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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE MEGAN LATHAM

PUBLIC HEARING

OPERATION TUNIC

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TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON WEDNESDAY 27 MAY, 2015

AT 2.05PM

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

THE COMMISSIONER: Yes, Mr Naylor.

MR NAYLOR: Thank you, Commissioner. Commissioner, since the Commission adjourned yesterday two documents have been circulated to the parties, one being a summary of those Mine Subsidence Board property files that relate to matters concerning Mr Salmon and Mr Bullock. That's 42-page document. The other document is a one-page summary in a sense of that document. Can I just indicate what the purpose of those documents is.

10

THE COMMISSIONER: Ah hmm.

MR NAYLOR: They're intended – they're my summaries for which I take responsibility. I do propose to tender them but not for the purpose obviously of being primary evidence. They're designed to try to in some sense short-circuit the remainder of the evidence in this hearing. I do of course need to put various propositions to Mr Bullock. I don't, Commissioner, or at least I would like to avoid as far as possible going to each of the property files and stepping through the relevant steps. In relation to some matters, for example, such as when a claim is received and the preparation of the claim investigation report, they are matters that quite clearly shouldn't be in dispute on the face of the document. So they're referred to. I don't wish to put those kinds of factual propositions to this witness and waste that kind of time. So I propose to use the document, and indeed it's there to assist the parties as well, to draw attention to those aspects of the rather voluminous documents that are really relevant to this, this matter. So it's on that basis that I would tender both of those documents as a bundle.

20

30 THE COMMISSIONER: Yes. All right. The 42-page document consisting of extracts from the property files and the one-page summary of that document are both tendered – sorry, admitted as Exhibit T61.

**#EXHIBIT T61 - SUMMARY OF MSB PROPERTY FILES  
RELATING TO DAVID SALMON OF A & DJ BUILDING  
SERVICES**

40 MR NAYLOR: All right. I call Darren – I recall rather Darren Bullock, Commissioner.

THE COMMISSIONER: Yes. Mr Bullock, the section 38 order continues to apply. Do you wish to be sworn or affirmed?

MR BULLOCK: Affirmed, thank you.

THE COMMISSIONER: Yes. Thank you.

**<DARREN WILLIAM BULLOCK, on former affirmation [2.08pm]**

MR NAYLOR: Mr Bullock, you gave some short evidence on Monday of this week?---Correct.

10 And I had asked you some questions about in particular whether you had ever arranged for David Salmon to add an amount of money to quotations or invoices at your request or at your direction so that he might – you and he might share in the money once invoices that had included that amount had been paid by the MSB. Do you remember me asking questions to that effect?---I do remember that.

And you deny that proposition?---There's been no sharing arrangement, no.

20 All right. And I just want to provide you, sir, with an opportunity now, having heard the evidence of Mr Salmon, an opportunity as to whether or not you wish to amend in any way the evidence that you gave on Monday? ---The only thing I can say is in reviewing the document that you supplied today and looking – being here in the past couple of days, when I looked through and there was SMS messages um, Mr Salmon did approach me to put money on jobs for himself and um, he had reason for doing that which he did touch on himself and on those – I can't remember what jobs they were on but the only thing I can say is the SMS messages do – those amounts that are on there were figures for Mr Salmon. They were actually – he asked for an estimate as far what the job was worth.

30 You're saying are you that the process whereby money was added to these invoices and quotes wasn't at your initiative but was at Mr Salmon's initiative, is that what you're saying?---That's correct. That's correct.

It wasn't your idea it was his idea?---It was his idea.

Right.

THE COMMISSIONER: Well, it's, it's more than that isn't it. It's not just that it was his idea but, but that he wanted whatever money was added to the job for himself and himself alone, is that right?---That's correct.

40 And how was it that he would indicate to you an estimate for the performance of a job and that you would then reply by way of indicating an amount to be added. How, how did that take place?---He would, he would send me an SMS and I would send him back various ways of what the estimate of the job was which is the, basically what I'd worked out the job costs at the claim process.

Well what I'm trying to understand is the figures that were volunteered by you in response to Mr Salmon's SMSs, that is the, the occasions when you

indicated for example 1,000 for the plumber and the electrician, were they figures provided by you for Mr Salmon to add onto his quotes in the expectation that he would receive all of that money, is that what you're saying?---That's, that's correct, Commissioner.

And you just plucked those figures out of the air did you?---What I based them on was the estimate of what I'd worked the job out to be, roughly.

10 MR NAYLOR: Well sir, why would you have agreed to provide that information to Mr Salmon at all if, if it was all his idea? If he was the one who was wanting money added and, and if he was the only one who was going to benefit why would you agree to participate at all in providing him with responses to text messages to add specified figures?---We've been friends for a long, long time David and I, 34 years. [REDACTED]

20

[REDACTED]. And we're mates. And - - -

THE COMMISSIONER: Mr, Mr Bullock, just before we go any further could I just ask you to pause there?---Sorry.

I will make a non-publication order under section 112 of the Act in relation to all of the previous answers given that identify [REDACTED] [REDACTED] [REDACTED]. Mr Bullock, you were here when Mr Salmon was giving evidence yesterday and you were here when I asked Counsel at the end of the day if there was any reason why Mr Salmon ought not be excused. You heard all of that conversation?---I think I did, yeah.

30

Can you - - -?---I was - - -

Can you explain for my benefit why none of the matters that you are now putting in answer to Counsel Assisting's questions were ever put by your Counsel to Mr Salmon while he was still here? Can you explain that to me?---I don't know. I can't explain it.

40 Do you mean to say you didn't give those instructions to your Counsel?---I don't think I did, no.

Go on, Mr Naylor.

MR NAYLOR: I, I want to suggest, sir, that the evidence that you've just given, the first part of the evidence was that this, these additions or the inflations of the quotations and invoices was Mr Salmon's idea and his alone and he was the only person going to benefit, I want to suggest to you,

sir, that that evidence is all made up. It's all false. It's been fabricated overnight by you. What do you say to that?---I say that's incorrect.

Right. And, and all of the evidence that you've just given now which the Commissioner has issued a non-publication order in respect of concerning Mr Salmon's wife you've said all of that on the public record as an attempt to obtain some retribution against Mr Salmon for having given the evidence that he has in the last two days concerning you?---Why would I do that?

10 Because it affects you, sir?---You know the only thing that affects me that Dave said was that he was concerned for his safety from me and I'm the most placid person you'd ever meet and that's the only concerns that really hurt me about what Dave said.

Okay. I want to put, sir, a number of propositions to you and then I want to take you to aspects of the documents that you will have already seen. You directed Mr Salmon to provide backdated quotes in relation to works carried out, or to be carried out at the following properties, and I'll give you the list of addresses. I'll deal with them in turn and can give me an answer in  
20 relation to each one. The proposition is that you directed Mr Salmon to provide backdated quotes in relation to each of these properties. 6 Dennison Close, Appin?---Not that I can remember. Not that I can remember.

So you're not denying it?---I don't remember. You're talking about that, you're talking jobs that are eleven years old.

All right?---How do I remember?

Well, you may or you may not remember, sir. I'm asking you - - -?---I don't  
30 remember.

- - - I'm asking you, I'm just putting a proposition to you, it's up to you whether or not you deny it or give another kind of answer?---I don't remember.

Do you deny, do you deny that you - - -?---I don't remember.

Just let me finish the question, if I may. Do you deny that you requested or directed Mr Salmon to provide a cover quote, a backdated cover quote in  
40 respect of an invoice or quote to be done for works at 6 Dennison Close, Appin?---I don't - - -

Do you deny that?---I don't remember.

THE COMMISSIONER: Mr Bullock here we go back to the propositions that we canvassed at the beginning of this session of the enquiry on Monday and I tried to explain to you that there is a very big difference between sayings that you don't remember something because it infers that the event

may have occurred but you simply have no memory of it and saying and saying that you deny that you ever engaged in that kind of conduct. Do you remember that conversation that we had?---I do, Commissioner.

Well, Mr Naylor has just put a proposition to you which squarely accuses you of wrong doing which accuses you of being the instigator of this scheme. Are you saying that you don't remember whether or not you did such a thing?---That's right.

10 You don't remember whether you did such a thing?---I don't remember. I can't, I'm flat out remembering what happened last week let alone what happened eleven years ago.

Mr Bullock, let's make sure that we understand each other. If you were systematically defrauding the Mine Subsidence Board, it's not something you could forget, is it?---No.

20 All right, then. Let me put it in those blunt terms. You were systematically defrauding the Mine Subsidence Board over a number of years by inflating the prices of jobs and retraining those inflated values for yourself. Do you agree or disagree with that proposition?---Disagree.

Thank you.

MR NAYLOR: I'll just pick up on the Commissioner's question but return to some questions I was asking you before. Just before I proceed with these propositions in relation to cover quotes, your evidence earlier today was that it was Mr Salmon's idea to invite you to provide an amount so that he could add it on to a quote or invoice and then he would benefit once the invoice had been paid, but it wasn't your idea. That's your evidence, isn't it?---  
30 That's my evidence.

Right. And what you did was provide him with replies to those requests by saying 1,000, 5,000, whatever the relevant amount was?---True.

You were participating, were you not - - -?---I was.

40 - - - in a corrupt, corrupt relationship even if one accepts your evidence that you weren't the instigator but he was the instigator. You were nevertheless behaving in a, participating in a corrupt relationship to defraud the MSB, were you not?---Yes.

Right. Let me return, sir, to the propositions I'm asking you about backdated cover quotes. I'd asked you about 6 Dennison Close, Appin. Next. You directed Mr Salmon to provide backdated, a backdated cover quote in relation to works carried out or to be carried out at 49 Pitt Street, Tahmoor?---I don't even remember the property.

Do you deny the proposition?---I deny the proposition.

You do deny it?---Yeah. I didn't give him cover quotes, no.

Okay. So you remember not having given a cover quote here and you're able - - -?---I can't remember. I - - -

- - - to deny it in relation to 49 Pitt Street but you're not able to - - -?---No.

10 - - - deny the proposition in relation to 6 Dennison Close because you don't - - -?---Sorry.

- - - have a memory?---Sorry. I don't – I just said I don't even remember the property so how could I remember giving him a cover quote. That was my answer.

Are you retracting then the denial that you just gave in relation to the cover quote for 49 Pitt Street?---Well, I am.

20 Right. How can the Commissioner believe your evidence, sir, if you on the one hand say that you deny and on the other hand immediately retract it, how can the Commissioner believe anything you have to say?---Because I said that I didn't even remember the property so how could I remember doing something in relation to the property.

All right. Let's move to the next one. You directed Mr Salmon to provide a backdated cover quote in relation to works carried out at 16 Stuart Place, Tahmoor?---Not that I can remember.

30 Do you deny the proposition?---Not that I can remember.

You directed Mr Salmon to provide a backdated cover quote in relation to a property at 25 Patterson Street, Tahmoor?---I don't remember. I don't remember the property even at all.

Do you deny the proposition?---I deny the proposition.

You do deny the proposition?---Oh, you're confusing me.

40 THE COMMISSIONER: Well, let - - -?---You're playing on words.

Well, we're not trying to play on words. We're trying to make absolutely crystal clear what it is that we are exploring, Mr Bullock, and I just want to make clear that what Counsel Assisting is now doing is he's directing your attention to evidence that Mr Salmon gave about you, not him, this wasn't his idea, this is his evidence that you directed or requested the preparation of what was called a cover quote. That is, a quote that was meant to go in as part of the tender but which would simply be making up the numbers so that

the person submitting the cover quote had no expectation of receiving the job. So the series of questions Mr Naylor is now putting to you goes to that part of Mr Salmon's evidence where he was talking about that practice. All right. Now, we're not talking about whether or not Mr Salmon is writing numbers on documents. We're talking about the practice of cover notes. So can you focus on that aspect of Mr Naylor's question. Did that ever occur?  
---No.

10 MR NAYLOR: Let's just – I'll pause, sir. If the witness can be shown Exhibit T54, volume 8 – volume 6, I'm sorry, page 2703. In fact go to page 2704. It's very hard to see the page number on the bottom right-hand corner of the page. I apologise. You may have to work it out by reference to the previous pages?---Yeah, I've got the page I think, yeah.

That appears, sir, to be a Plantac quotation. It's on the screen if that helps. It's a little hard to read?---Yeah, no, I can, I can read it vaguely.

20 That appears to be a Plantac quotation rather for the property at 6 Dennison Close, Appin. That's right?---Correct.  
Yes?---Yes.

And you faxed that to Mr Salmon while you were at the Mine Subsidence Board did you not?---I don't remember.

Do you deny the proposition?---I don't remember.

30 Go to the previous page. That's another similar looking document but in relation to a property at 49 Pitt Street, Tahmoor. You faxed that document to Mr Salmon while you were at the Mine Subsidence Board Picton office and you can see the date on the top left-hand corner. You did it on 13 July, 2006 at 5 o'clock which happens to be the same date and time when you faxed the other document that I've just taken you to. Is that - - -

MR CHEE: I object. The document doesn't show that he faxed it.

THE COMMISSIONER: Yes.

40 MR NAYLOR: I'm putting the proposition.

MR CHEE: There is a date stamp.

THE COMMISSIONER: I'm sorry. No, the proposition is being put that he did fax it.

MR CHEE: All right.

THE COMMISSIONER: He can agree or disagree.

MR NAYLOR: I'm putting the proposition, sir, that you faxed this document to Mr Salmon?---No. No, I disagree. I don't remember faxing anything like this to Mr Salmon.

Let's just be clear about the answers you're giving. You first of all said, "No, I disagree," and then you said I don't remember?---I don't remember.

10 What, what, what is the Commissioner to make of that answer? Is the Commissioner to make of it that you deny having done it or that you don't have a recollection?---I don't have a recollection of it.

Right. Can I suggest, sir, you're just making up your evidence as you go along?---This is something that's nine years ago.

20 THE COMMISSIONER: Well Mr Bullock, can I just ask you this – under what possible circumstances would you fax a quote from another building company to a building company both of whom were tenderers for the same MSB job? Under what circumstances would you ever do that?---I don't know.

Well, can you think of anywhere you would actually inform another tenderer of the, of the, of the quote that was submitted by a, by a rival bid?-- -Not that I can think of.

Well, it would be improper wouldn't it?---Yes.

30 So is that something that you say you would never have done?---I, I don't, I don't recall ever doing it.

All right.

40 MR NAYLOR: So I, I, I need to put the similar propositions to you, sir, in relation to a number of, number of other properties. But can I just pick up the point that the Commissioner has raised. Just so you're absolutely clear where I'm coming from the Commissioner's question was why, why you would fax these documents to a, to a building contractor who wasn't the building contractor whose, whose quote it was – and I, I want to suggest to you there's two answers to that, sir. One, one of your purposes in faxing these documents so that you could obtain a cover quote was so that once you'd received the cover quote it appeared, and you put it with the file, it appeared as though you'd gone through a tender process that looked somewhat legitimate. That's, that's right isn't it? That's, that's the reason, that's one of the reasons why you obtained these cover quotes, or non-genuine quotes from, from Mr Salmon?---(No Audible Reply).

What do you say?---Is it a question?

Yes, it's a question?---I just thought it was a statement.

No. No?---No. I, I, I didn't do it. I don't recall doing it.

10 Sir, just so we're absolutely clear the, the proposition I'm putting to you is that you sent these quotes, these Plantac quotes to Mr Salmon so that he could provide non-genuine or cover quotes back to you so that one purpose of doing that was to put those cover quotes with the file and make it appear when one looked at the file that a genuine tender process had been gone through by you when that in fact didn't occur?---No I didn't.

Right. And the other purpose, the other purpose of you sending these, these Plantac quotations to Mr Salmon so that he could then provide a cover quote, which is a non-genuine quote, was because you wanted him to, you wanted another quote that looked about the same amount as the Plantac quote. That's right, isn't it?---I don't remember doing it so how can I answer the question?

20 Right. And the reason that you wanted another quote to, to be about the same amount but always a little bit higher than the Plantac quote was because you had an arrangement with Mr Inskip whereby you had him include secret commissions within the quote that he had rendered. That's right isn't it?---That's wrong.

30 All right. Up on the screen now, sir, is another one of these documents that would appear to be a quote by Plantac. It's very faint. It's the next page in the bundle that you have in front of you but the hard copy is probably illegible, page 2705. Now, it's on the screen. Hard to read. But the, the, the proposition is the same as for the other two documents, that is that you faxed this document to Mr Salmon in this particular case on 10 November, 2006 at 10.04 and requested that he provide a cover quote in reply. That's right, isn't it?---I don't remember at all.

All right. And just over a few pages, sir, 2707. That's another similar looking document. And the proposition is the same that you faxed this document to Mr Salmon from the Mine Subsidence Board office at Picton, in this case on the 13 December, 2006. Is that right?---Can you, I can't even read the address. I can't work out what number it is or - - -

40 61 Pitt Street, Tahmoor?---Not that I can remember.

Okay. Pardon me. And the reason that you did that was to enable him to, Mr Salmon that is, to provide a cover quote. That's right isn't it?---I can't remember doing it, no.

Sir, you directed Mr Salmon to provide a backdated cover quote in relation to works carried out or to be carried at a property situated at 42A King Street, Tahmoor. What do you say to that?---Not that I can remember.

Right. Same proposition, sir, in relation to a property situated at 15 Bronzewing Street, Tahmoor. You directed Mr Salmon to provide a backdated cover quote in relation to works carried out at that property?--- Not that I can remember. I don't even remember the property.

Right. Sir, you directed Mr Salmon to provide a backdated cover quote in relation to works carried out or to be carried out at 45 Park Street, Tahmoor? ---Not that I can remember.

10

You directed Mr Salmon to provide a backdated cover quote in relation to works carried out or to be carried out at 3 Stuart Place, Tahmoor?---Not that I can remember.

You directed Mr Salmon to provide a backdated cover quote in relation to works carried out or to be carried out at 286 Douglas Park Drive, Douglas Park?---No. I can't remember that either. And I can't even remember that property.

20

You directed Mr Salmon to provide a backdated cover quote in relation to works carried out or to be carried out at 31 Park Street, Tahmoor?---I don't remember that either.

You directed Mr Salmon to provide a backdated cover quote in relation to works carried out or to be carried out at 336 Moreton Park Road, Douglas Park?---Not that I can remember, no.

30

Right. You directed Mr Salmon to provide a backdated cover quote for works carried out or to be carried out at a property situated at 88 Rita Street, Thirlmere. That's right, isn't it?---No, I don't remember that either.

Right. And in relation to all of those properties about which I've just put propositions to you concerning backdated cover quotes, what occurred, what occurred that you directed Mr Salmon not just to provide the cover quote but directed him as to the date to be applied to the cover quote?---If I don't remember doing it how can I direct him?

40

All right. Sir, the bundle that you have in front of you, go to page 2764. Now, that should be – it's up on the screen to. That should be a similar looking document as the ones that we've just been looking at, but hopefully more legible?---Ah hmm.

That's a Plantac quote for one of the properties that I've just asked you a question about, 3 Stuart Place, Tahmoor. And I want to suggest to you, sir, that you faxed that document to Mr Salmon from your office at the Mine Subsidence Board, Picton on 20 September, 2010 at 2 past 5.00 in the afternoon?---I don't remember that either.

Go two pages over to page 2766. This is a similar looking document, sir, being a Plantac quotation for a property at 266 Douglas Park Drive, Douglas Park. It's dated 1 December, 2010?---Sorry, I've got two the same.

Yes, there's double - - -?---All right.

They're doubled up. I apologise about that, I - - -?---All right. Sorry, I was just, yeah, I just flicked the next page and it was identical. Sorry.

10 Go to 2766 please?---I've got that, yep.

And, sir, I want to suggest that you faxed that document to Mr Salmon from your office at the Mine Subsidence Board, Picton on 17 December, 2010 at 3.25 in the afternoon?---I don't remember.

Go to page 2773 in the same bundle, please. Do you have that?---I do.

That's a Plantac quotation for a property at 31 Park Street, Tahmoor dated 21 December, 2010, yes?---Yes.

20

And, sir, you faxed that document to Mr Salmon on 22 December, 2010 at 1.07pm. That's right, isn't it?---Not that I remember.

Go please a few pages over, page 2778. That's another similar looking document, it being it would appear a Plantac quotation dated 18 June, 2011 in respect of a property dated, at 336 Moreton Park Road, Douglas Park. Do you see that?---I do.

And it goes for in fact three pages?---Excuse me.

30

And you faxed that document to Mr Salmon on 5 August, 2011 at 1.33pm. That's right, isn't it?---I don't remember.

Go a few pages over to 2853. It's on the screen too, sir?---Yeah, yep.

It's - - -?---I've got the page.

- - - a similar looking document, a Plantac quotation dated 29 May, 2013 in relation to a property at 88 Rita Street, Thirlmere. And you faxed that document to Mr Salmon on 5 June, 2013 at 11.48 in the morning. That's right, isn't it?---I don't, I don't remember any of these.

40

There are quite a few of them, sir, and you're saying that you don't have a memory in respect of any of them?---I, I don't.

Right. I want to suggest to you that you're not telling the truth in relation to that evidence, that you do have a memory of them, that you must have a memory of them given the volume of them?---No, I don't.

All right. Well, do you want to proffer any explanation as to why all these quotes seem to have been sent from, according to the fax imprint at the top of the page, from the MSB Picton office and that they turned up in Mr Salmon's records, do you have an explanation for all of that?---No.

All right. Pardon me. If the witness can be provided with Exhibit T54, volume 1. Go to page 14, sir?---I've got the page.

10 You're quicker than I am. See that, that's what appears to be a quotation provided by A&DJ Building Services which of course is the entity that – of which Mr Salmon was principal. That's right isn't it, it's a building contractor?---Correct.

20 All right. And, sir, I've asked you some questions about this particular property already and cover quotes. This, this is the cover quote that you received after requesting it from Mr Salmon and after having faxed to him the Plantac quote in respect of the same property. That's right isn't it?---I don't remember. I don't even remember where that street is in Appin to tell you the truth.

All right. And you see there's a received stamped on there?---I do.

Yeah. And, sir, I want to suggest to you that you deliberately after you received this document obtained the stamp and applied the stamp with a date that was, that was before the date that you actually received it. That's right isn't it?---No.

30 All right. So you, you remember – you have a memory of not doing that? ---I don't even remember not doing it. I wouldn't – I don't stamp the documents when they come into the office so my answer is no because I don't stamp the documents.

All right. You're saying you've never obtained one of these Mine Subsidence Board Picton office received stamps, manipulated it and applied it to a document that you've received from Mr Salmon with an incorrect date?---Not that I can remember, no.

40 Well, you've just said you don't remember having done so. Your answer a couple of moments ago was that you denied having done so. Which is it, sir?---I've, I've never manipulated a stamp if that's what you're asking.

I'm not just asking about a stamp. I'm talking about this particular stamp? ---I, I don't have any recollection of that coming into the office so how can I answer the question.

I'm not asking about the document coming into the office. I'm asking you about the application of this stamp?---I - - -

And what I'm saying to you is that you applied the stamp and that immediately before you applied the stamp you have deliberately manipulated the date on it so as to make it a date that was before the date that you actually received the document?---I haven't done anything of that sort.

Go please to page, it should be 476 in the same bundle?---I have the document.

10

All right. So that, that's another similar looking document, sir. That's a quotation by Mr Salmon's building contractor A&DJ Building Services to the Mine Subsidence Board, 5 July, 2006 and what I want to suggest to you, sir, is that – I've already asked you some questions about this, that you received this document after you sent the fax to Mr Salmon on 13 July, 2006 and that you applied this received stamp on it which is difficult to read I accept but looks like it's 5 July, 2006. So you've deliberately applied the stamp with an incorrect date. That's right isn't it?---No.

20

All right. You can return that volume to the Commissioner's associate and be provided with volume 2 and go please to page 665?---Sorry, what was the number?

665?---I've got it.

30

That's another similar looking document, sir. It's a quotation that appears to have been submitted by Mr Salmon's building contractor A&DJ Building Services dated 2 November, 2006 and what I want to suggest to you, sir, is in fact you received that document on or after 10 November, 2006 and you deliberately manipulated the, the Mine Subsidence Board Picton office received stamp and backdated it to 2 November, 2006 so it looked as though on the file that the document was received before it was – when it was actually received. That's right isn't it?---No.

All right. And – pardon me. You'll need to go to the next volume, volume 3 so just return the volume that you have please. Go to page 1073. Have you got that?---Yeah, I have.

40

That – I think I've taken you to the wrong page, I apologise. Go to 1075 which is a couple of pages over. Similar document, quotation by Mr Salmon's building contractor in respect of works to be done at 15 Bronzewing Street, Tahmoor. The quote is dated 24 February, 2009 and the proposition, sir, is that you didn't in fact receive that document until on or after 17 March, 2009 at which time you obtained the Mine Subsidence Board Picton office received stamp and manipulated it to set it to a date, it's a bit hard to read, in February so before the date that you actually received the document and the date would appear to be, it's hard to read, 29 I think?-- -It's got two date stamps on it hasn't it?

THE COMMISSIONER: One is the quote, the other one is the received date?---No, sorry, I just, it's just got the square date stamp and it's got a, like a separate date stamp across the Mine – and it's not really relevant but I'm just saying it's a - - -

MR NAYLOR: Can you answer my question?---No, I didn't.

10 Right. Go please, we'll need to go back to volume 1, please, and page 503?  
---Do you want this one back? Sorry, I didn't catch the number.

503. See that, sir?---I do.

Quotation by A&DJ Building Services dated 3 December, 2010 in relation to a property at 286 Douglas Park Drive, Douglas Park, and it bears an MSB Picton received stamp that again is difficult to read, it looks like it's 3 December, 2010. See that?---Yeah, I do, yeah, like you say, you can hardly make out the date but it looks like it, yeah.

20 If it assists, it's on the screen, you might get a better view?---Yeah.

And, sir, you didn't in fact receive this document until on or after 17 December, 2010, at which time you obtained this stamp, manipulated it to backdate it to 3 December, 2010, and then you stamped it on the document to make it appear as though it had been received earlier. That's right, isn't it?---No.

30 All right. Return that volume, please. All right. I want to move on from cover quotes, sir, to a new topic, being the inflation of invoices and quotations. Now, I want to take a similar approach as what I've done in relation to the cover quotes and I want to put a series of propositions to you concerning a number of properties. The first proposition is that you directed Mr Salmon to include a secret commission in an amount of \$200 to be added to an invoice or quote that he submitted in respect of works to be done at a property at 25 Patterson Street, Tahmoor and the intention was that you and he would share in the \$200 between yourselves. That's right, isn't it?---No.

40 And this was the start of an arrangement that you had with Mr Salmon whereby amounts of money would be added to quotations and invoices submitted by Mr Salmon to the MSB. It was an arrangement to defraud the MSB wasn't it?---Not to my recollection, no. I don't remember that job even so - - -

All right. Pardon me. And – I'll take you to the document. If you can be given volume 2, please of T54. Go please to page 745. See, that's a tax invoice submitted by Mr Salmon's building contractor entity?---Yes.

And you see it invoices for an amount of \$280 plus GST?---Yes.

And you directed Mr Salmon did you not to include 200 of those \$280 so that you could both share in that money and defraud the MSB?---Not that I remember, no.

You don't deny it?---I don't remember it.

10 And go to the previous page. That's the compensation claim payment form of the MSB, that's right?---Correct.

And that's your signature?---Correct.

Right. And you authorised payment of that invoice?---Correct.

Right. So you authorised payment of an invoice which included a secret commission that you had directed Mr Salmon to add?---I don't remember that.

20 We're going to be juggling folders a little bit which I apologise for – but return that folder please. And if you can be provided please with volume 7. And go please to page 3010. See that's another invoice submitted by Mr Salmon, it happens to be the same date is the previous one. Got that?---I've got that, yeah.

And it invoices for an amount of \$3,380 plus GST and of that \$3,380, \$2,000 of it was added by Mr Salmon at your direction so that you and he could share in a secret commission and thereby defraud the MSB. That's right, isn't it?---No.

30 And go to the previous page, sir. That's you authorising payment of that particular invoice, isn't it?---That's correct.

We're going to go back to volume 1 please. And - - -?---Do you want to keep that one?

Pardon me. Go, sir, please to page 108?---108?

Yes?---Yep.

40 See that's a tender form submitted by A&DJ Building Services?  
---Ah hmm.

And you directed Mr Salmon to add, to include rather, \$24,000 of the \$36,900 as a secret commission to be shared between he and you had he been successful in winning the contract. That's right, isn't it?---No.

THE COMMISSIONER: Mr Bullock, was this one of those, was this one of those occasions when Mr Salmon according to you wanted to receive additional moneys for the job and you indicated what you thought the job was worth?---Commissioner, the only ones I know of are the ones where, this one is not, the only ones I know of is the ones were for text messages and there's two others which I told him what the price had to come in at and my handwriting is on um, a document there, there's 15,000 and 18,000 written on a page that was brought up I think yesterday and they're the only ones I know of where Mr Salmon asked me for commissions on jobs.

10

When you refer to the text messages do you refer to the recovery of the text messages that you - - -?---Yeah, that, that document.

Right. Do you include in that the handwritten copies of text messages that Mr Salmon produced from his records?---No. No.

Why not?---Unless they're the same as the – I don't know, I haven't looked to see if they're the same but no, only the text messages that have come off my phone and the two handwritten – there's two documents that have got my – or there's one document with two figures on it of 15,000 and 18,000.

20

MR NAYLOR: I'll come to that, sir?---Yeah.

Yeah. Just - - -?---I mean if that, if that helps you with this because all these others, Commissioner, are going to be answers where I don't know. I don't – it's going to be no or don't know.

THE COMMISSIONER: All right. Let's just cut to the chase shall we. You're only prepared with knowledge that insofar as there is independent text messages of figures passing between you and Mr Salmon they're the only cases of which you are aware that you can now say were part of this agreement with Mr Salmon?---And the two handwritten things.

30

They're the only ones that you'll acknowledge having anything to do with? ---Yes.

MR NAYLOR: All right. I'll come back, sir, to those – the handwriting that you refer to but let's just stay for a moment with this particular file which concerns 125 Thirlmere Way, Thirlmere and go please – see the proposition I've just put to you is that you directed Mr Salmon to add \$24,000 to this tender and go, go please to page 139. See that's - - -?---139?

40

139. That's a claim investigation report?---Yeah.

It's been prepared by you?---Yes.

The claim ultimately was approved by Mr Clark who was the – oh, Mr Cole-Clark rather several days after you appear to have signed it. See that?---No, it's – yeah, approved by, yeah, the CEO, yeah.

Mr Cole-Clark?---Yeah, yeah.

Yes. And just go back to the second page. You've estimated the costs at \$30,000?---Correct.

- 10 The suggestion is, sir, that you deliberately inflated this cost estimate to include an allowance for a secret commission that you intended to obtain in relation to this job?---All my estimates are worked out based on the scope when I do the claim.

All right. Do you deny that you made significant provision in this cost estimate so as to get a secret commission had Mr, had, had Mr Salmon been successful of \$24,000?---In every case when I've done a claim I've put the most accurate figure as I can at that point in time.

- 20 Okay. And you see the tenderers in this case. Go back to page 107. There were three of them, Plantac?---Ah hmm.

Mr Salmon's building entity A&DJ and Fairmont Homes. See that?---I see that, yeah.

- 30 And I've already asked you many questions previously about Plantac when you were – during the first sittings of this inquiry and I put to you then that you had a corrupt relationship with Plantac in that you added to the amount of variation invoices that they submitted. Do you remember all those questions?---I do remember all that, yes.

Right. And I'm suggesting to you today, sir, that you had a corrupt relationship with A&DJ Building Services and that you directed them not only to provide cover quotes but to add secret commissions into their quotations and invoices. They're the questions I'm putting to you today. Do you understand that?---I understand that.

Is the tender by Fairmont Homes a genuine tender?---Of course it is.

- 40 Or was it somehow arranged by you so that you could somehow manipulate the tender process and, and obtain an outcome that was beneficial to yourself?---No.

All right. And lastly, while we're still with this file go to page 100?---I've got it.

See, that's a quote by Plantac, 6 July, 2007 for a variation, isn't it?---(No Audible Reply).

Variation number 1 for bathroom number 1. See that?---Yeah, I do. Yep.

And if you go to the next page, 101, that looks like your request for that variation quote?---Correct.

Right. And go to page, back please, page 83?---Payment summary?

10 Yes. You see, what the, the amount that was – I've taken it out of order. I, I apologise. But the amount that was quoted for the variation by Plantac at page 100 was \$14,668 plus GST. See that?---Yeah, I do. Yep.

And if you go to page 84 that's what they've invoiced for?---Yep.

And if you go to page 83 you've authorised payment of the invoice?---Correct.

20 And this, sir, was a variation on the original contract price that Plantac had submitted, being 28,500. You can see that if you go back to page 107?---Ah hmm.

So the variation, if my maths is not mistaken, is just over 50 per cent of the original contract price?---That's correct.

Right. You didn't have authority did you to authorise that variation or the payment of the invoice in respect of that variation?---No I didn't.

Right. But that's what you nevertheless did?---Yep.

30 So you failed to comply with the Board's policies and procedures in respect of the approval of variations and the authorisation of payment for variations did you not?---In that case, yes.

And the reason why you did that was because you were involved in relation to this particular matter in an attempt to facilitate the receipt of a corrupt commission?---No.

A secret commission?---No.

40 Did you receive a secret commission in this job by, by way of money from Mr Inskip after he'd been paid?---No.

All right. Let's go – pardon me. You can stay with the same file. Pardon me. Go to page 203?---Okay. I've got that page.

Thank you. Invoice from A&DJ for work done at a property at 34 King Street, Tahmoor, and they've invoiced for the contract price, being \$40,210 excluding GST, a few extras and then you can see the total there?---Yep.

And, sir, you directed Mr Salmon to add on to the true value of the works a total of \$16,000 by way of secret commission hidden within this invoice so that you and he could defraud the MSB. That's right, isn't it?---No.

Ah hmm. And go please to page 257?---I've got it.

That's a claim investigation report in relation to this matter that you prepared?---Hmm, yes.

10

And go to page, the second page?---Ah hmm.

You've estimated costs on this document as \$45,000?---Correct.

You deliberately inflated that amount so as to make provision or allowance for a secret commission to be paid to you and to Mr Salmon in the, at the end of this job. That's right, isn't it?---No.

Go please to page 221?---Okay.

20

So that's the tender form that Mr Salmon submitted for this job?---Yes.

Yes. And ultimately he was successful in winning it. And behind that the next pages are tender forms by Plantac and there's one there by another contractor, Fairmont Homes. Did you ask Mr Inskip of Plantac to add to his tender price an amount of a secret commission to be shared between yourselves if he'd been successful in winning the tender?---No.

30

All right. All right. You can return that file, please, and if you can be provided with volume 2?---(not transcribable)

Pardon me. And go please to page 536?---Okay.

That's Mr Salmon's invoice for the work that he did in relation to this job at 42 King Street, Tahmoor?---Ah mmm.

And you directed Mr Salmon, did you not, to add a secret commission into the pre-GST amount that is the \$6,840. You directed Mr Salmon to add an amount of 3,000. That's right, isn't it?---No.

40

The intention was that you and he would share it and in so doing of course, defraud the MSB?---No.

All right. There was a requirement at this time, sir, for three quotes to be obtained?---I'm not sure what this point and time is.

All right?---I can't remember the - - -

Well this point in time is November, 2007 and the preceding couple of months, you needed to get three quotes at this particular time, didn't you?--- I don't, I don't remember.

All right. Just accept from me, sir, that there were only two quotes on this file, one from Plantac and one from A&DJ. And if there was a requirement for a third quote and no third quote was received then that was a failure to comply with the relevant policies and procedures?---It would be if that's, if what you're saying is correct, yes.

10

Okay. And go, go please to 1010. I'm not sure if I have the right page number, I'm sorry?---I don't have that many pages in my book.

No. Pardon me, I'm sorry?---That's all right.

I think I'm ahead of myself. I am, 531. This is a familiar document to you, is it not?---Ah, not of the document, on the screen I can see it, yeah. But not in the book.

20

No, what I meant to say was you're familiar with this kind of document?--- Yeah. It's a cover sheet of a file.

Right. And the handwriting on this document is your handwriting?---Yeah. All that I can see on the screen is, yes.

All right. There's a hard copy available for you as well if that helps?--- Yeah. I just haven't got to it yet. Yeah. All, all the writing on that page is my writing, yeah.

30

All right. See, where it says, under the subheading tender towards the bottom of the page, tender documentation completed, you've circled yes, you've circled selected and you've written in a closing date. Accept the proposition, sir, that three competitive tenders needed to be sought marry up with the next document. That the document reveal that no evidence of any third tender being sought then this would either be false or misleading to say that the tender documentation is complete isn't it – wouldn't it?---We did lots of tenders with two documents so – so I don't understand - - -

40

What, you're suggesting this is not misleading or false?---Well tender document completed means that the, there's actually been a, a tender or a site instruction. That's all it means.

See, I, I wonder if you can just attend to my question? I didn't ask you what as a matter of fact the situation was in terms of numbers of tenders sought. I was directing you to the policies and procedures and make the assumption that the policies and procedures say that three competitive tenders are to be sought in respect of this particular job. But the file reveals that no third tender was sought. Then if you completed this document and you circled

yes then that suggests does it not that you had formed the view and was, you were giving the impression to, to the reader of this document that you'd complied with the relevant processes?---You're, you're wrong there because what, what that circle around the yes means is that the tender document is complete. And that document is on page 544. That's what it refers to.

Well - - -?---The tender is complete. The actual - - -

10 THE COMMISSIONER: What you mean - - -?--- - - - specification.

You mean if there was only one tender all that says is that the tender, that one tender document is complete?---No.

Is that what it means?---It refers to the actual tender document they quote on. So if you go to page 544 it refers to that document is complete, that you've done the document.

You mean the document that is put to - - -?---The contractors to price.

20 - - - put, put to the contractors for a price?---Yeah, that's what that means.

MR NAYLOR: The scope of works document?---The scope of works document's done. That's, when, when you do the scope of works, whether it's a site instruction, scope of work, or the actual tender that, you circle that to say you've actually completed the tender document.

But the scope of works is just one part of the tender process isn't it?--- That's what that form means. You ask anyone in the MSB. That's what it means.

30 But I'm asking you?---That's what it means.

Well, it says tender documentation, it doesn't say scope of works?---That's, that's what it means.

All right. So if I ask Mr Cole-Clark what his impression is of what is meant by those words he'll say the same thing will he?---Yeah.

40 Right. Well I'll do that?---Yep.

Let's just, there's another aspect of this file, sir, which I'm curious about. Let's go to - pardon me. See, we go back to the claim investigation report of 551?---Okay.

See, it's your document and you've estimated the costs at \$5,000?---Correct.

Right. And the tenders that come in, one comes in from Plantac at page 543 for 7,125 plus GST?---Ah hmm.

So that's \$2,125 above - - -?---Yep.

- - - your estimate?---Yep.

And the other tender comes in from A&DJ, this is page, the previous page, 542 - - -?---Ah hmm.

- - - at 6,840, so that's \$1,840 above?---Correct.

10

And you were aware were you not that there was a 25 per cent threshold on accepting tenders in excess of the cost estimate?---That's why it's been sent up to Greg.

You were, I'm, just attend to my question, please?---I wasn't aware of the 25 per cent, no.

You weren't aware?---No.

20

All right. Well, let's just go to the documents. If the witness can be provided with Exhibit T1, volume 1, page 234. Have you got page 234?---Yeah.

Go to, go to paragraph 11 on page 234?---Yeah, I've got that.

Last sentence of paragraph 11. Read that to yourself?---That's for variations.

Well - - -?---That's the way I read it.

30

THE COMMISSIONER: It says "tenders for works" full stop. It doesn't say tenders for variations?---It says "variations to the contract tendered price may be approved to 25 per cent of the price or 10,000 which is the lesser". I read that as that if there's a variation to the tendered price it can be approved if it's within 25 per cent.

Or 10,000 whichever is the lesser?---Lesser, yeah.

The lesser?---That's right, yeah. That's the way I read it, yeah.

40

MR NAYLOR: You say that applies only to variations?---Well, that's my understanding.

And that there wasn't a limit. What's your understanding of this, was there any limit on accepting or being able to accept a tender in excess of the cost estimate?---Not to my knowledge.

So if it as doubled or tripled the cost estimate it could still be accepted?

---Yes.

There wasn't a need to revise the cost estimate or to go out to tender again?

---When they were greater than the cost estimate we, we – once it was signed off we'd change the commitment in the system to reflect the tender price. That's what we've done multiple times.

All right. Well, let's just clarify this if we may. Go to page 449?---Um, which, which one am I in?

10

The same volume?---The same volume.

Page 449?---Ah hmm.

And perhaps this is the document that you're thinking of. Go to the second page of that document, page 450?---Okay.

20

And at paragraph 4 it says "the lowest valid tender may be accepted where it exceeds the approved expenditure by less than 15 per cent. Tenders with a margin exceeding 15 per cent shall be referred to the Board". Does that – is that consistent with your understanding of how the process worked?---No. The process worked by we just worked basically within our delegation. If it was outside the delegation we sent it onto the next referring officer. We never used any percentage rule in my 11 years at the Board.

Sir, this was the document that was in force while you were at the Board up to the beginning of 2012?---I agree with that but we never followed it. No one ever told us to follow it.

30

You were the manager of the Picton District Office and you had a copy of these policies and procedures in your office didn't you?---Yes.

And if, if it was okay just to ignore it then what was the purpose of having the policies and procedures there at all?---Exactly.

Who said it was okay, if anyone – did anyone say to you it was okay just to ignore the policies and procedures and do as - - -?---I don't think they said it in - - -

40

- - - do as you wished?---I don't think they said it in those words but we, we forwarded our files to Newcastle and got signed off. We were audited by the, by the Government auditors every year. No one's ever told me that what we were doing was incorrect.

Did it ever strike you as a bit unusual that as a senior manager in the organisation, you're the manager of a branch office, one of four branch offices, that as a senior person in the organisation it was okay just to completely ignore - - -?---I wouldn't say - - -

- - - this policy and procedure? That's what you're saying?---I'm not saying we ignored it, what I'm saying is we, we, we were following the direction that if it exceeded our own delegation we forwarded it to the next person in line.

THE COMMISSIONER: Sorry, where did that direction come from?

MR NAYLOR: No, that's not what your evidence is.

10

THE COMMISSIONER: Where did that direction come from?---That's the way I was taught.

No, where did that direction come from?---From - - -

You said a direction. Where did it come from?---From Greg.

What, personally?---Yeah, I think Greg just said, look, if, if it's outside your delegation you forward it to me. It didn't matter what the limit was, no one's ever instructed us to do anything different.

20

MR NAYLOR: Sir, when you were first inducted after you got the job as Picton office district manager your evidence on the previous occasion was that you were provided with a whole lot of documents and told to sit down in the office and you read them. That's right, isn't it?---Yeah, I sat in a disused office up in Newcastle and - - -

Right?--- - - - and they said read all this stuff.

30

Right. And are you saying to me, to the Commission now that that was all just a waste of time and that there was no purpose served in you doing that? ---I read it and to the best of my knowledge I followed what I had to do and I couldn't remember everything in that, it's a massive document, and when I proceeded on my way, sure, I probably made mistakes and I, I just kept going.

That's - - -?---No one, no one ever told me any different.

THE COMMISSIONER: Sorry, I just want to unpick this a bit?---Yeah.

40

Mr Bullock, you said you read the documents and then you started work and no one ever told you any differently?---No.

Well, if no one ever told you any differently, why weren't you following the instructions that were in the document? Where was it that you somehow decided that the document didn't apply to you and you could, you could follow some other procedure?---I had guidance by district supervisors that came down and trained me and they said this is the way the Board does it,

this is what happens, you put your tender on there, if it's outside the delegation, you know, you just send it up to Greg. That, I don't even remember reading that 25 per cent or whatever, I don't remember it at all.

You attended, as I understand it, you attended monthly meetings at the Board at Newcastle?---No.

You sent monthly reports to the Board?---Monthly reports, yes.

10 Right. There were occasions though when you saw Mr Cole-Clark in the office at Picton?---Once, twice a year.

Well, all right, there were occasions when you saw him in the office at Picton?---Correct.

In the course of your employment at the MSB there were occasions when there were amendments made to the policies and procedures document weren't there?---Yes.

20 Were those amendments brought to your attention?---Those amendments were emailed down or whatever, yeah.

Right. So was there ever any, an occasion when you said to Mr Cole-Clark, well, I don't know why we're bothering with amendments because nobody follows the policies and procedures anyway?---I think I have had that conversation with Greg.

You have had that conversation with him?---And you can see that - - -

30 No, just a minute?---Yeah.

You have had that conversation?---Yeah.

And what was his response?---Well, we need to get the job done, get it done.

So Mr Cole-Clark, according to your evidence, was content for everybody to ignore the policies and procedures manual?---I'm not, I'm not saying we ignored them fully but we, we, we bent - - -

40

Well, it sounds like that doesn't it?---We bent the rules is probably what I'd say, and that was common practice and no one ever told us any different.

MR NAYLOR: See, you were responsible for how many staff?---Oh, at the end, five.

All right. And one of your responsibilities as a supervisor or manager of those staff was to make sure they did their job properly?---Ah hmm.

Right. And the policies and procedures document sets out how the job to be done by staff of the MSB is to be done properly. That's right, isn't it?

---Correct.

Right. Did you at any time that you can recall sit down with your staff and say, look, these are the policies and procedures and this is how the job is meant to be done and let's make sure that we adhere to and we comply with the policies and procedures?---I really don't know whether I exactly sat  
10 down with them and told them that but I'm sure they came and asked me different questions about it and lots of times we weren't sure and we looked up different things, but I don't remember having a sit down like toolbox meeting with my staff, no.

You weren't doing your job, were you?---I was doing my job to the best of my ability and I believe I was a good manager.

You weren't doing it properly though, were you?---That's your  
20 interpretation.

No, it's a proposition I'm putting to you?---It's your interpretation.

If you were doing your job properly you would have ensured that your staff adhered to the policies and procedure and indeed that you adhered to the policies and procedures, but that's not what happened, is it?---No.

All right.

30 THE COMMISSIONER: Just, just on that issue about the practice of ignoring policies and procedures to get the job done did that include asking your staff to sign documents for tender processes where you as the officer in charge of the tender had to otherwise ensure that the, that it was signed by someone independent of the tender process?---Yes.

Can I give you a specific example?---You can give me an example, yeah.

40 You heard one of your staff give evidence that there were at least two occasions when you put documents in front of him that he was not authorised to sign but you told him to sign them because you couldn't be bothered waiting for the documents to go up and back from Newcastle?---I don't think it was couldn't be bothered but it was, it took an extensive amount of time so that's true, yes.

All right. Well, you, well, so those, that, that occurred on, on at least two occasions?---It occurred on a number of occasions.

All right?---Yes, Commissioner.

Was that, was that a deliberate disregard of the policies and procedures about which everybody effectively knew? I mean, was that something that happened because everyone was just interested in getting the job done?---It was. And I mean, even when we were looking through those tender documents I can see multiple times where I've sent two tenders to Greg and he's signed it off. And based on Mr Naylor and the procedures that breaches the policy and procedures because there should have been three. But Greg signed them off. We, we were following a lead.

10 Let me just focus on the examples I'm giving you?---Ah hmm.

The two occasions at least when other members of your staff at your direction signed documents that you knew they were not meant to sign?---Ah hmm, correct.

Did Mr Cole-Clark know about that, disregard of the policies and procedures?---I, I don't know. Probably not. I don't know.

20 MR NAYLOR: See, let's stay with that issue - - -?---Ah hmm.

- - - that the Commissioner has raised?---Yep.

And I'm going to go a step further than the Commissioner. And you gave evidence on the last occasion that you prevailed upon Mr Montgomery - - - ?---Yes.

- - - to get him sign a claim investigation report. That's right isn't it?---That's correct.

30 That you had in fact prepared?---Correct.

You had carriage of that matter?---Correct.

And I want to suggest to you, sir, that the reason that you did that was to avoid scrutiny of its contents?---No.

And the reason you wanted to avoid scrutiny of its contents was because you had overvalued, or overestimated the cost of the repairs?---No.

40 And the reason you'd overvalued or overestimated the cost of repairs was because you had included an allowance or an amount for a secret commission that you were intending to obtain in relation to that job?---Incorrect.

All right. That job, just so we're perfectly clear, is 88 Rita Street, Thirlmere?---Yes.

All right. And in relation to that, to that job, we'll come to that now – I've already asked you some questions today about that in the context of cover quoting. Do you remember those questions?---Yes.

And the proposition I had put to you was that you had directed Mr Salmon to submit a cover quote in relation to that matter. That's right?---Yes.

10 All right. Sorry, are you saying yes, that was the question I had put to you or yes, that's what you did do?---No. Yes, that's the question you put to me.  
Okay?---Sorry.

I don't want to mislead you?---Yeah.

Let's go to that file now, volume 5 of Exhibit T1, please. Let's, we'll start with the claim – I don't want to spend too much time on it but the claim investigation report, sir, is at 519. I'm sorry?---Oh, these have got 2000 numbers.

20 That's not right. 2063. I'm looking at the wrong number?---Yes, all right.  
Yep.

See this is – go to page 2065. That – this is the document where you got Mr Montgomery to sign. Yeah?---Correct.

All right. And the previous page you've estimated – you prepared this document and you'd estimated the cost to be 50,000. See that?---Yeah.

30 And the date of this document is 15 May, 2013. See that?---Yes.

All right. And you at page 2065, the last page of the claim investigation report, you purported to approve the claim didn't you?---Yes.

You approved, you approved the claim in respect of a matter that you had carriage of and you knew didn't you that that was in breach of your financial delegations?---Yes.

Right. So go to the front of that file 2028?---Okay.

40 That's the claim processing worksheet?---Yes.

That's your handwriting?---Yes.

And the middle of the page under the subheading "claim report". See that? ---Yes.

You're, you're the delegate there are you not with the name there in the middle - - ?---Yes.

- - - D Bullock?---Yes.

And there's a date there 25 February, 2013?---Correct.

See that?---Yeah.

Well, that's not the date is it that appears under your signature at page 2065?---No, because – I don't know why that - - -

10

What is the reason?---I don't know.

It's just false and misleading isn't it?---I don't know. Is there another claim on the file back further. I don't know. I can't explain it.

All right. I'm going to take you to several more of those kinds of errors, sir, and I'm going to suggest to you that if you didn't deliberately fill out these claim processing worksheets incorrectly then you were negligent in the way that you did so?---It's possible. I don't know. There's, yeah. I don't know why the date's wrong on that.

20

All right. While we're still there. Sir, you've done the claim investigation report. There's a scope of works there. Plantac submits a quote, A&DJ submit a quote, they're all there on the file, and there's also an entity called MAB Building Services. They seem to have submitted a quote to. That's at 2055 isn't it?---I haven't found it yet. Yes.

See that, and accept from me that MAB Building Services Pty Limited is not at this particular point in time on the list of selected tenderers?---I think we mentioned that last time that they were trying to get on.

30

Right. This is just a dummy quote isn't it, this is just a fake quote that you organised?---No.

Right. And I think we might have dealt with this before it's – this is – this matter is also not in the tender book. I don't want to take you to all the documents but just accept from me that it's not in the tender book?---Yeah, I'll accept that if you're saying it, yeah.

40

All right. So we've got a situation where you've deliberately avoided the impact of the financial delegations by approving a claim that you were not entitled to approve. You prevailed upon Mr Montgomery to sign it so that the document is misleading and deceptive as to who the authors of it were and it's not in the tender book. I mean this is a litany is it not, sir, of failures to comply with important policies and procedures. That's right isn't it?---I don't know what litany means.

All right. And - - -?---What does it mean?

And litany means a catalogue. Several, I've just set out for you a number of problems in terms of failures to comply with policies and procedures. Not just inadvertent but deliberate. The purpose of you deliberately failing to comply with the policies and procedures was because you were embarked upon an attempt to obtain a secret commission from this tender process. That's right, isn't it?---No.

10 All right. Let's go the next one. You can return, please both of the volumes you have and can we go to please, volume 3 of T54. And go first of all, please sir, to page 1015. See that's another invoice from Mr Salmon?---Yes.

And it's for works done at 42 King Street, Tahmoor, 42C, rather, King Street, Tahmoor. See that?---I do.

20 And what I need to suggest to you, sir, is that you directed Mr Salmon to include in that invoice a secret commission in an amount of \$3,000 before GST?---This is one of the text jobs, isn't it, I think?

Well just answer my question - - -?---I can't remember.

- - - if you wouldn't mind?---I can't remember.

What's the significance of the text jobs so far as your concerned?---They're, they're the jobs that Dave contacted me that he wanted - - -

I see?---Yeah.

30 You say, you say that if this was a text message job then you did participate in a corrupt arrangement with Mr Salmon but it was his initiative not at yours?---Correct.

Right.

THE COMMISSIONER: Just on that Mr Bullock, I think you've said that you acknowledge where there is a text message to that effect?---Yes.

40 That you were in effect complying with Mr Salmon's request for money by elevating the value of the job to what you thought it was worth as opposed to what he had quoted for. Is that right?---No. I was telling him what I'd estimated the job at.

Well, if you had estimated the job at say for example, 7,320 or 7,300 or there whereabouts and he had quoted 4,320 then logically you would be telling him to add \$3,000 to the price, wouldn't you? Was that the arrangement?---I was given a ballpark figure.

Well, well - - -?---Yeah. I - - -

Is that the ballpark figure?---Yeah. Yeah. I'd say you're correct, yeah.

Well can you explain why in your text messages to Mr Salmon you texted 1,500 plus 1,500 and not the figure \$3,000?---Because he told me to jumble things up and make it all different things and whether it was combined figures or one figure or added each on the end of or add electrician on there, he'd know what it was.

10

So this scheme by Mr Salmon went further than just saying I need money, he actually told you how it was that you were to text the figures so that they came up to the requisite amount?---Ah hmm.

And why did he suggest that?---I guess to hide it.

To hide it from whom?---Just - - -

20

Who was he hiding it from?---I just guess to hide it.

But you were the one texting the figures, it was your job that was on the line, wasn't it?---Correct.

Well, he wasn't hiding it from anyone, you were meant to hide it, weren't you, because you were doing something wrong?---Yeah, I suppose so, in hindsight, yeah.

30

MR NAYLOR: This explanation that you've just given the Commissioner, none of it's the truth, is it?---It is the truth.

See, this is in fact not a job that relates to an exchange of text messages, the \$3,000 that I proposed to you was added by way of secret commission, was done in a different way and can you go please to volume 6 of T54, 2730. Have you got that?---I have.

40

And just so that it's, you can see the context, if you go back several pages to 2727 and go forward to 2730, 2730 forms part of the same document. And this is a document that Mr Salmon has produced to the Commission and you will have heard his evidence about this particular document. The 1,500 plus 1,500 at the top of the page, that's your handwriting, isn't it? ---It looks a bit like it but - - -

Right?---It's close.

And you had directed him to add the 1,500 plus 1,500 total 3,000 to his tender or quote in respect of works to be done at this site. That's right, isn't it?---No.

And accept from me, sir, that the policies and procedures would seem to indicate that because the estimated cost of repairs at this site was at a particular level, in this case \$6,000, you can see that at page 1034 of the other volume, three quotes were required at this particular point in time. I'll just ask you to accept that proposition from me?---Okay, yeah, I accept that, yeah.

10 All right. And the file would seem to indicate that no third quote was received and that the only quotes were those from Plantac and A&DJ?  
---I haven't found it but I accept it, yeah.

All right. And I need to suggest to you, sir, the reason no third quote was obtained was because you were circumventing the policies and procedures, in particular the requirement for a third quote, because you were embarked upon a process to obtain a secret commission, in this particular case, half of \$3,000?---No.

20 All right. Commissioner, I note the time. I'm going to be some considerable time unfortunately.

THE COMMISSIONER: All right. Well, despite the potential inconvenience I think we should start at 9.30 tomorrow morning. We have to adjourn at 3.30 because I have a prior commitment. So if I could prevail on the members of the profession to be here at 9.30 sharp. I'll adjourn until then. Thank you.

**THE WITNESS WITHDREW [4.00pm]**

30

**AT 4.00PM THE MATTER WAS ADJOURNED ACCORDINGLY [4.00pm]**