

SPECTORPUB00407  
25/02/2014

SPECTOR  
pp 00407-00478

PUBLIC  
HEARING

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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE MEGAN LATHAM

PUBLIC HEARING

OPERATION SPECTOR

Reference: Operation E13/0275

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TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON TUESDAY 25 FEBRUARY 2014

AT 10.00AM

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

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

THE COMMISSIONER: Yes. Is this is Mr Oweis?

MR POLIN: Yes, Commissioner.

MR HARRIS: Commissioner, Harris for Mr Oweis. Could I indicate he would be seeking a section 38 declaration.

THE COMMISSIONER: Thank you, Mr Harris.

10 MR HARRIS: And may I foreshadow that he'll be making an affirmation.

THE COMMISSIONER: Thank you.

MR HARRIS: Thank you.

THE COMMISSIONER: Mr Oweis, do you understand that if I make the order that is proposed that it protects you against the use of your answers in any criminal, any criminal proceedings against you but it does not protect you in the event that you give false evidence before the Commission, you  
20 understand that?

MR OWEIS: Yes.

THE COMMISSIONER: All right. 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  
30 regarded as having been given or produced on objection and according 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 ACCORDING  
40 THERE IS NO NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING PRODUCED.**

THE COMMISSIONER: Can we have the witness affirmed, please.

MR POLIN: Sir, would you please tell the Commission your full name?  
---Ray Oweis.

And, Mr Oweis, what's your current position?---Acting, I'm acting in a role in Sydney Trains which is called Quality Assistant Programme Manager.

- 10 And how long have you been working for Sydney Trains or RailCorp as it previously was part of?---I was employed by RailCorp in about 2001 as an asset manager.

Back in 2012 what was your position at RailCorp?---I was transitioning between acting in a role in the Asset Planning Performance Division and transitioning across into a Quality role, there, there was a period of time where with the restructure there was a transitioning going on so my, my role at the time was Quality Assistant Programme Manager I believe.

- 20 When did you first come to know Mr Camilleri?---I would have come across Joe maybe around 2006 when I was leading the Quality Certification Programme for the Asset Operations Group and Joe was a general manager in Rolling Stock, my role - I was under another general manager and I dealt with Joe maybe every three or four months on just quality certification for the Rolling Stock division.

- And what's the position between 2006 through to 2012 in terms of your level of contact with him?---Similar, maybe once every three months I would meet up, when the auditors came across we would have an opening meeting and the general managers normally would be present and Joe would be one of the general managers that I would have to liaise on with.
- 30

So as at 2012 was he someone that you used to socialise with?---No.

Is it, was he someone who you would for example after work as a work colleague go and have a drink with?---No.

As at 2006 was he someone that you would call a friend?---No.

- 40 So is it the case that as at 2012 he was merely just another person that you worked with?---Yes.

And in terms of that he was someone that you saw or had to deal with, was it every month or every three, three months or so?---Six-monthly but occasionally I would meet with him on issues leading up to the audits just to clarify, mainly with his staff actually, I was meeting mainly with his direct reports to try to sort out the rolling stock division certification, so very infrequent.

So as at 2012 do I take it in terms of your work contact with him, it was only a few times a year at most?---Yes.

Now, you came to lend him some money in October 2012?---That's correct.

I think the first time you lent him money was on 3 October, 2012?---That's right.

- 10 Are you able to say prior to that, so prior to that day, roughly was, when was your last contact with him?---I remember going up to level 22 occasionally for looking at risk registers and I would see Joe walking around with other General Managers on level 22 where the reform program was being structured and I also had a contact on level 22 who was, I was trying to help establish some quality forums and he happened to be on level 22 so occasionally I may have come across Joe at that point.

Right?---Yeah.

- 20 So it wasn't in terms of seeing him for work, it was just the fact- - -?---No.

- - -that he was on the same floor of the building?---Just happened to be on the same floor.

- 30 So how did he, how did it come about that he borrowed money on 3 October, what actually happened?---I was at my desk and I saw Joe walking around and he came, approached me and he said he needed to talk to me privately and he looked quite desperate and I thought something, you know, major happened, so we went and started talking and he, he said that his daughter was in quite a bit of trouble and that he, he's exhausted all possible ways of helping her and I said, "Well, what happened?" And he, he said that she got involved in some, some activity and that, he mentioned the wrong crowd and somehow ended up in court and she's won the court case but he needed assistance to help release the funds and to pay some fees. So- - -

Right. So this is as of 3 October?---3 October, yes.

- 40 On that day this conversation's taking place?---That's correct.

He's telling you that whatever case his daughter has been in has been finalised?---Yes.

And he said that she was awarded an amount of money?---That's right.

Did you understand why she was awarded an amount of money, did he tell you?---He said that there was, it was a long, long case and that there was, that she was in the right and the case determined that she was in the, in the

right and that, that the money would be released, that she won the court case.

Did he tell you how much money it was that was going to be released?  
---No.

How much money was he asking you for?---At the time he said he only needed \$40,000 to get the case through. The fees, they were legal fees that had to be paid and he, he said that they needed some help just to get over that line, he's exhausted all, all help everywhere. He said he did get help from staff within RailCorp but I thought it was only a couple of people at the time.

All right. I'll come back to that in a moment. Did it strike you as unusual that he said that the case had been settled, she was going to be given money, yet he needed money to pay fees before he could actually or she could get the money?---At the time I didn't think it was unusual. I wasn't that understanding of how the legal system worked, however I – it didn't seem unusual at the time.

Right?---I think with, with all the desperation that he had I, I didn't seem to think it was unusual.

Now, you mentioned a moment ago that he said to you that he had borrowed from other people within the organisation?---Yeah.

What, what did he say about that?---He said other people have helped him, but I understood that to think it was only a couple of thousand, there was only a few of us. He mentioned, he mentioned my manager and he mentioned someone in the exec.

Who was your manager?---I reported to the General Manager of Asset Planning, David Spiteri was my manager.

Yeah?---Yeah.

So he actually mentioned him by name?---Yes.

And who else?---He didn't mention others by name but he did say that the exec were aware of his situation and he was getting some help.

When you say the exec, who- -?---He didn't, he wasn't specific about who in the exec but he just mentioned the word exec and my manager, and I assumed from that it was just a couple of us.

Who, who do you understand to be the exec or the - was that the executive?--Yes, oh, the CEO and the directors.

And the CEO was Mr Mason?---At the time I believe so, yes.

And how many directors were there at RailCorp?---There was four at the time and, yeah, I would say four directors or five but the CEO would have other direct reports as well, like chief of finance and, and legal counsel and people like that as well which would form part of the, I understand is part of the exec.

10 But he led you to believe that certainly your direct manager Mr Spiteri was aware of what he was doing and he'd lent him money?---Yes, that he was help - well, the words he used was helping.

Right. And that also members or a member of the executive was as well? ---Yeah. Well, he implied that someone in the exec was helping him because they were aware of it and they were helping as well so - - -

20 Did he ask you not to tell anyone about it?---He mentioned, I think, yeah, yeah, I think he mentioned it was a very sensitive situation and that he couldn't disclose too much but I made him aware I was, I'll be discreet about it but I wasn't going to keep it a secret so - he did try to suggest to keep it quiet.

Right. So what do you mean by that, that you would be discreet but wouldn't keep it a secret?---Well, obviously it was a sensitive situation and he showed desperation and I understood a few people knew about it and he was seeking help. He did say the money was going to come back the next day so I didn't - or the next, within the next couple of days, I thought it'd just be a quick situation so not to, yeah, not, not to embarrass him and let it spread out that he was in a desperate situation, yeah.

30 And so how much did you lend him on that day?---On 3 October I lent him \$17,000.

Right. And how did, how did you actually give him the money, did you give him a cheque or was what the - - -?---Yes, I had my iPad at work so it was quite easy just to do an electronic transfer. He did mention he'd go down the bank with me and that sort of thing but I didn't think it was a good idea to do it that way. I mean there's technology there so I just utilised the iPad.

40 And so you transferred the money electronically?---Yeah. He gave me an account number that had J Camilleri on the, the front so I thought well, it's legit, legitimate because he had J Camilleri so I transferred from my um, joint account to, to his account.

Did you know whether it was actually his account or whether it was his daughter's account, did you, did he say?---I think he mentioned it was his daughter's account.

Right?---Yes.

Okay. Then what happened after that?---The next day he came again looking even more, more frantic and he came to my desk and even some of my staff sort of saw him looking quite sombre and he said he wanted to talk to me again, I, I expected when I first saw him that he was saying the money's coming back but - so we went and spoke and um, he said it's almost over the line, there's a lawyer in Melbourne that just needs a little bit of money just to get his fees paid off and then it'll be over the line and the money will be released, I think that was the term he was using and we should see it in a couple of days or a week.

Now in terms of the lawyer in Melbourne did he say to you that he'd spoken to the lawyer in Melbourne or what was the conversation in terms of that person?---Yes, he spoke to the lawyer in Melbourne and he, the lawyer was desperate himself, he needed the money to pay off a debt for his, I think his son was on the spectrum and um, I, I identified with that straightaway too so his - that was the situation, he needed the, I think he said \$15,000 at the time.

Right. So did you understand this additional 15,000 to be part of the money he had needed the day before or was it an additional amount?---Yes. So in my reasoning I thought, okay, you said 40,000 on the 3<sup>rd</sup>, I understood that some people had been helping him so with my 17 it was almost there and then he said well, he just needs another 15 to get that 40,000 cashbox, I think he mentioned the word, and then, then the funds would be released and we would get our money back.

30 You said he mentioned the, the word cashbox, what was, what do you understand - - -?---I understand there was an amount of money that needed to be put together for his lawyer and then an amount of money that needed to - you know, if there was other fees or other things to be put together and then that would then release the funds from the court case.

And was he referring to the funds from the court case as the cashbox or was it some other amount?---Yeah, I wasn't sure at the time what that meant but my understanding was that once the lawyer was paid with his fees that the, the money would be released so the cashbox might be the funds within the court case or it might be what was holding back the, the um, the release of the funds.

Right. And so you definitely recall him talking to you about a conversation he'd had with a lawyer in Melbourne?---Yes.

And certainly to the extent where he said that the lawyer in Melbourne had his own pressing financial concerns as well?---Yes.

Now, at this point in time, this is the second day had you some concerns about what was going on?---I had concerns at the, at the, on 4 October I didn't have any concerns. But the following, the following day I did. Yeah.

But you didn't on 4 October. You're saying you did on 5 October?---It was either the following day or during, a couple of days after I had, I started having concerns when he came back for, seeking more funds.

10 Right. And so what, what happened in the following couple of days?---He approached me again and I thought, Joe's approaching to say it's all been done, and I was going to be happy for him. He looked sombre again and said, "Listen, I'm going to need more money. Um, it's not quite over yet. We need a bit more to get over the line."

And what did you mean, what did you understand him, sorry, to mean by saying we need more to get over the line?---I thought there might have been some other fee that might have come up or some other yeah, lawyer that needed to be paid.

20 What was he telling you at that time, a couple of days later? What was he saying was needed to get over the line?---I think they didn't quite get to the 40,000 is my impression.

Right?---Which is hard to understand because given that someone in (not transcribable) was helping him and my manager was helping I would have thought that 40,000 would have been achieved.

---

Well you put together 32 of the 40,000, is that correct?---Yes. Yes.

30 So what concerns did you have at that time?---I started seeing holes in his story and the, the, the way he came across was a bit more assertive, I could say. Wasn't as desperate as he was before. It sounded a bit more, it wasn't like bullying or anything like that but it just, it seemed a bit more assertive that he needed the money just to cross that line.

Right?---And he - - -

40 When you say you started seeing holes in the story what was he telling you at this time, that's a couple of days later in terms of the story?---It didn't match what he said about the 40,000. It seemed to be that he needed about 60 or 80,000 at that point. So I couldn't understand how it could suddenly go from 40,000 to more, you know, to 60 or 80,000. Didn't make sense to me.

Did you ask him how?---I asked him how and he, he said it's just, it's the way the bank, the banks were holding it up. He said something about the banks being, you know criticising the banks and saying that they're, they're trying to get everything they can out of it and hold it up. So there was fees



associated with the money being released. So my understanding was the court case was over, he'd won the case but the banks had to release certain money that they owed, they owed him.

Right?---And they were holding it up.

So they had to release money owed to him?---Yes.

10 But they were wanting fees?---They were wanting fees to release the money.

Well, what was he saying these fees actually were?---Um, I think the bank's legal fees at one point, he was saying that, it was something to do with the bank's legal office. Um, they needed certain fees to be able to release the funds but, but Joe would get those funds back through the, the winning of the court case.

20 And did that strike you as strange that the very party that supposedly was ordered to pay the damages, or the money was withholding it because they were wanting their own fees paid?---Yes. Very strange.

And was that, was that what you considered was, what you referred to as one of the holes in his story?---It did seem a bit, very unusual for yeah, the bank's in the legal area to have that sort of arrangement I think. It just didn't make sense to me.

30 And when you spoke to him did you direct his attention to that and ask him to explain it?---At that point I still I think gave him the benefit of the doubt. Straight after the, during that week after the, after I loaned him the money I think I still gave him the benefit of the doubt because I knew he was a, my impression of him was a trustworthy person. So - - -

But you then, sorry?---Yeah. So that overwhelmed me, I guess clouded my view a little bit.

You lent him the \$32,000, that's all you lent him wasn't it?---Correct.

40 So when he came back to you on the third or fourth occasions you didn't lend him any further money?---No.

Were you telling him at that time that you were not going to lend it because you thought there were holes in his story?---I did say, "Joe, I'm finding this very hard to understand." And, I didn't accuse him of lying at that point. I just thought he was, maybe he's being, you know, with all the stress he wasn't seeming to make sense in some of his stories so I gave him the benefit of the doubt.

Right. In terms of your position, you didn't work directly with him?---No.

Where were you in terms of the level of hierarchy in terms of his position?  
---At the time, in his substantial role Joe was GM Maintenance Contracts and my manager was GM Asset Planning Performance. There was some relationship, as I said, with the quality systems and I understood he was up in the reform program at the time, involved in the reform – I didn't know he was leading it, I knew he was involved at the time.

10 Right. So were you subordinate to him in terms of- -?---No.  
- - -level?---No. In terms of level, yes, but not in terms of- - -

Direct- -?---Direct, yeah, influence or reporting.

Right. And in terms of this particular time, how did you view what he was doing in terms of borrowing money from for example yourself, who although not in a direct- -?---Yeah.

20 - - -line, was a subordinate employee to him?---I definitely thought there was lots of conflicts there and in the second meeting I think with Joe I suggested that he make sure it's all above board and, and I, I couldn't really do it from the Code of Conduct 'cause it didn't mention anything about loans, but I remember when I, my time with Sydney Water in the nineties there was a standing order that said that management should not borrow from reports and I mentioned that to Joe and I said I'm pretty sure that in the Public, Public Service there's a requirement not to borrow from direct reports, so we spoke about that.

30 So when did you actually work for Sydney Water?---I left there in '92.

And how long had you been there?---13 years.

And you were familiar with their Code of Conduct?---I wasn't familiar with their Code of Conduct but I knew there was a standing order that came out  
- - -

40 Right?--- - - -for some reason advising managers not to, not to borrow, 'cause we had Christmas functions and people were buying drinks and I think they were joking about it at the time but there was a standing order that said you can't borrow from direct reports.

Right. And what was your understanding as to why that standing order was put in place at Sydney Water?---I guess to prevent any possible favours to staff, given that they report to their manager.

Right. So you understood that that sort of transaction could create a perception that there might be favourable treatment given?---Absolutely.

And so you raised this with Mr Camilleri?---Yes.

Do you remember what day it was that you raised it with him?

---My memory was the second, second loan.

So that was on 4 October- - -?---Yes.

10     - - -of 2012?---Yes. We spoke about just the -- I assumed the money was going to come the next day 'cause as soon as I transferred the money I walked past my manager's office and just acknowledged that I was helping Joe.

Yes?----And I assumed that it was just going to be fixed up the next day.

Right. So- - -?---And- - -

20     When he approached you the next day on 4 October do I take it from what you said that you assumed he was coming to tell you that the money was- - -?---Yes.

- - -being returned?---Was being returned, yes.

And he didn't do that, but rather sought more money?---Correct.

What did you say to him on that day, doing the best you can, about your experience with Sydney Water and not borrowing from others?---From my memory- - -

30     MR HARRIS: I object, I object to that. I think it's borrowing from direct reports- - -

THE COMMISSIONER: Yes.

MR HARRIS: - - -not from others.

MR POLIN: Sorry.

THE COMMISSIONER: Yes, I- - -

40     MR POLIN: Borrowing from direct reports?---Borrowing from direct reports did have, was a conflict.

Just doing the best, what did you actually say to Mr Camilleri?---I just said, Joe, you've got to be careful, you know, you might be on a panel, you might, you know, you've got, you've got a very important position in terms of the GM Maintenance and you just need to be careful that you don't -- and, and my understanding from Public Service is you don't borrow from direct reports, 'cause he'd, at the time I think on the 4<sup>th</sup> he mentioned that he had

been borrowing from, during that week he mentioned sometime that he was, that yes, he did have that issue with direct reports, but he also mentioned that he checked about borrowing and it wasn't an issue, it wasn't part of the Code of Conduct, 'cause we spoke about that as well.

So did you say two things in terms of the conversation, that he did say to you that he had borrowed from direct reports and he- -?---It might not have been that day but maybe later on when he came back for more money- - -

- 10 Yeah?--- - -he did, 'cause we had general conversations during that period as well about just the process I guess he was taking, and when I mentioned my Sydney Water experience he did say, well, that probably applies to me, implied that he did borrow from direct reports, but he didn't think it was an issue within RailCorp.

Right. And why did he tell you he didn't think it was an issue within RailCorp?---Because it wasn't mentioned in any documentation that he, he had a look at I'd imagine.

- 20 So did he say to you - I think I may have cut you off a bit earlier, did he say to at some point that he went to check the Code of Conduct to see what he was, whether what he was doing was right or wrong?---He, he, he said he checked, he didn't say the Code of Conduct but he said he's had a check and it doesn't seem to appear to cover personal loans or what he was doing, that he was fine. So there wasn't a requirement for, for borrowing, whether from direct reports or from within the organisation.

- 
- 30 Right. And so I take it what he is telling you was obviously quite inconsistent with your experience up until that point?---Correct.

Now you said a moment ago that you were aware - sorry, I withdraw that. Just in terms of your experience at that point did you think this was something that you needed to report in terms of having it on the record that the loan had been made?---As I mentioned before I, I didn't want to keep it secret but I did want to keep it discreet - - -

Yeah?--- - - - so I ensured my manager was aware of it - - -

- 40 Right?--- - - - and I think I think a week or two later have a, have a talk to another general manager, acting general manager, about the issue because I, I was talking to him about the risk register and it came up naturally out of the context of the risk register and I also made sure everything was on the RailCorp email account so that if he denied anything later or there's any dispute that it's all out in the open, it can be accessed if it needs, needed to be. At the same time I had to balance out the discretion because I really felt for him and thought that it's quite embarrassing for people to know that he's been, you know, for someone of his stature to go around basically begging.

Yeah?---That's, that's the impression I got.

So you said you reported it, was that the day you'd made the loan on 3 October or thereabouts?---The day I made the loan, the second day I walked past and said I'm helping him out again.

10 So this is to David Spiteri?---Yes, to my manager and we had a bit of - and Dave was very concerned too about Joe's situation so we talk in general about family and things like that and we also had one on ones with my manager and that was a regular event, fortnightly I think at that time and so during the one on ones or three-sixty degree we, we talked about that and just the implications of some of the, what was he was doing.

20 So you said you reported it to Mr Spiteri on the 3<sup>rd</sup> and then again on the 4<sup>th</sup> that you'd made the loans, you then said about a week later you mentioned it to someone else or talked - - ?---Yeah, um, Pierre Rochecoste, I had a meeting with him around 10 October about risk registers and he was leading the maintenance commercial area and one of the items, there was 10 items on the risk register, one of them was fraud and corruption and we, we had a talk about that, we went through systematically and it just naturally came out at that conversation the other person who was in the meeting with me left and I had a chat to Pierre about well, how do you think Joe's going and then it clicked straightaway that he knew what I was referring to and I was quite concerned about his, they way he looked and what he was doing and, and Pierre then told me that he'd, he'd loaned him money and then he asked me about myself and I said yes, I had and he was, he was quite shocked actually when I mentioned that to him.

30 Right?---Because he, he thought that it was only a few people and I thought it was only a few people but then, and that's when the alarm bells really rang for me.

40 Right. Now you said a bit earlier that you were aware that Mr Camilleri was influential in the restructure, restructuring programme that was taking place at the time?---I was aware he was there but not influential, I didn't think he was, whenever I went up there I - you just, like people see Joe walking around and even some of the other GMs and um, and I had one of my staff members was seconded to the reform programme for a while and they came back and we, we would just talk in general and it didn't appear that the GMs had much influence at all. My understanding was that the consultants had basically determined what the structure was, the area that I was going into was separate to the area that Joe had, my understand he had jurisdiction over, I was going into the safety quality area which was set up by a different team. So I didn't think he was influential at all actually, yeah.

Didn't at some stage when you were asked questions about this, didn't you say that the fact that he was in the reform programme nonetheless played on your mind at the time you lent him the money?---Not as much as his

substantive role. I knew he had some influence in reform but again from the people I spoke to the, the RailCorp staff, even the senior staff didn't have much say in the reform, they were just there to provide information and give advice, I didn't think he actually had a role in determining structure or, or roles within the structure or even, you know, the voluntary separation programme was all regimented and, and dictated by Government and HR procedures so I didn't think he had much influence at all.

10 But I take it that there would be people who would be let go, they would lose their job?---There would be a lot of people who would have to reapply for their positions.

Yep?---That's correct.

And there'd be a question as to what positions needed to be retained in terms of the new workforce, and what positions were expendable?---Correct.

20 And I take it that Mr Camilleri may have a role in determining which position was to remain and which position was expendable?---In terms of his role I would have thought maybe he might be on panels, but not in terms of who, he would determine who went where. I thought that was fairly regimented and there was a, there was strict controls about that part of it. But I, and I, just to mention before, I did mention to him about if he was on a panel that um, he would have to declare as well. That was one of the issues that we discussed on several occasions.

30 So you discussed with him the position where he might actually end up on a panel in terms of the restructure?---Yeah. I did in my mind search for potential conflicts and that was the only one I could find with, with Joe, that he could be on a panel.

Yep?---And I also discussed that with my manager as well.

Right?---Just to, just so it, if it did happen.

40 So this is at the time you're making the loans?---This is at the time of, when the discussions we had on the 4<sup>th</sup> I understand went into some of the potential conflicts. And that was one of the conflicts we talked about.

And this is with Mr Camilleri?---Yes. And I also mentioned it to, my understanding to my manager and to Pierre Rochecouste. We talked about potential conflict.

All right. So on 4 October you'd directly brought to Mr Camilleri's attention that he may in the future be on panels making decisions?---Yes.

And that if he was borrowing money from people - - ?---Yes.

- - - and had to make decisions on those panels potentially conflicts may arise?---Correct.

And that therefore the borrowing of the money had to be reported?---Yes, absolutely.

Is that you were - - -?---Had to be disclosed.

10 - - - essentially saying to him?---Yes. Yep.

And what did he then say to you in response to that proposition?---He didn't think it was an issue. I sensed um, at that time that he thought his days in the organisation are almost numbered so, I just sensed that he, it would come up at certain discussions that, you know, "I might not be here," or yeah, something like, you know, his future in the organisation is going to be limited or something like that. So, yeah.

20 So you, you got the impression for him, from him that he didn't think he was going to be around for too much longer so he really didn't care about - - -?---Yeah.

Is that right?---Yeah. Particular towards the end of October just before, because the end of October we went overseas and had a long, on a long break and leading up to that he was saying that he, yeah, I got the impression that he thought that his time, future in the organisation because of that situation and him um, just being so desperate and financially, you know, in trouble that he might not have, you know, progression or anything like that in the organisation.

30 Right?---That's the impression I had.

But you've got no doubt in your mind that you had a specific conversation with him on 4 October directing his attention to the potential conflict - - -?---Absolutely.

- - - that he may have sitting on a panel - - -?---Yep.

40 - - - making decisions in the future?---On an interview panel for me, yes. Absolutely.

I take it your concerns in relation to his position essentially didn't go away as time moved on?---No.

You hadn't been repaid the money that you had lent him?---No.

And I take it you weren't aware of Mr Camilleri formally disclosing the loan that you had made to anyone?---I think it was a few weeks after I made

the second loan he mentioned a list that he was going to be putting together for Mr Campbell and Mr Cairns and that my name would appear on it. And I might be getting a phone call from Mr Campbell or Mr Cairns regarding that. So at that point I understood that, that there was going to be some disclosure, that he's been asked to provide a list and he's pre-warning me that I might be getting a phone call.

10 But, and do you remember when that was, what period of time that was that-  
- -?---I think that was after I came back from leave, which was maybe mid-December.

Yeah?---Yeah.

And do I take it notwithstanding that he continued to work in the role or roles that he had been working in previous to that point in time?---My understanding he was still in the reform program upstairs.

20 Yeah. And still making decisions in the reform program?---Yeah, I guess he was still up there doing what he had to do.

And could I show you this document. Is this an email, copy of an email that you sent to Gavin Campbell on 21 January, 2013?---That's correct.

And do I take it it sets out in short that you continued at that time to be concerned about his behaviour and the fact that he was continuing in the role that he was working in?---Correct.

---

I tender that email.

30 THE COMMISSIONER: Yes. That's Exhibit 28.

**#EXHIBIT 28 - EMAIL FROM GAVIN CAMPBELL TO SUBHA  
VARANASI FORWARDING EMAIL FROM RAY OWEIS TO  
GAVIN CAMPBELL "RE:JOE CAMILLERI GM MC&C ROLE"  
DATED 22 JANUARY 2013**

40 THE WITNESS: Can I say it wasn't the role he was working in, it was the role that he was going to go back to- - -

MR POLIN: Sorry?--- - - -at the time, yes.

So he was working in the reform program?---He was still in the reform program. My understanding was he was going to return back to his substantive role which was the GM Maintenance Contracts and Commercial.



And that's page, sorry, 1922?---Correct.

What was it that was concerning you about him moving back into the role in maintenance as opposed to the reform role?---My understanding of the role in maintenance was that you had basically control over billions of dollars worth of contracts and that someone in Joe's situation, it wasn't advisable for him to be heading up that role. My understanding was, someone in that role, you need to be beyond reproach. Even if there's a hint of issues you shouldn't, it wouldn't be, for his, for his good it wouldn't be good to put  
10 him in that position 'cause it'll just create havoc I would think.

Right?---That's what was going through my mind.

That is that there are perceptions that he has to make multi-million-dollar decisions and that he may have been compromised by the loans that he'd in fact taken out?---That's correct.

Did you have any further conversations with Mr Camilleri about those concerns? You told us about the conversation on 4 October when you  
20 specifically directed his attention to some concerns. Did you have any further conversations after that about these concerns?---When I came back from overseas we had a running conversations going on. That was mid-December.

So you came back from overseas mid-December?---Mid-December. And we were having, from time to time Joe would come down, there was a whole email string that you have probably access to which shows, conversations during that period with Joe about what was happening with  
30 the financial situation, his situation and yes, I did express concerns of, of him having, going back to the GM Commercial role, I thought that it wasn't wise for him to head back there. My understanding was from speaking to other people that he was – when Mr Campbell came back from leave that he was going to go back to his – whether it's the right understanding or not, my understanding was when Mr Campbell came back from leave, Joe was going to return back to his substantive position.

You also said that fairly soon after you'd advanced the second amount of money you thought there were holes in his story and you had concerns about it?---Yes.  
40

And do I take it from that you were doubting as to whether it was true or not?---The story just grew and grew and grew and it sounded legitimate but my, I had a high benefit of doubt I guess, specially right at the beginning, but that started to, to wane and after that I saw a bit clearer and it just seemed to me there was something else going on here.

Right. I take it you know – he had told you, sorry, within days of the first loan that you'd be getting your money back because- -?---Correct.

- - -the money would be released?---Yes.

If you move from October through to December and January- - -?---Yeah.

- - -what was the story being told to you about why this money had not been released?---He was saying it's there, there were bank fees that still needed to be paid, it's, well, not there, it's almost there, we're almost across the line, he kept saying that another fee had to be paid and something else was  
10 delaying, there was some legal process that was delaying, there was Christmas and New Year delaying it and the bank's legal office didn't open during a certain period, had, once that period was over then the money would be released, it was just one story after another. I was pleasant with him, I was, you know, saying, okay, Joe, that's fine, but I knew that, you know, he wasn't telling the truth and I just, I just stayed pleasant with him and hopefully something, you know, the, our, our senior management would wake up to the fact that there's something seriously going on here.

20 When did you decide in your own mind that he wasn't telling you the truth?---It started the third time he approached me but then it was confirmed probably just before I went overseas when he, when the money just didn't come through.

So when did you go overseas?---End of October.

Right?---And, yeah.

---

30 And when did you return, in the middle of December?---Middle of December, that's correct.

And so just taking that point in time, the middle of December, so you've just returned from your holiday. I take it you've racked up some credit card bills while you're away and I take it you would have been keen to get the return of your \$32,000?---Yes. Actually we were going to start on renovating and so the money was there as a, I mean, we had money available so it was, that's why I didn't hesitate to help Joe because it was cash that was available. Um, we were waiting to renovate. And the bills from the builder wasn't going to come till later on and so we, I thought well, if we can just help someone out for a couple of days that's fine. So when  
40 we came back from overseas the money wasn't in the account, wasn't returned.

And this is mid December?---This is mid December.

Doing the best you can what was he telling you in mid December was the problem with getting the money?---It was to do with the banks um, bank fees, having to pay, something to do with the bank fees.

Was he suggesting at that point that it was recurrent bank fees having to be paid or it was the same - - -?---Oh, it was more one off. One - - -

The same bank fees from back in October?---Yeah. They just had to, some other issue came up and more fees needed to be paid to the bank. So it wasn't legal at that point. It shifted from the legal at the beginning of October and it started, the emphasis was the bank and just having money to release the funds from the bank.

- 10 Was he giving you any better idea in mid December the extent of the funds which were going to be released?---He said that there'll be a lot of funds released to cover his costs and a bit extra but he didn't, he didn't give me a quantity at that point because I was, I wasn't going to give him anymore ah, funds.

Right. But he didn't give you any idea as to the extent of the funds that were going to be released when they were released?---No. No.

- 20 At any point did you ask him to provide any documents to attempt to verify the story that he was giving you?---At one point he did say that the, that um, senior management were after documents, and he couldn't provide them because of the legal confidentiality of the case. And that was mid October I think he started mentioning that.

Did he ever refer to the fact that ASIO was somehow involved to you?---I think he mentioned ASIO in the first meeting but to keep it quiet. I think that was an attempt, you know, just to say well, yes, he said, he said that ASIO was involved somewhere along the line and so he needed to keep it confidential.

30

Did that strike you as unusual?---It did a little bit. Yes.

Other than that did he ever produce any documents to attempt to placate you or suggest that there was some truth to the story he was telling you?---No.

THE COMMISSIONER: Mr Oweis, can I just ask you a number of times you've said in your conversations with Mr Camilleri that more money was needed to get 'it over the line.' Was that an expression that he used, 'to get it over the line'?---A few times, yes.

40

And just one other thing. You've mentioned that your manager was Mr Spiteri, is that right?---Correct.

What relationship if any did he have with Mr Camilleri in terms of the, in terms of the structure within the organisation?---He was a peer, a peer from, with Mr Camilleri. They were both on the same level.

Right?---GMs reporting to the same manager.

Right. So Mr Spiteri and Mr Camilleri were colleagues as it were?---They were, they were work colleagues I would imagine, yes.

Work colleagues. Right. Thank you. Mr Chee?

MR CHEE: No questions, Commissioner.

THE COMMISSIONER: Nothing? Mr Harris?

10

MR HARRIS: No, I've no questions, thank you.

THE COMMISSIONER: Right. Thank you, Mr Oweis. You may step down, you're excused.

**THE WITNESS EXCUSED**

**[10.44am]**

20 MR POLIN: I call Mr Furfaro, Commissioner.

THE COMMISSIONER: Thank you.

MR OATES: Commissioner, while my client makes his way to the witness box I can indicate he'll take an oath.

THE COMMISSIONER: Thank you.

---

30 MR OATES: And I seek a section 30 declaration, 38 declaration on his behalf.

THE COMMISSIONER: Thank you. Just take a seat Mr Furfaro. I understand that your legal representative has explained to you the availability of an order under section 38 of the Act and you wish to take advantage of that order.

MR FURFARO: Yes.

40 THE COMMISSIONER: You understand that the order protects the use of your answers in any criminal prosecutions against you but they or rather it does not protect you against the use of those answers if you should give false evidence to the Commission, you understand that?

MR FURFARO: 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 accordingly 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 ACCORDINGLY  
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: Can we have the witness sworn, thank you.

MR POLIN: Sir, can you please tell the Commission your full name?---Ray Furfaro.

And, Mr Furfaro, I believe you previously worked for RailCorp?---I did.

You left there on 27 September, 2013?---That's correct.

10

And is it correct that at that point in time you had worked there for about 39 and a half years?---That's correct.

What was your position there back in 2012?---I was called, referred to as a Programme Manager for Fixed Assets.

And is it the case that in about the three or four years leading up to 2012 that you directly reported to Mr Camilleri?---No, it's not.

20 Right. What was your position in that period in terms of Mr Camilleri?---I reported to another general manager for three or four years prior to 2012 - -  
-

Right?--- - as a programme manager for construction.

Who was that?---Nigel Howlett I reported to.

---

30 Right. At some stage prior to that had you reported to Mr Camilleri?---I did previously and I'll estimate it was in around 1990 to, around the 1990's period when I reported to Mr Camilleri.

So it was well before 2012?---Yes.

When did you first meet Mr Camilleri?---I don't recall when I first met Mr Camilleri but he's been in RailCorp for a long time and I was aware of him and did meet him on several occasions over the 30 years or so that we both worked for the same organisation.

40 I take it that you met him and became aware of him in that period of time where you directly reported to him?---I certainly became aware of him and got to know him during that period when I reported to him, yes.

That was the early nineties?---That's correct.

And that was for a period you said of about three years was it?---Possibly two.

Right. In that period of time or indeed either before or after it did you regularly socialise with Mr Camilleri?---No, I didn't.

Did you actually socialise with him at all?---No, I didn't.

In the entire time, so the 39 and a half years or so that you were at RailCorp would you have regarded Mr Camilleri as a friend?---No, I wouldn't.

10 Was he some who you may from time to time go and have a drink with after work?---No, I didn't.

Right. Is there any reason - sorry, I withdraw that. Did you ever notice Mr Camilleri going and having drinks with other people who worked at RailCorp after work?---No, I didn't ever notice him doing that.

20 In fact had he said to you that that was something that he didn't particularly do?---He, he didn't say it specifically to me but it was known in the organisation that his philosophy was that he preferred not to do that with any of his subordinates or peers as at some stage in his career he may have to undertake some difficult decisions and then socialising with them would at that - socialising with people would make it more difficult to make difficult decisions. He didn't say it to me but I've heard it hearsay.

Right. And is that something you heard at the time that you worked underneath him or was it something you heard before or after that time?---It would have been whilst I was underneath him and then later on as well.

---

Right?---It was consistent over the period.

30 And was that consistent with your observation that he in fact didn't normally go and have drinks with other people at RailCorp after work? ---Yes, that was consistent.

And now, do you recall when you were approached by Mr Camilleri to borrow money?---Yes, I do recall.

When was it?---It was approximately 22 May, 2012, or possibly the 23<sup>rd</sup>.

40 Now, at that point in time you've told us that you worked for Mr Camilleri or directly underneath him back in the early nineties, so it's getting on towards 20 years or so earlier. What sort of level of contact had you had with Mr Camilleri in the months and years leading up to May 2012? ---We would meet occasionally in projects that we may have had interests in through RailCorp, in work time and in meeting rooms, so occasionally we would pass pleasantries as we passed each other in corridors. There was no other direct contact beyond the normalities of working with someone for so many years.

Other than where you'd just pass pleasantries because you were working in the same building or on the same level of the building, what sort of contact in terms of work you were doing would you have with him in the years leading up to May 2012?---Directly with him, very little.

So would that be once a month, once a year, once every couple of years?  
---On a work relationship sense it would lucky to be once every two years.

10 Right. You've indicated as well that he was not someone that you regarded as a friend at the time. I'm not suggesting you didn't like him but he's not someone you regarded as one of your friends. Is that correct?---That's correct.

Did it surprise you him approaching you on the 22<sup>nd</sup> or thereabouts of May, 2012?---It extremely surprised me.

Right?---Extremely, it was quite unsettling, I didn't know what was happening.

20 Right. Can you then describe, doing the best you can, what actually happened on that day when he approached you, whereabouts were you and what did he do?---I was at my desk and he walked up to my desk and asked to have a private conversation with me.

Right?---And ah, we walked then to a nearby empty room and once we got into that room, with the door closed, he asked, he stated that he wanted to discuss something personal with me. I still couldn't imagine what that was, at that point in time. And um, he said that he was in a financial difficulty and he needed to borrow some money. He explained that his daughter was  
30 in a legal case and he needed money immediately to pay for legal bills and if he didn't pay for them immediately that the case would not proceed to the next stage, and that was, and he would then, it would then be kicked out of court.

Right?---Words to that effect. And it was immediate.

Right. How much money did he ask for at that point in time, do you recall?  
---I think he asked for \$10,000.

40 And did you loan him money on that day, or what, what did you do after he asked for the money?---I said I couldn't give him \$10,000 and he asked how much could you give, and I said I would be prepared to give five. And then I asked for his bank account numbers so that I could arrange a debit through the, through the bank to that account number from my account and he said, "No, that takes too long. I need it now and I need it in cash."

Right. Did that surprise you?---Well, totally flabbergasted. I didn't know where it was all coming from and I don't believe that I was thinking straight



or coherently at that point in time. It did surprise me, it shocked me to a degree.

Did you feel as though you were being pressured?---Joe went out of his way to not do that. He said, "I'm not," he actually specifically said to me, "I'm not trying to put any pressure on you." And while I heard that, but I still felt very nonplussed at the situation so- - -

10 Notwithstanding the fact that he was saying, "I'm not putting pressure on you"- - -?---Yes.

- - -did you feel that the fact that he was even saying that he wasn't putting pressure on you in fact put pressure on you?---I felt pressurised to the extent that we, I looked up to Joe for a good part of that 30 years as one of the top performers within RailCorp and I looked up to him as a, sort of a hero figure as such in terms of achieving reforms and changes within RailCorp, so when he came to me under those conditions it was just so from left field that I was having difficulty processing it at that minute in time.

20 Right. I think you described yourself as being in shock and indeed having difficulty processing it so is it the case you weren't thinking straight on that particular day?---For those minutes in time, and it was only minutes that we are talking about here, I was not thinking straight, that is correct.

Did you then go down to the bank with him?---He, he asked, he volunteered to accompany me to the bank. At this point in time I didn't want anyone around me, I just, just wanted to have a few moments to think by myself so I said no, I'll go on my own, there's no need for you to come to the bank with me.

30 Yeah?---And then I proceeded to the bank which is probably a three or four minute walk, walk from where I worked and withdrew \$5,000 in cash.

Right. And what did you do with the, the cash?---Well, I walked back to the office, I phoned Joe on his mobile I think and he came back to my workplace or somewhere and collected that money from me. The whole - - -

40 In - sorry?---The whole space in time from when he first approached me to handing over the money I estimate would be in the order of 15 minutes.

Right. In that time do you feel that you had, so in the 15 minutes do you feel you had sufficient time to actually process what you were doing?---No, I didn't. As I was walking to the bank my mind was in a, quite a jumble, I didn't know what I was doing and why and I couldn't - it seemed an unreal situation that I was in, it seemed like a fantasy that I was working through at that space in time. No, I did not have time to process it.

Were you someone who would regularly withdraw large amounts of cash from the bank and carry it around?---No. No, it's not, not - no, I don't.

Now over the, the following few days did you get a chance to process what had actually occurred?---Yes, I did. Actually I spent then probably two or three sleepless nights just going through the implications of what I'd been through and I think it was midweek when he approached me and, and the weekend came up and through the weekend I again tried to process it again and I was really feeling extremely uncomfortable with what had happened.

10

At this point in time where you aware that others had potentially lent money or did you believe you were the only person?---I, I still didn't know that others had lent money, my processing, my mental processing indicated to me that I could not possibly be the only one because I only had a - contact but a cursory contact and we all know Joe Camilleri and he, he knew many people much more, much more closely than he knew me so I assumed that there were others but up to the end of that weekend I had no factual information to tell me there were others, no.

20 Now you said at the end of weekend in terms of how you'd processed it you were having concerns about what had actually occurred?---Yes, I was having concerns about what had actually occurred.

What, what were the concerns that you had?---Well, firstly the story that he gave me on the day just sounded ludicrous to me.

Okay. Now what sounded ludicrous about it?---I don't, I didn't, well he indicated to me that lawyers were waiting for money or they would pull something out of court, from my understanding of the legal profession I don't think it works quite that way. I believe there would be or it would be pre-planned and preset and things don't get, in my humble opinion, don't get pulled out of court the next day because someone didn't deliver them a bundle of, a bunch of cash that night, so that sounded unfeasible as a scenario.

30

Yeah?---The other cases that he had to pay money to lawyers so that he would close a case and receive a windfall also didn't sound feasible, if a windfall was due and a lawyer was going to get that then they'd be well aware of that as well and there would be no financial issue associated with that.

40

So did he tell you at some stage that the case was closed or about to close?---About to close.

Yeah?---It had one more, one more sitting or two more sittings, I don't recall the detail but they would not occur those sittings unless he was able to give them some money.

And did he lead you to believe in the words you just mentioned a moment ago that there was going to be a, a windfall at the end of the case?---Yes, he did.

Right. By then was any sort of amount of money indicated or - - -?---If it was I don't recall it.

10 Right. What did you, you said a windfall, what did you understand a windfall to represent at that point in time?---It was, it was the millions I had a perception of but I don't know how many, I, I was really, did not think correctly to try and process that sort of information.

Right?---It sort of indicated there would be money coming back and my money was relatively secure, the loan that I did agree to give.

20 Right. And you were mentioning earlier that that was one of your concerns as well, was it not, that there was this windfall coming and yet lawyer were asking for fees and you said that didn't make sense to you?---No, that didn't make sense.

Why was that?---Well, I said a moment ago that I don't believe that the legal profession quite works that way from one day to the next in terms of support for their clients.

30 Right. What about the fact of the loan, that you were a person that worked at RailCorp, Mr Camilleri was another person that worked at RailCorp. Had that caused you concerns in terms of rationalising it to this point in time, that's the weekend after the loan was made?---Yes, it did, it caused me a lot of concern. I had suspicions that the actions that occurred on the middle of that previous week were, contravened our, RailCorp's Code of Conduct.

Yeah?---And I wasn't 100 per cent sure of that of course but I certainly had strong suspicions that they were in breach of that code.

Right. Now, Mr Camilleri approached you on a second occasion?---He did.

When was that in reference to that weekend or the first occasion, do you recall?---I think it was in the middle of that next week approximately.

40 Ah hmm. So he approached you in the middle of one week which you think was the 22<sup>nd</sup> or 23 May, you then said that you rationalised the situation in your own mind over the remainder of the week and then the weekend, and is it the case that he then approached you in the middle of that following week?---I believe it was about the middle of the following week.

And what happened then?---Again same scenario, came to my table and asked us to have a private conversation and we moved to a, again a meeting room and again he stated that he needed some additional funds, that the

matters hadn't closed off. By then I wasn't listening a great deal to the detail.

Can you tell me, when he said he needed additional funds, did he say how much more or what amount he needed from you at that point?---I don't recall.

10 Sorry, I interrupted. You said you weren't listening a lot to the detail of what he was saying. Why was that?---Well, by now I really had lost, I'd lost confidence that anything he was telling me was truthful.

Yep?---I didn't believe the story any more, it just sounded incredible, and secondly I had fears that we were breaching the Code of Conduct by even having these chats in the first place. So- - -

Now, at this point in time did you raised with Mr Camilleri the Code of Conduct and the potential breach?---Yes, I did.

20 What did you say to him?---Well, without remembering the words- - -

Well, just doing the best you can?---I said, Joe, I believe what we're doing here, you're potentially breaching the, breaching RailCorp's Code of Conduct.

Right. And did you, sorry, did, did he ask you how you thought that was being done, how it was being breached?---No, I don't recall that he asked me how.

30 Right. Do you remember what he said to you after you had put the proposition to him that you believe that there potentially was a breach of the Code of Conduct?---Yes. He said to me that in his view this was a personal matter, it was nothing to do with individuals within RailCorp, that he'd approached me on a personal level and that had nothing to do with operations at RailCorp.

Right?---I debated that with him and said, no, this is, we are RailCorp and this is in my view a breach.

40 Because you of course have said that you weren't a friend?---That's right.

You weren't even a close working colleague of his. How did you see it when he was asserting that it was a personal matter between you?---I didn't consider that to be correct at all.

Right. At this particular point in time did you have in your own mind some -- I withdraw that. You've already told us that you had, or you didn't believe the stories that he was, was giving you about the need for the money?---That's correct.

Did you then have some suspicions yourself as to why he might be needing the money?---Yes, but it was only a pure assumption on my part and yes, I did have.

I understand that, but what was that assumption that you had?---I just couldn't rationalise it in any other way and I just made an unfounded assumption that he may be an addicted gambler.

10 So you saw a man who was coming to you desperately needing money on repeated occasions?---Yes.

And that's just something that immediately crossed your mind?---It seemed to fit the bill at that time, I couldn't think of what else it could be.

Now you raised that with him at that time didn't you?---Not on that second visit. He came back to me again, and I don't recall the time when he came back but it was about a week or two again later.

20 Okay. So it's a week or two after the second approach for funds?---Yes.

He came and asked again for money?---Yes he did.

Do you remember that occasion whether he said an amount that he needed?--No, I don't recall whether he said an amount he needed on that, now being the third occasion of all.

---

30 Is that, is that the time when you thought he may have a gambling problem?---Yes.

Or had you thought it earlier and that's the time when you raised it with him?---I'd been thinking about it days before that but no, I raised it with him on that third occasion, yes.

And what did he say when you raised it with him?---He denied that he had a gambling problem and he went into his pocket and produced a letter of some description which he laid on the table in front of me and he said, "No, I haven't got a gambling problem. It's true what I've been saying to you. It's a legal matter," and here's this letter.

40 Did you also when you raised the issue of the gambling problem did you offer him some assistance?---Yes I did. Um, I said, "You've been around a long time, we've known each other round RailCorp for over 30 years in on and off ways. I'm here and I will, I volunteer to assist you in getting assistance through our Employee Assistance Program. Ah, he was not receptive to that.

At this point in time had you reported to anyone your concerns?---On the very first day, either 22 or 23 April when I returned to my table ah, my manager was sitting, sits adjacent to me and I reported to him that ah, that I had been approached and asked for money and had given some money to Joe Camilleri.

And who was your manager at that time?---Paul Cassar. Paul Cassar.

10 Now, you said I think on the third occasion he approached he put the document down on the table?---Yes.

Did he approach you again after that or was it just on the three occasions that he approached you?---Asking for money?

Yes?---It was only the three occasions.

So on - - ?---But there were other approaches after that.

20 So on the third occasion he asked for money is when he produced a document?---Yes.

Had you asked him to produce the document or is that something he volunteered?---No, I didn't ask for any production of documents. He brought it out when I suggested it was gambling that may be his problem.

30 And what was the nature of the document, was it just a one-page document or was it a bulky document, do you remember?---It was a single page which was as I said folded in his pocket and he brought it out and opened it in front of me. I was not receptive to reading it and I didn't take it or touch it but I just looked at it and, really glanced and dismissed it.

When you looked at it were you able to describe, even having just glanced at it, what the document appeared to be?---It appeared to be some formal document with some letterhead on it but I don't recall what the letterhead was. It appeared old and creased from its appearance. And it had about half a page of writing on it. And I believe there was a signature on the bottom but that's all I remember about this document.

40 You said that there was a letterhead. Did you recall whether it was a bank letterhead or something else?---No. No I don't.

But the letter was being put in front of you to somehow convince you that he didn't have a gambling problem, that the money was going to some other purpose?---That's right.

Now, you said that there were the three approaches for money and then there were other either approaches or conversations after that?---That's right.

When did they take place?---I don't recall the time periods of those but the next one would have been a month or two later possibly where, possibly even longer than that where he said that he had to give my name out as to a list that he was preparing of individuals that had loaned him money.

And was there any further conversation at that point in time about you recovering your funds, or was that the extent of the conversation?---That was the extent of the conversation. I think it went a bit further in that he said he was being investigated by RailCorp and that um, and that's about it.  
10 "We're being investigated by RailCorp. Not sure where it's going yet."

Had, have you, apart from that conversation did you have further conversations with him where you asked where your money was or when you'd be likely to get it back?---No I did not.

Right. And why is that?---By now I'd heard throughout RailCorp there had been significant amounts of money passed across.

20 Yes?---And mentally I had written off my little bit. I suffered enough in the first week or two or three of this matter and I wanted to block the situation out of my head completely. The 5,000 wasn't going to make or break me and I just wanted the situation to go away.

Yeah. Now, Mr Camilleri was involved in the reform process at RailCorp at the time?---Yes.

---

Were you aware of that?---Absolutely.

30 Was it the case that he was essentially in charge of the reform process within the maintenance area?---I believe so.

When he first asked you to go into a room in private with him, you said that you weren't a friend, you didn't work that closely with him, what were your first thoughts as to why he would be asking you to go into a room privately with him?---Yeah. Yeah, it was in a time period when potentially individuals were going to be asked to leave the organisation so my, one of my thoughts was, oh, well, the time's come and I'll be asked to leave, 'cause I'm a manager on contract and that was going to be, that was what,  
40 immediately as I walked the 20 metres or so to the room, was passing through my mind.

Was it Mr Camilleri's about to tap you on the shoulder and say that- -?  
---That was a thought that went through my mind, yes, for the, in the space of 10, 15 seconds that I moved from my desk to the conference room, yes.

So how did you feel when you got into the room and rather than say to you that you'd lost your job, that here was this person in charge of the reform

process asking to borrow money, how did you actually feel?---I almost felt a morbid relief.

That in fact you hadn't lost your job. And how did you feel about the fact that you might have to lend some money?---By then my mind was in a bit of a mess in terms of what I was thinking and feeling, it wasn't what I thought in that space of 10 seconds or so of walking to the room, it was something else which I would never have picked, ever have picked.

10 Yeah. Now, in terms of Mr Camilleri, you're aware aren't you that he was high up within the RailCorp organisation?---Yes, I am.

He was in charge of, at this particular point in time, the reform in relation to the maintenance area of RailCorp?---Yes.

And you're aware that there would be recommendations as to who would received voluntary redundancies and the like at this particular time?

20 ---I'm not quite sure whether I would put it that way, there's an organisation structure that was put up by, by consultants that came on board in RailCorp and they had determined what the organisational structures would look like and the quantity of positions available in the new organisation.

But notwithstanding that, it was your belief that if Joe Camilleri recommended someone for a voluntary redundancy, that that would be a done deal?---No, I don't believe that.

30 Weren't you asked previously about whether the level of his involvement in getting redundancies, weren't you asked whether if it was recommended that someone get a redundancy from, or by Mr Camilleri that it was pretty much going to be a done deal, didn't you agree that that was the case?---No, I don't recall you asking me that question.

That's all right. Would you accept that he was highly influential in relation to who may or may not get redundancies?---Myself and many in RailCorp had that perception, yes.

And so you mentioned that nearly immediately you were aware that the fact of this loan caused a conflict or a problem with the Code of Conduct?  
40 ---Potentially, yes.

And was that one of the potential problems that you could foresee?---Yes.

The fact that someone may have lent Mr Camilleri money and he would then be a person who might be influential in a decision as to whether they did or didn't get a voluntary redundancy?---That was the perception around RailCorp.



And indeed I suppose that's supported by the fact that on the very first day he came to borrow money you thought he was the person giving you the tap on the shoulder to say that you're about to lose your job?---That did pass my mind for the 10-second walk.

10 In terms of that first day and lending the money you've said you were confused and you hadn't had a chance to rationalise it, did you feel pressured by the fact of who he was to lend the money?---Oh, his positional power in RailCorp was well-known, I wouldn't say I felt pressured by who he was but I had so much respect for the individual, he was looked, we all looked - I did and many others looked up to him as our leader and guider in RailCorp for many, many years, at least 15 of the last years Joe was in the front line of all the reforms and the actions that were undertaken in his space and he was someone we looked up to you and yes, when he came to me, such a hero figure so to speak, came to me asking for money then I'm not sure whether pressure is the right word I would use and I can't think of an appropriate word, but I felt obligated to, yes.

20 Right. So that you had a sense of respect for this particular person and is it the case that the fact that he put upon you, I suppose, quite quickly that he needed this money, you didn't feel as though that you could actually go away and process whether in fact it was the right thing to do at the time? ---That's - I would agree to most of that, yes.

When you say agree to most of it?---I just didn't quite grasp everything you said, sorry.

---

30 The, the - he was a person that was well respected within the organisation and he was putting on you to give him money and to give it quickly? ---That's correct.

That you didn't really when it happened get a chance to process what was occurring to decide for yourself whether it was a, a good thing to do? ---That's also correct.

And I think in your case once you had a bit of time I think you immediately processed it and decided that it was the wrong thing to have done?---I agree, yes.

40 Excuse me, Commissioner. Yes, they're the questions, Commissioner.

THE COMMISSIONER: Mr Chee?

MR CHEE: No questions, Commissioner.

THE COMMISSIONER: Nothing, Mr Silver?

MR SILVER: Nothing, Commissioner.

THE COMMISSIONER: Anything that you want to ask, Mr Oates?

MR OATES: Nothing thank you, Commissioner.

THE COMMISSIONER: Thank you, Mr Furfaro, you may step down, you're excused.

10    **THE WITNESS EXCUSED**

[11.17am]

MR POLIN: I call Mr Davy.

THE COMMISSIONER: Just take a seat, Mr Davy. Mr Davy, do you have a legal representative here?

MR DAVY: No, ma'am, no.

20    THE COMMISSIONER: Has anyone spoken to you about the availability of an order under section 38 of our Act?

MR DAVY: At the private hearing it was, dealt, it was talked, sorry, that was explained to me - - -

THE COMMISSIONER: Right.

---

MR DAVY: - - - and I'm comfortable with that, ma'am.

30    THE COMMISSIONER: All right. Well, if you wish to take advantage of that order could I just remind you that it does protect you against use of your answers if there should be a criminal prosecution against you but it, it doesn't protect you in the event that you give false evidence before the Commission, you understand that?

MR DAVY: Yes, ma'am.

40    THE COMMISSIONER: Yes. 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 accordingly 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 ACCORDINGLY THERE IS NO NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING PRODUCED.**

10

THE COMMISSIONER: Mr Davy, do you wish to be sworn or affirmed?

MR DAVY: Affirmed please, ma'am.

THE COMMISSIONER: Yes, thank you.

MR POLIN: Is your name Paul Anthony Davy?---Yes, sir.

And you are currently employed as the Manager, Access and Demand for South West Sydney in the Department of Family and Community Services, is that correct?---That's correct, sir.

10 Sir, you're familiar with Carmen Michelle Attard?---Yes sir.

Are you able to tell us what your relationship with her is?---Um, I'm Carmen's line manager. Carmen is a manager um, with your Liverpool Access and Demand Team. And that is a day to day functional role in managing that team.

And how long have you been her line manager?---In a few different roles over the years perhaps about 11 or 12 years. But in that particular role since about 2007.

20

Right. How long has she been working for the Department of Family and Community Services?---Well, so that would be a long time, sir. I don't know the exact years but it would be quite a while.

Right?---And we're talking 20 years plus.

Okay. And how long have you been working there?---This will be my 33<sup>rd</sup> year, sir.

30 And do I take it that a fair bit of her 20 years there you have been her line manager?---Um, no. I'd say certainly line manager perhaps the last 11 or 12 years. I've known Carmen longer than that so, indirectly I've known her for a while but certainly as a line manager since approximately 2001, 2002.

In terms of where you work whereabouts are you based?---I'm based ah, substantively at Fairfield although I cover the, the southwest Sydney area. So I go around from office to office.

40 Where - - -?---So therefore it was about approximately eight kilometres away.

Whereabouts was she based?---At Liverpool office.

So she worked primarily in a different office to you?---That's correct, sir, yes.

Now, what's her position, back as at 2012 what was her position with Family and Community Services?---She was the Access and Demand Coordinator for the Liverpool team.

What - - -

THE COMMISSIONER: Sorry. Mr Davy, could I ask you to keep your voice up. The air conditioning is fighting a battle with us at the moment so could you please try and raise your voice, particularly you tend to drop, you  
10 voice drops off at the end of the answer. If you could try and keep it up, thank you.

MR POLIN: I think you said she's an Access Demand Coordinator in the Liverpool area?---Yes, that's correct.

What does that job involve?---Well it substantively involves, the Liverpool team is perhaps one of the busiest in the state. But she has a team of approximately 15 or 16 people who provide a service to clients who wish to  
20 access the products that Housing New South Wales can offer in terms of their housing situation. And this can be anything from clients that are homeless, clients who wish to go on a waiting list, clients who require urgent housing, or clients who wish to access a whole range of our private rental assistance products.

You described her as having a team of 15 or 16 people. Do I take it from that that she was the manager of the Liverpool office?---That's correct, sir, yes.

And so that she was directly supervising these 15 or 16 people in the, other  
30 people in the office?---Yes sir.

Were those people direct employees of the Department or were they contract personnel or were they both, a mixture of both?---Um, because of a whole range of reasons um, in some cases a lot of our client service staff we have up to about 50 per cent that we classify as being temporary. That can be either we call section 27 staff who are on contract to Housing. We have agency staff who we hire directly from an agency. And we also have staff we classify as what we call section 86 staff members who are substantive  
40 Housing employees but who are acting up in a, in a higher position. So in answer to your question yes, there's a high level of temporary employees, yes.

Now, in terms of her role as the supervisor I take it that she would in the course of a working week have to make decisions in relation to the work being done by those various people whom she's supervising?---Yes sir.

What was the nature of the kind of decisions that she would have to make in relation to those - - -?---Oh, we're talking about - - -

- - - people?--- - - purely from a human resource perspective because obviously the role entails making decisions about cases that present to her team from clients. But there's also the human resource side around working um, with our senior staff rosters within a team.

Okay. Well just so we're clarified, she would make decisions would she as the supervisor that would affect the clients - - -?---Yes sir.

- 10 - - - who would be coming to seek a service from the Department?---Yes. The staff would primarily deal with the client. The client, Carmen wouldn't get every case but certainly cases that were serious, very complex, a whole range of reasons would present to Carmen. But the team would deal with the day to day um, client inquiries.

She would have to make decisions as well would she dealing with the 15 or 16 people she supervised from a human resources point of view?---Yes sir, yeah.

- 20 What would be the nature of those decisions that she might have to make?--- A lot around day to day issues, perhaps around ah, requests for flex leave, recreation leave ah, any other form of absences. Um, dealing with the agency staff and managing the counter. Working out, as I've said earlier the rosters within the team, who covers the counter, who deals with the homeless for the next few weeks and, and the break up of the team in managing the demand that comes in daily.

---

Firstly, just dealing with the question of leave and rosters, they would be decisions that she would make for the 15 or 16 people she supervised?---

- 30 That's correct, sir, yes.

Would you have any involvement in making that decision or would she make the decision and submit what she had decided to you for your approval?---If it was just basic requests for flex leave or, or rec leave I have no direct involvement in that unless the, the period of leave requested was significant and we may have to work out um, how to cover a particular absence.

- 40 What about for example where there were two people requesting leave at the same time, would she be the person who would decide as to who got it or would that - - -?---Yes sir, yes.

Right. And I take it with rosters she would be the person who ultimately would decide who worked any particular roster, that's in terms of the 15 or 16 - - -?---Yeah, every, I mean, every, every team functions differently ah, but invariably I think the system at Liverpool is whether the senior staff would prepare the rosters and, and work it through. And I'm sure they'd discuss that, they'd discuss that with Carmen.

Also the, sorry, I withdraw that. So is it the case that she, she would make the decisions ultimately with the rosters? It's not something that would be referred up to you?---Not the day to day um, issues. No sir.

Now, in terms of some of the contract employees who were there I take it that contracts would have to be renewed, terminated from time to time. In terms of the contract employees who form part of the 15 or 16 people she supervised who would be making those decisions as to renewals of contract, terminations of contract and the like?---Sir, primarily those decisions  
10 Carmen would discuss with me um, because you could understand we've got to look at not just the Liverpool office, we've got at the moment three other offices as well and we have the same volume of temporary staff in those teams so we're constantly plugging gaps trying to fill vacancies. And so we have to look at it as a, perhaps the word is a bigger picture than just, just the Liverpool team.

So for example would she come to you if she found a, a contract employee who was not doing the job properly, would she come to you to discuss that  
20 before you decided that you would no longer use that, or renew the contract of that employee?---Yes, that's certainly one of her roles, yes sir. Yes.

And I take it that you weren't working full-time at the Liverpool office and you were reliant upon her as the eyes and ears of the organisation to report to you who was working well and who wasn't working well?---Yes, that's fair comment sir, yeah.

Equally, in terms of for example extending contracts is it the case that she would report to you whose a contract needed to be extended and why they  
30 needed to be extended?---Yes sir, it was a central point. I think primarily because it just becomes easier because as I said, harping on, we've got these four teams that we have to function. It's not just the Liverpool team, we have to look at staff figures everywhere. So if one contract might be finishing we may have another vacancy somewhere else where we can place that person. So the conversations in terms of staffing, not just with Carmen but with all my teams can be almost in some cases daily about what we're going to do about targeting the staff.

But I take it you were relying upon her as the person working onsite at  
40 Liverpool letting you know what was happening?---Oh, of course sir, yes. Yes.

And so you relied I take it heavily upon the recommendations she would make to you?---Yes sir.

Now, I think at some stage you became aware that she had approached, approached subordinates at the Department seeking to borrow money from them?---Yes sir.

When was it that you became aware of that?---It was, I can't remember the exact date. It was in late September last year. Do you want the circumstances?

Yeah, I'll get onto that. But were you made aware that some of the subordinates that she was, or had approached seeking loans were the, came from the 15 or 16 people she directly supervised?---Yes, subsequent to when she came and saw me, yes sir.

10

And indeed I think there were also some others who were subordinates that worked with different sections of the Department?---That's correct, but also in other offices as well, yes.

20

How is it that it came to your attention that she had actually borrowed this money?---I got a phone call from, from a quite clearly distressed Carmen, I think it was on Tuesday in late September and she asked if she could come and see me urgently, I said fine so she came across from Liverpool to Fairfield and she was with another staff member and Carmen was quite clearly emotionally and physically distressed and she mentioned that she had been borrowing money off staff and, and, and mentioned that it was to do around a misuse of, of identity fraud with, with a family member. To be quite honest, sir, I didn't go into any great detail about the circumstances because my primary concern was, was Carmen's health because she was really very, very distressed.

So when you said you didn't go into the circumstances - - -?---Not, not in great detail, no.

30

You said she was telling you something about a family issue?---That she'd been - - -

Some identity problem?---Yeah, and that she had, she'd been borrowing money off staff and she was aware that, that ICAC I think had started or commenced or were advising some of those staff members that they would be interviewed.

40

Right. And so was her concern that her behaviour in getting these loans had come to the attention of ICAC and there was now going to be an investigation?---I think her concern was, was everything, the effects of what had happened, the effects on her staff, obviously her concerns about her position, I think there was a whole range of things that she was worried about. I'm not saying one thing in specific.

But just purely in a temporal sense she hadn't had the concern such that she came to see you about it before ICAC became involved?---Oh, not that - well, no, not that I'm aware of, no, sir.



And were you aware that - sorry, at that point in time did you become aware as to over what period of time she'd been seeking these loans?---Yes, in a vague sense so I knew it went back some time so I was talking to her the end of September 2013 and I was aware that it had started I think in the early part of 2012 or perhaps earlier.

Right?---So it had been going on for some time, yes.

10 Sorry. When, when did you say you became aware, in September?---It would have been in September, late September 2012. 2013 I'm sorry.

2013?---Yes, it was last year, my mistake.

Right. So you understood the loans had been sought between early 2012 and when was the, the last loan sought?---Oh, from memory so it would have been late, late 2012.

Right?---But I can't be certain of that.

20 So the, the loans were sought throughout 2012 was your understanding?  
---Yes, sir.

But she didn't come to you until September 2013?---No, sir.

So that's a period of nine months or so after the last loan had been sought?  
---That's correct, sir.

---

30 And did you understand that she had a raised approximately \$180,000 from those loans?---Well, when Carmen came to see me I had no idea of, of the size of the debt, no. I mean, I knew some of the, some of the debts were around, I think from, from memory are around eight to 12,000 but I didn't, I guess the enormity didn't strike me at the time.

So what, so what was she telling you in September 2013 as to the amount of money involved?---That she was in - a situation had arisen where she had been lending money to staff over a period of time, that ICAC were now involved in commencing presumably interviews with those staff and that obviously she was in a, a desperate situation.

40 So she hadn't in fact told you at that point the extent of the, the money that was involved?---Sir, not that I'm aware of and I certainly didn't, didn't ask the question. As I've said and I was quite honestly I was just more - I was significantly concerned about her, her health that day and I was primarily concerned with making sure she got home safely and then taking it from there.

Was she, did she indicate how many people in terms of other staff members were involved in the loans at that stage?---Oh, I'll be honest she, she, she may have done, sir, but I don't recall. She may have done, I don't recall.

Now at that point in time, that's September 2013, had you receive any notification from any staff member that they had been asked to, to lend money to Ms Attard?---Sorry, sir, prior, prior to Carmen coming to see me no, I had no idea.

10 Right. Now could I show you this document. Now do you recognise this document?---Yes, sir, it's our Code of Conduct, yes.

It's page 225 through to 239.

MS McGLINCHEY: Commissioner, could I interrupt. I will when Ms Attard gives evidence seek leave to appear for her. Could I have access to the document as well?

20 THE COMMISSIONER: Yes, you have leave.

MS McGLINCHEY: Thank you.

MR POLIN: Actually I think you said you're familiar with that document and that - - -?---Sir, I don't know it chapter and verse but I'm aware of the principles and the general expectations on staff certainly.

I was just asking you whether you're aware it's the Department's formal Code of Conduct and Ethics?---Yes, the Department's fairly strong on this now, we've got a new one coming out so - or a new one that's out.

30 This one is a version dated June 2012?---Yeah, I think the new one now under FACS is Conduct of Ethics and Performance and this came out in October I think last year.

And was it the case that there were further Codes before this one?---Oh, not that I'm aware of, sir, I think would cover it.

40 Sorry, there weren't, there weren't earlier Codes of Conduct or - - -?---Oh, sir, I'll be honest with you, I really don't know.

Right?---I'm aware of the general Code of Conduct and its principles and what the expectations of our staff are.

Right. Well, I take it that you're aware that there was a Code of Conduct before June 2012?---Yes.

And is it the case that it's a document that was just generally updated when the need arose?---It's not, obviously it's updated essentially by our Ashfield

executive and they'll advise us if there's any updates or if its any changes as the new one came out late last year, late 2013.

Right. I'm suppose what I'm getting at this one's dated June 2012?---If you're asking whether this is valid, yes, I think it's valid for the period of time.

No, no, no, I was asking you, there was one that preceded that?---Oh, I - - -

10 Is that correct?---Oh, sir, I wouldn't know, I mean I would say not but I think this would cover it but - - -

No, no, what I'm asking you is does it mean there was no Code of Conduct - - ?---No, sir, there's always been a Code of Conduct.

Right. So that this is the version that was live and current as at June 2012? ---Yes, sir, I'm presuming so, yes.

20 There was another version in reasonably similar terms that was current before this one?---Yes, sir.

Right. You're familiar in particular if you go to page 231 with section 4.3, the conflict of interest section?---(No Audible Reply)

You see that section 4.3?---Yes, I've got it, sorry, yes.

And then over the page there's a section dealing with personal relationships and managing conflicts of interest?---Yes, sir.

30 You'd agree wouldn't you in terms of what Ms Attard had done in borrowing money from subordinates was - created a conflict of interest in terms of the Department's Code of Conduct?---Yes, sir.

It was therefore something in terms of the Code of Conduct that needed to be managed in terms of the Code of Conduct?---Yes, sir.

And am I correct in saying that the first thing that needed to be done is once the conflict came in, came into existence that it needed then to be reported? ---Yes, sir.

40 And that essentially the matters that needed to be dealt with are set out there under the heading of "Managing the Conflict of Interest"?---(No Audible Reply)

Is that correct?---Yes, sir, yes.

And I take it that they're generally fairly simply propositions that you've just agreed with, that is that if an employee was to borrow money from a

subordinate there may be a perception that favours may be given at some stage in the future because of the loan that's been given?---It's a possibility, sir, yes.

10 And that therefore the way to deal with it is to record the fact of the loan so that at some stage in the future if in fact the, the person who borrowed the money needs to make a decision involving the subordinate who lent the money it's transparent, everyone's aware that the transaction took place, that's the reason for it isn't it?---Yes, sir. I think - I was going to say I think the smart thing would be not to borrow any money at all but I - you were putting a hypothetical question to me, that was all.

I did. So do you think it probably would have been more appropriate if the Code specifically said that money shouldn't be lent between employees or indeed borrowed from subordinates?---Yeah, I mean this situation was quite unique to me but it's something that might be worth, might be worth raising, certainly, sir.

20 In any event, the problem arises where decisions come to be made where the conflict is not disclosed. Is that correct?---Yes, sir.

And does the Code then deal with that and determine that such decisions then potentially may constitute improper conduct?---Sir, I don't know the Code, as I was saying, I don't know the Code chapter and verse. You're essentially asking me does the Code cover issues raised by someone not declaring that, a particular loan at the time?

30 Yep?---And I'm, and I'm agreeing with you, yes, that if, if it's not disclosed then yes, it can cause problems.

It can cause problems, but it would be improper wouldn't it to, for someone, not, having not disclosed the loan to then go on and potentially make decisions involving people from whom the loans may have been sought? ---Yes, it can raise issues, yes, sir.

Well, when you say it can raise issues, that would be inappropriate for them to do it, wouldn't it?---Yes, sir, in hindsight, yes, it would do.

40 If for example in your position, if you'd borrowed money - or firstly you've approached two subordinators, one you asked for money and they refused and one you asked for money and they lent it to you. If you then made a decision involving one or both of those two, not only would there be a perception of a conflict and a problem but there would be a conflict and a problem?---I agree with you, sir, there could, yes.

And so to make that decision would be improper?---Yes, sir.

Now, in terms of Ms Attard, you're aware that she borrowed money from one of the contract employees by the name of [REDACTED] ---[REDACTED]'s not a contract employee, a section 27, she's a substantive officer.

Oh, sorry, she's a substantive employee?---That's correct, sir, yes.

10 What was her position in relation to Ms Attard, she was one of the 15 or 16 who were directly supervised?---[REDACTED] substantive position is within my -- I have a -- within the staff that I manage I have a small group called the letting team, there are about half a dozen people who manage the waiting list in the southwest Sydney area. [REDACTED]'s substantive position as a client service officer is within my team. Carmen has, sorry, [REDACTED] has spent some time in Carmen's team as a client service officer, she's also acted up as a senior client service officer, both in my team, in Carmen's team, and she's also had a stint down in Dubbo I think a couple of years ago. So substantively she's in my team but she's been in Carmen's team as a CSO helping out but also acting as a senior client service officer.

20 Okay. Well, you just mentioned there the fact that she was in acting up duties?---That's correct.

Does that mean she's involved in a role higher than she would normally be -- -?---Yes, sir.

-- -for a period of time?---Yes, sir.

And I take it you're paid more-- -?---Yes, sir.

30 -- -to be in a higher role? And Ms Attard was involved in a decision or decisions where [REDACTED] was given acting up duties, wasn't she?  
---She was involved in the decision, sir, but because [REDACTED] was substantively in my team, then obviously I would have been the person letting [REDACTED] go to Liverpool because I would have had to have worked out who was going to cover [REDACTED] in her absence and, and so on.

40 But I take it as I've referred to before, Ms Attard was making recommendations in relation to these people to you?---Are you talking about their continued -- she talked to me about recommendations about whether someone in [REDACTED]'s position whether obviously someone is, is performing, doing their job well, but in terms of finalising in [REDACTED]'s situation any extension, it would be down to me because [REDACTED] was substantively in my team and I'd be the one to have to look ahead at who's going to cover [REDACTED]'s position in her absence.

I understand that the decision was ultimately down to you, you had to make it?---But if you're saying do I listen to Carmen's recommendations, yes, I do.

And she would have made recommendations in relation to [REDACTED] and the acting up duties and the like?---We would have discussed it, absolutely, yes, we discussed staffing on a regular basis.

10 And were there several times when [REDACTED] was given acting up duties or just the one occasion?---No, sir, I think you'll, I think you'll find there mostly were quite a, I don't know the exact number but there would have been a few occasions and, and I'm aware that there's been quite a few occasions and that, that is something that was, was my decision um, based on a number of things over a, over a period of time.

20 You keep saying it was your decision, but it was your decision partly based on recommendations you were receiving from the manager of the Liverpool office?---Well, not, Carmen would obviously give me feedback on [REDACTED]'s performance and if everything's going well, but the, but the final decision would be down to me because I have to look at a whole range of issues in terms of the management of the Liverpool team, it's a very very busy team. As I've mentioned, we've had a number of new staff there so we need someone who's capable of training, I'm concerned about continuity. So the final decision, certainly Carmen would make some, give me her opinions on, on what she's like to do but as I've said, the final decision would be down to me.

And in terms, just dealing with [REDACTED], I take it dealing with her leave requirements, dealing with her rosters and the like, they were decisions made by Ms Attard?---That's correct, yes.

30 And they'd be decisions made which wouldn't get referred up to you generally speaking?---No, as I said, not unless [REDACTED] needed, there was an extended period of leave or we had to look at other ways of filling a gap, but generally no.

No. And in terms of the position in 2012 with Ms [REDACTED], that is in terms of her leave, her rosters and indeed her acting up into other positions, at no time when there were discussions about those matters and decisions made either by Ms Attard or yourself, were you advised by Ms Attard that she had borrowed money from [REDACTED]?---No, sir.

40 So that's correct, she hadn't advised you of that?---No, sir.  
I tender that document.

THE COMMISSIONER: The Code of Conduct, yes. That will be Exhibit 29.

**#EXHIBIT 29 - FAMILY AND COMMUNITY SERVICES, HOUSING  
NSW CODE OF CONDUCT AND ETHICS AS AT JUNE 2012**

THE WITNESS: Can I just add, sir, that when Carmen came and saw me late September it was [REDACTED] that was with her when she came to the office, so that's when I became aware that [REDACTED] was one of the people who had in fact been lending her money.

MR POLIN: Right. So up until September 2013 you knew nothing of these loans?---No, sir.

10

And do I take it that as soon as you found out that the loans had been sought and given in accordance with your earlier answers about the Code, you realised that it was inappropriate for her to then remain in the position that she was in?---That's correct, sir, yes.

And that's making decisions involving people who may or may not have given her a loan?---Yes, sir.

20

So what did you then do in terms of the situation that arose and you were confronted with in September 2013?---As I've said, my initial reaction was to make sure Carmen got home safely.

30

40

Yes?---I then rang our legal branch, because obviously I knew nothing of any ICAC investigation, I rang our legal branch because I, I was aware there had to be a protocol where ICAC would have advised housing that they were going to be interviewing our staff. Legal Services gave me some general advice but they weren't aware of anything. At the time also we were in the process of restructuring, going to the new divisional status under localisation, so we used to have a Business Assurance Unit which had morphed into the Professional Conduct Ethics and Performance, or PCEP, and I then rang PCEP to try and get some idea of, of some advice, did they know what was happening and some general advice about the, the correct way to deal with it. And that was really really difficult because, quite understandably I guess, but there was a cone of silence that came down and I couldn't get any, any useful information apart from they were aware of what was going on. So I asked to speak to the manager of PCEP and he rang me back either later that day or early next day and we had a more general conversation and he gave me a better idea of, of what I needed to do because even though the executive, my understanding was, were advised of the ICAC's interest. I had to deal with it on a local level because not only was Carmen aware, there was maybe potentially six, eight, 10 people who were going to be interviewed by ICAC. And so there would have been some word out within the team about an investigation going on and I had to manage that both from the staff that were involved in lending Carmen money, her team who were obviously upset at suddenly losing Carmen ah, and other issues that might, might lead on from, from the advice. I saw Carmen a couple of days later, we met for, for coffee in Bonnyrigg and it was agreed that she go and see her doctor. And she subsequently got um,

sick leave for approximately a month. I went and saw my line manager would have been that week or early the week after and advised him of the situation and we had a discussion with human resources and it was my recommendation that when Carmen is fit to return to duty that she go to an offline, if you like, line manager position at Bankstown. Um, we had some special project work which would be useful for Carmen to do. And we advised PCEP of the action that we'd taken and they um, agreed with that. And since then we've just been essentially waiting for things to be finalised um, through ICAC.

10

MR POLIN: So when you said there's special projects work to be done is that, is that work that's isolated from direct supervision of others?---Yes, there's no line management of staff involved. It was client service um, work.

20

So she's working in a position where she's undertaking a project and doesn't have to supervise others below her, particularly people that she may have borrowed money from?---Sir, I, the current situation is I'm not really sure because I've been off for two weeks and, and I think Carmen's been away too. So I'm not sure what the, once the, the investigation became public I'm not sure whether they decided to, to take other steps to, to move Carmen to another position. But up until um, the end of January she was in an offline managerial position.

Right. And just finally, dealing with the management of the staff at the Liverpool office you were the person responsible before 2012, is that correct? So it's, Ms Attard would report to you in terms of managing the staff at the Liverpool office before 2012?---Yes sir. Yes.

30

So - - -?---We'd been oh, we'd been part of that team for a number of years, yes.

Since 2007?---Yes although Carmen went off on a um, on a project for approximately oh, she went to a couple of projects. The Bonnyrigg redevelopment project and also the ah, the Stimulus project. So there would have been a period, I'm not sure of the exact timeframes, possibly a couple of years, two and a half years when she was away from the Liverpool team.

40

All I'm asking is then from early 2012 through to September, 2013 decisions are made in the Liverpool office as to the management of staff within that office, is that correct?---Yes sir.

And essentially they were made in exactly the same sort of way that they'd been made in previous years?---Yes sir.

There was nothing that had come to your attention in that period, early 2012 to September, 2013 that altered the way in which those decisions would be made?---Not that I recall, sir, no.



Then after September, 2013 there are changes and Ms Attard's moved into another position?---That's correct.

And that of course highlights exactly what the problem wasn't it, that in the relevant time from the time the loans started till the time the Department was aware of the loans being made the Liverpool office in terms of decisions and the management decisions functioned in exactly the same way that it had previously functioned?---That's correct sir, yes.

10

Previously there were things that Ms Attard brought to you in terms of recommendations but you would make the final decision?---Yes sir.

Is that correct, from early 2012 to September, 2013 she continued to bring those sorts of things to you with recommendations and you would make the decisions?---That's correct sir, yes.

20

At no time did she say to you in terms of those recommendations that you had to exercise particular caution in terms of any of them because she had done something that may have affected her impartiality in relation to her recommendation had she?---No, I know Carmen was um, certainly conscious of um, because we do have policies of, of people being extended and people constantly getting those extensions and I know those issues would have been, would have been discussed. I'm fairly confident that would have been raised about [REDACTED] too and that's when I said to you sir, that would be my, that would have been my decision to, to keep [REDACTED] there and extend her.

30

But what I'm suggesting to you is that she's not coming to you in terms of her recommendations and placing any qualification upon them because of what she'd done?---No sir.

40

Finally, after the issue was raised in September, 2013 Ms Attard was obviously moved into her current position. Was anything done by the Department in relation to this problem, the problem of loans between employees or from subordinates?---Not that I'm aware of, sir. Can I just say that's what I found a bit frustrating is that there seemed to be a real lack of um, of direction and support for us locally in regards to this issue. Um, it just seemed to be waiting, waiting, waiting for ICAC to um, to finish their particular actions and roles. And we were trying to manage the, the fallout at the local level. So there was hardly any contact at all, that I'm aware of certainly.

But you certainly made the decision to move her to a, a role not supervising others?---Sir, it was my recommendation to my area director um, and because we had to create another position, which obviously had budget implications because it was a, create a new position the line, my area director at the time agreed with that.

Right. But was, were there any recommendations made in relation to the people who had leant the money and the like?---Not that I'm aware of sir, no.

No further questions, Commissioner.

THE COMMISSIONER: Ms McGlinchey, do you have any questions of Mr Davy?

10 MS McGLINCHEY: I do. Just briefly. Can you hear me, Commissioner?

THE COMMISSIONER: Yes. Barely.

MS McGLINCHEY: I'll - - -

THE COMMISSIONER: If you could just stand in front of the microphone, thank you.

20 MS McGLINCHEY: Thank you. Mr Davy, I appear for Ms Attard in these proceedings. Mr Davy, we've seen the Code of Conduct which is now an exhibit in these proceedings. Can you outline for the Commission the formal training which Ms Attard would have received in the Code of Conduct?---No I can't. I'll be honest with you I just can't. I mean, we're talking about a period, I mean, if you asked me now I can tell you but the reality in two years ago um, all the, usually the ratings around Code of Conducts are organised by our Learning and Development section and sorry, you ask me specifics and I'm sorry, I can't, I can't answer.

30 Have you had formal training in this Code of Conduct which - - -?---We, we all have had formal training but I can't um, I can't recall, apart from the current round that we're doing now I can't recall where it was when it was done previously. I know Housing, we talk about it but I can't recall when it was last done, no I can't.

All right. When you say this current round is this not the, the Code of Conduct which is before us in these proceedings?---Now we've, under localisation we've become part of a bigger organisation, Family and Community Services.

40 Yes. FACS, yes?---So they have now come out with a, when I say new and updated Code of Ethical Performance I think it's called now ah, I think you'll find that the principles are very much the same.

Yes. Thank you?---But as I said I don't know chapter and verse, no.

After the amalgamation with FACS, I'm just trying to get from you the training before the amalgamation with FACS and the training afterwards. Now, I understand from what you're saying that after the amalgamation

with FACS there has been training on the Code of Conduct, is that correct?--That's, that's correct, yes.

All right. Prior to the amalgamation with FACS is it the case that as far as you recall there wasn't any formal training?---There would have been some formal training but I can't recall when the last time we had to do it or how often it was.

And you've been in the Department for a very long time?---Yes.

10

Right. So - - -?---But I have to say, I mean over the last few years the learning and development side of things ah, I don't think but a personal view, has been particularly the best so - - -

Would it surprise you to know that Mrs Attard had not had any formal training in, in this Code of Conduct?---Oh, going back over many years but if you're talking about in recent years no, that wouldn't surprise me.

20

All right. And when you say going up over many years that would be a lot of years wouldn't it?---Yes, in both our cases, yes.

All right. Okay. When you, when Mrs Attard came to you and made the disclosures in September '13, and I think you said she came with [REDACTED]?---That's correct.

Did you immediately see that as being a breach of the Code of Conduct?---Um, yes, I think it's fair to say yes because as I have mentioned earlier I rang our legal - once Carmen had gone, gone home - - -

30

Yes?--- - - - I rang our, our legal services because I mean obviously I knew of the Code of Conduct but for me this was quite a unique situation, it's one that I hadn't dealt with, I hadn't been in a situation that I had to manage before and so I sort of rang legal branch and we just had a general discussion about, about conflicts of interest but it did, it did, yes, it did strike me that we'd have an issue here.

And, okay. You've known Mrs Attard for many, many years as a work colleague and a, as her supervisor?---Yes, ma'am.

40

Would you agree with me that her health appears to have deteriorated quite significantly following these events?---Are you talking about from September or during 2012?

Well, from September?---Yes, ma'am.

All right. She's lost a great deal of weight?---She was never a large lady, Carmen anyway, very slim but um, but yes, it, it was noticeable. As I said

when she came to me in September her poor health and emotional distress was, was a stand out.

Right. Are you aware from conversations with your direct reports that Mrs Attard is making very significant efforts to repay the amount of money that she's borrowed?---I know there are efforts to, to repay the money but I haven't gone into any great detail about that, I've left that between Carmen and, and the, and the, and the staff concerned.

10 All right?---But I know that Carmen has talked about making a significant effort to pay it back, yes.

Thank you, Commissioner.

THE COMMISSIONER: Mr Davy, could I just ask you regardless of, of, of when, whether you can remember when there was formal training in the Code of Conduct what steps were taken to bring the Code of Conduct to the attention of the staff for example under your direct supervision? I mean, was it just a case of, of, of putting the document in a drawer somewhere or  
20 were staff made aware that there was a Code of Conduct in some - - -?  
---No, they would, they would have been made aware. Sorry, I was (not transcribable) they would have been made aware because it's on our intranet so they would have had access to, to the Code of Conduct and I do recall there being an e - over the last two or three years we've gone to e-learning and I recall, I'm sure I recall something around e-learning, around Code of Conduct but I can't be specific around dates and timeframes.

The e-learning programme I take it was one that the employees could access at any time that was convenient to them for the purposes of ensuring that  
30 they had gone through the - - -?---That's the usual case, ma'am, and they have to usually do it within a specified, specified timeframe and you have to usually get a percentage score to get through.

Right. Any questions arising, Mr Polin?

MR POLIN: No, Commissioner.

THE COMMISSIONER: Sorry, no one else I take it has any questions?  
Thank you, Mr Davy, you're excused?---Thank you.  
40

**THE WITNESS EXCUSED**

**[12.03pm]**

MR POLIN: I call Carmen Attard, Commissioner.

THE COMMISSIONER: Ms McGlinchey, have you had a conversation with Ms Attard about the effect of a section 38 order?

MS McGLINCHEY: I have, Commissioner, and we do seek a declaration and I think that Mrs Attard will take an oath.

THE COMMISSIONER: Right. Ms Attard, do you understand that if I make the order that is proposed it does not protect you from prosecution should you give false evidence before the Commission but it does protect you in the sense that your answers can't be used in a criminal prosecution against you, you understand that?

10 MS ATTARD: Yes, I do.

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 accordingly there is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

20

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

30

THE COMMISSIONER: Could we have the witness sworn, thank you.

MR POLIN: Is your name Carmen Michelle Attard?---Yes, it is.

And Ms Attard, do you currently work for the Department of Family and Community Services?---Correct.

10 And you work in the Housing section of the Department?---That's right.

And is it the case that you've worked there for approximately 25 years?  
---Almost, yes.

And your current role or title is as an Access and Demand Coordinator?  
---That's my substantive role, yes.

And is it the case that you're currently working in a different position?  
---Yes, I'm actually on leave at the moment but I'm actually working out of  
the Bankstown office doing special project work for South West Sydney.  
20

Right. Now, leading up the year 2012 did you have a lot to do with your brother, Mr Camilleri and his daughter Jessica?---Well, yes, as a family, yes.

How often would you see them in that period leading up to 2012?---Oh, sometimes it would be every few weeks, sometimes it'd be every couple of months, it all depended 'cause I've got my own family, he's got his own family and Jessica's married so I wouldn't see her as often as I would by brother.  
30

Were you aware in the four or so years leading up to 2012 that Jessica had some financial problems?---No, I wasn't made aware of anything until early 2012.

There's been some evidence given by various people of discussions that they had had with your brother, these are people who worked for RailCorp, about discussions that they'd had with your brother about the problem Jessica first started to have I think back in about 2008 about some credit card fraud or difficulties?---I wasn't made aware of any of that until Joe  
40 approached me in early 2012.

Prior to 2012 did you ever discuss with Mr Camilleri his daughter's financial position?---No, not at all.

Did you ever discuss with him his own financial position?---No, I didn't realise there he was in any financial stress until he approached me in 2012.

He hadn't told you for example that commencing in about 2010 that he'd had to cash in large chunks of his long service leave and the like?---I've - no, I didn't know that prior to 2012 and it was probably two or three months or incidences after he initially approached me for, for loans um, that he told me. 'Cause I said to him, "What about your, your financial resources?" and he said, "I've already um, exhausted everything," he said, "and I've even cashed in my long service leave." That's when I was first made aware of it.

10 What sort of dealings had you had with Jessica, his daughter, in the four or so years leading up to 2012?---Just an aunt and a niece relationship.

Did you find that at times she would exaggerate stories, possibly not be truthful about things?---No, I don't, I don't think so because as I said I never - once she got married I didn't really see all that much of her anyway and when I saw her it was just as I said normal family conversations, it wasn't anything - she would never tell me stories about anything, I would ask her how she was doing, if her husband was there I'd speak to him but generally speaking no.

20 When did she get married?---It'll be three years this, I think it just June 2010 I think, no, sorry, 2011.

Right. You've heard stories haven't you about her suggesting that her identity had been stolen by undesirable persons?---That's correct, yes.

I take it that would have been something that would have been noteworthy in terms of a family discussion at any stage leading up to 2012?---Well, you would think so but I mean some, some family members like to keep things private and I was not made privy to, to that sort of information.

30

But certainly if it had been the case do I take it in terms of your family gatherings that the fact that your niece had had her identity stolen and large debts racked up in her name, that would be something that would be raised at a family occasion, wouldn't it?---Well, perhaps, yes, yes.

But to the best of your recollection it wasn't raised before 2012?---No, I was not made aware of it until I was approached by Joe.

40 When did you first become aware that there was any problem with Mr Camilleri or his daughter?---When he first approached me in either late January or early February 2012 asking for me to give him some money for a loan.

And what was the circumstances of that, did he come to your place- -?  
---Basically he just- -

- - -or did he ring you or how did it happen?---He rang me at work one day.

Yeah?---And I thought that was surprising because he never rings me at work and my initial thought was, oh, something has happened to one of my parents. And I said to him, "Is everything okay?" He said, "Yes." He said, "I'm in a bit of a bind." And he basically said, look, I need a few thousand dollars, can you help me out. And I didn't ask him why at that time because my brother's never been a person that's ever asked anyone for anything, he's always been self-sufficient, so I just thought, oh, he must be, he must just be stuck, he can't get access to his money. So I said, "All right, I'll lend you a few thousand."

10

How much did he actually ask for at that point in time?---I think initially it was about \$7,000.

Right. And so do I take it from what you've said, firstly it surprised you that he in fact asked you for the money?---Yes.

And because he was someone who wouldn't normally ask for money, you didn't ask him specifically why he needed it?---No, not, not at that official, at the initial contact, no.

20

And did he say that he needed the money urgently or anything like that? ---He did. He said, "I need it today if I could." I said, "I may not be able to get it today but I can get it tomorrow." He said, "Oh, tomorrow should be okay."

So how did you give him the money at that point?---Um, cash. I went and got money out of the bank and cashed it.

30

And gave him cash the next day?---No, I actually put it, 'cause I said, "How do you want me to get this?" He said, "Oh, put it into Jessica's account." And then I said, "Oh, okay." And then I said, that's when I said to him, no, sorry, he said, "I'll call you," no, sorry, mistake. He said to me, "Call me tomorrow when you have the money," and he said, "Then I'll tell you which account to put it in."

Right. And do I take it he called you the next day and asked you to put it into Jessica's account?---Yeah. And then I said, "Oh, why?" And he said, "Oh, because she needs the money at the moment, I'll tell you later."

40

Right. And so do I take it you didn't ask anything further at that stage? ---No. I mean he's my brother, like, why wouldn't I help my brother out?

Yeah. And I take it, what, there was an anticipation that you'd get the money back in a reasonable period of time?---Well, yeah.

But nothing was - -?---I, I sort of didn't ask him, follow up at that point in time as to when I would be getting the money back.



Right. Did he then approach you again sometime after that?---Yeah. I'm not exactly sure of the time but it would be at least a week, maybe two weeks later.

Right?---He rang me again and said I need some more money. And that's when I sort of asked him a bit more about why he needed it and that's when he told me it was, Jessica was in some um, she had identity fraud and that she'd been going through a court case and that she needed money for legal fees.

10

So I take it the second time he approached you asking for money you regarded that as very much out of character?---Yes.

And that's when you asked for some details as to why he needed it?---Yeah.

Now you mentioned just generally some identity fraud problem. What did he tell you at that point in time was the need for the money?---For, at that point initially it was for legal fees to help pay for solicitors to go through the court case.

20

Now, to go through a court case. What court case was he telling you needed to be gone through?---Basically it was as I said, there was identity fraud, Jessica was a victim of identity fraud, that people had been using her identity around Australia and I'm not quite sure if he mentioned internationally and that she was fighting it because she had to prove that it wasn't her that was racking up all these debts.

30

Right. How did you understand that he identity had been stolen?---When I asked he said, oh, she was at a party one day and that her, she didn't realise that she'd put her, somebody had taken her purse out of her bag I think and it wasn't for a day or the next day or something that she realised that her purse had gone with all her identity in it.

Right. And by her identity, what did you take that to mean, her- -?  
---Her driver's licence, credit cards, you know, what normal people would have in their wallets.

Yeah?---Yeah.

40

And so it's not dissimilar to a normal person for example losing their wallet. Is that correct?---Well, yeah, I suppose so, yes.

Losing their credit card?---Yeah.

Losing their driver's licence?---That's right.

Is that correct?---Yeah, that's correct, yeah.

And what normal people, you would be well aware, would do is then just telephone the bank who held their credit card- -?---Yes.

- - -and cancel it?---Yes, yes.

And that brings to an end, does it not, the use of that credit card as soon as it's cancelled?---In normal circumstances, yes.

10 Yeah. And generally speaking just for normal people you can't take someone's driver's licence and go and rack up debts on a driver's licence, can you?---No, but my understanding was that whoever took it was using her photo on false documentation to rack up debts. That's what I was told.

How can you use someone's photo on documents to rack up debts?---I don't know. I mean I've heard of these Russian scams and things, you know, these international people overseas that, you know, steal people's identities and I just assume it was, that it had fallen into their hands.

20 But you've worked, worked for a long time in one of the big Government departments in New South Wales?---Yes.

And I take it you've held a credit card for many years?---Yes.

And you're aware generally of how things work in the world in terms of finance and personal finance?---Yes.

Is that correct?---Yes.

30 And you'd be aware, apart from stealing and taking someone's credit card and potentially using it, it's very difficult for one person to go and rack up a debt in another person's name, isn't it?---Well, I don't, I mean it, it could be possible, only from the point of that if it had fallen into a gang that was quite smart with these things perhaps it can be done but- -

Well, how can it be done, I can't conceive?---I don't know, I don't know, I don't know.

40 You've been asked to provide money and ultimately you've asked others to provide money on this particular story. What's your understanding, you must have some understanding as how, as to how she says debts were being racked up in her name by use of a driver's licence?---Well, it wasn't just her driver's licence, my understanding was it was also her credit cards.

Okay. Well, I'll come to the credit card in a moment, but if one doesn't have security to provide someone for a loan, generally you can't get a loan, can you?---No, not normally.

Yeah. So then you have a credit card where you can generally borrow money, it's basically on the back of a personal guarantee to pay it back. That's correct, isn't it?---That's correct, yes.

But the moment that credit card is cancelled you're aware aren't you that the person who has cancelled it doesn't have any ongoing liability for the use of the card, do they?---That's correct, that's correct.

10 Surely at this time you were saying to Mr Camilleri, what on earth is going on, you can't be fighting a big legal case over a debt that's been racked up? Surely you'd be saying that to him?---Well, I said, well, I didn't say anything to him for a while but I just said to him, "What's going on?" I said, "This is, this is like, it's going, it's been going on for a while." Sorry, initially I didn't know how long it had been going on for and then I said, "Well, how long has it been going for, has the court case just started?" And he said, "No, it's been going on for a few years." And I said, "And it's still not resolved?" He said, "No." He said, "It's really complicated." And he was quite distressed, so as I said, this is a man who'd never asked for anything before, and I just thought, well, it's for my brother on behalf of my  
20 niece so I'll just help him out.

Right. But you were being told that there was a court case that had been going on for years involving your niece and you're saying that you knew nothing about it at all?---I knew nothing until 2012.

But then as soon as you're told about it, you're given certain details about what the case involved, and can I suggest to you immediately you would have thought it didn't make any sense at all?---No, not immediately because as I said, this was my brother, he was distressed and I just thought, okay, he,  
30 he just needs it, because he kept saying to me, "We just need it to finish off the legal fees, once, once the court case is finished," he said, "everything will be okay." And he said, "Then she should be getting some compensation back."

Right. Well what did you understand was the nature of the case that she was fighting, was she fighting a case against the bank for what had been racked up on her credit card before it was cancelled?---To be honest - - -

40 In a couple of days? Or was she fighting a compensation case of some form?---I don't think it was against the banks but all I was told was it was compensation, actually no, it was compensation ah, against the banks because the banks ah, she had to clear her name to say that the banks weren't going to be um, didn't make her liable for the debts that had been racked up by other people.

Right. And was this what you had been told on the first and second occasions - - -?---Yes. Yes.

- - - that you leant money?---Yes.

So you leant \$7,000 on the first occasion. Did you lend some more on the second occasion?---I think ah, another 4,000 I think after that.

Did he then come back again - - -?---Yes.

- - - and ask you for more money?---Yes.

10 When was that?---Um, I couldn't give you exact dates.

But just roughly. The first one was within a week of the second?---Yeah. The next one was probably maybe three weeks later, maybe. Yeah.

Right. And how much money did he ask for at that point in time?---Um, I think about 9,000. Oh yeah, I couldn't be exactly sure.

And he was asking you for the money?---Yes.

20 And what was the story at that point in time?---Because I said to him, "Well, what do you need it for now?" And he said oh, he said, "The, more, more solicitors fees." He said, "We need it for more solicitor's fees," he said, "because the court case still hasn't been finished and Jessica needs to pay the solicitors before they can go on with the case."

You knew at this point in time that he was a highly paid executive at RailCorp didn't you?---Yes. Yes. Of course.

30 You could go onto the internet and actually find out exactly how much he was paid couldn't you?---I could, yes.

You would have been aware that he was paid over \$300,000 a year wouldn't you?---Well I didn't know at the time but I do now. I knew he was getting a very good um, salary.

40 Was it surprising you that a person on such a good salary was struggling to pay these small amounts for legal fees on behalf of his daughter?---Um, initially yes but then when I spoke to him in more detail about it as time went on that's when he divulged to me that it had been going on for a number of years and that he'd already exhausted all of his own um, resources and as I said previously, had cashed in his long service leave to try and pay for these legal costs.

And what do you understand were the resources that he'd already used of his own, how much in terms of money?---Oh, he didn't give me a monetary value. Um - - -

What about - - -?---I just assumed whatever savings he had and it was a little while later that I also found out that he'd also remortgaged his house.

Right. And what, what do you understand was the level of long service leave and the like that he'd cashed in?---Um, I don't, I can't, I can't recall that he gave me a figure.

Do you recall how much he cashed, he remortgaged his house for?---No, he didn't tell me. I didn't ask him, I didn't think it was my business.

10

You're aware that he'd worked at RailCorp for about 37 years or so?---Yes. Yeah, since he was 15.

And that he would have had a very large amount of long service leave and the like?---I would have assumed so, yes.

Which would have meant cashing in a very large amount of money?---Well, yes.

20

So we have that large amount of money. We have added to that his own personal savings and the like. We then have, you say he's mortgaged his own house to obtain further money. And you say this was all for legal fees to fight a case involving a credit card that had gone missing for a period of a few days?---Well, from what he told me it was, it was, it was supposed to be a much bigger story than that.

But you know don't you that virtually every credit card has a limit on it doesn't it?---Yes.

30

And once the limit of the credit card is reached the bank then declines any further transactions on the card?---That's correct.

And generally speaking the younger and less well off you are the lower the limit?---Yes.

And the older and more well off you are the higher the limit?---Correct.

And you always understood, you always understood that it was Jessica's credit card that had been stolen?---Yes.

40

And at the time how old was she, 23 or so?---Ah, when I was first made aware of it?

Yep?---Yeah, probably. Yeah.

And she'd, was she working at that time?---Yes. Yes.

And so I take it one would have thought that any legal fees, firstly they'd turn to her savings or whatever she earned to satisfy the legal fees before she'd gone to her father?---I would have assumed so. Yes.

So you would have thought at that time that she would have had a credit card with a reasonably modest limit on it?---I would assume so, yes.

Maybe \$5,000 or so?---I, I couldn't tell you the value.

- 10 Is that sort of limit you would have assumed she would have had?---I didn't assume anything. I didn't know, I don't know what she would have had.

Well you just said a moment ago when I asked you about it you said I assume so, that it would have been a low-ish - -?---Yeah, low-ish issue. But it depends on each individual, is what people term low. Some people might determine 2,000's low, some people might determine 8,000's low.

- 20 Well, when you were thinking of Jessica what were you determining as low?---Anywhere between five and 10,000.

Okay. So that you were thinking at the time that it was a credit card that had been taken that had a limit of say up to \$10,000 on it. Is that correct?---Yes.

- 30 How on earth could there have been a legal case which had generated fees of hundreds of thousands of dollars, or incurred fees of hundreds of thousands of dollars, sorry, in relation to a credit card with a \$10,000 limit on it?---Because, well I, I didn't think of that. But later one when he kept asking for more money he told me that it was not just the credit card. He said her identity had also been um, stolen.

Right. As soon as you hear of someone repetitively asking for money you immediately think the person might have a gambling problem don't you?---No I didn't.

You didn't?---No. Because I know that my brother's not a gambler. Well, not that I'm aware of anyway.

- 40 Right. So you say that you became a lot more comfortable with the story when you were told that somehow her identity had been stolen as well?---Yes.

How did you rationalise in your own mind at this time what you'd been told about her identity being stolen, what do you understand was being stolen, or had been stolen?---Well, I wasn't really given a story. It was just basically that it had fallen in, her identity had fallen into, into some wrong hands and that um, there were issues about people using her identity, I think it might have been mentioned even in Hong Kong at one stage.

I don't understand how can your identity fall into wrong hands? What, what do you actually mean by that?---Well, I can't explain it other than that perhaps some people have like, you know, these, these, there's fraudsters out there who steal people's identity and use that.

10 How do you steal someone's identity. I don't understand it?---Well, it's only from what I hear on the TV, what I see on the TV that there's a lot of scams out there where people steal people's identities and then, you know, either make false passports up or, or, or things like that. That's what I understood it to be.

And a false passport what, might give someone the ability to travel from one country to another?---Yes.

That wouldn't necessarily cause any financial problem. How do you understand someone can steal someone's identity and rack up debts in their name?---I can't explain it because I really don't know.

20 So when you were being told this story surely you were asking questions of your brother in similar terms to the questions that I'm now asking you?---I kept, well what I kept saying was, "I can't believe this is going on," you know, "It's been going on for so long. How come it hasn't been finalised?" And he just kept saying um, "Jessica keeps telling me that um, she, it still hasn't been finalised."

30 Yeah, but I'm just wondering how you're processing it in your mind, apart from just accepting what your brother said to you. What do you understand was happening? You can't explain for example how someone could steal someone's identity and incur a debt in their name so how do you, did you understand it was occurring?---I suppose I just believed my brother, what he was telling me. Family loyalty if you like. I don't know.

THE COMMISSIONER: Ms Attard, can I just ask you, you said you'd been in FACS for 25 years so how old were you when you joined?---Um, early 30s.

40 And what were your qualifications at the time that you joined the Department?---Um, just normal High School Certificate, yeah, no, no university education.

And is your brother older or younger than you?---He's younger.

And are there any other siblings in the family?---There's one in between us, a sister.

And do I take it - you said that this approach and these various accounts that he was giving you occurred in early 2012?---Correct.

Would I be right in thinking that there were family gatherings over this period of time?---Oh, yes, definitely.

And did you at any stage say to Jessica my goodness, what's happening to you is just awful, when is this going to - how did this happen and, and how much money is involved, were there any discussions of that nature?---No, because, because in that period of time I could probably count on one hand how often I saw Jessica. She didn't always attend all the family gatherings.

10

But she must have attended at least one?---Yes, she did and no I didn't because there were other, other family members that were not aware of what was going on.

But how did you know that, that there other family members who didn't know what was going on?---Because I was told that only certain people knew what was going on.

And who told you that?---Um, my brother.

20

And did he tell you who those family members were who didn't know what was going on?---Ah, mainly nieces and nephews and my own children.

So there was no opportunity when you could have taken Jessica to one side and asked her about this terrible dilemma that she was in or at least made the effort to telephone her and ask her how she was going in the middle of all this financial stress?---I did try to contact her and on several occasions, her, she never answered and then I'd find that she'd changed her telephone number so then I'd have to wait to get her new telephone number and when I did try to call her I either left a message or sent her a text but she never, ever responded.

30

So all your attempts to actually get to the bottom of this story have been met with stonewalling or avoidance, is that what you're telling me now?---In, in some instances from Jessica, yes.

And that didn't make you in the slightest bit suspicious of what you were being told?---It did later on I have to admit but not, not in that initial period of time, no.

40

How much later on are we talking?---Probably eight or nine months later.

MR POLIN: Well, we're just dealing with the first three weeks where you said that you'd lent \$21,000 already, you said that you could count on one hand the number of times you saw Jessica in that period of time. Well, that would appear to be five times would it if you're counting on one hand how many times you'd seen her in, in the space of three weeks surely?---No, no, I hadn't seen her in three weeks, five times in that three weeks.



Right?---I, I was talking over since 2012 to, to now.

Right. But surely after three weeks having advanced to her \$21,000 you'd really want to know what the, the story was and when you might be getting your money back?---Well, I didn't think of it in that way.

Okay. Did you then advance more money?---Yes.

10 When was the next time?---Um - - -

So we're about three weeks after the first, the first occasion, when was it next?---About another week or so.

So that's all within the first four weeks and how much was asked then?  
---Um, I can't be sure, I can't remember um, maybe 10,000.

20 Right. And did you give that money then?---Ah, no, because I didn't have it available at the time.

Yeah?---So um, I said no, I couldn't, I couldn't lend it to him because I didn't have it.

Okay. So it didn't surprise you in the space of four weeks you'd been asked for \$30,000 on three or four separate occasions?---In hindsight probably yes.

30 What about at the time?---Well, as I said I said to him I can't believe that they're still asking for more money.

Yeah?---And he said well, he said, the solicitors want them. Call it naïve but I just believed what my brother was telling me.

40 Right. So how did you then deal with that situation where he was asking for money and you didn't have money to give?---I said, I said to him, "I haven't got any money," and he said, "Is there anyone you can lend it from?" and I said, "No, not really," but he was very, very distressed, like really distraught and then um, I sort of ended the conversation and I felt really had and then um, a, a staff member came in to see me about something and said, "What's wrong?" I said, "Oh, nothing?" and she said, "You're very distressed, what's the matter?" and I said, "Oh, my brother's got a personal problem?" and she said, "Oh, what is it?" and I said, "It's okay, it's personal," and then she kept pushing me 'cause she knew I was upset and then I basically told her and um, she said to me oh, she said, "I can lend you the money if you want it."

Right?---And, and then I said, "Well, I don't know," and she goes um, 'cause my, when I asked my brother I said, "Well, when I, like when are we

going to get the money back," he said, "Oh, in a couple of weeks, in a couple of weeks." So um, she said, "No, no," she said, "I'll lend it to you," so just on the back of that - - -

Did you tell her that you'd been asked for up to \$30,000?---No, I didn't think to tell her.

Over a period of four weeks?---No, I didn't tell her.

10 Being told I take it from the very first loan that you'd get it back very quickly?---Yes.

But contrary to what you'd been told you'd simply been repeatedly asked for more money?---Correct.

Did you tell her that?---No, I didn't tell her that initially, no.

Why didn't you tell her that?---'Cause I just didn't think of it at the time to be honest.

20 Did you tell her the story that you'd been told as to why - - -?---Yes.

- - - the money was needed?---At, at um, yes, I told her, yes.

Did, did you tell her that it was needed for legal fees - - -?---Yes.

- - - for a case of identity fraud?---Yes.

30 And did you tell her that this case had somehow racked up legal fees of hundreds of thousands of dollars?---Ah, not initially, no, but later on, yes.

Right. And so you accepted the loan?---Yes.

What did you tell her in terms of when she would be getting the money back?---Exactly what I was told, that she would get it back in a couple of weeks.

40 Right. I take it when you first lent money you were told that you'd get it back in a couple of weeks?---Yes.

You didn't get it back in a couple of weeks?---No.

When you lent it on the second occasion you were told that you would get it back in a couple of weeks?---Correct.

You didn't get it back in a couple of weeks?---No.

Why would you give her the expectation that she would get the money back in a couple of weeks when what you had been told was never, had never come true?---Because I believed what my brother was telling me that he, 'cause he said to me, he said it's going to be finalised, he said it should be finalised he said and it'll be coming through.

10 But he's telling you a couple of weeks, the first time obviously he hadn't been correct about it if we can use a neutral expression. The second time he hadn't been correct about it had he?---Well, no but I believed what he was telling me.

But weren't you starting to doubt what he was telling you because what he was telling you wasn't in fact correct?---Yeah, I was starting to doubt it but at the same time he was that distressed that - and he's my brother so basically I just wanted to help him out of this mess and it was like a snowball effect.

Well, now you've involved a work colleague haven't you?---Yes.

20 And so how did you get the money from this work colleague?---Um, from cash, like she went and got it out of the bank.

How much was it?---Um, I think initially it was 5,000.

30 Didn't that make you quite uncomfortable on that day when a work colleague's coming in with \$5,000 in cash to give you?---Yeah, probably slightly uncomfortable, I felt, I probably felt more humbled the fact that she was actually willing to help somebody who she didn't really know because of me.

But do you often deal with \$5,000 in cash as a parcel -- -?---No, no, not normally.

-- - in an envelope?---No, not normally.

Didn't it strike you as odd that something you don't normally do you were now doing with a work colleague you hardly knew?---No, I wouldn't say I hardly knew her, I knew her well.

40 Okay?---Yeah.

Did you find it odd the fact that the transaction needed to be done in cash? ---Well, the other transactions that I had been giving my brother was through cash and he said they need it because they can't keep proceeding to the next level.

Yeah, they can't proceed to the next level until they're paid?---That's right.

Why did you understand that these lawyers would need to be paid in cash?  
---My understanding was that the money was going to go into their, their 0-  
like a trust account was my understanding.

Have you ever had cause to pay lawyers before?---No, no, no.

You've bought and sold a house?---Oh, yes, but many, many years ago.

Yeah?---Yes.

10

Did you pay them in cash when you did that?---No, I don't think so.

Didn't it strike you as unusual that lawyers were wanting to be paid in cash?  
---Well, I wasn't being told that the lawyers had to be paid in cash, what I  
was being told was that Jessica needed the money so that she could pay the  
lawyers.

20

Right. What would have been the difficult for example with your work  
colleague just saying to her can you give me a cheque, even make the  
cheque out to my niece Jessica and I'll give it across to her?---Well, nothing  
really but I was being told that the money needed to be in her account so  
that she could transfer the money directly to the lawyers.

But you could - - -?---Yes.

- - - bank a cheque in, it's cleared within a couple of days isn't it?---Yes,  
normally.

30

And Jessica no doubt could have written a cheque to the lawyers as well?  
---I would assume so.

Would have cleared in a couple of days, why the pressing need for cash,  
wasn't it causing you some suspicion?---Not initially, but later on, yes,  
when it become more repetitive and I was being asked for more money, yes.

It's become repetitive, hasn't it, within four weeks?---Yes.

40

Why no suspicion?---The only thing I can say is it was my brother, it was  
family and I was trying to help him out.

Right?---I can't give you any other explanation.

Okay. That transaction then went through, that's the \$5,000 from the work  
colleague through. What then happened?---A while later he rang me and he  
said, oh, they needed more money. And I said, "Oh, you've got to be  
joking."

When you say a while later, how much later?---Oh, I couldn't- - -

Just roughly?---I couldn't be sure, could be- - -

Was it the next day?---I don't know.

Was it- - -?---Might have been a day or two later, it was soon after.

10 Right. And I take it that must have alarmed you. Not only had you spent or advanced \$21,000, the friend you had got to advance \$5,000 and now you're being asked for more?---Yes.

What rational explanation was- - -?---I can't give you a rational explanation.

Well, you're saying that the money was needed to advance the case to the next level, well, you'd already advanced the case to the next level on three occasions?---Correct.

20 And your friend had advanced the case to the next level on another occasion?---Correct.

And then within days you're being asked for more?---Correct.

No rational explanation was being given, was there?---Only the consistent story that it was for more legal fees and then it was bank, then it went onto bank fees as well.

Right. When did it change from legal fees to bank fees?---Probably a month later maybe.

30 And was there a real difference in the story at that stage that there's a change from legal fees to bank fees?---Only that the court case had been finalised and that the money had been put into the bank but the needed, they needed money to help release the funds.

Right. So just trying to get some sort of time frame about it, you say that it was about four weeks after the first approach for funds that you sought or you were given some assistance from the colleague at work?---Yeah, could have been slightly longer but roughly four to five weeks.

40 A couple of days later you then got another approach for more funds. What did you do about that one?---I said I, I said, "I can't give you any more." And then he said to me, "Oh, is there someone you can borrow from?" And I said, "Oh, no, not really." Same sort of scenario, it was sort of a repetitive thing, like he'd ring me distressed, I would become distressed and I think on that second occasion I actually went and approached somebody, a colleague who I've known for a very very long time and told them basically the story and were they able to help and they were more than willing to help me.

And they gave you how much money at that time?---Ah, I think that was \$10,000.

Right. And was that what you'd been asked to give?---Yes.

The \$10,000?---Yes.

And you then gave that to your brother?---Yes.

- 10 And I take it then the anticipation was everything would be finished within a short period of time?---Correct.

And I take it that's what you were telling the people that you had borrowed the money from?---I was telling them exactly what I was being told.

That of course then didn't happen?---No.

There was another contact?---Correct.

- 20 When was that, was it within a few days, was it within a few weeks?  
---Could have been a few days or could have been a couple of weeks, I'm not really sure, I've lost the time, time.

And what did you say at that point in time?---I said, "Oh, not again," I said, "I thought it was going to be finalised." And he goes, "Yeah, so did I," he said, "But Jessica's saying no, there's still a hiccup with the banks, they're not going to release it." Like, there was a reason why, some reason why they couldn't release it until they paid extra amount for it.

- 30 And so I take it you didn't have the money to give him at that point?  
---Well, not when I, no, no.

Right. So what, what then happened?---Well, that's when I approached, oh, sorry, that, sorry, that time it was about \$4,000 I think they needed.

But you've, you've, the first occasion the employee, the other employee saw you distressed and came and had the conversation?---Yes.

- 40 The second occasion you went and approached a colleague who you said was very close?---Yes.

And you asked them for the money?---Yes.

Your brother approached you on the third occasion asking for money. I take it you told him you didn't have any money?---No, that's right.

What did he then say?---He goes, "Oh, I really need it." He said, "Is there somewhere you can get it?" And I said, "Oh, I don't know, I don't think

so.” And then I became more distressed so then what I did was, I went round to, you know those moneylenders and sought to see whether I could get same-day approval for \$4,000.

Right. And what happened?---I did, I got the \$4,000 and I contacted him and said, “I’ve got the money, what bank account do you want me to put it in?”

Okay. That money then went through?---Yes.

10

Did he then contact you again?---Yes, sometime later.

How much later was it, again days or was it weeks?---Could have been, it could have been a few weeks maybe, a couple of weeks maybe.

And I take it this was at a point in time you’d expected that not only you but your associates had been repaid the money?---Correct.

And I take it you were in fact incurring interest on this loan from the moneylender?---Yes, of course.

20

And I take it it was probably at a fairly hefty rate of interest?---It was, yes, yes.

So when he contacted you on the next occasion I take it you no longer had any funds to give him?---No.

You’d already borrowed what you could borrow and were paying interest and you’d already asked a close friend, associate- -?---Yes.

30

- - -at work for some money?---That’s right.

What did you say to your brother at that stage?---I said to him, “I can’t,” I said, “I’ve got nowhere to go,” I said, “I can’t help you.” I said, “I’ve got no more money to give you.” And um, basically that was it. And then he just kept, like he was really distressed.

Did you tell him that you’d gone to a moneylender to get money for him?---No, I didn’t.

40

Right?---I don’t, I don’t recall telling him that I did, no.

Yeah. So what did he say to you?---Basically- - -

You told him you’ve got no more money left?---And I, he said to me, “Oh, well, if you can think of anything just let me know.”

Right?---And left it at that.

Okay?---And then once again I was distressed and then another colleague came in and they could see that there was something wrong with me.

I notice the time.

THE COMMISSIONER: Yes. We'll take an adjournment and if you'd like to step down, Ms Attard, we'll resume at 2 o'clock.

10 THE WITNESS: Thank you.

**LUNCHEON ADJOURNMENT**

**[12.47pm]**