence has been exercised contrary to the public interest.

COMPLAINT MATERIAL

7. A list of the material comprising the initial complaint, including a one-page cover letter, a twenty-seven page submission outlining the Grounds of Complaint (accompanied by a *dramatis personae*, chronology of events and a list of exhibits) and all Exhibits referred to in the Complaint are set out in Schedule A to this letter (collectively the "Complaint Material").

CONSULTATION

Show Cause Notice dated 19 March 2018

8. On 19 March 2018 the Authority sent a letter via the Authority's Reviews and Secretariat Unit ("Authority Secretariat"), to the licensee Mr Allam and the Directors of Tonita Enterprise Pty Ltd (the corporate entity through which Mr Allam conducts his business as a licensed gaming machine technician ("Tonita")) inviting Mr Allam and Tonita to show cause or make submissions as to why disciplinary action should not be taken on the basis of the Grounds of Complaint ("Show Cause Notice"). The Show Cause Notice, which provided a timetable for the making of submissions, was copied to the Complainant.

Request Particulars dated 16 April 2018

9. On 16 April 2018, the Authority received a three-page letter from Mr Robert Gorczyca of Holman Webb Lawyers, who act for Mr Allam and Tonita (the "Respondents"), seeking further and better particulars of the Complaint ("Request for Particulars").

Response to Request for Particulars dated 30 April 2018

10. In a four-page letter dated 30 April 2018 the Complainant responded to the Request for Particulars ("Response to Particulars") and attached the following further material:
- Email correspondence between Mr Riad Allam and Mr James Hall of Scientific Games dated 27 March 2017.
 - Email correspondence between Mr Troy Bell of Scientific Games and a Senior Compliance Officer Investigations at LGNSW dated 15 May 2017.
 - LGNSW Device History Reports from 1 December 2014 to 11 April 2017 for Gaming Machine Serial Numbers XSG306202, XSG306203, XSG306204, XSG306205, XSG306206, XAW854551, XAW826161, XGT165003, XSG101800, XSG102875, XGT663465, XGT661345, XGT662729, XGT601691, XGT605401, XGT603650, XAW552080, XAR140994, XAR140995, XAR140997, XKA016907, XKA011395, XKA014243, XAW356072, XSG303404, XSG303405, XSG303408, XKA031235, XEB291320, XUN700560, XSG303407, XSG304424, XSG304421, XAW819004, XAR202573, XAW320939, XEB230222, XEB238978, XEB238981, XEB239098, XEB250391, XSG303447, XSG303448, XSG303449, XSG303450, XSG303451, XSG303452, XSG303453, XSG303454, XSG303455, XSG303406, XGT662527, XGT662528, XGT663837, XGT664923, XBG000111, XGT663503 and XGT663594.

Respondent Submission on Merits of the Complaint dated 30 May 2018

11. The Respondents have addressed the allegations made in the Complaint in the form of a letter from their solicitor. On 30 May 2018 Mr Gorczyca provided a nine-page legal submission of that date ("Respondent Submission") which was accompanied by the following material:
- Email from Mr Rabih Boufaycal dated 25 May 2018.
 - Email from Rabih Boufaycal dated 18 March 2017.

- SAI Global, Australian Securities and Investments Commission (“ASIC”) National Business Names – Current and Historical Extract for “Tonita Enterprise” as at 28 May 2018.

12. The key contentions made in this correspondence have been considered and are addressed in the findings section of this letter, below.

Submission in Reply from the Complainant dated 5 June 2018

13. The Complainant replied to the Respondent Submission in a three-page letter dated 5 June 2018 (“Complainant Reply Submission”).
14. All of the key contentions made in this correspondence have been considered and the Complainant's position is briefly noted in the findings section of this letter, below.

Additional Information Requested by the Authority

15. In a two-page letter dated 26 March 2019 from the Authority Secretariat, the Authority sought advice from the Complainant whether specific gaming machines specified in the Complaint had been authorised for destruction by the Authority or a delegate. The Authority noted that pursuant to section 81A of the Act a gaming machine that is approved for destruction would cease to be an *approved* gaming machine. The Authority copied the Respondents in this enquiry.
16. In a one-page letter dated 29 March 2019, copied to the Respondents, the Complainant advised that there are no records indicating that the relevant machines have been approved for destruction at any point in time, nor are they the subject of pending applications for such approval. The Complainant noted that section 81A of the Act post-dates the conduct alleged in the Complaint.
17. In a follow up email dated 8 April 2019 from the Authority Secretariat to the Complainant, the Authority sought advice from the Complainant whether the gaming machines referred to in the Authority's letter dated 26 March 2019 have been the subject of a decision under section 64 of the Act to revoke their approved status. In an email dated 24 April 2019, copied to the Respondents, the Complainant confirmed that no such action had been taken.

Information Sourced by the Authority

18. The Authority Secretariat sourced a copy of the following additional material:
 - OneGov licence record for GMT Licence GMT4010748 as at 4 April 2019.
 - ASIC Company Extract for Better Returns Holdings Pty Ltd extracted on 30 May 2017.
 - ASIC Company Extract for Bestnett Gaming Solutions NSW Pty Ltd extracted on 6 July 2017.

FINDINGS

19. A disciplinary complaint under Part 8 of the Act is an administrative matter and findings are made to the civil standard of proof. However, in accordance with the principle enunciated by the High Court of Australia in *Briginshaw v Briginshaw* (1938) 60 CLR 336, the seriousness of the allegation made, the inherent unlikelihood of an occurrence of a given description, or the gravity of the consequences flowing from a particular finding are matters that are relevant to deciding whether an allegation has been proved on the balance of probabilities.

Ground 1

20. Ground 1 is based on section 129(3)(a)(i) of the Act and alleges that Mr Allam, whilst the holder of GMT Licence GMT4010748, has contravened provisions of the Act and Regulation.
21. Section 129(3)(a)(i) of the Act states:

- (3) *The grounds on which a complaint in relation to a licensee or close associate may be made are as follows:*
 - (a) *that the licensee:*
 - (i) *has contravened a provision of this Act or the regulations, or*

...

22. Ground 1 particularises six regulatory contraventions, which are alleged to have occurred between 2013 and 2017.
23. The Complainant has provided, at Exhibit E01 to the Complaint OneGov licence records maintained by LGNSW for GMT Licence number GMT4010748 as at 6 April 2017 and 23 February 2018 and the Authority has also obtained an updated record as at 4 April 2019 (collectively the “OneGov Records”). These documents establish that Mr Allam was, during the relevant period for the events specified in Ground 1, the licensee of GMT Licence GMT4010748, which had a start date of 28 May 1993. The licence has an expiry date of 15 February 2020. There is no indication in the Complaint Material or submissions that this licence was cancelled or suspended at any time since it was granted.

Ground 1 Particular 1

24. Ground 1 Particular 1 alleges that Mr Allam, licensee of GMT Licence GMT4010748, contravened section 71(2) of the Act by purchasing 47 approved gaming machines from Mr Habib Kayrouz, a person who is not authorised to sell gaming machines, between January 2016 to April 2017.
25. Ground 1 Particular 1 alleges that Mr Allam, licensee of GMT Licence GMT4010748, contravened section 71(2) of the Act, which states:

A person who purchases or offers to purchase an approved gaming machine is guilty of an offence unless the gaming machine is purchased from, or the offer is made to, a person who is authorised by or under this Act to sell the gaming machine.

33 Gaming Machines Transported by Mr Kayrouz for Destruction - January 2016 to April 2017

26. As noted at paragraph 26 of the Complaint, a Notice to Produce was issued by LGNSW dated 20 April 2017 (Exhibit E08) under section 21 of the *Gaming and Liquor Administration Act 2007* (NSW) to Mr Troy Bell, the Compliance Manager of SG Gaming ANZ Pty Ltd (the “Manufacturer”). Having regard to this document and a list of gaming machines sent for destruction by the Manufacturer between January 2016 and April 2017 at Exhibit E16 of the Complaint (“Destruction List”), the Authority is satisfied that the Manufacturer dispatched **235** gaming machines to Mr Habib Kayrouz to be transported for destruction between 1 January 2016 and 11 April 2017.
27. The Authority accepts the Complainant’s contention at paragraph 24 of the Complaint, that Exhibit E38 (“Chipping Norton Warehouse Inventory”) provides an inventory of **207** gaming machines, in various states of repair, that were identified by LGNSW inspectors at Mr Allam’s factory in Chipping Norton (“Chipping Norton Warehouse”) during an inspection conducted on 11 April 2017. The Complainant alleges at paragraph 28 that **35** of these machines identified by LGNSW had been transported by Mr Kayrouz for destruction, together with a further **7** machines that were now operating in NSW licensed venues. The Complainant submits that the remaining gaming machines were destroyed as instructed by the Manufacturer. The Authority accepts these contentions.
28. The Authority is satisfied that the Chipping Norton Warehouse Inventory establishes that of those **207** machines the following **33** gaming machines were identified as having been couriered for destruction by Mr Kayrouz:
 - 1) 65-4012
 - 2) SGT0250
 - 3) SGT0350
 - 4) SGT0371
 - 5) SGT0414
 - 6) SGT0506
 - 7) SGT0603
 - 8) XBG000171
 - 9) XBG000457
 - 10) XBG001339
 - 11) XEB239098
 - 12) XSGT1305

- 13) XSGT1307
- 14) XSGT1330
- 15) XSG303406
- 16) XBG000111
- 17) XGT663837
- 18) XEB230222
- 19) XEB238978
- 20) XEB238981
- 21) XSG303447
- 22) XSG303448
- 23) XSG303449
- 24) XSG303450
- 25) XSG303451
- 26) XSG303452
- 27) XSG303453
- 28) XSG303454
- 29) XSG303455
- 30) XEB250391
- 31) XGT663503
- 32) XGT663594
- 33) XGT664923

- 29. The Destruction List also establishes that these **33** machines were identified as having been dispatched by the Manufacturer to Mr Kayrouz for destruction.
- 30. At paragraphs 31 and 33 it is contended that Mr Paul Bunting, the Manufacturer's Warehouse and Logistics Manager, identified against his records for destruction the gaming machines seized by LGNSW inspectors from the Chipping Norton Warehouse on 12 May 2017.
- 31. In a witness statement dated 30 May 2017 from Mr Bunting that is Exhibit E10 ("Bunting Statement"), Mr Bunting confirms that on 17 May 2017 he inspected the above gaming machines (with the exception of machine number XSG303448, which the Complainant submits at paragraph 31 of the Complaint is assumed to have been "cannibalised" for parts since the 11 April 2017 inspection). The Authority notes his statement that "I commenced checking the compliance plates of each gaming machine and verified each serial number against my records". Mr Bunting has provided, at Exhibit 6 to his statement, a list of gaming machines that had been sent for destruction by the Manufacturer and the destruction certificates for those machines. These satisfy the Authority that the above-mentioned 33 machines were in fact dispatched to either Mr Kayrouz of "The Cleanup Guy", or to "HP WRECK AND RECYCLE PTY LTD" for the purpose of their destruction.
- 32. The Authority has considered Mr Allam's contention, in the Respondent Submission, that gaming machine number 65-4012 had nothing to do with Mr Kayrouz and that machines numbered SGT0250, SGT0350, SGT0371, SGT0414, SGT0506 and SGT0603 are Queensland gaming machines. In the Response to Particulars, the Complainant advises that these machines were not connected to the Central Monitoring System ("CMS") due to their status as either testing machines or machines from other jurisdictions that have *components* of NSW approved gaming machines.
- 33. Nevertheless, as noted above, the Bunting Statement and attachments establish that gaming machines 65-4012, SGT0250, SGT0350, SGT0371, SGT0414, SGT0506 and SGT0603 were all in fact dispatched by the Manufacturer to Mr Kayrouz for the purpose of transport for destruction.

2 Machines Transported For Destruction by Mr Kayrouz - May 2016

- 34. At questions 20 and 29 of his interview with LGNSW inspectors dated 26 April 2017 ("Kayrouz Interview") that is Exhibit E09, Mr Kayrouz confirms that both The Cleanup Guy and HP Metal Recyclers (which the Authority notes is a business name for the company HP WRECK AND RECYCLE PTY LTD) are his businesses.
- 35. The Authority finds, on the basis of the Chipping Norton Warehouse Inventory, that gaming machines XGT662527 and XGT662528 were also situated at the Chipping Norton Warehouse during the 11

April 2017 inspection. The Authority is further satisfied, on the basis of the Destruction List, that these machines had been dispatched by the Manufacturer for destruction on 18 May 2016.

36. Exhibit 6 to the Bunting Statement indicates that these two machines were verified against Mr Bunting's records. While no evidence specifies to whom these machines were dispatched, on the basis of the evidence in Exhibit 6 to the Bunting Statement, the evidence of Messrs Allam and Kayrouz's business relationship and the fact that these two machines ended up along with the above mentioned machines on the Chipping Norton Warehouse premises, the Authority infers that these two machines had also been dispatched by the Manufacturer to Mr Kayrouz for destruction.

7 Machines Transported by Mr Kayrouz for Destruction - March to August 2016 (Found Operating)

37. On the basis of the Destruction List, the Quickchange Authorisation Reports at Exhibits E11, E12, E13, E14 and E15 of the Complaint and Exhibit 6 to the Bunting Statement (which includes destruction certificates and a list of gaming machines sent for destruction by the Manufacturer) the Authority accepts the Complainant's contention that the following **7** machines had actually been dispatched by the Manufacturer to Mr Kayrouz for destruction, yet were subsequently identified by LGNSW staff to be operating on licensed premises:

- 1) XSG303407 – dispatched to Mr Kayrouz for destruction by the Manufacturer on 16 March 2016 and recorded as having being installed on 16 December 2016 in Balgowlah RSL Memorial Club ("Balgowlah RSL").
- 2) XSG303404 – dispatched to Mr Kayrouz for destruction by the Manufacturer on 16 March 2016 and recorded as having being installed on 9 November 2016 in Charlestown Bowling Club.
- 3) XSG303405 – dispatched to Mr Kayrouz for destruction by the Manufacturer on 16 March 2016 and recorded as having being installed on 9 November 2016 in Charlestown Bowling Club.
- 4) XSG303408 – dispatched to Mr Kayrouz for destruction by the Manufacturer on 16 March 2016 and recorded as having being installed on 9 November 2016 in Charlestown Bowling Club.
- 5) XAW854551 – dispatched to Mr Kayrouz for destruction by the Manufacturer on 22 March 2016 and recorded as having being installed on 24 March 2016 in New Victoria Tavern.
- 6) XAW826161 – dispatched to Mr Kayrouz for destruction by the Manufacturer on 2 May 2016 and recorded as having being installed on 3 June 2016 in Roseville Returned Servicemens Memorial Club Ltd.
- 7) XGT661345 – dispatched to Mr Kayrouz for destruction by the Manufacturer on 19 August 2016 and recorded as having being installed on 9 September 2016 in Windale Gateshead Bowling Club.

38. The Authority notes that the "Quickchange" database, administered by LGNSW, records information about certain transactions that is typically entered contemporaneously by Quickchange users with regard to the authorisation, acquisition, repair or movement of authorised gaming machines in hotels and clubs across NSW.

5 Machines Transported by Mr Kayrouz for Destruction - November 2016

39. The Authority is further satisfied, on the basis of the Destruction List and the Bunting Statement and attachments, that the Manufacturer also dispatched the following **5** gaming machines to Mr Kayrouz for destruction on 9 November 2016:

- 1) XSG306202
- 2) XSG306203
- 3) XSG306204
- 4) XSG306205
- 5) XSG306206

2 Machines Purchased by Mr Allam from Mr Kayrouz & Seized at Hornsby RSL - November 2016

40. As contended at paragraph 24 of the Complaint, and evidenced by questions 34 to 35 and 53 to 64 of the transcript of interview conducted by LGNSW inspectors with Mr Allam on 11 April 2017 (Exhibit E06) ("First Allam Interview"), Mr Allam stated that he had purchased **2** gaming machines from Mr Kayrouz that were then seized by LGNSW at the Hornsby RSL Club ("Hornsby RSL"). At questions 34 to 35, the following exchange occurs:

Q34 Can you, can you tell me the circumstances, um, of two gaming machines - - -

A Yeah.
Q34 - - - that were delivered to Hornsby - - -
A Yeah.
Q34 - - - RSL - - -
A Yeah.
Q34 - - - yesterday by yourself?
A Yes.
Q35 Um, and just to clarify those machines, uh, with serial numbers X-S-G-3-0-6-2-0-2 and, uh, the second machine is X-S-G-3-0-6-2-0-3.
A Yep.

41. At questions 53 to 64 of the First Allam Interview the following further exchange occurs:

Q53 - - - while you're looking for that, um. Where were the machines before you delivered them to Hornsby?
A Here (00.09.57)
Q54 They were here in this warehouse, were they?
A Yeah.
Q55 And how long had they been here?
A Uh. Can't be sure. Five months, three months, six months. Maybe more. I cannot remember, you know, because we put in a coke machine for, for many peoples so leave here and after, so they can deliver to him.
Q56 Where, when, when, where did you get the machines from?
A I got the machine from the guys who collect the scrap from, uh - - -
Q57 Just come in, sir. Just keep your voice up.
A I, I collect, uh, get the machine from the guys who collect the scrap from, uh, crap and hotel and something like that.
Q58 So you got the machines from the guy that collects scrap.
A Yeah.
Q59 So did you obtain the machines from the scrap metal, did you?
A Yes.
Q60 And which scrap metal yard was that?
A It's, uh, the scrap metal yard in, uh, on the corner here. Here, it's in in, uh, Smithfield or some place around, along the side.
Q61 And who's the gentleman that you deal with there?
A His name, uh, Habib. And him and his boys, he, he had to come to collect some scrap metal for me from here. And he said to me, "I got sometimes some poker machines on my truck going to the tip. Do you want to take it?" I said, bring, we'll see if something we can do business, we can take. If not, well then, that's how we end up here. And did you buy the machines off the - - -
Q62 Yeah.
Q62 - - - off the bid.
A Yes.
Q63 How much did you pay for them?
A Oh, I think I been paid, \$200 per machine.

Mr Allam Only Bought Gaming Machines and Gaming Machine Parts From Mr Kayrouz

42. At questions 94 to 98 of the First Allam Interview, Mr Allam told inspectors the following about his commercial dealings with Mr Kayrouz:

Q94 Yes. So tell me about, tell me about the circumstances of the scrap metal fellow, Habib.
A Yeah.
Q95 Who you bought the machines off.
A Yeah.
Q96 Do you normally buy machines off scrap metal dealers?
A Yes. I buy before from, uh, the home company in, uh - - -
Q97 Just speak up, sir. Sorry.
A - - - the home company in the Smithfield and that's how, and that's just in Enfield. And that's a scrapyards where, uh, some company throw out the machine. And, uh, sometimes the machines cannot damage (00.15.33) Sometimes the machines (00.15.35) some parts can be there yet and we bring it. And, uh, where the other one's, we got some (00.15.46) but long time ago, about five, six years from Smith's Metal in Botany. And many places, you know, people throw the, and we offer to strip it from the yard and we pay for the weight when we go out.
Q98 So this particular machines that you've identified there delivered to Hornsby - - -
A Yeah.
Q98 - - - that you obtained off the scrap - - -
A Habib.

Q98 - - - Habib, the scrap metal place.
A Yes.

43. As contended at paragraph 32 of the Complaint, questions 40 to 59 of Mr Allam's interview with LGNSW inspectors on 17 May 2017 (Exhibit E07) ("Second Allam Interview") record Mr Allam stating that the individual who delivered and sold him the machines seized by LGNSW while attending the Chipping Norton Warehouse was Mr Kayrouz and that Allam had generally purchased gaming machines for between \$25.00 and \$50.00 each from Kayrouz, depending on their quality:

Q40 O.K. So today as mentioned previously, today officers from Liquor Gaming and Racing, oh, from Liquor and Gaming NSW attended the premises on the purpose of seizing thirty five poker machines.
A Yes.
Q41 Can you explain where you received those machines from?
A So far I think all them is coming from a guys who take machine to the tip and he gave it to me. I take it - - -
Q42 O.K.
A - - - off him.
Q43 And his name?
A Ah, Habib.
Q44 Surname?
A HB, HB, ah, his name, ah, I know him very well and I, Habib - - -
...
Q45 Can you spell Habib please?
A H-A-B-I-B. He's got the company HB Recycling, Habib, go from memory now.
...
Q46 That's O.K.
A Yeah.
Q47 How, how were the machines delivered?
A Kayrouze, Kayrouze.
Q48 Kayrouze.
A Yeah.
Q49 So that's Habib Kayrouze?
A Kayrouze. Yes.
Q50 Can you spell, do you know how to spell his surname?
A K-A-Y-R-O-U-Z-E or S-E, I cannot, I don't know how he like it.
Q51 O.K. So how were those machines delivered to the premises here at Chipping Norton?
A At, he always take, not always, you know, from time to time he got recycled part coming from one company, start again, and he pass, because he always come and pick up for me some scrap and when he got machine or part or whatever he tells me and asks me he got that and that and that, if I want it.
Q52 Mmm.
A And I see whatever we can use and I drop - - -
Q53 Mmm.
A - - - it, yes.
Q54 O.K. And you pay him for those machines - - -
A Yes - - -
Q54 - - - that he drops?
A - - - we pay him some money, yeah.
Q55 How much generally?
A About \$50.00 sometime per machine, twenty five, depends about whatever is, you know, can use on the machine.
Q56 O.K.
...
Q57 Sorry, can you just repeat that again, that question and answer?
...
Q58 O.K. So how much would you pay Habib for those machines?
A For the whole lot?
Q59 For each individual machine, on average?
A Oh, on average about between twenty five to \$50.00.

Mr Kayrouz Dealt with Mr Allam in Both Gaming Machines and Machine Parts

44. The Authority accepts, as contended at paragraph 29 of the Complaint, that during the Kayrouz Interview, Mr Kayrouz told inspectors that he commenced a relationship with a person who would purchase gaming machine parts from him. The amounts varied depending on the quality and type of machines available. Questions 147 to 149 and 270 to 271 of the Kayrouz Interview state:

Q147 Mmm.
A - - - I didn't continue to say, it was the middle of 2016 I have a change with the, ah, trying to get extra part of the machine. And I met this, this person who told me - - -
Q148 Mmm.
A - - - "I'll buy the part of those machines," some part \$5, some part \$20 sometime I put fifteen or twenty machine in his place, give me four or \$500 for them - - -
Q149 Mmm.
A - - - for their part of it, then I collect the machine back, ah. I believe I shouldn't be doing that, but - - -
...
Q270 Ah hmm. Did he pay you for that?
A Yeah. Sometimes he paid me \$10 for some part, some part \$5.
Q271 Ah hmm.
A Sometime \$50, sometime \$70.

45. As contended at paragraph 30 of the Complaint, at questions 330 to 331 and 340 to 342 of the Kayrouz Interview Mr Kayrouz had told inspectors that he would leave *whole* gaming machines and receive larger payments from Mr Allam - up to approximately \$350.00 each:

Q330 How many times did you drop whole machines to this man?
A Probably three or four time.
Q331 Three or four times.
A All together
...
Q340 Ah hmm. All right. Now when you dropped the whole machines, these few times that you did, did he pay you for them?
A Not till after when he pick up some part and tell me I picked up \$350. And once I remember a couple of hundred dollar another time till he pick up some machine, tell me, he used to just come to me and give me hundred and fifty or two hundred and fifty or three, three hundred fifty. In the most time I got \$350 I believe.
Q341 That was for, for the - - -
A For the - - -
Q341 - - - the full machine.
A For the part, yeah.
Q342 For the full machine that you dropped in.
A Yes.

46. The Authority accepts, as per paragraphs 35 and 36 of the Complaint, that the Complainant's review of the OneGov licensing database (Exhibit E17) establishes that Mr Kayrouz has never held a gaming-related licence in NSW. The Authority notes that Kayrouz confirmed during his interview that he does not hold a licence and at questions 381 and 382 specifically confirmed that he does not hold a dealer's or technician's licence.
47. The Complainant further contends at paragraph 36 that Mr Kayrouz has confirmed that his business arrangements with Mr Allam were his only involvement with gaming machines and that the Manufacturer had instructed Kayrouz to destroy the machines that were dispatched through him. The Complainant contends that the Manufacturer had no knowledge of Mr Kayrouz's unauthorised transactions with Mr Allam.
48. Mr Kayrouz, at questions 419 to 421 of the Kayrouz Interview, stated that his business arrangements with Mr Allam and the Manufacturer were the only arrangements he had with respect to gaming machines or parts of machines. At questions 99 and 100 of the Kayrouz Interview, Kayrouz confirms that he was under instruction from the Manufacturer to destroy the machines and that he would provide the Manufacturer with a destruction certificate for the machines.

Mr Allam purchased the 47 gaming machines from Mr Kayrouz

49. In summary, of the 47 gaming machines noted above at paragraphs 28, 35, 37 and 39, the Authority is satisfied that:
- 34 were kept in the Chipping Norton Warehouse operated by Mr Allam prior to being seized by LGNSW inspectors
 - 1 was kept in the Chipping Norton Warehouse by Mr Allam but has likely been cannibalised for parts

- 7 were found by LGNSW to be operating at the clubs and hotels noted above.
 - 5 were seized by LGNSW inspectors (two due to be installed at Hornsby RSL and the remaining three en route to Richmond Club Limited ("Richmond Club")).
50. The above noted statements from the First and Second Allam Interviews satisfy the Authority that Mr Allam did in fact purchase gaming machines numbered XSG306202 and XSG306203 from Mr Kayrouz.
51. The Authority is further satisfied that the Manufacturer organised for Mr Kayrouz to transport, for the purpose of destruction, the 47 gaming machines referred to at paragraphs 28, 35, 37 and 39 above. There is no evidence that the Manufacturer was aware of the relevant dealings between Mr Kayrouz and Mr Allam that are the subject of the Complaint and the Authority accepts that the Manufacturer was not aware of this conduct.
52. Accepting Mr Kayrouz's statements that he only dealt with Mr Allam with respect to gaming machines, the Authority infers that Mr Kayrouz re-routed these 47 machines that had been entrusted to him by the Manufacturer and rather than ensuring their destruction, he sold them to Mr Allam, albeit at low prices.

The 47 Gaming Machines Were "Approved" Gaming Machines

53. Out of caution, the Authority has made enquiries to confirm that the 47 machines that the Authority has found were purchased by Mr Allam from Mr Kayrouz were actually *approved* gaming machines at relevant times. Section 4 of the Act defines an approved gaming machine as follows:

*The **approved gaming machine** means a gaming machine declared under section 64 to be an approved gaming machine and includes:*

- (a) *any subsidiary equipment approved by the Authority for use in connection with the gaming machine, and*
- (b) *any component of the gaming machine (other than a component prescribed by the regulations as not being part of the gaming machine), and*
- (c) *any specially approved gaming machine within the meaning of section 141.*

54. Pursuant to section 64(1) of the Act, the Authority may declare that a device referred to in such declaration is an approved gaming machine for the purposes of this Act. However, such device ceases to be an approved gaming machine if its declaration as an approved gaming machine is revoked under section 64(7) of the Act.
55. At the time of considering this Complaint, sections 64(6A) and section 81A have been inserted into the Act by the *Liquor and Gaming Legislation Amendment Act 2018* (NSW). Those provisions commenced effect on 3 April 2018.
56. The Authority accepts the advice from the Complainant in a submission dated 29 March 2019 that a search of LGNSW records discloses no records that demonstrate that the 47 gaming machines at issue in Ground 1 Particular 1 have been approved for destruction at any point in time, nor are they the subject of pending applications or approvals for destruction. The Authority further accepts the submission from the Complainant that section 81A of the Act commenced after the occurrence of the relevant conduct that is the subject of this Complaint.
57. The Authority also accepts advice from the Complainant, dated 24 April 2019, that none of these machines had their approval revoked pursuant to section 64(7) of the Act.
58. The Authority is satisfied that the 47 gaming machines the subject of Ground 1 Particular 1 were *approved* gaming machines at the time of the offence.

Mr Allam's Submission and Conclusion

59. Mr Allam claims, in the Respondent Submission, that at the times when Mr Kayrouz delivered the machines to him, he was "unaware" that such machines were "approved gaming machines". Mr Allam submits through his lawyer that his understanding when taking delivery of machines from Mr Kayrouz was that the "relevant machines had been de-licensed by SG Gaming" such that they were in effect "simply large boxes with video devices and electronic devices and wiring within them".

60. Mr Allam further submits that it was his understanding that *Mr Kayrouz* had “legal possession” of each of those machines for the purpose of destruction and this is why he was prepared to purchase gaming machine components and parts at *scrap metal prices* between \$25.00 to \$50.00 each.
61. Mr Allam further contends that the CMS, maintained by LGNSW, is set up in such a manner that a licensed gaming machine technician like Mr Allam is “denied access” to those pages within CMS that record whether or not a particular gaming machine is approved or not.
62. Mr Allam submits that he was generally “aware” that it would be “illegal” or at least “contrary to the Act” for the Manufacturer to transfer or supply approved gaming machines to anyone other than a holder of a dealer’s licence or seller’s licence.
63. On this basis, and by reason that Mr Kayrouz was driving a scrap metal truck at relevant times, Mr Allam submits that he made *assumptions* that the machines being carried by Mr Kayrouz for destruction had been “de-licensed”. Mr Allam claims that he was “unaware” that he had contravened section 71(2) of the Act.
64. In the Complainant Reply Submission, the Complainant refers to the definition of “approved gaming machine” in section 4 of the Act and also refers to section 64 of the Act. The Complainant submits that an approved gaming machine may not only take the form of a *complete* machine but also any component of an approved machine.
65. The Complainant submits that the CMS system is not designed to provide the basis of whether a gaming machine is approved or not. The system tracks the movement of approved gaming machines in licensed venues pursuant to sections 56 and 57 of the Act. Whilst the CMS serves a function of ensuring that gaming machines are configured in an “approved form” whilst operating, it does not serve to designate whether or not a machine has “approved status” under the Act. The Complainant submits that LGNSW did not “deny access” to the “relevant pages of CMS” as contended by Mr Allam.
66. The Authority remains satisfied, on the evidence cited above, that the 47 gaming machines found to have been purchased by Mr Allam from Mr Kayrouz were in fact approved gaming machines at all relevant times.
67. The Respondents have provided no submissions or evidence that Mr Allam made any reasonable enquiries with LGNSW as to whether his counterparty, Mr Kayrouz, was a licensed dealer in gaming machines or parts.
68. Mr Allam has not identified with any clarity the nature of the “de-licensing” that he claims formed the basis of his *assumption* that the machines had been “de-licensed”. Mr Allam has not provided any evidence of him making enquiries with LGNSW as to the approved status of the relevant machines.
69. Mr Allam acknowledges having some general awareness that the *Manufacturer* could not supply gaming machines to a party who did not have a dealer or seller licence, yet he himself was not dealing with the Manufacturer, but a third party.
70. The Respondents have provided no submissions or evidence indicating that Mr Allam made reasonable enquiries with the *Manufacturer* as to the status of the machines either. In the context of a highly regulated industry, with a regulatory scheme designed to prevent the unlawful operation or dealing in gaming machines and having regard to Mr Allam’s lengthy period in the business since 1993, the fact that he was dealing with a large number of parts and some whole, functional machines with a counter party who was not a licensed dealer or seller, but simply a scrap metal driver, should have prompted him to make reasonable enquiries as to the status of the machines.
71. The Authority has serious doubts as to the credibility of Mr Allam’s claimed belief that the machines had been “de-licensed”. The Authority considers it more likely that Mr Allam was simply not concerned with the status of these machines and motivated by commercial gain when purchasing them. However, if the Authority is wrong and Mr Allam did hold those assumptions, then they were held without a proper foundation and demonstrate a complete lack of diligence with respect to the prohibition in section 71(2) of the Act.

72. The Authority is satisfied that Mr Allam has, whilst the licensee of a gaming related licence, contravened section 71(2) of the Act.

73. Ground 1 Particular 1 is established.

Ground 1 Particular 2

74. Ground 1 Particular 2 alleges that Mr Allam, licensee of GMT Licence GMT4010748, contravened section 85(1) of the Act during April 2017 by selling five gaming machines to Mr Justin Layden (who, according to the Onegov licence at Exhibit E35 is the holder of Gaming Machine Seller ("GMS") Licence GMS4010639).

75. Ground 1 Particular 2 alleges that Mr Allam, as licensee of GMT Licence GMT4010748, contravened section 85(1) of the Act, which provides:

A person who sells an approved gaming machine is guilty of an offence unless:

- (a) the person is the holder of a dealer's licence or seller's licence, or*
 - (b) the person is a director or secretary of a corporation that is the holder of such a licence.*
- Maximum penalty: 100 penalty units or imprisonment for 12 months, or both.*

76. The Authority notes that section 4 of the Act defines "sell" as:

sell includes any of the following:

- (a) barter or exchange,*
- (b) offer, agree or attempt to sell,*
- (c) expose, send, forward or deliver for sale,*
- (d) cause or permit to be sold or offered for sale,*
- (e) in relation to an approved gaming machine—supply under financial and other arrangements approved by the Authority.*

Mr Allam Sold Five Gaming Machines to Mr Layden - April 2017

77. At paragraph 43 of the Complaint it is contended that Mr Layden, through regular visitation to Mr Allam's premises, identified gaming machines XSG306202, XSG306203, XSG306204, XSG306205 and XSG306206 on the warehouse floor. The Authority is satisfied, on the basis of question 70 of Mr Justin Layden's interview with LGNSW inspectors dated 13 April 2017 at Exhibit E18 of the Complaint ("Layden Interview"), that Mr Layden identified these gaming machines at the Chipping Norton Warehouse during one of his visits, when he refers to the "Mojo units":

Q70 Great. O.K. So tell me about the process, like getting these machines into the club.
A ... Um, I went out to his warehouse say a month and a half ago. I don't know the date, but a month and a half ago for the purposes um, to look at some machines that he was picking up for me. He was picking up about twenty-one machines from a whole heap of hotels that I'd just purchased them from. I was just checking how good the condition was. When I was out in his warehouse I saw um, one of these Mojo units, I always look around his factory to see what he's got that I might be able sell that I can't get. And ah, I said, "Oh what's this about?" And he said, "I got a five-station system. Um, if you want to sell it, see if you can sell it." So I looked at it. He cleaned it up, fired it up, made sure it was all working properly. And at that stage I offered it to some people to sell...

78. The Authority notes that at questions 164 to 169 of the Layden Interview, Layden confirms that there were 5 Vegas Star multi-terminal machines, 2 of which were sold to Hornsby RSL with the Richmond Club interested in the other 3:

Q164 So I suppose how many machines were there to be sold or on-sold?
A In the Vegas Star?
Q165 Yeah.
A I believe five.
Q166 All right. So were all five offered to Hornsby?
A As per the email that I sent, yes they were.
Q167 All right. They've only accepted two.
A Correct.
Q168 What happened to the other three?
A They have been agreed to go to another club. Another club wanted to buy three.
Q169 O.K. Which club was that?
A The Richmond Club.

79. The Authority accepts the Complainant's contention at paragraph 52 that during interviews, both Mr Layden and Mr Allam confirmed that the seized gaming machines were purchased by Mr Layden from Mr Allam for the purposes of them being on-sold to NSW licensed premises. Mr Layden's response to questions 135 to 136 and 153 to 160 of the Layden Interview confirm that after seeing the gaming machines at the Chipping Norton Warehouse, Mr Layden bought the machines from Mr Allam and subsequently negotiated the sale of XSG306202 and XSG306203 to Hornsby RSL (as evidenced in Tax Invoice 342 issued by Better Returns Holdings Pty Ltd ("Better Returns") to Hornsby RSL on 23 March 2017 for XSG306202 and XSG306203 at Exhibit E27 of the Complaint ("Tax Invoice 342")):

Q135 *All right. So in relation to these machines, the Vegas Mojo's or whatever.*
A *Yep.*
Q136 *So about six, seven weeks ago you walk in and there they are.*
A *Yep.*
...
Q153 *All right. O.K. So go out, Riad's got this machine. You negotiate the sale with Hornsby. You invoice Hornsby, so twenty thousand plus GST, so \$22,000.*
A *Yep.*
Q154 *Does Riad get paid?*
A *Yes, I pay him an agreed price that he was selling it to me for.*
Q155 *O.K. So you've bought them from Riad.*
A *Correct.*
Q156 *You've then on-sold them to the club.*
A *I don't pay him in full until it's all installed and I get paid, but I'll pay a fifty percent deposit upfront if he, if he wants it.*
Q157 *Yep.*
A *Because you know, he's tight, you know. Some people need money straight away. So I'll pay him um, some money upfront, a proportion, but in this case I paid him two and a half thousand dollars upfront.*
Q158 *Yep.*
A *And that was in lieu of him completing the job. When he completes I pay him the balance.*
Q159 *So it would have been another two and a half thousand.*
A *Yeah.*
Q160 *So, all right. All right. In terms of payment, how do you ordinarily pay him? Is it by invoice? Is it*
- - -
A *Yeah, yeah, so it's invoice. So he sends me an invoice and I do a direct deposit to his account.*

80. The Authority further notes that at question 233 of the Layden Interview, Mr Layden confirms that he did purchase the gaming machines from Mr Allam:

Q233 *Great. All right. So you buy the machines off Riad. You sell them to Hornsby and almost to Richmond.*
A *Yep.*

81. At paragraph 48 of the Complaint it is contended that on 4 April 2017, Mr Allam, through his company (Tonita), raised tax invoice 98005 in respect of the sale of those machines and other ancillary items for a total consideration of \$22,220.
82. The Authority is satisfied, on the basis of tax invoice 98005 at Exhibit E20 of the Complaint ("Tax Invoice 98005"), that on 4 April 2017 a business identified as "Tonita Enterprise" invoiced "Bestnet Gaming" for a total of \$22,220.00 which included \$18,000.00 for "5 x vegas roulette complet + 4 computer dealer + spacer".
83. The Authority notes that ASIC Company Extract for Tonita Enterprise Pty Ltd as at 23 May 2017 at Exhibit E02 ("Tonita ASIC Extract") establishes that this is a registered Australian proprietary company limited by shares and that both Mr Allam and his wife, Antoinette Allam, are recorded as company directors and secretaries, both having held those positions simultaneously since 14 July 2006.
84. At questions 18 and 19 of the Layden Interview, Mr Layden confirms that he is the "Director" of a company in the gaming industry called "Better Return Holdings". The Authority notes, on the basis of an ASIC Company Extract obtained by the Authority and current as at 6 July 2017, that Mr Layden was the sole director/secretary for Bestnett Gaming Solutions NSW Pty Ltd ("Bestnett Gaming"), an Australian proprietary company limited by shares that was de-registered with ASIC on 19 July 2015.

An ASIC Extract obtained by the Authority and current as at 30 May 2017 indicates that Mr Layden is the sole director and secretary of a registered company, Better Returns, having commenced in those roles on 19 February 2013.

85. Notwithstanding that Tax Invoice 98005 is made out to a company that, at the time of invoice (4 April 2017), had been de-registered some years earlier (19 July 2015), there is sufficient information to establish that the invoice was directed to a business operated by Mr Layden.

Deposit Paid by Mr Layden to Mr Allam For Two Machines Installed at Hornsby RSL

86. On the basis of Commonwealth Bank Receipt N041073405021 at Exhibit E21 ("Receipt N041073405021") and ANZ Bank Statement for Tonita (with the Account name recorded as "Antoinette Allam Trading As Tonita Enterprise") at Exhibit E22 of the Complaint ("Tonita ANZ Bank Statement"), the Authority is satisfied as alleged by the Complainant at paragraph 49 of the Complaint that Mr Layden paid \$2500.00 to Tonita for "installs" on 10 April 2017.
87. At paragraph 50 of the Complaint it is contended that on 11 April 2017, Mr Allam confirmed that he had received a deposit for \$2,500.00, the day before, from Mr Layden for the two gaming machines seized by LGNSW on 11 April 2017.
88. The Authority accepts this on the basis of questions 64, 321-323 and 355-358 of the First Allam Interview dated 11 April 2017, where Allam confirms that Layden offered him \$2000 for each machine and paid him \$2500 deposit for the two machines delivered to Hornsby RSL on 10 April 2017 (being gaming machines XSG306202 and XSG306203) stating:

Q64 And how much did you, were you going to sell them for to Hornsby RSL?
A I'm not selling there, like sell them to, uh, Justin and I, he offered me two grand for each one.
...
Q321 So I'm talking, I'm, just let me clarify. I'm talking about the machines you delivered to Hornsby yesterday.
A Yeah, I didn't pay enough.
Q322 And the three that you've got in the truck - - -
A No, I didn't pay him because we didn't sell it yet and I still sell on Friday, I didn't get any cash. He put the money in my account, deposit 2500, just yesterday.
Q323 Who was that?
A Justin.
...
Q355 So is it the case that Justin has paid you \$2500 for the, for those newer machines?
A Yes.
Q356 And is that the two machines that went to Hornsby yesterday and there's three machines that you were - - -
A No.
Q356 - - - going to deliver - - -
A That 2500 is 50 percent deposit of the machine delivered to Hornsby because \$2000 for the machine we (01.05.01) and \$500 for install and 500 for delivery.
Q357 And, um, the machines that you were going to deliver, the similar three machines you were going to deliver to Richmond - - -
A He told me to pay on Thursday - - -
Q358 How much?
A - - - he said to me, they have to pay me 6000 if I didn't install and they have to pay me 7500 if we install.

The 5 Gaming Machines Were "Approved" Gaming Machines

89. The Authority refers to the provisions regarding "approved" gaming machines discussed in Ground 1 Particular 1 above and notes the further information provided by the Complainant dated 29 March 2019 and 24 April 2019. In the absence of any indication that gaming machines XSG306202, XSG306203, XSG306204, XSG306205 and XSG306206 ceased to hold this status, the Authority finds that during April 2017 at the time of sale, these machine were approved gaming machines.

Mr Allam's Submission and Conclusion

90. The Authority has considered Mr Allam's contentions in the Respondent Submission that he was not *selling* the gaming machines but was instead invoicing for his work that involved servicing, repairing and installing gaming machines for and on behalf of a licensed dealer or licensed seller.

91. The Authority has also considered Mr Allam's contention that Mr Layden's response to question 70 in the Layden Interview, extracted above, confirms that he was not attempting to *sell* any gaming machines but that he was "prepared to allow Mr Layden to sell them".
92. The Authority notes that Receipt N041073405021 and Tonita ANZ Bank Statement describe the \$2500 deposit into Mr Allam's account by Mr Layden as "installs"
93. However, the Authority notes that the *description* section of Tax Invoice 98005 refers to "5 x vegas roulette complet + 4 computer dealer + spacer for \$18,000.00" and this is separate to the line items for "install" at Hornsby for \$500.00, for Richmond at \$700.00 and "igt neon prepare and install" for \$500.00.
94. The Authority is satisfied that "\$18,000.00" noted in respect of "5 x vegas roulette complet + 4 computer dealer + spacer" is for the *purchase* of the gaming machines themselves. This is a separate payment to the fees specified to install the machines. This is further supported by the statements extracted from the Layden Interview above, where Mr Layden confirms that he purchased the gaming machines from Mr Allam.
95. The Authority finds that during April 2017 Mr Allam sold to Mr Layden gaming machines with serial numbers XSG306202, XSG306203, XSG306204, XSG306205 and XSG306206 for a total price of \$18,000 excluding GST.
96. The Authority notes the relevant provisions regarding "approved gaming machines" in Ground 1 Particular 1 above. In the absence of any indication that these five machines ceased to hold this status, the Authority finds that during April 2017, at the time of sale, these machines were approved gaming machines.
97. The Authority accepts, as per paragraph 45 of the Complaint, that OneGov Records establish that Mr Allam was, at the time of that transaction (and at this time), the holder of a GMT licence.
98. Section 83 of the Act sets out the types of gaming-related licences and the authority that they confer. As submitted at paragraph 46 of the Complaint, section 83(1)(c) of the Act does not give a GMT licence holder the authority to sell approved gaming machines within NSW. That section enables such licensee:
 - (i) *to service, repair and maintain approved gaming machines, and*
 - (ii) *as an employee of the holder of a testing facility licence—to carry out, in the course of that employment, the authorised functions of that licensee,*
99. The Authority accepts, on the basis of OneGov licence search at Exhibit E40 of the Complaint, the allegation in paragraph 47 of the Complaint that a search conducted by the Complainant of that database disclosed that no gaming-related licence is held by the corporate entity Tonita. A search for "Tonita Enterprises" identified zero search results.
100. There is no evidence or information before the Authority indicating that during April 2017 Mr Allam or his company Tonita was the holder of a gaming machine dealer's licence or a gaming machine seller's licence, which would authorise such licensee to sell approved gaming machines. The Authority is satisfied that Allam was not authorised to sell approved gaming machines in NSW.
101. The Authority further accepts, as alleged at paragraph 53 of the Complaint, that at question 149 of the First Allam Interview, Mr Allam acknowledged an awareness that he cannot sell gaming machines:

Q149 *And how much was the club going to pay you for them?*
A *No, don't, don't say that, how much they sell to me. I cannot sell it, you know, people take it from me, yeah, and they sell it by themselves.*
102. In conclusion, the Authority finds that Mr Allam, whilst the licensee of a gaming related licence, contravened section 85(1) of the Act for selling approved gaming machines XSG306202, XSG306203, XSG306204, XSG306205 and XSG306206 to Mr Layden without being the holder of a dealer's licence or seller's licence, or a director or secretary of a corporation that is the holder of such a licence.
103. Ground 1 Particular 2 is established.

Ground 1 Particular 3

104. Ground 1 Particular 3 alleges that Mr Allam, licensee of GMT Licence GMT4010748, contravened section 85(1) of the Act by selling seven gaming machines to licensed gaming machine sellers in around 2016.
105. The Authority repeats its findings in Ground 1 Particular 2 that neither Mr Allam nor his company, Tonita, held a gaming machine dealer's or seller's licence.

Seven Machines Dispatched For Destruction Found on Licensed Premises

106. As contended at paragraphs 60 and 61 of the Complaint, the Authority is satisfied that the Destruction List identifies that the Manufacturer dispatched 235 gaming machines to Mr Kayrouz to be transported for destruction between 1 January 2016 and 11 April 2017. This list, the Quickchange Authorisation Reports at Exhibits E11, E12, E13, E14 and E15 of the Complaint and the attachments to the Bunting Statement confirm that the following seven gaming machines had in fact been dispatched by the Manufacturer through Mr Kayrouz for destruction, but were identified by LGNSW as operating in the following licensed premises:
 - 1) XSG303407 – installed on 16 December 2016 in Balgowlah RSL.
 - 2) XSG303404 – installed on 9 November 2016 in Charlestown Bowling Club.
 - 3) XSG303405 – installed on 9 November 2016 in Charlestown Bowling Club.
 - 4) XSG303408 – installed on 9 November 2016 in Charlestown Bowling Club.
 - 5) XAW854551 – installed on 24 March 2016 in New Victoria Tavern.
 - 6) XAW826161 – installed on 3 June 2016 in Roseville Returned Servicemens Memorial Club Ltd.
 - 7) XGT661345 – installed on 9 September 2016 in Windale Gateshead Bowling Club.

Mr Allam Sold Machine XSG303407 to Mr Layden - December 2016

107. The Authority accepts the contention at paragraph 64 of the Complaint that on 16 December 2016, approved gaming machines XSG303407, XSG304424 and XSG304421 were installed at Balgowlah RSL and CMS documents indicated that Mr Layden was the supplier and owner of those approved gaming machines prior to their installation.
108. The Authority notes that Quickchange Authorisation Report for application number 261909 at Exhibit E11 of the Complaint confirms that gaming machine XSG303407 was authorised to be installed into Balgowlah RSL on 16 December 2016 alongside gaming machines XSG304424 and XSG304421, all with the description Vegas Star Roulette. The CMS User Interface Screenshots for Application number 261909 at Exhibit E23 of the Complaint indicated that on 16 December 2016 Mr Layden would be providing the service of installing gaming machines XSG303407, XSG304424 and XSG304421 and that the owner and supplier of these three machines was Mr Layden.
109. At paragraph 65 of the Complaint, the Complainant contends that these gaming machines were included in invoice number 428 presented to Balgowlah RSL for the sum on \$13,200 including GST. Although the gaming machine numbers XSG303407, XSG304424 and XSG304421 were not specified in Tax Invoice number 428 issued by Better Returns to Balgowlah RSL dated 20 December 2016 at Exhibit E24, the Authority is satisfied that this invoice establishes that Mr Layden's company did sell to Balgowlah RSL "1 x 3 station Vegas Star Roulette system, including computer, 60 inch screen and installation" for \$13,200 (including GST).
110. At paragraph 66 of the Complaint, it is contended that the bank statements of Better Returns and Tonita confirm that during the days prior to the installation of those gaming machines at Balgowlah RSL, two payments were made by Mr Layden to Mr Allam in the amounts of \$3,500 (8 December 2016) and \$967 (14 December 2016). The Complainant further contends that whilst a tax invoice apparently does not exist for the payment made on 8 December 2016, the payment on 14 December 2016 directly relates to the installation of equipment at Balgowlah RSL, where a 60-inch TV was to be provided as part of this deal.
111. The Authority accepts that Commonwealth Bank Statements for Better Returns at Exhibit E25 establish that on 8 December 2016 the Business Transaction Account for Better Returns had a debit of \$3500 for "Transfer to other Bank CommBank app installs" and on 14 December 2016 the account

recorded a debit of \$967 for "Transfer to other Bank CommBank app installs". The Tonita ANZ Bank Statement indicates that the Account Name *Antoinette Allam Trading As Tonita Enterprise* received a credit of \$3500 on 8 December 2016 for "Transfer from CBA Installs" and a credit of \$967 on 14 December 2016 for "Transfer from CBA Installs".

112. The Authority notes that when explaining the purchase of gaming machines XSG303407, XSG304424 and XSG304421, Mr Jason Leong, Balgowlah RSL's Gaming and Operations Manager told inspectors, at question 44 of his interview dated 16 May 2017 (Exhibit E34) that "they [Justin Layden] provided a brand new screen, LCD screen which I thought would be a good type of thing".
113. Although there is no evidence specifying the sale of machines numbered XSG303407, XSG304424 and XSG304421 from Allam to Layden, the Complainant alleges at paragraph 67 that Tonita Tax Invoice number 70094 directly concerns the supply of the additional TV to Balgowlah RSL. The Authority notes that Exhibit E26 of the Complaint contains Invoice No 70094 from "Tonita Enterprise" to Better Returns for one 60" LCD totalling \$967.00.
114. The Authority is satisfied on the material before it that the debit from the Business Transaction Account for Better Returns and subsequent credit into the Account Name *Antoinette Allam Trading As Tonita Enterprise* for an amount of \$967.00 on 14 December 2016 directly concerns the alleged installation at Balgowlah RSL, where a 60 inch TV was provided as part of the deal.
115. The Authority is satisfied that Mr Allam sold Mr Layden gaming machine XSG303407 during December 2016, which was subsequently installed into Balgowlah RSL.

Gaming Machine XSG303407 was an "Approved" Gaming Machine

116. The Authority refers to the provisions regarding "approved" gaming machines discussed in Ground 1 Particular 1 above and the submissions from the Complainant dated 29 March 2019 and 24 April 2019. In the absence of any indication that gaming machine XSG303407 ceased to hold this status, the Authority finds that at the time of the offence, this machine was an approved gaming machine.

Insufficient Evidence For Sale of Six Other Gaming Machines

117. In relation to the remaining six gaming machines XSG303404, XSG303405, XSG303408, XAW854551, XAW826161 and XGT661345 that were dispatched to Mr Kayrouz for destruction and later found by LGNSW to be operating in licensed premises, the Complainant invites the Authority to *infer*, on the basis of the transaction relating to gaming machine XSG303407 and the exclusive nature of the relationship between Mr Allam and Mr Kayrouz, that these six machines were in fact purchased by gaming-related licensees from Mr Allam and subsequently then on-sold to NSW licensed venues.
118. The Authority has noted the statements at questions 420 to 421 of the Kayrouz Interview where Mr Kayrouz confirms that he only had these types of dealings with Mr Allam with respect to his trade in gaming machines and parts.
119. The Authority infers from this relationship and conduct that after gaming machines XSG303404, XSG303405, XSG303408, XAW854551, XAW826161 and XGT661345 were dispatched by the Manufacturer to Mr Kayrouz for destruction, Mr Allam purchased these machines from Mr Kayrouz.
120. However, the terms of the alleged *sale* of these six gaming machines, which were in fact installed in NSW venues, is unknown. The Authority does not find there to be sufficient evidence to support an inference Mr Allam sold gaming machines XSG303404, XSG303405, XSG303408, XAW854551, XAW826161 and XGT661345 to gaming-related licensees who then subsequently on-sold them to the licensed venues where they are currently operating as alleged.
121. The Authority does not accept Mr Allam's contention in the Respondent Submission that this Particular is "co-extensive" with Particular 2 and that no separate breach of the Act is specified. Although Ground 1 Particulars 2 and 3 both concern an alleged breach of section 85(1) of the Act, the facts concern separate gaming machine serial numbers and do not necessarily overlap.
122. As noted by the Complainant in the Complainant Reply Submission, Ground 1 Particular 2 concerns the sale of five gaming machines from Mr Allam to Mr Layden that were seized by LGNSW inspectors

[on 11 April 2017] whilst Particular 3 relates to the sale of seven gaming machines to assorted licensed sellers which were later on-sold to NSW licensed venues.

123. On this basis, the Authority is satisfied that Mr Allam, whilst the licensee of a gaming related licence, contravened section 85(1) of the Act for selling approved gaming machine number XSG303407 to Mr Layden without being the holder of a dealer's licence or seller's licence, or a director or secretary of a corporation that is the holder of such a licence.
124. Ground 1 Particular 3 is established to this extent.

Ground 1 Particular 4

125. Ground 1 Particular 4 alleges that during March 2017 Mr Allam contravened section 80(4) of the Act by obtaining an advantage for himself or another through a fraudulent representation, scheme or practice in connection with two approved gaming machines on the premises of Hornsby RSL.
126. Section 80(4) of the Act states:

- (4) *A person who, in connection with an approved gaming machine in a hotel or on the premises of a club:*
- (a) *by any fraudulent representation, or*
 - (b) *by a fraudulent scheme or practice, or*
 - (c) *by the fraudulent use of the approved gaming machine or any other thing,*
- obtains for himself or herself or another person, or induces a person to deliver, give or credit to him or her or another person, any money, benefit, advantage, valuable consideration or security, is guilty of an offence.*

127. At paragraph 76 of the Complaint it is contended that on 23 March 2017 Mr Layden arranged the sale of two multi-terminal gaming machines to Hornsby RSL, which were scheduled to be attached to a multi-terminal system that was already operating on the premises of Hornsby RSL. The Authority accepts that this sale occurred, on the basis of Tax Invoice 342, recording that Better Returns (Mr Layden's company) invoiced Hornsby RSL on 23 March 2017 for "2 x Shuffle Master Mojo roulette consoles @ XSG 306202, XSG306203" for a total of \$22,000.00 (inclusive of GST).
128. The Authority further accepts Mr Layden's statement to inspectors at question 58 of the Layden Interview that these two machines were "part of a Mojo machine to be installed at Hornsby RSL" to be added to the existing "multi terminal" system and that they "all have to have exactly the same software".
129. The Authority also accepts, as alleged at paragraph 77 of the Complaint, on the basis of the Witness Statement of Nathan Storey dated 14 June 2017 at Exhibit E28 of the Complaint ("Storey Statement"), that on 24 March 2017 Mr Layden, in the company of Ms Suzanne Backhouse (Gaming Manager, Hornsby RSL) contacted Mr Storey (Sales Account Executive for the Manufacturer) to confirm the correct game software required to ensure that these two new machines were compatible with the existing multi-terminal system at the Hornsby RSL.
130. Paragraph 6 of the Storey Statement reads:

On the 24 March 2017 I had a conversation with Mrs Sue Backhouse who advised that she was in the company of Mr Justin Layden at Hornsby RSL. To the best of my recollection, or word to that effect, the conversation went as follows:

Backhouse said "Hi Nathan, I'm here with Justin it's about the gaming machines I'll put you onto him".

Layden said "Hi Nathan, Just want to confirm whether the software is compatible with what is installed at Hornsby RSL"

I said "If you can send me the serial numbers I can look them up and tell you what you have and what you will be needing."

131. Paragraphs 7 through 9 of the Storey Statement establish that on 24 March 2017 Mr Layden sent a text message to Mr Storey referring to gaming machines **XSG306202** and **XSG306203**, asking "Is the software compatible for Hornsby". As contended at paragraph 78 of the Complaint, Mr Storey replied as follows:

Hi mate, the software we have on record for being in the machines is multi game software. Hornsby require Roulette version 35.E0021.

132. Paragraph 79 of the Complaint contends that at **10:24 am** on 24 March 2017, Mr Layden requested from Mr Storey the serial numbers of gaming machines that were *currently operating within the venue*. Mr Storey replied with a single number, **XSG305539**. In reply to a subsequent text message from Layden requesting that “2” serial numbers be provided, Mr Storey advised **XSG305537** and **XSG305538**.

133. Paragraph 10 of the Storey Statement states that at 10:24 am on 24 March 2017 Mr Storey received a voice mail message from Mr Layden stating: “I need to do the Quickchange can you send them through”. Mr Storey provides this account of an SMS text exchange with Mr Layden that followed, supported by screenshots from Storey’s mobile phone at Exhibit 2 to the Storey Statement:

<i>I SMS text responded</i>	<i>“XSG305539”</i>
<i>Layden SMS text replied</i>	<i>“U got 2?”</i>
<i>I SMS text replied</i>	<i>“XSG305537, XSG305538”</i>
<i>Layden SMS text replied</i>	<i>[Thumbs up emoji] followed by [two beers clinking emoji] and “4u”.</i>

134. As contended at paragraph 80 of the Complaint, Quickchange Authorisation Report for application number 265153, at Exhibit E04, establishes that gaming machines **XSG306202** and **XSG306203** were recorded as authorised on the system for installation at Hornsby RSL on 29 March 2017.

135. The Complainant contends at paragraph 81 that at **4:01 pm** on 24 March 2017 Mr Allam contacted the Manufacturer to request the provision of specific game software and referred to gaming machine serial numbers **XSG305537** and **XSG305538**. The Complainant contends, that these were references to machine numbers that were *already installed and operating* at the Hornsby RSL and not the two machines *to be supplied* by Mr Layden to that club.

136. These contentions are established by Exhibit 10 to the Witness Statement of Mr Adrian Halpenny (the Director and Secretary of the Manufacturer) dated 31 March 2017 at Exhibit E03 (“Halpenny Statement”), which contains email correspondence between Mr Allam and the Manufacturer supporting this contention.

137. In an email dated 24 March 2017 at 4:01 pm, Allam emailed the Manufacturer as follows:

*CAN I ORDER
SPACER FOR MOJO MACHINE 2X119/000021
AND FLASHCARD GAME ROULET FOR MACHINE
XSG305537
XSG305538
ROULET GAME VER 35.E0021*

138. The Authority further accepts the contention in paragraph 82 of the Complaint that the Manufacturer then *denied* Mr Allam’s request for these gaming machine parts (software) by reason that Allam was only licensed as a technician. The email exchange evidenced by Exhibit 10 to the Halpenny Statement includes an internal email within the Manufacturer dated 27 March 2017 at 1:27 pm advising that the Manufacturer was:

“unable to process this application as a Technicians Licence does not qualify as an appropriate buyer of gaming machines (Including subsidiary equipment)”.

139. The Authority also accepts, as contended here, that following this refusal, Mr Layden contacted Ms Backhouse to inform her that he was having trouble accessing the correct software. Paragraph 9 of Ms Backhouse’s Witness Statement dated 19 April 2017 at Exhibit E29 of the Complaint (“Backhouse Statement”), recounts Mr Layden telephoning her to this effect on 28 March 2017.

140. Paragraph 10 of the Backhouse Statement establishes, as alleged in paragraph 83 of the Complaint, that on 30 March 2017 Ms Backhouse arranged with Mr Storey for game software to be provided to the Hornsby RSL that would facilitate the installation of the two new gaming machines:

On 30th March 2017 Nathan Storey came out to see me and told me that MoJos we had were older software and no longer available. He told me they would supply the latest software for the two (2) Mojos from Bestnet for a cost of \$3,500 each and that they would upgrade our existing Mojos to the latest

software free of charge. With Nathan present I rang Justin and told him what Nathan had offered. We all agreed to proceed with install on 11 April 2017.

141. The Authority further accepts, as contended here, that Mr Storey provided a sales order to Ms Backhouse, specifying the upgrade of existing terminals to the latest game software, for a total price of \$7,000.00. This is evidenced by the SG Gaming ANZ Pty Ltd customer order ORD-21542-P1N9N4 dated 30 March 2017 at Exhibit E30 ("SG Gaming Customer Order") which specifically mentions serial numbers "XSG306202-03".
142. Moreover, the Authority accepts the contention in paragraph 84 of the Complaint that on 30 March 2017 an internal investigation ensued upon the Manufacturer becoming aware that gaming machines XSG306202 and XSG306203 that were specified in the SG Gaming Customer Order had previously been transported for destruction. This is established by Paragraphs 5 to 13 of the Halpenny Statement.
143. At paragraph 85 of the Complaint it is contended that on 10 April 2017, Mr Allam attended Hornsby RSL to deliver the two machines that were scheduled for installation on 11 April 2017 and that on 11 April 2017 Mr Allam's employee, Mr Faycal, arrived at that club to complete the installation. Paragraph 86 contends that at the time of installation, Mr Allam was in the process of transporting to the Richmond Club, under instruction from Mr Layden, the three remaining machines (XSG306204, XSG306205 and XSG306206) that formed part of a 5 machine multi-terminal device sold by Allam to Layden.
144. Paragraph 15 of the Backhouse Statement satisfies the Authority that on 10 April 2017 Mr Allam did deliver gaming machines XSG306202 and XSG306203 to Hornsby RSL. Ms Backhouse confirms this and notes that the club's Cellar Manager photocopied Mr Allam's driver licence and GMT licence. Mr Allam signed off on the delivery.
145. Mr Faycal confirms at question 25 of his interview with LGNSW inspectors on 11 April 2017 at Exhibit E05 ("Faycal Interview"), that he arrived at the Hornsby RSL on 11 April 2017 to "put the spacer between the gaming machine". (The Authority understands that a "spacer" comprises cabinet work between gaming machines that players may utilise for their convenience, holding personal items and the like).
146. Questions 137 to 148 and 150 to 155 of the First Allam Interview satisfy the Authority, as contended, that on the morning of 11 April 2017 Mr Allam was transporting the said three machines to the Richmond Club:

Q137 *So do you agree that you spoke to me earlier this morning on the telephone?*
A *Yes.*
Q138 *Do you agree that you said that you were on your way to Richmond RSL?*
A *Yes.*
Q139 *And did you go to Richmond RSL?*
A *Yes.*
Q140 *Who did you speak to there?*
A *No. I spoke to Justin and he said for me, uh, there's something wrong with the machine and, uh, I said to him, yes, Paul from (00.23.37) just rang me and tell me (00.23.41) in Hornsby from our store. And, uh, they want to see me and, uh, because we cannot delivery anymore to Hornsby. I rang, I rang you - - -*
Q141 *Yes.*
A *- - - and I said for you, "I'm going to turn back and then meet you here".*
Q142 *Where were you going when you spoke to me this morning?*
A *To Richmond RSL.*
Q143 *And who were you speaking to there?*
A *Uh, they told me to, when I arrive there, to ring, there's a guy's name, Chris. Uh, he told me where to put it because they decide to put it in storage and when, uh, could be, I usually deal, it could be someone or Aristocrat coming to install.*
Q144 *So was, was Chris at Richmond RSL going to buy the other three machines?*
A *I have no idea.*
Q145 *How many machines were you - - -*
A *Three.*
Q145 *- - - going to deliver to him?*
A *They are on the truck.*

Q146 They're on the truck?
A I, I got delivery forms, three of them, all right, and two of those I usually take.
Q147 Are they the same machines as you delivered to Hornsby RSL?
A The three roulette, yes.
Q148 They're the same type of multi terminal gaming machine - - -
A Yes.
Q148 - - - are they?
A That's right, yes, that's right, yes.
...
Q150 So who made the arrangements to sell the machine?
A Justin
Q151 Justin?
A Yeah.
Q152 So did he make those arrangements with Chris from Richmond RSL?
A Yeah. He send, he send me there, and said delivery this machine to Richmond and he send me the message and no worry about install. Just deliver there and they're going to take care about everything. That's why I went by myself.
Q153 And you had the serial numbers of those machines we just found?
A Yeah, yes.
Q154 Have a look at those? We'll just confirm the serial numbers on those - - -
A Yeah.
Q154 - - - the three machines in the back of your truck just here.
A Yep.
Q155 Thank you.
A The machines there would be X-S-G-3-0-6-2-0-4. X-S-G-3-0-6-2-0-6. X-S-G-3-0-6-2-0-5. And the other two X-G-T-6-6-6-7-1-9, black and X-S, X-G-T-6-6-6-5-0-5, red. They're the two other machines I usually take.

147. At paragraph 87 of the Complaint it is contended that the sale of these three machines from Mr Layden to Richmond Club had not yet been finalised prior to their seizure by LGNSW, but Mr Layden told LGNSW inspectors that he believed that sale was “imminent” and had instructed Allam to transport the machines to this club.
148. The Authority accepts the contention that this sale had not yet been finalised, on the basis of a written submission letter from Richmond Club’s Operations Manager, Mr Craig Hodge, dated 1 May 2017 at Exhibit E36 in which he states:

1. In relation to the correspondence between Richmond Club and Mr Justin Layden there was two written quotations both containing three (3) MTGM terminals (no serial numbers supplied). Regarding the machines XSG306204, XSG306205 and XSG306206 both the original and the amended quote supplied by Mr Justin Paul Layden did not specify any serial numbers and the quotes differed with machines to be supplied, pricing and payment terms. While discussions had taken place between myself and the Group CEO Ms Kimberley Talbot about bringing machines from storage back onto the Gaming floor and additional machine purchases, quotes from Mr Justin Paul Layden and Aristocrat had not been finalised. (Quotes attached - emails)

*...
3. In relations to all records between Richmond Club (and its employees) and Mr Justin Paul Layden apart from the quotations there was a verbal conversation regarding the payment terms, possible installation dates as there was time required by Richmond Club for machine moves (arranging of moves to fit with Richmond Club's Service provider IGT) to create space on the Gaming floor for the MTGM's and additional machines. Richmond Club also required the club electricians to get data and power ready for an install. Thus no Quickchange draft was even prepared as there was no install date confirmed and again there were no serial numbers nominated.*

149. Furthermore, at question 174 of the Layden Interview, Mr Layden told inspectors that “We were going to deliver because they were going to install them today”. The extract from the First Allam Interview noted above confirms that Layden had instructed Allam to deliver these machines to the Richmond Club.
150. At paragraph 89 of the Complaint it is contended that Mr Allam, in connection with the gaming machines that were *scheduled* for installation [at Hornsby RSL and Richmond Club], invoiced Mr Layden \$22,220.00 and that Allam received a direct payment from Layden of \$2,500 on 10 April 2017 for the gaming machines which the Complainant claims were “falsely represented” to Hornsby RSL and the Manufacturer.

151. As noted in Ground 1 Particular 2 above, Tax Invoice 98005 indicates that on 4 April 2017 Tonita invoiced Bestnett Gaming for a total of \$22,220.00 and this included \$18,000.00 for “5 x vegas roulette complet + 4 computer dealer + spacer”.
152. The Authority is satisfied, on the basis of Receipt N041073405021 and Tonita ANZ Bank Statement, that Mr Layden did pay \$2500.00 to the Account name “Antoinette Allam Trading As Tonita Enterprise” for “installs” on 10 April 2017.
153. At paragraph 90 it is contended that during the Layden Interview, Mr Layden indicated that Mr Allam’s business involved supplying parts for a variety of gaming machines and that Allam had a reputation for being able to “provide anything” on request. The Complainant contends that the “protection” of that “reputation” comprises an “advantage” that Allam would receive from him making misrepresentations in furtherance of his business.
154. The Authority notes that what question 109 of the Layden Interview actually records is Layden telling inspectors that Mr Allam has the “best knowledge of poker machines in New South Wales” and that Allam is the “best holder of parts” and “there’s no one even close to him in this space”. It somewhat overstates what Layden has said about Mr Allam to suggest that Mr Allam had a reputation for being able to deliver “anything” on request, but the Authority accepts that Mr Allam is a technician of some longstanding and had already established a reputation for being able to obtain a wide range of gaming machine parts.
155. The Authority accepts the Complainant’s contention that Mr Allam attempted to source game software Roulette 35.E0021 for gaming machines XSG306202 and XSG306203 at a time when Layden *already had* the requisite information required to organise this game software. This finding is made on the basis of the screenshots of text messages attached to the Storey Statement, which show that Storey had provided Layden with the required software details at 9:02 am on 24 March 2017 and gaming machine serial numbers XSG305537 and XSG305538 at 10:24 am on that date. Exhibit 10 to the Halpenny Statement establishes that Allam had then contacted the Manufacturer at 4:01 pm on 24 March 2017 requesting:

SPACER FOR MOJO MACHINE 2X119/000021
AND FLASHCARD GAME ROULETTE FOR MACHINE
XSG305537
XSG305538
ROULETTE GAME VER 35.E0021

Mr Allam’s Response and Conclusion

156. In the Respondent Submission, Mr Allam contends that the reason why Mr Storey provided Mr Layden with details for two gaming machines that were already installed at Hornsby RSL (XSG305537 and XSG305538) was to “enable a connection to be made with the two proposed gaming machines” which Mr Allam was to install (XSG306202 and XSG306203). Mr Allam further contends that what the Complainant does not understand, but which Mr Storey knew at the time, is that the two proposed machines are “useless” and cannot operate unless *each one of them is connected* (so as to form a chain) to an existing multi game machine, with *precisely the same gaming software* (contained on a flashcard).
157. Mr Allam contends that it would have been “senseless” for him to reference gaming machine numbers XSG306202 and XSG306203. Instead, what he needed at that time were actually “two flashcards, one to be identical with and to thereby permit connection to XSG305537 and the other to be identical with and to thereby permit connection to XSG305538”.
158. Mr Allam submits that he “did not falsely represent anything” and that Mr Storey was not, in fact, misled by his communication.
159. In the Complainant Reply Submission, the Complainant submits that there was no requirement for *multiple* serial numbers to be provided to the Manufacturer to source the correct game software for these machines.

160. The Authority notes that the Complainant's case, as stated at paragraph 98 of the Complaint, is that Mr Allam contravened section 80(4) by "falsely and knowingly representing to the Manufacturer and the Club that certain authorised gaming machines (by way of providing the serial numbers of other authorised machines) were being installed at the Club when in fact it was his intent to install unauthorised machines at the Club".
161. The relevant "benefit or advantage" flowing from the alleged misrepresentation is stated at paragraph 99 in somewhat amorphous terms – the furtherance of Mr Allam's business interests, by "maintaining his reputation" as a "viable source of spare parts and marketable gaming machines". Alternatively, that by his conduct, Mr Allam "sought to solidify his business relationship with Mr Layden" which would "result in receiving an advantage in future dealings". The Complainant also submits, more specifically, that "Allam received direct financial gain as a result of this fraudulent representation as Mr Layden paid him \$2,500 for the gaming machines".
162. The Authority is not satisfied that there is sufficient evidence or material before it to prove, taking due care with respect to fact finding, that Mr Allam's communication of incorrect information to the Manufacturer constituted a fraudulent attempt by Messrs Allam and/or Layden to avoid detection by the Manufacturer and facilitate the installation of gaming machines XSG306202 and XSG306203 at Hornsby RSL, with a view to legitimising two machines that would otherwise not be authorised.
163. While it is curious that Mr Allam made the communications in question at the times that he did, and this may well have given rise to a reasonable suspicion warranting further investigation, there is insufficient evidence or material to establish that any person was *actually misled* by Mr Allam's alleged misrepresentation with respect to gaming machines operating on club premises, or to establish a *discernible benefit or advantage* flowing to Mr Allam or another person from that conduct.
164. Notwithstanding that a contravention of section 80(4) has not been established, the Authority accepts, as noted above, that Mr Layden did pay \$2500.00 to Tonita for "installs" on 10 April 2017.
165. The Authority is **not** satisfied that Mr Allam, whilst the licensee of a gaming related licence, has contravened section 80(4) of the Act.
166. Ground 1 Particular 4 is not established.

Ground 1 Particular 5

167. Ground 1 Particular 5 alleges that between 2015 and 2017 Mr Allam, licensee of GMT Licence GMT4010748, contravened section 85(1) of the Act when he sold approved gaming machines to certain overseas purchasers without holding the required dealer's or seller's licence.
168. The Authority repeats its findings in Ground 1 Particular 2 that neither Mr Allam nor his company, Tonita, held a gaming machine dealer's or seller's licence.
169. At questions 9 and 10 of the First Allam Interview Mr Allam confirms, as contended in paragraph 103 of the Complaint, that he had been operating his business from the Chipping Norton Warehouse (7/29 Governor Macquarie Drive, Chipping Norton) for "Seven, eight months".
170. As contended in paragraph 104 of the Complaint, questions 60 to 91 of the Second Allam Interview record Mr Allam advising inspectors that he was engaged in the sale of gaming machine parts to overseas locations:

Q60	O.K. O.K. So what were your intentions for those machines?
A	These machines come in here, the first thing is to be stripped and get the parts from inside and save the part for oversea or for local.
Q61	O.K. So to, just elaborate on the overseas?
A	Yep.
Q62	So what happens when you send the machines overseas?
A	Ah, we, we don't send the whole machines to overseas. We send part, spare parts.
Q63	O.K.
A	Yeah.
Q64	So when you send the spare parts overseas how's that done?

A Oh, the customer, you know, send me a message, SMS and whatever, asks me about some part. Find if I have, price it for him. We make everything ready, put in a box to send it by the courier. He transfer the money to the bank - - -

Q65 Mmm.

A - - - and when we receive the money we despatch the stuff for him.

Q66 And what, what countries are you sending either parts of machines to?

A Oh, we got, we got, like, I tell you what, I got, like, say two customer, one in Florida, one in Miami. I - - -

Q67 Yep.

A - - - send him the stuff but this stuff from there they're going to send it to some other people around, you know.

Q68 O.K.

A Yeah. I got people in Miami, I got people in Peru.

Q69 Peru?

A Yeah, I got people in Asia, four, five, six people in Asia.

Q70 Mmm.

A Got people in New Zealand. Where else we got the (0:09:51) yeah, that's, that's all.

Q71 O.K. And how are the, how is those items or machines transported?

A By DHL. I will - - -

Q72 Yeah.

A - - - send it to overseas - - -

Q73 Yeah.

A - - - by DHL, by courier or by Australian Post.

Q74 Australia Post - - -

A Yeah.

Q75 - - - or courier? Which couriers do you use?

A Ah, the, I got some customer they got their own DHL.

Q76 DHL.

A DHL account and - - -

Q77 Yes.

A - - - they prefer to go with DHL because DHL they pay less.

Q78 Yep.

A And I got some customer prefer Australian Post.

Q79 O.K.

A And I send it by post (0:10:31). And we got some go by a, if big items go by, ah, go by (0:10:38) by either plane or by the boat.

Q80 O.K. So in - - -

A Do you want, to show you something, just we do it now, to know how which way we do the shipment and everything so - - -

Q81 Oh, no.

A No.

Q82 I, I'll ask you for that later.

A Yep.

Q83 So when you send to DHL - - -

A Ah hmm.

Q83 - - - or when you use DHL to send the products do you use the business account for Tonita Enterprise?

A Yes.

Q84 Yes. Do you, do you require any documentation before - - -

A Yes.

Q85 - - - you send the machines over?

A - - - invoice.

Q85 You invoice?

A Commercial invoice.

Q86 O.K. So when you send anything overseas ---

A I'm sending ---

Q86 - - - from start to finish how does that happen?

A Ah, customer put the order.

Q87 Yeah.

A Calculate all the part, test it, check it, a hundred per cent. Give him - - -

Q88 Mmm.

A - - - the picture for everything and after he send the money, and we send the pallet or the box the way he organise. Maybe DHL, maybe for order to go - - -

Q89 Mmm.

A - - - maybe ask we send it by post, express post. That's for overseas. For local use we use TNT.

Q90 O.K. What documentation do you receive from either DHL or TNT in regards to that shipment?

A Yes. When, when we send it they give me a copy of the, of the AWB, airway bill number.

Q91 *Ah hmm.*
A *And invoice for the cost of the charge if I pay for it and if the customer pay for it they forward all the paper for him to just give me a airway bill number to tracking the despatch.*

171. The Authority is satisfied, on the basis of Tax Invoices for Tonita that are provided at Exhibit E31 ("Tonita Overseas Invoices") that transactions between Tonita and companies located in Macedonia, New Zealand, Solomon Islands, United States of America and Nauru occurred during 2015 and 2017. These transactions involved both gaming machine parts and complete gaming machines, as alleged by the Complainant at paragraphs 106 and 107 of the Complaint. The invoices include:
- Invoice number 65708c dated 21 September 2015 issued by Tonita Enterprise to Aumaas Dooel in Macedonia for a total of USD \$13,650.00 for:
 - 60 x "s/hand slot machine" totalling \$12,000.00
 - 20 x "slot machine base" totalling \$700.00
 - 30 x "chair" totalling \$600.00
 - 1 x "loading container" totalling \$350.00
 - Invoice 95944C dated 16 February 2016 issued by Tonita Enterprise to Arnold Enterprises LTD NZ for a total of USD \$11,500.00 for:
 - 8 x "BALLY MACHINE" totalling \$8,000.00
 - 5 x "CURVE LCD" totalling \$3,500.00
 - Invoice 700220 dated 24 May 2016 issued by Tonita Enterprise to Honiara Casino Limited in Solomon Island for a total of \$27,500.00 for:
 - 50 x "complet bluechip igt machines" totalling \$27,500.00
 - Invoice 65088 dated 15 March 2017 issued by Tonita Enterprise to cargonza gaming in Weston Florida for a total of \$8,000.00 for:
 - 4 x "agt machine" totalling \$8,000.00
 - Invoice 65068 dated 9 January 2015 issued by Tonita Enterprise to OD-AIWO GAMING in Nauru for a total of \$24,145.00 for:
 - 60 x "secon hand machine" totalling \$21,000.00
 - 1 x "loading container" totalling \$500.00
 - 10 x "monitor chassie" totalling \$250.00
 - 10 x "bill vaeditor" totalling \$200.00
 - 2 x "machine shell for parts" totalling \$0.00

172. The Authority accepts, as contended at paragraph 108 of the Complaint, that use of words like "s/hand slot machine", "secon hand machine", "agt machine", "complet bluechip igt machine" and "BALLY MACHINE" in the Tonita Overseas Invoices refer to gaming machines and not parts.

173. On this basis, the Authority is satisfied that Mr Allam has engaged in the sale and supply of gaming machines *and* gaming machine parts to purchasers in overseas locations.

Approved Gaming Machines

174. The Authority refers to the provisions regarding "approved" gaming machines discussed in Ground 1 Particular 1 above and the submissions from the Complainant dated 29 March 2019 and 24 April 2019. In the absence of any indication that the gaming machines that formed part of this consignment ceased to hold this status, the Authority finds that at the time of the offence, these machines were approved gaming machines.

Mr Allam's Submission and Conclusion

175. The Authority has considered Mr Allam's contentions in the Respondent Submission that he has "never sold an approved gaming machine overseas". Mr Allam claims that all gaming machine *parts* that he supplied overseas "were sourced from de-licensed gaming machines". Mr Allam contends that the Complainant has tax invoice records pertaining to "Tonita Enterprise", which identifies every overseas customer and the Complainant was at liberty to contact any one of them (or all of them) to obtain verification of the Respondents' position.
176. Mr Allam further claims that that he offered to provide copies of his computer records to the LGNSW inspectors and submits that there is "no evidence to suggest that any part or groups of parts supplied to overseas persons comprised approved gaming machines".

177. As for his dealings regarding *whole* gaming machines, Mr Allam contends that when he arranges for the purchase of a gaming machine this is done “in respect of a de-licensed gaming machine, which the seller notes on the Quickchange system and records the transaction using a moving devices form nominating me as the owner”.
178. Mr Allam refers to sections 69(1) and 69(2) of the Act and submits that he is permitted to possess, supply, and sell gaming machines which are *not* approved gaming machines.
179. Mr Allam further contends that “Tonita Enterprise” is not a proprietary limited company but a “registered business name” that is solely owned by his wife Ms Antoinette Allam. Mr Allam submits that this was made clear to the LGNSW inspectors at question 14 of the Second Allam Interview when he stated:

Q14 O.K. Thank you. Firstly we'll just talk about the company Tonita Enterprises. So can you please explain to me what, who owns the company Tonita Enterprises?
 A Tonita Enterprise is a name for a sole trader company under my wife, Antoinette Allam.

180. In the Complainant Reply Submission, the Complainant submits that section 69(1) and 69(2) of the Act do not afford Mr Allam the ability to *sell or supply* machines that are not approved gaming machines. Rather, the authorisation provided by those provisions is limited to the *possession* of *unapproved* gaming machines. All (approved) products or machines from NSW retain their approved status until such time as that status is revoked, pursuant to section 64(7) of the Act.
181. The Authority notes that there is no evidence or information establishing that the relevant machines, which the Authority is satisfied were in fact sold overseas by Tonita, ceased to hold their approved status. The Authority is satisfied that the gaming machines were *approved* gaming machines.
182. The Authority is satisfied that Mr Allam, whilst the licensee of a gaming related licence, contravened section 85(1) of the Act by selling approved gaming machines documented by Tonita as “60 x s/hand slot machine”, “60 x secon hand machine”, “4 x agt machine”, “50 x complet bluechip igt machines” and “8 x BALLY MACHINE” that are specified in the Tonita Overseas Invoices without holding the required dealer’s or seller’s licence, and without being the director or secretary of a corporation that is the holder of such licence.
183. Ground 1 Particular 5 is established.

Ground 1 Particular 6

184. Ground 1 Particular 6 alleges that Mr Allam, licensee of GMT Licence GMT4010748, contravened clause 72(1) of the Regulation by conducting his licensed business without the approval of the Authority from premises other than those approved at the grant of his licence from around 2013.
185. Clause 72(1) of the Regulation states:

A technician must not, without the approval of the Authority, conduct the technician’s business on or from premises other than the premises approved by the Authority, at the time of grant of the technician’s licence, as being the premises on or from which the activities authorised by the licence are to be carried on.
Maximum penalty: 20 penalty units.

Mr Allam’s Business Conducted from Chipping Norton Warehouse and Revesby Premises

186. As contended at paragraph 116 of the Complaint, OneGov Records before the Authority indicate that the Primary Premises on the record for this licence is U 5 10 Morgan Street Botany NSW 2019. As noted at the introduction to this letter, a recent update of the OneGov record obtained by the Authority dated 4 April 2019 shows that this remains the only premises recorded on the licence.
187. As contended at paragraph 118, Mr Faycal advised inspectors at question 29 of the Faycal Interview that the address of his workplace was: “Ah, 29, ah, unit 7/29, ah, Chipping Norton and it’s Governor Macquarie Drive”. The Chipping Norton Warehouse Inventory further establishes that substantial operations were conducted at the Chipping Norton Warehouse as part of Mr Allam’s business.

188. At questions 9 and 10 of the First Allam Interview, Mr Allam confirms, as contended at paragraph 119 of the Complaint, that he had been operating the business from the Chipping Norton Warehouse for a period of about "Seven, eight months". However, he later states at questions 318 to 322 of the Second Allam Interview that he has been operating from the Chipping Norton Warehouse for nearly one year:

Q318 Can I just ask you how long have you been in these premises where we are now?
A Ah, nearly one years.
Q319 And are these your primary premises where you - - -
A Yes.
Q319 - - - exercise your - - -
A Yes.
Q319 - - - technicians licence?
A Yes.
Q320 Do you have any other premises where you exercise your technicians licence?
A It's not mine but I work there. Is in unit 5, unit 3 before at moment now. Not today, only here.
Q321 So you've been here for a year as your primary business - - -
A Yes.
Q321 - - - premises?
A Yes.
Q322 Have you notified either the Secretary of Industry or the Independent Liquor and Gaming Authority that you've changed premises?
A Yes.

189. At questions 11 to 14 of the First Allam Interview, Mr Allam confirmed the allegation in paragraph 120 of the Complaint that, prior to the Chipping Norton Warehouse, he conducted business from another warehouse at 8/92 Milperra Road, Revesby NSW 2212 ("Revesby Premises"), for a period of approximately three years.
190. Paragraph 121 of the Complaint refers to Mr Allam providing the following statements during the First Allam Interview about his connection with the Primary Premises at Botany:

Q15 Have you operated your business from unit 5 number 10 Morgan Street, Botany?
A Yeah, that's, uh, not running my business. I self-contractor to the owner and I was do some job there.
Q16 Sure, sure. Just come a little bit closer, sir. So we may, what was that? You were a self-contractor?
A Yeah. I self-contracted to do some work for the people who, um, to play the - - -

No Notification or Approval of Revesby and Chipping Norton Premises

191. The Complainant notes in paragraph 122 of the Complaint that a Notice to Produce dated 15 May 2017 was issued by LGNSW to Mr Allam dated 15 May 2017 (Exhibit E32) seeking, *inter alia*:

A copy of the email to Liquor & Gaming NSW (or the Director-General) in relation to the change of primary premises under Technicians Licence GMT4010748 to 7/29 Governor Macquarie Drive, Chipping Norton NSW

192. The Complainant continues that in response to this Notice Mr Allam has produced a copy of a standard form email that had been sent to him on 9 May 2016 (Exhibit E33) from the then Office of Liquor Gaming and Racing (now LGNSW) informing gaming-related licensees of their obligations under their licence which states:

Good afternoon,

Our records show that you currently hold a gaming-related licence as a seller, technician and/or dealer. The below information has been provided to you to assist you in meeting your regulatory obligations.

NSW gaming related licence holders must ensure that they comply with their regulatory requirements, including providing information when requested by Liquor & Gaming NSW Inspectors. Persons who fail to comply with these requirements may face possible criminal prosecution and / or have their licences suspended or cancelled.

Please see below regarding a recent decision involving the cancellation of a gaming-related licence:
https://www.liquorandgaming.justice.nsw.gov.au/Documents/ilga/decisions-of-interest/Published-Decision-with-Reasons-Complaint-Against-John_Lyons-200416.pdf

193. Notwithstanding Mr Allam's statement during the Second Allam Interview that he had informed the Secretary or the Authority of his change of business premises, the Authority accepts the contention in paragraph 123 of the Complaint, that there is no supporting evidence or record to indicate that the Authority and/or LGNSW were informed of, let alone provided approval for, a change of premises for the licensed business. A review of the LGNSW records by inspectors at Exhibit E41 failed to identify any notifications relating to a change in premises associated with the licence.
194. The Authority has also considered Mr Allam's contention in the Respondent Submission that he *believed* that he notified the Authority of his move to the Revesby Premises but is no longer able to find a copy of a record of that notification.
195. The Authority finds that no such notification or approval occurred.
196. The Authority is satisfied that as the holder of a gaming-related licence Mr Allam contravened clause 72(1) of the Regulation by conducting his technician's business on or from premises other than the premises approved by the Authority, at the time of grant of the technician's licence, as being the premises on or from which the activities authorised by the licence are to be carried on. This failure to notify occurred with respect to two unapproved premises over a cumulative period of time approaching 4 years by the time he was interviewed by LGNSW.
197. Ground 1 Particular 6 is established.

Ground 2

198. Ground 2 is based on section 129(3)(e)(iv) of the Act and alleges that gaming related licensee, Mr Allam, is no longer a fit and proper person to hold a gaming related licence.
199. Section 129(3)(e)(iv) of the Act states:
 - (3) *The grounds on which a complaint in relation to a licensee or close associate may be made are as follows:*
 - ...
 - (e) *that the gaming-related licensee:*
 - ...
 - (iv) *is no longer a fit and proper person to hold a gaming-related licence.*
 - ...
200. Ground 2 specifies only one Particular. The Complainant contends that the Particulars in Ground 1 demonstrate Mr Allam's lack of the requisite knowledge, ability and (to some degree) honesty required under the authorisation granted by his licence and expected by the industry and community. In addition, this Particular specifies examples where Mr Allam allegedly contradicts himself in response to questioning by LGNSW inspectors. This, it is contended, casts further doubt upon his honesty and/or ability.

Fitness and Propriety at General Law

201. It is well established at common law for the purposes of licensing that to be "fit and proper" a person must have a requisite knowledge of the Act (or Acts) under which he or she is to be licensed and the obligations and duties imposed thereby: *Ex parte Meagher* (1919) 36 WN 175 and *Sakellis v Police* (1968) 88 WN (Pt 1) (NSW) 541. Being fit and proper normally comprises the three characteristics of "honesty, knowledge and ability": *Hughes & Vale Pty Ltd v NSW* (No 2) (1955) 93 CLR 127.
202. Where a person has been convicted of offences, the decision maker must consider the circumstances of those convictions and the general reputation of the person apart from the convictions and the likelihood of repetition – *Clearihan v Registrar of Motor Vehicle Dealers in the ACT* (1994) 117 FLR 455
203. In *Australian Broadcasting Tribunal v Bond* (1990) 170 CLR 321, the High Court of Australia has held that:

The expression 'fit and proper person' standing alone, carries no precise meaning. It takes its meaning from its context, from the activities in which the person is or will be engaged and the ends to be served by those activities. The concept of 'fit and proper' cannot be entirely divorced from the conduct of the person who is or will be engaging in those activities. However, depending on the nature of those activities, the question may be whether improper conduct has occurred, whether it is likely to occur, whether it can be assumed that it will not occur, or whether the general community will have confidence that it will not occur. The list is not exhaustive but it does indicate that, in certain contexts, character (because it provides an indication of likely future conduct) or reputation (because it provides an indication of public perception as to likely future conduct) may be sufficient to ground a finding that a person is not fit and proper to undertake the activities in question.

Ground 2 Particular 1

204. At paragraph 130 of the Complaint, the Complainant relies upon the allegations in Ground 1 to establish that Mr Allam is no longer a fit and proper person to hold a gaming related licence.
205. The Authority accepts, on the basis of its findings on Ground 1, that Mr Allam has contravened a number of important requirements and provisions under the Act and Regulation. These contraventions demonstrate a lack of requisite knowledge, ability and to some degree honesty required of a reasonably diligent gaming machine technician and as reasonably expected of Mr Allam by the industry and the community.
206. The Complainant further contends at paragraph 131 that the investigation giving rise to this Complaint revealed instances where Mr Allam contradicted himself during interviews with LGNSW inspectors and this raises doubts as to his honesty and/or ability as a licensee.
207. The Complainant makes the general contention that "on the one hand he has asserted that he was acting in accordance with legislation but then made subsequent statements and admissions to offending the law". The Complainant characterises these statements as at their worst, untruths, and at their best, reflect a lack of relevant ability and/or knowledge as a gaming related licensee.
208. The Complainant specifies examples of statements made to LGNSW that it says demonstrate a lack of honesty, relevant ability and/or knowledge. They concern Mr Allam's answers to questions regarding the alleged sale of approved gaming machines overseas, his awareness that he was not authorised to sell approved gaming machines, his control of the business Tonita and the circumstances that led to the relationship between Mr Allam and Mr Kayrouz.

Awareness of Lack of Authorisation to Sell Gaming Machines

209. At paragraph 132 and 133 of the Complaint, the Complainant claims that Mr Allam's "apparent dishonesty" is evidenced when comparing his responses to question 62 of the Second Allam Interview (where Mr Allam states "Ah, we, we don't send the whole machines to overseas. We send part, spare parts") and the Tonita Overseas Invoices which indicate that *complete* machines were being sold overseas outside the scope of his technician's licence.
210. The Authority accepts that Mr Allam's answers were contradicted by the documentary evidence. The Authority repeats its findings and the evidence for Ground 1 Particular 5. He was plainly involved in both the sale of parts and whole gaming machines overseas. The Authority finds that Mr Allam was less than frank with LGNSW inspectors on this issue and this reflects adversely upon his honesty as a gaming-related licensee.
211. At paragraph 134 of the Complaint, the Complainant contends that Mr Allam's "honesty must also be questioned" when considering his claim that he was aware that he was not allowed to sell gaming machines under his current licence authority, and his statement during the First Allam Interview at question 149:

Q149 *And how much was the club going to pay you for them?*

A *No, don't, don't say that, how much they sell to me. I cannot sell it, you know, people take it from me, yeah, and they sell it by themselves.*

212. The Authority accepts that this exchange establishes an awareness on Mr Allam's part that he was not permitted to sell gaming machines at relevant times. This is adverse to an assessment of his honesty when selling machines, contrary to the authorisation granted by his licence.

213. At paragraph 135 the Complainant then refers to Mr Allam's earlier response to question 64 of the First Allam Interview where Mr Allam confirmed that he was actively engaged in the sale of gaming machines to Mr Layden over an extended period where he apparently acknowledges receiving payment for supplying gaming machines:

Q64 *And how much did you, were you going to sell them for to Hornsby RSL?*
A *I'm not selling there, like sell them to, uh, Justin and I, he offered me two grand for each one.*

214. At paragraph 136 of the Complaint, the Complainant refers to the tax invoices provided by Mr Allam which evidence his conduct in the sale of gaming machines to other NSW entities. The Authority accepts that Mr Allam's sale of gaming machines to Sydney Slot Machines Pty Ltd ("Sydney Slot Machines") in Carlton NSW, is evidenced by the following tax invoices (Exhibit E37):

- Invoice 700239 issued by "Tonita Enterprise" to Sydney Slot Machines on 23 May 2016 for a total of \$3,850.00 for:
7 x "BB2 MACHINES COMPLET" totalling \$3,500.00
- Invoice 700266 issued by "Tonita Enterprise" to Sydney Slot Machines on 23 June 2016 for a total of \$3,850.00 for:
3 x "BB2 MACHINES COMPLET" totalling \$1,500.00
8 x "BB2 MACHINES" totalling \$2,000.00
- Invoice 700269 issued by "Tonita Enterprise" to Sydney Slot Machines on 21 September 2016 for a total of \$770.00 for:
1 x "BB2 COMPLET" totalling \$700.00
- Invoice 700305 issued by "Tonita Enterprise" to Sydney Slot Machines on 8 February 2017 for a total of \$2,970.00 for:
3 x "BB2 COMPLET" totalling \$2,400.00
2 x "BB2 FOR PART" totalling \$300.00
- Invoice 700306 issued by "Tonita Enterprise" to Sydney Slot Machines on 13 February 2017 for a total of \$4,950.00 for:
1 x "A560 COMPLET" totalling \$4,500.00

Mr Allam's Response on his account of selling gaming machines

215. Mr Allam addresses his answer to question 62 of the Second Allam Interview in the Respondent Submission by characterising the questions from inspectors immediately preceding that question as "introductory" in nature – that is, they were focused on what his "normal" arrangement with Mr Kayrouz involved.

216. Mr Allam submits that when asked at question 60 "what were your intentions for those machines" Mr Allam answered, "These machines come in here, the first thing is to be stripped and get the parts from inside and save the part for oversea[s] or for local".

217. Mr Allam contends that his answers to questions 61 and 62 of the Second Allam Interview were answered in relation to *those* machines - that is, the machines referenced at question 60 - and that the LGNSW inspector understood this context, because his next line of questioning specifically focused upon the subject of parts.

218. Mr Allam also refers to question 96 of the First Allam Interview, where he submits that "I explained my general history of buying old scrapped gaming machines from metal scrap yards at several locations in Sydney".

219. Mr Allam also refers to the exchange at questions 147 to 151 and 230 to 243 of the Kayrouz Interview and submits that Mr Kayrouz confirmed that their "usual arrangement" was that "I would take the parts off the machines that I could use" and that "Mr Kayrouz then took back the remainder (and presumably scrapped them)". Mr Allam emphasises Mr Kayrouz's unprompted answer to question 243 where Mr Kayrouz told inspectors, with regard to Allam: "And he's not after machine".

220. Furthermore, Mr Allam notes his answers to questions 180 to 192 of the First Allam Interview (regarding the source of the machines to be installed at Hornsby RSL) and states that “I answered that I was surprised to find them at my premises”. Mr Allam claims that these machines had been:

“delivered by Mr Kayrouz without my knowledge as I had been hospitalised in October 2016 having broken over 13 ribs in my chest and back and I remained at home and did not attend work until early February 2017 I was not permitted to drive a car during November, December and January as I was taking strong medication called Endone at that time”.

221. Mr Allam submits that during the First Allam Interview “I provided an explanation of my sources of supply of whole and working gaming machines which I then use for supplying to overseas customers”.
222. Furthermore, in response to question 255 [of the First Allam Interview], Mr Allam states that he “answered that I get a lot of machines from a lot of clubs, trade ins from Sydney Casino, Tattersalls, and St George Leagues Club. When I obtain these machines I explained to the investigator that I use a moving devices form”.
223. The Authority has considered these explanations but remains satisfied that some lack of frankness with LGNSW inspectors was apparent in Mr Allam’s responses to LGNSW on the subject of the sale of overseas gaming machines. This arises most squarely when comparing Mr Allam’s response to question 62 of the Second Allam Interview against the Tonita Overseas Invoices and when comparing his various statements at questions 64 and 149 of the First Allam Interview (extracted above) to the tax invoices at Exhibit E37 of the Complaint. This reflects adversely upon his honesty and diligence when dealing with regulatory officers.

Control of the Business Tonita Enterprise

224. The Complainant further calls Mr Allam’s honesty into question at paragraph 137 of the Complaint. This is said to arise from Mr Allam’s statements to inspectors on the subject of control of his business Tonita when compared to what is apparent from ASIC company records.
225. The Complainant says that during the Second Allam Interview, Mr Allam “claimed that his wife, Antoinette Allam was the sole-trader of the company Tonita Enterprise Pty Ltd” and that Mr Allam “further identified himself as an employee of that company”.
226. The Complainant notes at paragraph 138 of the Complaint that ASIC company records (Exhibit E02) confirm that Mr Allam is a joint-director of the company Tonita with his wife and also the secretary of that company.
227. The Authority notes the following exchange at questions 14 to 18 of the Second Allam Interview, where LGNSW specifically ask Mr Allam about the *company*, Tonita, and Mr Allam characterises this as a sole trader business under his wife’s name:

Q14 O.K. Thank you. Firstly we'll just talk about the company Tonita Enterprises. So can you please explain to me what, who owns the company Tonita Enterprises?

A Tonita Enterprises is a name for a sole trader company under my wife, Antoinette Allam.

Q15 Yep.

A And I do all the job for the company.

Q16 O.K. So how often do you work for the company?

A Full time.

Q17 So seven days a week?

A Yeah, seven.

Q18 O.K. How many employees does the company have?

A At the time we got two.

Q19 Two?

A And me three.

228. The Tonita ASIC Extract provided by the Complainant as at 23 May 2017 establishes that Tonita is an Australian proprietary company limited by shares with two directors and two secretaries – both being Mr Riad Allam and his wife Ms Antoinette Allam, who commenced their roles with effect from 14 July 2006.

229. In the Respondent Submission, Mr Allam provides a copy of a business name search for the registered business name “Tonita Enterprise” and submits that his answers to questions 14 to 19 [of the Second Allam Interview] are “totally consistent with that ASIC record”. Mr Allam contends that the invoices at Exhibit E37 of the Complaint are all “Tonita Enterprise” invoices, not generated by a corporation, since no ACN or ABN is specified.
230. In the Complainant Reply Submission, the Complainant submits that relevant ASIC searches provided at Exhibit E02 establish that Mr Allam is a director and secretary of the company, Tonita Enterprises Pty Ltd. The Complainant concedes that the ASIC National Business Names register records that Mrs Antoinette Allam is the holder of the Tonita Enterprise business name, but a registered business name has no legal persona. It is the corporation that has the separate legal personality and the power to conduct the business pursuant to the licence. The Complainant further notes that Mrs Allam does not hold a technician’s licence or any other gaming-related licence.
231. Mr Allam has not sought to explain his relationship to the proprietary limited company, nor what this company may do in mitigation of the assertions of the Complainant.
232. While the Authority accepts that the business name is in fact registered in Mr Allam’s wife’s name, the Authority finds that it is the corporation, of which Mr Allam and his wife are directors and secretaries, that is the entity through which Mr Allam actually conducts his business as a licensed technician. Mr Allam was asked directly by inspectors about the *company* and he attempted to deflect this line of questioning by referring to his wife’s registration of the business name. There is no persuasive evidence that Mrs Allam was running this business as a sole trader and in any event had no licence to do so.
233. On this basis, the Authority is satisfied that Mr Allam was not forthright when the Authority compares his statements about control of the relevant company with ASIC company records. This reflects adversely to some extent upon his honesty and diligence when dealing with regulatory officers.

Origin of Gaming Machine Dealings Between Mr Allam and Mr Kayrouz

234. Finally, the Complainant contends at paragraph 139 of the Complaint that a “further” lack of “integrity and honesty” is evidenced by the version of events Mr Allam provided to inspectors about the circumstances that led to a business relationship between himself and Mr Kayrouz. The Complainant contends that this account changed between his two interviews with LGNSW inspectors.
235. The Complainant refers to Mr Allam’s statements at question 61 of the First Allam Interview to the effect that Mr Kayrouz was approached by Allam at the Chipping Norton Warehouse about purchasing gaming machines that Kayrouz was due to destroy:

Q61 *And who’s the gentleman that you deal with there?*
A *His name, uh, Habib. And him and his boys, he, he had to come to collect some scrap metal for me from here. And he said to me, “I got sometimes some poker machines on my truck going to the tip. Do you want to take it?” I said, bring, we’ll see if something we can do business, we can take. If not, well then, that’s how we end up here.*

236. The Complainant contends at paragraph 140 of the Complaint that this version changed at questions 106 and 107 of the Second Allam Interview where Mr Allam states that Mr Kayrouz originally collected scrap metal from a *neighbour* at his *Revesby Premises* and upon noticing the gaming machines on Allam’s premises, Mr Kayrouz told him that he had some available parts.

237. Questions 106 and 107 state:

Q106 *O.K. Can you tell me everything about how you met Mr Habib Kayrouze?*
A *Habib Kayrouze come in, my factory was in, my factory was in Revesby and he come in. I have next door to me some people he collect, he collect some aluminium, whatever, was a printing company or a metal one and he come in there and see the poker machines and he tell me he got some (0:17:47) for sale and some monitor for sale at this time. And I said for him now, you know, we’re not interesting about something like that. He didn’t say poker machine. Next times coming and I saw on his truck he got poker machine.*
Q107 *Mmm.*

A *And we talk to him and, ah, and he say, ah, yes, and I say can you sell that ones no problem. He say, yes, how much you pay and we make the deal at this time I can (0:18:18) I says I get him fifty and he say, yeah, yeah, all right. I say probably we brought a lot. He said, from time to time is coming. I know from the paper on the machine where they coming from, the label on it - - -*

238. At paragraph 141 of the Complaint, the Complainant alleges that during the Kayrouz Interview Mr Kayrouz provided a “detailed account of the origins of his relationship with Mr Allam and how he sold the subject machines to Mr Allam despite those machines being destined for destruction”.

239. The Complainant contends that according to Kayrouz, he initially met Mr Allam when he was transporting machines for destruction and *Mr Allam pulled Kayrouz over* in his vehicle, offering to purchase gaming machine parts. At questions 252 to 273, Kayrouz states:

Q252 *O.K. When did you first meet him?*
A *I met up on the road.*
Q253 *How long ago?*
A *But if I'm not - - -*
Q254 *Yes. How long ago?*
A *- - - he stop, that was in the middle of 2016.*
Q255 *Whereabouts - - -*
A *Somewhere there.*
Q255 *- - - was this?*
A *On Milperra Road.*
Q256 *And what were you doing at the time that this - - -*
A *Ah, I had a poker machine load and I'm going to Greenacre, that's how, how, when he stopped me and he's spoke to me. He said, "I'll buy some part off you."*
Q257 *Is your truck open on the back?*
A *Yeah, that truck open in the back, yes.*
Q258 *So he stopped you on Milperra Road.*
A *Yes.*
Q259 *And you were travelling to where?*
A *Um, I've, I, I don't, I don't forget, that's on, what do you call it? Ah, from Milperra Road you go to Condell Park - - -*
Q260 *Yes.*
A *- - - on the major right.*
Q261 *Yes.*
A *Bit further on the left, it's a some sort of, ah, like a entry to a big factory, that's where I park my truck because he was beeping for me, he stopped me and that's where I stopped - - -*
Q262 *Ah hmm.*
A *- - - on, what do they call that intersection? Milperra Road, keep going towards Bankstown or you go up to Condell Park on the left.*
Q263 *Yes.*
A *Next to Holder or - - -*
Q264 *Yes.*
A *- - - whatever that - - -*
Q265 *Yes.*
A *- - - company.*
Q266 *Yes. And he stopped you in the middle of the road.*
A *He's, he, he beeped for me, beep for me. Then I stopped and he was jump out of his truck, come to my window and told me, "Where you taking this?" I've said, "I'm taking it to scraps." Said, "Hey, I buy some part off you," and he followed me that time to Greenacre and he, in the truck, he was taking some part that was first time I met him in, in Greenacre yard.*
Q267 *Ah hmm. And he took parts off the machines - - -*
A *Yes.*
Q267 *- - - off the machines at the Greenacre yard.*
A *Yeah.*
Q268 *What was happening to those machines at Greenacre yard?*
A *I scrap.*
Q269 *And he took part from them.*
A *He took some part, like took the cable off, as I said, every time I try to cut most of the cabling off it.*
Q270 *Ah hmm. Did he pay you for that?*
A *Yeah. Sometime he paid me \$10 for some part, some part \$5.*
Q271 *Ah hmm.*
A *Sometime \$50, sometime \$70.*
Q272 *Ah hmm.*

A *I believe a couple of time I dropped a couple of loads he took, he, he reckoned three hundred or four hundred one time for the whole lot, whatever he got out of the machine.*
 Q273 *And how much did he pay you on that day, do you remember?*
 A *In Greenacre?*

240. In the Respondent Submission Mr Allam submits that “I do not have an actual recollection of our first meeting” but he was “trying to answer the inspector’s questions” as “best I could”. Mr Allam states that sometimes “when I do not remember exactly what happened in the past I try to do my best by reconstructing events in my mind”. Mr Allam submits that this process “sometimes leads to confusion over precise details”. Mr Allam states “I understand my answers are different on the topic of our first meeting, but when I gave answers as to the substance of our arrangement, I was consistent in both interviews and my answers have been independently confirmed by Mr Kayrouz”.
241. Mr Allam submits that the precise circumstances of their first meeting does not say anything meaningful about Mr Allam’s integrity or honesty but instead means that he did not remember the precise details during the interview with LGNSW.
242. The Authority prefers the more detailed account given by Mr Kayrouz regarding the origin of his relationship with Mr Allam. While the Authority accepts that this may have occurred several years ago, the Authority notes that on Kayrouz’s account, Mr Allam was the *instigator* of this relationship. This is significant as it indicates that Mr Allam was *motivated* to acquire the used gaming machines or parts that were being transported by Mr Kayrouz for commercial gain. The Authority is satisfied that this discrepancy evidences some further lack of frankness in his dealings with inspectors, designed to downplay Mr Kayrouz’s involvement with the selling of gaming machines. While this is not a matter that has been given substantial weight, it is another factor that is adverse to Mr Allam’s honesty and diligence when dealing with regulatory officers.

Mr Allam’s Submissions on Ability as a Gaming Related Licensee

243. In the Respondent Submission, Mr Allam contends that “No example of lack of ability is provided by the complainant nor is any suggested by any of the allegations set out in respect of ground 1”.
244. Mr Allam further submits that the legislation is “quite technical, and complex” and that “many of the provisions are lengthy and cannot be read in a simple manner but usually involve defined terms which appear elsewhere, with the result that it is necessary to piece together from various places the whole meaning of the provision”. That meaning is “often not easy to discern”.
245. Mr Allam further submits that while the LGNSW website is “very detailed” containing “dozens of Fact Sheets and many Guidelines” one area that is missing concerns the “interpretation and practical application of the Act and Regulation concerning the very areas with which I am now being investigated”.
246. Moreover, Mr Allam contends that English is not his first language and that regulatory Fact Sheets are a “common and useful way to assist persons like me to traverse and be on top of the complexity of the laws in this area”.
247. Mr Allam observes that while gaming machine manufacturers “are generally multi-million-dollar corporations with teams of experts and in-house lawyers and compliance officers” the LGNSW website is “devoted almost exclusively to helping the manufacturers comply, including by providing the many Factsheets, Guidelines, Standards and Protocols”.
248. The Authority does not accept the submission that the matters alleged in Ground 1 are not relevant to an assessment of Mr Allam’s ability. While the Complainant does not challenge Mr Allam’s *skills* as a technician, the ability of a *licensed gaming machine technician* extends beyond the technical ability to do the work. It also incorporates the *ability or diligence* to attend to regulatory matters - whether reporting changes in circumstances to the Authority, engaging in frank dealing with regulatory officers or Police or the competent use of regulatory databases such as Quickchange, CMS and the like.
249. The Authority’s findings on Ground 1 Particulars 1 to 3 and 5 indicate both a lack of honesty and a considerable lack of diligence or ability with respect to regulatory compliance. These are substantial

issues. It is a fundamental requirement of the licensing regime that gaming-related licensees do not exceed the authority conferred by their licence type - to avoid the considerable scope for harm to the community and damage to the integrity of the industry that may arise from the unregulated sale or supply of gaming machines. Mr Allam engaged in repeated dealings with respect to gaming machines and parts that were consigned for destruction by the Manufacturer without the authorisation to do so and for commercial gain. He did not make reasonable enquiries of the approved status of these machines. This proven conduct occurred over some 19 months.

250. The Authority's findings on Ground 1 Particular 6 evidence a basic lack of regulatory diligence. It is essential that licensees advise the Authority of the premises from which they conduct their regulated activity. It is incumbent upon every licensee to obtain prompt approval of any change of premises. Licensing communications, regulatory oversight and law enforcement all depend upon licensees notifying their place of business to the regulator. Mr Allam's non-compliance was made worse because his failure to notify the Authority extended close to 4 years, involving the use of two unapproved premises.
251. The Authority accepts Mr Allam's submission that, on the whole, the legislation governing gaming machine technicians (most of which is provided by Part 7 of the Act and associated Regulations) is reasonably technical and complex. The Authority also accepts his submission that there is not a great deal of information on the LGNSW website for licensed technicians by way of Fact Sheets, Guidelines and the like. The Authority further notes that there is no mandatory training course for gaming machine licensees, which may assist in bolstering standards of knowledge and ability with respect to compliance matters across the industry.
252. Nevertheless, the prohibition against any **person** buying or selling a gaming machine in NSW without the required licence is a straightforward regulatory concept. As noted above, during the First Allam Interview Mr Allam indicated his awareness that he was not allowed to sell gaming machines.
253. Similarly, the requirement to notify the Authority and obtain approval of the premises from which a licensee conducts their regulated activity is a basic licensing requirement that should be foremost in the mind of any reasonably diligent licensee when changing their place of business.
254. Mr Allam has held a *technician's* licence since 1993. He has gained ample on the job experience in the industry. If he was in any doubt as to whether his conduct regarding gaming machines or parts exceeded the scope of his licence then, like any other person working within a closely regulated industry, he had the option of seeking professional advice from a lawyer or compliance consultant.
255. Notably, as recently as 9 May 2016, LGNSW placed him on notice that "NSW gaming related licence holders must ensure that they comply with their regulatory requirements, including providing information when requested by Liquor & Gaming NSW Inspectors" and that "persons who fail to comply with these requirements may face possible criminal prosecution and / or have their licences suspended or cancelled". Mr Allam was expressly encouraged to contact LGNSW if he had any "questions about his responsibilities" as a licensee.
256. There is no evidence or information that Mr Allam sought any advice of this kind, nor advice from the Manufacturer about the status of the gaming machines that are the subject of this Complaint.
257. The Authority accepts that English is Mr Allam's second language, but there is no indication that he required an interpreter when dealing with LGNSW inspectors and this submission can be given little weight in the circumstances.
258. On the matter of Mr Allam's broader compliance history, Mr Allam states that he has a detailed history of many years of compliance with notifications to LGNSW and specifically with regard to "completing and submitting moving device forms every time I relevantly move an approved gaming machine in or out of my premises". Mr Allam submits that the Complaint concerns "a limited number of allegations concerning the miscellaneous offences set out in Part 6 of the Act".
259. The Authority notes that Mr Allam has not elected to provide anything by way of positive character references pertaining to his honesty, knowledge or ability as a gaming related licensee.

260. The Authority accepts that there is no other evidence establishing regulatory non-compliance, aside from the matters specified in this Complaint. Nevertheless, the nature and scope of Mr Allam's acts and omissions, his breach of trust with the Manufacturer and apparent profit motive that lay behind his dealings with gaming machines are such that, looking forward, the Authority cannot give its imprimatur to Mr Allam as a fit and proper person.
261. The Authority finds that Mr Allam is no longer a fit and proper person to hold a gaming-related licence.
262. Ground 2 Particular 1 is established.

Ground 3

263. Ground 3 is based on section 129(3)(j) of the Act and alleges that the gaming related licence held by Mr Allam, has not been exercised in the public interest
264. Section 129(3)(j) of the Act states:
- (3) *The grounds on which a complaint in relation to a licensee or close associate may be made are as follows:*
- ...
(j) *that the gaming-related licence has not been exercised in the public interest*
...

265. Ground 3 contains one Particular which refers to the matters specified in Grounds 1 and 2 in support of the proposition that the licence has not been exercised in the public interest.

Ground 3 Particular 1

266. The Authority notes, as specified by the Complainant at paragraphs 148 and 149 of the Complaint, that the objects of the Act are set out in section 3(1) of the Act with section 3 stating:
- 1) *The objects of this Act are as follows:*
- (a) *to minimise harm associated with the misuse and abuse of gambling activities,*
(b) *to foster responsible conduct in relation to gambling,*
(c) *to facilitate the balanced development, in the public interest, of the gaming industry,*
(d) *to ensure the integrity of the gaming industry,*
(e) *to provide for an on-going reduction in the number of gaming machines in the State by means of the tradeable gaming machine entitlement scheme.*
- 2) *The Authority, the Minister, the Secretary, the Commissioner of Police and all other persons having functions under this Act are required to have due regard to the need for gambling harm minimisation and the fostering of responsible conduct in relation to gambling when exercising functions under this Act.*
- 3) *In particular, due regard is to be had to the need for gambling harm minimisation when considering for the purposes of this Act what is or is not in the public interest.*
267. The Authority accepts, as stated by the Complainant at paragraph 153 of the Complaint, that the objects of the Act require those exercising functions under the Act to conduct those actions with due regard for both gambling harm minimisation and the fostering of responsible conduct of gambling.
268. The Complainant submits that the Manufacturer had identified the relevant gaming machines acquired by Mr Allam as no longer of use to the industry and had scheduled their destruction. At paragraph 151 the Complainant submits that the machines purchased from Mr Kayrouz were in various states of repair and that whilst Mr Allam was a licensed technician, there was no guarantee to the end user that the machine would operate as intended.
269. The Complainant contends at paragraph 152 that dealing in used machines scheduled for destruction presented a "significant risk" to the community and those who utilize gaming machines, not only in ensuring that they operate pursuant to regulatory requirements, but also in ensuring that they operate with consideration to wider issues, such as Work Health and Safety.
270. At paragraph 157 it is contended that Mr Allam's conduct with respect to the relevant gaming machines occurred over a period of approximately 16 months and there is a potential that the *actual* number of machines purchased by Mr Allam from Mr Kayrouz is higher than identified by LGNSW.

271. The Complainant submits at paragraph 158 that Mr Allam was “willing to subvert” legislative requirements in order to maximize financial profit within his business. Further, he was willing to encourage unlicensed individuals like Mr Kayrouz to themselves breach licensing legislation restricting the sale of gaming machines.
272. The Complainant concludes by contending that Mr Allam will continue to conduct his gaming-related licence without respect of the Act with the actions identified in the Complaint posing a “serious risk to harm minimization and the responsible conduct of gambling”.
273. The Authority accepts Mr Allam’s submissions in the Respondent Submission that he has held his licence since 28 May 1993 “without blemish” and since 1993 has been “engaged on many thousands of technician assignments throughout NSW” for “every gaming machine manufacturer, over five hundred hotels, over one hundred registered clubs, and on many assignments for the Sydney Casino and for Tattersalls”. Mr Allam contends and the Authority accepts that his skills “are not, and never have been, in question from these very many organisations”.
274. The Authority has found that there is adverse conduct of sufficient seriousness to establish that Mr Allam is not a fit and person to hold a technician’s licence looking forward.
275. However, in the absence of any other contraventions of the Act, or other laws in connection with the licensed business and accepting the licence has been exercised to provide a good deal of non-contentious technician work over the years, the Authority does not find that the conduct of the licence *on the whole* has so offended the objects and considerations in section 3 of the Act to conclude that this licence has been exercised contrary to the public interest.
276. On the evidence and material before it, the Authority is not satisfied that Ground 3 Particular 1 is established.
277. Ground 3 Particular 1 is not established.

FINAL SUBMISSIONS ON DISCIPLINARY ACTION

278. On 2 August 2019 the Authority sent a detailed letter to Mr Allam setting out its findings on the Grounds of Complaint (“Findings Letter”) and inviting any final submissions confined to whether the Authority should take disciplinary action against him on the basis of those findings.
279. On 12 August 2019 the Complainant provided a brief submission noting that most of the particulars alleged in Ground 1 and the entirety of Ground 2 were established. Given the extent and seriousness of Mr Allam’s contravention of the legislation, for commercial gain, and his lack of diligence with respect to his obligations as a licensee, that the Authority should:
- impose a monetary penalty (noting that the maximum penalty for an individual is \$22,000.00);
 - disqualify Mr Allam from holding a gaming related licence for a period of not less than 3 years (or, in the alternative, cancellation or suspension of the licence for a period the Authority thinks fit) and
 - order Mr Allam to pay the Secretary’s costs on the investigation that gave rise to the Complaint in the sum of \$55,122.39. The Complainant attaches a Table providing a brief breakdown of the heads of costs incurred by the Secretary.
280. The Complainant separately recommended that the Authority take action under section 64(6) of the Act, to revoke the approval of the gaming machines (including parts) referred to in paragraphs 28, 35 and 39 of the Findings Letter (being the same paragraphs of this letter).
281. Mr Allam’s final submission was provided on 25 September 2019 via Mr Robert Gorczyca of Holman Webb Lawyers. The final submission comprised a seven-page letter (including one attachment – being the first page of Exhibit E22 of the Complaint) prepared by his solicitor but signed by Mr Allam and dated 25 September 2019. In summary, Mr Allam makes six submissions, which in some respects revisit the Authority’s findings while also making submissions in mitigation and/or addressing the appropriate disciplinary action.

282. In "Submission 1" Mr Allam states that it is not clear to him how the Authority's analysis at paragraphs 213 and 214 of the Findings Letter (being the same as this letter) necessarily concern *overseas* sales. The Authority notes that the focus of these paragraphs concern Mr Allam's awareness at relevant times that he was not authorised to sell gaming machines. The Authority has amended the sub-heading preceding paragraph 209 of this letter to avoid any confusion. The analysis in paragraphs 209 to 214 of the Findings Letter (and this letter) require no further explanation.
283. Mr Allam makes the further submission in response to the Authority's findings in paragraph 171 of the Findings Letter (and above), that overseas recipients of gaming machines cannot use the "important" components - such as epromms, vpromms, note validators, the software and artwork, because they are in the wrong currency, and for many destinations, the wrong language. The Authority gives little weight to this submission. The machines in question were plainly of significant monetary value to their overseas purchaser, regardless of the fact that these machines are in the English language and denominated in Australian dollars. Mr Allam was prohibited from selling gaming machines, or parts of machines, without a licence regardless of the location of the purchaser.
284. Mr Allam further contends that the Authority "reversed the onus of proof" when finding at paragraph 173 of the Findings Letter that there was no indication that the machines in question had ceased to be approved machines at relevant times.
285. The Authority does not accept this submission. The Authority's findings that Mr Allam contravened the Act were made on the balance of probabilities and on the positive evidence of sales relied upon by the Complainant. The Authority made additional enquiries of the Complainant, out of caution, to rule out the *possibility* that the machines in question were no longer "approved" machines at the time of the misconduct. The Complainant (whose agency has control and access to gaming machine licensing records) has performed a search and has ruled this out.
286. On Mr Allam's submission that the Complainant does not suggest there are gaming machines recorded on the CMS database that are "missing" from NSW, the Authority accepts that no such suggestion is made. That observation provides no answer to the Complainant's allegations of unlicensed dealing in gaming machines or parts.
287. Submission "1" also includes the argument that any sales made by Mr Allam amounted to a "technical" infringement that did not offend the "primary objectives" of the Act.
288. The Authority rejects that characterisation. The Act provides that contravention of section 85 (if prosecuted in a Court of competent jurisdiction) is an offence punishable by a maximum penalty of 100 penalty units, 12 months' imprisonment, or both. This reflects the relative seriousness of the conduct to the regulatory scheme.
289. The contraventions of section 85 found by the Authority for the purposes of this Complaint amounted to a deliberate, repeated course of action, for substantial monetary gain. The sale of machines (or parts) without the requisite licence directly undermines the licensing regime, threatening the integrity of the gaming machines industry in New South Wales, contrary to the statutory object in section 3(1)(d) of the Act. The sale of machines (or parts) by unlicensed persons may *potentially* work against the section 3(1)(a) object of minimising harm associated with the misuse or abuse of gambling activities, should (for example) unlawfully-traded machines or parts end up in an unregulated or poorly controlled environment in New South Wales or should ageing, faulty or obsolete games or parts recirculate throughout the industry.
290. In "Submission 2" of Mr Allam's final submission, he responds to the Authority's findings at paragraph 223 of the Findings Letter (repeated above) regarding "some lack of frankness" in his statements to LGNSW investigators regarding overseas sales of gaming machines when compared to the documentary evidence. He submits that exhibiting "some" lack of frankness does not breach any provision of the Act, nor infringe the primary objectives of the Act. While the Authority's finding on Mr Allam's fitness turned primarily upon his contraventions of the Act, Mr Allam's approach to answering questions from investigators is a relevant, albeit incidental, factual matter that may be taken into account when assessing his *honesty* as a gaming related licensee.

291. In "Submission 3" Mr Allam refers to paragraph 232 and 233 of the Findings Letter (repeated above) and submits that the Authority is confused when calling his honesty into question regarding his statements to investigators about "*Tonita Enterprise*". Mr Allam submits that Ground 1 of the Complaint did not focus on the "true identity" of the seller of the machines in question or whether Mr Allam was conducting his business "through one entity or another". Mr Allam states that he told investigators that "*Tonita Enterprise*" is a registered business enterprise run by his wife and that this is a correct statement. The Authority's finding that Mr Allam was not forthright about his 50% ownership of Tonita Enterprise Pty Ltd did not concern a breach of the Act nor a primary objective of the Act.
292. The Authority reiterates the point made in paragraphs 232 and 233 of the Findings Letter that Mr Allam's reference to his wife's registered business "*Tonita Enterprise*" was a deflection. It is an incidental matter that is adverse to an assessment of his honesty as a gaming related licensee.
293. In "Submission 4" of his final submission letter, Mr Allam refers to the Authority's findings at paragraph 234 of the Findings Letter (and above) that the account he gave to inspectors as to how he met Mr Kayrouz is adverse to an assessment of his honesty as a licensee, preferring the account given by Mr Kayrouz. Mr Allam submits that there is nothing wrong with his attempts to acquire scrap parts of "non-authorised" machines that were "otherwise destined for destruction" and that "[r]elevant" wrongful conduct" would arise if he was "motivated" to acquire "authorised" parts contrary to his licence. Mr Allam submits that the Authority has not made a finding, at paragraph 242 of the Findings Letter, that Mr Allam was "motivated" to "acquire authorised gaming machine parts" from Mr Kayrouz. Mr Allam further submits that the Authority has not given this discrepancy in his account substantial weight and submits that these findings do not concern a breach of any provision of the Act, nor the primary objectives of the Act. His conduct does not warrant "any form of disqualification" of the licence. A reprimand would be appropriate.
294. The Authority refers to its findings at paragraph 242 above. While it has not given substantial weight to this matter, Mr Allam's account of how he came to become involved with Mr Kayrouz is a relevant factual matter that has been taken into account when assessing Mr Allam's honesty as a gaming related licensee.
295. At "Submission 5" of his final submission letter, Mr Allam addresses the Authority's statement at paragraph 249 of the Findings Letter (and above), which refers to the Authority's findings on Ground 1 Particulars 1 to 3 and 5 and then linking it to Mr Allam's honesty. Mr Allam submits that despite this, the Authority made no findings on his honesty within paragraphs 24 to 124 or 167 to 183 of the Findings Letter.
296. The Authority notes, if any further explanation is required, that paragraph 249 is a *conclusion* on Mr Allam's lack of honesty and diligence as a gaming related licensee, made on the basis of its previous factual findings in Ground 1 Particulars 1 to 3 and 5.
297. In response to paragraph 249 of the Findings Letter (and above) where the Authority found "repeated dealings with respect to gaming machines and parts that were consigned for destruction by the Manufacturer without the authorisation to do so and for commercial gain" Mr Allam submits that there was no provision in the Act during or prior to 2017 dealing with the "authorisation" to "acquire or deal in respect of gaming machines consigned to destruction". Mr Allam further submits that there is no specific licence type under the Act which permits a person to "destroy" an "approved gaming machine".
298. The Authority notes, if any further explanation is required, that the "lack of authorisation" referred to by the Authority is the *lack of authorisation provided by the requisite licence*. Mr Allam was not licensed to deal in gaming machines, or parts, at all relevant times.
299. Mr Allam notes the Authority's findings that there is not much by way of guidance on the LGNSW website for licensed technicians by way of Fact Sheets and Guidelines. Mr Allam contends that he "assumed" that all machines on Mr Kayrouz's dump truck were "destined for destruction". Mr Allam then refers to the Authority's observations on the "Quickchange" database that were made in a decision dated 24 January 2017 concerning Mr Graeme Nowicz ("Nowicz Decision"). He submits that

by reason that Mr Allam only held a technician's licence, he was unable to access critical areas of the Quickchange database. He concludes with the submission that "my failure to pursue additional enquiries in 2017 concerning machines placed onto a dump truck is not a matter which is contrary to (1) harm minimisation, (2) the balanced development of the industry, [(3)] the integrity of the industry or (4) the ongoing reduction in gaming machine numbers". Mr Allam adds that "no gaming machines were placed by me (or attempted to be placed by me) into any NSW Club or Hotel".

300. The Authority has considered these arguments but considers that as a licensed gaming machine technician of long standing Mr Allam must have known that in order to sell gaming machines (or parts) in New South Wales, a person requires either a dealer's licence or seller's license. Mr Allam was not licensed to sell gaming machines at all relevant times. The Authority repeats its observations on Submission "1" above as to how the unlicensed trade in gaming machines poses a real threat to the integrity of the industry and also, potentially, harm minimisation. While Mr Allam submits that no gaming machines were *placed* by him (or attempted to be placed by him) into any NSW venue, and the Authority accepts this, one gaming machine the subject of Ground 1 Particular 3, sold by Mr Allam, did make its way to the premises of Balgowlah RSL. In any event, Mr Allam's participation in the unlicensed sale of gaming machines plainly undermines the integrity of the licensing regime.
301. In his final submission, Mr Allam contends that operating from business premises which were not previously notified to LGNSW is a breach which does not warrant a decision to cancel his licence nor warrant any form of disqualification period, instead a reprimand would be appropriate. The Authority has not considered Mr Allam's failure to notify the Authority of his licensed premises in isolation. Combined with the unlawful dealing in gaming machines or parts established by this Complaint, a failure to notify the regulator takes on additional significance. This is conduct that may delay the immediate location of a place of business when law enforcement needs to monitor, audit, investigate or take enforcement action against a gaming related licensee.
302. In "Submission 6" of Mr Allam's final submission letter, Mr Allam refers to paragraph 214 of the Authority's Findings Letter (and this letter) where the Authority found that five invoices establish that Mr Allam sold gaming machines to Sydney Slot Machines in Carlton, NSW. Mr Allam submits that the 5 gaming machines referred to in that finding were "not NSW authorised gaming machines" but "Queensland gaming machines" that were "old scrap machines" with "no compliance plates" which were "only useful for salvaging serviceable parts".
303. The Authority refers to its analysis in paragraph 214 above. The Authority has found that Mr Allam made those sales, in NSW. This forms one part of the Complainant's case that Mr Allam is not a fit and proper person to hold a gaming related licence, because (as established by this Complaint) he did not hold the requisite licence to sell gaming machines, or parts, in NSW.
304. Mr Allam concludes "Submission 6" with the following final arguments, apparently by way of mitigation:
- Paragraph 38 of the Findings Letter does not mention destruction or de-authorisation of a gaming machine.
 - When Mr Allam does work for licensed sellers or dealers (as a technician), his invoices refer to the "complete" gaming machine. It is difficult, in those cases, to use language on his invoices that makes clear that he is not engaging in the buying or selling of gaming machines. In future Mr Allam will "consider" providing a disclaimer on his invoices making that clear.
 - The Complainant has not contended that (in cases when he works with licensed sellers or dealers) Mr Allam has been non-compliant with requirements to submit a Moving Devices Form to LGNSW.
 - None of the activities established in Ground 1 of the Complaint have resulted in any additional machine being installed in a NSW venue which is contrary to the maximum permitted number of gaming machines in the venue.
 - None of the activities established in Ground 1 involved a gaming machine having its compliance or manufacturer's plate tampered with or removed, nor false information provided to LGNSW.

- Not one of the activities established in Ground 1 resulted in a contravention of a harm minimisation measure under the Act.
- Not one of the activities established in Ground 1 impacted the balanced development of the gaming machines industry.
- By contrast to the Nowicz Decision, Mr Allam does not hold a seller's licence. This rendered Mr Allam unable to access all parts of the Quickchange system. Mr Nowicz was disqualified for 3 years for conduct that included removing the compliance plates from authorised machines and installing alternate plates. That conduct is not established by this Complaint.

305. The Authority repeats its analysis of the threat posed to the statutory objects of the Act noted above. The Authority notes Mr Allam's submission that paragraph 38 of the Findings Letter does not mention the "destruction or de-authorisation" of a gaming machine but that comment does not assist the Authority in considering what, if any, disciplinary action is appropriate in light of Mr Allam's contraventions of the Act.
306. Mr Allam has compared his conduct to that found by the Authority in the unrelated Nowicz Decision. The Authority accepts that Mr Allam did not tamper with a manufacturer plate or compliance plate (and was not accused of this). His conduct nevertheless formed part of a deliberate, repeated and flagrant breach of his licence - for substantial commercial gain. The facts of this case are quite different to the matters identified in the Nowicz Decision but the Authority considers this case to be *at least* as serious, with the wrongdoing and extent of financial gain more clearly substantiated.
307. The Authority has considered the account Mr Allam has given as to how he performs work for licensed sellers or dealers and the practices he may adopt in the future when invoicing those clients. It is difficult to see how those submissions have much bearing upon this Complaint. The Complainant has taken no issue with Mr Allam's past practices of providing notices to LGNSW about his handling of gaming machines. This Complaint has been determined on the facts and evidence before the Authority.
308. With regard to the Complainant's request for an order that Mr Allam pay the Secretary's entire costs on the investigation, Mr Allam contends that when LGNSW inspectors attended his office, he told them that it was not necessary for them to take the gaming machines away and he would keep them in a separate area. A LGNSW officer told Mr Allam that LGNSW would pay for the storage costs. Mr Allam makes the further observation that the Secretary's staff costs on the investigation "appear high to me". He refers to the costs ordered in the Nowicz Decision (\$6,287.47) and the Authority's decision regarding Mr Tupou dated 14 February 2017 (\$3,637.22) and submits that costs in the amount of \$7,000 would be "reasonable or unobjectionable".

CONCLUSION

309. The Authority has taken into account the final submissions from the Complainant and Mr Allam. The Authority is satisfied, given the seriousness, duration, monetary value and extent of Mr Allam's misconduct, that cancellation of the licence and a substantial period of disqualification to hold a licence is warranted. This will best serve the protection of the industry and the community while sending a signal to others who may be tempted to engage in unlicensed dealing with respect to gaming machines or parts in NSW.
310. The Authority has taken into account Mr Allam's lengthy involvement in the industry and an absence of any adverse record outside of the matters specified in this Complaint, but nevertheless finds that a substantial period of disqualification, for a period of 3 years, is appropriate in the circumstances of this case. Mr Allam's final submissions provide little by way of positive evidence of good character and some lack of appreciation of the gravity of his misconduct.
311. Furthermore, the Authority considers that this period of disqualification should be supplemented with a monetary penalty, as an additional deterrent to those who may seek to profit from the unlicensed dealing in gaming machines or parts. The maximum penalty available against an individual under

section 131(2)(a)(i) if the Act is 200 penalty units, or \$22,000.00. Given the seriousness of this matter the Authority is comfortably satisfied that a penalty of \$11,000.00 is appropriate in the circumstances.

312. On the matter of costs, the Authority notes that the Secretary has established 2 of the 3 Grounds of Complaint. This was a complex investigation requiring a great deal of documentary evidence, investigation and analysis. The Complaint Material is extensive and the nature and scope of allegations are of a different character and volume of material to the allegations and evidence before the Authority in the Nowicz and Tupou cases.
313. The Authority finds that the heads of costs specified in the Complainant's final submission, including staff costs, are reasonable. While accepting Mr Allam's claim that a LGNSW officer told Mr Allam that the costs of storage of the gaming machines would be borne by that agency, that does not preclude the Secretary from later recovering those costs should a disciplinary complaint be established. It was entirely appropriate for LGNSW investigators to seize the machines in the circumstances in which they were discovered and retain those machines as evidence. The Authority considers it appropriate, by way of further disciplinary action, that Mr Allam pay the Secretary's entire costs on the investigation in the sum of \$55,122.39.

ORDERS

314. The Authority makes the following Orders:

- (i) Pursuant to section 131(2)(d) of the Act, Gaming Technician Licence Number **GMT4010748** held by Mr Riad Allam is **cancelled** with effect from 4 February 2020.
- (ii) Pursuant to section 131(2)(f) of the Act, Mr Riad Allam is **disqualified** from holding a gaming related licence, commencing 4 February 2020 for a period of 3 years thereafter.
- (iii) Pursuant to section 131(2)(a)(i) of the Act, Mr Riad Allam is ordered to **pay a monetary penalty** to the Secretary of the New South Wales Department of Customer Service ("Secretary, DCS") in the sum of **\$11,000.00** by no later than 4 February 2020.
- (iv) Pursuant to section 131(2)(i)(i) of the Act, Mr Riad Allam is ordered to pay the Secretary, DCS the amount of **\$55,122.39**, being the costs on the investigation giving rise to this Complaint, by no later than 4 February 2020.

REVIEW RIGHTS

315. Pursuant to section 131C of the Act, an application for review of this decision may be made to the New South Wales Civil and Administrative Tribunal ("NCAT") by the Complainant, the licensee or any person against whom any disciplinary action is taken under Part 8 of the Act, by no later than 28 days after those parties receive notification of this decision.

For more information, please visit the NCAT website at www.ncat.nsw.gov.au or contact the NCAT Registry at Level 9, John Maddison Tower, 86-90 Goulburn Street, Sydney.

Yours faithfully



Murray Smith
Deputy Chairperson
For and on behalf of the Independent Liquor and Gaming Authority

Schedule A – Complaint Material

1. One-page cover letter from Mr Sean Goodchild (“Complainant”), Director Compliance Operations of Liquor and Gaming New South Wales (“LGNSW”) to the Independent Liquor and Gaming Authority (“Authority”) signed and dated 1 March 2018.
2. A twenty-seven page submission particularising the three grounds of complaint (“Complaint”) including a dramatis personae, chronology of events and exhibit list.
3. Exhibit E01: OneGov licence record for Gaming Machine Technician Licence GMT4010748 as at 6 April 2017 and 23 February 2018.
4. Exhibit E02: Australian Securities and Investments Commission (“ASIC”) Company Extract for Tonita Enterprise Pty Ltd (“Tonita”) extracted on 23 May 2017.
5. Exhibit E03: A five-page statement from Mr Adrian Halpenny, Director and Secretary of SG Gaming ANZ Pty Ltd (“the Manufacturer”), dated 31 March 2017 accompanied by the following documents:
 - Exhibit 1: Tax Invoice SI027502 from the Manufacturer to Ramsgate RSL Memorial Club dated 8 December 2014.
 - Exhibit 2: Quickchange Authorisation Report for application number 231457 dated 16 December 2014.
 - Exhibit 3: Sales Credit Note SC001279 from the Manufacturer to Ramsgate RSL Memorial Club dated 9 September 2015.
 - Exhibit 4: Quickchange Authorisation Report for application number 241251 dated 1 September 2015.
 - Exhibit 5: Email correspondence from Mr Paul Bunting dated 31 August 2015 and Ms Sue Virgin dated 28 August 2015.
 - Exhibit 6: Site to Site-Road transport instructions number STG6066038 dated 31 August 2015.
 - Exhibit 7: Email from Mr Paul Bunting dated 18 February 2016.
 - Exhibit 8: Certificate of Destruction issued to The Cleanup Guy by Sydney Metal Traders Pty Ltd dated 9 November 2016.
 - Exhibit 9: Email from Mr Paul Bunting dated 10 November 2016.
 - Exhibit 10: Email correspondence between Mr Troy Bell, Mr James Hall and Mr Riad Allam dated 24 March 2017 and 27 March 2017 including a completed Customer Information Form signed by Mr Allam and dated 27 March 2017 and a copy of the bill issued by LGNSW to Mr Allam for the Annual Gaming Machine Licence Fee 2017, issued on 23 December 2016.
 - Exhibit 11: Quickchange Authorisation Report for application number 265153 dated 29 March 2017.
6. Exhibit E04: Quickchange Authorisation Report for application number 265153 dated 29 March 2017.
7. Exhibit E05: Transcript of the interview between LGNSW inspectors and Mr Ravih Faycal dated 11 April 2017.
8. Exhibit E06: Transcript of the interview between LGNSW inspectors and Mr Riad Allam dated 11 April 2017.
9. Exhibit E07: Transcript of the interview between LGNSW inspectors and Mr Riad Allam dated 17 May 2017.

10. Exhibit E08: LGNSW Notice to Produce dated 20 April 2017, issued to Mr Troy Bell of the Manufacturer under section 21 of the *Gaming and Liquor Administration Act 2007* (NSW) (“GALA Act”).
11. Exhibit E09: Transcript of the interview between LGNSW inspectors and Mr Habib Kayrouz dated 26 April 2017.
12. Exhibit E10: A five-page statement from Mr Paul Bunting, the Warehouse and Logistics Manager for the Manufacturer, dated 30 May 2017 accompanied by the following documents:
 - Exhibit 1: Email correspondence from Mr Paul Bunting dated 31 August 2015 and Ms Sue Virgin dated 28 August 2015.
 - Exhibit 2: Site to Site-Road transport instructions number STG6066038 dated 31 August 2015.
 - Exhibit 3: Email from Mr Paul Bunting dated 18 February 2016.
 - Exhibit 4: Certificate of Destruction issued to The Cleanup Guy by Sydney Metal Traders Pty Ltd dated 9 November 2016.
 - Exhibit 5: Email from Mr Paul Bunting dated 10 November 2016.
 - Exhibit 6: Destruction certificates and list of gaming machines sent for destruction from SG Gaming operations (Milperra and/or Silverwater warehouse).
13. Exhibit E11: Quickchange Authorisation Report for application number 261909 dated 16 December 2016.
14. Exhibit E12: Quickchange Authorisation Report for application number 256662 dated 9 September 2016.
15. Exhibit E13: Quickchange Authorisation Report for application number 259859 dated 9 November 2016.
16. Exhibit E14: Quickchange Authorisation Report for application number 249919 dated 24 March 2016.
17. Exhibit E15: Quickchange Authorisation Report for application number 252878 dated 3 June 2016.
18. Exhibit E16: List of gaming machines sent for destruction by the Manufacturer between January 2016 and April 2017.
19. Exhibit E17: Screenshot of the OneGov search for the individual Mr Habib Kayrouz.
20. Exhibit E18: Transcript of the interview between LGNSW inspectors and Mr Justin Layden dated 13 April 2017.
21. Exhibit E19: Screenshot of the OneGov search for a licence in the name of “Tonita Enterprises”.
22. Exhibit E20: Tonita Invoice number 98005 issued to “Bestnet Gaming” dated 4 April 2017.
23. Exhibit E21: Commonwealth Bank Receipt number N041073405021 dated 10 April 2017.
24. Exhibit E22: ANZ Bank Statements for Tonita between 1 January 2016 and 11 April 2017.
25. Exhibit E23: Email correspondence between Mr Anthony Vescio and Mr Andrew Restauro dated 4 May 2017 containing Central Monitoring System user interface screenshots for application number 261909.
26. Exhibit E24: Tax Invoice 428 issued by Better Returns Holdings Pty Ltd (“Better Returns”) to Balgowlah RSL dated 20 December 2016.
27. Exhibit E25: Commonwealth Bank Statements for Better Returns between 1 January 2016 and 10 April 2017.
28. Exhibit E26: Tonita Invoice number 70094 issued to Better Returns dated 15 December 2016.

29. Exhibit E27: Tax Invoice 342 issued by Better Returns to Hornsby RSL dated 23 March 2017.
30. Exhibit E28: A four-page statement from Mr Nathan Storey, Sale Account Executive for the Manufacturer, dated 14 June 2017 accompanied by the following documents:
- Exhibit 1: A screenshot of an SMS text message exchange between Mr Layden and Mr Storey dated 24 March 2017.
 - Exhibit 2: Quickchange Authorisation Report for application number 265153 dated 29 March 2017.
 - Exhibit 3: Quote/Order Request Template and Official Quotation signed by Ms Sue Backhouse of Hornsby RSL Club Limited dated 11 April 2017.
31. Exhibit E29: A three-page statement from Ms Suzanne Backhouse, Gaming Manager at Hornsby RSL Club Ltd, dated 19 April 2017.
32. Exhibit E30: SG Gaming ANZ Pty Ltd Customer Order ORD-21542-P1N9N4 signed by Mr Nathan Storey and dated 30 March 2017.
33. Exhibit E31: Tonita Invoice number 65708 c issued to Aumaas Dooel dated 21 September 2015; Tonita Invoice number 95944C issued to Arnold Enterprises Ltd NZ dated 16 February 2016; Tonita Invoice number 700220 issued to Honiara Casino Limited dated 24 May 2016; Tonita Invoice number 65088 issued to Cargonza Gaming dated 15 March 2017 and Tonita Invoice number 65068 issued to OD-AIWO Gaming dated 9 January 2015.
34. Exhibit E32: LGNSW Notice to Produce dated 15 May 2017, issued to Mr Riad Allam under section 21 of the GALA Act.
35. Exhibit E33: Email from the Office of Liquor, Gaming and Racing staff (now LGNSW) dated 3 May 2016.
36. Exhibit E34: Transcript of the interview between LGNSW inspectors and Mr Jason Leong dated 16 May 2017.
37. Exhibit E35: OneGov licence record for Gaming Machine Seller Licence GMS4010639 as at 6 April 2017.
38. Exhibit E36: A two-page submission from Mr Craig Hodge, Operations Manager of Richmond Club, dated 1 May 2017 accompanied by the following documents:
- Email correspondence between Mr Craig Hodge and Mr Justin Layden dated 1 March 2017 and 3 April 2017.
 - Quickchange Authorisation Report for application number 255633 dated 16 August 2016.
 - Quickchange Authorisation Report for application number 258228 dated 12 October 2016.
 - Quickchange Authorisation Report for application number 260520 dated 24 November 2016.
 - Quickchange Authorisation Report for application number 260618 dated 26 November 2016.
 - Quickchange Authorisation Report for application number 262129 dated 21 December 2016.
 - Quickchange Authorisation Report for application number 265935 dated 11 April 2017.
39. Exhibit E37: Tonita Invoice number 700239 issued to Sydney Slot Machines Pty Ltd ("Sydney Slot Machines") dated 23 May 2016; Tonita Invoice number 700266 issued to Sydney Slot Machines dated 23 June 2016; Tonita Invoice number 700269 issued to Sydney Slot Machines dated 21 September

2016; Tonita Invoice number 700305 issued to Sydney Slot Machines dated 8 February 2017 and Tonita Invoice number 700306 issued to Sydney Slot Machines dated 13 February 2017.

40. Exhibit E38: Chipping Norton Warehouse Inventory.
41. Exhibit E39: Gaming Machines Review – SG Destruction Machines Current Provenance.
42. Exhibit E40: Screenshot of the OneGov search for a licence in the name of “Tonita Enterprises”.
43. Exhibit E41: Screenshot of the CRM Search for Riad Allam premises.