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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE DAVID IPP AO QC

PUBLIC HEARING

OPERATION JAREK

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TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON MONDAY, 17 OCTOBER, 2011

AT 11.20 AM

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

THE COMMISSIONER: Mr Campbell.

MR CAMPBELL: Thank you, Commissioner. Before calling my first witness for the day, could I just make a brief comment, Commissioner, some statements from the press have been drawn to my attention in which some councils amongst the 95 organisations, not the subject of oral evidence, have claimed to be either exonerated or cleared by the Commission. I wanted to just reiterated what I said in my opening that no one named at that time has been exonerated and without saying anything
10 about it one way or another, I would have thought I'd made it entirely clear in the subsequent statements I've made that the whole purpose of the Commission passing on to those other 95 organisations, particulars of the material uncovered by our investigation is for them to look into those matters for themselves to ascertain what is the appropriate course of conduct for them to follow, either by reporting back to the Commission by way of submission, which I won't say anything more about again or by taking such steps as they consider appropriate having looked into the matter and satisfying themselves as to the facts.

20 THE COMMISSIONER: As you explained in regard to those 95, the Commission has not completed its investigations and has left it to the individual councils and agencies to do that.

MR CAMPBELL: Indeed, Commissioner. I just wanted to make that, if it wasn't already clear, and I'm surprised that it was not, so once again an attempt to make it crystal clear.

30 THE COMMISSIONER: Yes. You're making clear that the Commission has not exonerated any council and not found any council guilty of corruption.

MR CAMPBELL: Indeed, Commissioner.

THE COMMISSIONER: It has simply noted the allegations that have been made against the councils and noted the case of those 95, request that the councils, will request the council to investigate those matters themselves.

MR CAMPBELL: Yes, indeed. Indeed. Thank you Commissioner.

40 Commissioner, as I said at the end of the evidence last week, we had completed the oral evidence in relation to what I have referred to as the incentive aspect of this public inquiry. And this week we are moving on to investigate specific allegations in relation to named persons and suppliers that I referred to in my opening address to the Commission. And in relation to that matter, I call Mr Geoffrey Hadley, who is before the Commission.

THE COMMISSIONER: Yes, thank you.

MR SHAW: Commissioner, my name is Shaw. I am instructed by the Legal Representation Office. I seek your leave to appear for Mr Hadley.

THE COMMISSIONER: Yes, Mr Shaw.

MR SHAW: Thank you. I also seek a declaration pursuant to section 38 of the Act.

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

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

30 THE COMMISSIONER: Now Mr Hadley, you are obliged to answer all questions asked of you and it is a serious criminal offence either to refuse to answer or to give false answers. Do you understand that?

MR HADLEY: Yes, sir.

THE COMMISSIONER: How do you wish to give your evidence, under oath or do you wish to affirm the truth of your evidence?

MR HADLEY: Under oath, please.

40 THE COMMISSIONER: Yes, would you swear Mr Hadley in, please.

MR CAMPBELL: Thank you, Commissioner. Mr Hadley, would you please state your full name?---Geoffrey Leonard Hadley.

And were you employed by the Bathurst Regional Council between 16 September, 1996 and 25 February, 2009?---Yes.

10 And from 14 October, 2004 were you employed by the council as its senior storeman?---Yes, I was.

And in that capacity did you have a delegation from the council authorising you to bind the council in your dealings with suppliers of goods to the store?---Yes, I did.

MR CAMPBELL: And to the best of your recollection, what was the amount of that delegation?---I think it was \$15,000 from memory.

20 All right. Now, before I ask you some questions about some specific matters, would you - I withdraw that. I'm going to ask you some questions in relation to the procedure at the council during your years of service in relation to the procurement of goods by you, you understand?---Yes.

Now, was the system one in which you had, as you've told me, the authority to order items at your discretion that you considered necessary for inclusion in the store on the one hand - - -?---Yes.

30 - - - and also order goods which were identified as non-stock items in relation to specific projects that other officers of the council were responsible for undertaking?---Yes, I did.

And in regard to your ordering - I'll withdraw that. From 2004 when you were the senior storekeeper was there a computerised system for raising orders?---Yes, there was.

And did the system that you worked under require you to firstly raise an order on the computerised system?---Yes.

40 And once you had raised an order on the computerised system did the computer itself allocate an order number to that order?---Yes, it did.

At the time you made that computer entry or just thereafter did you print out two copies of that order you'd just made?---I was, I think there was three copies, about three.

Three copies and did they have different colours?---Yes, they did.

What were the different colours?---Pink was the first copy, with the one you used to fax off or send off.

I'll ask you about that but just tell me what the colours were?---I think, I think pink, green and I'm not too sure of the other colour.

Oh right?---Yeah.

10 Now the pink one as you were telling me just a moment ago is, is, is the copy of the order that you sent off to the supplier with whom you'd been dealing. Is that correct?---That's correct. Some suppliers didn't want it and some did, yes.

Oh, right. And at the time you raised the order did you, did the order actually go to any superior of yours in the council?---No, it didn't.

And the green copy you've spoken about, was that called the "goods received copy"?---That's correct.

20 And I'll ask you about that in just a moment, and the third copy, the colour of which you can't recall, was that retained in the store?---No, sorry, the green one was kept in the store, that was, the goods received was always kept in the store and there might have been only the two.

Oh, right. Now, let me put it this way, once, once you'd made an order with a legitimate supplier in the ordinary course of business and you'd faxed them the order, let's assume they wanted that, the goods would in the ordinary course of business be delivered to you at the council's store, is that correct?---Either the store or to a site, a job site if there was a job site.

30 If it was one of those non-stock items going to a specific task it would go to the job site?---Yes. Some stock items still went to a job site but it depends if they were in a hurry for it it'd go direct.

All right. But was it the case that by and large the greater majority of goods were delivered to you at the store?---That's yes.

40 And when they were delivered to you at the store the system required you to take your green copy, the goods received copy, check that the delivery matched the order you'd made, is that correct?---Yes.

And then you'd sign off on that green copy and send it to the council's creditor clerks for, for payment to be processed?---Yes.

And the only person responsible for verifying the order at the start was yourself, is that correct?---That's correct.

And the only person responsible for confirming delivery in accordance with the order at the time of receipt was yourself?---Yeah, it was either myself or the other storeman.

Sorry, I should ask you about that. During the time you were the senior storeman did you have some other subordinates working for you in the store?---Yes, I did.

And how many?---One, sometimes two.

10

All right. And did they have your authority to confirm orders delivered? ---Yes.

Can you tell me this, was most of that work done by you or by your subordinates?---It depends who, when the truck came, depends who wasn't busy to unload the truck and - - -

20

All right. Let me just ask you this question if may, the, you had full authority to order to the goods and you had full authority to confirm delivery. Is that correct?---That's correct.

And the only necessary authorisation for payment was your signature and confirmation on the green goods received copy of the order?---Either mine or my off-sider, yes.

All right. And it was your knowledge of the system that upon receipt of that green copy the credit creditor clerks process the payment in the ordinary course of business.---Yes, they do.

30

And there was no counter signing by any superior officer required in relation to the orders as long as you were within your delegation. Is that correct?---That's correct.

And there was a, there was no counter signing in relation to confirmation of delivery. Is that correct?---That's correct.

There was no random checks of any kind carried out to make sure goods order had been delivered. Is that correct?---That's correct.

40

And there was auditor responsible for carrying out the stocktake or carrying out any other form of audit in relation to what was in the store. Is that correct?---We had audits some times, I'm not too sure when they were run but we did have audits, yeah.

Well, you had stocktakes I think. Is that correct?---We definitely had stocktake, two to three a year, we had.

All right. And so far as that was concerned, or perhaps I'll ask you that in a moment. When the goods were delivered and were placed in this store, as a senior storeman you worked out where the good had to go. Is that correct?
---Yeah, we had special spots for everything, yes.

And I, you organised it, correct?---We did, it was just.

And when it came time to have a stocktake you were, you were part of the staff responsible for undertaking it?---Yes.

10

Who else was sent down to give you a hand?---I think there was two ladies, two or three ladies from the creditors department and myself and my off-sider and then one other gentleman that used to help us.

All right. Now so far as the other gentleman, where did he come from?
---He used to be in the store, work in the store, I think he worked with the water department.

20

All right. And the ladies from the creditors department, were they, were they clerks employed at the council?---Yes, they were.

And you had to say who was in charge of the stocktake would we say it was the store keeper?---No, one of the ladies used to be in charge.

I see. And she didn't ordinarily work in the store I suppose. Is that correct?---That's correct.

30

So if she had a query about a certain item she'd have to ask you, "Where's this?"---Yes, she'd ask one of us, one of us three gentlemen.

All right. So that it's, to summarise the evidence you've been giving to us this morning, Mr Hadley, you are, you had a, you were primarily responsible for ordering and accepting delivery?---Yes.

And you had a substantial hand in the stocktaking role when it was carried out?---Yes.

40

Now the, I want to ask you some questions about why you're here. You have pleaded guilty earlier this year to certain offences involving a fraud of the Bathurst Regional Council. That is correct, is it not?---Yes.

And you've been convicted of those offences and you're currently serving a gaol term.---Yes.

And did those offences to which you pleaded guilty relate to dealings you had with another person named Robin Newman?---Yes, it did.

And did they relate solely to those matters?---Yes, it did.

And the various counts to which you pleaded guilty related specifically to supposed supply of goods by and entity which was given a name Robin Newman Pty Limited.---Yes.

That entity was a complete sham was it not?---The entity was, yes.

10 All right. And it's fair to say isn't it sir that at some stage of your dealings with Mr Newman, I'll go back to the beginning in a moment, between the two of you you came up with this sham as a way of making profit for yourselves. Isn't that correct?---I had nothing, I had nothing to do with the ABN number and that, his other business. I didn't know that was a fake business, no, but no, we didn't come up with it.

Well, I'll just, well who, you say Mr Newman suggested to you that business name. Is that right, the Robin - - -?---He just told me he changed, changed companies, yes.

20 And, and you didn't, you say to the Commissioner do you that you didn't know one way or another whether it was, it was a sham company or not? ---No, I didn't know.

It's fair to say isn't it that all of the orders placed with that company were fake?---No, the orders were correct, some were part supplied at the start of the, at the start of the ordering system.

30 All right. Perhaps I should go back to the beginning then. When did you first meet, when did you first learn of Mr Newman?---I met him when a company called UTS, he worked for UTS.

Is that Universal Telemarketing Services Pty Limited?---That's correct.

All right. And was that before or after you became the senior storeperson? ---I think probably after, I think, yes.

All right. Now perhaps if you could tell me this, when you started working in the store and I think you'd been in the store for about nine years at the time of your resignation. Is that correct?---That's correct.

40 Had you been the recipient of any gifts or benefits from companies who supplied the council with goods?---Yes.

And what type of things did you receive?---Gift cards, alcohol around Christmas time, bottles of wine, that sort of stuff.

When you say gift cards, do you mean vouchers you could redeem in shops by purchasing goods?---Yes, yes.

And for how long, how long ago did you first receive a gift card from anybody?---The first couple of weeks I was there.

Right. And, and how frequently did you receive them over the years?---I was in second in charge, I wasn't in charge when I first went down there, it was somebody else was my superior and he used to just delegate them out to who he thought - - -

10 All right. So the senior storeman would divvy them up amongst his subordinates. Is that right?---That's correct.

And, and you'd keep them for your own personal use?---Yes.

Apart from the gift vouchers were any other, I'll withdraw that. You mentioned you'd get some alcohol typically at Christmas time. Is that right?---That's correct.

20 Would, again would a quantity of alcohol show up at the store and would the senior storeperson distribute them amongst the staff?---It'd depend who dealt with that, with that company. If it was myself or if it was one of the department heads or whatever, they'd just do it, do that, yes.

All right. But if it was one of your regular suppliers you'd get it. Is that the case?---It'd come to us as the store, yeah.

All right. Now apart from gift vouchers, alcohol, were there other forms of entertainment provided by some suppliers?---Yeah. A night's accommodation or a show or something like that would be offered, yes.

30 All right. And this was all a routine thing during your time even as an ordinary storeman, not the senior storeman?---Yes, it was.

All right. What type of accommodation was provided?---Sometimes it was just a nights accommodation or - - -

THE COMMISSIONER: In a hotel?---A hotel, sir, sorry, yeah.

MR CAMPBELL: Whereabouts?---In Sydney, in the city.

40 Well did something go with it like tickets to a show?---Yeah, to Star City or something, if there was a show at Star City or the show, I think Phantom of the Opera was one, yeah.

You've mentioned that particular show, was that one you particularly remember receiving tickets to go with the accommodation?---Yeah, that was the only show I went to, yes.

All right. And were you sent on weekends away or anything like that?

---Yeah, one night, one night away up the coast.

Whereabouts?---Port Stephens.

All right. Now just dealing with, who introduced you to, to these gifts and benefits when you first started in the store?---My superior.

And were you given to understand it was just a regular thing?---Yes.

10 THE COMMISSIONER: What was his name?---David Nickell.

MR CAMPBELL: And do you remember which supplies that you'd dealt with that favoured you in this way?---No, not back then, no.

Oh, I see. All right. Well, in any event, that was a, that was the norm, is that what you're telling us in the store at Bathurst Regional Council?---Yes, it was.

20 And at some stage you, you've told me that you, you came across Mr Robin Newman and you've told me that your best recollection is that he was then working with a company called Universal Telemarketing Services Pty Limited?---That's correct.

Now, how did you first meet him? On the telephone or in person?---On the telephone.

And at the time - I'll withdraw that. Did he ring you or did you ring him? ---He rang, he rang us.

30 Now, at the time that you first had that telephone call with him were you the senior man or not?---I think I was, yes.

And had Universal Telemarketing Services been a supplier of the council before that time?---No.

And what did he say to you on the telephone?---He just told me who he was and what the company sold and said they'd like to do business with us.

40 And sort of products did they sell?---They sold safety gear but almost anything they got towards the end, yeah.

What did you understand safety gear to be?---Anything from gloves to safety mesh.

That's barrier mesh is it?---Barrier mesh, yeah.

Yes, and goods of that type?---Yeah, in the, yeah, all, all the safety gear, yeah.

All right. Well - - -?---I'm sorry, clothing too, yeah, they did clothing.

You must have already had in the Bathurst Regional Council suppliers of those type of goods?---Oh, we did, many.

Well, did you decide to do any business with Universal Telemarketing Services?---After getting a few quotes from them to see if they were pricewise, yes, we did.

10

All right. Well, what was the price, the price - - -?---Oh, the price was good.

Yeah?---The price was - - -

All right. And compared favourably with your other suppliers you're telling us?---Yes, yes they did.

But you knew about their reliability of supply I suppose, is that correct?

20

---That's correct, you only find that out after you do your first order with them.

All right. Now, at, at some stage - well, did you place your first order?

---Yes.

And, and did you continue to place orders with that organisation?---Yes, we did.

And at some stage did you have a, did you receive any gifts and benefits from that organisation?---Yes, we did.

30

And what type of gifts and benefits did you receive from Universal Telemarketing Services?---Gift cards and alcohol and that sort of stuff.

The same type of gifts and benefits as you've described to the Commissioner earlier in your evidence?---Yes.

All right. And just to make things clear, you knew that there was a policy about the receipt of gifts and benefits at the council, was that correct?---Yes, I did.

40

And you knew that receiving those gifts and benefits and keeping them for your personal use was contrary to that policy?---Yes, yes I do.

You knew there was a gift register at the council?---No, I didn't.

Didn't, all right. Now - and you knew not only was it contrary to council's policy to accept and keep those gifts but that it was morally wrong as well, was that correct?---That's correct.

And indeed you would, you would say that, that even at the time that you first received these vouchers and night's accommodation and the like that you knew that that was a corrupt practice for you to receive those things and keep it secret?---Yes, I did.

10 Now, at some stage or other did, did, did the type of gifts and benefits that you were getting from Universal Telemarketing Services change?---Yes, it did at the end, yes.

Well, how did it change?---It changed by Robin starting his own company.

All right. Well, when, when you were dealing with Universal Telemarketing Services did, did - were there any other companies that he was concerned with - - -?---Not that I - - -

20 - - - at the same time?---Not that I know of, no.

All right. Well, could I ask you this. You've already told me about a company called Robin Newman Pty Limited which was later on I think? ---Yes.

Then do you remember a company that traded as Pinnacle Traders?---Yes, I do.

30 And who did you know at Pinnacle Traders?---I didn't know anybody there, I used to, Robin, that was the one that Robin, when he couldn't get the, get the stuff he just used to put us, that's where the invoices came from.

All right. So was it, was it, was the first thing - if we can get this straight, the first company you dealt with through Mr Newman, Universal Telemarketing Services?---Yes.

40 And other times did, did he say that he was going to direct the work because he couldn't otherwise do it to Pinnacle Traders?---Yeah, I'm not too sure whether it was, like, is it UTS or it was, when he first started Newman's, I'm not too sure whether it was, it was pretty close to the end of the business.

All right. And do you remember a company in addition to those companies referred to as PAE Industries?---Yes, I do.

And how do you remember that company?---The same as Pinnacle.

Again, was it something which Mr Newman might have directed you to when you were placing orders with him?---Yes, it was.

All right. Now, I'm not trying to be coy here, Mr Hadley, at some stage or other did you start to receive cash in relation to orders you were placing with Mr Newman?---Yes, I did.

All right. Now, about when did that start?---I, I couldn't say the year, it was when Robin Newman took over the new, the new company.

10

Well, you, you used to place orders with Universal Telemarketing Services? ---Yes.

Now, at some stage was it agreed between you, and I'm not asking you who suggested it at this point in time, that it might be possible to supply less than the amount stated on the order and split the difference?---No to split the difference but yes to short supply but no - - -

20

All right. Well, short supply meant that you'd order a certain amount and you'd know in advance that the, the supplier would order you a proportion of what you ordered, is that correct?---Yeah, about three-quarters usually, yes.

Was that how it started, about three-quarters?---Yeah, three-quarters, a little bit more maybe, if you order 100 you might get 90 and then it started that way.

I see, but you'd be paying - I withdraw that. Bathurst Regional Council would be paying for 100 not the 90, correct?---Yes.

30

And, and you, you put, and you put through that invoice by signing off on the delivery on your green goods received copy of the order?---Yes.

Which would match up with an invoice subsequently received by the council from the supplier?---Yes.

But the delivery didn't?---That's correct.

40

Well, this - - -?---Sorry, not the whole delivery, the part of it, yeah.

Well, if it's 100 and you get 90 it doesn't match, does it?---That's correct.

No. All right. And so what would happen to the balance of the price? ---That just wasn't supplied.

I understand that, but it was paid for wasn't it?---Yes, it was.

Well, what happened to the excess payment?---Well, that's where the money was, part of the money.

Well, you and, you and Mr, you and Mr Newman split the money in, in some way, is that correct?---In some way, it wasn't split down the middle but it was split, yes, I did receive money.

THE COMMISSIONER: Shared?---Sorry, sir?

10 It was shared?---Shared, sir, yes.

MR CAMPBELL: I'll come to the amounts received but it was shared between the two of you?---Yes.

I mean, you weren't doing this just for his benefit were you?---No.

Well, how did it come up the first time that this was a good idea?---Oh, just in general conversation, I think it just sort of came up, I think he, he said he needed money.

20

You see, the - over a long period of time - I withdraw that. Mr, Mr - well, after all this time, Mr Hadley, can you remember which company it was that you were seeking to buy from when this suggestion first arose?---I'm sorry, sir, I don't understand the question.

Okay. Can you remember the first order which you placed on this basis? ---No, I couldn't remember the order.

30

Would it be - well, it'd be fair to say then, wouldn't it, that you'd, you couldn't remember which of the companies that you associate with Mr Newman was involved, is that fair enough?---That's correct, yeah. Like I said, if I rang him to place an order and he didn't have it he'd put me off to one of the other companies.

But you can't remember which order it was where he said how about I give you 90 - - -?---Oh, no, no, no.

- - - and we'll share the excess?---Yeah, that's about seven, five or six years ago, I would have no chance of remembering.

40

All right. So five or six years ago we know you started as a senior storeman in 2004, so five or six years ago would take you back to 2006 or 2005, wouldn't it?---Oh, I don't, I just, I just said a day, a year, I just, as I said I can't remember, it's been two years my case was going for so it's been nearly three years since it all, I've left work.

It all goes back to quite early in your relationship with Newman. Is that correct?---Yes.

And that's quite early on in your holding of the post of senior store keeper. Is that correct?---It would be correct.

All right. Now the, so, it might start off with somewhere between I think you said three quarters and 90% of the order being delivered. Is that right? ---That's correct.

10 And then did it develop that there were higher proportions of non-delivered goods in orders?---Yes.

All right. And how long had this arrangement been going for when you got to the bigger proportions?---I couldn't say, sorry.

But you might get how much?---Well, at the end, at the very end just before I left work, it was nothing.

They were all bogus were they not?---Yes at the end, yes.

20 At the end. And at the end they sometimes bogus products were ordered that couldn't be sourced anywhere in Australia?---It depends what Robin said to put down on the invoice, yes.

But the, and I'll ask you about some of those products. So it developed through from a creaming off the amounts you've said to, what about half at some stage. Is that correct?---It would be half supply.

30 Half supply.---Yes, it went from, like I said, from you know just being a little being left off to worked its way down, yes.

So why bother with supplying anything we can just have this sham transaction?---Yeah, we still did some, supplied some stuff because nothing's coming in and orders are going people are going to, people are going to see so stuff was part, orders every now and then, stuff was supplied.

40 So either, occasionally full orders would be delivered according to the price. Is that correct?---Probably not full orders but like I said, three quarters of the orders to show stuff coming in.

All right.---And keep stock up, yeah.

But lots of other times it was just, you'd have a conversation about what was going to be done this time. Is that correct?---That's correct or sometimes you'd just fax orders through, fax his invoice through to me and I knew that he wanted an order.

And when you got that faxed invoice you just create an order in the council's computer system to match the invoice he was proposing to issue.
---Yes.

And then after a suitable period you'd just sign off on the green copy. Is that right?---Yes.

Although in fact, nothing had been delivered at all?---At the end, yes.

10 And you see all of the counts that you've pleaded guilty to related to the bogus company, Robin Newman Pty Limited. That's right isn't it?---Yes, I think so, yes.

And every single one of those counts you pleaded to represented one of the sham transactions when no goods were delivered. That's correct, isn't it?
---Every one of those transactions?

Every one of those transactions?---I'm not too sure, I'm not too sure.

20 You're not in a position to deny it are you?---No.

No. You see the total amount involved that you pleaded guilty to was a figure in the order of \$757,000 was it?---Overall, yes.

Overall. Between you and Mr Newman?---Yes.

And if you, may I tell you this, the Commission will hear evidence later this week that Robin Newman Pty Limited issued 58 invoices totalling \$791,938.34 to the Bathurst Regional Council. Would you please just
30 assume that for me, that evidence will be laid later?---I, yes.

Now if that evidence is accurate you would accept would you not, the one's you pleaded guilty to represent virtually all of that total sum?---It sounds like that, yes.

And if that evidence is accurate, you'd accept wouldn't you, that virtually all of those 58 invoices were sham invoices. That's correct isn't it?---No.

I see. Well, the difference between what you pleaded to and that figure I've
40 mentioned to you is a little over \$30,000 isn't it?---I'm not too sure of the figure.

All right. Well I'll give you the figure in a moment, precisely. I want to ask you at the moment in relation to how you got whatever share you got. Do you understand?---Yes, I do.

All right. Now, the firstly, did Mr Newman sometimes send you money in the post?---Yes, he did.

And what, how much might you receive in the post?---\$500 to \$1,000.

And would that be in a registered post or a certified post or how would that be sent?---I can't remember now, it would probably certified I would think.

And when you got that money, what would you do with it?---Just use it on general stuff. Sometimes I'd put it in my account - - -

10 Sometimes what, put a bit of it in your bank account. Is that right?---Yes.

Otherwise you'd use it for ordinary living expenses?---Yes.

Now, it was also the case, wasn't it, that you'd provided Mr Newman with details of your bank accounts?---Yes.

And that from to time deposits would go into your bank account for your share of the proceeds of this scheme?---Yes.

20 And so far as that's concerned, you know don't you from your familiarity with your banking records that Mr Newman would bank the money in your account but do it at a bank branch at Tuggerah on the Central Coast?---I've heard, I saw that in a statement, yes.

And you accept that's accurate. Is that the case?---Yes.

Now, you are, you had a number of bank accounts did you not?---Yes, I did.

30 You had a, three with the Commonwealth Bank?---Yes.

And one with the St George Bank. Is that correct?---Yes.

And at different times different payments would be – I'll withdraw that. At different times payments would be made into each of those accounts. Is that correct?---Yes.

And how did you, how did you know for instance, to expect that a moment might be made?---He'd tell me on the phone.

40 He'd ring you up?---Yes.

And were there time when he, when no payments would come through and you'd have to ring him up to remind him?---Yes.

Well, how was it worked out what the share would be between the two of you?---Well, he worked it, he used to keep GST and his BAS tax and everything out of it and then used to send, depends how much there was, it

was say \$5,000 he'd keep BAS tax and that out of it and then he'd just send me a \$1,000 or \$1,500 or \$2,000 it depends on the amount of the order.

THE COMMISSIONER: Entirely within his discretion?---Yes.

There was no fixed procedure?---No, no, we didn't have a percentage - - -

So as much as he felt like?---Didn't have a percentage or anything, no.

10 As much as he felt like?---Yes, like I said, he used to keep his BAS tax and then I didn't understand how much tax and GST was or anything.

MR CAMPBELL: Well, was it your understanding from discussions with him that after he kept his so called expenses that he was splitting the rest with you?---Yes.

And that you were getting 50% of the nett proceeds. Is that correct?---Is nett the whole lot is it?

20 No, nett's after he takes those expenses.---After he pays his expenses, yes.

And now – well you were the, it's fair to say isn't it, Mr Newman, the key man here?

THE COMMISSIONER: Mr Hadley.

MR CAMPBELL: I beg your pardon, Commissioner, thank you. I'll put that again to you, Mr Hadley, forgive me. You were, it's fair to say isn't it Mr Hadley, that you were the key man in this scheme weren't you?---I'd say
30 no.

Well no, no senior storeperson at the Bathurst Regional Council processing bogus orders and green goods received slips and no scam. That's right isn't it?---That's correct. Sorry, I thought you meant between Robin and I, I though you meant, sir.

Oh no, I'm just saying, the scheme couldn't operate at all without you in it. That's right isn't it?---Yes.

40 That's what I mean by you were they key man here?---Sorry, I thought you said that I thought you meant between us, yeah.

If you were the key man here didn't you have a say on how the proceeds were going to be split?---No, I didn't.

I see. You were completely at his mercy as it were as to what he might tell you he had to pay and what he was prepared to give you?---Yes, that's correct.

I see. Well is that the truth?---Yes, that is.

You see - - -?---Sometimes he didn't even supply, like after he did an order he wouldn't supply it and we'd have to place another order for him to supply, to get money for that last order, so - - -

What do you mean by that?---Well he didn't, he didn't give my part of the money, it didn't come through.

10

I see. So – and would you ask him about it?---Yes, I'd ring him and ask him about it, yeah.

And what did he say, oh I've spent it or something did he or - - -?---Yeah, he needed it for something, yeah.

I see. And so what he – what someone would suggest let's do another one so I can get my share?---Catch up with the next order.

20

I see. And so when they did these stocktakes at the council did anyone actually bring down any of the goods received copies and say where's this? ---No, that was never done. It was only the stock sheets brought down, the totals of what was supposed to be on hand.

I see. Now, pardon me, Commissioner. You see is it the case that you want to tell us today, Mr Hadley, that the only company involved in this scam was the Robin Newman Pty Limited company?---In the one that I've been charged for, sir.

30

Yes?---Yes.

You say there were no others. Is that correct?---Only with Pinnacle and PAE because they were part of it too.

Okay. So you accept that this scam was worked out with other companies that Mr Newman had some sort of association with?---Yes.

40

And, and that the total amount of money involved goes well beyond the amount to which you and Mr Newman had pleaded guilty?---I don't know about that.

You don't know that it goes well beyond, but do you accept it goes beyond what you pleaded guilty to?---No.

I see. Were there any other companies where you were paid cash for placing orders?---Yes.

And who were those companies?---R&R Tapes, Universal Cartridges.

THE COMMISSIONER: What they paid you cash?---Yes.

For placing orders?---Yes.

Any others apart from those two?---Not that I can remember, no.

10 MR CAMPBELL: Is it possible, Mr Hadley, that this practice became so, so engrained in the way you ran the store at Bathurst that you might have just forgotten the full extent of it?---That's possible, yes.

THE COMMISSIONER: Because you kept on record of what you were getting did you?---Only on the GR's we used to keep.

MR CAMPBELL: No, no the Commissioner's question was, forgive me Commissioner, you received no independent record of the full amount of cash paid to you one way or another?---Yes, I never kept, never kept track of it, no.

20 So that – and this, this mode of operation was going on virtually from shortly after you took over in 2004 until just before you resigned in 2009 Is that correct?---Towards the end of it, yes.

THE COMMISSIONER: You had no idea how much money you were taking out?---No, sir.

30 MR CAMPBELL: And I suppose given your – that you hadn't made any note of it and that you had no independent recollection of it, it would be impossible for you to accurately tell the Commission just exactly which suppliers were involved. Is that correct?---Well the ones I said are the main ones that I can remember, yeah, but there wasn't too many other ones. It could have been one other one or something, but - - -

Well I'm going to ask you again, I mean if Mr Newman was simply ringing you up and suggesting say that – to do one of these sham invoices, was it up to him to nominate which of the company's he used that was going to be involved this time around?---Yes, it did.

40 And any one of them might be involved this time around. Is that correct? ---That's right.

And certainly any one of them might be involved in the cases of undersupply that you've spoken about. Is that correct?---Yes, yes that's correct.

And would you say that all of them were probably involved in most cases of undersupply?---Probably with Pinnacle, yes.

And what about Telemarketing Services?---Oh, I thought you meant only the ones with Robin Newman.

Yes, the ones with Robin Newman?---Oh, UTS?

Yes?---No that wasn't, it could have been, maybe right at the very end of it, but then that's why he started the new company up.

10 And PAE Industries was also one of his associates was it not?---Yes, it was.

It might have been involved for all you know?---Yes, that's correct.

And now did any of these other companies you have mentioned specifically R&R Tape Supplies, I'll withdraw that. Did R&R Tape Supplies ever involve you in any arrangement where the supply was just a sham?---Not completely, no.

What there'd always be something sent?---Usually something sent, yes.

20 Even if it was just a small amount?---Yes.

THE COMMISSIONER: You said usually?---Oh sometimes, yeah, odd times towards, yeah, like maybe right at the very end again too there might have, could have been one or two that nothing was sent.

MR CAMPBELL: And who did you deal with at that company?---I think it was Doug, Doug Quinn.

30 Doug Quinn. And did he ever tell you who the boss was at that company?
---No.

So if there were any, I'll withdraw that. In respect of those matters where R&R were involved, it was an arrangement that was spoken about anyway between you on the one hand and Mr Doug Quinn on the other hand?---Yes.

And the -- what about Uni Cartridge, who did you deal with there?---A guy named John, I don't know his last name, sorry.

40 And did he tell you, did the guy named John tell you what his job was there?---His business I thought, yeah.

You got the impression he was the owner?---He was the manager, owner, yeah.

How did you get that impression?---Well he was somewhere else first and then he moved, he moved to this other place and he said he was starting it up for himself.

And so far as the dealings with him were concerned, were there any of these sham or bogus invoice arrangements?---Yes, there was.

And how frequently did they occur?---Maybe once a month, once every two months.

And indeed were most of the arrangements you had with him of that nature?---Most of them would have been part supplied, yes.

10 So most of them would have been undersupplies anyway. Is that right?
--Yes.

And some of them were just bogus transactions?---Yes.

And in respect of any bogus transaction, regardless of who the supplier was, there was some arrangement about sharing the proceeds of the fraud. Is that correct?---The same as everything, yes.

20 And Mr Newman had nothing to do with Universal Cartridge, did he?---Not that I know of, no.

And he had nothing to do with R&R Tapes so far as you knew?---Not that I know of, no.

Now, Mr Hadley, it's fair to say isn't it that the one common player with all of these companies was you?---Yes.

30 So leaving aside whatever you say about Mr Newman, is it, is it - in his companies that he was associated with, is it fair to say that you suggested this as a means of operation to the other people involved with the other companies?---No, I didn't.

You didn't. It just so happens that it was a coincidence that you dealt with a number of different companies who suggested this mode of operation to you?---Yeah, we just spoke about it between us, yes.

You and the suppliers?---Yes.

40 Well, I mean, with say R&R Tape how did it come up the first time?---I've got no idea, something about he was going to, I think he was going to send some like oilskin coats and some DVDs or something, DVD players.

You got those?---No, no, I said send us the money instead of - how much they're worth, send the money instead.

All right. So that, well, on that basis you're the one who suggested to Mr Quinn that you'd appreciate the cash rather than, rather than the goods? ---Yes, on that occasion.

And, well, so did he send you the value of what might have been the DVD player or the coats?---I don't know how much they were worth but, yes, he did send money.

All right. And then did it develop from there?---Yes, it did.

10 And how did - well, did you as time went on say to him something about upping the ante or lifting the stakes?---No. It was a thing, just between, just talk between the both of us and then just decided to do that.

Well, I suppose, I suppose if you've established this type of relationship with them things can be implied by what you say rather than coming - is that right?---For sure.

And a code can develop, is that correct?---Yes.

20 And someone can say something which, which prompts the other to know that what we're talking about is some cash?---Yeah, I don't think anything was said, I think it was known at the end, it was just known, it was just done.

Well, after that first time when you, when you said just send me the cash, is that right?---That's what I, yeah, I just said send me, send me what it's worth, yeah, I said I don't need them.

30 But when it got to a stage where there was sham transactions for the purpose of defrauding the council there must have been a frank discussion about that, surely?---No.

No. Well, I mean, someone must have said to the other, look, we can improve on this arrangement, how, how about you just send me a fake invoice on the one hand or on the other how about I just send you a fake invoice and we'll split it, something like that must have been said surely, sir?---Probably somewhere in just normal conversation though as I said it got, got less and less supplied, yeah.

40 Well, but that couldn't happen by a process of osmosis could it? Something had to be said by somebody to give effect to that, that's so, isn't it?---Yes, it would have had to.

And you'd have to be one of the people saying it, that's correct, isn't it? ---It was only two of us so it'd be either me or him, yes.

But once the, once your, once the operation or the scheme was established then either, either one could say it I suppose, is that correct?---That's correct.

Because you say, you say anyway don't you that, that the net proceeds of the fraud were being split two ways?---That's, yes.

So there was always something in it for both of you?---Yes.

Now, I want to ask you some questions about a particular product referred to as HOBAS, H-O-B-A-S pipes. Are you familiar with that product?
---Yes.

10 And what is it?---It's a pipe they used for the Winburndale pipeline to replace the old pipeline.

And it's, it was a product that was, the old pipelines were a very old-fashioned type of low pressure wooden pipe or something were they?
---That's correct, yes.

And the, the HOBAS pipe was, was a fibreglass pipe?---Yes, but they changed to PVC at the end, yeah.

20 And that was something which did the same job, is that correct?---Yes.

The - you see - are you aware that the supplier of that pipe back in the early 21st century was a company called Iplex Pipelines Australia Pty Limited?
---Yes.

And was it your understanding that they manufactured that pipe here under licence from a European company?---I don't know from where but I know we got it from them, yes.

30 All right. But at one point in time in the early part of the century they stopped supplying it, didn't they?---They did, yes.

And indeed, when council knew that was going to happen a large stockpile of the existing stock was obtained from Iplex Pipelines Australia Pty Limited to tide them over for a period of time?---Yes, we did buy, we did keep more in stock than we'd normally keep, yes.

But - and then later in the piece another company came on stream who supplied a similar product?---Yes.

40

And do you remember the name of that company?---No, there was a couple of different places we got it from.

One of the main things that you had on your sham invoices with Robin Newman Pty Limited was the HOBAS pipe, wasn't it?---Yes.

And indeed, over the period of the 20 - I'm sorry, 2004 to 2009, the early part of 2009, bogus invoices were created for as much as 870 metres of

HOBAS pipe, that's correct, isn't it?---I couldn't say how many metres, no, but - - -

At a cost of \$143,848.10, could you say that?---I don't, well, amount-wise I know they were, the pipes were sort of nearly \$200 each or something of six metre lengths but I'm not too sure.

Anyway, all the bogus invoices in relation to this would have gone to the council, is that correct?---Sorry, all the invoices, yes.

10

All the bogus invoices in relation to this would have gone to the council, yes?---Some, some of the pipe was supplied from Robin.

Well, you, you say do you that Robin Newman supplied some of the pipe?
---Yes, I do.

I see. Can I suggest to you that's just plain wrong?---Yes, you can.

All right. And you couldn't contradict me, could you?---No.

20

THE COMMISSIONER: What makes you say some of it was supplied?
---Because I was - he was sourcing it and he was sending it to us.

What, it actually arrived at your warehouse?---Some, some of it, it was never completely supplied, like everything wasn't supplied, just, you know, he, he might send half a dozen less.

MR CAMPBELL: Are you sincere in giving that evidence, Mr Hadley?
---Yes, sir.

30

You see, I'm putting to you - I withdraw that. Do you understand that I'm saying to you that Mr Newman didn't supply even one length of that pipe?
---Is that through Pinnacle or PAE, like either way?

For anybody?---I thought - - -

Would you accept that or not?---I thought he had.

I see. But you could be wrong about that, I suppose, is that correct?---Yes, I could.

40

Well, I'll seek to demonstrate - because there will be evidence about this, Commissioner, which I'll read to the Commission, just so we can - I'll come back to that HOBAS pipe, let me just ask you about barrier safety mesh. That's a, that was a common item that was kept in the store at Bathurst, is that correct?---Yes.

And there were different types of barrier safety mesh but basically it's all utilised to tape off areas which might pose a hazard to users of roads?---Or you want to keep people off a certain areas, yes.

And people would be familiar with seeing it around trenches in the public street?---Yes, they're orange.

And you'd see some along the highway when there was roadwork being carried out by the council?---Yes.

10

And what, was that a different type of barrier mesh for that purpose?
---There's just different types, they've got different types there was some plastic, just in different qualities.

And there were some that you had to get because it was the RTA specifications?---All these RTA specs that had to be whether it depend, on the quality, quantity and quality above that.

20

Would, would you agree that over the period 2006 to 2008 while you were in charge of the store that you ordered 444.55 , 444.55 kilometres of barrier mesh through Mr Newman's companies?---I don't know how much but I did order a lot.

You'd appreciate wouldn't you just from your knowledge of life that's over twice the distance between Sydney and Bathurst isn't it?---It's about the distance, yes.

30

It's about twice the distance between Sydney and Bathurst isn't it?---It's the distance, yes.

So you ordered enough to line the highway on both sides, all that distance. Is that correct, the Great Western Highway?---If that's the quantity, yes.

And that would, that would far and away exceed any possible requirement of the council wouldn't it?---Yes, it probably would, yes.

40

We've calculated that that works out at about 11 kilometres a month over that period of time. You'd never need anything like that would you?
---Probably not that much, no.

Well, you probably don't know this but if I ask you to assume that since you've been gone the Bathurst Regional Council has required only about 0.6 of a kilometre per month, 600 metres per month, would that sound about right according to what you know actually gets used in roadwork's?---I would have thought more than that, I don't know.

You couldn't say?---No.

No. And the fact of the matter is, for instance, in relation to that barrier mesh that that was being supplied to the council from each of the companies with which – I'll withdraw that. From each of the companies with which Mr Newman was associated firstly, do you accept that?---Yes, I would.

And from other sources as well. Is that correct?---Yes.

Including R&R Tape Supplies Pty Limited?---Yes, I think so.

10 Yes. So, Robin Newman Pty Limited was supplying any of it, was he?
---No.

So you were getting from Pinnacle Traders?---Yes, I'm not exactly sure which one - - -

THE COMMISSIONER: You said, getting it?

MR CAMPBELL: I'll withdraw that. It would be supposedly ordered from Pinnacle Traders. Is that correct?---Yes, one or the two yes.

20 And R&R Tape Supplies, supposedly ordered?---Yes, I'm not sure but yes.

And PAE Industries?---Yes.

Supposedly ordered?---Yes.

And also Universal Telemarketing Services?---Oh UTS, it would have been earlier, yes.

30 Supposedly ordered?---It was ordered.

I see.

THE COMMISSIONER: You mean you supposedly ordered you mean, the order never went out or - - -

MR CAMPBELL: I'll make it clear this way if I may Commissioner, yes. But you know when I say supposedly ordered that I'm putting to you that those were all sham orders of the type that we earlier discussed?---No, they
40 wouldn't have been all sham orders, no.

The Council would only have used a very small fraction of that 444.45 kilometres. That's so, isn't it?---That's probably correct, yes.

So if some of it wasn't a sham order then it would have been a very small proportion of the overall amount that was supposedly supplied if you believed the green goods received vouchers or invoices. Is that correct?
---That's correct.

THE COMMISSIONER: Mr Campbell, I'm not sure what's meant by sham order, is this, is this an order that's actually delivered to the supplier or not delivered to the supplier?

MR CAMPBELL: Yes, thank you Commissioner, I'll ask a question that clarify it.

10 You know what I mean by the sham order, that is to say - - -?---A bogus order.

A bogus order.---Does that mean some has been supplied on it or none at all?

20 THE COMMISSIONER: Well, before you're going to supply, I'm trying to find out when you talk about a bogus order, is that an order that was actually placed with the supplier or not?---All orders were placed with suppliers but I would think a bogus order was nothing supplied Commissioner, I'm not too sure of a sham order whether some has been supplied or some hasn't, it's a complete - - -

MR CAMPBELL: I'll make myself clear, I'll try and make myself clear. We've got the, the Robin Newman Pty Limited type exercise where the only thing that was supplied was a false invoice from which you created a false order. Correct?---Not correct, stuff was supplied.

Every time?---No.

30 No. So on very many occasions all that was supplied was the false invoice from which you created the false purchase order?---Sometimes yes.

I see. Orders were also, I suppose, sham because you'd make an order for a large amount but only a small amount was supplied. Correct?---Correct, yes.

For which the council paid for the large amount?---Yes.

40 Most of which was never supplied on very many occasions. Correct?---I'd say on some occasions, yes.

THE COMMISSIONER: And was this to Robin Newman or to all the companies?

MR CAMPBELL: Well, we've established that so far as barrier mesh was concerned that was to companies associated with Robin Newman. Is that correct?---And others, yes.

And others. Other bogus ones that were never sent?---No, as you said, R&R Tapes and those other proposed names then, yes.

THE COMMISSIONER: So those names of the other companies were all involved in this?---Yes. Not all in together like UTS, as the gentleman said Robin Newman didn't have anything to do with R&R Tapes, I'm not too sure.

10 I understand that. I think we better, this is serious and I think we just better identify the companies which you say were involved in the bogus supplying in this sense that you placed orders for large amounts, they only supplied part of the order but were paid for the entire order. What companies were they?---Robin Newman, the one we've spoke about, Robin Newman, PAE, Pinnacle, R&R Tapes, the cartridge one, um, Universal Cartridges - - -

MR CAMPBELL: Just for a moment, did Universal Cartridges supply you with any barrier tape?---Yes, they did.

20 Okay, thank you. And the, and what about Universal Telemarketing Services?---UTS we used to get all different stuff from them, yes.

Including barrier tape?---I'd say, I can't say for sure but I would think so.

THE COMMISSIONER: They were also involved in supplying these, in the orders which were for a large amount where they only supplied part of it?---Only at the end, that's where Robin Newman worked originally and that's when he, before he started his own company he worked with the UTS.

30 MR CAMPBELL: So before he, so far as you knew, your understanding, left UTS, a few of these deals went through?---Sorry, not left, I think he just started his own company up, I don't think he left the UTS at that stage.

So before he started his own company, as you understand it, then some of the UTS deals were false in the same way?---No.

I see.---The gifts used to go, like they used to get a weekend, like accommodation and that sort of stuff (not transcribable)

40 But then the gift vouchers?---Yeah, that's usual.

THE COMMISSIONER: What you're saying is, that it all started off with the gift voucher, then it got the gift vouchers increased that included accommodation and other items, then you started defrauding.---Correct, sir, yes.

MR CAMPBELL: Now on occasions was, was there ever an occasion with any of the Newman companies, I'll ask you for clarity sake, where the total

amount of the order was supplied but the price was overstated?---That's possible, yes.

So there was basically three ways in which this fraud could be furthered, one was just the paper trail of a false invoice in respect of which no goods were supplied?---Yes.

But the invoice was paid?---Yes.

10 The second way was an invoice that was false in the sense of, it stated a large amount but only a small amount was supplied - - -?---Part of yes.

- - -part of and the full amount was paid?---Yes.

And the third way was when the full amount of the order was delivered but the price was overstated?---Yes.

Now - - -

20 THE COMMISSIONER: And that was Robin Newman the person involved in all the of those?---Yes.

And were the other companies also involved in those?---Not, the ones that Robin wasn't with, no, not, not the cartridge place and not R&R Tapes.

They were not involved in what?---They weren't involved in what we just spoke about.

30 They were involved you say?---They weren't involved in what we just spoke about then.

So is it only the Robin Newman companies that were involved in those frauds?---In those frauds, but R&R Tapes and that, we definitely, as we said earlier, they definitely did invoices themselves, just on their own behalf.

They, they gave you false invoices?---Yes, they did.

So false in the sense of?---Only part supplying stuff.

40 I see.

MR CAMPBELL: Also in the sense of overcharging for things supplied? ---Not that I remember. That's possible, but I can't remember.

And I think you've already agreed with me today haven't you, that there were some instances anyway of goods, I'll withdraw that. There were some instances (not transcribable) of the invoice was sent but no goods were sent?---That's correct.

THE COMMISSIONER: And at R&R Tapes, who is the person involved there?---Doug Quinn.

Alone?---He was the only one I dealt with, yes.

MR CAMPBELL: And just to make things clear, in addition to those false invoice issues with R&R Tape, you've said you also got just a straight cash kickback?---Yes.

10

THE COMMISSIONER: From R&R Tape?

MR CAMPBELL: From R&R Tape?---Yes.

And you dealt with Mr Quinn about those?---Yes.

And in relation to Universal Cartridges, you've told me already today that there were some false invoices?---Yes.

20 Where no goods were supplied?---Yes.

And some false invoices where goods were undersupplied according to the order?---Yes.

And did you get any just straight cash from them?---Yes.

In addition to those, I'll withdraw that. In respect of some orders did they send you a gift of cash?---As a replacement that wasn't supplied, stuff wasn't supplied?

30

No, no, no. In respect of Universal Cartridge, were there any orders where the amount ordered was supplied but you were given a present of some cash after the order was filled?---If it was it would have been a minimal amount. It was usually what wasn't supplied they'd send you money back because they had to get something out of it themselves.

All right. Now you have given your financial records under a notice to the Commission I think. Is that correct?---Yes.

40 All right. And so far as your financial records are concerned, do you accept, I'll withdraw that. Is this the position that close analysis of your bank accounts would, would demonstrate that there were cheque or direct deposits related to the payment of invoices of the kind we've been discussing?---Yes.

There'd also be the deposit of some of the cash that, that was sent to you in the post that was surplus and you put it into your own bank account?---Yes.

And was your salary normally paid into your bank account?---Yes, it was.

And the only job you had from 2004 to 2009 was working as a storeperson at the council?---No, I didn't. I had two other jobs.

Okay. What were they?---I worked security with Mitchell Security Services and I worked, I had a gardening job after work.

10 I see. And the gardening job, you were paid cash?---Yes, I was.

And what about the security job?---The same, the same with that too.

And they'd be small amounts of cash I suppose. Is that right?---Probably around the 300, 350 a week for the security job I was getting. Maybe \$100 for the gardening, \$150 for the gardening. It depends on your days of work.

20 And the – was that cash money in the sense of they were paying you in cash and you'd just put the money in your pocket. Is that correct?---That's correct.

And what, use that for your ordinary expenses of living. Is that correct? ---Yes, just pick up my pay and just went and spent it however I needed it, yes.

30 Yes. All right. Now, just give me a moment please, Commissioner. Sorry, pardon me, Commissioner. Now the – would you accept this sir, that from an examination of your accounts that there are, there were deposits over this period we're talking about from about 2004 to 2009 totalling \$249,168.40 which were directly referable to either direct payments or cheque deposits from one of these suppliers?---Yes, but I don't know the amount, I wouldn't know the amount.

You've never added them up?---No, oh gosh no, no.

No. And - - -

THE COMMISSIONER: You don't dispute it?---No, sir.

40 MR CAMPBELL: All right. And would you also accept that from the cash that you were sent over the same period of time we've been discussing, that you yourself made extra deposits into your bank account of \$94,842.50? ---From?

From various sources of people who sent you cash in the post?---Well my mother gave me \$10,000 when my grandmother died and stuff like that you mean?

What was the date of that?---Oh I've got no idea of the date of that, sir.

You'd know the date your grandmother died wouldn't you?---No, not with what's been going on the last two years, no.

Well are you saying it was in the last two years?---No, no, no.

How long ago was it?---It would have been, work out how old my boy is, about, it'd be about probably five years ago, four years ago.

10 So you say it was \$10,000. Is that right?---Yes, it was.

Do you know, I'll withdraw that. But if I suggested to you that there are cash deposits of \$94,842.50, which are not linked to your income and which are different from those traceable deposits I've asked you about, would you agree with me that either all or most of that came from the cash you'd been sent by different suppliers?---Probably some but plus with my other two jobs, yes.

20 Well you just told me a moment ago with your other two jobs that you got the cash money, put it in your pocket and used it for what you had to pay at the time?---Not every time. It'd depend, you had to pay your credit cards off or you had to put money in the account or whatever.

I see. Now - - -

THE COMMISSIONER: What is the period of that, of those two sums, Mr Campbell? Do we have that?

30 MR CAMPBELL: Yes sir, we do Commissioner. If you just pardon me, I'll give you the dates. It's, it's over the period from when Mr Hadley became the senior storeman in 2004 up until the period of him leaving the council in 2009. You understood I was asking you on that basis, sir, didn't you?---I didn't know what period of time it was, but - - -

Well if I tell you that's the period of time, if I haven't made that clear before, that doesn't make any difference to you. Is that correct?---No. No. Things like houses, like when my wife and I separated too, like money \$140 odd thousand or whatever went into my account.

40 One single payment of \$140 odd thousand?---Yeah, I think it was, I think it was around about the \$130, \$140, 000.

Well just assume from me that the figures I've asked you about don't include that. Do you understand?---(NO AUDIBLE REPLY)

Do you understand?---Yes, I do, yeah.

I mean for goodness sakes, if I can put it that way, you've told us already and you told the District Court that the total amount involved between you and Mr Newman to which you pleaded guilty was \$757 odd thousand. Is that correct? Do you remember that evidence?---Yes, I do remember, that's why I, I was told I had to pleaded guilty to half of it, yes.

And, and – well the amounts I've been mentioning to you then would come as no surprise to you would they?---Yes, they do, 'cause it always had, I mean the whole lot had, yeah.

10

I see. I suppose it's hard to keep track of it if you don't keep a record of it. Is that correct?---Yes, sir.

Commissioner, I know it's a little early, I wonder if that would be a convenient time? I just want to double check something and, and I'll have a few more questions for Mr Newman, Mr Hadley after, after the luncheon break. And I'll get on to Mr Newman.

THE COMMISSIONER: Yes. I'm afraid we'll have to start at 2.15.

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MR CAMPBELL: May it please the Commission.

THE COMMISSIONER: We'll adjourn until 2.15.

LUNCHEON ADJOURNMENT

[12.40pm]