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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE MEGAN LATHAM

PUBLIC HEARING

OPERATION SONET

Reference: Operation E14/1727

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON MONDAY, 17 AUGUST 2015

AT 2.11PM

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

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

THE COMMISSIONER: Yes.

MR ROBERTSON: Commissioner, before I call the next witness can I just indicate for the benefit of those behind me, due to the technical difficulties we had this morning the production of the transcript will be a little bit slower than what's usually the case. That might mean that the transcript of today's proceedings might not be available this evening as is the usual practice. It will hopefully be available by tomorrow.

10 THE COMMISSIONER: Tomorrow, thank you.

MR ROBERTSON: I'm just indicating that for the benefit of interested parties. I might also be asking you to take a short adjournment after the next witness has finished because that will apparently assist in the transcript production process.

THE COMMISSIONER: Thank you.

20 MR ROBERTSON: With that in mind I call Sharon Mary Geraldine Ambrose.

THE COMMISSIONER: Ms Ambrose, you wish to take the protection of a section 38 order?

MS AMBROSE: Yes, Commissioner.

30 THE COMMISSIONER: You understand that the order protects you against the use of your answers against you in civil or criminal proceedings but doesn't protect you if it should be found you've given false or misleading evidence to the Commission. You understand that?

MS AMBROSE: Yes, I do.

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

PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT ALL ANSWERS GIVEN BY THIS WITNESS AND ALL DOCUMENTS AND THINGS PRODUCED BY THIS WITNESS DURING THE COURSE OF THE WITNESS'S EVIDENCE AT THIS PUBLIC INQUIRY ARE TO BE REGARDED AS HAVING BEEN

GIVEN OR PRODUCED ON OBJECTION AND THERE IS NO NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING PRODUCED.

THE COMMISSIONER: Would you like to be sworn or affirmed, Ms Ambrose?

MS AMBROSE: I would like to be sworn in.

10

THE COMMISSIONER: Right. Thank you. Can we have the witness sworn, please.

<SHARON MARY GERALDINE AMBROSE, sworn [2.12pm]

THE COMMISSIONER: Thank you. Just take a seat.

MR ROBERTSON: Can you state your full name, please?---It's Sharon Mary Geraldine Ambrose. Sorry.

10 That's fine. And what's your current title?---I'm the IT Coordinator.

Is that in the ICT Services Unit - - -?---That's right.

- - - of the South Western Sydney Institute of TAFE?---Yes, that's right.

And have you made a statement on 15 May, 2015 in connection with this investigation?---Yes, I did.

20 Can I ask that the witness be shown volume 6 of Exhibit S for Sierra 1. Ms Ambrose, you now have a folder in front of you called volume 6?---Yes, I do.

And can I ask you to turn to page 1, numbered page 1 of that folder?---Yes.

And is that the statement of 15 May, 2015 to which you referred earlier? ---Yes.

And you confirm that that statement is true and correct to the best of your knowledge and belief?---Yes, I do.

30 Did you also make a further statement on 16 July, 2015, which clarified certain matters in the statement that you have in front you?---Yes.

Can I hand you this document. Is that a copy of the further statement to which you just referred?---Yes.

And you confirm that that's true and correct to the best of your knowledge and belief?---Yes, I do.

40 Commissioner, I tender that statement.

THE COMMISSIONER: Yes. The statement of 16 July, 2015 will be Exhibit S4.

#EXHIBIT S4 - STATEMENT OF SHARON MARY GERALDINE AMBROSE DATED 16 JULY 2015

MR ROBERTSON: May it please the Commission.

Ms Ambrose, as part of your role as IT coordinator, does that involve facilitating procurement for the ICT Services Unit?---Yes.

And as part of that have you been trained in the procurement policies of the Institute?---Yes.

10 And does that include policies relating to what to do to procure certain products for the Institute?---Yes.

And as part of those policies are there any rules which apply to whether or not how many quotes are required or whether or not tender processes are required when you wish to procure something?---Yes, there is.

And in summary what are those policies?---If it's up to \$30,000 then it's just one quotation, if it's between 30,000 and 150,000, then it's three, any anything over 150,000 it goes to tender.

20 And that \$30,000 limit, is that a strict limit or can one work around it if it's 31,000 or 35,000 or something like that?---No, it's a strict limit.

Do you have a financial delegation yourself?---Yes, I do.

And how much is that?---\$15,000.

And you, in your role you report to the manager of ICT Services. Is that right?---Yes, that's correct.

30 And do you know what financial delegation applies to that role?---It's \$150,000.

Do you know whether there's any policy with respect to the issue of order splitting or invoice splitting?---There's nothing like that.

There's no - - -?---There's no order splitting an invoice splitting.

40 And is that, is that something that's contrary to the policies as you understand it?---We don't have a policy with order splitting. I'm sorry, I didn't understand.

So are you saying that that's something that you're not allowed to do, as you understand?---No, we're not allowed to do, that's right.

But is it at least the practice to split up invoices or split up orders between different campuses of the Institute?---We're not, we don't do that.

So that would be inconsistent with the policy as you understand it?---Yes.

Now, did you report to Mr Ronald Cordoba when he was the relieving manager of the ICT Services Unit?---Yes, I did.

Can I just ask you to look at the screen in front of you and you're going to be shown volume 1, page 125 from Exhibit S for Sierra 1. Just pardon me for a moment. Now, I think you said a moment ago that your direct line manager is the manager of ICT Services. Is that right?---That's correct.

10 And that person then reports to the Associate Institute Director. Is that right?---That's correct.

And that person in turn reports to the Main Institute Director?---That's correct.

And if you can now just have a look at the screen in front of you?---Ah
hmm.

20 Is that flowchart, or sorry, is that organisational chart consistent with what you said before, that is to say that you report to the Manager of TAFE ICT Services who then reports to the Associate Institute Director who then reports to the Main Institute Director?---That's correct.

And so is it fair to say that your role is in a sense in the position of an assistant, but it's a higher grade assistance because you're qualified at grade 5 or grade 6 clerk?---That's correct.

30 Now, did Mr Cordoba, when he was the relieving manager of the ICT Services Unit, ask you to set up a firm described as ITD Pty Limited as a vendor in TAFE's accounting system?---Yes, he did.

Now, are you quite sure that it was ITD Pty Limited, not ITD Solutions or IT Medical or some other similarly named term?---No, it was ITD Pty Limited.

And you're quite sure that he referred to it as a company with the Pty Limited attached to it. Is that right?---Yes.

40 Can I ask the witness to be shown volume 2 of Exhibit S1, and can I ask you to turn to page 1 of volume 2. Does that appear to be an email from you to Mr Cordoba of 16 June, 2014?---Yes, it is.

And if you see in the first paragraph there's a reference there to as requested?---Yes, that's true.

And this is an email from you to Mr Cordoba. Correct?---Correct.

And so do we take it from that that you had a discussion with Mr Cordoba perhaps on the morning of 16 June where he asked you to set up ITD Pty Limited in the accounting system?---Yes, that's correct.

THE COMMISSIONER: Is it 16 June or 16 January?---16 Jan.

MR ROBERTSON: Oh, I'm sorry, Commissioner.

THE COMMISSIONER: January.

10

MR ROBERTSON: 16 January.

THE COMMISSIONER: Yes.

MR ROBERTSON: And as best you can recall that discussion is likely to have occurred on the morning of 16 January, 2014. Is that right?---It should be around that time.

20 And you say there in the first paragraph, "Attached is a SAP vendor maintenance form." Do you see that there?---Yes.

And do you recall what you attached to that email, was that a blank SAP vendor maintenance form or had you filled in some of the details?
---A blank form.

If you can then turn the page on the hard copy to page 2?---Ah hmm.

30 And can you see at the top of the page, "Request for vendor maintenance," on that page?---Yes.

And is that the completed version of the form that you forwarded to Mr Cordoba?---Yes.

And can you see about three-tenths of the way down the page there's a box which says, "Reason for create/change"?---Yes.

And in the box it starts with the words, "Providers of specialist ICT equipment."?---That's correct.

40 You see that there?---Yes.

Now, where did that information come from, was that information you had or did Mr Cordoba provide that information?---That was provided by Mr Cordoba.

And is that the same with respect to vendor name, line 1, which you see about seven-tenths of the way down the page?---Yes.

Now, at the time you were completing this form, did you understand that Mr Cordoba had any connection at all with ITD Pty Limited?---No.

What did you understand ITD Pty Limited was at that point in time?
---I presumed it was just a company that we were going to buy equipment from.

10 And if you knew at the time that there was some connection between Mr Cordoba and the vendor the subject of this form, what would have you done?---I would have asked him and would have found out what's, what's the connection if there was any, I would have reported it to Finance and then further went up.

When you say report it to Finance, which part of Finance in particular or which individual?---That's ah, that's Neil, Phil Martin, Neil Stralow.

20 If you can turn then to the next page, page 3 of volume 1. Again did you obtain any of this information or was this all provided by Mr Cordoba?
---It was provided by Mr Cordoba.

And did Mr Cordoba type it in himself or did he give you the information and you then typed it in?---I didn't type it, he gave it to me, he gave, gave me the filled-in form, so it was a completed form that he gave me.

30 So does that mean that he typed in the details or that he handwrote them in and you typed it in or how did that work?---If, if you look at this form on page 2, right on top I've put, "Vendor created on SAP," but there is another one where I say that the form was filled in by the vendor and not very sure where that form is, but in my statement and with my attachments I'd given in that from that was filled in by the vendor and after the vendor filled it and Ron gave it to me, then I created the vendor and this form that you see right here is the form that was on SAP which I printed out.

And on the top of page 2 is that your handwriting that says, "Vendor created" - - -?---Yes, yes.

- - - or is that someone else's handwriting?---It is mine.

40 If you then turn to page 4 of volume 2. Again is all of this information provided by Mr Cordoba or someone else rather than you?---It was provided on the form, so I'm not sure who filled in the form.

But it wasn't any information that you - - -?---No.

- - - researched or found yourself?---No, no.

Then if you can turn to page 6 of the same document and you see a heading there that says "Previous comments"?---Yeah.

And then underneath that there's a reference to you, Sharon Ambrose?
---Yes.

And the comment that starts "Provider of specialist ICT" was that information that you provided or was it information that was provided by someone else?---It was provided by Ron to me and it's just a cut and paste what was on page 2.

10 So you in effect inserted the information but you didn't come up with it, you did a cut and paste or a copy and paste into the form?---If you look at page 2, in the beginning of the form, the reason why we create the vendor, where I give the reason, that's the same one appearing over here, yeah.

Yes?---So just, yeah, you're right, I cut and paste it.

And that, and that phraseology came from Mr Cordoba or from someone else other than you?---Yes.

20 Now to be clear at the time that you were preparing and finalising this request for vendor maintenance form did Mr Cordoba say to you that he had any relationship with ITD Pty Limited or IDT Systems?---No, he hasn't.

And did he say, did he say that he had any connection with the bank account number which appears on page 4 of volume 2?---No, he didn't.

If he had said that the bank account referred to on page 4 of volume 2 was his personal bank account what would have you done?---Then I would not have created the vendor, it would have gone to Finance.

30 And when you say gone to Finance it's to the two individuals - - -?---Yes.

- - - you referred to earlier?---Yeah.

If you can then turn to page 7 of the same volume. Now in the email that I took you to before on page 1 there was a reference to requiring a quote or other information from, from IDT Pty Limited, do you recall that?---Yes, yes.

40 And is this the quote that ended up being provided to meet your request that a quote be provided?---Yes.

And at the time did you know who prepared this quote?---No.

But as far as you're concerned who was it prepared by at the time, as far as you knew at the time who did you think it was prepared by?---By the company.

And when you say the company you mean IDT Pty Limited?---Yes, that's true.

And if you can then turn to page 8, again on volume 2, can you see there an email from you to Mr Cordoba and to accounts@idtsystems?---Yeah.

Have you got that in front of you?---Page, page 8?

At page 8, page 8 of volume 2?---I do.

10

And can you see there an email that you sent on 21 January, 2014?---That's correct.

And can you see there, "Hi, Alicia," A-l-i-c-i-a, "IDT has been set up on our finance system as a vendor," you see that there?---Yes.

And so that was by reference to the form we were taking you to before, is that, is that right?---That's correct.

20

And so you arranged for it to be set up but with the information provided by others?---That's correct.

It then goes on to say "I have raised an order for one item on the attached quote", do you see that there?---Yes.

And so do we take it from that that after you arranged for IDT Pty Limited to be set up as a vendor you then proceeded to in effect turn the quote into an order?---That's correct, I did a shopping cart.

30

Yes. And so, so we understand the mechanics of that is it correct to say that you start with the quote that we see on page 7 of volume 2 - - -?---Yes.

- - - and you in effect turn that into a shopping cart on the, on the SAP system?---That's correct.

And it's in effect a free form shopping cart because IDT Pty Limited wasn't a in contract supplier or Government supplier, is that right?---That's true.

40

You then say in the third sentence of the email at page 8, "Once approved by Ron you should receive the order by email," you see that there?---Yes.

And do you understand that – and sorry, Ron is a reference to Mr Cordoba I take it?---That's right.

And you understand that Mr Cordoba ultimately approved that, that shopping cart?---Yes.

And then consistent with the procedures that causes for a purchase order to be issued to, to IDT Pty Limited, is that right?---That's correct.

You see about eight-tenths of the way down the page on page 8 you see a reference there to an Alicia?---Yes.

Now is Alicia the only person you had contact with who appeared to be from either IDT Pty Limited or IDT Systems?---As far as I remember, yes.

10 And did you ever have any telephone conversations with this Alicia?---I'm not very sure, I might have, I can't remember.

But you don't specifically recall having a oral conversation?---No.

Is it fair to say that at least most of the communications with, which appeared to be from IDT Pty Limited or IDT Systems were via email?
---Yes, that's right.

20 And was that solely with this Alicia individual or was it with any others?
---No, it was just with Alicia.

If you can then turn to page 149 of the same volume, do you see there a document headed "Purchase order"?---Yes.

And does this appear to be the purchase order you referred to earlier, namely the only that would have been issued after the shopping cart had been raised and approved?---That's correct.

30 And this is not something that, that you issue yourself in your capacity as IT coordinator, is that right?---No, I just do the shopping cart.

But it's issued in effect by the Shared Service Centre, is that right?---Yes, that's correct, yes.

And that's the centre that's in Parramatta that provides back office services for the Institute but also other parts of the Department of Education, is that right?---That's correct.

40 And if you see about seven-tenths of the way down the page do you see reference to "Authorised by Ronald Cordoba"?---Yes.

And is that consistent with what you said before, namely that you raised the shopping cart but he ultimately approved it?---Yes, that's correct.

And that then caused the purchase order to be issued by the Shared Services Centre, correct?---Correct.

Can you then turn to page 154 of the same bundle?---Yeah.

Can you see a document there with a typographical error, it says "Taxc" t-a-x-c "invoice"?---Yes.

And it's invoice number TAFE all in capital letters little m, little f for foxtrot, 0-0-1?---Yes.

Now does that appear to be a tax invoice which matches the order, sorry, the quotation and the purchase order we've already looked at?---Yes, it does.

10

And if you see about in the middle of the page there appears to be a stamp?---Yes.

Now is that a stamp that you would have put on the invoice?---Yes.

And is that a stamp that you've in effect come up with to manage what you do as IT coordinator?---That's correct.

20

And so just trying to understand the stamp if you can see at the top it says "The above goods were received in good order and condition"?---Yes.

You see that there?---Yes.

And it's a reference to "By Ron Cordoba" and a date?---Yes, yes.

Now do you recognise the signature immediately under the word "Ron Cordoba"?---Yes, that's Ron's one.

30

And then directly underneath that it says "PO number", is a reference to the purchase order number which we've already had a look at?---Yes, that's the order number.

What does PD, sorry, MD number stand for to the immediate right of PO number?---That's when we receipt the goods on the system, we get a confirmation number, now we call it a confirmation number, before it used to be called material document number, so that's the number that I write so Shared Services just has a look at that.

40

And so do I understand you correctly to say that when a particular item is in effect acquitted on the system, a number is spit out and that's the number that you write adjacent to MD number?---That's correct.

And I take it that the handwriting for PO number and MD number is your handwriting?---Yes, it is.

And then directly underneath that it says "Date acquitted", what does that mean?---So sometimes people receive the goods because I do orders for other colleges as well so when they receive the goods they can send me the

invoice, it comes via internal mail to me but when the day I receipt the goods, that's the date I put that I have receipted the goods on that day.

Sorry, the day you've receipted the goods?---Yes, on the system.

And so does it follow from that that it's possible that the goods, that particular goods are received on a particular day, let's say a Monday - - -?
---Ah hmm.

10 - - - you're, you're not aware of it until the Wednesday and if that's so on this stamp will have the Monday in the top right-hand corner next to the "on" but you might not actually acquit it in the system until the Wednesday, in which case we'll get a different date for the date acquitted, is that, is that right?---That's correct.

And adjacent to date acquitted it says okay to pay. What does that mean?
---I just say it's okay to pay. I don't authorise the payment because the person who normally signs it is the person who authorises it but I just say okay to pay. That means I acknowledge that the goods are received.

20

But in what circumstances would you say no to the question okay to pay if, if any?---I just – when I created the stamp I just put yes and no. There was no particular reason in mind.

And so in effect the end point in the process as far as you're concerned is you enter the acquittal in the SAP system and then that then leads to the remaining of the procurement process but you don't, you don't play any role with respect to that. Is that right?---Yes, that's correct.

30 And is there a practice that permits one to acquit the goods or other items before they're actually received?---No.

So are you saying that's inconsistent with the policies of the Finance Department to acquit goods before they're received?---Yes, that's correct.

What about if you're getting towards the end of a financial year for example and you want to make sure you've spent all of the budget allocation before the financial year ends, is it then permitted to acquit goods before they've been received?---No, we don't do that.

40

Even if they're coming the next week or the week after?---No.

Something like?---You're not supposed to. We have always been taught not to do that.

Does it actually happen though?---As far as I'm - - -

As far as you know?--- - - - concerned in my – in ICT Services we make sure we do – we follow the rules.

And with respect to goods that have been signed off with a stamp of this sort, do you do your own check to see whether or not the goods or other items are in good order and condition or do you just rely on what appears towards the top end of the stamp?---I only depends on what, what – I depend on the person who sends it to me. I don't physically check the goods.

10

So when you say okay to pay and acquit it in the system, you don't know personally whether or not the goods have actually been received or not? ---That's correct.

But you rely on whoever has signed the, signed the document in effect? ---That's correct.

20

Now, is it correct to say that once you've then acquitted the goods within the system then that will usually permit Shared Services to make a payment to the vendor?---Yes.

And that payment will be paid in accordance with the usual terms which might be say 30 days or something along those lines?---That's correct.

30

But that's not something that you do or that you have any involvement in, once you've acquitted it in the system that's then Shared Services job to in effect make the payments. Is that right?---Yes, that's correct unless it's something urgent like, for example, if we do software orders most software orders are prepayment orders so unless you pay the supplier you get the software so in those circumstances we do do a prepayment.

And so how mechanically does that, does that work, does one need to use a different form that what we've looked at for this particular \$418 example or, or is it in effect the same process?---No, there is a form that we go and – it's called an advance payment form that we take from –it's on the Shared Services website and one of us fill in the form with the reason why it has to be a prepayment and send it along with the invoice.

40

And do you recall whether you filled out any of those prepayment forms with respect to ITD Pty Limited?---No.

You don't recall or you didn't?---No, I didn't, sorry. I didn't.

So just to be clear, with respect to ITD Pty Limited there were no advance payment arrangements?---No.

Is that right?---No.

And so is it also the case that for every order through ITD Pty Limited it all followed the same system we've just looked through, that is to say you raised the shopping cart, Mr Cordoba approved the shopping cart, the purchase order was issued by Shared Services, the invoice was issued and it was acquitted consistent with the stamp system which I've just taken you to on page 154?---That's correct.

And that's the case for every one of the orders with respect to ITD Pty Limited?---Yes, as far as I remember that's right.

10

And is it the case that throughout your involvement with ITD Pty Limited you understood that that entity had no, no relationship at all with Mr Cordoba?---No.

It wasn't his business as far as you're concerned?---No.

He wasn't a director?---No.

He wasn't an employee?---No.

20

He wasn't making any of the money?---I had no idea.

As far as you're concerned it was a completely - - -?---It was a company.

- - - arms' length third party company that had no direct relationship with Mr Cordoba. Is that right?---That's absolutely right.

Can I then move to a slightly different topic pertaining to an entity called Cloud People Pty Limited. Does that name ring a bell to you?---Yes.

30

Can I ask that the witness be shown volume 3 of Exhibit S1. Do you now have volume 3 in front of you, Ms Ambrose?---Yes.

Can I ask you to turn to page 63. Now is that another request for vendor maintenance form?---Yes.

And in terms of filling that out was that a similar system to the one that you did, the one that you did for ITD Pty Limited?---Yes, that's correct.

40

And so does it follow from that that all of the information from this form was not information that you provided but it was provided by someone else?---As far as I can remember because I tried to look for all emails. I couldn't find anything so - - -

So just taking an example. On page 63 about three-tenths of the way down the page can you see a reference there to "reason for create/change"?---Yes.

And can you see some text in the box starting with “vendor created for Cloud Storage and educational research for Cloud inclusion”?---Yes, that’s correct.

Now, is that a narrative that you came up with or is it something that you were provided by someone else?---It was provided to me by Ron.

10 Do you know what it actually means, what does “educational research for Cloud inclusion” mean?---It’s for the educational side of – for TAFE and our faculty. That’s what Ron had told me for the Electrotechnology ICT and Design for their labs.

So do you recall whether he gave you the exact wording or did he just give you a general explanation and you then put it into the form?---No, he gave me the exact wording.

And so was it another in effect copy and paste job was it?---No, no. He gave it to me - - -

20 Or it was provided in the form?---He gave it to me – no, it was not provided. That’s what I said, I can’t find the form that was filled in but this particular sentence was given to me by him and then I typed it out in the reason – the request type and then right down at the bottom of the form, form on page 4.

So you’re referring to a page number then?---If you look at - - -

I’m sorry. On page 4 of - - -?---Yeah.

30 - - - the form?---Yeah, yeah. It’s the same. It’s just repeated.

Yes. So let’s go straight to that page. That’s page 66 of volume 3, page 4 of 4 of the form and so that explanation is in effect typed in twice or at least appears twice on the form?---Yes, that’s right.

And again that explanation is provided by Mr Cordoba not provided by you?---No.

40 And then if you turn back a page to page 65. Again where did that information come from?---This one?

Yes?---As far as I remember if the, if I don’t get a filled in form, this is the normal practice we do have, if we don’t get a filled in form we look at the quotation or the invoice provided for us to create the company and normally these details are on the quotation or the invoice. So because I can’t trace it I presume it’s from the invoice or the quotation.

And is that the same case with respect to the preceding page which was page 64 of volume 3 of Exhibit S1 which is page 2 of 4 of the request for vendor maintenance document?---Yes, that's correct.

Can you then go to page 68 of that bundle and can you see there an email from Mr Cordoba to you?---Yes.

And do you see in the first paragraph a reference to the official proposal of Cloud People?---Yes.

10

Can I then just ask you to turn back to page 8 of the bundle and can you see a document there entitled "Hosted private cloud"?---Yes.

And does that appear to be the proposal to which you're referring in your email on page 68 of the bundle?---Yes.

Then going back to page 68, back to your email which was an email of 11 February, 2014, was that email the first – or as best you recall was that email the first dealings you had with respect to Cloud People?---No.

20

And is that because you had previously set up the, the Cloud People as a vendor?---That's correct.

And if you can then turn to page 69, the next page. Do you see an email form you to Mr Cordoba of 11 February, 2014, 3.13pm?---Yes.

And do you see there a few questions that Mr Cordoba appears to have asked, asked of you?---I asked him.

30 I'm sorry, the other way round. A series of questions you asked Mr Cordoba?---That's correct.

And if you look at the top of the page it seems that Mr Cordoba says to you, "I will call you soon when I finish."?---Yes, that's correct.

Do you recall whether he did in fact call you?---He must have. It's a long time ago, sorry.

40 But you don't specifically recall what he might have said during that telephone conversation?---No.

And looking towards the middle of the page it seems that you are asking the question, "Since the costing is high do we have quotes from another two businesses for this solution?" Do you see that there?---Yes.

And do you recall whether he gave an answer to that question?---After that when he asked me to raise the orders, that's when he gave me an answer

saying that he had two quotes, three quotes exactly, three quotations, and that's how I raised the order.

And if you can, well, if, if he didn't say that and he only said that he had one quote, would have you done anything differently?---No, I would not have raised the order till I got the three quotes.

And if you can then go to page 74 in the same bundle. Do you have page 74 in front of you now?---Yes, I have.

10

And is that the email in which Mr Cordoba makes reference to those three quotes?---That's correct.

And do I understand your evidence to be that had he not said either that or something like that, you wouldn't have raised the order at all?---That's correct.

20

Now, to be clear both with respect to Cloud People Pty Limited and ITD Pty Limited, is it correct to say that you only raised shopping carts on Mr Cordoba's direction?---Yes, I did.

It's not something you did, you decided to do on your own?---No.

And is it the kind of thing that you would do on your own initiative in any event or is it only something that you would have done on the direction of Mr Cordoba or someone in a similar position?---Any order I have to be requested to do it. I don't do it otherwise.

30

So it's not something that you've done – sorry, it's not something you would have done off your own batt or your own initiative in effect?---No, I would not have, no.

Now, did Mr Cordoba disclose to you at around this time, that is to say around February of 2014, what his relationship was with Cloud People? ---No, he hasn't.

40

And so does it follow from that that as far as you're concerned, Cloud People Pty Limited was again a completely independent third party organisation?---That's correct.

Did he say to you or did he give you the impression that he was going to perform some work for Cloud People?---No.

Or that there was some other kind of relationship there?---No.

That he might have been a subcontractor to Cloud People?---No.

That he might have been an employee?---No.

He might have had some relationship with Cloud People?---No.

If he had told you that, what would have you done?---I would not have done the order.

I'll then ask you to turn to page 56 of the same bundle. You now have a document in front of you entitled, Request for Advance Payment?---That's correct.

10

And is that the form that you're referring to me earlier, which is the form that needs to be filled out if you want to pay someone in advance?---That's correct.

And I think I understood you to say that that's relatively common in the cases of things like software because unless you make an advance payment you're unlikely to receive that software. Is that right?---That's correct.

20

And if you look at pages 56 and 57, do these appear to be Requests for Advance Payment in respect of the Cloud People contract?---That's correct.

And that's the one that were referring to earlier, the one for in total about \$140,000?---Yes.

Now, is this a request that you made on your own initiative or were you instructed to do that by someone?---I was instructed by Ron.

30

And is that the case with respect to the whole of the \$140,000 to be payable to Cloud People?---It's only for \$99,000 including GST.

And so does it follow that the remainder of the payment - - -?---The third one was I think equipment which we only received in April.

So does it follow from that, that part of Cloud People's payment was made up front and as far as you can recall, part of it was made in effect in arrears? ---Ah, as far as I can remember, only these, we raised three orders to Cloud People, two were for software, one was for some units and the third – the first two orders were advance payments because they were software and the third one was only paid in April or May 2014.

40

Okay. And those three invoices totalled up to the \$140,000 - - -?---Yeah.

- - - which was referred to in one of your emails which I took you to before. Is that right?---Yes, that's correct.

Nothing further, Commissioner.

THE COMMISSIONER: Any questions for Ms Ambrose?

MR NEWTON: No questions, thank you.

THE COMMISSIONER: Thank you, Ms Ambrose, you may step down.

THE WITNESS: Thank you.

THE WITNESS EXCUSED

[2.49pm]

10

MR ROBERTSON: Commissioner, would you prefer to adjourn for a few minutes?

THE COMMISSIONER: Yes.

MR ROBERTSON: Because that will assist the transcription exercise.

20 THE COMMISSIONER: All right. Well, just let me know when you're ready and I'll resume.

MR ROBERTSON: Should only need to be about five minutes or so I would suspect.

THE COMMISSIONER: Thank you.

SHORT ADJOURNMENT

[2.49pm]

30

THE COMMISSIONER: Yes. Thank you.

MR ROBERTSON: Thank you for your indulgence, Commissioner. I call Sylvia Arthur.

THE COMMISSIONER: Yes. Ms Arthur, you wish to take the protection of a section 38 order?

40 MS ARTHUR: Yes, I do, Commissioner.

THE COMMISSIONER: And could I just make sure that you appreciate also that the order protects you from the use of your answers against you in civil and criminal proceedings but does not protect you if it should be found that you've given false or misleading evidence to the Commission. You understand that?

MS ARTHUR: Yes, I understand.

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

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

20

THE COMMISSIONER: Would you like to be sworn or affirmed?

MS ARTHUR: Affirmed please, Commissioner.

THE COMMISSIONER: Can we have the witness affirmed please.

MR ROBERTSON: Can you state your full name please?---Sylvia Hertah Arthur.

And what's your substantive position?---Faculty Director for Electrotechnology Information and Communications Technology and Design Faculty.

10

Within the South Western Sydney Institute of TAFE?---That's correct.

A very long title. And what's your current acting position?---I'm relieving as the Associate Institute Director for People, Planning and Performance.

And did you give a statement in connection with this investigation on 16 July, 2015?---Yes, I did.

20

Can the witness be shown volume 5 of Exhibit S1 please. You now have volume 5 in front of you, Ms Arthur?---Yes.

And can you just turn to page 1 of that folder. Is that a copy of your statement to which you referred before?---Yes, that's correct.

And is that statement true and correct to the best of your knowledge and belief?---Yes, that's correct.

Have you heard of the firm Cloud People Pty Limited before?---Yes, I have.

30

And in what circumstances did you become aware of that entity?---I became aware of Cloud People when the Electrotechnology ICT and Design was doing the Diploma of Networking for a company called ProLearn and Cloud People were used to provide a virtual lab solution.

Can you just explain first who ProLearn is?---ProLearn is a, a commercial client of the Institute and the Electrotechnology ICT and Design Faculty were delivering the Diploma of Networking in a partnership arrangement with ProLearn.

40

And you referred I think to a virtual labs project. Is that right?---Yes.

Can you just explain briefly what that is?---The students with that Diploma of Networking were – came from all parts of Australia so the virtual lab was to allow them to be able to do their practical activities within the Cloud as opposed to a physical equipment.

And when you say in the Cloud, is that in effect a reference to a server? ---Yes.

And so does it follow from that that in effect the core data associated with the virtual labs is not necessarily onsite at TAFE but rather is on a server which is somewhere else in the world?---That's correct.

And as far as you're concerned from the Institute level that server might be down the street, it might be in the next suburb, it might be in another state, it might be the other side of the world?---That's correct.

10 But in effect those servers will serve up what you need for the virtual labs so that they can be exercised – or so that it can be used by students. Is that a fair summary?---That's correct.

What involvement did you have in choosing the provider for the virtual labs project?---I didn't have any involvement in choosing the provider but it was a recommendation to me that we should go with that particular - - -

20 And who gave that recommendation?---The project officer for the faculty that was looking after the IT Institute and - - -

And who was that?---Peter Lewis. That was just a recommendation but it was Ron Cordoba that approved.

Can the witness be shown volume 3 of Exhibit S1 and I'll ask you to turn to page 8 of volume 3, Exhibit S1?---Yes.

And you see there a document headed "Hosted Private Cloud"?---Yes.

30 Have you seen that document before?---No.

Would it be fair to describe you as either the manager or the co-manager of the virtual labs project?---No.

And is it correct to say that you had no involvement in choosing who the provider was for that project?---That's correct.

Did you have any involvement in things like costing, budgeting, anything of that sort?---No.

40 Did you have any discussions with anyone regarding whether or not one quotation should be sought, two quotations, three quotations, a tender process, et cetera?---I had a conversation with Ron Cordoba late in January, he came into my office and said that he had found a solution.

When you say late in January you mean January, 2014, is that right?---Yes, that's correct, sorry, and he had said that he had found a vendor that could provide the virtual lab solution. The approximate setup and development

costs were around \$120,000 and potentially 50,000 per annum. And on that I had said to him, we had a discussion around quotes and proposals.

And what was the nature of that discussion?---Just that we would need to have quote and proposals. I had not committed to anything at that stage, that was just what he had told me.

10 So does it follow from that that at least as far as you're concerned there should have been multiple quotes or proposals obtained by potential service providers?---Yes, that's correct.

And does it also follow from that that it wasn't your view that this was a project that was so urgent that one should ignore the ordinary requirement of getting multiple quotes for a particular project?---That's correct.

Did Mr Cordoba say anything about whether or not, no, withdraw that. Did Mr Cordoba disclose to you that he intended to play some role in the virtual labs project?---No.

20 In particular, did he say that he intended to act as a subcontractor or consultant to Cloud People Pty Limited?---No.

Had he said that what would you have done?---Well we would have reported it and not gone ahead with the project.

And when you say reported it, reported it to who?---The Finance Unit.

30 And who, who does that mean specifically?---That would've been Phil Martin as the Director of Finance.

Can you then please have a look at page 1, volume 3. Can you see there a document titled "Application Jukebox Proof of Concept"?---Yes.

Have you seen that document before?---No.

Are you familiar with a proposed application Jukebox project within the Institute?---No.

40 And do we take it from that that to the extent there was such a project or a proof of concept and that had nothing to do with you at all?---That's correct.

And do we take it from that that you weren't a manager, co-manager or anything else with respect to a project which had the word Jukebox in it? ---No.

Nothing further, Commissioner.

THE COMMISSIONER: Any questions?

MR NEWTON: No, questions, Commissioner.

THE COMMISSIONER: Thank you, Miss Arthur, you may step down.
You're excused?---Thank you.

THE WITNESS EXCUSED

[3.11pm]

10 MR ROBERTSON: I call Ronald David Cordoba.

THE COMMISSIONER: Yes, Mr Cordoba, just come and take a seat if you wouldn't mind. Mr Singh, have you, have you discussed with your client the effect of a section 38 order?

MR SINGH: Yes, I have.

THE COMMISSIONER: And he wishes to take advantage of one?

20 MR SINGH: He does.

THE COMMISSIONER: Mr Cordoba, you should appreciate I think, but I'll remind you in any event that the order protects you against the use of your answers against you in civil or criminal proceedings but doesn't protect you if it should be found you've given false or misleading evidence to the Commission. Do you understand that?

MR CORDOBA: Yes, I do.

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

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

THE COMMISSIONER: Would you like to be sworn or affirmed, Mr Cordoba?

MR CORDOBA: Affirmed.

THE COMMISSIONER: Can we have the witness affirmed please.

THE COMMISSIONER: Yes, Mr Robertson.

MR ROBERTSON: Can you state your full name, please?---Ronald David Cordoba.

10 And are you an employee of the Technical and Further Education Commission?---Yes.

And that's still the case to this day, you're still an employee?---That's right.

Now you were suspended on pay on 5 August, 2014, is that right?---Correct.

But you're still being paid as a TAFE employee, correct?---Yes.

20 And on the day that you were suspended you offered your resignation, is that right?---Correct.

And so far as you're concerned is that offer to resign still open for acceptance?---It is.

Now you have a number of registered business names that you've registered in your own name, is that right?---Correct.

And one of them is ITD Systems, is that right?---Correct.

30 Now ITD Systems is not a proprietary limited company, correct?---(No Audible Reply).

And ITD Systems has no relation at all to ITD Pty Limited, is that correct?---Yes.

You also previously registered a business name called Storm Solutions, is that correct?---Yes.

But that registration has expired, correct?---No.

40 Can the witness be shown volume 1, please of Exhibit S1. Can you turn to page 2, of volume 1, Mr Cordoba. Can you see a document headed Storm Solutions? Can you see that Mr Cordoba?---Yes, I can. This is actually (not transcribable).

I'm sorry, can you repeat that?---Ah, it was cancelled but it's been renewed.

I see. So are you saying that at least as of the date of this document which is 3 October, 2014, it was correct to say that it was cancelled but you've since renewed it. Is that right?---That's correct but 164653.

And is it correct to say that Storm Solutions has its own ABN?---Yes.

And is it also correct to say that ITD Systems has a separate but its own ABN?---Has the same ABN.

10 Has the same ABN as Storm Systems?---Correct.

And you're also a director of a company called IT Medical Solutions Pty Limited, is that right?---Yes.

But that entity is in affect dormant, it was set up but you don't use it?---Correct.

Correct. And I'll just show this document. Does that appear to be a company extract for IT Medical Solutions Pty Limited?---Seems to be.
20

And is that the company to which you referred before?---Yes.

And is it correct to say this correctly identifies you as a director of that entity?---Yes.

I tender that document, Commissioner.

THE COMMISSIONER: Yes. That will be Exhibit S5.

30

#EXHIBIT S5 - ASIC EXTRACT CURRENT AND HISTORICAL IN RELATION TO IT MEDICAL SOLUTIONS PTY LTD

MR ROBERTSON: Just in reference to another similarly named organisation ITData Systems Pty Limited. You're not a director or otherwise involved in that entity, is that correct?---No, it's ITD Data.

I'm sorry, say again?---No.
40

Now you were first employed on a full-time basis with TAFE in about 2005, is that right?---Correct.

And before then you were a casual teacher for the South Western Sydney Institute of TAFE?---Yes.

And when you became employed a full-time basis you agreed to comply with TAFE's Policies and Procedures?---Yes.

And that included the Code of Conduct?---Correct.

And that included provisions regarding conflict of interest?---Correct.

And included provisions regarding private and secondary employment?---Correct.

10 And since being employed you also had courses in things like Procurement Policies?---Yes.

And you understood in full what the Code of Conduct required with respect to, for example, conflicts of interest, correct?---Yes.

Now is it correct to say that you never sought private or secondary employment approval with respect to ITD Systems?---No, just Storm Solutions.

20 So you're agreeing with me that you didn't seek approval with respect to ITD Systems, correct?---That's correct.

But you did seek it with respect to Storm Solutions, correct?---Correct.

Can I ask you to turn to page 129 in volume 1 which is the same bundle that you were given before. You now have in front of you a document titled Private and Secondary Employment Policy Application Form, correct? --- (No Audible Reply).

30 And towards the top of the page there's a stamp that says the 5 April, 213? ---Correct.

And is this the application form to which you referred before for Storm Solutions?---Yes.

And on the first page of this document which is page 129 of volume 1, is all of the handwriting on that page your handwriting?---Correct.

40 If you have a look about seven-tenths down the page can you see the heading "Additional information"?---Yes.

And then you've written the words "No educational institutions – no conflict with TAFE"?---Correct.

And did you write that because you understood that a private and secondary employment policy application form would not be approved to do something that might involve a conflict with TAFE?---Correct.

And you understood didn't you that if you were proposing to do any work for a company, business or other enterprise that might be involved in, which might be involved in doing business with TAFE that was not something that would be likely to be approved under the private and secondary employment policy?---Correct.

Now that application form was ultimately approved, correct?---Correct.

10 And looking at page 130 it appears to have been recommended by Mr Brassil who was then the relieving Associate Institute Director and ultimately approved by the Institute Director Mr Peter Roberts, correct? ---Correct.

Then in 2009 you were promoted to the position of Senior Education Officer, correct?---Correct.

And that role didn't have a financial delegation, is that correct?---Correct.

20 And that's your current substantive position with TAFE?---Correct.

Now you were then offered temporary employment in about December 2012 as the manager of ICT Services, is that correct?---Correct.

And when that occurred you gained a financial delegation of \$150,000, correct?---Correct.

And in taking that role you were aware of the procurement policies and procedures which applied to TAFE, correct?---Correct.

30 And that included the procedures as to whether or not, so as to how many quotations might be required for a particular proposed purchase?---Correct.

And you knew at that time and still know that the procedure was, that if a purchase of more than \$30,000 was to be authorised more than one quotation would be required, correct?---Correct, of a single item.

40 Well, you also knew didn't you that the practice sometimes referred to as invoice splitting was not permitted, correct?---Invoice splitting but of a single item of more than that amount that we're talking about.

Well, are you - - -?---So what we - - -

THE COMMISSIONER: Sorry, I can't hear you. You were saying invoice splitting but not what?---Invoice splitting is one thing but we actually made orders for different colleges and we didn't consider that invoice splitting.

MR ROBERTSON: Right, so does it follow from that that as far as you're concerned your thought it was permissible to split an order as between different physical locations?---Correct.

But is it the case that it wasn't permissible to, in respect of a particular location, to try and split an order so as to fit it say under \$30,000 or under \$150,000?---No.

10 So for example if one wished to purchase \$180,000 worth of goods for a single location you knew that it was contrary to the policy to split that into a series of different orders so as to make it fit within your financial delegation of \$150,000?---Correct.

You were also familiar weren't you at the time and continue to be familiar with the policies with respect to in contract or Government suppliers?
---Correct.

20 And that policy was that if an in contract supplier was available or a Government supplier was available you had to use those rather than using some other supplier, correct?---Yes, up to a point.

When you say up to a point what do you mean by that?---If we found an equivalent that was actually better than the one that's in contract we could use those if we had a case for it, for example laptops.

30 So does that mean that if there's some different but better, better product you considered that that didn't count within that in contract or Government suppliers rule, is that what you're saying?---I'm saying if the equipment was better suited for the intended purposes, yes, we could actually buy those if we had a case for it.

But are you saying that that only pertains to different equipment if the same laptop for example was available in contract or out of contract then you would have to use the in contract version, right?---It would have to be identical.

40 And you understand when I say in contract that's by reference to a in effect ongoing contract that either the Department or TAFE might have with a particular supplier, is that right?---Correct.

And when we say Government suppliers that's a similar concept, that is to say that a supplier has been arranged, perhaps within Government, to supply particular kinds of materials or items?---Correct.

Could the witness be shown volume 3 please, you can give volume 2 back, Mr Cordoba. Now, Mr Cordoba, you are familiar with an organisation called Cloud People Pty Limited?---Yes.

And there's a Mr Jason Kinsella who's someone you know from Cloud People, correct?---Yes.

And that's an organisation which provides what's sometimes referred to as Cloud Services, correct?---Correct.

And when we talk about Cloud Services what we're really talking about is a server, correct?---Services.

10 Well, a server and related services, correct?---Correct.

And so when I say for example that I have a cloud storage device what I'm really saying is or cloud storage system what I'm really saying is documents are being stored on a server somewhere?---Correct.

And that could be server that's next door, down the street, interstate or overseas?---Or an application being driven by a server, correct.

20 And Cloud Services, sorry, Cloud People Pty Limited provide a thing they describe as a hosted private cloud, is that correct?---That's one of them.

And that is distinguishable from a kind of cloud service that might be provided by a bigger provider by say Dropbox for example?---Different services.

30 And it's a different kind of service because the putative cloud is one that is private to you rather than a server that might be shared by 10 people or 1,000 people, a million people?---Incorrect. Dropbox is just a file storage service, Cloud People that can actually, actually stream full desktops to your computer wherever you are in Australia or wherever.

That's in effect my point, the concept of a private cloud is a different to a general cloud storage provider like a Dropbox or a SugarSync or something along those lines?---Correct, correct.

It's specialised and it's peculiar to a particular organisation, that's why the word "private" is sitting in the term "private cloud", correct?---Correct.

40 Can you go to volume 3 which has just been provided to you and turn to page 1 and you see there a document entitled "Application Jukebox proof of concept"?---Yes.

And was that project that you in effect seek to get off the ground with Mr Kinsella of Cloud Services?---Correct.

Now Mr Kinsella is someone who you've known for some period of time, correct?---Correct.

In fact you were a client of his at one point in time, correct?---Correct.

And so you've known him for many years and in any event well before March 2013 which is the date of this document?---Yes, I've used his services.

And application Jukebox is not despite what appears on this cover a music service or a music player or something of that sort is it?---Not at all.

- 10 But it's a little bit like a jukebox isn't it in that it allows the ability to have in effect a central server which can then serve up programs onto individual users' computers?---Correct.

And so that is helpful in the sense that if one wishes to install a program on a particular machine one doesn't necessarily need to go over to every single machine and do it but rather one can in effect serve it up through the Application Jukebox Project?---The aim of Jukebox was to send applications that we had at TAFE to students that were not part of the actual infrastructure of TAFE.

20

And did Ms Sylvia Arthur have any involvement in the application Jukebox Project?---Not with Jukebox.

Not with Jukebox at all?---No.

Now this particular project didn't get off the ground, is that right?---We trialled it, it was actually proposed and shown but we couldn't get it working through the firewalls of TAFE.

- 30 And so it didn't end up being deployed throughout the Institute or anywhere else, is that right?---No, we, we tried quite a lot.

And looking at this document which starts on page 1 of volume 3, can you see how it's entitled "Proof of concept"?---Correct.

That's in effect a proposal that Cloud People offered to you and to TAFE. Is that correct?---Correct.

- 40 But it's a proposal that wasn't ultimately taken up?--- It was a proposal and tested.

It was proposed and tested but it wasn't taken up - - -?---Correct.

- - - at least in terms of deployment?---Correct.

Now, given that it's a proposal, I assume there was no obligation for TAFE to actually pay anything for the proof of concept. Is that right?---True.

Can you turn please to page 61 of the same volume and you'll see there at about point 3 of the page an email that you sent to Mr Kinsella of Cloud People?---Yes.

And can you see in the second line you say to Mr Kinsella, "Can you" – well, starting at the first line, "Can you send me an invoice for the server that I have with you". Can you see that there?---Yes.

10 Pausing there, the reference to "T", is that a reference to TAFE or is that a reference to you personally?---TAFE.

And then you say, "and add an couple grand for your troubles and support". Do you see that there?---Yes.

Now, that wasn't a couple of grand that TAFE was obliged to pay to Cloud People was it?---I wasn't obliged.

20 No. And in effect you invited him to add a couple of grand because you wanted to keep a good relationship with Cloud People and with Mr Kinsella in particular?---Correct. I wanted to use his services more.

And that's the case even though TAFE had no obligation to pay a couple of grand or any other amount of money with respect to the proof of concept. Correct?---Correct. I knew how much time and effort he was putting into it.

So it was in effect an ex gratia or a non-compulsory payment because you wanted to keep a good relationship with Mr Kinsella?---Correct.

30 And you wanted to do that because you thought you might be able to benefit from that relationship in the future. Correct?---Eventually, yes.

Will you then please go to page 8 of the same volume and that's that hosted private cloud document which I think we went to before?---Yes.

And this is a project which did get off the ground with respect to TAFE. Correct?---Correct.

40 And is it fair to say that you were the main driving force of this project within TAFE?---I was part of it, yes.

But you were at least the person who introduced Cloud People to the relevant people within TAFE?---Correct.

And this is by – this is a reference to a project which internally was, was referred to as the virtual labs project, or they sometimes called it the virtual labs project?---Correct.

And that was a project to be provided within Ms Arthur's faculty. Correct?

---Correct.

And is it – it’s correct to say that you approved this project?---I approved the use of the structure, correct.

And you at least approved the shopping cart that pertained to Cloud People Pty Limited?---Correct.

10 And Ms Arthur couldn’t properly be described as the co-manager of the project for example could she?---No.

In effect you - - ?---The director of the, of the faculty.

Yes. But at least in terms of the financials that was you wasn’t it?---That’s correct because it came out of my unit.

You didn’t have any conversation with Ms Arthur where you talked about the number of quotes required. Is that right?---No.

20 And in particular Ms Arthur didn’t say this is all very urgent and we should have one quote rather than three. Correct?---No, but it was mentioned of the urgency of the program. This was in January and we needed to get it running by March.

And did you get more than one quote with respect to this project or only one quote being from Cloud People?---One quote because I knew there was only him that was available at the time.

30 But that decision to get one quote and not three was not something discussed with Ms Arthur. Correct?---No.

It’s something that you decided to do on yourself?---I ran the risk, yes.

Did you tell anyone that you actually received three quotes?---Yes.

And that was a lie was it?---Correct.

Who did you tell?---Sharon.

40 Is she the only one you told?---As far as my memory, yes.

So if you just turn to page 74 of volume 3, can you see there an email from you to Ms Ambrose, can you see that there?---Yes.

And there’s a paragraph there that says, “When writing the notes state three quotes has been received – PAC Consulting, JW Computers” – spelt wrongly c-o-m-p-t-u-r-s – “and Cloud People were successful due to expertise and price”. Do you see that there?---Correct.

That was a lie wasn't it?---Correct.

You didn't obtain any quotes from PAC Consulting or JW Computers.
Correct?---Correct.

10 And Cloud People weren't successful because they had better expertise or price as compared with PAC Consulting or JW Computers, rather they were successful because you chose them. Correct?---Yes, but they have the expertise.

Yes, but it's wrong to say isn't it that they were chosen because they had a better expertise and/or better price than either of the two other entities you referred to then?---Correct.

In fact you had no idea what price would have been offered by PAC Consulting or JW Computers. Correct?---Yes.

20 Now, before Cloud People were engaged to provide the hosted private cloud you had a agreement or at least an understanding with Mr Kinsella that you would perform some work as part of that project. Correct?
---Correct.

And that arrangement or understanding was that if Cloud People got the job some of the work that Cloud People would agree to perform for TAFE would actually be performed by you or by your business. Correct?---They were provided to me, yes.

30 And the agreement or understanding was that you would be paid some \$55,000 for that work. Correct?---Correct.

And the nature of the work was in effect support service type work?---It's actually level 3 high end support.

And can you explain what you mean by that?---Architectural support back end for him.

40 And was that work that you were going to perform personally or was it work that was going to be performed by in effect employees or sub, or sub subcontractors of you?---Both.

Now, you didn't tell anyone within TAFE that that was your intention, correct, you didn't tell Ms Ambrose?---Correct.

You didn't tell Ms Arthur?---Correct.

That was something that you kept completely to yourself?---Correct.

Now, you knew didn't you that if you told at least your superiors that that was your intention, the likelihood of someone putting a stop to the Cloud People project was quite high. Correct?---Correct.

And that's why you concealed it from others within TAFE. Correct?
---Correct.

10 And you knew of course that it was a conflict of interest for you on the one hand to be approving an engagement with Cloud People but on the other hand benefiting of it – benefiting from it by being a subcontractor or consultant to Cloud People?---Correct.

You knew that at the time?---Correct.

If you turn to page 71 of the same bundle. Can you see there an email at about three-tenths of the way down the page starting with the words, "Hi, mate"?---Yes.

20 Is that an email from you to Mr Kinsella?---Yes.

And in the first paragraph do you request a copy of his proposal in word format?---Correct.

And if you can just turn quickly to page 8 of the same volume which we've been to before. Is that the proposal you were referring to?---It can be, yes.

And if it wasn't that precise one it was at least a version of the same document. Correct?---Correct.

30 Turning back to page 71, do you see in the second sentence about four-tenths of the way down the page, "Also need two invoices in the following way". Do you see that there?---Correct.

And you say, "Please dress it up with complex descriptions". See that there?---(No Audible Reply)

And that was as part of your scheme to conceal what's in fact going on with this engagement of Cloud People. Correct?---Our scheme.

40 Well, at least the part of the scheme with which you were involved?
---Correct.

When you say "our scheme", what do you mean by that?---Jason was very well aware.

Now, you told Jason didn't you that you were authorised to perform work for Cloud People as a subcontractor of Cloud People. Correct?---Told him that we all worked together but never said about TAFE.

Well, let's be quite clear about it. You said to him didn't you that you were authorised by TAFE to perform work for Cloud People on this project?
---No, I did not.

Are you sure about that?---Yes.

And then the ultimate amount that you approved as being payable to Cloud People for this project was \$140,000 plus GST. Correct?---Yes.

10

And you ultimately were paid \$55,000, correct?---Correct.

And at point of fact what did you do for that \$55,000?---We, it never got off the ground.

So you did nothing for the \$55,000?---Oh, we did architecture recommendations and also worked with him closely to, to enable his architecture for, for the project, for any projects.

20

Well, to be a bit, to unpack that a bit exactly what work do you say that you performed in exchange for the \$55,000?---Consulting work for him.

Which means what specifically did you do?---Design of the architecture.

And did you, does that fall within your description before of level 3 support?---Yes.

30

But when you, when the original agreement was done to do the level 3 support did you contemplate that there would be more work involved with the project getting off the ground and being implemented?---Yes.

And so is it a fair statement of what you're saying you ended up doing some of the work that was expected but you didn't do all of it because there were problems that meant that what was expected didn't ultimately occur?---Yes, it was actually delayed quite a lot.

Delayed at what, at what end?---The overall initial part of the project that he wanted.

40

Well, what do you mean by that?---Well, when the design of the project was actually being implemented there was delays and after that we decided as we continued on that in July he still was running around trying to do the project and that's when he invited me to come back to ProLearn because obviously he's already paid me to do a lot of the back end support for him.

So is that additional work that you've done for Cloud People more recently, is that what you're saying?---Yes, we were actually planning to establish an RTO.

How recent is that?---We're talking about in the last few months.

So just so I understand that, so there, you had an agreement to perform work with respect to Cloud People for TAFE for the private cloud project, correct?---Correct.

The agreement was that you would be paid \$55,000 for that work, correct? ---Correct.

10

You did some of the expected work but not all of it?---Correct.

And so in effect you had been overpaid for the TAFE-related private cloud work?---It was overpaid but in credit so he would want my services for later on.

Yes, so in effect Cloud People had a credit for money that they'd paid to you for work that wasn't ultimately done?---Correct.

20

And are you saying that that credit has now in effect been used?---No, it has not been all, all full used.

But some of it has been used?---Correct.

For doing what?---We started to plan to establish the same system for other RTO's.

What other RTO's are you referring to?---Well, that's the initial stage that we're up to.

30

Well, what, what RTO's are you referring to or are you just talking about setting up a system which will then be offered to others?---Correct.

So at the moment you haven't in effect rolled it out to any further RTO's, is that right?---No. Furthermore, Jason was actually establishing an RTO.

Sorry, say that again?---Jason was going to establish his own RTO.

40

I see. But as far as you're concerned Mr Kinsella is still in credit with you? ---Correct.

And he may well pick up the phone any day and say well, I need help in rolling out something to some other RTO?---Correct.

When you say RTO you mean registered training organisation, correct? ---Correct.

Can the witness please be shown Exhibit S3 which is the spreadsheets. I'm sorry, S2. Mr Cordoba, do you now have in front of you a series of spreadsheets?---Yes.

And is the first one headed up with the words "Receipts identified in NAB Storm Solutions" and following?---Yes.

And can you see towards the bottom of the table there's a figure there of about \$1.7 million?---Correct.

10

And do you accept that that correctly summarises the amount of money which was paid by TAFE into the Storm Solutions trading at ITD Systems' bank account during the period from about February 2014 to 15 July, 2014? ---Correct.

If you can then turn to the next page, you'll see a document headed "Payments to suppliers"?---Yes.

20

Do you accept that correctly summarises payments that you made from one or other of your bank accounts to suppliers for goods or items that ultimately found their way to TAFE?---It seems to be correct.

You were given a hard copy of this document this morning at about half past 10, is that right?---Yes.

And you've had an opportunity to look at it during the course of the day, correct?---Yes.

30

Can you then turn to – in fact that document was provided to both yourself and your solicitor, correct?---Correct.

On the next page is a document headed "Profit calculation", can you see that?---Yes.

And do you agree that – I withdraw that. Can you see towards the left-hand side of the page there's either purple or pink-headed columns?---Yes.

And can you see the first column refers to invoice number?---Yes.

40

And those invoice numbers appear to be numbers of invoices that you issued in invoices headed ITD Pty Limited?---Yes.

And in respect of the purple columns generally, do you agree that they accurately summarise the invoices which were issued by ITD – sorry, issued by you headed ITD Pty Limited and sent to TAFE?---Yes.

And turning to the next page of the document. Does the answer that you just gave me apply to both of the two pages of that document, that is to say

the last page and the second-last page of the spreadsheet document Exhibit S2. Is that right?---Yeah.

And so you agree with me that the columns that are either pink or purple on the left-hand side accurately state the position of the invoices which were issued by you but headed ITD Pty Limited. Correct?---Correct.

10 And so does it follow from that looking at the sale amount column which is the second to last purple column. Going to the bottom of the page, can you see a figure there – a total figure of about \$1.7 million. Can you see that there?---Yes.

The bottom of the sale amount including GST column \$1.709. Can you see that?---Yes.

And do you agree that that accurately totals and summarises the dollar value of invoices that you issued but acting as ITD Pty Limited?---Yes.

20 And if you turn back to the previous page, the second to last page of the spreadsheet, can you see there's sort of a blue, sort of blue coloured columns?---Yes.

And those columns are grouped and called IT hardware/software purchases tax invoice details?---Yes.

And do you agree that those columns summarise purchases that you made which relate to the things that were invoiced by you but purportedly on behalf of ITD Pty Limited?---Correct.

30 And so turning again to the next page, the last page of the document and looking at the bottom of the column called Purchase Cost Including GST?---Yes.

See that there? And you can see a figure there of \$445,000 or thereabouts?--Yes.

40 And do you accept then that that accurately summarises the amount of money that you paid for the items which were invoiced to TAFE?---I will need to confirm. I would not know exactly the figure.

And that's something you can check overnight, isn't it?---No.

Well, can I tell you this volume 2, so you've been access to volume 2 of the tender bundle, is that right or at least your solicitor has?---On Friday.

Yes. Well I'll just ask you overnight to have a look at the documents in volume 2 and if there's anything you want to say I'll ask you the question

I've just asked you again and if there's anything you want to say about the \$445,000 figure?---It seems correct.

I'll give you, in any event, I'll give you an opportunity tomorrow to say anything else you might want to say with respect to the \$445,000 figure?---Okay.

Now if you then look at the further columns towards the right-hand side you can see some orange columns, is that right?---Yes.

10

And on the last page of the document you can see, this is Exhibit S2, there's a column titled Profit, you see that?---Yes.

And there's a figure at the bottom of that \$1.14 million?---Correct.

See that. And do you accept that that accurately summarises the profit that you made out of this enterprise that is to say the difference between the sale amount of about \$1.7 million and the purchase cost of about \$445,000?---(Not transcribable) yes.

20

Sorry, say that again?---(not transcribable) yes.

Well, do you accept that out of this exercise you made a profit of about \$1.1 million after cost?---As I said, it seems to be.

Again, I'll ask you that question tomorrow but if there's anything you want to say about that, you can look at the figures and things overnight?---Yeah.

30

Commissioner, the next topic is likely to take some time. That might be a convenient time to - - -

THE COMMISSIONER: Might be a convenient time. Mr Cordoba, if you could just stand down and return tomorrow shortly before 10 o'clock, I'm hoping that we can have this technical problem fixed but we'll proceed in any event. It might delay the transcript but I still think they'll be a transcript available I think at least first thing tomorrow morning, Mr Robertson?

MR ROBERTSON: That's our best guess.

40

THE COMMISSIONER: All right.

MR ROBERTSON: So as I understand it attempts are being made to produce it as quickly as possible but it just might not be this evening according to usual practice.

THE COMMISSIONER: For Mr Singh's purposes in particular, if there is some delay in producing the transcript and he requires further time then we can accommodate him in that respect.

MR ROBERTSON: May it please the Commissioner.

THE COMMISSIONER: Thank you. I'll adjourn.

THE WITNESS STOOD DOWN

[3.50pm]

10 **AT 3.50PM THE MATTER WAS ADJOURNED ACCORDINGLY**

[3.50PM]