

## EXECUTIVE SUMMARY

This Inquiry was called for two reasons. First, because the Authority did not receive what it considered to be a full and timely account of the cessation of the employment of the former Managing Director of The Star, Mr Sid Vaikunta. Secondly, when it became public that his employment had ceased, a number of people came forward with allegations and complaints and the media published stories containing information critical of the casino's operations.

After reviewing all the documents held by The Star and Echo concerning the cessation of the employment of Mr Vaikunta and hearing public and private evidence as to those events, the Inquiry is satisfied that Echo promptly, properly and thoroughly investigated allegations made by two of The Star's managers of, respectively unwelcome sexual advances and unwelcome comments of a sexual nature against Mr Vaikunta. It did so free from external influence.

Those events occurred on 6 and 8 December 2011, were reported to Echo management on 12 December and an investigation commenced shortly thereafter. Mr Vaikunta was suspended on 19 December. Subject to the consideration of any submissions by Mr Vaikunta, Echo management were satisfied that most of the allegations were substantiated and amounted to a breach of its policies by 22 January 2012. Properly, Mr Vaikunta was given a period of time in which to respond to the findings and to obtain advice on the terms of his departure. That was all completed by 1 February and an announcement made on 2 February.

The Inquiry has obtained legal advice that The Star and/or Echo may have breached its contractual and statutory obligations to the Authority in not notifying it earlier than 2 February. The Star and Echo have submitted legal advice that no obligations have been breached. It is a matter for the Authority whether it is of the view that there are grounds for disciplinary or other action against either entity and, if so, whether to take that action.

In addition to media articles and speculation, the Inquiry received 28 submissions from 25 persons. Half of the submissions were anonymous. Some of the other submissions were made with a request that the person's name not be disclosed. Some submissions were made to or received by the Minister's office and referred to the Authority. Most submissions concerned issues dealt with in the Section 31 Investigation Report which was completed on 2 December and released on 22 December. Many of the remainder were outside the regulatory responsibilities of the Authority. A handful concerned suspected drug use and were referred to the NSW Police. The Police have told the Inquiry that they are not pursuing any of those drug related matters. The remaining few which contained allegations or complaints were investigated. None raised concerns about the integrity of gaming, criminal influence in the casino or harm to the public.

Six people made public allegations against the casino on television or in print. Each has been examined about those allegations. It is the case that none of the serious allegations made and reported has been found, on examination by the Inquiry, to be true. Ms Soraya, a former security trainee gave evidence to the Inquiry which did not support the published claim that the casino was full of racist bullies. Mr Boyd, the secretary of the United Voice union gave evidence to the Inquiry which did not support the published claim that he was alarmed but not surprised by allegations of sexual harassment and illegal drug taking. Mr Boyd gave evidence he knew nothing of those matters.

On his own evidence, Mr Culpan, a former acting Pit Manager had made complaints to casino management for years and as recently as early February 2012 and October 2011 he had been told of the detailed investigative steps taken by casino management to address those matters. This is in stark contrast to his account published by Channel 7 that *"No matter what you report, no matter what you see, no matter what you say, nothing is ever done about it"*.

Further, Mr Culpan's statement of chronic drug abuse among senior management, published by Channel 7 was based on one observation he had made of one senior manager in 2011 where he thought from the senior manager's appearance that he was on some substance. That evidence has been rejected by the Inquiry as a reliable indicator of any drug use.

Ms Ward's, a former acting Casino Duty Manager, published account of nothing being done about a high roller who sexually harassed a dealer is again in contrast to the documented account of the action taken by the casino which included moving the dealer and having security escort the player from the casino when concern was raised about his drinking.

Mr Lin, a former Government Inspector who left the casino in 2008, spoke to the ABC of a "black hole" where his "dozens or hundreds" of recommendations for prosecution of the casino ended up. A simple check of Annual Reports of the Authority would have shown that the casino operator was the subject of prosecution by the Authority. The Authority's records reveal that Mr Lin was the author of five recommendations for prosecution and that each was acted upon. Mr Lin spoke of suicide, attempted suicide and expressions of intent to suicide being a daily occurrence. When giving evidence to the Inquiry, he accepted that between 2001 and 2008 there had been only one suicide at the casino complex. On that occasion, instead of being "covered up", the police and ambulance attended and the government inspectors were informed.

It has been an important function of this Inquiry to air the allegations made, particularly those made publicly, and properly test them. The fact that many of them have been found wanting is troubling because it results in the public's understanding of the regulation and operation of the casino being based on inaccuracies. There are very good reasons for whistleblowing to be encouraged and whistleblowers to be protected. However, to attract

that protection, those making allegations have responsibilities. They include a responsibility to accurately report their concerns and observations, acknowledge when they do not have first-hand knowledge of events, not to exaggerate or engage in hyperbole, and to properly restrict their allegations to the time in which the events occurred.

Those who publish such accounts are usually bound by a code of conduct or practice. For example, the Media Alliance Code of Ethics provides that journalists should “*search, disclose, record and question*” and report and interpret honestly, striving for accuracy, fairness and disclosure of all essential facts. Where a source seeks anonymity, they should not agree without first considering the source’s motives and any alternative attributable source. The ABC has a Code of Practice which is in similar terms.

These steps and efforts are appropriate to be taken by media outlets when approached by or when courting whistleblowers.

The information obtained during this Inquiry serves to reinforce the comments and recommendations made in the Section 31 Report. Ensuring compliance with responsible service of alcohol principles remains important, educating staff on indicators of problem gambling needs to occur and communicating more effectively the reasons for change is necessary. There was no matter raised during this Inquiry which requires any additional recommendations to be made or which suggests that the findings made in the Section 31 report are no longer current and relevant or need to be supplemented.

Sexual harassment should not occur in any workplace. Echo and The Star have demonstrated a positive culture which has systems in place for reporting sexual harassment, including anonymously, investigating claims and taking action commensurate with the findings of those investigations.

