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HEARING

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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE PETER M. HALL QC  
CHIEF COMMISSIONER

PUBLIC HEARING

OPERATION TOLOSA

Reference: Operation E17/1221

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON WEDNESDAY 11 MAY, 2022

AT 10.00AM

Any person who publishes any part of this transcript in any way and to any person contrary to a Commission direction against publication commits an offence against section 112(2) of the Independent Commission Against Corruption Act 1988.

This transcript has been prepared in accordance with conventions used in the Supreme Court.

THE COMMISSIONER: Yes. Mr Darams, I'll just have the oath readministered.

MR DARAMS: May it please.

THE COMMISSIONER: if you wouldn't mind just standing, Mr Colacicco.

THE COMMISSIONER: Yes, Mr Darams.

MR DARAMS: Mr Colacicco, I just want to recap some of the evidence from yesterday in relation to Mr Sawyer.---Yes.

10 So by, sorry, in 2012 you and Mr Sawyer, and others, had, or were part of the syndicate that had purchased a horse, Northern Glory?---That's correct.

Yesterday I showed you some evidence that suggested that that horse was sold in 2013, that is you disposed of your interest.---That's correct.

You believe that Mr Sawyer and others disposed of their interest at the same time?---Yes.

20 Now, your evidence yesterday was that you had also known Mr Sawyer since he commenced at Canada Bay Council.---That's correct.

He was most likely introduced by Mr Tsirekas?---Yes, it could have been at a function.

Mr Tsirekas could have introduced you to Mr Sawyer at a council function, is that right?---That's correct, yes.

You had, after you had been introduced to Mr Sawyer, you started to socialise with Mr Sawyer?---That's correct.

30 That socialisation included attending a Christmas, at least one Christmas event at Mr Mercuri's house?---Yes.

Mr Tsirekas and his then former wife, sorry, now former wife was present as well?---Yes.

You also continued thereafter to socialise with Mr Sawyer?---Yes.

40 Would it be fair then to describe or say that you and Mr Sawyer, by 2015, were close friends?---Yes, we were.

Did you put, or would you put Mr Sawyer in that same category of close friends as at 2015, like Mr Tsirekas at that time?---Yes, I would.

Do you also attend the Nield Park café from time to time with a group of other gentlemen?---Yes, I do.

How long have you been attending the Nield Park café with those gentlemen?---I don't recollect the date exactly but it's been quite a while.

10 So would it be 10 years?---I, I don't remember. I don't, I don't know exactly the date.

Well, is it more than five years?---Yes, it would be.

Yeah. So before 2017?---Yes.

What about before 2015?---Possibly.

20 Can you recall who has attended that gathering from time to time, the persons?---There's a group of about 10 of us and we come in and out, depends who can make it, who can't, if someone's away.

Can you assist me with the names of some of those persons who have attended?---Yes. Myself, Angelo, on occasions Gary would come in and out.

Sorry, when you say Gary, Gary Sawyer?---Gary Sawyer, yep. Nino Panuccio, Tony Pace, Carlo, Sarkis and Andrew.

30 Sorry, who's Andrew?---Andrew Aliozzo.

Andrew Aliozzo. Carlo who?---Ianni.

Sarkis?---Elias.

Are they the core group of, well, we might describe them as a core group of people who attend?---Yes.

40 Is the gathering, is it every Friday?---Sometimes it is, but obviously if some people can't make it, we, we know that 7 o'clock, who's there, who's there and, and then by 8 o'clock, we just dispose - - -

There's an understanding amongst the group that people will attend - - -?  
---Yes.

- - - at about 7 o'clock. If you can make it, you attend, if you can't, you  
- - -?---That's correct.

If I wanted to go out at 7 o'clock on the Friday and meet up with the group,  
then I know they'll be there for a period of time?---That's correct.

10

Has that been the same arrangement since you started attending the Nield  
Park café?---Yes, it has.

Can I ask you about Mr Joseph Chidiac now?---Yes.

Do you recall when you first came to be introduced to Mr Chidiac?---I don't  
recall the exact time or, or, or year.

20 Do you recall the circumstance of the introduction?---Only at the time, I  
think he was helping Angelo with an electoral campaign.

Did Mr Tsirekas introduce Mr Chidiac to you?---I believe so.

Can you think of anyone else who might have introduced Mr Chidiac to  
you?---No.

Now, you said you believe it was in relation to an electoral campaign?  
---That's correct.

30 Was that a local government election?---It may have been, it may have  
been, yes.

Well, you're good friends with Mr Tsirekas?---Yes.

You know because of your relationship with Mr Tsirekas - - -?---I think it  
was the local council, yes.

40 Yeah. Now, If it was the local council election, that was sometime before, it  
was one of those elections sometime before November 2015?---Correct, yes.  
Yes.

The reason I suggested to you November 2015 is because you travelled to Shanghai in November 2015 and Mr Chidiac was on that trip, as well?  
---That's correct.

You knew Mr Chidiac before you travelled to Shanghai with him?---Just sometime before.

Yeah. So then I was going to, do we understand your evidence to mean that whenever the local government election before November 2015, that was  
10 the time you were introduced to Mr Chidiac?---Yes, I think so.

Do you recall how Mr Tsirekas introduced you to Mr Chidiac, that is, what he explained Mr Chidiac did?---Just a friend and he'll be helping out with the campaign.

Just a friend helping out with the campaign. Do you know what Mr Chidiac actually does?---No, look, I was only meant to believe that he was a property investor and developer and I think he had a security company before that.  
20

So you said you were led to believe. What do you mean by that?---Well, that, that's as far as I, I knew that's what his background was.

Was that from conversations you had with Mr Chidiac?---I, I don't recall. I don't recall if we ever, it probably was, yeah.

So just focusing on this. Do you remember that you had the conversation with Mr Chidiac where you sit down and you ask him, say, "Joseph, what do you do?" something to that effect?---I don't recall but - - -  
30

It's most likely you did do something like that?--- - - - it may have been the case, most, most likely, yeah.

Well, you travelled to Shanghai with him?---Yeah.

It's likely you would have had some conversation with him?---Yes.

So just going back to it all. Tell us what he told you he was doing.---I think it was in, on the trip in Shanghai, I think he mentioned that he was a property investor. And he mentioned, I think he had part ownership in a pizzeria in, in Concord and I think - - -  
40

THE COMMISSIONER: Sorry? Part owner of what?---Sorry?

Couldn't hear what you said.---I think he mentioned that he was a part owner of a pizzeria in Concord.

I see.

10 MR DARAMS: This was on the trip in November 2015 you had this conversation with Mr Chidiac?---Yes.

Did you have any conversations with Mr Chidiac after November 2015 where you discussed what he did?---No, not really - - -

When you say "not really" what do you mean by that?---No, I don't think I ever, we ever discussed it.

20 Right. Did you come to know whether he did anything other than this property investing and this part ownership in the pizzeria?---No, only that I think he was quite active in the Labor Party.

Right. How did you know that he was quite active in the Labor Party?---I, I think he made it known to me at the time.

What, in a conversation?---In a conversation.

Can you tell us what that conversation entailed?---I don't recall the conversation. It was a long time ago.

30 Did he explain the types of things that he did for the Labor Party?---No, not really.

Well, how did you form the view that he was quite active in it, then?  
--- Because I think he was, he was involved in the Labor Party and he was assisting with Angelo and his campaign.

So this is a subsequent campaign, is it, after the November 2015 - - -?---It may have been, yes.

40 - - - trip to Shanghai?---Yep.

Was that in relation to the 2016 federal election?---It may have been, yes.

Well, do you have a recollection now of having some conversation with Mr Chidiac where he explained what he was doing in relation to the federal election for Mr - - -?---Yes, he was assisting, yep.

10 Did you ever attend any events that you understood were arranged by Mr Chidiac in relation to this assistance, fundraising events or things like that?---Not that I recall were arranged by him but I had attended some, some events.

You did attend some fundraising events for Mr Tsirekas?---Tsirekas, yes.

Was Mr Chidiac at those events?---Yes.

But you don't understand that he arranged those events?---No.

Do you know who arranged those events?---No.

20 Did Mr Chidiac ever do or arrange anything for you since you've known him?---In regards to?

Well, anything.---No.

THE COMMISSIONER: In the course of your business, did you from time to time have dealings with Canada Bay Council?---Yes, I did, Chief Commissioner.

30 And attend meetings?---Yes, I did.

Both official meetings and other meetings from time to time as necessary?---Yes.

And over time that you did, did you ever come across Mr Chidiac in or about the council premises?---Not, no, no. I had no, no dealings with him in regards to anything at council.

40 Did you come to know whether he himself was involved in planning matters associated with Canada Bay Council?---No.

You didn't.---No.

Do you know whether he represented people from time to time in relation to planning matters?---No, no. I didn't have much to do with him out of those Labor Party - - -

MR DARAMS: When you say you didn't have much to do with him, you mean Mr Chidiac?---Yes.

10 Well, what was your involvement with Mr Chidiac?---Only when we went to Shanghai delegation.

So when you say Shanghai delegation, you mean November 2015?---If that's the date, yes. That was the first time I've ever been to Shanghai.

The first time you went to Shanghai. You've referred to a delegation. Can you just assist us what you mean by "delegation"?---Well, I think it was a, a delegation of council and local businesses at the time.

20 From the Canada Bay area?---Yes.

Travelling to Shanghai?---Yes, correct.

That was the first time you went to Shanghai?---Yes.

Mr Chidiac was on that delegation?---Yes.

You were on that delegation?---Yes.

30 Mr Mercuri was on the delegation?---Yes.

Mr Tsirekas travelled to Shanghai?---Yes.

Did you understand that was some form of kind of council, Canada Bay Council associated travel event?---Yeah. Yes, it was.

THE COMMISSIONER: Who else travelled with you on that occasion?  
---There was a large group of people which I met for the first time but obviously from the people that I knew it was Angelo, Frank Mercuri - - -

40 Sorry, who? Frank?---Frank Mercuri, a friend, friend, solicitor friend. And there was other, other people that I met for the first time.

When you say met for the first time, were these - - -?---On, on, on the trip.

On the trip coming from Sydney or Australia - - -?---Yes, when we - - -

- - - or people you met at - - -?---When we arrived in, in Shanghai. People that I met there that were from - - -

10 And what was the purpose of this delegation as you understood?---It was a trip to, we visited an area, it was about two-and-a-half hours' drive north to, from Shanghai. I can't remember the actual name of it but we went there for, it was to, to visit this area. One of the ladies I think on the trip was from there so we went to see some manufacturing businesses and we visited some places, some tourism places.

Was this a day trip?---We were there for a few days. We were there for a few days. No, it wasn't a day trip, no. We stayed there maybe for about five days or four days.

20 Right. And in that period of time were you doing some touring as well as - - -?---Yes, we were.

- - - speaking to business people?---Yes, we were.

And what businesses in particular did you visit or have discussions within this area you - - -?---We visited a few infrastructure, government buildings, showed us how they mapped out their city. We visited a telecommunication company where they said that out of so many parts on a mobile phone 70 per cent were built there, and we toured the factory.

30

All right, thank you.

MR DARAMS: You were a real estate agent at the time?---Yes.

Did you go there for the purpose of the your business?---Yes, as well, to just have a look at how they do things.

Well so, what, you went and see how Chinese real estate agents do things? ---That's correct, yep.

40

Well, how do they do things?---Well, I was interested, well, just how they mapped up, mapped out their strategy of infrastructure and buildings and how they plan the city moving forward.

So do you recall the meetings you had with those Chinese real estate infrastructure - - -?---They weren't really, they were, they were government, some of them were from the government of the place that we were at and we were on, on a, like a, a, a tour guide.

- 10 Right. Were any of those specifically related to the real estate business you were operating in Canada Bay?---Not really. Just, I've never been to China and I wanted to go.

When you say you'd never been to China and you really wanted to go, was this more a social trip for you then in that respect?---It, it was, yes.

THE COMMISSIONER: Was this the first time you'd travelled to Shanghai?---Yes, it was.

- 20 And you've been since to that city?---Yes, I have. Yes.

How many occasions have you been to Shanghai since that first time?  
---Maybe, maybe another four times. A second time I believe I went with my Laing+Simmons real estate franchise and, with my partner, my wife and partner, business partner and then I think on three or four other occasions. I can't recall exactly how many times I went with, on, just for a holiday.

MR DARAMS: So the other occasions you went to Shanghai were for the purposes of a holiday?---Yes.

30

Just going to back to Mr Chidiac, subsequent to that trip in November 2015, how often did you socialise with Mr Chidiac after that?---Not very often. Sometimes he might have been at the coffee shop at Nield Park, or if I saw him at a, at some other function, that could have been a Christmas party of the council.

In relation to Nield Park, was he one of the group of members who might have attended on Fridays?---No.

- 40 No. So if he was there he would have been invited by one or more of the other persons there?---No. Look, I, I couldn't answer that but I, I know that

it, like, like I said before, that people knew we there. If they wanted to pop in, they could pop in.

So it's your understanding that Mr Chidiac knew that this group of men gathered at Fridays at the Nield Park café and if he wanted to attend he could easily find you there?---I believe so, yes, yes.

You never invited him?---No.

10 No. Do you know whether Mr Tsirekas invited him?---No, I don't know.

So you might have seen him at the Nield Park café, you might have run into him at, what, mayor functions like Christmas parties?---Yes.

Any other socialisation with Mr Chidiac?---No. Other than when we in China and sometimes he was on those trips.

So on your subsequent trips to China, some of those trips Mr Chidiac was on?---Yes.

20

You socialised with him on those occasions as well?---Yes. As a group.

Sorry?---As a group.

As a group.---Yep.

So in terms of your relationship with Mr Chidiac, did you ever ask him to arrange anything on your behalf, anything?---No.

30 Never asked him to arrange anything in relation to your travel?---No, not that I recall, no.

Did you ever arrange to have dinner with Mr Chidiac, either just you and Mr Chidiac or you and Mr Chidiac and Mr Tsirekas?---No.

What about lunches between you and Mr Chidiac and Mr Tsirekas?---Not that I can recall, no.

40 I take it from your evidence you didn't have that type of relationship with Mr Chidiac. That is, you were only – you wouldn't call him for dinner, you

wouldn't arrange dinners between he and, lunch between he and Mr Tsirekas.---No.

To the extent that you came into contact with Mr Chidiac, it would be incidental contact?---Yes.

He might turn up at the Nield Park café.---Yes. Yes.

He might be at a function that you were at.---Yes.

10

That's a fair description of your relationship with Mr Chidiac?---That's correct.

Otherwise he was on some of these trips to Shanghai you went to?---Yes.

So because he was a part of the group that were at Shanghai, you would socialise with him there.---Yes.

As a part of the group.---Yes.

20

Could I ask that the witness be shown volume 4.2, page 13. Mr Colacicco, you're a very experienced accountant, that's right?---Accountant? Agent.

Sorry, real estate agent, my apologies.---Yes. Correct, real estate agent.

I take it you would have seen this type of document many times before. ---That's correct.

30

You understand this is an extract of information obtained by – sorry, maintained by ASIC.---Yes.

Have you had to use this type of document and information before in your real estate business?---Yes.

Now, this is an extract of information in relation to a company called, is it "Machonic" or "Machonic"?---Machonic.

40

This is a company that you had registered in November 2014?---That's correct.

Do you know how you came up with the name Machonic?---It was a horse that I was involved in.

THE COMMISSIONER: Sorry, I couldn't hear that.---It was a horse that I was involved in.

It was a horse, ah hmm.---I had a share in a horse called Machonic.

10 MR DARAMS: The records show that the company was deregistered on 3 August, 2016.---That's correct.

You were responsible for having the company deregistered, is that right?  
---Yes, I asked my accountant to.

You asked your accountant. Is that Mr Christie?---Yes, it is.

Now, the records also show that throughout, I'd say, the life of the company, you were the sole director.---That's correct.

20 If we could go to page 15, please. The records also show that the only shareholder of Machonic during its existence is a company, or was a company called Four 11 Pty Ltd.---That's correct.

You were a director of that company as well.---Yes.

You were the sole shareholder of that company.---Yes, I believe so.

Throughout the entire existence of Four 11 Pty Ltd.---Yes.

30 Four 11 Pty Ltd was deregistered by you.---Yes.

THE COMMISSIONER: Was that your business address?---That was my home address at the time.

Your home address, all right.

MR DARAMS: Is it the case that you instructed Mr Christie to deregister that - - -

40 THE COMMISSIONER: Just before you go on. I made a direction at the outset of this public inquiry pursuant to section 112 that personal data is

prohibited from publication. The address shown on the document on the screen is subject to that prohibition. It is not to be published or communicated other than by Commission officers for statutory purposes as necessary.

**SUPPRESSION ORDER: PURSUANT TO SECTION 112,  
PERSONAL DATA IS PROHIBITED FROM PUBLICATION. THE  
ADDRESS SHOWN ON THE DOCUMENT ON THE SCREEN IS  
10 SUBJECT TO THAT PROHIBITION. IT IS NOT TO BE  
PUBLISHED OR COMMUNICATED OTHER THAN BY  
COMMISSION OFFICERS FOR STATUTORY PURPOSES AS  
NECESSARY.**

THE WITNESS: Thank you.

MR DARAMS: In relation to Four 11 Pty Ltd, did you instruct Mr Christie  
to deregister that company?---Yes.

20

Did you instruct him to deregister it at the same time you instructed him to  
deregister Machonic?---I believe so, yes.

If I could just ask the witness be shown page 16. I just want to draw your  
attention to the information under Form Type and Date Received. Do you  
see that?---Yes.

The form in relation to the application for the deregistration of the company  
was received on 30 May, 2016. Does that accord with your recollection  
30 now as to when you completed the application to deregister the company?  
---Yes. I would have instructed – my accountant does all of that so he  
would have prepared the necessary documents.

Now, why did you form or register Machonic Pty Ltd?---As mentioned  
before, I, I was, I don't know how the discussions came about but I was in  
discussion with Angelo [REDACTED]  
[REDACTED] and what had happened is he asked me if, he was thinking of  
maybe leaving the council or doing some consultancy work and he didn't  
want his ex-wife to know what was happening, so I basically said, "Look,  
40 I'm happy to help out. As long as we go to my accountant and everything's  
okay, I'm happy to do that."

So Mr Tsirekas comes to you and he tells you that he's, what, thinking about doing some consulting work?---Maybe. Possibly leaving council.

He says to you, "I'm thinking about possibly leaving council"?---Yes.

Clearly that would have been a conversation before 14 November, 2014 when this company was formed?---It may have been just before that, yep.

10 Well, the question is that it had be before you formed the company.---Yes, yes. That's correct.

The sole purpose of you forming the company was because of this conversation with Mr Tsirekas?---Yes.

Do you know where he was employed at that stage?---I don't recall but I think he was at, still at Canterbury Council.

20 So he comes to you and says, "I'm thinking about leaving Canterbury Council and consulting." Is that right?---I don't recall but I, I believe so, yes.

And when you say you don't - - -?---I can't, I can't, I can't recall the exact, it's been a long time, I don't recall the exact conversation. I can't remember that, yeah.

Yeah. You don't remember the exact words that were used.---Yes.

30 But you certainly remember the gist of the conversation or the substance of the conversation you had with Mr Tsirekas?---That's correct. That's why we formed the company.

Yeah. The only reason this company was formed was because Mr Tsirekas came to you and said that he was thinking about leaving his employment? ---Could, yes, could be right, yeah.

Well, there's no other reason why the company was formed, was there? ---No, no.

40 He said that he was thinking about doing some consulting work?---That's correct.

Did he say to you that he wanted to do the consulting work through a corporate vehicle, did he?---At the time we, I, I think that's, that's what the discussion was, yes.

Well, why else would the company be formed?---For that reason.

A company for that reason?---For that reason, yes.

- 10 So you understood, from the conversation with Mr Tsirekas, that he wanted to provide his services through a corporate vehicle?---That's correct.

Why is it then that you were the director of this company and not Mr Tsirekas?---Well, he, he wanted me to, he said, "Can you, can you be the director? I don't want my ex-wife to," or my wife at the time I think it was, well, they were separated, "to, to know anything about it." It was basically helping, I got asked to help a friend. In hindsight now it's a mistake that I've made but - - -

- 20 Well, all you've done here, Mr Colacicco, is formed a company and become a director of a company at the request of a friend.---That's correct.

At the request of a close friend?---Yes.

The close friend tells you, Mr Tsirekas, that he wants to form this company and have you as a director, what, to in effect hide Mr Tsirekas' involvement from his, what, then wife, now ex-wife?---Yes, correct.

Yeah. I take it that, given this - - -

30

THE COMMISSIONER: Can I just understand something? To hide what? ---Look, at the time he said, "I, I just want to start doing some consultancy work," I believe the conversation was, "and I don't, I don't want to show any income or anything that I might, I may earn." That's - - -

He was talking about leaving the council and taking up consultancy work through this corporate vehicle, is that right?---That's correct, yeah.

- 40 Well, you mean to say that he wanted to suppress the fact that he was just earning a wage or earning a fee for a living?---I don't recall the exact conversation but, but he - - -

Doesn't make sense, does it, because, I mean - - -?---Look, I, I've made a mistake. I shouldn't have done it.

No. Well, being as frank as you can, why do you concede it was a mistake that you made?---Because it's something that I shouldn't have done. I was just trying to help a friend. I thought there was no wrongdoing of it, but, you know, from these proceedings and being in here before, I know I've done wrong.

10

So you're saying that he was representing that he wanted to hide the fact that he was actually earning money as a member of the workforce?---I think eventually when he got to start doing the consultancy if that's the way he was going to go.

That doesn't make sense, does it?---No.

I mean, a married couple, the husband's still a member of the workforce, earning money, either as an employee or in consultancy. That's not the sort of information, is it, that you would seek to hide?---No.

20

I mean, if you had assets you wanted to hide, we hear of that happening, unfortunately, in the community, but you, you understand the motivation behind that, whether it's a good motivation or a bad one, but it doesn't seem to be any logical motivation why you would try and suppress the fact that you're in the workforce earning some money?---No, that's right,

Okay. So, in other words, did you see that there was some other objective than that - - -?---No.

30

- - - which you may not have been aware of but - - -?---That, that's right.

Is that the position - - -?---Yes. That's - - -

- - - that there was some other objective but you weren't - - -?---No.

- - - he didn't share with you what that objective might be. Is that the position?---Yes.

40 All right.

MR DARAMS: Just so I'm clear on your evidence, at the time this company was formed, did you see that there was some other objective that Mr Tsirekas didn't tell you about or you've come to know that now?---No, I've come to know about that now, but, no, I didn't know.

Right. Just back to this conversation you had with Mr Tsirekas, obviously, there must have been a high level of trust between you and Mr Tsirekas for you to get involved in this?---Well, I believe so, yes.

10 Yeah. You trusted Mr Tsirekas?---Yes.

You understood that Mr Tsirekas must have trusted you quite significantly at this stage - - -?---Yes.

- - - because he was coming to you and asking you to become, in effect, the face of a company that he was going to use to undertake some consulting work to hide that from his then wife or now ex-wife. That's right?---Yes.

20 So you clearly understood the trust that he placed in you?---Yes.

That's all demonstrative of the nature of your relationship with Mr Tsirekas at this time in 2014, isn't it?---Yes. I was trying to help a friend. I thought I was helping a friend.

Did Mr Tsirekas ever come to you after the company was formed and say, "Frank, I've resigned. I'm going to start using Machonic"?---Not that I recall, no.

30 Well, you had been a close friend of Mr Tsirekas. You know he never used Machonic to provide his consultancy work.---Yes.

Whilst you were the director of Machonic and, ultimately, the shareholder of Machonic through, I think it's Four 11 Pty Ltd, it's the case that Machonic never undertook any trading at all?---No.

It didn't perform any services for anyone?---Not that I'm aware of.

40 Well, you were the director of the company through its entirety. You would have known if that had happened?---Yes.

So you can confidently tell us it didn't do any trading at all?---No.

And unless Mr Tsirekas had come to you and said, "Frank, I'm now going to do the consulting," you would have known that it was going to be doing no trading at all?---Well, yeah, I suppose, so, I - - -

Well, the only purpose that it was set up was - - -?---Yes. Yes.

- - - to allow Mr Tsirekas to consult and unless he came to - - -

10 MR LEGGAT: I object to that. That's not the evidence. The evidence was he [REDACTED]. It's not the sole purpose of setting it up was for consulting, it - - -

THE COMMISSIONER: We'll reformulate the question so it's - - -

THE WITNESS: Yes.

MR DARAMS: Mr Tsirekas came to - - -

20 THE COMMISSIONER: Mr Colacicco, just in relation to these matters that's being asked of you, the Commission appreciates you making admissions as to the fact that you now realise this is something you shouldn't have got involved in.---Yes.

Appreciate your frankness and your cooperation with the Commission. We're seeking to get your cooperation now on other matters which, we're assuming, would have crossed your mind as to what lay behind the establishment of this company, given that it wasn't a trading company as it turned out to be. So if you just attend to Counsel's questions and I'd  
30 appreciate if you could provide the Commission with the relevant information that we need to know.---Yes, Chief Commissioner.

MR DARAMS: The company was formed because Mr Tsirekas told you that he was thinking about resigning from council and consulting.---Correct.

You were the sole director throughout the entirety.---Yes.

You understood it was never your intention to trade through Machonic.  
---No.

40

You understood that unless Mr Tsirekas came to you and said, “I’m now resigning and I want to trade through Machonic,” then it wouldn’t undertake any trading, is that right?---Yes.

Yeah. Could the witness be shown volume 4A, page 33. Mr Colacicco, this is a bank statement for an account held in the name of Machonic Pty Ltd. It’s the company we’ve been talking about.---That’s correct, yes.

10 You can see that the account appears to have been opened on 14 January, 2015.---Yes.

Does that accord with your recollection of when you opened this bank account?---Yes.

I take it that at this time, that is by 14 January, 2015, Mr Tsirekas hadn’t come to you and said, “Frank, now’s the time to start trading under Machonic because I’ve resigned from my employment.”---I, I don’t recall that. I don’t recall whether he had resigned or not, I’m not sure.

20 Well, you know that he hadn’t resigned to undertake trading through Machonic, don’t you?---Sorry, could you say that again.

You know, because of your relationship with Mr Tsirekas and you were the director of Machonic, that he never resigned to commence providing consultancy services through Machonic.---I don’t know whether he had resigned or not. I don’t know the dates. I’m not about if he had resigned from Canterbury Council, I’m not sure.

30 Just focusing on resigning from Canterbury and coming to you and saying, “I’m ready to trade through Machonic now.”---I don’t recall that conversation.

That conversation never happened?---No. I don’t recall.

‘Cause you know that Mr Tsirekas didn’t resign from Canterbury Council before 14 January, 2015 and come to you and say, “I’m ready to trade through Machonic now.”---Correct.

40 So given that you hadn’t had that conversation with Mr Tsirekas, given – that’s one point, you hadn’t had that conversation. You weren’t ever

intending, as I understood your evidence, to use Machonic to otherwise trade, is that right?---No.

So why did you open the bank account?---Because I was obviously asked to open the bank account, but, and there was obviously, as you can see there's, you know, from discussions before, there's some bills that had to be paid as well.

10 Let's just go back to – obviously opened the bank account, well, it is obvious you opened the bank account. Who asked you to open the bank account?---Mr Tsirekas.

Did you ask him why he wanted you to open the bank account?---No, at the time I, 'cause the company, really it was in my name but it was, I done it as a friend for, for Angelo. He said, "We need to open up a bank account."

20 So he comes to you and says, "We need to open up a bank account." Doesn't that strike you as odd? Why didn't you say to him, "Haven't you got your own bank account?"---No, because as I said, at the time the purpose of it was that he wanted to keep things from his – I don't know if they were divorced then [REDACTED] and the reason hence why I opened the company for him.

We understand you opened the company because he had the conversation with you about considering resigning and consulting through the company and keeping that from his wife, that's right?---(NO AUDIBLE REPLY)

You'll have to say yes or no.---Yes.

30 He hasn't had a conversation with you before 14 January, 2015 where he says look, I'm now resigning or I'm proposing to resign and I want to use Machonic so let's open up a bank account. He doesn't say that?---I don't recall that conversation it was so long ago.

Well, what I'm - - -?---I know that I, I was instructed to open up a bank account and hence why I opened up the bank account.

40 Yeah. What I'm saying to you is that you don't recall the conversation because it didn't happen that conversation with Mr Tsirekas.---Well, I can't say if it did or it didn't.

Well, you know - - -?---I, I don't recall it.

No. But you know these facts, don't you, that he never resigned from Canterbury Council to trade through Machonic, consult through Machonic? You know that.---Yes, okay.

Yeah. So if he didn't do that, it's very improbable that he had a conversation with you where he said he was going to do that. You accept that. It would follow, wouldn't it?---Yes.

10

THE COMMISSIONER: So could I just check a couple of details. The account at the CBA bank was opened I think you've said by yourself. Is that right?---That's correct.

Is that right?---Yes.

Yeah. And this statement for the period 14 January to 31 March, 2015 is addressed to the director of Machonic and that's you?---That's, that's correct, yes.

20

And the address shown there, what address is that?---That was my office address on Victoria Road.

Your business address.---Yes.

Still your - - -?---No, no longer my business address.

MR DARAMS: So going back to the question about why the bank account was opened, why was it opened?---I would have been instructed to open it.

30

So you were instructed by Mr Tsirekas to open the bank account?---Yes.

Okay. Well, why don't you say to him, "Why do you need a bank account in Machonic if you're not using it to provide your consultancy services?" ---Well, I didn't know. Maybe he was intending to use it.

But you would have known he was intending to use it to consult because he would have told you that.---I don't recall the conversation. It's so long ago. However, I was instructed to, to open up a bank account of which I did.

40

So your evidence is Mr Tsirekas, your close friend, comes to you and says, "Frank, can you open up a bank account in the name of Machonic?"  
---That's correct.

You did as he asked you to do.---Yes.

Is this another example of you helping out your close friend, is it?---Yes.

I asked you before – sorry, you'd agree then that this is a further example  
10 that demonstrates the closeness of your relationship with Mr Tsirekas?  
---Yes.

It's a further example that demonstrates the trust that existed between you and Mr Tsirekas at this time.---Yes.

THE COMMISSIONER: Mr Colacicco, I think you've accepted that this was a very unusual arrangement that, going back to the establishment of Machonic for example - - -?---It was wrong, Chief Commissioner. Now I  
20 know it was wrong.

Yeah, well, it was wrong.---Yep.

But also it was out of the ordinary, that is - - -?---I was trying to, I, I thought – sorry.

Sorry, go on. You go. You finish.---I thought I was helping a friend. I didn't see that I was doing anything wrong. I got advice from my accountant. We went there to ask for this and I, and I, I've done the wrong thing. Now I know I've done the wrong thing, hence why I'm here.  
30

I'm just moving on from the establishment of Machonic. Once the company evidently commenced some form of activity whereby moneys were being generated - - -?---Yes.

- - - there was obviously a need for a bank account.---Yes.

And that's the way this came about. You were approached it seems at or about 14 January, 2015, or perhaps shortly before, by Mr Tsirekas with the request to open the account.---Yes.  
40

And you complied with that request. Is that right?---Yes.

And you, as an experienced man of business, realised that as a director of a corporation, of a registered company, would be responsible for and indeed could be liable for the use of a company's account by another person.

---That's correct.

Another person who is neither a director or shareholder of the company. Is that right?---That's correct.

- 10 So that the unusual arrangement about being approached to register this company was enhanced or magnified because now you were becoming a customer of the CBA, that is to say you in your capacity as director of the company?---Yes.

And a bank account was now going to be, and was, as you were aware, used by not yourself or by any agent of yours or any family member, but by somebody who had no relationship to you other than a friendship?---Yes.

- 20 All right. Once that happens you would be conscious of the fact that now that you're on the register as the director and somebody else, a friend, is using the account, you would be concerned, I'm sure, wouldn't you, that you're not exposing yourself to any possible illegality? That is to say, if the account was being misused, for example, for some unlawful purpose. Is that right?---Yes.

These are basic matters of people in business, you understand that?---Yes.

And you've, in effect, becoming vulnerable, potentially, if that account is being misused?---Correct.

30

Well, as I said, being an experienced man in business, you must have made some enquiry of Mr Tsirekas as to, well, what's the account now going to be used for.---As, as, as far as I thought it was because he didn't want to, he, as you will see later on, there's some money that's gone in that he didn't want his wife to know, ex, or ex-wife to know and I thought I was helping a friend and I, I made a, a bad, bad mistake.

But you were exposing yourself, you were becoming vulnerable, once this account was opened and used.---Yes, correct.

40

Because you were not exercising any control over it, you were leaving that in the hands of Mr Tsirekas.---Well, the control that I had is that I was the sole, sole access to the account and there was no access to Mr Tsirekas.

Well, you, on this occasion, have clearly received a bank statement from the CBA.---Yes, that's correct, yep.

10 And you looked at it and saw that the account was indeed now being used and you could see the entries on the statement.---Yes. Because I, I, I made those entries.

Hmm?---I made those entries.

When you say you made those entries, made them - - -?---The deposits that are there.

You did the depositing?---Yes.

20 Okay. So you not only opened the account that was being used by Mr Tsirekas but as to the actual deposits going into it, you were in charge or exercising control over that?---Yes.

All right. So does that mean you physically attended the CBA, made the deposit?---Yes.

So that when the statement came in you could see that it was reflecting what had actually happened?---Yes, Chief Commissioner. Yes.

30 Well, then the bank statement suggests there were a number of cash deposits there.---That's correct, yes.

So how were those deposits actually made by you physically? How did you come into possession of the money et cetera and conduct the transaction? ---Angelo would give, if I'd meet up with Angelo he would give me the money and would say, "Can you go put that in the bank?" and I went and put in the bank.

40 So the first entry, as the bank statement shows, was a cash deposit on 14 January, \$1,250.---That's correct. Yeah.

Do you see that? And then the next one was another cash deposit of 2,500 and so it goes on as recorded in the bank statement.---Yes, yes.

And I think a total credit is for \$11,250 for that period.---Yes.

So you were saying, quite frankly, that you were the agent of Mr Tsirekas in making the deposits totalling that amount of 11,250 over the period of time the bank statement relates to?---That's correct. Yes.

10 Okay. So that physically involved you, what, meeting with Mr Tsirekas, him handing over to you amounts of cash for each deposit?---Yes, correct.

How did he do that? Did he come to your home, did you go to his place or - -?---No. We, yeah, we sometimes meet at the back of my office because my office wasn't far from there, or if we had a coffee, he, he would give me the money and I would go and put it in for him.

And so you mentioned the back of your office. Was it a - -?---Car park. A council car park.

20

Oh, I see. And when he handed the money over, was it in a package or container or bag or something?---I, I don't recall. Could have been an envelope, could have been just the cash.

All right. So was that the procedure for each of those deposits?---Yes, it was.

For the period of this statement?---Yes.

30 And did you, at any stage, ask him, you know, "What does this money relate to?"---I didn't, Your Honour, and that's a mistake I've made but I didn't at the time. I didn't think it was, was – like I said, I was helping out a friend. He came, gave me the cash, "Can you go put it in the bank?"

In addition to the unusual features about which we've spoken earlier, Machonic and then the banks and the account being opened and so on, the other somewhat unusual feature, would you agree, in this day of cashless society or electronic banking and that sort of thing, on each occasion he was bringing parcels of cash to you. And no doubt it went through your mind, 40 "Well, where's this money coming from?"---Look, it did but I never asked the question. I've done wrong. I should have.

What I'm saying is you did recognise this as sort of unusual, as it developed over time, that every time he's asking you to make a deposit it was a bundle of cash?---Yes.

Did you deliberately refrain from asking him on what activities money was being generated? Because you were, you did have some concern.---Yeah, I didn't, I - - -

10 And you didn't really want to know.---I didn't really want to know.

No. And you didn't really want to know because not only – well, I suppose the principal reason is you did not want to know the source of this, the money. That was his business.---That's right.

Is that right?---Yes.

But you did have a suspicion that it may be that this money, this cash money and these deposits that were being made, may not be all above board.---I  
20 didn't, yep.

Hmm? Is that – is that's so, that you didn't - - -?---It did cross my mind but I never asked, I didn't want to know.

All right. Thank you.

MR DARAMS: Just so I'm clear, at no stage, at lease in relation to these cash deposits, did you say something to him, "Hey, Angelo, where's the cash coming from?"---No.  
30

Could the witness be shown page 39. Mr Colacicco, there's an entry on 13 April, another cash deposit of \$5,000. Did that come from Mr Tsirekas?  
---Yes.

You didn't ask any questions about that?---No.

The 1 June deposit of \$5,000, did that also come from Mr Tsirekas?---Yes.

40 Did it follow a similar pattern in relation to this? That is, he came to you, he handed you the cash, either at the back of your office or maybe some other café or something like that?---Yes.

The cash was either in an envelope – do you ever recall whether it was just handed over as cash that you could see?---I don't recall. It, it could have been an envelope, it could have been just without. I don't recall.

Now, I want to come back to some other of these transactions in a moment, but I just want to deal with the cash transactions for the time being.---Yes.

10 Now, if we go to page 43. There don't appear to be any cash deposits in relation to this period. See that? Mr Colacicco, there are no cash deposits in that period?---No.

No. Could I have the witness be shown page 46. There's a cash deposit there on 16 December, 2015 for \$10,000?---Yes.

That's a cash deposit that was given to you to be deposited by Mr Tsirekas? ---I believe so, yes.

20 Did any other person during the time that this bank account was open give you cash to deposit into the bank account?---Not that I can recall, no.

You would remember that, though, wouldn't you?---Yes.

So you could confidently say that that also came from Mr Tsirekas?---Yes.

In the same manner as you've explained before, the back of your work premises or at some café.---Correct.

30 Could the witness then be shown - - -

THE COMMISSIONER: Just before you leave that. Just go back to – so we're looking at the bank statement 1 October, '15 to 31 December, '15. On 1 October, there's a direct credit in the amount of \$10,000 and against that entry is your name. What's that transaction about?---Chief Commissioner, [REDACTED]

[REDACTED] I was trying to put it all together, to have some definite answers, however, I, the bank hadn't got me in time yet the statements that I was missing - - -

40 I'm sorry? The last bit?---The bank, CBA bank hasn't given me the statements that I was missing, so I think I only had from 1 till 3 and I, I, I

can't recall why but it looks like it's a transfer from one of my accounts into, into this account. Now, whether, I, I can't even recall, I don't know. I've been trying to put it together but, as I said, I've had no luck with the bank on statements.

That's the largest amount recorded so far in the history of the bank statements but you have no recollection of what - - -?---I don't recall the statement, no.

- 10 Drop down to 16 December, the cash deposit, \$10,000. So that was again, as I think you've answered to Counsel Assisting, another occasion which Mr Tsirekas had requested you to deposit that amount?---Yes.

That's a large amount of money to be handling in cash. How was that money delivered to you? Was that in a - - -?---It may have been, it may have been - - -

- - - bag or a container or something?---No, it may have even been in an envelope or a couple of envelopes.

20

But you came to know, either by counting it or by being told about it, the total amount he was handing over to you in cash was \$10,000 on that occasion?---Yes. Yes.

Did that start to heighten your either interest or concern in what moneys were coming in to your account and going out?---As I said, I didn't want to know. I didn't want to ask. There was a friendship there and I just didn't want to know.

- 30 But as a director of the company with now the amounts coming in on a semi-regular basis or a regular basis and now an amount of 10,000 on this occasion - - -?---I'm aware, Chief Commissioner.

- - - that's, one might say, and I just put it forward for your comment, that's stretching the friendship and - - -?---I've made a mistake.

- - - that that would have put you on inquiry as a director and as a person responsible for banking transactions in the name of the company - - -?  
---Yes.

40

- - - but you must have started asking questions of him as to what was going on. Did you?---Yes, in my mind, I probably did, but, yeah, I never asked the questions.

But you never actually - - -?---No.

- - - fronted him and said - - -?---No.

- - - “Look, I need to know”?---No, I didn’t.

10

The next entry is 19 December. It records a transfer from NetBank to “Loan” in the amount of \$5,000. What’s that about?---Look, I can’t recall. As I said, I was trying to trace it all ‘cause it is traceable and don’t know whether I’ve, from time to time, I do still now till today, I’ve got various accounts where I put money in that I don’t use my everyday trading because, as you know, I have got some horses and sometimes the gambling can get out of control. So I’ve, sometimes I’d move money over and then, as I need it, I bring it back. So it could have been one of those transactions.

20 Well, here, you’re not talking about one of your ordinary accounts which are being conducted - - -?---No.

- - - no doubt, properly?---Correct.

We’re talking about an unusual account?---Yes.

But it refers to a “Loan”. What do you know about any loan?---No, it only, I, that’s the term that I even use today and I just, over there as if it’s over there on a loan and then I get it back, I take it back out.

30

Yes.

MR DARAMS: Could the witness be shown page 51? Mr Colacicco, you will see this is a statement for the period ended 31 March, 2016.---Yes.

The closing balance on that occasion is \$2,720 and there’s been a withdrawal of 39,750 on 29 February.---That’s correct.

I’ll come back and ask you some questions about that shortly.---Yes.

40

But the transaction above it, there's a transfer from NetBank, this one's referred to as "Referral" for \$10,000.---Yes. Again, as I was trying to get a hold of these statements, because I didn't have, I wanted to see what that was, but I'm, I'm, again, I'm just thinking that it could have been \$10,000 that I was getting from myself and I just put it into that account so I wouldn't use it, just in case I was gambling that. But I, I can't be 100 per cent correct because I, I couldn't, I couldn't, I haven't received the other statements.

- 10 When you see, or why do you use the – well, first question is, is that a transfer you made?---It, it may be, yes, or it could have come from, I could have directed my business partner or something, maybe we were taking some, some money, dividends out of the company. I could have said, "Just put it to that account so I don't use it in my trading account."

Sorry, just let's be clear on this. Did you say that you told your business partner, Ms Fredrix, to transfer money into this bank account?---That could be a possibility. I'm not saying 100 per cent, as I said.

- 20 But why do you say it could be a possibility?---Because I've done that in the past where I've had a referral fee come through and, from our business, and I've gone to one of my accounts.

So that's what I was going to ask you about. What's this referral fee?---It could have been some work that we've done in the real estate business that I've paid myself.

Yeah. But you can't tell us because you don't know?---I can't tell you because I don't know. It was so long ago and I don't remember.

30

THE COMMISSIONER: Given that you say you couldn't, from records, trace some of these entries and establish what they were about, have you sought to clarify what they're about by speaking to Mr Tsirekas?---No, I haven't spoken to Mr Tsirekas.

Or spoken to anyone else?---No. I haven't, because those these proceedings, Your Honour, I haven't been in contact.

- 40 MR DARAMS: Perhaps if we go back to page 33. I just wanted to ask you about some of these other transactions now, not the cash deposits. So the first one 9 March.---Yes.

So this is a withdrawal from the account of \$4,200.---Yes.

You say "Loan FC".---Yep.

Can you assist us as to why that record says "Loan FC"?---I believe from some of the statements that I could find that I, I, I took 4,200 out of that account back into my account and then I've put it back with the deposit on the 15,200.

10

Okay. So let me walk through this. So this, as I understood your evidence before, this was a bank account that you opened at the request of Mr Tsirekas?---Yes.

You have given evidence that the, at least the cash deposits that were going into the account were from Mr Tsirekas.---Yes.

It's in effect Mr Tsirekas' bank account.---Yes.

20 In effect Mr Tsirekas' money, that's right?---Yes. But there could be some -  
--

Let me just finish.---Yeah, go on.

In effect this is Mr Tsirekas' money, at least at this point in time, is that right?---Yes.

So what you're saying is that you borrowed Mr Tsirekas' money?---I may have, yes.

30

Did you speak to him about that and ask him whether you could do that?---I may have at the time.

No, do you remember doing that?---I don't recall but I may have.

Is it possible you just withdrew the money without speaking with him?---It's possible as well but I don't recall the, I don't recall. It's so long ago.

So if we go to page 39 now.

40

THE COMMISSIONER: Just before you do, the entry on 9 March, transferred to and then it's got a number, a NetBank.---That's my personal account, Chief Commissioner.

That's your personal account. On the next line, it's got "Loan FC". "FC" is your, the initials for your name, you take it?---Yes, it is. Yep.

So this entry relates to a loan and a loan by you - - -?---I've used the word -  
- -

10

- - - or to you, is that right?---Yes, correct.

What does it refer to when it says "Loan FC"?---Loan to me.

Loan to you?---Yeah.

So it was a loan, you say it was to you not by you?---To me.

In the amount of 4,200.---Yes.

20

What was that loan about?---I just would have needed the money to come back into my account, maybe I was short of cash flow, and then I've put it back. There's another transaction of 15,200 on one of the other pages where part of that is the 4,200 and the 500.

Well, do you know whether it did come back to you – sorry, that you did repay the loan?---Yes, I did. In the 15,200 payment.

All right.

30

MR DARAMS: Yeah. So could we go to page 39. I draw your attention to the entry on 29 April. Is this the 15,200?---That's correct.

Now, just in relation to this bank account. You were the sole signatory on it?---Yes.

You didn't give Mr Tsirekas the – sole signatory of the account. You didn't give Mr Tsirekas any passwords or online details that you could access this account online?---Not that I'm aware of, no.

40

So to the extent that there are withdrawals from this account, they're withdrawals made by yourself. That's right?---That's correct, yeah.

Just in relation to these cash deposits. I understand your evidence that you've opened up the bank account for Mr Tsirekas but why is it that you were making the deposits into a bank account?---I was asked to make them into the bank account.

10 But any person you know can put money into a bank account.---I had the access and hence why, one of the reasons where I didn't want to ask or wasn't too concerned at the time was because he's giving me money, cash to put into a bank account so I didn't think there was anything - - -

No, no. My question is slightly different. When you say you had the details, you could give Mr Tsirekas the details of the bank account and you know that Mr Tsirekas could himself walk into a bank and say to the bank teller here, deposit this money into this bank account.---Yes, he could have but that wasn't the case. He gave me the money and I put it in for him.

20 Yeah, but what I'm asking is why? Why don't you just say to him, "Look, I've opened up the account for you, Angelo. Here's the bank details. Just go and put it into the bank"?---I didn't, didn't, it didn't cross my mind at the time and I didn't do it.

So again this is another instance, isn't it, demonstrating the trust between you and Mr Tsirekas because he's handing you over cash and trusting you firstly to put it into the bank account. Is that right?---That's correct.

30 He's also trusting you to – or with control over the bank account you could access the account any time you like and take money out.---Yes.

It looks like you've done that from time to time.---That's correct.

You don't even know whether you spoke to Mr Tsirekas before you did that.---Yep.

So he's trusting you with the security of his money in effect. That's right? ---Yes.

40 You don't ask him any questions about where this cash is coming from. ---No.

The Chief Commissioner asked you or suggested to you that in those circumstances, particularly with the larger transactions, it was stretching the friendship a bit. Is that right?---(NO AUDIBLE REPLY)

You'll have to say yes or no to my questions.---Yes.

Yeah.---That's what the Commissioner said, yes.

10 It's fair to say that you were doing Mr Tsirekas a pretty big favour here, weren't you?---Yes, I was. I was helping a friend that was going through a very bad marriage.

Well, it's a significant favour because - - -?---Yes. I was, yes, and I made a mistake.

Can you just let me finish. It's a significant favour that you're doing to Mr Tsirekas because you've got, on your own evidence, potentially some concern as to where the money is coming from. That's right, correct?

20 ---Yes.

You don't, and you deliberately don't ask him the question as to where the money is coming from.---No, but the ease there was, Mr Darams, that the money was going into a bank account so it was traceable. It wasn't that I was, money was going and I was taking it or I'm going to go and gamble it or not put it in his bank account. The money was going into a bank account.

Just talking about the favour that you did Mr Tsirekas.---Yes. He's a close friend.

30

Yeah, well, I accept all of that.---Yep.

But the favour that you're doing Mr Tsirekas here, you're not asking him at all, when he comes to you with the cash, you're not saying, "Hey, Angelo, we're good mates, but where's this money coming from, mate? I'm a bit concerned"?---No, I didn't.

So he knows he can come to you, give you the money without you asking a question at all, correct? Correct?---I had no sus – yes, correct.

40

Correct. You then deal with it in accordance with his wishes, without asking him any questions, correct?---Correct.

You're not asking him to – you're not asking him any potential uncomfortable questions.---No.

I.e. you're not saying, "Angelo, time to tell me where the money's coming from." You're not doing that at all in this entire period.---No. No.

10 THE COMMISSIONER: You say you, again, intentionally did not ask him.---Yes.

So as director and operator – well, the person who established this account, bank account, you were intentionally allowing things to continue with you adopting what might be referred to as wilful ignorance?---Yes.

Could I take you back to the loan transactions. I asked you about the 4,200 transfer and you said that that might have been because cash flow was, your cash flow was limited or something to that effect.---Yes.

20

As at 2015, were you in full-time practice in your real estate agency?---Yes, I was, yes.

And you have staff and had staff at that time?---Yes. Yes.

So you were, you at that time were – do I assume correctly were an established real estate agency business in the Drummoyne area?---That's correct.

30 And perhaps in other neighbouring areas?---Yes, correct.

You would be one of the main real estate agencies in the area?---Yes.

You seem to suggest, and I appreciate you haven't been able to verify this, but you suggest that the 4,200 loan, "Loan FC", was because of perhaps some tightness in liquidity or something like that.---That's correct.

40 But it doesn't stand up to scrutiny, does it? I mean, why would it be an amount of 4,200 that you, if you were experiencing some cash flow tightness, say, "I want to take out exactly \$4,200"? It doesn't seem to make sense, when you've got a major business operating, that you'd be making a

loan for that purpose in that amount of 4,200. It doesn't sort of, when you think about it, it doesn't really stand up, does it, to rational analysis.---I, I may have owed the betting agency and I could have - - -

Pardon?---I may have owed the betting agency and it could have been that amount and I had to pay it.

10 So are you accepting there could be some other explanation than the one you've given, that is cash flow tightness or some - - -?---Yes, but it could have been something that I, maybe my betting account was, I owed money and I had to pay it back. I don't know. If I could trace it back, I would.

Well, you simply – I think you're adopting the position, correct me if I'm wrong, that you're not suggesting you know what that loan was about. You were surmising it could have something to do with cash flow.---Yes, it could have been, yes.

20 But I think you accept, do you not, that it doesn't really stand up to scrutiny to suggest that that's the explanation because it's such a relatively small amount, a specific amount of 4,200.---Sure.

All right. On 4 April, 2015, there's another entry which refers to "Direct Credit FC". That again stands for your initials - - -?---Yes.

- - - I take it, 15,200. What was that about?---That was the 4,200 going back.

30 But you got 15,200.---Yes. And there was \$1,000 there. And there was, I think at the time there was some, another amount of \$10,000 that I've been trying to trace back that went into that account. Whether it was that I was given cash to put in, I'm not sure.

So you're really not in a position at the moment to explain that - - -?---No.

- - - that entry on 20, is it 29 April? 15,200.---Only that, only that I know that 4,200 was that loan repayment, plus the thousand, there was \$1,000 as well, or two five hundreds, and then there was a \$10,000 amount as well that I think may have been money that Angelo gave me and put in cash.

MR DARAMS: Just so I understand that, it's possible that 10,000 of the 15,200, the direct credit from one of your accounts to this account - - -?  
---Yes.

- - - 10,000 of that could actually have been – this is from what I understand your evidence – a cash amount given to you by Mr Tsirekas that you put into another account.---Yes, probably my personal account.

10 I see. So, we've got, so we should add, shouldn't we, in relation to the cash deposits in this bank account, another \$10,000 - - -?---May be the case.

Yeah. So instead of putting the 10,000 that Mr Tsirekas gives you into the Machonic bank account, you put it into another one of your accounts and then transfer it.---Transfer it over, yes.

THE COMMISSIONER: And of course you're saying you did that with his knowledge and consent?---Well, if he had given me the \$10,000, yes, I went and did that, yes.

20 It wasn't to be then taken by you - - -?---No, no.

- - - to the CBA Drummoyne and deposited into this account?---No, I've put it in.

You're free to - - -?---Yep.

- - - do what you want with it.---Yep.

30 MR DARAMS: I just want to just ask for the moment if the witness could be shown volume 4G, page 81. Mr Colacicco, is the handwriting on this document your handwriting?---Yes, it is.

So this is another copy of a statement, this one being of the period 14 January, 2015 to 31 March, 2015, which is the opening statement, that's right?---Yes.

Now, can you tell us how the handwriting of yours came to be on this document?---I think it was the accountant wanted to know what, what the, what money went into the bank account.

40

What, was this when you were asking him – that is the accountant – to close down the - - -?---No, I think they wanted him to, I don't know if it may have been the at the time that they maybe had to do some accounts for it, whatever it was, or it could have been at the time that we asked him to close it.

When you say “accountant”, you mean Mr Christie?---Yes, Con Christie.

10 Has Mr Christie been your personal accountant for many years?---Yes, he has.

Okay. So just going back to this, do you say that some financial accounts were prepared for this company Machonic?---They may have been.

Have you been able to locate any financial statements?---No. But I'm sure the accountant would have them.

20 Well, if there were some prepared, they would be with the accountant, is that what you're saying?---That's correct, yes.

So just going back, just have a look at the first entry, you've told us under oath today that the entry on 14 January, the cash deposit, was Mr Tsirekas handing you cash that you deposited in this bank account.---Yes.

So why did you write what looks like to be “Loan FC”?---It's just an error. I, I shouldn't have written that, but - - -

But you wrote it. Why did you write it?---Not sure.

30 You must be, you must know why you wrote that.---No, as I stated before, it was cash given to me and I've given - - -

No, no.--- - - - and I've just, I've, I've, I've got in the habit of doing it between my accounts, but I don't know - - -

But this isn't your account. This is Mr Tsirekas' account on the basis of your evidence.---That's correct. Yes.

40 So, okay.---However - - -

So that doesn't explain it.---No.

You've written the words "Loan FC" where you knew that this was a cash deposit given to you by Mr Tsirekas, a loan.---That's correct.

There's no form of loan here at all.---No.

It's – does that seem to suggest that we can't put any faith in the veracity of a reference to "Loan FC" in these accounts?---No, I shouldn't have written "Loan FC".

10

No, no, my question's slightly different. Clearly the deposit of \$1,250 given to you by Mr Tsirekas wasn't a loan by anyone.---No.

But you've written the words "Loan FC" next to it.---Yeah, I've made a mistake.

Well, let's have a look at the next one.

20 THE COMMISSIONER: Well, when you say mistake?---Well, I, I do that a lot on my accounts and I probably just, being that this was an account, I just, it was a, I, I, a habit of doing that.

But you were fully alive, as you've I think explained to us, what this account was all about and - - -?---Yes, that's correct.

- - - that it was an account being utilised for the benefit of Mr Tsirekas, not yourself.---Yep.

30 Well, in particular the entries that you've made in relation to the cash deposits of 14 January, 22 January, 30 January, 10 February and 2 March, as you've explained, they were not loan moneys but they were cash moneys that were actually physically delivered to you by Mr Tsirekas?---That's correct, yes.

And then subsequently banked by you.---Yes.

On his behalf.---Yes.

40 Is that right? Well, you accept that the description is "Loan FC".---Are not correct.

Are not correct. But again, as an experienced businessman, you obviously had a purpose in so describing them, knowing that they in fact were cash amounts. Does not this represent, for whatever reason, misguided or otherwise, that you were seeking to, in a sense, characterise them as loans when they were not?---That's correct, yes.

So by so describing them "Loan FC", it was a form of disguise at to what they truly were?---Yes, correct.

10 Well, this would be information passed onto, is it Mr Christie, the accountant?---Yes, correct, yes.

It was used in preparing financial returns or tax returns and such?---Yes, correct.

Well, based on that, to supply Mr Tsirekas' accountant with false information, well, to say the least, potentially has serious consequences in terms of accuracy of reporting?---Yes. I don't know how, what he reported in the accounts, if there was accounts done.

20

No. Well presumably the accountant was providing professional services. ---Yes. He may have asked me after and, and fixed it. I, I, I can't recall.

No. But there obviously is, and I would like you to tell us what it is, the case that there was a reason why you decided to provide a false description of those cash entries, cash deposits and whether or not the reason you decided to give false descriptions was to in some way assist Mr Tsirekas? ---I, I don't recall. It may have been. But again, as I said before, the, the accountant usually would call me and say, "Look, you've got this or this" or if I went to see him and he would fix it in the accounts if it was wrong, if I've posted it wrong.

30

But the insertion of false and wrong descriptions, loan account against each of those cash deposits that I've drawn your attention - - -?---Yes.

- - - that was clearly not being inserted in any way for your benefit, was it? ---No, no.

It could only be of possible benefit to Mr Tsirekas to falsely describe them. ---Yes, yes.

40

Okay. Why would you go so far in a friendship to now embark upon this exercise of providing wilfully false information to an accountant?---It, it's a mistake.

Pardon?---It's a mistake and I shouldn't have done it.

Well, it's more than a mistake, isn't it? This is, I mean, without overstating it, is it serious business, isn't it, to provide false descriptions of those entries to an accountant?---Yes, yes. But as I said - - -

10

Or to anyone for that matter.---But as I said, the accountant may have pulled me up over it and said, "Look, why have you got this and that" so I don't know.

Well, he may have, yes, but he would seek information, the accountant.  
---Yes.

And as accountants do they're reliant on the accuracy of information that the client supplies, is that right?---Yep.

20

So these false entries, as you've accepted, was not going to operate for your benefit but it could only potentially operate, in some way, for Mr Tsirekas' benefit.---Correct.

Why would you go that far in providing false information to an accountant in effect to benefit Mr Tsirekas?---I can't, I, I don't know. It was just a close friendship. I was trying to help a friend. I've made a mistake and I, I, I, it, it was stupid of me, it was very stupid.

30

Yeah, well, I suppose we can all be guilty of doing something stupid.  
---Yeah.

But this is more than that, isn't it, because this is an intentional attempt to provide information that would be wrong and misleading - - -?---Yes.

- - - to the accountant - - -?---Yes.

- - - to benefit a friend, in this case, Mr Tsirekas?---Yeah.

40

So it's more than just a mistake, isn't it?---It is. Something stupid and I shouldn't have done it and, and it's been done. I can't change it.

Sure. But there has to be, thinking rationally, some explanation as to why now you would go this far. Firstly, you've set up the company for his benefit, opened the account for his benefit. Now you're going even further and supplying false information to the accountant. Now you really are progressing the scenario which is carrying serious consequences potentially, isn't it?---Yes.

10 So, rationally speaking, there has to be an explanation as to why you would now go that far as a - - -?---I think it was just stupid - - -

- - - person in business, operating a reputable business, what was the reason for any protection, if you like, or benefit that you were trying to provide for Mr Tsirekas?---I don't know. I mean, I, I - - -

You don't know?---It's just something stupid. I, I don't know. I probably shouldn't have written those words there.

20 Pardon?---Probably shouldn't have written "Loan FC".

Well, it's clear now you shouldn't have - - -?---Yeah, it is.

- - - isn't that so?---It is.

30 So, Mr Tsirekas [sic], I'm asking these questions not to embarrass you in any way at all. I'm simply trying to get to the truth of the matters. You have displayed, I think, candid admissions, with respect, which does assist the Commission to just get to the bottom of what it's investigating. What we haven't got really is the explanation as to what this whole modus operandi – and I mean Machonic and the account, the entries, the false information supplied – what is driving this. You must have at least had a reasonably based suspicion by this time as to what Mr Tsirekas, Machonic, the bank account were directed to or for?---In my mind, I was helping a friend that [REDACTED]. He was quite down at the time. I was just trying to help a friend. There were some stupid things that I've done. I've realised now that I shouldn't have done it. And the money was being put into an account and I thought, well, there's nothing really wrong to it, even though I could have asked the question "Where's the money come?" but I didn't want to and I've, I made some bad judgements  
40 on what I've written. But, as I said before, that was cash money that was given to me and put into the account and I'm sorry.

Okay. I see the time. I think we should take a morning tea break. So I'll take about 15 minutes, Mr Colacicco, and then come back and start again.  
---Thank you, Commissioner.

Thank you. I'll adjourn.

**SHORT ADJOURNMENT**

**[11.33am]**

10

THE COMMISSIONER: Yes, Mr Darams.

MR DARAMS: Could I just ask that volume 4G, page 81 be brought up again? Mr Colacicco, just so I can get your evidence about these references. So, 22 January, 2015 entry, the \$2,500, that wasn't a loan by you or to you, was it?---No.

20 No. Can we make the same assumption in relation to the reference to "Loan FC" against all the other cash deposits as well?---Yes.

Are you able, if we go down to the bottom of the page, are you able here to assist us with what calculation you were undertaking here? Is this the calculation you explained to us before where you had taken out 500, taken out 4,200, taken out 500?---Yes.

30 Right. And the \$10,000, this was the amount that you gave evidence was most likely a cash deposit, sorry, a cash payment given to you by Mr Tsirekas?  
---Yes.

That you put into one of your other bank accounts?---Yes.

Instead of putting it into the Machonic account?---That's correct.

Then you transferred it across on the 29, I think, April, 2015?---That's correct, yes.

40 There's a date next to the 10,000, is that the 24<sup>th</sup> of the 3<sup>rd</sup>, is that how we read that?---It must be, yes.

Yes. So it appears that when you were making these entries, when I say “these entries”, the handwritten notations, you had regard to some other record with you that allowed you to go to your other account and say “Oh, I put that \$10,000 cash from Mr Tsirekas into the other bank account on the 24<sup>th</sup> of the 3<sup>rd</sup>”?---Yes.

That’s the explanation for that there?---Yes.

In relation to the references to “accounting fees” - - -?---Yes.

10

- - - in 22 January, could I suggest to you that that is a relatively accurate description as to what those were related to?---That’s, that’s correct.

These were the set-up costs for Machonic?---Yes, and, and - - -

So someone had sent a bill, probably Con Christie, and you had paid the bill?---Yes.

20 Taken the money from this account because it’s a set-up of the bank - - -?  
---That’s correct.

- - - sorry, set-up of the company - - -?---Yes.

- - - that this bank account is associated with?---Yes.

30 Is it the case that when you came to close down this or deregister this company, Mr Christie actually asked you to give an explanation of these transactions and that’s what caused you to put in these notations? Is that the sequence of events?---It, yes. Yes.

So you go to him and say, “Look, I now want to shut down Machonic.” You say that to him, that’s right?---Yes.

Mr Christie, as an experienced accountant, says to you, “Frank, I need an explanation” - - -?---To the transactions.

- - - “to the transactions” because you have to sign off a declaration, do you not?---That’s correct.

40 When you deregister the company voluntarily - - -?---Yes.

- - - you have to sign a declaration that says to the effect that there are, I think something along the lines assets less than \$1,000 or no outstanding liabilities?---That's correct.

Mr Christie wants you to tell him as well that Mr Christie could satisfy himself that the declaration you're being asked to make has some basis to it?---Yes.

10 That's part of the reason why you put these notations in there, to give that explanation to Mr Christie?---Yes.

So he could fulfil his duties?---Yes.

You also gave the evidence before that it's possible that this information was being given to Mr Christie in order for him to prepare accounts?---Yes, it may have been.

20 But whatever reason, sorry. Your understanding is that Mr Christie wanted these notations for the purpose of him fulfilling some obligation or duty that he had or performing some task he was required to do?---I believe so, yes.

I want to move on to a slightly different topic but still involving the bank account.---Yeah.

30 Before I do, there's one question I did want to ask you. These cash I think it's implicit in the evidence you've given that these cash deposits all came from Mr Tsirekas. None of these cash deposits came from someone else to you to put into the bank account on behalf of Mr Tsirekas?---Not that I'm aware of, no.

Well, you would be aware of that, wouldn't you?---No.

That would be a memorable thing if someone came to you and said, "Here, Frank, here's some cash" - - -?---Yes.

- - - "this is Angelo's cash, put it into the bank account for Angelo"?---Yes.

Nothing like that happened?---From my recollection, yes, no.

40 Now, could I ask that the witness be shown volume 4A, page 46? I draw your attention to the entry on 23 December.---Yes.

This is a withdrawal of \$10,015?---As a bank cheque, yes.

Yes. That's what I was going to ask you. You know why that \$10,000 was withdrawn, don't you?---I believe at the time it was maybe a deposit or, I don't know if it was a stamp duty, 'cause I think at this point, Angelo had informed me that he was purchasing a unit or he'd purchased a unit off the plan.

10 This is a unit in Ashfield?---Yes. I believe so, yes.

So you said this is a bank cheque. What, you go to the bank - - -?---Get the bank cheque.

- - - get a bank cheque for \$10,000?---Yes. And that's the \$15 charge and give it to Mr Tsirekas.

So, just I understand it, this is what happened. Mr Tsirekas comes to you, correct?---Yes.

20

He says, "I need a bank cheque"?---Yes.

"I need it for \$10,000"?---Yes.

You then go to the bank, withdraw the money from this bank account, buy a bank cheque?---Yes.

Hand it over to Mr Tsirekas?---That's correct.

30 Is that the first, when he comes to you to do this, is this the first time that you have any knowledge as to what this money in the bank account is going to be used for?---Yes, I believe so, yes.

So now you have Mr Tsirekas coming to you saying withdraw the money. I need a bank cheque.---Yes.

Do you recall who you had the bank cheque made out to?---No, I don't.

40 Was - - -?---I don't know if it was the Office of State Revenue or if it was a solicitor's firm. I'm not, I, I can't recall. If you've got some proof to show me I, I can confirm it.

I just want to see whether this assists you. Could the witness be shown page 50. Now, the writing is a little bit faint but if we could - - -?---Solicitor's trust account, yeah.

Do you see, just firstly draw your attention to the date under the bank cheque.---Yes.

23 December, 2015.---Yep.

10

So this is a bank cheque for \$10,000. Do you see that?---Yes.

And if we just scroll across the page a little bit to see the payee. It refers to pay Mills Oakley Lawyers. Do you see that?---Yes.

This is the bank cheque that you purchased on behalf of Mr Tsirekas, if that's the correct description, on 23 December.---That's correct.

You handed this to Mr Tsirekas.---Yes.

20

THE COMMISSIONER: The payee was the lawyers acting on behalf of the vendor, is that right, of the unit or don't you know?---No, I don't know. I think, I think it could have been, I don't know if it was maybe the deposit or stamp duty. I'm not sure. I can't recall what the conversation was at the time, Chief Commissioner.

MR DARAMS: All you can remember is that the request came from Mr Tsirekas to get a bank cheque for \$10,000.---That's correct.

30 Payable in favour of Mills Oakley.---Yes.

But you understood that was associated with the purchase of the unit that Mr Tsirekas had undertaken.---I believe so, yes.

Or exchanged contracts on.---Yes.

All of that belief based upon things that Mr Tsirekas told you.---Yes.

40 Could the witness then be shown page 51. I want to draw your attention to the entry on 29 February, 2016.---Yes.

So this is another withdrawal \$39,750.---Yes.

You attended to that withdrawal.---Yes, I did.

What was this withdrawal for?---I think it was for the same solicitors. I don't, don't know if it was part of his payment of the deposit on the unit.

Well, let's go back to the circumstances as to how you came to withdraw this. So Mr Tsirekas comes to you again.---Yes.

10

What does he tell you?---He tells me, "Can you go get me a bank cheque for 39,750 and make it out to this person."

Right. Did you have the conversation with him or did you understand from some other means or some other way that this was - - -?---No.

Let me finish.---Yep. Sorry.

20 You don't know what the rest of my question is. Did you understand because he told you or because you had some other understanding from some other facts that this was also associated with the purchase of - - -? ---No.

No.---He told me.

That's what, so he told you?---He told me, yeah.

Yes. So if the witness could be shown page 53. If we just zoom into the cheque again. See the date.---Yes.

30

29 February, 2016.---Yep.

One of those funny years.---Yep.

And this is Mills Oakley Lawyers trust.---That's correct.

And the amount is 39,735.---Less the \$15 for the bank cheque.

40 That's what I was going to suggest to you. The amount gets withdrawn. Part is retained by the bank for the fee of the bank cheque.---Yes.

You hand this over to Mr Tsirekas.---That's correct.

You then – excuse me. If we go back to page 51. You then close the bank account or cause the bank account to be closed on 31 March, 2016. Do you see that?---Yes.

10 Why did you do that?---I think at the time I basically just wanted to, I was, because of my own personal involvement with finance and that, this company was obviously coming up and I think I said at the time, with Mr Tsirekas, I said, look, I don't, I think we should get rid of this company because it keeps coming up and, like, it's not mine but it comes up as me, another part of my company. So we decided to close the company.

20 THE COMMISSIONER: You said you think you said that, but are you now trying to reconstruct what you may have said?---Yes. I, I, I believe at the time there was no need, I, I basically said, "Look, I, you know, this keeps coming up with my loans and whatever," and I would have said, "What do you want to do with this company? Do you want to" – and I think he might have instructed me, "Let's close it."

By this time the account had been operated for Mr Tsirekas' benefit for a considerable amount of, well for a period of time.---Yes.

And a considerable number of transactions in that period.---Yes.

All of this being undertaken for the benefit of Mr Tsirekas.---Yes.

Not yourself.---Yes.

30 And, well, no doubt when you decided to call it a day and decided to close this account, you must have said to him, "Look, I don't want to have this account operating anymore. I want to close it down," or something like that?---Yes, yes.

What was the conversation you had with him about closing the account?  
---Look, I can't recall the actual conversation. However, it would have been along - - -

40 Well, you did have a conversation.---Yes. Along those lines - - -

You didn't just close it without - - -?---Yes, along those lines that I think we should, you know, I think if, unless you want to take it or do whatever, we'd just close it and I think he might have said to me, "Let's close it." So when I, we went up along the steps of closing it through the accountant, deregistering.

I think from what you've said, you're not sure if that's exactly what you said.---I can't recall the exact conversation. However, it would have been along those lines.

10

Well, did you explain why you no longer wanted this account to operate? ---No. I think from, just from recollection, I think it was because, as I said, you know, I was, from my own personal business things, this account kept coming up, this company's kept coming up and if it I was trying to borrow money or so on, with my, on my business, my personal business side, and I probably would have had the conversation with him and said, "Look, you either take the company, I resign as directors and shareholding, and you take it or we close it down," and he must have instructed to close it down.

20

Well, did you make reference to the fact that a considerable amount of money had been flowing through this account and you felt somewhat uncomfortable about it, or you didn't quite know where this money was coming from?---Yes, that did cross my mind as well.

No, not just crossed your mind, did you articulate to him, as a reason "Look, I don't want to be involved in this anymore"?---I, I, I don't recall that, those exact words but it could have been along those lines. I don't recall, unfortunately, Commissioner. I know we would have had some conversation about, and I would have said, "Look, it's time, look, I, you know, this keeps disturbing my personal stuff. So what do you want to do? Do you want to take it with, and to transfer the shareholding and, and directorship or do you want to close it down?" And obviously he must have made a decision to close it down.

30

So you closed it down a month after the, approximately, the bank cheque was drawn for 39,735.---Yes.

By this time, now the money was being applied for the purchase of real estate, did you feel increasingly uncomfortable about continuing this arrangement?---Yes, I may have, yes.

40

Did you?---Yes.

And did that operate as a reason which led you to say, in effect, “Enough, close it down”?---Yep.

But you never sought to clarify with him whether this was all above board or not? You just, of your own motion, without saying anything to him about that - - -?---Well, he’s, he’s, no, only the fact when I was made aware of that  
10 he had purchased the unit off the plan that obviously he asked me to draw all these cheques and I, I did what he told me and I gave him the cheques and that was it, and I think there was only minimal money left and, even when we closed it down I took it out and gave it to him.

Well, why wouldn’t you say to him “Look, I don’t want to get involved in your affairs. If you’re going to go into real estate, you arrange the bank cheques, you get the money. I’m not, I’m out of here”? Why didn’t you - -  
-?---I think it was because I had the authority on the account.

20 Pardon?---The only authority on the account.

You had authority on the account?---The only authority on the account.

Yes, well, why didn’t you say, before any arrangements were entered into about bank cheques, simply say, “I don’t want any more of this. You open up your own account, and any moneys in this account,” that is the CBA account on the screen, “will be transferred to you. You draw your bank cheques, you buy your real estate. I don’t want to be involved”? Why didn’t you take that approach?---Yes, I should have. I should have. I’ve  
30 made a mistake. I was helping a friend. He was in a dark place. He was depressed. He was going through a very terrible – it was quite public in the community. And I was just trying to do the right thing and help a friend and I’ve made an error. I’ve made a big mistake.

Although you say that you didn’t do the right thing, you now accept you did the wrong thing?---Yes, correct.

All right. Yes, Mr Darams.

MR DARAMS: One suggestion, Mr Colacicco, is that you closed the bank account down after this large bank cheque was drawn because the bank account and the company had served its purpose.---No, I, no.

No. You don't know, other than the evidence you've given earlier today, about why Machonic was set up?---No.

That's what you understood was its purpose - - -?---Yes.

10 - - - the trading and the consulting?---Yes.

You don't know that the purpose of all of this setting up Machonic and the bank account was in order to assist with the purchase of this, assist with the purchase of this unit?---No, I didn't know about the unit until just before I was told to do the first bank cheque.

Yeah, so that's the very first knowledge you say you had of the purchase by Mr Tsirekas of the unit?---Yes.

20 Now, Mr Colacicco, throughout your relationship with Mr Tsirekas, have you, other than these two, or other than these transactions we've been talking about in relation to the Machonic account, have you ever given Mr Tsirekas money?---No.

Have you ever loaned Mr Tsirekas money?---Yes, I have.

How much have you loaned Mr Tsirekas?---It was about 21,000.

Yes. Do you remember when you loaned him that amount of money?

30 --- [REDACTED] I don't recall the actual date, but - - -

Okay, is this the, does this accord with your recollection of the loans to Mr Tsirekas, that you loaned him – sorry, you loaned him \$21,000 made up as follows, a bank transfer of 10,000.---15, I think, or 10 and five, yep.

Yeah, well, let me – yep. So two electronic transfers?---Yes.

One for 10,000?---Yes.

40 One for 5,000?---Yes.

Thereafter, that is after the electronic transfers, you then gave him another \$6,000 - - -?---That's correct.

- - - in two separate payments?---Yes.

\$3,000 each?---Yes.

Cash?---Yes.

10

Could the witness be shown volume 4A, page 18. So, Chief Commissioner, just for, perhaps for abundant caution, I am showing some private information here of bank accounts of Mr Colacicco, so - - -

THE COMMISSIONER: Yes, well - - -

MR DARAMS: Perhaps if we could scroll up.

THE COMMISSIONER: Yes.

20

MR DARAMS: Just, Mr Colacicco, that's your account?

THE COMMISSIONER: Perhaps I'll put it on the record.

MR DARAMS: Yes, please.

30

THE COMMISSIONER: In relation to the statement concerning a bank account or relating to a bank account that's now on the screen, ending with the last three digits – perhaps if you scroll down – 1-4-1, the personal data contained in the document, including the account number and the address shown, I withdraw that, including the account number shown is subject to the direction I earlier made under section 112, that there is to be no publication or communication of that data to which I've referred.

40

**SUPPRESSION ORDER: IN RELATION TO THE STATEMENT CONCERNING A BANK ACCOUNT THAT'S NOW ON THE SCREEN, ENDING WITH THE LAST THREE DIGITS 1-4-1, THE PERSONAL DATA CONTAINED IN THE DOCUMENT, INCLUDING THE ACCOUNT NUMBER SHOWN, IS SUBJECT TO THE DIRECTION I EARLIER MADE UNDER SECTION 112, THAT**

**THERE IS TO BE NO PUBLICATION OR COMMUNICATION OF THAT DATA TO WHICH I'VE REFERRED.**

THE COMMISSIONER: Yes.

MR DARAMS: So, Mr Colacicco, this is a bank account in your name and your wife's name?---That's correct.

- 10 Could I ask that Mr Colacicco be shown the next page? I think you may have noticed or if you didn't notice, Mr Colacicco, the statement period and I can take you back if you want to but you can take it from me it was 1 December, 2017, to 31 May, 2018.---Right.

So now I draw your attention to the entry on 11 January, which is 11 January, 2018.---Yes.

Do you see that is a transfer from this account of \$10,000?---Yes.

- 20 Is it the case that that is the first part of the loan that we talked about, the 10,000 transfer to Mr Tsirekas?---It may be, yes.

It may be. Okay. Could I then - - -

THE COMMISSIONER: That entry, 11 January "Transfer to CBA Account NetBank," underneath that, your initials "FC" and then the amount of \$10,000 shown, there's no reference there to a loan, as in other entries we've discussed earlier today?---No.

- 30 Right. Yes. Thank you.

MR DARAMS: So on the one transaction that you do, or you might come to in a moment, accept is a loan, there's no reference to loan?---Yeah.

Okay. If the witness could be shown page 21. Likewise, Chief Commissioner, I am showing, again, private information, it's subject to those orders. Now, I want to draw your attention, Mr Colacicco, to the entry on 11 January.---Yes.

- 40 So this is a 10,000 amount being credited to Mr Tsirekas' account?---Mmm.

It has the same notation "FC" that appeared on your account. Now, do you know whether around this time, that is 11 January, 2018, you were transferring any other amounts other than this loan that we spoke about, any other \$10,000 amounts?---I don't recall.

So this would be the 10,000 transfer part of the loan?---I'm assuming so.

So 10,000 has come out of your account on the 11<sup>th</sup>, \$10,000 appears in the account of Mr Tsirekas. See that?---Yes, I think so. Yeah.

10

Now, if we now go to page 23. If you need me to, Mr Colacicco, I can take you back to the preceding page, which shows you that this is the statement period from 1 December, 2017, to 31 May, 2018, from you and your wife's account that I showed you before.---That's correct.

But if you can take it from me. So then I draw your attention to the transaction on 14 January.---14<sup>th</sup>. Yes.

20 This is a transfer to CBA account. It says "BAL Loan 5,000"?---Yeah. Yes.

So would "BAL Loan" mean balance loan?---Balance loan, yeah.

So just noting it says "BAL Loan", if we go back, please, to page 21. Now, this is back to Mr Tsirekas' account on 14 January, sorry, back to Mr Tsirekas' account. Do you see the entry on 14 January?---Yes. Yeah

"BAL Loan" from you?---Yeah.

30 \$5,000. So do you accept that it's the - - -?---15,000.

- - - total \$15,000 in the two electronic transfers - - -?---Yes.

- - - that happen in January 2018?---Yes. I believe so, yeah.

So based upon your evidence before, the balance of the \$21,000 loan and the two cash - - -?---Yes.

40 - - - transactions occurred after 14 January, 2018?---Yes, I believe so, yep.

Do you know how long after 14 January that happened?---No.

Do you believe it was in the first part of 2018, the next few months?---I don't recall. It's so long ago I don't recall. I, I, as I said before, I gave him two lots of six, 3,000 each.

Yeah. Has that loan been repaid by Mr Tsirekas?---Yes, it has.

When was it repaid?---When he asked me for the money he said, "Once I  
[REDACTED] and we sell the house, I'll pay you back."

10

When was that?---Oh, I don't recall the date but I think it was sometime last year that I got the money back.

So some stage last year. Did you have to ask for the money back or did Mr Tsirekas come to you and say here it is?---No. It was always the case that when he sold the house he would give me back the money and he did so once the house settled. He asked me for the amount and then later on he, he, he paid the money and he sent me a screenshot that he had paid the money.

20 Right.

THE COMMISSIONER: By what means did he repay you?---He electronically transferred it into my account.

Sorry?---He paid me back into my account.

In one amount?---Yes.

30 What was the amount?---21,000 and then we may have been at the coffee shop and he said, "I want to pay you interest." And I said, "No, I don't want any interest." And he said, "No, no, I want to pay you interest." And he paid me the interest.

When - - ?---He then made another payment.

And when did these transactions, the payment to you - - ?---Last year I think, towards the end of last year.

40 What month?---I don't recall the month but it's there.

Was it the beginning or the end of last year or middle?---Oh, whenever he settled on the house. He transferred it just a little bit after.

Well, you have no recollection as to when it was last year.---No, I don't. If it look in my account I could see it.

Mmm?---If I looked at my account it'd be there because it went into my account, Chief Commissioner.

10 MR DARAMS: Now, bear with me, Mr – so you've, there's a loan of \$21,000 commencing January 2018.---Yes.

To Mr Tsirekas. You've loaned him no other amounts other than that.---No.

You have not given him, given either in cash or otherwise, any other amount.---No, no, not that I'm aware of, unless we were at a lunch or something and - - -

20 I'll come to that later on and ask you some questions about all of those things. I want to ask you now then – could I ask the witness to be shown page 16 of volume 4A. Do you recognise the name of that company?---Yes, that's my company.

Your company.---Yes.

This is a statement from the period 1 July, 2017 to 30 September, 2017. ---Yes.

30 So I just want to draw your attention, there's a transaction that's on 24 August. See that?---Yes.

“Transfer to CBA loan \$5,000.”---Yes.

Can you tell us what that loan is for?---I can't recall.

Do you know who it's to?---No, I can't recall.

40 Could the witness be shown volume 4A, page 14. Just note the statement period here 20 June, 2017 to 19 September, 2017. See that?---Yes.

An account in the name of Mr Tsirekas.---Yes.

Can we go to the next page.

THE COMMISSIONER: Just again has that got account details? Yes, the account number shown in the document ending in 4-1-4 is the subject of the direction I gave under section 112 earlier today. That is not to be published or communicated any way, other than by Commission officers for statutory purposes.

10

**SUPPRESSION ORDER: THE ACCOUNT NUMBER SHOWN IN THE DOCUMENT, ENDING IN 4-1-4, IS THE SUBJECT OF THE DIRECTION I GAVE UNDER SECTION 112 EARLIER TODAY. THAT IS NOT TO BE PUBLISHED OR COMMUNICATED ANY WAY, OTHER THAN BY COMMISSION OFFICERS FOR STATUTORY PURPOSES.**

THE COMMISSIONER: Yes.

20

MR DARAMS: Just go to page 15. Do you see that there's a credit on the same date with the same annexation, \$5,000?---Yes.

So these documents appear to suggest another transfer from your account to – well, an account of a company that you say is your company.---Yes.

To the account of Mr Tsirekas on 24 August, 2017.---Ah hmm.

That's right?---(NO AUDIBLE REPLY)

30

You're nodding, you're going to have to say yes or no because it doesn't pick up nods.---Yes, yes.

Which is described as a loan, Mr Colacicco.---Yes.

Now, is it the case that you had another, or gave another loan to Mr Tsirekas?---I must have, and we haven't picked it up.

When you say "we haven't picked it up", what do you mean by that?

40

---Well, I must have lent it to him and I've, we've, I haven't picked it up and he probably owes it to me.

All right. You can't assist us as to the circumstances of this loan?---No, no.

All right. So this is - - -?---I don't recall it, no. I don't recall a, like I said, it must be that he owes me another 5,000.

I take it from your answers that if you've just, you seem to have just picked this up.---Yes, I have.

10 I take it from those answers that you couldn't tell us one way or the other whether that's actually been repaid, that loan?---No, I can't. No. I, I don't think it has.

Yeah. Is it possible that you might have, and using the commercial terms, written that amount off?---No.

Forgiven it?---I, no, I think I've just forgotten.

20 Given the nature of the relationship and friendship and the closeness of it between you and Mr Tsirekas by this time, these loans between you and he were just, well, they might be referred to as handshake loans, but based upon the trust of one another, correct?---Yes.

Other than a transaction record in a bank account, there are no other records maintained of these loans?---No, not that I can remember.

30 You didn't keep a ledger at home, a little book that says, "I loaned this amount to this person" or that person, nothing like that?---Oh, I may have, over the years, probably written something down but, no.

Well, when you say you may have, are you just, do you remember doing that at all?---Well, I have done in some other occasions.

Have you done that in relation to Mr Tsirekas?---Not, I, I, I think I had with, in regards to the 15,000 and the 6,000.

Right.---I think at some point I, I, I did.

40 Why do you think that?---Well, I just, I, I didn't even remember this one.

No, no, no. Don't worry about this one. I'm talking about you say you think you've written down - - -?---Oh, I may have because obviously I knew I lent him 15, I lent him some money and also given him the cash but that, that's really it.

THE COMMISSIONER: That amount of \$5,000, it's not a large loan, speaking generally, in general terms. What circumstances would explain him asking for a loan from you of that order, that is the relatively low order of \$5,000?---I can't, I mean, the, the date's there but I can't recall the  
10 circumstances but again it could have been he needed help, he's, he's been through a pretty rough patch with [REDACTED] and I don't know if the dates coincide but I would have just maybe, he asked me "Could you lend me some money?" because he had done so before and I lent it to him.

Okay, thank you.

MR DARAMS: So it's likely we've got a loan of \$5,000 between you and Mr Tsirekas that you've forgotten about and remains outstanding?---Yes. Could be the case, yes.

20

Are you certain or sure whether there were any other loans between you and he?---I can't recall.

Right, okay.---Unless you've got something there to show me, I can't recall.

THE COMMISSIONER: What did you use the account 2926 Pty Ltd for? ---That's a trustee for a trust. The family trust.

The family trust.---Yep.

30

Why would it be coming out of the family trust if it's loan money?---That's probably where I had the money to lend over at the time. I'm not sure.

Well, is it likely that at this time, it's 24 August – what year are we dealing with? '17, is it?

MR DARAMS: Yes.

THE COMMISSIONER: Surely if you're going to make him a loan of  
40 \$5,000, you'd take it out of some other account, wouldn't you?---Well, no,

I, I, I have money in this account and other accounts, income that comes in and so on.

MR DARAMS: Mr Colacicco, I want to now move on to a different topic.  
---Yep.

But before I do that, in terms of the purchase of the Ashfield unit - - -?  
---Yes.

10 - - - by Mr Tsirekas, you know that he ultimately rescinded that contract?  
---Yes.

You gave him some - - -?---Advice.

- - - advice about how to rescind the contract.---Yes, yeah.

How to get out of the contract.---Yep.

20 Part of that advice was directed to making sure that he had the stamp duty returned?---Not, not, I didn't give him the exact advice of the legal side of it, but I, I said to him that "I think you shouldn't proceed with it," because I did, on inspection of the unit when he had to do a final inspection or something, he made it aware to me that he had an opportunity to get out and I think it was just too much money and it wasn't a good buy. My personal opinion.

30 You understand from a conversation you might have had with Mr Tsirekas that the deposit that was paid was refunded?---Yes, there was parts of, I think there was some communication between Angelo and myself that they wanted to charge him some fees, and I suggested to him, no, you should go back and say this, this, this and that, to obviously minimise his loss.

You had a conversation with Mr Tsirekas after that where he indicated that, in fact, the deposit had been refunded less any expense?---Whatever, yes, whatever it was.

So there was some expenses taken out?---I believe so, yes.

40 None of the - no part of that deposit was then paid over to you or anything like that, was it?---No, no.

I want to now move to the topic of your travel to China.---Yes.

And also your travel with – yeah, travel to China. Now, you travelled with Mr Tsirekas in November 2015?---Yes.

Do you recall on that trip going to any nightclubs or anything like that?  
---Yes.

10 Do you know the name of the nightclubs?---I think it was the Linx  
nightclub.

Do you know who arranged the Linx nightclub?---No.

No. Just in relation to the Linx nightclub, Mr Chidiac went?---I believe so  
on that trip, yes.

Mr Tsirekas went?---Yes.

20 Can you remember who else went from the delegation?---Well, the rest of  
us that were close friends - - -

Mr Mercuri?---Mr Mercuri, whoever else was on that trip with us, and I  
think there may have been a couple of other people that were on the  
delegation as well.

Do you remember that at the Linx nightclub you were introduced to what I  
might refer to as some local Chinese residents?---Yes, we were introduced  
to a few people. I can't remember their names.

30 At the Linx nightclub?---Yes.

Were they part of, for want of a better description, your group at the table  
that night?---No.

No, they weren't. But they were in the nightclub?---Yes.

40 Yeah. Do you remember their names?---No, I don't. There was, there was  
many of them that we – well, not, when I say many, we were introduced to a  
few.

Who introduced you to them?---Jeez, I don't recall. It may, may have been Joseph Chidiac or Angelo.

Yeah. Introduced you to some people, to local residents?---Just when we arrived.

At the nightclub?---Yes.

10 Yeah. Did you have a table at the nightclub?---We did on that first night, yes.

So you went to the nightclub again, did you?---Yeah. We, we, we went a few times to different nightclubs.

On that trip to Shanghai?---Yes.

Did you arrange any of those evenings?---No. We, no.

20 No. They were arranged for you?---That particular one was, yes.

You were told by, what, Mr Tsirekas or Mr Chidiac "We're going here tonight"?---Yes.

You attended that evening?---Yes.

Now, in relation to – I take it you consumed some drinks, alcoholic or non-alcoholic?---I don't drink.

30 Yeah, but you had non-alcoholic drinks?---Yes, yes.

Did you pay for any of the drinks on that evening?---Not on that particular evening.

Do you know who paid for the drinks on that evening?---No, I don't.

Is it just that you attended there, you might have had your non-alcoholic drinks, other people had drinks and the bill for that evening was, someone took care of that?---It may, yes, I believe - - -

40 You don't know who took care of the bill?---No, no. I don't know.

None of Mr Tsirekas or Mr Chic came up to you afterwards and said, “Hey, Frank. Here’s your proportion of it, just us 20 bucks”?---No, no.

No. That hasn’t happened at any stage, had it?---No.

So to the extent that – well, to the extent that someone paid for it, no-one’s ever sought reimbursement from you.---No.

10 Now, in terms of Mr Tsirekas’ expenses associated with this trip, did you pay of the travelling expenses on behalf of Mr Tsirekas?---No.

Did you pay for any meals or the like for Mr Tsirekas on this trip?---I may have, that we, if we were out for lunch somewhere or something on touring that I may have, or we would have paid as a group and just split the bill.

Yep. Did you pay for any part or all of his accommodation?---No.

No. Did you give him any cash?---No.

20 Before you left Australia?---No.

While you were there?---No.

Did you see Mr Chidiac give Mr Tsirekas any cash?---No, no.

No. Did you see Mr Chidiac pay for any of Mr Tsirekas’ expenses?---No.

No. Did Mr Tsirekas ever tell you that any of his expenses on that trip were paid for by Mr Chidiac?---No.

30

Did he tell you that any of his, he, Mr Tsirekas, tell you that any of his expenses were paid by someone else?---No.

In terms of your expenses on the trip, how did you pay for them? Did you pay for them on a credit card or - - -?---Some on a credit card, some I would have got exchanged money and had the cash with me.

40 So when you say “exchange money”, what, go up to a teller machine in Shanghai and then withdraw money?---Either in Shanghai or just before I left.

Take some money out, change it at the airport or get it from a bank?

---Depends. Could have been one of those places.

Yeah. I just want to ask you how, of your recollection.---Yeah. That's, that's the sort of, yeah.

So you'd get it out at the airport at one of those machines at the airport?

---Oh, maybe at the machine at the airport or maybe when I got to China at an ATM, or maybe before I left I took some with me.

10

Right. So if you take - - -?---It was my money.

If you take, when you say "take some money with me", are you talking about Australia currency?---No, I would have maybe changed some to, in, in the Shanghai dollar, whatever it was at the time, currency, Shanghai currency.

In relation to that trip, November 2015, do you remember whether you took any cash in Chinese currency out of Australia?---I may have.

20

You don't remember though?---Because most of the trip was paid beforehand because it was organised from the majority of, Mr Andrew Ferguson.

Now, can I ask you a question, slightly different? Are you a member with the SCG?---Yes.

How long have you been a member of the SCG?---I can't recall but it's been a long time.

30

Do you have the guest and the - - -?---Yes. I do. Platinum.

Platinum. How many other cards do you have?---I have one and three others.

Three others. Now, you travelled to Dubai with Mr Tsirekas in February 2016, is that right?---Yes.

40

What was the purpose of that trip?---I was going over to meet a friend in transit and, again, I think Angelo was in a pretty bad way, he was quite

depressed, and I said to him “Why don’t you come along?” And he decided to come along.

Sorry, you said you were meeting a friend in transit. What does that mean?  
---He was coming from the United States and going to Greece.

So you go to Dubai to what, meet up with a friend who is travelling through.  
Was there any other reason for going to Dubai?---No, just a short break.

10 THE COMMISSIONER: Your friend you’re meeting was he a resident of Shanghai or was he - - -?---No, no.

Where was he resident?---Resident of Australia.

Resident in Australia?---Yes.

And what, you just made an arrangement to meet up with your friend - - -?  
---Yes.

20 - - - to share a holiday in Shanghai?---Yes. No, no, in Dubai.

MR DARAMS: Dubai.

THE COMMISSIONER: Sorry?---Dubai.

Dubai?---Dubai, yeah.

I’m sorry. My mistake.

30 MR DARAMS: Did you, in relation to this, so you say Mr Tsirekas was depressed. Is that right?---Yes.

You invited him, you invite him to come to Dubai with you.---Yes.

Did you pay for any of his travel expenses?---I paid for the hotel.

All of the hotel accommodation?---Yes, I did.

40 Did you ask Mr Tsirekas to repay any of that?---No. Mr Tsirekas wanted to pay for it and I said, “No, no it’s on me.” So - - -

Can you recall how much that was?---It was about 400 and something dollars a night so it was five nights I think we were there so about \$2,000.

For each of you?---Yes.

Did you share a room or did you have separate rooms?---No, separate rooms.

You paid for his accommodation about \$2,000.---Yes.

10

So what about his flight, any part of that?---He paid for that himself.

He pays for his flight, you pay for his accommodation.---Yes.

What about Mr Tsirekas's expenses whilst he was there in Dubai, did you pay any of his expenses?---No, no. He was, we went to dinner and sometimes my friend would shout us dinner and I'd shout and I think he shouted once or twice as well.

20 Mr Tsirekas shouted dinner?---Yes.

Right. What was the name of your friend who was transiting?---Nick.

Nick?---Does this have to go in public, Your Honour?

THE COMMISSIONER: Yeah, it will. Is there a problem?---No, no, it isn't. Just nothing to do - - -

No, just - - -?---Politis.

30

MR DARAMS: I see. Now, before this trip, that is January 2016, to – did I say January? I think February 2016, apologies. For this trip did you exchange any Australian currency for local currency on behalf of Mr Tsirekas and give that to him?---No, not that I recall.

Have you ever done that for any other trip that you've travelled with Mr Tsirekas?---No.

40 That's something you'd likely remember though, wouldn't it?---Well, yes, unless I've gone to get a good exchange rate because I, and, and he's asked me to but I don't recall it.

Now, you travelled again to Shanghai in November 2017.---Yes.

You went this time with Mr Tsirekas.---Yes.

You went with Mr Chidiac.---I'm not sure if he was on that trip but he may have been, yep.

10 THE COMMISSIONER: How did that trip come about?---It was again we were going over for just a short break, a holiday with a group of guys.

A short what?---Holiday with a group of guys.

Sorry, the last bit?---A short holiday with a group of friends.

Yes. How did that come about?---Oh, we just - - -

20 Who organised it?---We just, I think we organised it between ourselves, with Angelo and, and some friends. We wanted to go to Shanghai. At this point because I'd been, I was getting some suits made and getting some shirts made and obviously, you know, being in real estate I'd be ordering a fair amount of suits to get made and so on, tailor made.

Okay. Thank you.

MR DARAMS: Other than suits what was the attraction of Shanghai?---I liked it. It was a nice city.

30 Okay. So do you recall who else went on this trip?---I don't recall on that specific date but I, I - - -

Well, who are the other persons other than Mr Tsirekas and Mr - let me just finish.---Yep.

40 Other than Mr Tsirekas and Mr Chidiac you have travelled to Shanghai with, and don't worry about the November 2015 trip.---There's been various different groups. There's, you know, sometimes there was some of them that we'd meet at the coffee shop. There was, I met for the first time on one of the trips, Mr Gerard McSpadden, which is a friend of Angelo's. I met a local, on one of the trips, there was another local businessman Pierre Jacob, another, another (not transcribable), there was a gentleman from our local

café, a friend of ours, Paul Signorelli. There, there was, it, it was different groups.

On each of the occasions you travelled to Shanghai, you went, though, with Mr Tsirekas?---I believe so, except maybe one or two that he was already there or he met us there, I'm not sure. I can't recall that.

Sorry. I'll be clearer. Each time you have travelled to Shanghai, Mr Tsirekas has been in Shanghai either travelling with you or there at the time  
10 you travelled?---I believe so, yes.

You haven't independently gone to Shanghai with, say, your wife or someone else - - -?---No, I have with my wife.

- - - without Mr Tsirekas being there?---Yes. Yes. Yeah.

You're agreeing with me when I say - - -?---Yes.

- - - you haven't independently been with your wife and Mr Tsirekas not  
20 being there. That's right, isn't it?---Sorry?

Sorry. I'll do it all again. Every time that you have travelled to Shanghai  
- - -?---Yes.

- - - you've either done that with Mr Tsirekas - - -?---Yes.

- - - or Mr Tsirekas has been there- - -?---Yes.

Yeah. There's not an occasion you've gone to - - -?---There's, there's an  
30 occasion when I went with my wife. Mr Tsirekas was not there.

That's what I was going to ask you.---Yes. Yeah.

Do you remember when that was?---No. It wasn't, it was, it was, it was Laing+Simmons high achiever competition that they had in the group and I won it with my business partner, so we took our partners with us, our respective partners.

Was it a trip to Shanghai that was - - -?---Yes. It was.  
40

I see. All right.---Yes. Yeah.

Right. You had already been to Shanghai, though. So it was after November 2015?--I, I can't recall. Maybe yes, yes. I think it was after 'cause I'd been on the delegation the very first time, 'cause I'd never been to China before that.

Now, in relation to this November 2017 Shanghai trip - - -?---Yes.

10 - - - did you pay for any part of Mr Tsirekas' flights?---Not that I'm aware of.

Well, you'd remember doing that, though, wouldn't you?---Yes, I, I would unless you've got something else to show me, but I, I don't think I did.

Did you pay for any of Mr Tsirekas' accommodation on this trip?---No.

20 Did you pay for any of Mr Tsirekas' expenses while you were on this trip? ---No, only, like I said, if we were going to a club or a restaurant and we'd split the bill.

On this trip in November 2017, did you go to any clubs?---Yes, I believe so.

Did you go back to the Linx club - - -?---I think on one occasion, we may have.

Right. Did you arrange the Linx nightclub on this occasion?---No. We just did it, we agreed as a group to go and we went.

30 Yeah, but you might agree as a group to go but someone, presumably, has to arrange the table in the club?---No, well, it, it wasn't all the times that we had a table. I only think we had a table a couple of times. The other times we were just going in and going to the bar or get a, a lounge ourselves.

I see. So on this occasion when you went to the Linx club did you - - -? ---Yeah.

40 - - - is this what happened, you turned up to the Linx nightclub and asked whether they had room for you and you went in and found your own table? ---Yes.

Yeah. All right. Did you pay for your drinks, alcoholic or non-alcoholic?  
---We agreed as a group to put some money in together as a tab and we split it.

That was at the Linx nightclub. What about any other nightclubs on this trip?---And the same with the other nightclubs.

How many other nightclubs were there?---We probably went to a couple of other clubs and bars.

10

When you say you “probably” that’s your recollection? You went to a couple of others?---Yes. Yes.

On all of those other occasions when you went to nightclubs, you did this pooling exercise, is that right?---We did, except for one other occasion, I think. There was a friend that we’d, wasn’t with us in the initial delegation that we became friends, Kevin, and we caught up with Kevin, I think, on one particular night. Kevin didn’t want any money and he paid for it.

20 Right. So when you say “the initial delegation” you’re talking about the trip in November 2015?---The very first time that I went to Shanghai, yes.

You caught Mr, sorry, Kevin is a friend?---He became a, a friend after they, him and his wife Nancy at the time looked after us while we were in Shanghai and they organised, you know, some great experiences and some touring and restaurants and, and that for us.

Well, what’s Kevin’s last name?---Xue, I think.

30 Xue, X-u-e?---I think so, yes.

So on this trip in November 2017, did you, well, just meet up with Kevin on this one occasion or were there other times you met up with him on this trip?---We met up a couple of times when he was available. I think he originally showed us where to go to, to the building that made all the suits, and he showed us a little bit around Shanghai as well and some well-known restaurants that we attended.

40 How many suits did you get on this trip?---I don’t recall how many suits I got but I, I usually get made five or six suits, sometimes a bit more, and some shirts.

Each time you went back there?---Not every time but most of the time. Sometimes I would get some overcoats.

Right. Now, you went to Shanghai again in March 2018?---Yes.

Travelled with Mr – well, you either travelled with him or he was there on this occasion, Mr Tsirekas?---Yes.

10 Mr Chidiac?---I'm not sure. There was one or two trips that Mr Chidiac wasn't there.

But you don't know whether this is one of those trips where he wasn't there?---No, I can't recall. No.

All right. Do you know what was the purpose of this trip?---Again, just a, a, a holiday and get some more clothes and buy some gifts for my family.

20 What gifts did you buy?---Coats for my wife, some shirts for my kids.

THE COMMISSIONER: When you went on these trips, did you always stay at the same hotel?---We did after, The Langham Hotel because it was in a great position and it was good value. Yes.

MR DARAMS: Did you organise the accommodation on these travels to Shanghai?---Some I did for my, for my friends. I was the main point of contact that made connection with the hotel reservations and tried to negotiate a better deal for the group.

30 Okay. So which trip do you say you tried to negotiate a better deal with the hotel?---Oh, I can't recall which one. There was a few, because we were staying at The Langham and we got to know, you know, the people there at reservations and we went, they would look after us because they knew we were there either previous or the year before.

Are you seriously suggesting that people in the reservation desk recalled you from your previous occasions?---Yes. Because if they look up the time that we gave them when we were there, they've got it on record.

40 Okay. So that's what you did?---Yes.

So just walk me through this. So you fly to Shanghai, you then go to The Langham, go to the reservation desk, you negotiate – let me finish – negotiate the deal there, they look up on the records and know you’ve been there.---No, I’m saying - - -

Are you saying you arranged it all before you went?---Arranged before I arrived.

Okay.---Yeah.

10

Now, did you pay for any of Mr Tsirekas’ accommodation?---No.

Did you pay for any of Mr Tsirekas’ travel, sorry, flights?---No. Not that I’m aware of.

Well, when you say not that you’re aware of, why would you - - -?---I, I believe, no.

20 Yeah. What I’m going to suggest to you is that if you did pay for some of his travel, some of his flights or paid for some of his accommodation, you would remember that, wouldn’t you?---Well, I assume I would, yes.

Now, did you pay for any of Mr Tsirekas’ expenses when you were there? ---No. Other than what I stated before.

Other than if you had a meal and you might have pooled it and grouped it? ---Yes, yes.

30 All right. Did you give him any cash while you were there?---No.

You didn’t give him any cash before you left Australia?---No, not that I’m aware of.

Well, you would remember giving him cash before you left Australia?---I didn’t, I can’t recollect. I was going to, I did go to some of those exchange places in Ashfield to either exchange money or get money. If he had asked me to do that, I would have done so and given him the money back, but I don’t recall if he had asked me to do that.

40 I note the time.

THE COMMISSIONER: Is that a convenient time?

MR DARAMS: It is a convenient time.

THE COMMISSIONER: All right. We'll take the luncheon adjournment and resume at about 2 o'clock.

**LUNCHEON ADJOURNMENT**

**[12.59pm]**

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