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PUBLIC
HEARING

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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE MEGAN LATHAM

PUBLIC HEARING

OPERATION TUNIC

Reference: Operation E13/1800

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON TUESDAY 26 MAY, 2015

AT 10.16AM

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

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

THE COMMISSIONER: Yes. Sorry about that delay. Sorry, Mr Salmon. Yes, Mr Naylor.

MR NAYLOR: Mr Salmon, I'd like just to ask you a follow up question if I may in relation to the file that you were last looking at yesterday. So if Mr Salmon could be provided again with Exhibit T1, volume 5, and, 10 Mr Salmon, go back please to page 2389. Sir, this is your quote for the job at 336 Moreton Park Road, Douglas Park. That's the document you have in front of you?---Yes.

And your evidence yesterday was this was a cover quote?---Yes.

And it as backdated?---Yes.

How did you know what date to put on the quote?---I would have been instructed to put that date on. 20

By whom?---Ah, Darren Bullock.

Right. And you gave evidence yesterday in respect of a number of other cover quotes?---Yes.

And does the same apply to those other cover quotes as well?---It would.

It would?---I don't recall every cover quote obviously.

30 Of course?---Um, so if I was instructed to I would of.

All right. I can take you back to them individually if that helps you?---Well
- - -

No?

THE COMMISSIONER: Mr Salmon, I suppose the point is that you had no independent access to the file I take it in order to determine what the relevant date was as the quotation date?---That's right. 40

You had to be told?---Yes.

MR NAYLOR: All right. All right. Well, you can return that volume to the Commissioner's associate and if you can be provided please with the next MSB file which is volume 4 please of exhibit T54?---Thank you.

Go to page 1575. Sir, this is an MSB file for a property situated at 23B Abelia Street, Tahmoor. See that?---Yes.

And go first of all please to page 1605. See that's a quote by you for works to be done at that property?---Ah, yes.

And you've quoted 19,680 plus GST?---Correct.

10 It appears to – the quote is dated 6 September. It's a bit hard to read. It appears to bear a receive stamp 9 September. Just go over to the next document 1607 and you'll see there a Plantac quote dated 7 September, day after yours?---Yes.

It looks like it's got the same receive stamp on it, 9 September. It's a bit more than your – the quote is bit more than yours 22,400. See that?---Yes.

All right. Then 1604. You need to go back slightly. Mr Bullock recommends that your quote be accepted. It's the lower one. See that? ---Yes.

20 And then 1603 you are sent it would appear an instruction by Mr Bullock 13 September, 2011 to attend to additional items and they're specified. See that?---Yes.

Have you got volume 6 there of Exhibit T54 please?---Ta.

And go to page 2904. This is the last page of the extraction report which lists the various SMS exchanges that you had with Mr Bullock. Go to the entry numbered 139?---Yes.

30 That's an entry dated – it would indicate that you sent an SMS to Mr Bullock on 29 September, 2011 at 4.19pm "extras 2780 plus"?---Yes.

And the entry immediately above it, entry 138. Within the space of about five minutes you receive an SMS from Mr Bullock "4780". What does that exchange of text messages mean?---That would mean the um, cost of the extras was to be inflated by \$2,000.

And the extras were the additional items - - -?---That's right.

40 - - - that I've just referred you to on the instruction at 1603 of the MSB file?---Well, I would say so, yes.

Right. Well, let me take you to page 1601?---Sorry.

Perhaps just look first of all at 1603 again. This is the instruction. See what the instruction says "please supply your firm quotation for the following repairs". Then it says "Dave as discussed can you please attend to the additional items". That's 13 September. 1601 looks like your quotation for those additional items doesn't it?---It does.

Right. It's dated 16 September?---Yes.

And you've quoted 4780?---Yes.

And it has a received stamp 30 September, 2011?---Yes.

10 So that's after – if that received stamp is correct it's a document that was received by the MSB after the exchange of text messages with Mr Bullock the previous day?---Yes.

Right. And the numbers correspond don't they?---They do.

That quote includes the \$2,000 additional that Mr Bullock asked you to add on?---Correct.

That's right?---Yes.

20 And that 2,000 was intended to be shared was it not between Mr Bullock and yourself?---That's right.

That \$2,000 didn't represent in any way the true value of the works?---No.

Right. Go please to 1581. Just while you're doing that, the true value of the works was the 2,780 that appears in the text message that you sent to Mr Bullock, that's right, isn't it?---That's right.

1581, have you got that?---Yeah.

30 That's the invoice that you sent dated 30 September, 2011 so in fact the same date as it would appear the quotation was received, the invoice is received on the same date and you'll see the quote, sorry, the tax invoice includes an amount not just for the original quoted price but for the variation, variation number 1 4,780 plus GST?---Yes.

40 So you've invoiced the MSB for an amount of money for the variations that not only corresponds with the quote but includes the \$2,000 additional which was requested, you had been requested by Mr Bullock to add and did not represent in any way the true value of the works, that's right, isn't it? ---Yes.

Right. All right. You can return that volume 4 to the Commissioner's associate. Could you be provided please volume 3. Go to page 1215. I'm just pausing, Mr Salmon, because in fact this is a more complex file. Your involvement in it is a bit lengthier but only a portion of it is relevant but I want to put you in the picture. So see first of all at 1295, 1295 is the scope of works, this is a property situated at 19 Courtland Avenue, Tahmoor, the

scope of works goes for a number of pages. Page 1301 it appears to have been prepared by Mr Bullock 19 April, 2010, you see that?---Yes.

And then go to – pardon me. Go to page 1282. So that’s a letter that you received from Mr Bullock inviting you to tender in relation to that job?
---Yes.

Right. And you indeed submit a tender and you’ll find that at 1270. See that, 99,250 exclusive of GST is what your tender price was?---Yeah.

10

Right. And the two other tenderers, Vari Plan Homes and Plantac Pty Limited, you’ll see their quotes, their tenders at 1273 and 1275. So Vari Plan Homes a bit higher than you, about \$4,000 higher. Plantac in between the both of you at 95,300. Then you go to 1269, Mr Bullock recommends your quote be accepted and yours is the lowest. At page 1266 you get the letter from Mr Bullock saying you’ve been successful. And it’s a big job so you’ve put in progress payment invoices. Go to 1245, that’s the first invoice for a progress payment, progress payment number one, invoice dated 9 August, 2010, \$100,000. Previous page 1244, Mr Bullock signs off on payment of that invoice. Then, and that happens on 9 August, see that?—Yeah.

20

Then on 31 August you get an instruction for additional matters. Go to page 1264, that’s an instruction from Mr Bullock to you to supply your quotation and to carry out additional repairs. Then at 1237 you issue another tax invoice. This one’s dated 5 September, 2010. And it includes the, so the approach that you’ve taken to setting out the amount due is to set out the original tender price plus the extras. There’s a subtotal, you’ve added GST then you’ve subtracted that amount that you’ve already invoiced for the \$100,000 and there’s an amount left over. You see that, the 12,000 that’s what you’ve invoiced for?---Yes.

30

Right. Then in one sense everything I’ve taken to you to is preparatory but I want you to understand you’re involvement in this particular matter, that’s all. If you go next to volume 6, page 2904. This is volume 6 of Exhibit T54 and this is the SMS extraction report, go to the entry numbered 137. You see that’s a text message that is sent by you on 21 November, 2011 at 7.24pm to Mr Bullock, “██████████. First visit 300 plus G, second visit 760 plus G, repair and paint.” Commissioner, before we proceed ██████████, pardon me.

40

THE COMMISSIONER: Is that a name that should be suppressed from publication?

MR NAYLOR: That’s a name in respect of which I’d ask for a non-publication order.

THE COMMISSIONER: Yes.

MR NAYLOR: It's the name of the owner in respect of this particular property and that will be apparent from page 1217.

THE COMMISSIONER: Yes. Well, it may be that the terms of the previous order takes account of that but in any event for more abundant caution I'll direct pursuant to section 112 that the name appearing in the SMS message numbered 137 is suppressed from publication.

10

I DIRECT PURSUANT TO SECTION 112 THAT THE NAME APPEARING IN THE SMS MESSAGE NUMBERED 137 IS SUPPRESSED FROM PUBLICATION.

MR NAYLOR: Thank you, Commissioner.

20 So that's a text message that you've sent to Mr Bullock and then within a few minutes entry 136 immediately above it a reply comes back from Mr Bullock, "One invoice, 1,000 for electrician and plumber". What does that exchange of text messages mean please?---The first one is the costings for those visits.

Yes?---The one coming back is the amount to inflate the invoice by.

Right. So the combined cost of those visits, the first and second visit would be 1,060?---That's right.

30 That'd be the actual cost which would include a profit margin for yourself? ---Correct.

Plus G means plus GST?---Yes.

Right. And what your evidence is is that you've been asked by Mr Bullock to put them into a single invoice and to add 1,000 for the electrician and 1,000 for the plumber and what that means to say is you're to add 1,000 notionally for Mr Bullock and 1,000 for yourself?---That's right.

40 Right. So 1,060 would be elevated to 3,060, is that right?---Correct.

Right. Let's go to, go back to the other volume please, page 1223 and there's the tax invoice that you've rendered dated 22 November, 2011 which happens to be the day after the exchange of text messages with Mr Bullock for \$3,060 plus GST, see that?---Yes.

So that tax invoice incorporates the \$2,000 additional that you were asked to add by Mr Bullock and that \$2,000 wasn't in any sense representative of the true value of the works was it?---No.

No. That was part of the arrangement that had been going on for some time to defraud the MSB of funds, that's right, isn't it?---Yes.

Right. All right. You can return volume 3 of Exhibit T54 to the Commissioner's associate and can you please be provided with volume 2 of the same exhibit?---Ta.

10 Go to page 877. This is an MSB property file for a property situated at 8 Stuart Place, Tahmoor. Go first of all to page 903. See that's the scope of works. Page 906 prepared it seems by Mr Bullock 5 January, 2011. Page 898. Somewhat curiously you've submitted a quotation in relation to this job 37,960. The quotation predates the scope of works 5 January, 2011. Do you know why that's the situation?---Um, can't recall.

All right?---I don't know.

20 Anyway, see two other tenders are submitted as well. Go to page 900. There's a tender submitted dated 5 January, 2011 by Vari Plan Homes 39,800 plus GST. A bit more than yours. The next page 901, tender submitted by Plantac also dated 4 January before the scope of works and it's a bit more again 40,400. Go to page 897. Mr Bullock recommends that your quote be accepted. It's the lowest. That recommendation appears to have been approved. Then page 895 you get the letter from Mr Bullock saying you've been successful with your tender. Now, you take a similar approach in terms of invoicing as what you did for the property that I've – previous property that I've just asked you some questions about. You put in a progress claim invoice at page 891, 20 February, 2011. You can see you've invoiced for 20,000 of the 37,960 that you originally quoted. See that?---Yeah.

30

And the previous page 890 Mr Bullock appears to sign off on payment. Then – so that left 17,970. Go to page 887 and there you've invoiced for the balance of the quoted price on 8 March, 2011?---Yes.

40 Right. And the page immediately before that 886 it seems the same day Mr Bullock authorised payment. Then similar to what happened with the previous file. Go to page 908. You get issued with an instruction by Mr Bullock to supply a quote to attend to additional repairs. See that? ---Yes.

Go to volume 6 of T54, Exhibit T54, page, page 2904. The entry, entry number 133. It's a text message sent by yourself to Mr Bullock. There's a name there which corresponds with the name of the owner for this particular property file that we've been looking at. And then there's \$1,280 plus GST. See that?---Yes.

And above that another entry, it's an SMS that you receive from Mr Bullock a couple of minutes later, it says 1,000 EA, that means 1,000 each?---Yes.

Right. And can you explain that exchange of text messages?---The first one would've been the cost of the extras.

Yes?---The one I sent. The second one coming back to me was the amount to inflate the invoice by.

10 Right. And the extras are the extra repairs referred to at page 908 in the instruction?---Yes.

Right. And when it says 1,000 each, that means to say you need to increase the amount that you quote or invoice by a total of \$2,000 from 1,280 to 3,280, that's right?---Correct.

Right. And the \$1,000 each, that means a \$1,000 for Mr Bullock and a \$1,000 for you, that's right?---Correct.

20 Go to page 883 of volume of the property file. There's your invoice?---Yes.

Dated 29 February, 2012 which is the day after the exchange of text messages for the same property and the amount that you've invoiced corresponds with the evidence that you've just given and the exchange of text messages, 3,280, yes?---Yes.

Right. So that 3,280 includes the \$2,000 that you were asked to add by Mr Bullock, that's right?---Correct, yeah.

30 And that \$2,000 didn't represent the true value of the works?---No.

It was part of the arrangement that you had agreed to enter into with Mr Bullock to defraud the MSB, that's right?---Correct.

Right.

THE COMMISSIONER: Mr Salmon, can I just ask you something about that particular document. Under the term description you'll see some references to items that didn't appear in the original request for repairs?---
40 Yeah.

Tighten all members around steel beams and reinstall roof covering?---Yes.

So look, were those items added by you in effect to justify the increased amount?---They would've been work that was carried out.

It was work that was carried out?---It would've been, yes.

MR NAYLOR: Right. You can return that file and if you could be provided please, with volume 5 of exhibit T54. Go first of all please, to page 2055. See this is an MSB property file for a property at 435 Brooks Point Road, Appin and this is house five. There's another house at the same address which is the subject of another file which I'll take you to. So we just need to bear in mind that this is house five. Go to page, sorry, 2116 and here's another one of these instructions. It gets issued, it seems by Mr Bullock to yourself to supply a firm quotation and to carry out repairs. Please arrange for various specified repairs. See that?---Yes.

10

27 January, 2012?---Yep.

And then go to page 2077. And this is the quote is it not that you provide in relation to those specified repairs?---Yes, it appears to be.

Yes. This is a quote dated 2 April, 2012 in the sum of 8,640 plus GST. Then go back to volume 6 of Exhibit 254. Go to page 2904 and the entry numbered 129, text message sent by yourself to Mr Bullock, "5640 plus." Several minutes later you receive a text message from Mr Bullock, "8640 plus." What does that exchange of text messages mean?---The one I sent was the cost of that work.

20

Yes?---The one I received was the, included the amount to inflate the invoice by.

Right. Mr Bullock's asked you to add \$3,000 to the true cost of the work?--
-That's right.

30

So the quotation that I've just shown you in the other volume includes the \$3,000 that you were asked to add on?---Correct.

And is, would it be correct to say that that \$3,000 was intended to be shared in equal proportions, \$1500 for Mr Bullock and \$1500 for yourself?---
That's right.

40

All right. And if you go to page – so the page immediate preceding your invoice is another one of those records which appears to be Mr Bullock authorising payment. He's authorised payment of your invoice. So not only – it would appear therefore that not only has he asked you to add on \$3,000 but he's then gone ahead and approved payment of the invoice. And ask you go to the front of that volume, the next, the other 434, 435 Brooks Point Road, Appin property. This is house six. Go to page 2030. That's the cover, front cover of the file, the MSB file. And go first of all to 2040?
---Oh.

You've submitted a quotation dated 2 April, 2012 in the sum of 4,920 - - -?
---Yes.

- - - plus GST for various specified repairs, sorry. And if you go over the page there's another one of these instructions and it's instruction issued by Mr Bullock to you and the repairs specified appear to correlate. Do you agree with that?---Yes.

Oh, you do. Okay. I'm sorry. Curiously your quote predates the instruction by almost two months. Let's go next please to volume 6 of T54, page 2904. The text message at entry 127. Text message sent by yourself to Mr Bullock 21 May, 2012 at 8.27am and there's the word "████ 920 plus". See that?---Yes.

Then within a matter of minutes a reply comes back from Mr Bullock "4920". Just before I ask you, what does that exchange of text messages mean?---Um, the one I sent um, "████ 920" appears to be the cost of that work.

Yes?---The one I received appears to be the amount to be added to the final invoice.

20 All right. So you have been asked by Mr Bullock to add \$4,000 to the cost of the works?---Yes.

Which doesn't – didn't reflect the true value of the works did it?---No.

That was part of the arrangement or the scheme that you were involved with with Mr Bullock to defraud the MSB, in this case of \$4,000?---Yes.

And that was to be shared equally between you and Mr Bullock, \$2,000 each?---Correct.

30 Right. And just go to page 2031 of the property file. You see – in fact it's written on several pages there but you'll see there's a – the name of an owner and below that the name of an applicant on that page top, towards the top left-hand corner of page 2031?---Yes.

Right. And the name of the applicant corresponds with the word █████ that you transmitted to Mr Bullock in that SMS message, doesn't it?---That's right.

40 Right. Commissioner, I'd like there to be a non-publication order in respect of that name, █████.

THE COMMISSIONER: Yes, that name is suppressed from publication.

THE NAME OF THE OWNER APPEARING ON PAGE 2031 IS SUPPRESSED

MR NAYLOR: And what's, so and then go to 2038. That's the invoice that you render, 22 May, 2012?---Yes.

And the amount rendered is consistent with, I'll withdraw it. The amount rendered of 4920 plus GST includes the additional \$4,000 that you'd been asked to add by Mr Bullock?---Yes.

10 All right. And it looks from this document like you've sent the invoice on the 22 May and it's been received on that date?---Yeah.

And that's the day after the exchange of text messages with Mr Bullock?---Correct.

Right. Just go back to page 2040. That's the quote, that quote was backdated, wasn't it?---It appears to be.

20 Yeah. And, because you sent this quote, you couldn't have sent this quote before the exchange of text messages, could you?---No.

To get that figure of 4920?---That's right.

You've sent it after the exchange of text messages on 21 May?---Correct.

Right. So you've backdated the quote and the received stamp which I appreciate is not your doing, that date can't be correct?---No.

30 Right. If you return that property file, volume 5, T54 to the Commissioner's Associate. I'm sorry, I apologise, jumped the gun. Keep it, go to page 2586. This is a property file, sir, for a property situated at 25 Tickle Drive, Thirlmere, 2586. And it's not dissimilar to the previous few files we've been looking at. Go to page 2616. See there's an instruction there, appears to have been issued by Mr Bullock to yourself dated 16 July, 2012. "Please supply a quotation and attend to the following," and there are specified repairs. See that?---Yes.

40 And then go to volume 6 of T54. It's the other volume, page 2903, entry number 108. SMS message from you to Mr Bullock, 6 September, 2012, 9.10am and let's just take the first part of that text message, "25 Tickle, \$600 plus." See that?---Yes.

I'll come back to the balance of the text message later. The entry immediately above it, number 107, text message from Mr Bullock about 12 minutes later, "T \$1,000 each." Do you see that?---Yes.

And what does that mean to you?---The amount to inflate the invoice by.

Right. And that, that means \$1,000 for Mr Bullock and \$1,000 for you?---
Yes.

So a total of \$2,000?---Yes.

So the – and \$600 was the true value of the works?---Correct.

Right. So that's an instruction by Mr Bullock to you to invoice, or to quote
for an amount of \$2,600, is that right?---Yes.

10

Go to, back to the other property file, 2602. That's the invoice that you
render is it not?---It is.

For this work, 6 September, 2012. Same date as the exchange of text
messages. You've rendered the amount that you've, that includes the
amount that Mr Bullock asked you to add at \$2,000, that's right?---Yes.

It would appear, sir, that there's no quote in this case. You've just gone
straight to the invoice?---Yes.

20

Let's go to the next property. Keep that volume. Go to page 2552. It's
related to that previous exchange of text messages. This is a property at 5A
Huen Place. Go, go first of all to page 2562. Scope of works by Mr
Bullock dated 4 July, 2012. You can see that at 2565. I should indicate to
you, sir, that it would appear there are no quotes on the file. But go next, go
next to page 2558. See, that's the, that's an invoice that you render – it
says, this is 6 September, 2012. It says in the description, "Mine subsidence
repairs as quoted." Do you have a memory sitting here today as to whether
or not you in fact put in a quote for that job?---No.

30

No. All right. And the amount that you've invoiced is 7,770 plus GST. Go
back to volume 6 of T54, that exchange of text messages that we were just
looking at. Page 2903?---Yes.

See there's a text message – part of the text message that you sent to Mr
Bullock on 6 September, 2012 at 9.10 says "5A Huen 3,770 plus". See
that?---Yes.

40

And the reply that you get says in part "H 2,000 each". What does that
exchange of text messages mean?---The first one is the cost of the job.

Yeah?---The return text message is the amount to inflate the invoice by.

Right. So Mr Bullock has directed you to add \$4,000 to the cost of this
job?---Correct.

\$2,000 for him and \$2,000 for you?---Yeah.

And that \$4,000 was part of the process of defrauding the MSB?---Yeah.

And the invoice that you rendered on 6 September, 2012 at page 2558 includes that \$4,000 doesn't it?---That's right.

10 Right. And just to make it clear to you, the previous page 2557 would appear to be Mr Bullock authorising payment of that invoice. And this was your evidence yesterday that the \$2,000 that was intended for Mr Bullock you wouldn't have withdrawn that from any bank account that you operated, it would have been taken from the cash that you kept at home?---That's right.

And can we deal with the third property that appears to be part of this exchange of text messages. Go to page 2333, part of the same volume. This is an MSB property file for a property at 20 Milne Street, Tahmoor and go first of all to page 2371. See this is the scope of works?---Yeah.

20 Prepared by Mr Bullock on 19 July, 2012 at page 2374. Once again I should indicate to you that no quotes appear on the file in respect of invitations to tender on that scope of works. Go to page 2367. It's an invoice that you render for work at this property. Invoice dated 6 September, 2012, 12,890 plus GST. Once again the description is "mine subsidence repairs as quoted". You don't – do you have a memory as to whether or not in fact you submitted a quote?---No, I don't.

No. Go back to volume 6 and that exchange of text messages. Your text message to Mr Bullock on 6 September, so the same date of the – as the invoice said in part "20 Milne 4890". See that?---Yes.

30 And the reply says in part "M 4,000 each". What does that exchange of text messages mean?---My text message would have been the cost of the job.

Yeah?---And the return text message was the amount to inflate the invoice, invoice by.

Right. So Mr Bullock asked you to add \$8,000 to the cost of the job?
---Correct.

40 And \$4,000 of that was going to be for him and \$4,000 was going to be for you?---That's right.

And none of that \$8,000 represented the true value of the work at all did it?
---No.

That was part of the arrangement to defraud the MSB. And \$4,000 – \$4,889 plus 8,000 is \$12,890 which is exactly the amount that you've rendered an invoice for at 2367. That's right isn't it?---Correct.

And the previous page in the bundle 2366 looks like Mr Bullock has authorised payment of that invoice. Now, we're going to stay with this file. The questions I've just asked you about relate to works done in 2012. There was another claim on the same file, same property later in 2014 and I'll just make that abundantly clear to you. Go to page 236 – pardon me. I'm sorry. You see 2362. It's not your document I know, it's an MSB document. It's a claim processing worksheet which is kind of a summary of what happens with the file. The page before that is a divider within the file. And then at page 2360, again not your document, but it's the claim in relation to the
10 2014 damage by the owner. See that?---Yes.

Right. And let's go next to the scope of works in respect of the repairs for that damage. Go to page 2350, another scope of works by Mr Bullock. This one's dated 29 April, 2014 and that's at 2353. And then go to the previous page, sorry, the page immediately preceding the start of the scope of works, 2349. It would appear to be a quote that you have submitted for that work?---Yes.

It's dated 29 May, 2014. You've quoted 14,280 and it appears to bear a received stamp of 24 June which appears to be three to four weeks after the date of the quote. Incidentally, are you able to say how you would have transmitted this quote to the Mine Subsidence Board?---Via email, I would say.
20

Right. Whose, any email address in particular?---Ah, it would be Darren Bullock's email address.

Right. So if the quote was prepared on 29 May, 2014, would it have been emailed on or about that date?---Most likely unless I requested to backdate the - - -
30

Right?--- - - - quote.

Can you think of, do you have a memory of delaying emailing the quote from 29 May, 2014 to 24 June, 2014?---No, I can't recall that.

Right. It seems an unlikely thing to do?---It would be, yes.

Yeah. Let's go to 2345. It's a tax invoice that you render for the same amount as was quoted. It's dated 12 July. It appears to have been received two days later and the total amount including GST, if you go to page 2346, corresponds to, it would appear, the amount that has been authorised for payment by Mr Bullock to you. See that?---Yes.
40

All right. Go to the other volume, volume 6 of T54. Go to page 2674. See, this your copy of the scope of works that I had taken you to moments ago at 2350. See that?---Yes.

And this is a document that you've produced to ICAC?---Yep.

There's some handwriting on the top of it. Go over to the next page. It's hard to read in the hard copy. You might be assisted by looking at it on the screen. Page 2675. Let's look at the fainter handwriting on the right-hand side of the page at the top. See it says Milne at the top, and then there are some words under it, "Peer front cracks – paint brickwork," and some numbers in an adjacent column. This is your working is it to what the value of the job is?---That's right.

10

And you've valued the work at 4,000 and then you've added 20 per cent profit to bring it up to \$5,080?---27 actually.

I'm sorry. 127. Okay, I'm sorry. But 5,080 is the value, the true value of the work including a profit margin?---Correct.

Right. And then below that there's some other figures. 14,280, is that right?---That's right.

20 Right. And then there are a couple of other figures in different handwriting to the left?---Yes.

And can you explain what the, what the figure of 15,000 represents?---That was the amount that I was directed that the job had to finish at. The cost of the job, around.

Right. Directed by whom?---Darren Bullock.

30 Who's handwriting is that, the \$15,000?---Darren Bullock.

And the 18,000 above it?---The job, that relates to the job on the other side – the left-hand side.

And that's says Oxley Grove?---Yes.

Right. Okay. Well let's just stick with the Milne Street property for the time being. So Mr Bullock's directed you to bring the job in at a cost of \$15,000, is that - - -?---I think he said under 15,000.

40 Under 15,000. Okay. So, and, and you received that instruction where did you say, onsite?---Yes, it would have been.

Right. So there would have been a site inspection for this job?---Yes.

Where you met with Mr Bullock and he wrote those numbers on the page onsite did he?---I don't recall him actually writing it but he did hand it to me.

Right. So he's handed you this document which has those numbers written on it?---That's right.

Right. And on the same page you've written your workings, or what the cost of the job is?---Yes.

Right. So – pardon me. So when you rendered your quote – this is going back to the other file, 2349, page 2349, your quote of 14,280 plus GST that was prepared after you received this instruction from Mr Bullock to bring it in at under 15,000?---Yes.

Right. And that amount is – so 14,280 is a long way above 5,080 is it not? ---That's right.

Yeah. \$9,200 to be exact?---Correct.

Right. So that's the add-on in this particular case \$9,200?---It appears to be, yes.

20 Intended to be shared between you and Mr Bullock?---Yes.

Right. And that's the amount – and the invoice that you rendered, that's at 2345, included that add-on?---That's right.

Right. And we don't know when you met with Mr Bullock on site but what we can say is that the quotes that you issued dated 29 May, 2014 would have been backdated had the meeting occurred after that date?---That's right.

30 All right. You can return volume 5 of T54 to the Commissioner's associate.

THE COMMISSIONER: If we're going to go to another file we might take
- - -

MR NAYLOR: Yes.

THE COMMISSIONER: - - - a short morning tea adjournment.

MR NAYLOR: Of course.

40

THE COMMISSIONER: And we'll resume at quarter to 12.00. Thank you.

SHORT ADJOURNMENT

[11.27am]

THE COMMISSIONER: Thank you, Mr Salmon. Just before we go any further, could I just ask generally that people refrain from having

conversations at the bar table. The microphones are incredibly sensitive and the difficulty is that the transcription service is hearing a number of conversations occurring whilst the questioning is proceeding so could I just ask you to be very mindful of that. Yes, Mr Naylor.

MR NAYLOR: Thank you, Commissioner. Just before I resume asking the witness some questions. I had promised yesterday to provide an index of Exhibit T54.

10 THE COMMISSIONER: Oh, yes.

MR NAYLOR: It's a little bit cumbersome. I apologise. But could I tender this to go with the exhibit and - - -

THE COMMISSIONER: So I'll make that part of Exhibit T54. Thank you.

#EXHIBIT T54 - INDEX TO EXHIBIT T54 TENDER BUNDLES

20

MR NAYLOR: Yes. Thank you, Commissioner. And copies are being provided to the parties.

THE COMMISSIONER: Thank you.

MR NAYLOR: Now, Mr Salmon, do you have volume 4 of T54 there with you?---Thank you.

30 Thank you. I have taken you before to – and do you also still have volume 6 there?---Yes.

We were looking before the adjournment at a page that had handwriting on it in relation not just to a property, a property at Milne Street but also a property at Oxley Grove?---That's right.

You have that document open?---Yes.

40 I want to take you now to the Oxley Grove property. Go to page 1984. It should be in volume 4. And you'll see after the cover page – I'll take you if I might to page 2001. That's the same document that I was just about to take you to. But it's the scope of works prepared by Mr Bullock on 29 April, 2014, starting at 2001 through to 2004. See that?---Yes.

And at page, the page immediate preceding that scope of works, page 2000, it would appear to be a quote submitted by you dated 28 May, 2014. Once again the received stamp post-dates by some three to four weeks the date of the quote and the amount that you've quoted is 17,550 plus GST. Then go, go please to – pardon me. While we're still with the file go to page 1994

which is the tax invoice that you've submitted in relation to the job which corresponds with the amount quoted. See that?---Yes.

10 The tax invoice is dated 18 July and it appears to have been received three days later. Go to volume 6, that page of handwriting. It might be easier to look at this on the screen again. And on the left-hand – pause – the left-hand side of the page there's mention at the top of the page "Oxley Grove," and then you've, you appear to have itemised the works to be carried out and the costings for each of those works and it's totalled up to 8,960 which you've added an amount for profit yielding a total amount of, it's 11,380. Am I reading that correct?---That's right.

And below that there's an amount of 3,146. Are they extras?---Yeah, I think it was. The, the - - -

Yes?--- - - - client was difficult and there was extra work there.

20 Yes. Okay. And so the actual cost including the profit and the extras is 14,526, is that right?---That's right.

There is adjacent to that, Mr Bullock's handwriting of \$18,000?---Correct.

And what does that signify or mean to you?---Um, I was instructed that the job had to be around or under that amount.

I see. So you've increased the amount from 14,526 to 17,550, at least according to what's on this particular page?---Correct.

30 Right. So that's an increase of about \$3,000?---That's right.

If you take the 14,526 up to say, 14,550 and add 3,000 you get to 17,550, yes?---Correct.

Right. And when you go back to the file, that indeed was the amount that you rendered an invoice for?---That's right.

And it was also the quoted amount, page 2,000?---Yes.

40 If the meeting on site occurred after 25 May, 2014, this quote's been backdated, hasn't it?---That's right.

And that would've occurred at Mr Bullock's request?---Yes.

Right. And the \$3,000 which was added, well that was part of the arrangement that you were involved in with Mr Bullock to defraud the Mine Subsidence Board, that's right?---Yes.

\$3,000 was to be shared equally between you and he, that's right?---Correct.

Okay. Now I've taken you to the Oxley Street file in the 2014 works and the Milne Street file because we were looking originally at the Milne Street file which was a 2012 file. I've taken things out of their chronological context, so even though I've been asking about 2014 works, I want to go back in time slightly to another file, 16 Castlereagh Street, Tahmoor. If you can be provided please with volume 2 of exhibit T54 and go to page 965 and return that other property file to the Commissioner's Associate. So that's the, 965 is the cover sheet for or the front of the file for this particular
10 property. Go first of all, please, to page 976 and it's one of these familiar instructions that you've received from Mr Bullock. This one's dated 4 October, 2012 to supply a quote and to attend to specified repairs. And go back to volume 6, please, and the extraction report, page 2903, entry 106. Text message sent by you to by Mr Bullock, 22 October, 2012, 12.35pm, 16 Castlereagh, \$1,640 plus. A short time later a text message is received by you from Mr Bullock same day, 5040, what does that exchange of text messages indicate to you as to what occurred?---The one I sent was the final cost of the job.

20 Yes?---The returning one would have been the amount the invoice was to be inflated by.

I see. That's \$3,500. If you go back to the other file, the property file. Go to page 971. There's the invoice that you rendered on 22 October, 2012 which happens to be the same day as the exchange of text messages and you've invoiced for the amount that was specified by Mr Bullock. Yes?
---Yes.

30 Which includes the add-on, I think it's \$3,500 and that add-on was not part of the true value of the works was it?---No.

And that was part of the arrangement that you had with Mr Bullock to defraud the MSB. Yes?---Yes.

And that was to be shared between the two of you?---Yes.

And where it says in the description line "subsidence repairs as quoted", do you recall actually having provided a quote in this job or did you just - - ?
---No.

40 - - - provide the invoice, do you know?---I would say it's just the invoice.

All right?---Probably cut and paste.

I see. All right. Because I should indicate to you that no quotes appear on the file?---Right.

No quotes appear on the file which suggests either that no quotes were sent or if a quote was sent then it's disappeared off the file. So it's possible that no quote was sent?---Possible.

10 All right. All right. Can you return volume 2 to the Commissioner's associate and be provided with volume 3 please. Then go please to page 1346 which is a property file for 71 Greenacre Drive, Tahmoor. Go first of all to page 1356. And, sir, that's the, that's a quote which you have rendered for works in relation to this property dated 3 November. You quoted 24,370 plus GST. See that?---Yes.

20 And it seems – go two pages over 1358. It seems Plantac submitted a quote as well the previous month, about a month before, at least that's the date of the quote, 26,600. It bears a receive date of 5 November which is the same receive date that appears on your quotation. Then go to the next page which is the scope of works. But it bears a date – it's prepared by Mr Bullock. It bears a date 7 November, 2012. Let's pause there. Go to volume 6, page 2903, entry 100. SMS message from you to Mr Bullock "14370, \$14,370". See that?---Yes.

Then there's an, you get a reply from Mr Bullock four minutes later, entry 99, "5,000"?---Yes.

What does that mean?---That would be the amount the invoice was to be inflated by.

Does that mean 5,000 each?---I'd assume so.

30 Because the amount of the invoice, which I can take you to, 1352, invoice dated 4 December, 2012. You've billed for 24,370 plus GST. That is consistent with amount that you've quoted for on page 1356 which would appear to be when one looks at the exchange of text messages, at least one way of reading the 5,000 is that it's \$5,000 each. So that's a total of 10,000. When you add 10,000 to 14, 370 you get 24,370. Am I reading those documents correctly?---Well, that's what it appears to be.

Yes. So the effect of Mr Bullock's text message to you was to add \$10,000 to the cost, the true value of the works?---Yeah, that's what it appears to be.

40 All right. 5,000 for him and 5,000 for you?---Yes.

And see, the exchange of text messages takes place on 30 November, 2012. It suggests doesn't it that this quote at 1356 has been backdated?---It does.

And it also – you perhaps can't provide an explanation for this but what appears to have occurred is that you've sent the quote in after the SMS exchange on 30 November, that's right isn't it?---That's what it looks like, yes.

Right. And if that's so then the 3 November, 2012, the date of the quote misrepresents the date on which the quote was prepared?---Yes.

Right.

THE COMMISSIONER: And, and the date on the received stamp must have been correspondingly falsified?---I can't comment on that.

10 MR NAYLOR: All right. And again, perhaps you've already answered this question, but \$10,000 was added when it didn't represent the true value of the works, 5,000 for Mr Bullock and 5,000 for you. It seems, it's a lot of money. You wouldn't have paid Mr Bullock out of a bank account that you operated. You wouldn't have paid in particular out of a bank account into which MSB funds were received. You wouldn't have paid Mr Bullock out of the cash that you kept at home?---That's right.

Right. Just in relation to this cash that was kept at home. Your evidence yesterday was that you had some cash that was the proceeds of sale of a
20 company, that's right?---Was a business, yes.

A business, what business was it, just remind me?---It was a pool centre.

A pool centre?---Swimming pool shop.

All right. And when did you receive the proceeds of sale, do you remember?---I couldn't be exact but it was, it would've been 2000 and 2000, 2001.

30 All right. So it's some years before - - -?---That's right.

- - - you embarked upon this arrangement with Mr Bullock?---Yes.

So between 2001 and 2007 which the records show is when you started doing add-ons, were you making use of that cash at home - - -?---No.

- - - or it just sat there?---It sat there.

Right. And, so when Mr Bullock came to you and said, "I want you to start
40 adding on to the cost of these invoices and to pay me a share," at that point you thought, well, the source of funds that I'm going to use to pay Mr Bullock is the cash that I've got here at home from the proceeds of that business sale?---Yes.

Right. Turn volume 3, please, to the Commissioner's Associate. Could you be provided, please, with volume 4 and go to page 1942?---1942.

10 Sir, I want to take you to a property file in relation to a property at a hundred per cent Brundah Road, Thirlmere, B-r-u-n-d-a-h. Now you see that's the front of the file, let's go first of all to page 1954. And this is an instruction that appears to have been issued to you by Mr Bullock, it's dated 13 December, 2012. "Please supply your quotation and arrange for the following repairs." Various repairs are specified. Go back to volume 6, please and the extraction report of the exchange of text messages and please look at page 2903 and the entry for, pardon me, entry number 90. It's a text message that you've sent to Mr Bullock, 21 January, 2013 at 11.04am and it says, 100 Brundah, 2310 plus. See that?---Yes.

What, what does that mean to you?---Um, that would have been the cost of that job.

Right. Pardon me. Now, go please to the same volume, at least I think it is, page 2784. Just scan please that page and the following two pages. Do you recognise that document?---Yes, I do.

20 What is it?---It's a um, a list of the deleted text messages.

Right. Well, when you say "deleted text messages", what do you mean? ---Off my phone.

Right. And so what were the circumstances that led you to creating this document?---I was asked to delete text messages off my phone.

By whom?---Darren Bullock.

30 Do you know when?---Late November last year.

Right. Was it in person or over the phone or do you remember?---In person.

Do you know where this conversation took place?---Camden.

Sorry?---Camden.

Camden?---Yes.

40 All right At a job site or in an office or - - -?---At a park.

At a park?---Yes.

You arranged to meet at a park?---I was asked to meet at Camden, yes.

Right. So you met with Mr Bullock?---That's right.

And you had a discussion?---Yes.

And during the course of the discussion he asked you to delete text messages from your phone?---That's right.

Right. And how soon after that did you create this document?---I can't be exact but it was some time after.

Right?---Possibly in January.

I see. So you didn't immediately delete the text messages from the phone?
10 ---No.

Why not?---I wanted a record of them.

Right. So you've created this record, you've created this document?---Yes.

And you did that by going through the text messages on your phone?
---Correct.

And you wrote down the contents?---Yes.
20

Right. And did – what happened to the text messages after you created this document?---I deleted them.

Right. Did you have any subsequent conversation with Mr Bullock about the text messages?---I can't recall any.

Right. Did he follow up with you at all to say look, have you deleted those text messages?---I couldn't be sure but I don't think so.

30 Right. When you had that initial conversation with him did you say to him that you would or you would not delete the text messages?---I, I don't recall. I would have agreed but I don't recall the exact words.

Right. Do you remember what – I appreciate it's a little while ago and it's a bit hard to remember but as best you can, can you tell the Commissioner what he said and what you said?---There was a discussion about the ICAC inquiry.

40 Yes?---I was shown some documents regarding the ah, extension work that was done at his house.

Yes?---And ah, as a part of that discussion it was brought up about these text messages back and forward and that it should be deleted.

All right. That's what Mr Bullock said to you?---Yes.

And do you remember what you said in reply?---Oh, no. Just, I would assume I agreed with him but that was about it, yeah.

All right. Well was anything else said during the conversation?---There was discussion about that um, that job – the, the, sorry, the um, the extension on his house.

Yes. What did he say about that?---Oh, there was a series of documents um, from the ICAC requesting information about that job at his house.

Yes?---And he had to reply to it.

10

Right?---And he um, had a whole series of banking ah, bank statements and so forth - - -

Yes?--- - - - in relation to that.

Why would he be telling you about the job, the extension done on his house?---He was explaining like, the, the, the investigation regarding ICAC.

Were you involved in doing any work in relation to the extension on his house?---No.

20

Right. Were you, did he tell you or did you otherwise become aware as to who was involved in doing the work on his house?---I knew previously.

All right. Who was that?---Ah, Willbuilt Homes.

Right. Did he say anything to you that led you to form some belief about – I withdraw that. I’m trying to understand, sir, why Mr Bullock might have been telling you about matters in relation to his house extension. Now, you, you, you’re not in, in his head, I accept that. Did he say anything to you apart from the fact that he’d received a request from ICAC in relation to documents concerning the house extension? Did he say anything to you about the nature of his concerns in relation to the house extension apart from the fact that he’d got a request from ICAC about it?---He said that um, this is just from memory, that he could account for all, everything that was done at his house - - -

30

Yes?--- - - - apart for 11,000, from \$11,000.

Apart from \$11,000?---He couldn’t account for that.

40

And that’s, that’s what you remember?---That’s right, yeah.

All right. Well let’s go to page – let’s look at this document, this handwritten document of text messages. Go to page 2785. It’s the second page. Down the bottom of the page there’s a date, 21/1/13. See that?---Yes.

And next to that 100 Brundah, 2310?---Yes.

And that's your handwritten record of the text message that I've taken you to in the extraction report at 2930, that's right isn't it?---That's right.

Right. And then below that there's some more – going back to your handwritten document there's another, it seems another property mentioned, 74 Hilton Park, 4860 plus?---Yes.

10 Below that there's a dash and then, "1200 both ways and then 1,000 each." See that?---Yes.

And what, what does all that mean?---That, it's a copy of the text messages so the 100 Brundah Road would be the cost of that job.

Yes?--- 74 Hilton Park Road, the cost of that job.

Yes?---And below that the amounts to be added on.

20 Right. So am I right in thinking that the 1200 both ways probably relates to the first of the, the two addresses, 100 Brundah?---Well, you'd have to check the final invoice, but yes.

All right. But it could?---Yes.

Right. And so that, that, the 1200 both ways and the 1,000 each they're Mr Bullock's responses to your text messages indicating the true value of the works for 100 Brundah and 74 Hilton Park, is that right?---Well, I don't recall if it was the wording "both ways" but you've got the gist of it, yeah.

30 Okay. Well let's just have a look at the property file. Go, go to page – pardon me. So the true value of the Brundah Road job is 2,310?---Yes.

And if you go to page 1948. There's an invoice that you've rendered in relation to the 100 Brundah Road property. It's dated 21 January, 2013 which appears to correspond with the day of the text message, both your handwritten document and the extraction report. The amount billed is 4710 plus GST. Now if my maths is not mistaken, 2310 plus 1200 plus 1200 is 4710, yes?---Right. Yes.

40 So it would appear, sir, at least one explanation is that, go back to your document, the handwritten document. You've added a total of 2,400 to the 2,310 to come up with 4,710, that's right?---That's right.

So the 1200 both ways is a reference to the amount that Mr Bullock requested that you, that be added on to the invoice in respect of the 100 Brundah Road works. That's right, isn't it?---Correct.

And you were, you and he were to share that additional amount by receiving \$1200 each, that's right?---That's right.

Okay. Stay with the same volume, go to page 1675. It should be the commencement of a file in respect of a property situated at 2 Abelia Street, Tahmoor, A-b-e-l-i-a. And go first of all, please, to page 1772. It's a bit of complicated file. There's a scope of works. Goes through to page 1778, prepared by Mr Bullock dated 18 February, 2013. And then go to 1759. This is the letter that, this is a letter that is sent to you by Mr Bullock
10 inviting you to tender in relation to this job and the preceding two pages are similar letters sent to Plantac and one other building contractor. Then and their letter's dated 18 February, 2013. Then go to 1755. This is a document which appears to have been sent by Mr Bullock to you and the other two prospective tenderers amending the tender documentation that has been issued to make provision for additional works. See that?---Yes.

Then you do indeed submit a tender, and if you – you can see that at 1746. Your tender amount is 58,530 excluding GST?---Yes.

20 Turn over the page. The third tenderer submits a tender, slightly higher amount. Then Plantac submits a tender as well which is significantly higher. Then go to – pardon me. You succeed in winning the tender. You're sent a letter on 20 March, 2013 at page 1742. Then go to 1710. You submit a tax invoice dated 11 April, 2013, so this is the following month, and you've invoiced for 50 per cent of the contract price that you had quoted for together with a variation and you've recorded on the invoice the nature of the variation. The preceding page appears to be Mr Bullock's authorisation of payment of that invoice. Then go to – I'm jumping around but I'm trying to do it in chronological order. Go to 1735. You get issued
30 with an instruction by Mr Bullock. This is after you've won the job and you're proceeding with the works. You get issued with an instruction to, it says "supply your firm quotation" but then it specifies the works to be done. See that?---Yes.

And if you go to volume 6, sir. These are once again the documents that you've supplied to ICAC. Go to page 2841. This is your copy that you kept and stored of the same variation instruction. Got that?---Yes.

40 Go over the page. Sir, some handwriting on the next page and am I right in thinking, sir, that the handwriting on this page represents your workings of what the cost of doing the variation was?---That's right.

Right. And – pardon me. And the 7790, the \$7,790 at the bottom under the – beneath the line you've tallied up what the cost of the works is?---That's right.

And that includes a margin for profit?---Um, I'm not sure.

Okay. Well, let's look at what else is written there. There's plus two K plus two K. What, what does that signify to you?---That would be the amount I was instructed to inflate that invoice by.

Instructed by Mr Bullock?---That's right.

All right. So that's a total of 4,000, 2,000 for you and 2,000 for Mr Bullock?---Correct.

10 And when you add 4,000 to 7,790 you come up with 11,790, yes?---Yes.

Go please to, back to the other file, page 1695. This is the next invoice that you issue in relation to the job. There's the balance of the original contract price together with the second variation in the sum of 11,790. See that?---Yes.

And that variation incorporates the \$4,000 that Mr Bullock instructed you to add?---That's right.

20 That \$4,000 didn't in any way represent the true value of the works to be done as part of that second variation did it?---No.

Right. And that \$4,000 was \$4,000 intended to be defrauded from the MSB, that's right isn't it?---Correct.

You can return that volume to the Commissioner's Associate, and could you be provided please with volume 5?---Thanks.

30 I'm sorry, sir, I've misdirected you. Can you return that volume and be provided please with Exhibit T1, volume 5. And turn to page 2025 which by rights should be the first page. So this is a file in respect of a property at 88 Rita Street, Thirlmere. Do you have that?---Yes.

All right. Let's go first of all to page 2058. Again, this is a scope of works for work to be done at this property. Page 2061, prepared by Mr Bullock, dated 27 May, 2013. See that?---Yes.

40 And I just want to take this in sequential order. If you go to the preceding page, 2057, Plantac has submitted a quote, 29 May, 2013, 47,925. See that?---Yes.

Then 2055 a quote gets submitted by MAB Building Services Pty Limited the same date, 29 May, 2013. That quote exceeds Plantac's quote. Incidentally, have you dealt at all with this company?---Never heard of them.

What about the name of the person who appears to have signed off on the quotation?---No.

Is that person familiar to you at all?---No.

Then the next page over 2056. This is your – this would appear to be your quote which comes between the two of them 49,590, 30 May, 2013. Go to volume 6 please. These are your documents that you produced to ICAC. In particular page 2853 and this looks like a faxed copy of a Plantac quote that was sent to you. Is that right?---Ah, it appears to be.

10 Yes. And it's the quote, a copy of which I've just taken you to in that file?
---Yes.

And you see at the top there's a – it would appear to be a fax imprint 5 June, 2013?---Yes.

Wednesday, 11.48. Then it says "fax" and it says "MSB Picton". See that?
---Yes.

20 Why would you have been sent this document?---For the purpose of a cover quote.

Right. So let's go back to the property file. Your quote at page 2056 that's a cover quote?---Ah, yes.

Right. That's not intended to be a genuine quote is it?---No.

Right. And it's been backdated hasn't it when you compare it with the date on which you appear to have received the Plantac - - -?---That's right.

30 - - - fax 5 June, 2013?---Yes.

Yeah. And did Mr Bullock ask you to submit this cover quote?---Um, I don't recall the conversation but it appears to be that way, yes.

All right. Well, do you know of anyone else who would have asked you to submit a cover quote for this job?---No. No.

40 And the date that appears on the quote, 30 May, 2013, how would you have decided to put that particular date there?---I would have been instructed to do so.

By Mr Bullock?---Yes.

Right. Do you remember if, if Mr Bullock said anything to you about the other, the other contractor that, that appears to have been – that appears to have also submitted a quote?---Which one?

Page 2055?---I've never seen that building contractor prior to this inquiry.

Right?---I've never heard of them.

And you've – have you ever had a conversation with Mr Bullock about that building contractor?---Never.

All right. You didn't expect to win this job did you because you put in a higher quote which was a cover quote?---That's right.

10 Right. And I can indicate to you that the file reflects that you in fact didn't win the job, that indeed Plantac won the job?---Right.

All right. You can return that file please to the Commissioner's associate and can you please be provided with volume 5 of Exhibit T54?---Ta.

20 And go please to page 2524. This, this is the front of the file for a property at 3B Tahmoor Road, Tahmoor and please go first of all to page 2535 and this appears to be an instruction that was issued to you by Mr Bullock dated 30 August, 2013 to supply a quote and – or to supply a quote in respect of specified repairs. Now it would appear, sir, that there's no quote on the file. But can you please go to the other volume you have of your document, volume 6 and back to the extraction report. And go to page 2902, entry number 57, SMS message from you to Mr Bullock on 1 October, 2013 at 2.28pm?---Yeah.

30 It says 4460 plus and then there's a reply which comes in from Mr Bullock a few minutes later, entry 56, 2,000 electrical and 2,000 plumbing. What does that exchange of text messages indicate to you?---The 4460 was the cost for that job.

Yes?---The returning SMS was the amount to inflate the invoice by.

Yes. So you've been asked to inflate the invoice by a total of \$4,000, \$2,000 for you and \$2,000 for Mr Bullock?---That's right.

And the reference is to electrical and plumbing, that's the code that was used to indicate that division of the money, yes?---That's right.

40 Right. So let's go then to page, back in the property file, 2530. And this is a tax invoice that you rendered dated 2 October, 2013. It's received on the same date it seems by the Mine Subsidence Board Picton office which happens to be the day after the exchange of text messages. It's for this property, 3B Tahmoor Road and the amount invoiced is 8460 plus GST. So that's the 4460 plus the 4,000 add-on. That's right, isn't it?---Correct.

So the invoice includes the add-on?---Yes.

And if you go to the previous page 2529, it would appear that Mr Bullock has authorised payment of your invoice in circumstances where \$2,000 was going to go to him and \$2,000 was going to go to you for work that neither of you had done and it was part of the fraudulent arrangement that you both had to, an arrangement to defraud the MSB. That's right, isn't it?---That's right.

Yep. Commissioner, do we have time to do one more? It will be of a - - -

10 THE COMMISSIONER: Yes, certainly. Go ahead.

MR NAYLOR: - - - similar length. Same volume, sir. Go to page 2634. This is a file, an MSB file for a property at 33 York Street, Tahmoor and go, go first of all to, there's the scope of works you'll see starts at page 2648. It goes, it goes through to page 2651, prepared by Mr Bullock, 9 January, 2014. Then go to - pardon me. Go to page 2646. That would appear to be your quote or your tender for this particular work, 10 January, 2014. So the following day. And then it's received the day after that it would appear 21,660 plus GST. Then go to the preceding page, 2645. 16 February, 2014
20 is the date of a Plantac quote for what appears to be the same works and it's, it is of a similar magnitude, 22,460 but it's got a received stamp which predates the date of the quote. See that?---Yes.

Pardon me. Commissioner, I just wonder if that might be an appropriate time to adjourn. There's just an aspect of this file I need to check before I proceed further.

THE COMMISSIONER: Yes, certainly. We'll resume at 2 o'clock. Thank
30 you.

LUNCHEON ADJOURNMENT

[12.59pm]