

# Pokies giant accused of pay-off bid

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Government's shock decision in April to end the duopoly held by Tabcorp and Tatts, and allow individual clubs and pubs to own and operate poker machines after 2012

Last night Tabcorp spokesman Bruce Tobin said the matter related to a legal dispute between Clubs Victoria and its former president

"Tabcorp strongly denies any suggestion that it has engaged in any improper behaviour. Tabcorp has not seen the statement of claim and is unable to comment any further," he said

Mr Wiegard defended the deal as a "commercial arrangement"

The revelations are part of a bitter rift between Clubs Victoria and Mr Wiegard, who resigned in June and founded a new representative body for suburban poker machine clubs funded by Tabcorp

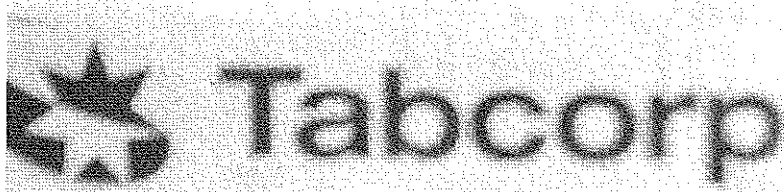
Clubs Victoria lawyers say Mr Wiegard breached his contractual obligations while president of the organisation and colluded with Tabcorp to benefit his private company, Sportsgard.

Mr Wiegard and Tabcorp gaming chief executive Mohan Jesudason are also alleged to have organised several industry meetings in May and June, when they tried to persuade venue owners and sponsors to sever links with Clubs Victoria and join their new representative body.

The former Fitzroy president and AFL life member refused to discuss the claims last night.

"It's just a statement of claim at this stage and nothing has been proven," Mr Wiegard said. "I better be careful as I'm not really used to legal action, but we will defend it vigorously and our response is almost ready."

ACCC chairman Graeme Samuel last night declined to comment on the legality of the \$20 million inducement, saying the matter was before the courts.



## HOW THE DEAL WAS DONE

**JULY 2001:**  
The Bracks government announces Tattersall's and Tabcorp poker machine duopoly would be reviewed in the lead-up to the end of the licences in 2012.

**JANUARY 4, 2006:**  
Review into duopoly begins

**DECEMBER 5, 2007:**  
Clubs Victoria decides to mount a challenge to operate poker machines in Victoria.

**MARCH 7, 2008:**  
The Age reveals Clubs Victoria's bid to become poker machine operator, post-2012 (inset).

**MARCH 12:**  
Between 12.58 and 1.38pm, Wiegard telephones Tabcorp gaming chief executive Mohan Jesudason saying that Clubs Victoria intends to accept the offer, but advises Tabcorp to clarify that the deal would not allow Clubs Victoria to bid for a poker machine licence.

At 1.38pm, Funke Kupper sends email to Wiegard with a revised offer that requires Clubs Victoria to refrain from any bidding for gaming licences and to issue a press release by 4pm supporting the current gaming licence structure.

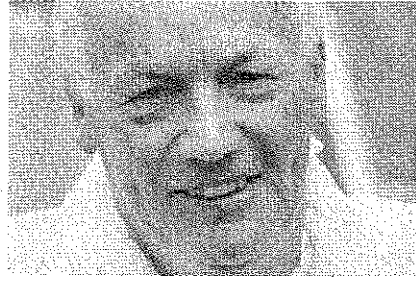
At 3.22pm, Kearney, unaware of the revised offer, accepts the first proposal.

At 3.57pm, Tabcorp rejects Kearney's offer because of her failure to accept the revised terms.

**APRIL 10:**  
Government abandons gaming duopoly.

**MAY 26:**  
Jesudason advises Kearney that it will not sponsor Clubs Victoria under its current leadership and will deal with clubs through its own council. It will continue to deal with Wiegard.

**JUNE 3:**  
Wiegard resigns as president of Clubs Victoria.



At 10.19am the same day, Tabcorp chief executive Elmer Funke Kupper (main picture) offers Clubs Victoria president Leon Wiegard (inset) a "partnership extension agreement" that included \$1.5 million annually over 10 years and a one-off \$5 million payment if Tabcorp had its contract renewed post-2012.

**MARCH 11, 2008:**  
Clubs Victoria executive director Margaret Kearney recommends that the agreement be accepted.



SOURCE: STATEMENT OF CLAIM, SUPREME COURT, CLUBS VICTORIA AND LEON WIEGARD