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INDEPENDENT COMMISSION AGAINST CORRUPTION

THERESA HAMILTON ASSISTANT COMMISSIONER

PUBLIC HEARING

OPERATION CITRUS

Reference: Operation E10/1831

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON THURSDAY 3 MAY 2012

AT 2.07PM

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.

MR MORRIS: Mr Peter Kostogiannis, is the next witness.

ASSISTANT COMMISSIONER: Yes. Please, have a seat, Mr Kostogiannis.

MR PATTERSON: If your Honour pleases; he will take an affirmation and I'd ask that you administer the declaration.

10 ASSISTANT COMMISSIONER: Thank you. 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 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 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 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 THE WITNESS TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING PRODUCED.**

MR MORRIS: Mr Kostogiannis, you've been sitting in this Commission as the evidence has been given by the three witnesses this morning?---Correct.

And you've had the opportunity I take it to have - to see the email correspondence - - -?---Correct.

10 - - - to which I've taken the witnesses attention?---Correct.

Do you feel the need to have a look at that email correspondence independently or not?---No, it should be okay.

Now it's fair to say that on the last occasion that you gave evidence which was the 23 March 2012, you essentially gave evidence to the effect that you and Ms Kantarzis prior to you employing her had reached an agreement whereby she would have no involvement with the Sydney University. Correct?---Correct.

20

And when we talk about involvement we're talking about the placement of IT recruits - - -?---Correct.

- - - at the University of Sydney?---Correct.

And one of the reasons would be profit - was because you considered that to be your account?---Correct.

30

And another reason was that you knew that her husband was one of the people who was allocating work for IT recruits to your business. Correct? ---Correct.

And that that would give rise to a serious conflict of interest?---Correct.

And in that regard you gave evidence particularly at page 423 and an examination by Mr Miralis that you were to have no contact at all with Sydney, sorry, that she was to have no contact at all with anybody at the University of Sydney?---Correct.

40

And that, can I suggest, would extend particularly to any contact with Todd Demiralay?---Correct.

Now do you adhere to that evidence after what you've heard today?---Yes.

Because you would realise from what you've heard today and the documents that you've seen is that while you were operating the business Succuro Recruitment there were a number of incidents where Virginia Kantarzis was communicating by email with her husband with respect to

information relating the potential recruits at the University of Sydney.
Correct?---I was not aware, yeah.

You're not aware?---I wasn't, wasn't aware.

You wasn't, yeah.---Sorry.

10 I'll start again. The evidence today indicates that she had contact with her
husband in relation to IT recruits. Correct?---The evidence is showing, yes.

And it shows that she was sending emails on Succuro letter or letterhead or
email from her email address. Correct?---Yeah, from the - - -

And it related to IT recruits?---Recruit candidates, yes.

Now you say you weren't aware of her - you've heard that she sent a
curriculum vitae of Aleks Jankovic?---Correct.

20 Right. Now do you say that you sent an email - do you say that you had no
knowledge of that resume going to Todd Demiralay?---Not at that time. Not
at that, not at that time - her - the email that was sent by Virginia, I had no
idea that that had got sent from her.

When did you become aware?---I didn't know she had emailed.

Well, you knew Aleks Jankovic became a contractor during your time?---He
was, he was in our database. He had worked on behalf of Succuro for
another organisation.

30 But somehow he ended up being, would you like a glass of water, Mr
Gibson?

MR GIBSON: No, it's all right.

MR MORRIS: Somehow you became aware that he became a contractor at
Sydney University?---Yes. We, we placed him at the University of Sydney.

When you say we - - -

40 MR PATTERSON: Your Honour, could you ask the witness to either sit
closer to the microphone or speak up. I'm having great difficulty hearing
him.

ASSISTANT COMMISSIONER: If you could just speak up. Don't sit too
close to the microphone because it distorts the sound?---Fair enough. Thank
you, sorry. Is that better? Sorry.

MR MORRIS: You became aware that he became a contractor at the University of Sydney?---I forwarded the contract to the University, yes.

Yeah. Well, how do you think the - did you apply your mind as to how he became introduced to the University of Sydney?---He was forwarded as a candidate of - a few other candidates for a position that was available at that time.

10 But it was forwarded by Virginia wasn't it?---I don't, I didn't have knowledge if that was the case.

Who did you think forwarded it?---I thought I forwarded documents.

Righto. What about, what about Shahbaz Ahmad?---Yeah. Yes.

All right. She forwarded the curriculum vitae for Shahbaz Ahmad?---Right. That's from our database, from the Succuro database.

20 But you see she forwarded that email to the, to her husband, she sent that resume through?---I wasn't aware that she had done that.

Well how did you think that that introduction took place?---I, I forwarded also CVs to - for positions that became available.

Do you have any recollection today whether you forwarded that CV?---I can't recall at this stage.

What about Manoj Sharma, do you recall that name?---I can't recall that.

30 What about Joshua, and I'm not suggesting that these people were actually employed by the University of Sydney. Joshua Hartley?---I can't recall that.

Noel David?---I can't recall that.

Steven de Andrade?---I can't recall that.

Were these people who were on your database?---Most probably.

40 If they were on your database would you have put their resumes on to Succuro letterhead?---Myself, no. If I, I don't, what do you mean sorry if I -
- -

Well would you have - if they were on your database I take that you held their resumes on your database?---Correct, yes.

And would you put - when submitting them to a company would you put, transpose their resumes on to Succuro Recruitment letterhead?---Yes. To be the property of Succuro, yes.

To be the property of Succuro. Well just have a look at Exhibit 72, please. That's an email that was dated 11 October, 2007. Right. Now that was a time when you were operating the business?---That's right.

Right. Have a look at the annexures and you'll see that not one of them was on, supplied on Succuro letterhead?---Correct.

10 That would suggest that they weren't on the Succuro database would it?
---Oh no they still were, these CV's would be received into the Succuro database.

Okay. Have a look at Exhibit 71. Julianne Currie?---Right.

All right. Attached is her resume and it's not on Succuro letterhead?
---Right.

20 Have a look at Exhibit – there's no doubt that was when you were operating the business?---Correct.

And have a look at Exhibit 70. Right. Michael Koreneff, that's not – resume isn't on Succuro letterhead?---Yep.

And have a look at Exhibit 69. That one isn't on Succuro Recruitment letterhead. Right. Now is it the case that these were potential applicants that Virginia Kantarzis had sourced and forwarded to Todd Demiralay?---As I mentioned I wasn't aware that she had sent this email and - - -

30 Well she certainly didn't copy you in on it?---Correct.

Did she ever speak to you about it?---Not, not the other candidates. Aleks, when I spoke with her in regards to Aleks around June - - -

Around June, what did she say to you?---We spoke, he was looking for opportunities and he was coming off contract from another organisation that he was contracted to.

40 Right. And what were the opportunities you're talking about?---I went to source opportunities to see if there was opportunities elsewhere to keep him employed, to employ him in other organisations.

And what opportunities do you recall discussing?---No, she just said that he was, gave him a good reference and he'd done well and to see if there was any opportunities that he would be looking for.

Did she say to you that she'd forwarded a resume in relation to a call coordinator contract position at Sydney University?---No.

You see if you had this agreement with Virginia Kantarzis that she have no contact with the Sydney University this sort of email correspondence would have been completely contrary to that agreement wouldn't it?---That's right.

And it would, if that agreement existed, it would have caused you very great concern that she was defying that agreement?---That's right.

Is it the case that in fact there was no such agreement as you've told the Commission?---That's incorrect.

10

And that in fact what happened was that she was forwarding material relating to IT recruitment to her husband at the University of Sydney with your knowledge?---That's incorrect.

And is it the case that you were - and I ask you this openly - is it the case that you were in fact encouraging that contact?---That's incorrect.

Is it the case that you understood that by reason of her relationship with Todd she could be a useful method of procuring work for the University?

20

---That's incorrect.

When I talk about work I'm talking about placing IT recruits on contract at the University?---That's incorrect.

And it's the case that it's that activity that she was engaged in in terms of forwarding material to the University and procuring contracts for IT recruits which is why you employed her?---That's incorrect.

30 Now, if there was - is it the case that you and either Todd Demiralay and/or Virginia Kantarzis and/or Mr Mylonas when you found out about this investigation tried to find a method of providing an innocent explanation for Ms Kantarzis' involvement with Succuro Recruitment?---That's incorrect.

Is it possible that you got your heads together to agree to give evidence to this Commission that Virginia Kantarzis, there was an agreement that Virginia Kantarzis was to have no role to play in IT recruitment at the University of Sydney?---Sorry, can you give me that question again because you broke it up.

40 I understand, it did go on. Well, you say that there was an agreement that she was to keep out of Sydney University?---Correct.

Right. Now as to that evidence that you gave that there was such an agreement, was that evidence false?---Sorry, I missed that again, sorry.

Is that - is the evidence that there was an agreement that she keep out of Sydney University IT recruiting false?---Correct. Sorry, what was that, to be?

Is it - you've given evidence that there was an - - -?---An arrange - yeah.

Mr Kostogiannis, if you don't understand my question I'd rather - please don't be embarrassed, check it with me. It's an important thing and I want to make sure we get it right?---Okay.

So please?---If you could ask that question, thank you.

10 You've given evidence to this Commission that when Ms Kantarzis started you had an agreement that she was to keep out of any IT recruiting for the University of Sydney?---Correct.

Right. Now is that evidence false, that there was such an agreement?
---There was an agreement.

Right. And is it the case that that evidence you gave resulted after discussions between either Mr Demiralay, Ms Kantarzis or Mr Mylonas with a view to giving an innocent explanation for the operation of the
20 Succuro Recruitment business at Sydney University?---That's incorrect, no such discussions were ever held or taken place.

So you deny the proposition that you got your heads together to give false evidence on that question?---Completely.

You would accept, wouldn't you, that these emails that have been shown today show a degree of activity which was wholly inconsistent with the agreement that you say you had with Ms Kantarzis?---I didn't - I wasn't aware that these emails existed.
30

No but now that you do you'd agree that it shows an involvement in the IT - placement of IT recruits at the University of Sydney. Correct?---I'll leave that for the Commission to distinguish.

And indeed the final email which is I think email Exhibit 73 was an email in which Ms Kantarzis was chasing up invoices?---I wasn't aware of that either.

40 Did you ever ask her to chase up invoices?---No. No.

You heard the evidence that she said you might have asked her to chase up invoices?---She couldn't recall.

The fact is that you told the Commission on the last occasion that she had nothing to do with the financial aspect of this business?---Correct.

And certainly chasing up invoices would never have been part of her role?
---Correct.

Particularly in relation to the University of Sydney?---Correct.

So how do you explain that this email was sent by her on behalf of your business to Todd Demiralay?---As I mentioned I wasn't aware these existed or of her actions.

10 Can you proffer any explanation as to why it is that she would be writing to her husband at the University of Sydney in relation to invoices relating to your company?---I don't know.

You'll have to speak up?---I wouldn't know.

You can give no explanation?---No.

And can you give any explanation as to why it was that she was sending emails directly to Mr Demiralay on Succuro Recruitment letterhead?---I don't know that either.

20 Can you give any explanation to this Commission as to how it is she was sending curriculum vitae or resumes on Succuro Recruitment letterhead to her husband at the University of Sydney?---I don't know.

Can you explain – and at least with respect to two or three of those, those potential contractors they got jobs at the University of Sydney as contractors?---I don't know.

30 MR PATTERSON: Your Honour, perhaps I should make a late objection to that. I'm not aware of the evidentiary foundation of the suggestion that two or three of those persons got jobs. I have heard that – from your Honour that the records will speak for themselves but I'm not aware of the record.

MR MORRIS: I'd like to reassure my friend that if he can compare – and there's no, there's no trickery in this. If we compare Exhibit 68, 69 and I think it's 72 with Exhibit 48 then he will, he will find that the same names crop up. So now Jankovic ended up being employed there as a contractor in 2007, Smeros we've heard about, there's no doubt about that. We've also got Shahbaz Ahmad. So I hope that that gives him some assistance.

40 ASSISTANT COMMISSIONER: Yes.

MR PATTERSON: I'm obliged, your Honour.

MR MORRIS: Any time. No you can't have your exhibits back, they're numbered and they're very well organised. Now finally is it the case that contrary to your evidence that – your evidence on the last occasion and to your statement that Ms Kantarzis had a some sort of proprietorial interest or profit splitting interest in your business Succuro Recruitment?---No.

Is it possible that she - that you were the public face of Succuro Recruitment insofar the dealings with the University of Sydney, that she was actually heavily involved in the development of the business of placement of IT recruits there?---No.

And in particular placing IT recruits there through her personal relationship with her husband?---No.

10 You say that you - and this is just to make something abundantly clear - you say that you have no knowledge of these emails?---Correct.

Are there any other emails that you're aware of that passed between Kantarzis and Demiralay while you were operating at the University?---I'm not aware of any.

Is it the case that at any time you had a look at the invoices coming in and saw names there that you became aware were people that had been placed there that you hadn't introduced to the University?---No.

20

Were there any emails carbon-copied into you between Ms Kantarzis and Mr Demiralay in relation to the placement of IT recruits at the University of Sydney?---No.

Did Ms Kantarzis ever email you in relation to the results of chasing up invoices to be provided - - -?---No, not that I recall.

- - - to the University of Sydney?---No.

30 Or report back to you on her inquiries?---No.

Did Ms Kantarzis ever say to you that she'd been in contact with her husband and he was looking for invoices to be rendered?---No.

Or that he was complaining that you were slow in providing invoices? ---No, I don't recall.

Thank you, Commissioner.

40 ASSISTANT COMMISSIONER: Mr Kostogiannis, in respect of the persons who were placed at the University who are referred to in those emails - - -?---Right.

- - - is it your evidence that you would expect the records would show further emails from you placing or putting those forward people - - -? ---Yeah.

Those people forward?---A contract supplied, I know some, some name, they were just a one or two day work for part of their, what do you call it, clear up of computers for other different departments.

Yes. But if we take someone like Mr Jankovic, he was there for 18 months or something?---Right. I, I initially - - -

10 We saw invoices here this morning, you were here for that evidence weren't you?---Correct.

So are you saying there should be another email from you placing or putting forward Mr Jankovic?---Correct, there should be.

Because otherwise you'd have - - -?---Should be with the contract.

- - - no idea how he got there?---Correct.

20 Because you - it's your evidence that you did not know that he was put forward by Ms Kantarzis?---I wasn't aware that that email putting the candidates forward took place from Virginia's.

Yes, thank you. Does anyone wish to question this witness?

MR PATTERSON: Just briefly, your Honour, if I may.

Mr Kostogiannis, after you left the Succuro business in about the middle of 2008 did you ever have a conversation with Mr Demiralay?
---No.

30 And after you left the business in mid 2008 did you ever have a conversation with Ms Kantarzis?---No.

And after you left the business in mid 2008 you would have had a number of conversations with Mr Mylonas, is that correct?---Correct.

Were any of those conversations about the business of Succuro?---No. The only time was when he came to ask me for some funds but - and for assistance but nothing, nothing more than that.

40 So in relation to any suggestion that you have put your head together with any of those three persons to concoct a false story to put before this Commission you would reject that suggestion?---Completely, yes.

Thank you.

ASSISTANT COMMISSIONER: Thank you. Yes, nobody else?

MR MORRIS: There is something as a result of that and (not transcribable) my friend, in result of that re-examination, you, Mr Kostogiannis had a interview with investigators as a part of this investigation didn't you?
---Correct.

And is it the case that in that interview you were asked by investigators as to whether you'd had any conversation with Virginia Kantarzis?---I can't recall that.

10 Did you have a conversation prior to giving the interview with Virginia Kantarzis?---No.

That's the best of your recollection today?---Yeah, after the business ceased I haven't touched base with her until we gathered here in the first hearing.

Okay. If, and I might be mistaken here I'm looking for it on the hop, but if that transcript of your interview shows that you had a conversation with Virginia Kantarzis in which you had told her that you had been called in to speak to investigators would that be true or false?---That's false. I haven't spoken to Virginia.
20

And did you receive a warning by investigators not to speak to anybody?
---No. The first I know about it was when they called me in to come in and see them. And I came in that, that week. But I wasn't aware - - -

Well the interview was tendered in these proceedings and it'll speak for itself so if it's there you accept that it's there. And you most likely said it, but you now can no longer recall it?---No, I can't.

30 Right?---Sorry.

And we'll have to think about the evidence that you've just given my friend in that context?---No, but I haven't, I haven't touched base with Virginia. I haven't touched base with - - -

All right. Well we'll have a look at it anyway and it'll speak for itself. Thank you Mr Kostogiannis.

40 ASSISTANT COMMISSIONER: Yes, thank you. May he be excused, Mr Morris?

MR MORRIS: Yes, your Honour. Thank you.

ASSISTANT COMMISSIONER: Yes. Thank you for your attendance. You are now excused?---Thank you.

THE WITNESS EXCUSED

[2:37pm]

ASSISTANT COMMISSIONER: Yes, well Mr Morris the question of submissions now.

MR MORRIS: Yes, your Honour.

ASSISTANT COMMISSIONER: There's obviously further material that will have to be considered. Would it be suitable for your submissions to be
10 now provided two weeks from today?

MR MORRIS: Yes.

ASSISTANT COMMISSIONER: And submissions in response two weeks from the date of the receipt of those submissions by other counsel.

MR MORRIS: Yes.

MS OAKLEY: Commissioner, just for my own personal convenience I'm
20 going to be on leave for three weeks from 19 May.

ASSISTANT COMMISSIONER: Right.

MS OAKLEY: So that coincides with the period that normally we would make submissions in response.

ASSISTANT COMMISSIONER: Yes.

MS OAKLEY: We can put on some submissions that would not be
30 responsive but address the things we wish to say.

ASSISTANT COMMISSIONER: Yes.

MS OAKLEY: But if we might have, the University might have (not transcribable) period say by the Friday after the long weekend in June to put on anything supplementary as responsive.

ASSISTANT COMMISSIONER: Yes. Well I think if I give you an additional week beyond what I've ordered for the others that should address
40 your concern.

MS OAKLEY: Okay.

ASSISTANT COMMISSIONER: In any case if there is an issue feel free to go back to Counsel Assisting and we'll, we'll see what we can do.

MS OAKLEY: Thank you.

MR MORRIS: I'll try and accommodate my friend.

ASSISTANT COMMISSIONER: Yes.

MR MORRIS: If I can get them to her any earlier I shall.

ASSISTANT COMMISSIONER: All right. Well this proceeding is now closed. Thank you.

10

AT 2.38 PM THE MATTER WAS ADJOURNED ACCORDINGLY
[2.38pm]