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INDEPENDENT COMMISSION AGAINST CORRUPTION

THERESA HAMILTON ASSISTANT COMMISSIONER

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TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON THURSDAY 4 JUNE, 2015

AT 10.27AM

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

ASSISTANT COMMISSIONER: Thank you. Please be seated. Yes, Mr Katekar.

MR KATEKAR: Commissioner, as a result of some information the Commission's received overnight I've just got a couple of quick questions for Mr Homsey.

ASSISTANT COMMISSIONER: Sure.

10

<SCOTT ALLEN HOMSEY, on former affirmation [10.28am]

MR KATEKAR: First Mr Homsey, you started supplying medical kits to the Rural Fire Service in late 2012, do you remember that?---Yes.

And they included four paracetamol tablets?---Yes, correct.

20 Was any Therapeutic Goods Administration approval required for that kind of thing?---With the medical kit that was currently what was used in the Rural Fire Service medical kit prior, all I did was match what was, what the product was in the, the emergency kit itself.

Yeah, all right. Well, my question was you produced the medical kit, correct?---That's correct.

And you produced it with four paracetamol tablets?---Yes, that's correct.

30 In producing a kit of that kind did you need Therapeutic Goods Administration approval to do so?---I was under the belief that no, I, I didn't need it for paracetamol.

So your, so you didn't have any such approval?---No, I, no, I didn't.

But you didn't believe that you needed it?---No.

Is that right?---That's correct.

40 Right, thank you.

ASSISTANT COMMISSIONER: Yes, Mr Brewer.

MR BREWER: Thank you, Commissioner.

Mr Homsey, I just want to take you to that part of your evidence where you were being asked about the contents of the snack packs and in particular you made a number of references to your confectionery supplier, do you remember that evidence?---Yes.

All right. Just have a look please at page 61 of Exhibit 5 which I believe is about to be brought up on the screen. And that's a purchase order that you recognise I take it?---Yes, correct.

And it contains a number of references to confectionery items, is that so?
---That's correct.

10 All right. And this was a somewhat unusual order in the terms of the orders, in terms of the orders that you were receiving both before and after this particular purchase order?---Correct.

All right. In that these were loose items that were, I think were being sent somewhere out of Sydney, is that so?---That's right I do believe.

And you were arranging the supply of those items and the transport of them to somewhere?---That's correct.

Who was the confectionery supplier?---Central Coast Confectionery.

20 All right. And when did you first start having dealings with that supplier?
---2011 when we first started the Rural Fire Service snack packs.

All right. And who was the name of the person that you dealt with at that supplier?---Trevor.

30 You also mentioned through your evidence about requiring lead time. You used the term lead time in reference to preparing snack packs and I think you were asked a number of questions about the pre-order situation in late 2012, I think it was?---Correct.

All right. Can you just explain, in terms of your knowledge and dealings with the confectionary supplier, exactly what was involved in establishing lead times and products?---In, in a lead time scenario with a snack pack, I had to allow as much time as possible for, for the confectionary company to purchase their products and some - - -

40 How did, how did you establish that?---Through Trevor at Central Coast Confectionary. He would give me lead times on certain products and every products was a different supplier that he had to resource, and that supplier then would get back to him and give him a lead time. So it was pretty much all over the shop regardless to each product.

Was there ever a situation where products were not available?---Quite, quite often. There's quite a lot of time when we had to shift the product that was approved to another product because a supplier was down from the confectionary point of view.

And I think, I think some evidence has been given about how the contents of the snack packs were determined and just correct me if I'm wrong, that that was established during a meeting with the Logistics personnel at Rural Fire Service?---That's correct.

10 All right. And each and every items was approved for addition to that snack pack?---Every time I had to change a product I would make a phone call to the Logistic Rural Fire Service and let them know what product I would take in, take out and a product that would be going in and the lead time behind that product.

What sort of lead times would be involved?---It could be anything from three days to two weeks pending on the product itself.

All right. And in terms of the confectionary supplier, did they supply throughout the year or were there times when they didn't supply? What was the situation?---There was times, supply EMCS?

20 Yes, supplying you?---Yes. They supplied throughout the year as needed as the purchase orders came through that they were there supplying the product itself.

What about around Christmas time, New Year, were you - - -?---No. It was very hard Christmas/New Year. A lot of confectionary places closed down for four to five weeks.

30 When does that usually occur to your knowledge?---That's - end of December, probably the second to third week in December through to the end of January. And the struggle that we have with the snack packs are that a lot of the companies have contracts to Woolworths and Coles which doesn't allow some products to get to, to our supply.

Can you give an example of - just pause there - can you give an example of when, when the contents of a snack pack would change by virtue of not being able to obtain supply of a particular item?---Yes. So pending on, on the purchase orders that were coming through and the level of business that was ramped up through the fire season, the busy '12/'13 fire season, we found that there was a lot of shortage in product in the marketplace.

40 All right. Can you think of a particular example where you were unable to get a particular product?---Yes, there was a Nature's Way bar, very hard to get. I couldn't get product about halfway through the season. The Sunbeam sultanas, there was pretzels that I had to, and a lolly that, a lolly bag that went in, a 25 gram lolly bag that went in. So at some stages there were even three to four products I had to swap in.

All right. I just want to take you back to some evidence that you gave about your dealings with and contact with Rural Fire Service and I think you said

you had a short engagement with them back in 2001. Is that right?---Yes, that's right.

And then you sought some work a number of years later which resulted in you being I think contracted to the Rural Fire Service for a number of days in the staff canteen?---That's correct.

All right. And that occurred in November of 2009. Is that right?---That's, that's correct.

10

And it was by virtue of you being – I think you were – what were the particular circumstances of you working in the canteen at that stage?
---They'd just put a kitchen in. They were short staffed. They were looking at – they'd put a food service program in and I supplied some front, front-of-house staff. I went in as a chef and I had a look at their program and that was from the Friday to the Sunday and Sunday at 12.30 I was called out to, to go to Narrabri.

20

So – and I think that was 22 November, 2009 you found yourself off, off to Narrabri with a team or with - - -?---That's correct.

All right. And you had to assemble I guess equipment and people, personnel to operate the canteen in the field. Is that so?---That's right.

All right. And that engagement I think led to a fair bit of activity over late 2009. Is that right?---That's right.

30

And I think you attended not only Narrabri but a number of other fire grounds in December of 2009?---That's correct.

Do you recall where you were sent?---Cooma, Bingara, Armidale, there's a couple more, Narrabri, I think Lithgow. I'm not sure, I think there's one more. I think there was six or seven.

All right. And you and the team that you assembled did all the catering for that. Is that so?---That's correct.

40

Then I think there was a tendering process that took place in 2010. Is that – and you were asked some questions about receiving help with the preparation of the tender. Do you recall that – those questions?---Yes, I do. I was actually brought to my attention about that tender. I had no idea about the tender process and the tender was, was sent to my email which then I looked at and I thought it was – would be a great opportunity to, to work with the Rural Fire in their staff canteen.

When you lodged that tender who did you lodge it with?---I lodged with Wendy Bucket and Arthur John Hacking.

All right. And were you successful in that tender?---No, I wasn't.

Just coming back to the snack packs. I think the evidence establishes that the first snack pack order occurred on 17 January, 2011?---Yes.

Is that right?---That's correct.

10 And you were asked some questions about how the payments – how the skimming arrangement commenced. Do you recall, you recall those questions?---Yes, I do.

And this is at page 24 of the transcript about line 23. You – when you were asked by my learned friend Counsel Assisting he put this question to you, “Do you say that it turned into an arrangement where it would be 20 per cent every time?” And your answer was this, “The arrangement started with not a set amount. I would get a phone call asking certain amounts to be put aside so for a while, and dates I'm not clear of, but I was asked to put certain amounts aside from a phone call.” Right?---Correct.

20 And I think as a result of some questions that my friend Mr Whitfield put to you yesterday you clarified what you meant when you used the word “amount”?---Yes.

By saying that it was preferable to snack packs rather than a dollar amount. Is that right?---That's correct.

30 All right. And you described a scenario didn't you whereby this was generally in circumstances where a section 44 order had been issued that you would get a, a phone call?---Correct.

All right. And that was from Mr Hacking, John Hacking?---Correct.

All right. And that phone call would involve putting you on notice that a purchase order would be coming through. Is that right?---Yes.

40 Would you be told what the, what the item, what the nature of that order would be, the content of that order would be?---Yes. I would be, I would be told the, the amount of snack packs that, that were getting ordered under that purchase order.

All right. And that could be a figure, based on the evidence that we've seen during the inquiry, anywhere between 2,000 to 100,000. Is that right? ---That's correct.

All right. And it wasn't always a number ending in 0 or double 0 but it could be an odder number, is that right?---That's right, yes.

All right?---There was many times where there was a 1,200 snack pack order, yeah, through the, through the early stages.

All right. And I just to know precisely how a typical conversation would go in terms of these phone calls you received from Mr Hacking, Mr John Hacking putting you on notice about a purchase order?---Um, I would get phone call and, and again sometimes I would be in the field with, “Mate, I’ve got an order coming through for you, just to let you know so you can ramp up um, the snack packs.” This is a - - -

10

Just pausing there the ramping up, what was that a reference to?---That was a, to order in, order in some snack packs.

All right?---So just ramping up stock.

And ordering a snack pack would involve you making contact with - - -?---My confectionary company.

Okay?---Central Coast Confectionary.

20

All right. To place the order for the contents?---Correct.

And that they would be then delivered to your premises?---That’s correct.

Where was that located?---That was ah, originally at Wyoming and then it turned over into West Gosford. Manns Road, West Gosford.

All right. And I think your evidence – and correct me if I’m wrong – from there was that your mother Gay Homsey and her team would then take - - - ?---They would put the product together.

30

Put the product together. All right. And just going back to the conversation so he would say, “I’m just putting you on notice to ramp up supply”?---That’s correct.

And what – how else would the conversation, a typical conversation develop?---Um, and the conversation would be that I’ve got those products ordered, I’ve got a purchase order coming, and in 2012/2013 then it was told what needs to be put aside.

40

All right. So in those conversations typically would you be advised about the number of snack packs required under the order?---Yes.

All right. So let’s say for example, if you – and tell me if this is a useful example – if you were told that a purchase order was coming through for 5,000 snack packs what would follow on from the statement of that figure of 5,000?---Well um, generally on, on a small order it would just be there’s a

5,000 snack pack but if it um, generally if there was a larger order um,
“Could you put that, that one aside for me.”

All right. Well when you say could you put that one aside for me - - -?---
Put one, 1,000 aside.

Did he ever say could you put that two aside for me?---Yes. If the order
was larger than that, yes.

10 I see. Well typically just try and give some evidence about – because I
think your evidence so far has been that it varied depending on the size of
the order?---It varied, it varied on, depending the size of the order and, and
it could be anywhere between, depending on, sometimes there was an order
for 60,000 um, 20,000 - - -

All right, let’s just deal with that example. If you were told that an order
was coming through for 60,000 what, was there any suggestion about what
should be put aside from that figure?---Um, yes. Yes. There would be a
suggestion that um, “Could you put that six or four away for me.”

20

I see. All right, thank you. And then you would calculate the value of the
payment that you needed to make to Mr Hacking based on - - -?---Correct.

- - - the number of snack packs you were told put aside?---Correct.

Just pardon me a moment. Now, just going back to your initial history with
the Rural Fire Service I think the evidence is that following upon that first
rather frantic month or so in December of 2009 you continued to provide
catering services for Rural Fire Service from that point on, is that right?---

30

That’s correct, yes.

And that involved you going to, out into the field, is that right?---Yes. Yep.

All right. And when did that, when did you stop going to the fire ground
yourself?---Um, I was at every fire except ah, I think three in those five/six
years.

40

I see. All right. So there was always one of your catering units somewhere,
is that the situation?---In, in a lot of the, in a lot of the catering um,
scenarios with food basecamp style. That’s, all my staff were out, and
myself were out at the camp site.

I see. Just so that I’m absolutely clear about it the snack packs were, after
being assembled were then placed in a box, is that right?---That’s correct.

And that box contained a total of 10 snack packs?---That’s correct.

All right. And then 64 of those boxes would end up on a pallet?---That's correct.

And that was when the pallet system was introduced about which you've given some evidence?---That's right.

All right. And so that would mean that there were 640 snack packs on a pallet?---That's right.

10 I'll just ask you about some evidence that you gave at page 32, and I'm sure it was just a slip but just let me ask you about it. This is at line 12. Again it was about being, you were being questioned by my learned friend, Counsel Assisting, and you were talking about receiving phone calls and you said this at about line 8, "He," and I think you're referring to Mr John Hacking, "Would say that, 'Can you put aside, can you put this aside,' and then later on it became 10 per cent and then on that last order it became 20 per cent." Is that right?---That's correct.

20 And then you were asked this question, "Yes, so you say that the 20 per cent only applied to this order," and your answer's recorded as this, "A majority of that, yes. There was 20 per cent. Sometimes it was 20 per cent because of the order and he would give me a call and say, 'Could you put 2,000 away,' on a 20,000 order so that made it 20 per cent"?---That's correct.

I'm sure that was just a slip of the tongue because that in fact is 10 per cent?---That's right, yes.

30 All right. Do you need to correct that evidence at all and make it 4,000 or is that the situation?---No, the situation that would be it, it would be, so my apologies for that. It was - - -

So on 20,000 it would only be 10 per cent?---Yeah, that's correct.

I see.

ASSISTANT COMMISSIONER: But can I just clarify, I did understand your earlier evidence to be that the last occasion was not the only occasion where 20 per cent was put aside?---Ah hmm.

40 Sometimes on other big orders 20 per cent was put aside, is that correct or not?---Yeah. On, depending on the order, Commissioner, it was, it was an amount and I didn't even realise it was a per cent, it was just could you put two away for that order for me and again with the purchase orders it was only on the 2014/'15 it was agreed um, the 20 per cent.

So you are saying that the last order, the 100,000 order - - -?---That's correct.

- - - was the only order where it was 20 per cent?---That was as an actual, yeah, agreement, yes.

And prior to that you think it was always more like 10 per cent?---That's correct. It was, it was 10 per cent where the order would come through and could you put that amount of bags worth dollars aside.

Yes, thank you. Yes, Mr Brewer.

10 MR BREWER: Thank you. Mr Homsey, you were asked about a container that had some catering equipment in it?---Yes. That's correct.

And I think your evidence was that the container belonged to the Rural Fire Service?---That's right.

Was it painted red and had some logos on it or something, or what was the situation?---No. No, it was just a plain container.

20 Okay. And prior to that I think your evidence was that you stored some catering equipment on behalf of Rural Fire Service?---That's correct.

So can we assume that the container came at a later point after you started storing catering equipment?---That would have happened in 2013. I've had that container there for two years and that came after the Rural Fire started purchasing their own equipment instead of hiring it of MAK Catering. They started to, to build their own kitchens which then they housed in their container at my property.

30 All right. And I think your evidence was that recently that container was recovered, is that so?---That's right, in the last um, week or so.

And I take it - it was full of catering equipment belonging to Rural Fire Service?---That's right. Well, I had to pack some of it. I was away um, after my dad's funeral I was away and, and then I got a phone call from Rural Fire which I thought was strange because I hadn't heard from them for five months, all of a sudden this came about.

All right?---Yep.

40 Was that the entirety of the equipment?---I've still - - -

I should say in the container?---Um, I still have some which I have talked to a lady by the name of Helen and um, because I had been away I still have um, some product there but she um - - -

Some catering equipment?---That's, catering equipment, yes.

All right?---But in - - -

What, another container load or - - -?---No. No, not a container load but you're probably looking a few bane maries, three fridges. There's a little bit of equipment there.

All right. And you've made Rural Fire Service aware that there's still - - -?
---Absolutely.

10 - - - items to be collected?---I told them when I'm finished here they would be able to come and pick that up.

All right. And you also gave some evidence about charging a fee for the storage of that equipment for that period of two years I think and also a fee for maintaining it. Is that right?---That's correct.

And you, and I think you said that apart from wear and tear and I think you used the term burnishing - - -?---Yes.

20 - - - the equipment was kept in good order?---Yes, it was.

How, how did you do that?---Well, the equipment came in and out depending on the, on the campsite or needs. If there was only a campsite for 100 obviously I wouldn't need as much so equipment would come in and out pending the, the application that was needed. So normal wear and tear on equipment, on stainless steel it gets burnished, gets scratched, but other than that the equipment was well kept.

30 All right. How was it cleaned?---It was cleaned with, the stainless steel equipment polished. I mean there's some, there's a four-burner there that's actually just over time has got a little bit of rust which it's only been used probably four or five times.

All right?---It's in very good condition the equipment.

All right. And clearly you had some history as a cook/chef. Is that right?
---Yes.

40 All right. And did you obtain any other qualifications relevant to your duties as a caterer?---Yes. I've, I've held positions with food safety. A HACCP accreditation which is one of the highest food safety programs you can obtain.

So in terms of looking after the RFS's catering equipment you had the knowledge to be able to clean it in an appropriate way?---Oh, yes.

All right. So that it was ready to deploy - - -?---Yeah, it was all, yeah, absolutely.

- - - should an order come through for a, for you, for your services to be - - -
?---Pending on the, on the job.

Just listen to my question. For your services to be provided to a particular location?---That's correct.

10 Just pardon me a moment. Just generally speaking I want to ask you some questions about receiving purchase orders over the time, more particularly since the snack packs have been in place or being, being supplied which I think you said commenced early in 2011. Is that right?----That's correct.

Just tell us what the process would be in terms of was there a set procedure for receiving purchase orders and responding to them or what - - -

ASSISTANT COMMISSIONER: Excuse me, Mr Brewer. Your client has been taken through this by Counsel Assisting.

MR BREWER: My pleasure.

20 ASSISTANT COMMISSIONER: If there's a particular issue you wish to highlight I'm happy for you to do so but I don't want to repeat evidence that's already been given.

MR BREWER: Yes. Thank you, Commissioner. Just in terms of signatures on purchase orders?---Yes.

Were they always in place?---No, not always.

30 Did you ever receive a direction to make a supply of a product without a purchase order at all?---Yes, I did.

Give me an example please?---I've asked, been asked to pick up some lollies and take – from my confectionary company and take up to Coonabarabran and at the same time organise a driver and the purchase orders in these instances would come a couple of days later. Some things were actioned on the phone with a follow up later on so I would find that it wasn't a perfect world in that regard.

40 Yes, those are my questions. Thank you.

ASSISTANT COMMISSIONER: Thank you, Mr Brewer. Yes. May this witness be excused now, Mr Katekar?

MR KATEKAR: Yes, Commissioner. Thank you.

MR WHITFIELD: Commissioner, sorry. Could I just – there's some questions been asked in relation to this setting aside of snack packs. I did cross-examine Mr Homsey about that and put certain things to him.

ASSISTANT COMMISSIONER: Yes. Well, I don't he's changed his evidence - - -

MR WHITFIELD: No, I don't, no.

ASSISTANT COMMISSIONER: - - - since you've cross-examined him.

10 MR WHITFIELD: Yes. So I just want to make sure that I don't have to cover that again that's all?

ASSISTANT COMMISSIONER: No.

MR WHITFIELD: No.

ASSISTANT COMMISSIONER: No.

MR WHITFIELD: Thank you.

20 ASSISTANT COMMISSIONER: Not at all.

MR KATEKAR: Thank you, Commissioner.

ASSISTANT COMMISSIONER: Thank you. Yes, Mr Homsey, you're now excused and you may leave?---Thank you, thank you, Commissioner.

WITNESS EXCUSED

[10.55am]

30

ASSISTANT COMMISSIONER: Thank you.

MR KATEKAR: The next witness I call Gay Annette Homsey.

ASSISTANT COMMISSIONER: Yes.

MR BREWER: We'll make a space available, Commissioner.

40 ASSISTANT COMMISSIONER: Thank you, Mr Brewer. Just take a seat there Mrs Homsey. Ms Hall is your client seeking a section 38 declaration?

MS HALL: Yes, your Honour.

ASSISTANT COMMISSIONER: And she understands the effect of such an order?

MS HALL: She does, Commissioner.

ASSISTANT COMMISSIONER: Thank you. Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by her during the course of the her evidence at this public inquiry are to be regarded as having been given or produced on objection. There is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

10 **PURSUANT TO SECTION 38 OF THE INDEPENDENT
COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT
ALL ANSWERS GIVEN BY THIS WITNESS AND ALL
DOCUMENTS AND THINGS PRODUCED BY HER DURING THE
COURSE OF THE HER EVIDENCE AT THIS PUBLIC INQUIRY
ARE TO BE REGARDED AS HAVING BEEN GIVEN OR
PRODUCED ON OBJECTION. THERE IS NO NEED FOR THE
WITNESS TO MAKE OBJECTION IN RESPECT OF ANY
PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING
PRODUCED**

20

ASSISTANT COMMISSIONER: Mrs Homsey, you're required to take an oath on the Bible or make an affirmation to tell the truth. Do you have a preference?

MRS HOMSEY: A Bible.

ASSISTANT COMMISSIONER: Could the witness be sworn please.

ASSISTANT COMMISSIONER: Thank you. Yes, Mr Katekar.

MR KATEKAR: Thank you, Commissioner. Mrs Homsey, you're on the pension?---Yes.

10 You have been for some years?---About two, I think or three.

Two, all right. So since when have you been on the pension?---Since I turned 65.

All right. And when was that?---The 12th of the 8th, '47.

All right?---Oh, no, sorry.

So 64?---That's when I was born.

20

12th of the 8th, '47. So fast forward - - -?---I'm sorry.

- - - 12th of the 8th, 2012?---Yes. Sorry.

Thank you. All right. On 21 February, 2013, two companies were incorporated. One being Emergency Management Catering Services. Do you know that company?---Yes.

EMCS?---Yes.

30

And you're the sole director of that company?---Yes.

And the sole secretary of that company?---What do you mean by secretary, I'm sorry?

All right. Well, that's what the records say. If you don't know what it is so be it. And you own 10 per cent of the shares of that company?---Yes.

40 And your son Scott Homsey owns 90 per cent of the shares of the company?---Yes.

On the same day on 21 February, 2013, another company was incorporated, D'Vine Group Pty Limited?---Yes.

You know that company?---Yes.

And you're the sole director of that company?---Yes.

And a 10 per cent share holder of that company?---Yes.

And Scott Homsey, your son, is a 90 per cent share holder of that company?---Yes.

You talk to your son regularly?---Yes.

Most days, don't you?---Yeah.

10 Yes. Often more, more than once a day?---Yes.

You're a close knit family, correct?---Yes.

And in June last year you – a new house was purchased in [REDACTED], wasn't it?---Yes.

At [REDACTED]?---Yes.

20 And you moved in there?---Yes.

And the company EMCS, if I can put it that way, paid the money for that house, didn't it?---Paid the deposit, yes.

Paid the deposit. It also paid the rest of the money for the house and then there was a later loan from Macquarie Bank, wasn't there?---Macquarie?

There's a loan – in August, 2014, there was a million dollar from Macquarie, wasn't there?---(No Audible Reply).

30 400 went into your house - - -?---Yes.

- - - and 600 went into your son's house?---Yes, yes.

Correct?---Yes.

And EMCS is paying off that loan?---Yes.

And you're not paying it?---No.

40 In January, 2011 – I'm going to go back in time now four years, four and a bit years ago now, four and a half. Okay, I'll go a bit further forward to May, 2011 your son, Scott Homsey was made bankrupt?---Yes.

Do you remember that?---Yes.

That was May, 2011. Before that happened you knew that Scott Homsey was in financial trouble didn't you?---Yes.

Yeah. And so in January, 2011, going back to January, 2011 – I'll show a document if it makes it easier for you, and for the Commission. Could the operator please bring up Exhibit 3, page 31, please – and this is an invoice from D'Vine Tastes and in January, 2011 this was a business being conducted by your son Scott, do you agree?---Yes.

And you will see that on the bottom left-hand side is your name?---Yes.
Yes.

10 So at least from January, 2011 your son was using your bank account for his business?---Yes.

And you knew what was going into your own bank account didn't you?---
Yes.

And you had access to that bank account?---Yes.

And there was, you knew that your son was using your bank account
because he was in financial difficulty?---Yes.
20

Do you agree?---Yes.

And that after he became bankrupt in May, 2011 he continued to use your
bank account?---Yes.

And he did that so that he could continue running his business while he was
bankrupt?---Yes.

30 On this invoice, as far as the Commission is aware, this is the first time that
the New South Wales Rural Fire Service – you'll see it's a bit, not very
clear on that but you'll see the name John Hacking there?---Um, yes.

Can you see the name John Hacking?---Yes.

And – oh, okay – manager, logistics and then below it's - - -?---Yes.

- - - signed by people at the New South Wales RFS?---Yes.

40 But this was the first occasion on which D'Vine Taste invoiced the New
South Wales RFS for snack packs?---(No Audible Reply).

At some point you were helping your son make snack packs weren't you?---
Yes.

And you were based at your son's warehouse making the snack packs,
correct?---Yes.

Sorry, you'll probably need to speak up?---I'm - - -

I know it's hard in this environment but you probably need to speak up for the microphone - - -?---Oh, I'm sorry.

- - - so that the transcript can hear you and also - - -?---Okay.

- - - people can - - -?---Sorry.

10 And this you'll see is in January, 2011 and you'll accept this, that was during a fire season. Do you agree with that?---(No Audible Reply).

You don't know. All right?---No. We only got packs when there was a fire on.

Yes. And commonly, perhaps not in 2011 – I'll ask you that in a minute - - -?---Yeah.

20 - - - but more recently, in more recent years it was the case wasn't it that your son, Scott Homsey was out in the field doing catering - - -?---Yes.

- - - while there were fires?---yes.

And when snack pack orders came in you would be at the warehouse making the snack packs?---Yes.

Do you agree?---Yes.

30 And you were responsible with people who you contracted to actually fill the snack packs?---Yes.

Is that right?---Yes.

And the orders would come in from Mr Hacking to Scott, is that right?---Yes. Well, I'd get – I don't know - - -

Scott would call you?---Yes.

40 But you knew didn't you that his contact at the New South Wales RFS was John Hacking didn't you?---I only, I only knew like, only ever heard John, his name John. I didn't know his last name. I just – Scott would say John, John - - -

You knew he was John, so a chap called John?---John, yes.

You say you never knew his name?---John, yeah.

Do you say you never knew his surname?---Well, eventually I knew his surname but - - -

Right?--- - - - Scott used to say oh - - -

John?---Yeah.

In November, 2012 you deposited a bank cheque for \$38,000 into John Hacking's account?---Yes.

Didn't you?---Yes.

10

So you knew by November, 2012 what his last name was?---Yeah, because I had to put that cheque in but I mean - - -

Into the bank account?---Into his bank account, yeah.

Yeah. And your son Scott Homsey told you to do that?---Yes.

And you knew that when you were depositing it into that account that it was going into the account of John Hacking?---Yes.

20

And you knew that John Hacking was the name of the person at the New South Wales Rural Fire Service?---Yes.

Who was the John who made the orders?---Yes.

Correct?---Yes.

Going back to that document in January, 2011 there's an order for 2,000 snack packs. That's the first order. Did you make those snack packs?

30

---Yes.

All right. Can I ask the operator to pull up volume 3, page 29. This is a purchase order for 2,000 snack packs and there was a purchase – some purchase orders later in the year in September but in early 2011 as far as the Commissions knows this is the only order for snack packs placed. My question is – okay. There's, there's an order here – I'll tell you were I'm going. There's an order here for 2,000, right?---Yes.

On this screen and I've just shown you an invoice for 2,000 snack packs in January?---Yes.

40

Did you make any other snack packs in early 2011?---I'm sorry, I can't remember that. That's - - -

You can't remember?---That's too far back for me I'm sorry.

All right. Is this right that between January, 2011 around the time of that purchase order and May, 2013, so it's a two-year period, I'll tell you this, in May, 2013 the bank account for EMCS was opened?---Yes.

Right. And that in that period your bank account was being used by your son?---Yes.

And over the whole of that period he was bankrupt – sorry, I'll withdraw that. He was bankrupt from May, 2011 onwards?---Yes.

10

He was taken out of bankruptcy in May, 2014. That Scot used the bank account for his business. Correct?---Yes.

You knew what was going in and out of that bank account?---Not all the time I didn't.

But you had access to it?---I had access to it, yes.

20 And you would see when money would go – when the balance would go up and down?---Not all the time, no.

Not all the time but occasionally?---Occasionally, yes.

And you were in regular contact with your son?---Yes.

And when you needed money you'd ask him for it?---Yes.

30 Or did you just take it out?---I would never take any money out unless I'd asked because to me that was his money not my money.

All right. Did your pension go into a separate account?---Yes.

So you used your pension account – is this right – but when you needed money you'd ask Scott?---If I, yeah.

Correct?---Yes.

40 So this was in 2011 I took you to but the big orders from the New South Wales Rural Fire Service for snack packs didn't start until late 2012 to date after you started your pension – you got your pension in August, 2012 and the first big orders came in late 2012 didn't they?---Yes.

For about \$1 million?---Yes.

All right. And you knew these things, you knew that each snack pack was put together in a plastic bag, correct?---Yes. Yes.

With certain contents?---Yes.

Yeah. And that once it was put together and sold, it was being sold by your son for about \$14 per snack pack?---Yes.

But the cost of what went into it was only about five or \$6?---Oh look, I didn't know all that. I only just did what – I didn't – I don't know how much the things cost to go in there.

10 You knew your son was making something of a profit on the snack packs didn't you?---Well, yes.

Yes. A substantial profit?---I can't tell you that. I can't answer that.

20 And when your son asked you to put, draw out a bank cheque for \$38,000 in November, 2012 this was at a time after about \$1 million worth of snack pack orders had been placed by the New South Wales Rural Fire Service, didn't you?---I was asked to do that. I don't – look, I don't know the runnings of everything. I'm only just – I was asked to get a cheque for Mr Hacking for, for an amount of money and put it into his bank.

All right?---I went down, did that, put it in his bank, and then forgot about it.

Well, you also knew when that happened of these things, you knew that John Hacking was the person from the New South Wales Rural Fire Service who had placed the orders to your son?---Yes.

30 And you knew of the volume of the orders placed because you were making the bags?---Yes.

And after you made about \$1 million worth of orders you put \$38,000 into John Hacking's bank account didn't you?---Well I was asked to.

Yes. And you knew what it was for didn't you?---I was, I was told it was for a loan.

Did you believe that?---Yes. Because I don't know what like, yes I did. I don't question, I just - - -

40 Did you ask your son whether that was a legitimate payment?---No.

You found out at some stage didn't you, later, that your son was making payments to John Hacking, correct?---Yes, my son told me in I think it was um, November, '14 I think.

Well, let's go back in time a little bit. After November, 2012 – so two years before – after you put in that \$38,000 from – after that during a fire season

about once a month your son would call you and say, "Mum, can you call the bank," correct?---Yes.

"And tell them that we need to get cash out"?---Yes.

"From the Westpac Gosford branch," correct?---Correct.

"And the Westpac Wyoming branch"?---Correct.

10 And you would make those calls?---Yes.

And on occasion either you or he would go to those branches and get the cash?---Yes.

And you would give that cash to your son?---Yes.

And he would give it to Mr Hacking?---I would give it to my son and what he did with it, that was his business. It's not mine.

20 You knew full well - - -?---No I didn't.

- - - what he was doing didn't you?---I didn't know till November.

Let's talk about November, 2014 then. What did he tell you?---He told me what he was doing and I told him not to do it because he'll get caught and - - -

All right. So just pausing there he told you what he was doing?---Yes, in a conversation.

30

What did he say?---Oh, I think, I don't know how it came up um, it was in a, I don't know how it came up and - - -

What I'm struggling to understand is why he told you then and not two years before?---Look, I can't answer that. I don't know he told me then.

So do you - - -?---I didn't know before then.

40 Were you aware that in February, 2013 \$143,000 went out of your bank account?---No.

You say you didn't notice it?---No.

And your son Scott didn't tell you - - -?---No.

- - - that a substantial amount of money had just been paid out of the account at that time?---No.

Although at that time you were talking to your son regularly?---Yes.

Every day?---Yes.

And in February, 2013 you were making snack packs - - -?---Yes.

- - - for the New South Wales Rural Fire Service?---Yes.

10 By late 2014 you knew that your son had made substantial payments to Mr Hacking didn't you?---I, I didn't question.

All right?---He'd ask me to get the money. I had enough stress at my home
- - -

Right. Address my question, please. You knew in November, by November, 2014 that your son had made substantial payments to Mr Hacking?---In, in November he told me. That's when I knew.

20 All right. But you knew that he'd been making substantial payments to Mr Hacking for a number of years, for at least a couple of years didn't you?---I only know about the 38,000 that I had to put into his bank.

Right. So you only, you say you only know about that?---Yes.

All right. And in November, 2014, do you say to the Commission today that by November, 2014 when your son told you that that's the only payment you knew about?---Yes.

30 You thought in – bear with me. I'll get the date. In late 2014 you thought that Darren Hacking, sorry. John Hacking was worth a mint didn't you?---I beg your pardon?

You thought he was worth a mint?

MS HALL: When's that, sorry?

MR KATEKAR: I'll tell you. By December, 2014 you thought he was worth a mint?---I don't know the man.

40 Right. I'm – all right. By October, 2014 you knew that your son had been making illegitimate payments?---November I, I think he told me.

All right. I'm going to play some telephone conversations. First of all is this one. This is from 22 October, 2014 between you and your son.

AUDIO RECORDING PLAYED

[11.20am]

MR KATEKAR: That was in October, 2014 on the 22nd, and by way before I forget, I'm going to tender that and the transcript.

ASSISTANT COMMISSIONER: Yes. The TI transcript and tape of 22 October, will be exhibit 57.

10 **#EXHIBIT 57 - AUDIO RECORDING WITH ACCOMPANYING**
TRANSCRIPT OF INTERCEPTED TELECOMMUNICATION 22
OCTOBER 2014

MR KATEKAR: Sorry, 57, was it?

ASSISTANT COMMISSIONER: Yes.

20 MR KATEKAR: By 22 October, 2014, you knew that your son had been making payments in the past which were not all above board?---By that conversation I must have known.

You must have known by then?---By then.

Is this right, I'm sorry. Is this right? That at least by then you had been told by your son that he had made illegitimate payments?---I can't remember, I'm sorry.

All right?---I know November he told me.

30 Right. But well, I think you were about to – you had accepted a minute ago that at least by October, 2010 you knew?---Well, by that conversation I must've known.

I'm sorry. I'll have to repeat the question because I – we were talking across each other. And I made a mistake in my question so I need to clarify that, I'm sorry. By October, 2014, is this right? The first, your son had told you that he had been making illegitimate payments - - -?---Yes.

40 - - - to the New South Wales Rural Fire Service? I withdraw that. To John Hacking?---Yes.

You had told him he should stop because he'll get caught. Correct?---Yes.

But he kept doing it?---Yes.

How long after you told him that he should stop doing it, but he – did he continue to do it?---Well I was getting money out – he'd asked me to get money out of the bank so I presume he was still doing it.

How long did that go on for really?---I couldn't tell you, I'm sorry.

I beg your pardon?---For that year?

You can't tell me? You can't remember?---No.

10 How long did it go on for that you continued to go to the bank to get cash
for John Hacking after you had told your son to stop making the payments?--
-- -When my son would ring up and ask me to go and get money out or he
would go to order it and he would get it or - - -

You knew those cash payments were going to John Hacking, didn't you?---I
couldn't say for sure. My suspicions would that he had, because I told him
not to do it.

But he told you he needs to get money out for John. You knew what that
was for. Correct?---Yes.

20 Yes. All right. I think I'm just going to play this one. I'm going to play
another telephone conversation. It dated 20 December, last year. And I'm
going to give you some context to this conversation because it will start in
the middle of a conversation, I think. What had happened was, that on, I
think it's the 20th, was it the 20th? Bear with me. Don't start it yet, please. I
need to give some context - Yes. On 20 December, 2014 your son had met
Arthur John Hacking and given him \$15,000 in cash and you had been, on
19 December to get \$8,000 from one branch and \$7,000 from another. One
Gosford and the other Wyoming. I'm not sure which is which. Then after
30 your son had given \$15,000 in cash to Mr Hacking together with a ham and
pork roll for Christmas he had accidentally left some bank statements in the
box which were bank statements of EMCS which showed substantial funds
in the bank account – and your son called you about it to tell you what had
happened and how upset he was that Mr Hacking might know by looking at
how much money was in bank account. Do you remember that event?---
Yes.

Yeah. And then oh, if it's ready, here's part of the conversation, this
happened.

40

AUDIO RECORDING PLAYED

[11.27]

MR KATEKAR: All right, I'll tender that.

ASSISTANT COMMISSIONER: Yes. The transcript and tape of the 20th
December conversation will be Exhibit 58.

**#EXHIBIT 58 - AUDIO RECORDING WITH ACCOMPANYING
TRANSCRIPT OF INTERCEPTED TELECOMMUNICATION 20
DECEMBER 2014**

MR KATEKAR: Thank you. Now, you told your son, "I reckon he's worth a mint," in reference to John Hacking, correct?--- Yes.

10 And you thought he was worth a mint because you knew how much your son had been paying him?---No, it was just a stupid conversation I had with my son.

You knew that John Hacking was an employee of the New South Wales Rural Fire Service?--- Yes.

And you knew that as an employee of the Rural Fire Service that he was a contracts officer?---A who, I'm sorry?

20 Contracts officer?---I don't know, who, what he was.

You knew he did not have a senior position at the New South Wales Rural Fire Service?---I don't know, I've never met the man.

All right?---I only know he put orders in for bags.

You knew that in the capacity as an employee of the New South Wales Rural Fire Service he would not be making a mint in that position?---I don't know what position he's in. I don't know how much that man makes.

30 You were perfectly aware that your son had been paying Mr John Hacking a lot of money for some period of time which is why you thought he was worth a mint?---(No Audible Reply)

You can't answer that question can you?---Yes, I can.

Well, answer it for me please?---Well, I, I'd say with the money that my son had given him he'd be worth that amount of money.

40 Exactly. Because you knew - - -?---But that would be - - -

- - - the amount of son – the amount of money your son had given him?
---No, I've never – no, I don't know how much he's given him.

You knew that it was a lot of money didn't you?---Yes, by getting the money out I knew there was.

By getting the money out. You had been getting about 15 or \$20,000 out per month for each fire season since 2012 hadn't you?---No, I haven't.

And you knew that it was going to John Hacking didn't you?---No.

And you knew it all the way along?---No, I didn't.

And you're not being honest with the Commission today?---I am.

Okay. I beg your pardon? Oh, thanks. I'm finished and I see the time.

10 ASSISTANT COMMISSIONER: Yes. We will take a 15 minute adjournment.

SHORT ADJOURNMENT

[11.31am]

ASSISTANT COMMISSIONER: Thank you, please be seated.

20 MR KATEKAR: (not transcribable) been asked, sorry, has asked for a brief reprieve for emotional reasons. I've agreed to that if it would please the Commission. We will seek to call her later today for other examinations and so I now call Arthur John Hacking.

THE WITNESS STOOD DOWN

[11.31am]

30 ASSISTANT COMMISSIONER: Yes, Mr Hacking. Could you come up. Just take a seat there for a minute. Mr Whitfield, is your client seeking a section 38 declaration?

MR WHITFIELD: Yes, Commissioner.

ASSISTANT COMMISSIONER: And he understands what that means?

MR WHITFIELD: He understands what that means, yes.

40 ASSISTANT COMMISSIONER: Thank you. Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by him during the course of his evidence at this public inquiry are to be regarded as having been given or produced on objection. There is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT ALL ANSWERS GIVEN BY THIS WITNESS AND ALL DOCUMENTS AND THINGS PRODUCED BY HIM DURING THE COURSE OF HIS EVIDENCE AT THIS PUBLIC INQUIRY ARE TO BE REGARDED AS HAVING BEEN GIVEN OR PRODUCED ON OBJECTION. THERE IS NO NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING PRODUCED.

10

ASSISTANT COMMISSIONER: Mr Hacking, will you take an oath on the Bible - - -?

MR HACKING: Yes.

ASSISTANT COMMISSIONER: - - - or make an affirmation, an oath?

20 MR HACKING: Yes, Commissioner.

ASSISTANT COMMISSIONER: Thank you.

MR KATEKAR: Mr Hacking, you are a, were a contracts officer at the New South Wales Rural Fire Service?---Yes.

For what period of time?---I think between 2009 to current.

10 Current. And are you still working there?---No.

At the time you left what was your salary?---95,000.

95,000. And as a contracts officer, outside a section 44 declaration you had responsibilities for contracts with third party suppliers?---That's correct.

Including a role in entering in to such contracts?---Tenders?

Yes?---Yes.

20

Procurement?---Yes.

Ordinary procurement. You agree?---Ordinary procurement, not, yes but not 100 per cent. Like it was probably 20 per cent of my work but 80 80 per cent contracts.

80 per cent contract relationship management? Correct?---Well there was relationship management involved but I wouldn't say 80 per cent, no.

30 Right. So your responsibilities included relationship management, procurement and other aspects of contracts that had already been entered into - - -?---That's correct.

- - - between the New South Wales Rural Fire Service and third parties?---That's correct.

All right. That's in the procurement role, correct?---Correct.

But then you had a role as a logistics officer?---That's correct.

40

During a section 44 event?---Well, during, whenever, whenever an event was happening. It mightn't have been a section 44 it could've been a class 1, class 2 fire, yes.

A class 1 or a class 2 fire. So, all right. So you may have provided logistic services when there was a class 1 or a class 2 fire but no section 44 declaration?---That's correct.

And also there are other occasions where there may be an emergency event for example. Is that right? Like floods, New South Wales floods or something like that?---Well a declared event, yes.

A declared event. But that wouldn't necessarily be a section 44 event?--- That's a declared event. A section 44.

It's a declared event?---Yeah.

- 10 But it's not a section 44 declaration, it's a different declaration? Or is it a section 44?---It comes – well we get it as a section 44, yeah.

It is section 44, right. Right. Now the first thing that I'm going to do because there's been a bit of confusion between us, I think, is to ascertain when you were and were not at work. From the records that we have, could the operator please bring up, I think it's volume 2, page 27. Now you had an accident, did you not on or about 27 July, 2011?---On 27 July, yes.

- 20 And that might need to be blow up, but this is from our records or I think the New South Wales Rural Fire Service records and you'll see at the top line it's got Worker's Comp approved 27 July to 12 August, 2011. Which I presume you were off work completely in that period?---I was off work from 27 July to about, I think it was the first week in October. But I think that's, because I was on Worker's Comp that was just ongoing they way they claim the wages.

I see, so – sorry, I didn't mean to interrupt you?---Sorry. The way they claim the wages.

- 30 All right. So – oh, okay. So there's, there may be a disconnect between this and your actual absence from work in the way that some things are allocated to Workers Comp and maybe not. All right?---You'd have to ask HR how they do it.

All right. No, that's all right. Because it seems that after the first week in October there were some days being claimed – you'll see in October and then in November and then in December. But do you say that you were back at work in the first week of October?---Thereabouts, yep.

- 40 And then were you back full-time or did you, were you back like, three or four days a week or something?---I'm not too sure.

All right?---I thought, I thought I was back full-time.

All right. Okay. Nothing may turn on it. I'm just trying to get to the bottom of it?---Ah hmm.

Because when I look at this it just seems that you were away at the start. Now next, over the page if I can seek to clarify this, on page 28 you'll see that in, on 7 May, 2012 to 1 June, 2012 there's 140 hours recorded as Workers Compensation?---That's, yep. That's correct. That's um, the second operation.

Did you come straight back after work after the 1st of June?---I believe so, yes.

10 All right. Then next 18 July, 2013, further down the page, about two thirds of the way down the page you'll see there's a figure of 294 hours which a little under two months. Were you off work for that period?---That's correct.

And did you return to full-time work after the 13th of September?---Um, I, I, I did, yes.

20 All right. Thank you. Now, next thing I'd like to do is talk about outside a section 44 event procurement processes. Could the operator please bring up this one? I don't know what it is. I probably need to read it out for the record. Exhibit 1, page 160. 1-6-0. Now, this is a page taken from the procurement manual at the New South Wales Rural Fire Service. Have you seen this document before?---Yes I have.

Yeah, you have. All right. So you're familiar with it?---Yes.

What I just want to ask you is this, first of all let's just take an example - - - ?---Ah hmm.

30 - - - outside a section 44 event. If we were to take for example an arrangement by which the New South Wales Rural Fire Service was to procure goods for \$1.45 million on this flowchart it would fall within what's referred to as a large procurement, do you agree?---That's correct.

And there's two possibilities, either there's a brief, on the right-hand side, there's a brief procurement strategy - - -?---Yes.

40 What's that?---Um, it's, it's just a um, a cut down version of the, the full procurement strategy um, for um, contracts that are like, for supplies that are on Government contracts, pre-qualification schemes.

All right. And the full procurement strategy is a longer version of the brief?---That's correct.

What does the full procurement strategy involve?---Um, benefit analysis, cost analysis, basically going right through the whole gamut of procurement.

Ordinarily there would be a tender process involved?---For that – well, one-off – there's a one-off procurement or contract after five years so you've got two choices there, yeah.

Well - - -?---Just going by the flowchart there. You've got the two - - -

Yes. If it's a one-off contract or a contract for five years and it has full procurement strategy underneath it, does that envisage that there would be a tender process?---Yes.

10

Thank you. I'm reminded, if you look underneath that box there where it says full procurement strategy it's got a little box which says FAA?

---Ah hmm

And then to the right even under the – also under the brief procurement strategy it's got FAA and then if you look under the heading notes further down the thing?---Yeah.

20

And it might need to be blown up. You probably know what an FAA is. I didn't know until about two minutes ago and I think you're about to tell me a little more. FAA means full accreditation approach, specification, tender, evaluation and negotiation. Is that right?---That's correct.

So that involves on a large procurement of either kind that there would ordinarily be or as required by the procurement process a specification issued by the New South Wales Rural Fire Service?---Yes.

A tender?---Yes.

30

And then an evaluation of the responses to the tenders. Correct?---Yes.

And a negotiation process to finalise the agreement?---Yes.

40

The next document that I want to take you to is the section 44 workflow and this, I can indicate this is a current document and I'm going to be asking you some questions about this document concerning the current, before you left, procedures and then separately the situation in 2011 and 2012. Now, excuse me, I just need to ask, where is this from? Yeah, but where is the document from, is from the Procurement Manual? Okay. I'm told this is from the RFS website. Have you seen this document before?---No.

No. Okay. Well, let's work through it. And I'm talking now because there's some reference to Dataline in here and Dataline is a, is a computer program used now at the New South Wales Rural Fire Service?---That's correct.

And it's an inventory management software, correct, or what is it, or an accounting software?---It's an invoice workflow program.

Invoice workflow program?---Yeah.

So an accounts payable process is it?---It's an external web-based software that the Rural Fire Service have brought in.

All right. Does it work in with SAP?---I don't believe so.

10 All right. Well, just working through this, at the top, say there's a section 44 declaration?---Yeah.

And the district identifies the need. Then there is a logistics request created and sent to head office?---Ah hmm.

And when you were working at the New South Wales Rural Fire Service that's where you came in wasn't it?---Yes.

You were at head office. Correct?---Yes.

20 And you – while you were at work during a section 44 event you would often man the logistics desk at the State Operations Centre?---One of the people, yes.

One of the people, yes. If a logistics request was created and sent to you - - -?---Sent to logistics, yes.

Well, let's say it's you?---Yeah.

30 And you were on the logistics desk?---Yeah.

You got a logistics request from a fire centre which had a particular requirement. You would then need to have that logistics request approved would you not?---No. The logistics request has already been approved by the IC.

By the IC at the Fire Control Centre wherever?---That's correct.

40 Is that right? So do you get a document scanned through on the email which is signed?---That's correct.

All right?---Well it should be, yes.

It should be?---Yes.

But not always?---Ah, it, it does happen where it doesn't come through signed but yeah, it, it normally does come through signed.

If it doesn't come through signed what, do you get it signed?---Ah, no. We send it back.

You send it back. Always?---Ah, it depends what it is but um, the majority of the time, 90 per cent of the time, yes.

You would send it back?---Yes.

10 Isn't there a State Operations Controller at the desk in the State Operations Centre?---Yes there is.

And that State Operations Controller has a delegated authority of his or her own, is that true?---I don't believe so. I think that's just been recently changed. Steve Yorke has a delegation.

Yes?---Um, but the State Operation Controller I believe before um, December last year ah, didn't have a delegation.

20 Well, let's just take a step back. Let's assume for the moment that we're dealing with a section 44 event - - -?---Yep.

- - - and the State Operations Centre is live?---Yes.

And you're sitting at the desk?---Yep.

And Steve Yorke is the State Operations Controller?---Yes.

30 And in the capacity as the State Operations Controller he doesn't have any delegation, is that right?---He would have the delegation under his own - - -

That's right isn't it. So if you went to him and say, "I need this signed under your delegation," not as State Operations Controller but as Steve Yorke in his every day capacity - - -?---Yep.

- - - he would be able to sign it?---Yes.

40 That's right. So when you get a request which is not otherwise authorised by the Incident Controller one possibility for you is to go to Steve Yorke and ask for him to sign it?---Or, or Rob Rogers or, the Commissioner, whoever's, yep.

Whoever is the State Operations Controller sitting at the desk at the time, correct?---Oh, could be, yes.

Or somebody else outside the room?---Well it depends um, if, if, if um, either the Commissioner or Rob Rogers are there I'd, I'd go and see them. But normally the State Operations Controller, yes.

All right. So you would find someone with a delegation to sign it?---Yep.

Always?---Not always, no.

Right. Because then we now move to the next one which is a purchase order. Was there occasions on which during section 44 event you would raise a purchase order without a signed logistics request?---Um, yes. Um, sometimes you got an email sent through that they needed stuff urgently and then you would chase up the logistics request afterwards.

10

Did you always chase up the logistics request?---Ah, we tried, yes.

Well, you tried. How common was it for a logistics request not to accompany a purchase order even after the event?---Um, oh, it would happen probably five, five per cent, 10 per cent of the time.

Five per cent or 10 per cent of the time you would find, okay, that a signed logistics request was not in existence?---That's correct.

20

Now, next the – you'll see in the purchase order box it says, "Raised in SAP or MS Excel"?---Yes.

Now, the situation now is, is this right, that either of those two means is used for the purposes of starting the process for a purchase order in a section 44 event?---Um, in this instance absolutely but I believe this document's only just been produced because SAP hasn't been used. Um, they've been trialling um, and they've been having trouble with one-time vendors so the Excel spreadsheet's been used up until this fire season. But um, this document is obviously brand new.

30

Right. So up until this fire season. So let's go back for example to the 2014/'15 fire season?---Yep.

It was exclusively on a Microsoft Word Excel spreadsheet?---That's correct.

And so for each fire season is this right, that you had a spreadsheet at the logistics desk on the computers?---That's correct.

40

And when a request came in a new row would be created for that logistics request?---That's correct.

And a section 44, S44L number and then a number associated with that request would be created for that row?---Well, the number would be created but the S44L number was a standard prefix on the order, yes.

Yes. So there's a standard prefix, S44L?---Yeah.

And then a number?---That's correct.

And that was the purchase order number?---That's correct.

And then you would otherwise fill in the details?---That's correct.

Because then underneath that it's got – you'll see the box mail merge to word document?---Yeah.

10 So once the Microsoft Word Excel spreadsheet row was filled out appropriately then that would create a purchase order I think of the kind you've seen and we will go to later - - ----Yeah, yeah.

- - - that would produce. Correct?---That's correct, yeah.

And is this right that – and you might tell me when – but you had on your purchase orders your signature electronically applied?---It's, it's, it's on there all the time, yes.

20 Yeah. How long has that been going on?---That's been there for the last three to four years.

Three to four years. But the way really to tell who was – who had created that particular purchase order would be by looking at the box where it says logistics officer: and there would be a name?---That's correct but you could put anybody's name in there and it would just come up.

It would just come - - -?---Yeah, yeah.

30 Right. So that the – what that logistics' officer name that's not necessarily reliable as to indicate who it was?---It's an Excel spreadsheet. You can type anything in it.

All right. Okay. And so – I'm not saying this happened but Mr Springett for example could type in Wendy Bucket's name and up it would come and nobody would know?---Absolutely.

And your signature was electronically applied already?---Yeah.

40 So it was just a process through generation from, from that and nobody actually, actually signed it?---That's correct.

All right. And then the next step would be once that purchase order was produced it would be sent to the supplier?---That's correct.

And then the goods would be supplied?---Yes.

Ideally?---Yes.

Then – now I'm going to talk about goods receipted just briefly because in relation to the snack packs delivered by EMCS and earlier from D'Vine Tastes they were customarily, but not always, delivered to the warehouse at Glendenning. Correct?---That's correct.

And no receipt was issued by that warehouse?---Receipt issued by the warehouse or no delivery docket issued by D'Vine Tastes?

Either?---No.

10

No delivery docket, no receipt?---No.

So as far as this is concerned where it says goods receipted it might refer to the fact that ideally the goods would be received but no document would be created reflecting that?---I, I think what they're – we're – what they're saying here, as I said, I think this document has just been – not long been created there. It's actually been goods receipt in SAP.

I see. All right. I might talk about that a little bit later as we go along.
20 Okay. Let's say goods receipt in SAP?---Yeah.

Who applies the input into SAP to record that the goods have been receipted?---The person that actually receives it.

The person that receives it?---That's correct.

So is this right, at the warehouse?---At the warehouse.

All right. But before you left the New South Wales Rural Fire Service that process was not in place?---I believe that SAP is not being used for section 30 44 currently.

All right?---I believe here this document has been created recently and I know that they're moving towards SAP with an EAM, which is equipment asset maintenance.

Yeah?---But, yeah, at the moment or up until I left it wasn't being used.

All right. Thank you. Then, then the next step is invoice received by
40 accounts payable?---Payable, yeah.

That's what this says and just in the environment of EMCS supplying them, in, in 2012 I think at least, the process was that Mr Homsey would send – customarily send the invoice to you?---The invoices come to me or went to logistics, yes.

Went to Logistics?---Yeah. He would send the invoices to me if he was chasing them up.

Okay?---And a lot of suppliers did. But normally it would go to Logistics.

There's a Logistics email?---That's correct.

The invoice would go into Logistics and then the next step was that Logistics would check it against the purchase order?---That's correct.

And sign it?---That's correct.

10

As for approval? Was there another step in the approval process before it went to finance to pay?---It should go down to Steve York to be signed off.

It should?---It should, yes.

But didn't always?---Sometimes it went – it did get caught up or went into Accounts Payable but they would normally take it down and have Steve sign it off.

20

All right. So the process was – now when you say Steven York, is that – does it go to Steve York because he has a level of delegation sufficient to authorise payment of a large invoice?---That's correct.

That's because that's his procurement delegation? Correct?---That's correct.

And you don't have any procurement delegation?---That's correct.

So if an invoice was signed by you only finance should not be paying it?---That's correct.

30

And if finance got an invoice signed only by you, even if it matched the invoice, the process should have been that it should go back to be signed by an appropriate, by an officer with a sufficient delegation?---That's correct.

And if it got paid without that signature then that was a mistake?---Or a breach of the financial practices, yes.

40

Was there any occasion on which you sent an invoice with your signature on it and a purchase order to finance for payment without a delegated officers signature?---It could've well happened but no, not normally, it would go down to Steve York to be signed off.

Well when you say it could well have happened. After you sign it what happens to it?---It goes into a pile of paperwork and then the logistics officer – if there's – if we're going through a lot of invoices, the next person that comes on duty they finish it off - - -

And then there's a pile that's supposed to go, is this right, to the person with the appropriate delegation?---That's correct, yeah.

- - - for signature before it goes up? But there's a possibility that that might not happen. Is that right?---That's correct.

10 It goes up and it should, it shouldn't get paid unless there's a proper signature on it?---That's correct. There was a lot of times where the actual invoices went missing. We had to ask the suppliers to resend them. To check them again. Some invoices got doubled paid because the other invoice did turn up and a keying error went in when they've entered it. There was quite a few invoices that were actually, the suppliers - returned money.

Do you know if there was an occasion on which Mr Homsey was double paid against an invoice?---Not that I'm aware of but I have seen the documents and I believe he has been.

20 All right. What about being double paid against a single purchase order where two invoices have been raised against that single purchase order?---Well that could happen, yes. Going by this Excel spreadsheet, absolutely.

And is that because, for example, let's work on a hypothetical?---Yeah.

30 That once that purchase order is raised and then an invoice comes in for approval, the two are matched up and are paid. But then if a second invoice comes in you print out the purchase order, match it up and it gets paid?---The purchase order was never, ever printed out. It was only looked on the spreadsheet and if it matched the line it was signed off and sent down to Steve York. It was never matched with the purchase order.

Never matched with a physical document?---No.

Only matched to the spreadsheet?---That's correct.

40 And if it was matched to the spreadsheet and signed as being approved was - did the spreadsheet contain a column which indicated that it had been paid?---We started doing that but the vast number of invoices that were coming through it was just impossible to do so. It didn't get continued, no.

All right. When did it start?---Um, I'd have to have a look at the sheets.

All right. You're not sure?---But probably two years ago.

Right. And then when did it finish - - -?---Three years ago.

When you say it wasn't continued - - -?---Well, it was um, depending on, you're relying on the actual logistics officers at the time, whoever was checking it to enter it. You had some temps come in and do it. Um, yep.

I see. So even if there was a row on the spreadsheet as to whether or not an item had been paid it was unreliable?---It was unreliable in the sense that um, if you looked at some of the accommodation invoices um, for accommodation for people you got an invoice for each room for each person for each day - - -

10

Right?--- - - - and you had sixty, seventy, eighty invoices. It was just impossible to keep track of.

All right. What about do you know the situation now, is the Dataline process any more reliable as far as that's concerned?---It, it certainly is um, reliable but it's, you've still got to match it up with the spreadsheet. It doesn't, it doesn't marry up with the spreadsheet at all. So you've still physically got to check the spreadsheet and then you go in and just hit approve and send it on to Steve or, and then Steve hits approve and it goes on to Rob if it's, it's just got the delegations in it. So it, it doesn't marry up to anything.

20

Right. So if the – so there's still even with the Dataline program a risk that more than one invoice could be paid against a simple purchase order?--- Absolutely. And it has happened where it's been picked up where the scanning hasn't been very good.

All right. All right. So you told me a minute ago I think, about if goods now under the SAP system arrive at a warehouse they are receipted at the warehouse, correct?---Um, if, if goods are received at Glendenning um, yes they're receipted. If goods are received in head office John O'Neil downstairs can't use SAP and he relies on the people who he delivers the goods to, to goods receipt it. So - - -

30

To ask them to put it into the system?---Yep.

So there's an unreliability there, do you agree?---Yes there is.

But now, when did that system start at the Glendenning warehouse?---It, well ever since SAP's sort of been in. Um, if it comes in a SAP order it can be goods receipted in SAP. If it comes in on a logistics order it doesn't exist.

40

I see.

ASSISTANT COMMISSIONER: I'm sorry, you're saying there was no way to receipt goods outside SAP?---No.

What, are you serious?---No – I'm deadly serious.

And invoices could be paid with nobody certifying that the goods have been received?---Absolutely.

But that's - - -?---Absolutely.

That seems contrary to any basic accounting principles?---That's just the way it is, Commissioner, at the moment. Yes.

10

Are you saying no goods are ever receipted?---Ah, for section 44? Oh, for SAP definitely - - -

Are you talking only about - - -?---Section - - -

- - - goods received under section 44?---Section 44, yes.

They're not receipted?---No.

20

So other goods are receipted?---That's correct.

Well then I presume there's nothing to stop people receipting goods received under section 44 purchase orders?---There's nothing to receipt it against because it's not in a computer system, it's on a spreadsheet at head office.

Well someone could write out a receipt couldn't they?---Well they could, yes. They could, yes.

30

I don't – go on, Mr Katekar.

MR KATEKAR: All right. I'll just clarify this – and so I'm going to ask you some questions and I'll tell you what my understanding is and maybe the Commissioner can indicate if she doesn't understand. For the purposes of a section 44 purchase - - -?---Yes.

- - - all such purchases are not entered into the SAP system as a purchase?---No.

40

Correct?---Correct.

You agree with me. They are instead inserted onto a spreadsheet?---Correct.

With a line on the spreadsheet, correct?---Correct.

Maintained at head office?---Correct.

By the Logistics officers?---Correct.

And where a logistics request is raised that is then entered into the spreadsheet?---Yes.

And from which a number is created, that's S44L prefix number?---That's correct.

10 Which generates a purchase order, correct?---Correct.

But there is no communication between, for example, that spreadsheet and the warehouse at Glendenning, correct?---Correct.

You agree. So that when something delivered against a purchase order - - -? ---Yes.

- - - raised under that spreadsheet - - -?---Yes.

20 - - - is delivered to Glendenning - - -?---Yes.

- - - the warehouse at Glendenning doesn't have any way of entering it into the New South Wales Rural Fire Systems computer system to register that it's been received?---Absolutely. They could do a goods receipt miscellaneous which is they, they can physically go into the SAP system and receipt an item and put it into the system but it doesn't register against the purchase order or the S44 purchase order so the system won't know where it came from.

30 So they could physically, but is this right, they don't?---That's correct.

They could go into the SAP system and enter some, what might be completely meaningless information the SAP system, is this right?---Well, there's, there's, there's item codes set up for – let's use the snack packs for an example, there is an item code set up for a snack pack and they can go in and enter a goods receipt miscellaneous against that snack pack saying that they've received it but they don't.

40 But they don't do that but even if they were to do that there's no communication or connection between that part of the SAP system and the spreadsheet?---No.

So that the – so that part of the SAP system can't tell the spreadsheet that there's been an arrival?---That's correct.

ASSISTANT COMMISSIONER: Why couldn't you just send them the spreadsheet?---Oh, well, that could be done as well.

I mean, attempts are being made to make it sound like it was some insurmountable problem. It's just basic accounting that people shouldn't be paying invoices unless they've got some record of receipt and it wouldn't have been very hard to do I don't imagine?---I agree but that's just the system that we were working with, Commissioner.

All right.

10 MR KATEKAR: You knew that. In the time that you were employed at the New South Wales Rural Fire Service you knew that that's how the system worked?---In terms of - - -

No receipts?---Yes.

Now sorry, I'm just going to pause for the people in the room if there is any interest in doing so, the Excel spreadsheets that we're talking about are at Exhibit 12, which is volume 12 of the brief.

20 I'm not going to take you to it, I think you've seen it enough and - - -?
---Well, there's - you've got the logistics spreadsheets but you haven't got the heavy plant or the aviation, you've only got a third of the picture but - - -

All right?---Yeah.

So there's three types of spreadsheet?--- Aviation use an access database.

Yes?---Heavy plant is on a separate spreadsheet.

30 Yes?---And Logistics is on a separate spreadsheet, yes.

Well, this Commission is I guess particularly interested in the Logistics one - - -?---Ah hmm, yeah.

- - - but as far as those other two are concerned heavy plant and what is it, aviation - - -?---Aviation.

40 - - - is there any system at the New South Wales Rural Fire Service, was there and is there to check whether goods were actually supplied in respect of invoices generated, invoices received for purchase orders generated under those spreadsheets?---The - with the heavy plant they need to fill out a timesheet and have it signed off by the IC and they get sent in and attached to the invoice. Aviation I can't answer. I would say there would be but I can't answer.

You don't, you don't know?---No.

All right. So the - as far as the heavy plant there at least is some mechanism - attached to the invoice should be some supporting information

which should be able to be checked by the Incident Controller before approval of the invoice?---We hope, yes.

Now, when you say that – I’m just going to ask you this, when you say that about an invoice attaching timesheets for heavy plant, what sort of invoice would attach timesheets for heavy plant?---So if a contractor puts in an invoice for \$20,000 for a fire he’s in – on, on – he’s just got to put in a timesheet the hours he worked because he’s got an hourly rate and - - -

- 10 For a fire – what sort of person would issue an invoice for \$20,000 for a fire, what, what sort of service – I don’t understand?---For, for using bulldozers to putting - - -

Oh, I see?---Yeah.

So, so - - -?---Like invoices they’re upwards of 150, 200,000.

What about a catering invoice?---No.

- 20 So this is right isn’t it that – and I’ll take you to something. Catering invoices issued by EMCS or earlier D’Vine Tastes stated that they did catering at a particular place for a certain number of people and sometimes it indicated the dates?---Yeah.

And some of them were 50 or \$60,000?---Yeah.

What information was used to assess the validity of such an invoice?---No information. It was just relied on what the invoice has been put in for.

- 30 All right. My next question relates to – let’s go to the point where you have say 120 pallets of snack packs at the Glendenning warehouse and you have some section 44 events and in the logistics desk say you get a phone call request, we’re out at Kempsey. We’ve got 200 people out here. We need some snack packs and you send out some snack packs?---Ah hmm.

- There’s, there’s a few steps in this but first of all, the first step is how do you know at any particular time how many snack packs are out at Glen Denning?---That’s a good question. We were relying on the storeman out there to notify us on how many goods were being received. They normally
40 emailed us and they had a whiteboard out there and they just kept sending them saying we’ve got this, got this, got this and we just tried to keep the system up to date.

On an ad hoc basis you’d call them and ask. Correct?---That’s call them?

You called them asked how many snack packs are there?---Yes. Yes.

How many have we got?---Yes.

And they'd tell you. Okay. Next point. What assessment – what needs assessment did you undertake before you sent off some snack packs, if somebody asked for 10 boxes of snack packs did you think oh, you don't need 10 I'll give you two?---Sometimes districts ask for six or eight pallets of snack packs. We would question that but if it was for a couple of snack packs – a couple of pallets we wouldn't question it.

10 In think in your interview you said there was some suggest of that once snack packs came out people would just grab them and run?---That's at a base, like a staging area.

Yes?---So if it was sent to a staging area, I'll give you an example, the Blue Mountains fires just recently.

Yeah?---The staging area there at, I think it was just down from Katoomba, water and snack packs were put there. There was no control. People would just come in, police, SES, they just picked up what they needed.

20 So he snack packs were created by the New South Wales Rural Fire Service?---That's correct.

But anyone could take them?---Well, if they were at the event and they were working at the event, yes.

Yeah?---We also fed them.

Yeah. Right?---Yeah.

30 Through the catering you just fed them. All right. All right. Okay. Now next I'm going to start with a chronology. First of all can you please go to page 20 of the Singh statement. There's a quotation. Page 20 of Mr Singh's statement, it's in the statement's folder. And this is a, an invoice from the Corrective Services Industry of December, 2008?---Ah hmm.

I'm just going to draw your attention to it. This refers to a, what they call a Yummy pack specification?---Yeah.

40 And there might have been some changes but that's the sort of contents of a snack pack that - - -?---That's correct.

That Mr Homsey then later produced? Do you agree?---Yes.

And in 2008 that document indicates they were charging \$10.10 per unit although that changed. I think 2011 it was \$11.50 but if they put in a powder - - -?---A drink.

- - - electrolyte drink it went up by a dollar to \$12.50. Correct?---Yes.

Did you first meet Mr Homsey in about late 2009? I know it's very hard, it's a long time ago but I'm just going to draw your attention to this so it refreshes your memory?---I thought it was about '09/' 10, the fire season but

- - -

Let me draw your attention to something if this refreshes your memory?---
Yeah.

10 This is an email from Jody Hands. Do you know Jody Hands?---Yes.

To you, copy to Tony Jones?---Yeah.

17 November, 2009 and it has Mr Homsey's details from D'Vine Catering Services underneath. Essentially introducing him?---Yeah. So that's, so that's '09/' 10. Yeah, that's, yeah.

'09/' 10?---Yeah.

20 And it was around that time?---Yeah.

And Mr Homsey has said that he would – he first met you around the time that he was doing some work in the canteen at New South Wales Fire Service?---He, he was in there – he was contracted in there over the Christmas period when the, the canteen people were off. There was obviously fires and we were feeding head office staff.

So you've heard his evidence. Do you agree that that's the sort of – that's the time you first met him?---Yes.

30

And you asked him to go and do those fires – to go and do that catering on those fires?---Well it obviously come out from a Logistics request but, yes, with us, yeah.

Okay. Sorry, you had a Logistics request for catering?---Yeah.

That's right. And he was downstairs?---Yeah.

And you thought, well that's a quick fix?---Yes.

40

Let's use him?---Absolutely.

All right. And that's how you first met him. Correct?---Yes.

Now in 2010 there was a tender as I understand it for the cafeteria at the Rural Fire Service?---Yes.

And Mr Homsey tendered for it through D'Vine Tastes Catering?---Yes.

And you weren't on the tender panel?---No.

But he called you about it?---I heard his testimony. I don't recall but he could've done.

Well we've found a copy of at least a version of his tender document on your computer?---Was it on the email or – because that sort of confused me the other day, because that computer's only two and a half years old. So it would've – if he emailed it to me.

It was shown as being created on your computer on 9 June, 2010 and I think I'll – I'll show you Exhibit, hold on. You've seen the document we've pulled up before - - -?---Yes.

- - - the tender response but I'll just show you Exhibit 46?---Yeah.

I'm told it was on your work computer?---Yeah.

20 And you say that work computer's only two years old?---About two and a half years old that particular - - -

Right. So it comes as a surprise to you to see a document from 2010?---'10, yeah. Unless it was - - -

But it may have copied across from your previous files?---Could've done.

Could've done?---Yes.

30 That the, if Exhibit 46 can be brought up. You'll see there that these are call charge records - - -?---Yep.

- - - between your mobile phone and Mr Homsey's mobile phone and there's some brief conversations at the end of May, early June, 2010 followed by a series of SMSs. Do you remember having that kind of contact with Mr Homsey at that time?---Um, it's there. I, I, I don't recall it but I certainly had this sort of contact with Scott all the time, yes.

Well, you had this kind of contact - - -?---Yep.

40 - - - with Scott all the time. In May and June, 2010 were you friends with him?---Um, I wouldn't say friends at that time, no.

All right. But this is, well he's tendering for the job but it's not a fire season is it?---No.

So you're a contracts officer - - -?---Yes.

So why were you in contact with him so much?---I, I don't know.

Do you say to the Commission that the only topic of those SMSs was a business topic?

MR WHITFIELD: Commissioner, he said he didn't know?---Yeah, I, yeah, I, I don't recall.

10 MR KATEKAR: You don't remember. All right. Next could the operator please bring up volume 3, number 29? And this is, this is what as far as we understand was the first snack pack order, 2,000 snack packs in January, 2011 – if it comes up. Volume 3, number, page 29. Thank you. Now, looking at the – well, let's go through it. It's an S44L number. See that?---Yes.

See that? And it's dated 17 January, 2011 and at the bottom the authorised officer is indicated to be John Hacking?---Yes.

20 But there's no electronic signature. So that could have been you and could have been somebody else?---Yes. You could go into the spreadsheet and change it now and reprint it.

So you don't – do you remember issuing that purchase order?---No. I could have done, yeah.

Well it was your first purchase order for snack packs to D'Vine Tastes?---Yep.

30 Why did you chose D'Vine Tastes to do snack packs?---He – well he was doing, started doing catering and um, he's obviously um, come in and wanted to um, start doing the business.

Right. But you were using Corrective Services Industries at that time?---That's correct.

And before you issued him a purchase order for 2,000 snack packs you must have told him what goes into them?---Yes. Obviously.

40 And you must have told him what your requirements were in terms of contents and price?---I certainly – didn't price, no.

You didn't price?---No. But contents, absolutely.

Well when you say you didn't price do you say that in January, 2011 you issued that purchase order, or that purchase order was issued without any discussion about how much money would be charged for those snack packs?---We would have, he would have given a quote.

He would have given a quote?---Yep.

Before that purchase order?---Yes. You would assume.

You would assume. Why was that purchase order not given to the Corrective Services Industries?---Ah, at that time um, Corrective Services were, they were supplying. Um, they had some industrial issues. Also picking up the goods um, I, they did deliver a couple of deliveries but um, because we weren't a consistent customer they couldn't fit us in to their
10 program all the time. It depends what they were doing at the time. Um, and we had to send trucks down to Long Bay to pick up the actual goods and there was times there we had vehicles sitting down there for three/four hours waiting to get in. So it - - -

Do you say – oh, sorry?---Yeah, so, so it did become a little bit unproductive and it was costing a lot more.

Do you say that if it was an urgent request you couldn't rely on Corrective Services?---Oh, certainly if it, if they didn't have the stock and it wasn't, if
20 they weren't geared up ready to go it would take a couple of weeks.

Take a couple of weeks. And is that why you went to D-Vine Tastes on 17 January, 2011?---Oh, I couldn't answer that question.

You can't answer because you don't remember?---No, that's correct.

Can you explain to the Commission why the estimated value on that purchase order is \$60,000?---I can't, no.

30 Because you knew in 2011 that 2,000 snack packs at a price being charged by Corrective Services Industries would have been something of the order of \$250,000 at 12.50 per snack pack – sorry, not 250, is it - - -

ASSISTANT COMMISSIONER: 25,000.

MR KATEKAR: 25, 25, sorry, it's my maths, \$25,000 and not \$60,000?
---Again I don't know whether that was an error entering it in the spreadsheet, we didn't go in and change the spreadsheet now and come out with a different price.
40

I draw your attention to two things, first of all page 31 of volume 3 and I'll remind you the purchase order ended in those digits of 1-8, it's got 2,000 snack packs at \$12.72?---Yeah.

For roughly that figure and you've signed it on the 14th of February, 2011, you agree?---Yeah.

And then there's a signature below it, group manager operation something?

---Yeah.

Is that Steve Yorke's signature?---Yes, it is.

The next thing I want to take you to is page 32 of volume 3, this has the same purchase order number on it?---Yeah.

10 Another 2,000 snack packs and you'll see that you've signed it and can the operator go down to the bottom of the screen, there's no second signature and it's got "posted", does "posted" indicate that it's been paid?---I, I don't know, I would say that's - I don't know.

Did you arrange for a double payment on that purchase order for Mr Homsey?---No.

Did you have any financial difficulties of your own in early 2011?---No.

20 Why did you start selling mobile phones on eBay in March 2011?---Because I was stupid.

Because you knew that Mr Homsey had financial difficulties at that time?---No.

Well, just going back to his invoice on the previous page you'll see that the account name is Gay Homsey?---Yeah.

He told you didn't he that he had financial difficulties?---In October 2011, yes, he did.

30 In October 2011?---Yes.

You say he didn't tell you at this time?---No.

Do you know if this invoice, sorry, if this, if there were two payments made on the same purchase order?---Sorry, say that again. Sorry.

There's one purchase order I've shown you - - -?---Yep.

40 - - - with the 1-8 at the end of it. We've got two invoices. This one that's on the screen is dated the 10th of March and you've signed it on the 9th of March, or at least that's what your stamp says?---Oh, that could just be an error in the stamp. That, that sometimes happens.

All right?---Yep.

ASSISTANT COMMISSIONER: I'm sorry, an error in the stamp?---Like um, you haven't changed the date, haven't turned the date over.

Well, do you have any reason to think that's wrong?---No.

Well why did you say that?---Well, sometimes you just picked up the stamp and just kept going and just - - -

MR KATEKAR: Did you have an arrangement with Mr Homsey right from the beginning that you would assist in the double payment of invoices - - -?--No.

10 - - - for his benefit?

MR BREWER: I object to that question. The problem with this evidence, in great respect, is that this second – although it's the same order number the unit price is different. It's \$12.90 and not \$12.72. So the two payments can be distinguished on that basis and my friend is putting a premise that doesn't encapsulate that difference.

ASSISTANT COMMISSIONER: Well, I don't know really that that makes a difference does it?

20

MR BREWER: Well it makes a difference to the bottom line, to the price paid. It's not exactly the same as the first of the two invoices that have been referred to.

ASSISTANT COMMISSIONER: Yes. I mean, but look, this witness is the person who was working there and who appears to have signed these. He's being asked – the original order was for 2,000, it looks as if double that amount have now been paid for?---Yep.

30 He's just being asked was this pursuant to some pre-arrangement with Mr Homsey?---No it wasn't.

MR KATEKAR: I see the time, Commissioner.

ASSISTANT COMMISSIONER: Yes. Before we adjourn one inference from the original order being for 60,000 – the estimate being so out, is that it was intended to put through two invoices on it?---Well, it does look like that, yes.

40 It does look like that but do you deny that that was the case?---Absolutely. I certainly didn't, didn't, there was no intention like that at all, no.

Okay. Thank you. We'll resume at 2.00pm.

LUNCHEON ADJOURNMENT

[1.02pm]