

# Casino jitters as US investigators arrive

James Packer's massive punt on the US casino industry could be derailed by a probity investigation into the operations of Melbourne's Crown Casino.

The embattled billionaire agreed to pay USD 1.75 billion (AUD 2.59 billion) for the Cannery Casinos chain in 2007 but still requires approval from a US gambling regulator for the deal to proceed.

The Sun-Herald can reveal agents from the Pennsylvania Gaming Control Board will visit Melbourne next month to determine Crown's suitability to hold a licence for the Meadows Racetrack and Casino.

Stephen Tedrick, an agent with the board's Bureau of Investigations and Enforcement said he would examine allegations that Crown deliberately targeted a chronic gambler and cashed stolen cheques.

Mr Tedrick plans to meet gambling addict Harry Kakavas, who is suing Crown for more than AUD 50 million. The Gold Coast real-estate agent turned over AUD 1.4 billion in a 14-month gambling spree after allegedly being lured back to Crown while banned from every casino in Australia.

Crown is defending the claim.

Mr Tedrick will hear recordings from a hidden device worn by Mr Kakavas, which captured Crown's senior management allegedly enticing him to gamble again.

Crown's chief executive Rowen Craigie – who faces serious claims of unconscionable conduct in Mr Kakavas's writ – is also expected to be interviewed next month as well as the

Victorian Commission for Gambling Regulation (VCGR).

Pennsylvania Gaming Control Board agents will also speak to several clients of disgraced accountant Frank de Stefano, who stole AUD 8.6 million and gambled the proceeds in Crown's exclusive Mahogany Room. De Stefano was jailed for 10 years in 2003.

Crown paid millions to 12 of de Stefano's clients, after a Supreme Court writ alleged the casino cashed cheques worth millions of dollars, knowing the funds were stolen from trust accounts.

Brothel owner Donna Murdoch, who lost AUD 250,000 to de Stefano, alleged Crown increased his cheque-cashing facility on 450 occasions. She claimed casino staff contacted the former Geelong mayor two days before his cheques were presented to ensure sufficient funds had been transferred.

Last September, the casino was ordered by the VCGR to „review its monitoring systems and implement changes so as better to identify situations in which gamblers could be gambling with other people's money“.

Crown spokesman Gary O'Neill refused to comment on the US licensing application yesterday.

While Mr Packer has already received approval for three Las Vegas casinos by the Nevada Gaming Commission, a decision to deny a licence in Pennsylvania could scupper his US expansion plans.

He is expected to appear at a public hearing before the Pennsylvania Gaming Control Board next month, following a disastrous year for the family empire, which lost more than AUD 3.5 billion in value.

As the casino, media, property and financial service businesses hemorrhage about AUD 10 million a day, Mr Packer

has been forced to curb his lavish lifestyle.