

CITRUSPUB00586
10/04/2012

CITRUS
pp 00586-00634

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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 TUESDAY 10 APRIL 2012

AT 10.40AM

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

ASSISTANT COMMISSIONER: Thank you. Please be seated. Yes, Mr Morris?

MR MORRIS: Thank you, Commissioner. The next witness is Mr Todd Demiralay.

ASSISTANT COMMISSIONER: Yes. Mr Demiralay, could you come forward, please. Take a seat.

10 MR GIBSON: Commissioner, I act for Mr Demiralay. I need to seek a declaration and he'll take an affirmation.

ASSISTANT COMMISSIONER: I beg your pardon, he'll take?

MR GIBSON: He'll take an affirmation.

ASSISTANT COMMISSIONER: Affirmation, thank you. Yes, Mr Demiralay. The effect of this declaration, as has probably been explained to you by your counsel, is that nothing you say here can be used against you in
20 future proceedings- - -

MR DEMIRALAY: Ah hmm.

ASSISTANT COMMISSIONER: - - -except if it's found that you have breached the ICAC Act in some way. Do you understand the effect of the order?

MR DEMIRALAY: Yes, I do.

30 ASSISTANT 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 him during the course of this public inquiry are to be regarded as having been given or produced on objection and there is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

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

ASSISTANT COMMISSIONER: Could the witness be affirmed, please.

ASSISTANT COMMISSIONER: Yes, Mr Morris.

MR MORRIS: Thank you, Commissioner. I tender a bundle of documents with a number on it entitled 1-0-4-7-2-3-8 **Personnel** File, University of Sydney Demiralay, Atilla, and then there's a second bundle of documents which perhaps for ease may be separately marked which has got a black sheet on it, **Employ**. So I tender those, thank you, Commissioner.

ASSISTANT COMMISSIONER: Thank you. Yes. Well, the personnel file of Mr Demiralay will be marked Exhibit 50 and the other bundle of document marked Employ will be Exhibit 51.

#EXHIBIT 50 - BUNDLE OF DOCUMENTS WITH COVER PAGE TITLED "PERSONAL FILE**"**

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#EXHIBIT 51 - BUNDLE OF DOCUMENTS WITH COVER PAGE ENTITLED "EMPLOY"

MR MORRIS: Thank you, Commissioner. Mr Demiralay, you've been sitting through these proceedings that took place a couple of weeks ago. That's correct?---Correct.

And you've had occasion to listen to the evidence that's been given.
30 Correct?---Correct.

There wasn't a day that you've missed, was there?---No.

No. Now, you made application to be employed at the University of Sydney in about the middle of June 2006, didn't you?---I'm not sure on the dates but I believe it may have been a bit later.

A bit later?---Yeah.

40 Okay. Could the witness be shown Exhibit 50 and Exhibit 51, please. They've been marked on there. If you go to the document entitled **Personal** file, which is Exhibit 60, do you see there?---Yep.

And if you go through, **Personal** File, if you go through I think there's a copy of your curriculum vitae there, yes, it's about midway though?
---Midway through?

Employment history?---Oh, yes.

Yes. Now on the left hand side there's, on the page before it says curriculum vitae, Todd Demiralay, your date of birth et cetera?---Ah hmm.

And then your employment history?---Yep.

Right. Now is that your curriculum vitae?---That's correct.

10 So is it fair to say that by the time you've made application for the University of Sydney you had enjoyed senior management positions in IT companies for many, many years? Is that correct?---Correct.

And you had been responsible for the management of people and capital assets. Is that correct?---Correct.

And part of your management of people was the fact that they complied with various company policies and procedures. Correct?---Yes.

20 And in your experience company policies and procedures were very common experience – very common situation in the companies that you were at?---Yes.

And you did not expect that to be any different when you went to the University of Sydney did you?---Correct.

So you expected there to be policies and protocols and procedures when you went to the University of Sydney. Correct?---Correct.

30 And that those were protocols, policies and procedures that would govern how you operated at the University of Sydney?---Yes.

And also your employers?---Yep.

And it's fair to say that you obtained a letter of offer from the University of Sydney and if you have a look at the personnel file, the first document it's a letter from Lisa Clark dated 15 September, 2006. Do you see that?---Yes, yes.

40 And you – do you have any doubt that that's the document that you received shortly after that date?---I can't, I can't recall whether I actually received this letter on the date that it actually stipulates here. I got married on 2 September and I was actually overseas on my honeymoon when I was offered the job, so my recollection is that I didn't actually receive any paperwork until I commenced.

Until?---Until I commenced employment.

Until you commenced employment?---They – the University had a problem getting the paperwork to me so they actually gave me all the paperwork once I commenced.

Right. Now - - -?---That's my recollection.

Right. Is it possible that you received it – is that just your best recollection?---That's my best recollection, yes.

10 Now you don't doubt that you received this letter?---No.

No. And you don't doubt that you received the enclosures to it?---No.

No. And indeed there are a number of forms and you can go through the documents and satisfy yourself as you wish, but a number of the enclosures were blank documents that you needed to fill out in order to start, including tax declaration forms, personal details forms, bank account forms and so on and so forth?---Correct.

20 And so if you fill those out they are noted as being enclosures to this letter, there is no doubt that you received the enclosures. Correct?---I did, correct. And as you can see on, on page 4 I signed and dated that 9 October, which is the day I started.

Okay?---So I received all the paperwork on the day rather than prior to which was normal University policy.

So that gives you greater comfort that you received it - - -?---Yes.

30 - - - when you arrived to start work?---Yes.

Okay?---But normally the process was that you would receive it prior to starting, that's what I was told, but I never did. That's why it was dated the 9th.

Now one of the enclosures that you saw – that was with this letter was a copy of the Code of Conduct. Do you agree with that?---Yes. Yes.

And do you recall reading that?---No.

40

Is it possible that you in fact read it but you now no longer recall it?---No.

You actually deny reading it?---I did not read it. I received a bundle of paperwork when I actually started, on the day I actually started. I was actually required to sign as per page 4 here on the day and I took the rest of it home, but I did not go through it.

Weren't you at all interested in the protocols, policies and procedures that would apply to your employment at the Sydney University?---At the time it didn't occur to me, no.

Didn't occur to you?---No.

10 You were taking a senior management position and you didn't wish to take the most cursory examination of the material that would bind your employment. You were aware that there was a Code of Conduct when you started weren't you?---Yes.

What did you think the Code of Conduct would have included?---I base it on what I garnered in other, in other jobs, I, I had an assumption or a presumption of what it may have covered but I didn't actually read it.

20 Righto. Would you kindly tell - if we call that your background information would you kindly tell the Commissioner what background information you had when you started?---In previous roles the organisations I actually worked for which were all private sector roles, they did have a Code of Conduct as such but on recollection they weren't as stringent or as expansive as the one that Sydney University provided.

No, but what did they include?---Oh, they included misappropriation of funds, theft and other items like that.

What about conflict of interest?---Not to this degree, no, I don't recall it being this stringent in any other place I've worked at.

30 Well, to what degree had conflict of interest come up in your previous employment?---To be honest with you it actually hadn't, it was in previous employment, it was more verbal or it was a one-page document but it was nothing I actually ever, ever had to go into in previous employment.

What did you understand conflict of interest to mean?---Misappropriation of funds, theft, things like that.

40 ASSISTANT COMMISSIONER: Well, they're criminal offences. Are you, are you seriously saying that that's what you thought the Code of Conduct was for, to tell you not to commit criminal offences?---Well, yes.

MR MORRIS: I see. You were aware that there were a great number of protocols and procedures available on the University's intranet, weren't you?---Yes.

And they were to govern your, your conduct of yourself whilst employed in a managerial position at the University of Sydney?---True.

And that they were also there for you to be able to manage those people who were underneath you, correct?---Correct.

And I take it that to perform your job you had to pay regard to those protocols and procedures, correct?---Correct.

And you did so?---To the best of my abilities.

10 But you also took it upon yourself to inform yourself of what those protocols and procedures were, correct?---Yes.

Now, if we - and there was no impediment to you doing so was there?---No, there wasn't but in most, in most circumstances I'd actually approached the relevant area or teams for, for advice rather than getting on the intranet.

No, but you also made inquiry on the intranet from time to time didn't you? ---Very, very rarely.

20 And some of those policies and, your Honour, I'm taking you to Exhibit 1, include the 2006 Recruitment Selection Policy, you were familiar with that, weren't you?---To some degree, yes.

Well, you needed - you were involved in part in appointing people as contractors and involved in appointing people to permanent positions within the ICT at the University of Sydney, correct?---Correct.

30 And you would have been well aware, I suggest, of the requirements of the Recruitment Selection Policies?---Through certain individuals that work in those areas more than anything else, yes. If I had a requirement it's like Mr Kovari noted, he himself said he'd pick up the phone and ring up Sydney Recruitment or ring HR or he'd ring Finance. So most of my information came from those people.

But you also read it?---Not in any great detail, no.

But you read it?---I probably skimmed.

You read it?---I skimmed.

40 Now, that Recruitment Selection Policy underwent a number of changes throughout 2009/2010. Correct?---I believe so.

Yeah. And you would have kept yourself up to date with those changes, wouldn't you?---Most of the changes were actually notified to me by the relevant areas, so if, if, if, if I had a requirement I'd call HR and they'd inform me that there was a policy change.

Right. But you'd have read the policies from time to time as they existed.
Correct?---Rarely.

Sorry?---Rarely.

Are you saying if we go further down, the Purchasing Policy- - -?---Ah
hmm.

10 You were aware of a Purchasing Policy, weren't you?---Yes, but I never
read it.

At all?---No. Because when I first started, the first 18 months to two years
of my employment I did not actually have a budget to control, the budget
was actually controlled by someone else within the area, I managed the head
count.

And so when you were given budgetary control- - -?---Ah hmm.

20 - - -I take it you, do you say to Her Honour that you, at the time you were
given, I withdraw that. When you were given budgetary control, a
discretionary expenditure- - -?---Yep.

- - -up to a limit- - -?---Yep.

- - -you would have taken it upon yourself to inform yourself of the
protocols, procedures and guidelines that applied. Correct?---True. Most of
that was done through meetings or it was done by verbal advice from other
people.

30 Most of it?---Most of it.

Did, do you say to Her Honour here today that you read the Purchasing
Policy?---No, I'm saying I have not read the Purchasing Policy.

At all?---No.

Is that true, that statement?---That's true. That unfortunately is true.

40 What about, we spoke about the 2003 Code of Conduct, it was updated in
2008, wasn't it?---I believe so.

Yeah. And did you read it?---No.

It was again updated in I think 2011. You're aware of that. Correct?---Yes.

And in fact in August, was it 2011? It was circulated well before its
introduction, wasn't it?---I believe so, yes.

And there were a number of emails to you alerting you to its introduction. Correct?---Yes.

And eventually, I'm sorry, Your Honour, I think that was 2009. I think it was August 2009 it was first distributed?---I'm not sure of the dates.

And you were obliged to sign it sometime in May 2010?---Possibly, I'm not sure of the dates.

10 Well, you'd have read that document before you signed any acknowledgement saying that you've read it?---I believe I did sign but I didn't actually read it.

Sorry?---I believe I may have signed, if, if what you're referring to is the online Code of Conduct we had to go onto the Intranet- - -

20 Yeah---?- - -and review it, if that's the one you're talking about, I actually opened up the page and acknowledged that I had read it but I actually hadn't. I got a reminder saying that I hadn't done it yet so I just jumped on and did that.

Now, if I take you to the black bundle there?---Ah hmm.

Sometime in 2010 you were obliged to sign a fresh, 9 January, 2010, a fresh agreement with the University with relation to your employment. Correct? ---Correct.

30 And just have a look at the document about midway through 9 January, 2010, private and confidential offer of employment?---Yes.

Just have a look at that. That's signed by your director, Mark Pigot?---I believe it's signed by - - -

Oh sorry, it's - - -?---Yvonne Dent.

- - - it's signed on behalf of Mark Pigot?---Yes, correct.

Now do you recall that appointment?---Yes.

40 Right. Now just put that document down for the moment, but leave it open. Mr Demiralay, it's a fact isn't it that as a senior manager by the time – you have been in senior management positions for well over 20 years. Correct? ---I wouldn't, no, that would be, I wouldn't say senior management roles for well over 20 years. The role that I had prior to Sydney University would have been a senior management role, the, the role prior to that I would say it was a management role and upon taking the role at Sydney University I did not actually deem it to be a senior management role, I considered it to be a management role, I was in charge of 17 people.

What was your job immediately before the University?---I was the IT Manager at Ozemail Internet.

Was there no employment in between?---There was, it was just a short term contract or stint.

Where was that?---CU Financials, CU Financials.

10 All right. Just going back to your curriculum vitae, which is in the black bundle there and it's about the third page in, no that's, the seventh page in I think, your curriculum vitae, do you see that there?---Yep. Yes.

The CU Financials position - - -?---Ah hmm.

- - - was a contract position. Now that was – you were employed by a company - - -?---Ah hmm.

20 - - - and that happened to be – the person who employed you or supervised you there was Soula Tshipidis wasn't it?---That's correct, yes.

Yes, she was your sister-in-law. Correct?---At the time she wasn't, no.

Right. Okay. And she in fact was one of your referees wasn't - - -?
---Correct, yes.
- - - wasn't she?---Yes.

30 Now in relation to your Ozemail employment you say there in your curriculum vitae - - -?---Ah hmm.

- - - scope and it's at about point 7 - - -?---Yes.

- - - reporting to the chief operating officer?---Correct.

And member of the Ozemail executive management team?---Correct. I did say it was a senior role.

Yes?---Yes.

40 But as a – you – and then if we go through your employment at Pacific Dunlop and so forth it's all correct isn't it, this - - -?---Yes.

Yes. But the point is you quibble with the word that your appointment to the University of Sydney was a senior management role, right, you say it was a management role?---I, I said I considered it to be a management role.

Right. Your quibble is the use of the word senior?---In this context, yes.

But you had an enormous range of responsibilities at the University of Sydney didn't you?---Yes I did, but not when I first commenced.

Now you know the significance of signing a document don't you?---Yes.

I mean it's obvious that you agree by placing your signature on a document you are agreeing or adopting the truth of the document. Correct?---Correct.

10 And you wouldn't sign a document that's false would you?---No, not willingly or knowingly no.

You wouldn't sign a document that was false would you?---No.

And would you sign a document - you wouldn't sign a document without reading it, would you?---Yes, I would unfortunately.

Now, you know that when you sign a document and you deliver it to somebody - - -?---Ah hmm.

20 - - - right, that that person is going to rely upon you placing your signature upon it, correct?---Yes.

So are you saying to the Commissioner that by signing a document and delivering it to somebody, if you have not read it is something that you would do?---It's something I have done, yes.

30 If that document suggests that you have read certain other documents and that you agree to be bound by them you wouldn't sign a document and deliver it to somebody would you?---Intentionally no but I have done it.

Why would you do that, Mr Demiralay?---Expedience, lack of time, it was negligent on my behalf I agree. I don't know.

Why would you do it?---I just answered your question.

Well, you know that by signing a document and delivering it - - -?---Ah hmm.

40 - - - if you haven't read it or you haven't read the annexures, that that can be misleading, correct?---Yes.

A positively misleading exercise, correct?---I wouldn't say positively, unintentionally, yes and I am aware of it but it's not something that I intend to do, maliciously do.

Well, let's move on to this bundle in the black, this letter of the 15th - sorry, of 9 January, 2010, all right. If you go - that's your offer of employment. If we go to the next page, acceptance, right?---Ah hmm.

That's signed by you isn't it?---Yes.

And you signed that on 18 January, 2010?---Yes.

And you say that you've read, understood and accept the offer of employment as set out in this letter and the attached schedule, you see that? ---Yeah.

10 And in signing this offer I acknowledge that the terms set out in this letter including the attached schedule constitute the entire understanding between the University and myself in relation to the terms and conditions of employment?---Yeah.

And I also acknowledge that I have read and understood the following University policies which were provided to me with this offer of employment, firstly Code of Conduct, secondly ICT Resources Policy, thirdly Occupational Health and Safety Policy Guide for Staff, fourthly
20 Corruption Prevention Strategy and the next one and the final one is the Discrimination Prevention Policy, you see that?---Yes.

Now you were provided with those policies with this letter, weren't you? ---I can't recall if I was, from recollection I actually got this via email, it was an attachment.

But you - whether it was an attachment or not you must have had it in hard copy?---No, actually I believe I actually printed it off, signed it and then faxed it back. That's why it's got a fax number on the bottom, that's where
30 I sent it to.

I'm sorry?---There's a fax number on the bottom, normally we just send them back via email in attachments so I probably would have printed the attachment, signed it, scanned it and sent it back.

But you see there is specific reference there to Codes of Conduct and various policies as well as the Corruption Prevention Strategy?---I can see that.

40 Right. And you I take it read this acceptance before you signed it?---I flipped it over and signed it, it's the second time I've actually filled one of these out.

You read this before you signed it?---No. I knew what it was, I signed it and I sent it back.

You didn't need to be told what it was?---No.

Because you knew that the Code of Conduct was in place didn't you?---I knew there was a Code of Conduct in place, yes.

And you knew that there was a Corruption Prevention Strategy in place. Correct?---Not that I can recall seeing one, but according to that there is, yes.

Now, Mr Demiralay, we'll come back to this, but I'd like to ask you some questions about the circumstances in which you came to use Succuro Recruitment at the Sydney University. Do you recall when you first raised Succuro Recruitment at the University and who it was with?---It would have been with Nicholas Kovari and it probably would have been late October maybe November 2006.

And what did you know about Succuro Recruitment at that time?---I knew nothing about Succuro Recruitment at the time.

You had never been told anything about Succuro Recruitment?---No.

20 You knew nothing about it?---No.

Had you ever heard of Peter Kostogiannis?---No.

It was, the use of Succuro Recruitment was a suggestion made by you. Correct?---Yes. It was actually a suggestion, I actually met with my manager at the time and I wasn't, when I first gained employment I had no knowledge that there was contractors within the environment or anything like that, I had a meeting with my manager and he actually said that we had a requirement to recruit contractors.

30 Sorry, we have a?---Requirement to recruit contractors.

Do you mean you were obliged to recruit contractors?---Yes.

I see. Why was that, did he explain why?---Because from recollection, look, it's a long time ago, but I believe it's because we were going through the shared services, the centralisation process across the University and we had a requirement to gain more staff as the number of supported areas grew.

40 Well, why didn't you just employ people?---Because I was told that we would need contractors.

You would need contractors?---Yes.

So when you use the word require, that there may be a need from time to time?---The reasoning behind hiring contractors was so that, we had no idea of where the shared services experience was going to take us or who was going to come across and who wasn't going to come across from other

areas. The, the, the use of contractors was a short-term solution to facilitate shared services.

Ah hmm. Well, how did you find out the name, Succuro Recruitment?
---It's because when, I actually had a discussion with my manager at the time, he, he actually said that we would need to recruit contractors and I had a discussion with my wife who actually referred Succuro on to me because she had used them in a previous role.

10 Right. And did she say anything about them?---She said they were very good and they, and they provided great candidates.

Right. And when was this conversation do you say- -?---This would have been- - -

- - -with your wife?---Yes, this would have been, like I said, early, late October/early November.

20 Right. Now, I think you first, the first, the records show that the first person used by the University of Sydney- -?---Ah hmm.

- - -was, from Succuro was in about January or February 2007?---That could be right, yes.

Were there any other IT recruitment agencies that the University was using as at October 2006 through to January 2007?---There were a few that I knew of, but basically everyone just had their own agencies and they were dealing with them.

30 There was a policy, wasn't there, distributed by Mr Kovari in about October 2006, whereby if contractors were to be used there was a requirement to get competing, competing quotations?---Yes.

And you were aware of that?---I don't know if it was at that time, but I was aware, I was made aware of that, yes.

And you know that that was consistent with the procurement policy didn't you?---I don't know if it was consistent with the procurement policy but that's what I was asked to do.

40

Now at some stage in late 2006 your wife's employment situation changed didn't it?---Yes.

Right. What happened?---I don't know, I can't recall dates but my wife was actually working at First Data Institute. She actually left the job so in October, 2006 she was unemployed.

And was she unemployed in November 2006?---Yes.

December 2006?---Yes.

January 2007?---January/February that's when I actually realised that she took on a part time job with Succuro.

Sorry, that's when you realised she had a part time job - - -?---She took a part time job with Succuro.

10 Right. And how many hours a week was she working?---I'm not sure. I think it was from recollection two/three days a week, something like that.

And do you recall what she was being paid?---At the time my understanding was she was being paid four or \$500 a week.

Right. Now she continued thereafter to work at Succuro. Correct?
---Correct.

20 With Mr Kostogiannis?---Ah hmm.

Right. Now you had dealings with Mr Kostogiannis from time to time. Correct?---Yes.

Did you ever have dealings with your wife during - - -

MR GIBSON: Well - - -

30 MR MORRIS: - - - from sorry, sorry, Mr Gibson's correct, did you ever have in your capacity as a manager of the ICT - - -?---Ah hmm.

- - - did you ever have formal business dealings with your wife in relation to the placement of contractors?---No, no formal business dealings, no.

Sorry, no?---No formal business dealings, no.

What about informal business dealings?---Oh maybe every now and then, yeah, might have a chat.

40 All right. Do you know whether your wife was being paid any commissions by Mr Kostogiannis?---Not to my knowledge no she wasn't.

Now the - your - you've heard the evidence before this Commission that the amount of work that was being placed with Succuro - - -?---Ah hmm.

- - - was increasing at Sydney University. Correct?---Correct, we were hiring more contractors.

And you were in part responsible for seeking contractors from Succuro weren't you?---Contractors from agencies.

From agencies?---Yes.

But you would place work with Succuro wouldn't you?---Yes.

From time to time?---Yes.

10

There were other agencies - - -?---Yes.

- - - that you would use from time to time?---Yes.

Now you say that you – do you say that you told anybody that you were placing work with – do you say that you told anybody that your wife was working at Succuro?---No.

20 All right. Was there a reason why you didn't?---I didn't think it was relevant.

Sorry?---I didn't think it was relevant.

Right. What did you base that decision on?---It was based on the fact that she assured me that she had a part time role and that it was administrative.

Right. But when we talk about relevance, relevant to what Mr Demiralay? ---Relevant to the University.

30 And what aspect of the relationship with the University was it that you turned your mind to in making that determination?---When she first commenced working at Succuro she actually told me and I was quite, quite surprised as such, but she actually also told me that she would have no dealings at all with the University, so that's what my judgement was based on.

Yeah, but are you talking about conflict of interest, Mr Demiralay?---In what sense, I don't understand.

40 Well, you say that you didn't tell anybody - - -?---Ah hmm.

- - - because you didn't think it was relevant?---Yes.

And you didn't think it was relevant because your wife told you that she was not doing any work for the University?---No, because - no, that's right, she told me she was doing a part, a part-time job and it was mainly administrative - - -

Right?--- - - - and I didn't think it, it - I didn't at the time I didn't think it was conflict of interest.

Sorry?---At the time I didn't believe it was a conflict of interest.

So you did turn your mind to the conflict of interest issue?---No, not really otherwise maybe I would have pursued it further but I didn't.

10 Well, I'm sorry, Mr Demiralay, I'm finding it a little bit difficult to understand your evidence. You say that you didn't tell anybody at the University because you didn't think it was relevant?---Correct.

And then you say you didn't apply your mind to it at all, which one do you want the Commission to accept?---The first one. I didn't think it was relevant.

20 Right. So you did apply your mind to a conflict of interest issue and then you decided to exclude it because your wife was in an administrative capacity?---True.

And she wasn't doing any work on the University of Sydney account, correct?---True.

Right. So you took, you made that assessment in early 2007, correct?---Ah
hmm, yes.

30 Now what do you say today to the Commissioner about if her role was greater than being a part-time administrator, what would you have done?
---Could you ask the question again, please.

If her role at Succuro was greater than that of a part-time administrator, tell the Commissioner what you would have done?---I probably would have investigated further, I don't, I don't know what I would have done, I, I don't - it's not something that my wife and I discussed, it's not something that we went into so I don't know what I would have done.

What would you investigate further?---Oh, I would have asked her some more questions I guess.

40 What sort of questions, Mr Demiralay?---I would have, I don't know, I didn't put a, put a lot of importance into what she was doing so I'm kind of thrown by the question to tell the truth.

I know. We're talking about the theoretical situation. What do you today say to the Commissioner you would have done had she been employed in a capacity that was greater than being administrative?

MR GIBSON: I object to this, Commissioner. Putting to Mr Demiralay some hypothetical position with respect (not transcribable) what the relevance is (not transcribable) what the position was at any particular time and not a hypothetical position what he might have thought then or what he might have done then.

ASSISTANT COMMISSIONER: Yes. I have some problem with the vagueness of the proposition, Mr Morris, I mean, greater than administrative, that, that - - -

10

MR MORRIS: Okay.

ASSISTANT COMMISSIONER: - - - could range to a wide number of things.

MR MORRIS: I'll get specific. Assume your wife owned shares or had a proprietorial interest in Succuro Recruitment?---Ah hmm.

20 Right, just I want you to assume that, all right. What do you say to the Commissioner today as to what you would have done had that come to your attention?---Well, it depends on the circumstances but I would have shown some concern.

What does that mean, Mr Demiralay? What would you have done?--My understanding from what my wife was doing within Succuro at a later date was that she was taking on a different business venture, right, so, so based on that knowledge I had no issues or concerns but based on doing, you know, business in the recruitment area, yes, I would have, I would have questioned it with my wife.

30

But what else would you have done?---I would have asked her to stop.

Why?---Because the understanding, my understanding was that she was not going to get involved in the, in, in recruitment.

Why?---It didn't seem right.

Why?---I wasn't dealing with, with, with, with Virginia, I was dealing with Succuro.

40

No, let's go back?---You're confusing me.

I don't understand what's, look, Mr Demiralay, why would you have asked her to stop it if she was doing recruiting?---Because it wasn't my understanding and from what she told me that she was doing.

So you had discussions about what she was doing?---Yes, initially, yes. She was, she was performing a back office admin sort of role - - -

But why - - -?--- - - - and for that to develop into something else.

Why would it concern you if she was involving herself (a) in recruiting and (b) recruiting at the University of Sydney?---Because it's like I said earlier on, when she actually took on this part-time role in 2007 I actually was under the impression from what she had told me that it had nothing to do with, with, with the University of Sydney so if that changed at a later date that's why I would have been concerned.

10

Why did you ask her about that in 2007?---Because I didn't want to involve my wife in my working environment.

Did you contemplate that it may have given rise to a conflict of interest with you?---Oh, now I see it that way, yes.

Is it something that - oh, sorry, you say now you see it in that light?---Yeah.

20

Is it something in fact you knew about the conflict of interest possibility as at 2007 but you were happy to conceal it from your employer?---No, it's because I had a, a concept of the conflict of interest, that's why.

Okay. Now, you'll be aware from the evidence that's been given before this Commission that in, in about August 2008 there was a change in Succuro Recruitment, correct?---Yes.

And Mr Mylonas came on board, correct?---Correct.

30

And that he took over the business from Mr Kostogiannis?---Yes.

And your wife continued to work there, correct?---Correct.

The evidence of Mr Moustacas, Commissioner, was at Exhibit 41, that's his statement. And you're aware that your wife became a shareholder on trust of the proprietary limited company, correct?---Incorrect.

40

What's the point of disagreement, Mr Demiralay?---My, from, from my understanding and from what I was actually told I - well, for starters I had no idea that she was a shareholder and from the discussions I actually had with my wife this was supposed to be a completely different business venture.

I see. Well, you started dealing with Mr Mylonas, correct?---Correct.

He had a company called Succuro Recruitment?---I only knew the company as Succuro.

Succuro Recruitment Pty Limited was the name of the company?---Succuro.

Okay. Now, you say that your wife was going to become involved in a completely different business venture, right, when did that discussion take place do you say?---I, I can't, I can't even recall, I can't even recall, I can't, the one thing that my wife and I did not do was actually discuss work, business or anything else like that. I do recall that she actually told me that she was looking at starting up a, a training, service manager IT sort of business with Bill Mylonas and that they were going to set up a completely separate company to facilitate that.

10

When was this conversation?---I can't, I can't recall, I really can't, 2008 sometime, I can't recall.

Okay. It was a business with Bill Mylonas?---Yes.

Now, did you know Bill Mylonas previous to this?---Previous to meeting him at Sydney University?

20

Yeah?---I probably met him once at a wedding that my wife was invited to and I was asked to come along as her partner.

You were aware that Mr Mylonas had previously worked with your wife at Transfield. Correct?---Yes, yes, I was. That's, that's how I actually met him because it was a wedding that a lot of the Transfield staff had been invited to, at that stage my wife and I weren't married and I was actually asked to come along as her partner.

30

Right. Now, so you were aware then, as at August 2008, that your wife was going into business with Bill Mylonas?---Can't put a date on it, but yes, I did, I did know that.

Right. And you say that so far as you were aware, that had nothing to do with Succuro?---Correct.

And that that had nothing to do at all with the provision by Succuro of contractors to the Sydney University?---Correct.

40

Right. Now, what about your own ownership of shares in Succuro?
---I was not aware that I was an owner of shares in Succuro.

Okay. Now, again, you wouldn't sign a document that was false, would you?---Not intentionally, as I stated before.

Well, you'd look at a document and you'd read it. Correct?---No, not necessarily.

A man with all your experience as a manager- -?---Yes.

- - -and knowing that to sign a document and present it to somebody would be misleading, you're saying that you would not necessarily read a document before signing it?---Correct. Call it being naïve, call it what you like, but that is the case.

Well, Mr Demiralay, that's the point of contention?---Ah hmm.

And we've had it with relation to your employment contract and- - -?---Yep.

10 - - -we're going to get to another document. You are putting forward to the Commissioner that this signing of documents you don't read is a question of naivety. Correct?---You can call it what you like but that's what it is.

Yeah, I understand that's what you're saying to the Commissioner. Can I suggest to you that indeed your evidence on this question is false and that what you are seeking to do is provide an innocent explanation for having signed certain documents that implicate you in corrupt conduct insofar as your discharge of obligations at the University of Sydney?---I disagree with you.

20

All right. That in fact you would only sign, can I suggest to you that what you are seeking to do is, is that you acknowledge, you're aware of the allegations of corruption against you?---Yes.

And what you are seeking to do is distance yourself from documents that you have signed which show that your conduct at the Sydney University was intentional?---I disagree with you.

30 Right. Now, Commissioner, Exhibit 2, page 459, if that could be shown to the witness, please?---It's up.

Thank you. Page 459. It's paginated in the top right-hand column, Mr Demiralay.

459?---Yep.

Top right-hand corner?---Ah hmm.

Do you see that?---Yep.

40

Agreement / consent of member to take shares?---Ah hmm.

Right. That's your signature on it, isn't it?---Yes, it is.

And that's your wife's signature above it, isn't it?---Yes.

What's the circumstances in which you came to sign this document, Mr Demiralay?---Circumstances like I, like, like I said. My wife actually

informed me that she was starting up a new business venture with Bill Mylonas and they were going to set up a new business, right.

What was it to be called, Mr Demiralay?---I, I don't know.

10 Ah hmm?---At the time I did not know. The, the, the thing that was told to me, that it was supposed to be a completely separate business venture and that it would have, it would be separate to Succuro and that she was going to concentrate on her strengths from previous roles, which were again, in the service sector, in the ITIL and training sector, and she was going to set this up. The, the circumstances around me signing this, she actually received the paperwork, I came home quite late one night, I believe I was out, it was quite late, and she actually said, "I need you to sign some paperwork." I said to her, "What's this in regards to?" She informed me that her accountant told her this would be the best way to set this up, and I, I stipulated again, "Has this got anything to do with, with, with, with Succuro?" She said, "No." She opened up paperwork with little sticky sign here, sign here tabs um, and based on her assurance and my, my faith in her, I signed, and I did not read the document.

20

What, so this was the, she was given advice that this was the best way to set this business up. Correct?---Correct.

And your explanation is that this was a business other than the Succuro Recruitment business- -?---That's right.

- - -at the Sydney University?---It was supposed to be a completely separate ah, completely separate ah, business, a new, a new venture.

30 How much money was she putting into the venture?---I have no idea. It's not something that my wife and I discussed.

Right. You knew because of the contact with Bill Mylonas that it would be a company associated with him?---Yes, it would be associated with both of them.

And you tell the Commissioner today that you wanted to make sure that it was wholly separate from any IT recruitment- -?---Ah hmm.

40 - - -at the University of Sydney?---Yes.

Why?---Because it's, it's, it's very different from being a part-time job, isn't it? This is a new, a new business venture. So to go from having a part-time role within, within Succuro to, to, to starting up a new business, it's different. Because I would not have signed a piece of paper if it had any links to Succuro.

Okay. Why is that?---Why? I didn't want anything to do with Succuro.

Why?---Why? It's not my, not my business, not my, not my affair and I didn't want anything to do with it.

Was it because you, as your job as manager at the University of Sydney were allocating IT recruitment contracts to Succuro?---Yes, that may have come, come, come into it, but it wasn't the, the sole reason, no.

10 When you say that may have come into it, that came into your mind as at August 2008?---Like I said, I can't, I can't recall the dates.

May have done?---(NO AUDIBLE REPLY)

Well, you've got to answer yes or no, otherwise- - -?---May have done.

20 And is that the reason why you were suggesting to your wife that she have nothing to do with Succuro?---No, it was saying that I wanted to have nothing to do with Succuro, that this was going to be a completely different venture.

I see. And you say that you read this document without even giving it the most cursory examination?---No, I didn't say I read the document, I actually said I did not read the document.

30 You didn't, sorry. You signed the document without giving it the most cursory examination?---Exactly, based on, based on the input from my wife and the, the husband and wife relationship that, that, that we had, she assured me that everything was in order and I, and I signed. Like I said, it was quite late at night, I walked through the door and that was put in front of me and I signed it.

If you go to the top of the document you can see it's an agreement consent of member to take shares. Do you see that?---Yep.

40 You knew that you were taking shares in a company when you signed this document didn't you?---I didn't, I didn't even read it. I didn't even read it, all right. It was – like, like I said it was quite late at night, I walked through the door and I believe I was, I was out with some, with some friends, so I had a few drinks, I had an enjoyable evening, came home, came home and, and we just had a quick discussion about it. She was sitting at her desk in the, in the kitchen, I walked over, gave her a peck on the cheek and then she said, oh I got some paperwork from the accountant.

And you see the next line, Succuro Recruitment Pty Limited?---I didn't even see that, no.

Is that evidence to the Commissioner false about your state of knowledge? ---No. No. Absolutely no.

If and when I say false that you are seeking to avoid anybody drawing the conclusion that you knew that you had an involvement at Succuro by way of proprietorship and you continued to allocate work to it as part of your job as a manager at the University of Sydney?---No.

10 And that indeed what you're trying to do is give an innocent explanation to the Commissioner as to why it is that your name came to be on the share registry of Succuro Recruitment Pty Limited?---That's incorrect. That's, that's incorrect and I disagree with that. I, I've stated, I've stated before knowing this is a public document I would not put my name across it if I, if I knew that Succuro was on it. Incorrect.

Well how - - -?---I did not read the document.

Is it the case that in fact what your wife may have said to you was that you will be holding those shares on trust - - -?---No.

20 - - - for your daughter and your wife?---No.

And that therefore you - - -?---I, I had no idea what a trust was.

- - - you don't actually own them?---I had no idea what a trust was at that stage. No idea whatsoever. I've never owned a Pty Limited, I've always held full, full time, full time jobs just about, so no I don't, I had no idea.

So - - -?---This was the advice that was given to me by my wife.

30 Okay. So really the, the account that you seek to give accepts that you were a part proprietor in Succuro Recruitment. You accept that don't you?
---Yes, but it was never my intention. I had no idea that was the case.

And that your wife was also to be a part shareholder in Succuro Recruitment. Correct?---I found out since, since this hearing, yes.

Since the investigation?---Well, yeah, since the investigation.

So your only argument is about your intention. Correct?---My intention of?

40 Your intention in signing this document you say you had no intention to become a shareholder.

MR GIBSON: Well I object.

THE WITNESS: To become – no I had no intention of becoming a shareholder, absolutely not.

Because you would consider that if you were a shareholder and – in Succuro Pty Limited, and you were allocating recruitment contracts or IT contracts to Succuro Recruitment that would present you with a big problem wouldn't it?---It's like I said, I signed on the (not transcribable) that it was a different, separate organisation.

No, no, you accept that if you were a shareholder, all right, of the company - - -?---Ah hmm. Yep.

10 - - - and you in your job as manager at the University of Sydney were allocating IT recruitment contracts to Succuro that would give you a big problem. Correct?---It would be a problem because that's not what I actually wanted to do. It was never my intention to, to have any sort of involvement at this level with an organisation that I was using to recruit people with.

Why is that a problem?---Why is it a problem because then it, then I do perceive that as being a conflict of interest if I had an involvement with this organisation.

20

Why is that?---Because I would perceive it to be a conflict of interest.

Is it because you would be making contractual decisions on behalf of the University that would be conferring a benefit upon yourself?---Yes. And I didn't want, and I didn't want to see myself in that situation. It, it - - -

30 And that it would also be conferring a benefit in your job as a manager with purchasing discretion at the University of Sydney by being engaged in that conduct you would be conferring a benefit upon your wife?---In the context that you mentioned yes, but not in the context of what I was actually informed was actually happening.

You see this I suggest to you would have rung alarm bells. You say that – had you been aware this would have rung alarm bells with you at the Sydney University. Correct, your involvement in this company?---If I had known about my involvement yes.

40 Is it the fact that what has happened is that you and your wife agreed to enter into the Succuro Recruitment business, right, as at August 2008 with Mr Mylonas?---No. Incorrect.

Is it the case that you decided to – knowing that you were involved in the Succuro Recruitment business you thereafter decided to divert work or – sorry, do business as manager at the University of Sydney with Succuro Recruitment?---No.

And that in fact what you were trying to do was to, in your position as manager at Sydney University to benefit yourself and your wife by allocating that work to Succuro Recruitment?---Incorrect. Not at all.

And that your evidence today is given to – with respect to your statements about knowledge of your involvement is given to try and extricate yourself from allegations of corrupt conduct?---No, incorrect.

10 Now you agree though that throughout 2008, 2009, 2010, 2011 you made the decision from time to time to use Succuro for IT recruitment. Correct? ---Correct. They provided fantastic candidates. What can I say?

The fact is that throughout the balance of 2008, 2009 and up to about June 2010 you and your wife were shareholders of Succuro Recruitment. Correct?---Unwittingly it looks like that, yes. It wasn't to my knowledge, like I said.

20 You thought that you were involved in an IT training company?---I thought my wife was involved in an IT training company.

So you say you had no knowledge that you were a shareholder at all?---No, not, not, not when I signed this piece of paper. Not when I signed this piece of paper.

Now you are aware of a – are you now aware of the specifics of the Code of Conduct?---Yes.

30 You're aware that there was a 2003 version weren't you and if you go, your Honour, to Volume 2, sorry Exhibit 1 page 83, have you got Exhibit 1 in front of you?---What page was that?

We'll go to page 83. Do you see that?---Yes.

Now that's a document you've seen before haven't you?---Not necessarily that revision. I believe the time I actually read the Code of Conduct was in late 2010.

Late 2010?---Yes.

40 Okay. Well this is the 2003 version which was applicable at the time you entered into your employment in October 2006.---Okay.

And that was an enclosed with your letter of offer.---Like I said, my letter of offer was a bundle of paper work like that in a folder, was it included or stapled, I don't know.

Well, you didn't take care to try and hunt it out did you?---No. I actually, I actually believed that I hadn't even received it when I first started and

during, I think the first meeting I actually had with ICAC I actually was quite adamant that I didn't receive it and upon reflection I actually went home and I was doing some tidying up and I came across the folder and it was actually included but I did not read it.

You see, if you'd read it and if you go to page 85, in performing your duties all staff members, second bullet point, exercise the best professional and ethical judgment making decisions without bias using the factual information available.---Page 85?

10

85, second bullet point. Do you see that?---Yep.

Now is that something that you would have thought was part of your job anyway?---Yes.

And if we go down seven bullet points, "Act fairly and reasonably carrying out work with integrity and objectivity."---Yes.

20 Now was that something that you thought was part of your job anyway?
---Yes, and I believe I actually was doing that at the time.

And if we go down to the tenth bullet point, "Ensure efficient and effective use of University resources making improvements wherever possible and reducing waste."---Yes, and I did - - -

Did you consider that was part of your job?---Absolutely and I believe that I fulfilled that on a day to day basis.

30 And if we go down to the conflict of interest, heading five, "Staff members must ensure that there is no actual or perceived conflict between their personal interests and their University duties and responsibilities." Right?
---Yes.

Now did you consider that that was part of your job anyway regardless of the Code of Conduct?---Yes, I conducted myself in a very professional manner as far as I'm concerned.

40 Conflicts of interests are assessed in terms of likelihood that staff members possessing a particular interest could be improperly influenced or might appear to be improperly influenced in the performance of their duties. Do you see that statement?---Yes.

Regardless of the Code of Conduct, do you consider that to be part of your duties would you?---Yes.

All right. Now, there are three examples of conflicts of interests given here. "Examples where conflicts of interests could arise include, contracts or transactions between the University and yourself or your family, this

extends to any partnership or business undertaking in which you or your family have a material interest as major shareholders, directors or principals.” Right?

---Yep.

Now regardless of the Code of Conduct, would you consider that to be part of your obligation to prevent that from happening?---Sounds reasonable.

10 Well, you didn't need anybody to tell you that you shouldn't be doing it, correct?---Well no, but it actually says here would you or your family and at the time Succuro was a separate entity, my wife had a part time, a part time role there and when she actually did start off this new business it was supposed to be a completely separate entity so - - -

In August 2008?---Yes.

20 All right. So, sorry, from August 2008 do you accept that your wife, I'm, sorry, no. You would, had you known, you say today that had you known that your wife had an interest in the business undertaking Succuro Recruitment that that would have been a problem, correct?---Yes, going by that, yes.

And going by your general knowledge correct?---Yes.

30 And also the next bullet point, “Being involved in a tender process where you or your family have a vested interest in the outcome.” All right. Now obviously if you or your wife were shareholders in Succuro Recruitment Pty Limited if you awarded work to Succuro that would be of financial benefit to the company, correct?---To Succuro it would, yes.

Yes. And you as shareholders may derive a financial benefit from that, correct?---Yes, but there was no financial benefit and again, from my understanding I had no idea that there was a shareholding in place.

I understand that but we'll get to that later.---All right.

40 And it says there, “Staff members must inform the person to whom they normally report if a conflict or potential conflict arises.” Do you see that?---Yes.

So if you became quite apart from this here, if you became aware of a potential conflict of interest you would have informed somebody more senior, correct?---Reading this here and now, yes, but without reading it, no.

Well, what would you have done if you became aware of a conflict of interest?---I would have escalated to someone I guess if - - -

Sorry?---I would have escalated to someone I guess but I've, I didn't come across any conflicts of interests while I was, during my four and a half years at the University.

You never came across a conflict of interest during your four and a half years at the University?---Not in other areas and not that I'd seen in other teams, no.

10 Well, certainly you didn't disclose any conflict of interest during the time there in so far as the use of Succuro Recruitment Pty Limited did you?
---No.

You didn't tell Mr Pigot that your wife was a shareholder in the company?
---I didn't know that she was a shareholder in the company so there was nothing to tell.

I understand. You also never told Mr Pigot that you were a shareholder in the company?---I repeat again, I did not know.

20 I understand that's an explanation, the question is you didn't tell him did you?---No.

Right. Your explanation is because you didn't know?---Correct.

Right. Now would you have informed Mr Pigot as soon as you became aware of a potential conflict of interest?---Probably, yep.

30 Assume for a moment you discovered a conflict of interest Mr Demiralay, what do you tell the Commissioner you would have done as soon as you found out about it?---I'd look into it initially and yeah, I guess I deemed it, I probably would have raised it with Mr Pigot.

Well, this would have, this policy would have obliged you to disclose it wouldn't it?---Yes.

To disclose it to your supervisor, correct?---Like I said, I hadn't read it until very late 2010.

40 I understand. Now the 2008 version is to be found at page 98 of that volume. And in the opening paragraph, the second sentence, the policy is only concerned with the conflicts of interests which arise where a conflict has or appears to have had the capacity to influence the conduct of a particular individual whether or not it's actually done so, all right.
---Ah hmm.

Do you see that?---Yeah.

Now, even regardless of this policy you would have felt capable of identifying a potential for conflict whether or not it actually occurred or not, correct?---If I had read the document, yeah.

But apart from the document you'd be able to form that impression, wouldn't you?---It'd depend on the circumstances.

10 If we go to page 99, 4.1, "The personal financial or external interest can only create a conflict of interest if it's material. This means it must be a real or substantial interest and have the capacity to influence the conduct, correct, of the individual", correct?---(not transcribable)

Now, you know that the allegations before this Commission is that you were diverting work to Succuro when you held a relevant financial interest in that company, correct?---I had no financial interest in that company, no.

No, but you know that's what the allegations are here?---That may be the allegation.

20 And if we go over the page to page 100, paragraph 5.1, "You must make prompt, full disclosure using the attached form of disclosure" and it goes on to say when you perceive a conflict of interest, correct?---Yeah.

But of course you tell the Commissioner you've never read this document before, don't you?---That is what I'm telling the Commission, yes.

30 And if you go down to 7.2, "Failure to disclose and manage a conflict of interest could also be regarded as corrupt conduct under the Independent Commission Against Corruption Act, you see that there?---Yeah.

Now, you say that - was that something that you were aware of independently of this Code of Conduct?---No.

Is it the case that - sorry, if you go over to page 101, paragraph 9 which indicates a regime for managing conflicts of interest, do you see that there? ---Yeah.

40 Now, you never raised any conflict of interest so you never sought to manage it, did you?---That's correct.

Now, if we go to page 106, paragraph 19 "Except with the written permission of the Chief Operating Officer and Deputy Vice Chancellor you must not provide advice on or implement a University decision regarding an employment matter where the affected employee is your spouse, de facto partner, close relative, et cetera"?---Correct.

Right. Now, you're aware that George Tsipidis was appointed by you - - -? ---Yeah.

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

- - - and you'd have considered him to be a close relative, wouldn't you?
---Yes.

Now, 2010, the policy is to be found at page 110, sorry, no, that's the External Interests Policy, my apologies, yes, no, that's - if you have a look at the External Interests Policy here?---Ah hmm.

10

Right. Page 110, this was a document which dealt with the Conflicts of Interest Policy and it was a document that was distributed by the University email system in August 2009, are you aware of that?---In August 2009?

Yeah?---It's actually dated 15 October, 2010.

Yes. It was circulated in draft, Mr Demiralay?---I don't recall that.

20 Well, do you say you never received this either?---I'm not saying that, I just, I can't recall reading it or seeing it.

All right?---If it went University wide I'm sure it would have ended up in my mailbox.

And do you say to her Honour today that you've read this document?---Like I said, again, I, I, I read it in late 2010 probably.

30 What were the circumstances in which you read it in late 2010?---I was actually contacted by ICAC - - -

Yeah?--- - - - and the investigator that I actually spoke to put some allegations to me on the phone. I didn't understand what was going on and when she highlighted some of these, these points I actually went, went and checked.

You say you were aware that in about March 2009 Succuro Recruitment changed its name?---No, I wasn't.

40 You weren't?---No.

Were you aware that in about March 2009 there were rumours circulating at the University that you were, you were involved with, financially involved with Succuro Recruitment Pty Limited?---Not at that stage, no.

When was the first time that you heard rumours that around the University that you were financially involved in Succuro Recruitment Pty Limited?
---Again, probably late 2010.

Never heard it before?---Not that I can recall but rumours, rumours as you can see from statements that have been put in front of this Commission, rumours were abundant within the University, I ignored most of them as, as a manager anyway I, I - at that level I didn't associate with, with staff at that level.

10 Now, you're aware, aren't you, that - sorry. Your Honour, this may involve a degree of duplication but there is a volume 4 here which has been distributed to the parties and it contains a number of emails pertaining to Succuro Recruitment, Mr Demiralay, Mr Tsipidis, Mr Smeros and Mr Angelopoulos. The emails pertaining to George Tsipidis and Mr Angelopoulos - sorry, Mr Buxton's, not there.

THE WITNESS: Commissioner, can I request a toilet break, please?

ASSISTANT COMMISSIONER: I beg your pardon?---Could I request a toilet break please?

20 Yes. I suppose if you've got to go. We'll, we'll have a short adjournment.

SHORT ADJOURNMENT

[12.08pm]

ASSISTANT COMMISSIONER: Thank you, please be seated.

30 MR MORRIS: Sorry, Your Honour, before the break we were talking about another tender being a bundle of emails. On the spine it's volume 4, it's been distributed and those emails that appear at page 147 to 274 pertaining to Mr Tsipidis have already been part of a separate tender.

ASSISTANT COMMISSIONER: Right.

MR MORRIS: But I'll tender the balance together with a copy.

ASSISTANT COMMISSIONER: Yes, we'll, that volume 4 will be Exhibit 52.

40 **#EXHIBIT 52 - FOLDER ENTITLED VOLUME 4**

MR MORRIS: If the witness could just be shown volume 4, if it please Your Honour. Mr Demiralay, those documents are paginated in the top right-hand corner as well. If you go to page 102. I want you to assume that this came from your inbox on your computer when ICAC investigators examined it. That's an email dated 31 August, 2009, referring to the formal rollout of a new Code of Conduct?---Ah hmm.

Do you see that?---Yep.

You don't doubt that you would have seen that email?---No, it would have hit my in tray.

I'm sorry?---Yes, it would have hit my in tray.

10 Yes. And you would have read it?---Yeah, I would have glanced over it, yes.

Right. And that was alerting you I suggest to the new rollout of the Code of Conduct which was expected. Correct?---Correct.

And after receiving that, did you, do you say that you did not go back to any existing Code of Conduct or try and find the incumbent Code of Conduct? ---That's correct.

20 Is that, now, if you go to 105, that's a later email that's come out of your inbox?---Ah hmm.

9 September, 2009, and it's talking about the implementation of the code of, the new Code of Conduct?---Yep.

Right. And then the second last paragraph it says, "Regardless of your position or how long you've been at the University you should be familiar with the Code and what it means for you." Correct?---Yep.

30 Now, you would have read that, wouldn't you?---Yes, possibly.

Possibly? It's in your inbox. Is it the fact that you don't recall reading it now?---I don't recall reading it. I got hundreds and hundreds of emails every single day so- - -

And if we go to page 107, right, that's an email 25 May- - -?---Ah hmm.

- - -asking all staff that they've read the Code of Conduct and showing that their records indicate that they've not completed the confirmation?---Yep.

40 All right. Now, there's no doubt that you received that document, is there? ---Yep.

And did you read that email at the time it was sent?---I can't, I can't recall to be honest.

Yes. And at page, if we want the original of that, not the archived version, I'll just show you the original at page 141. All right?---Yep.

Now, you don't doubt that you've read that. Correct?---I, I can't recall. I may have.

Well, in the ordinary course you'd have read it shortly after you received it. Right?---Yep.

Now, at some stage you logged on and gave that acknowledgement, did you?---Yes. I believe I got a phone call or another email from someone stating that I hadn't done it yet, so I jumped on and went, went to the page and acknowledged that I'd read it.

Right. And you must have read it at that time?---No, I didn't. I just went to, opened it, closed it, acknowledged, just ticked it.

Are you saying that despite a specific request on no fewer than three occasions- - -?---That's what I'm saying.

- - -you didn't do what was being asked of you as a staff member?---For whatever reasons, correct.

Is that, you knew that the University was relying on your acknowledging that you'd read it. Correct?---Yes.

By logging on and saying that you'd read it- - -?---Ah hmm.

- - -you were making a statement, weren't you?---Yes.

And are you saying that that statement that you made to your employer was a lie?---An oversight, yes.

It was false, wasn't it?---Yes.

And was it deliberately false by you?---No, it wasn't deliberately false, for whatever reasons at the time I was, my days were fully occupied, every single minute of my day was taken up. I, I had a large area to support, a growing area to support, I worked from 7.00 till 7.00 so I was busy and for whatever reasons I, I, I took shortcuts I guess.

That's your explanation to the Commissioner today?---Mmm.

Right. But the fact is that you put forward to your employer a statement in electronic form which was false. Correct?---False. I agree and I have stated I did not read the documentation.

Is it the case that you in fact did read the documentation?---I read the documentation, like I said, in late 2010.

Right. Is it the case that you in fact before you gave the acknowledgement you actually did read the documentation?---No.

And that the declaration that you gave to the, your employer electronically was correct?---No, I didn't read the- - -

Is it, now, these Codes of Conduct and these other policies that were instituted by your employer, the University of Sydney- - -?---Ah hmm.

10 - - -were a part of your daily business when it came about recruiting people, wasn't it, weren't they?---It appears to be so put that way, yes.

Well, it must have appeared to you at the time, Mr Demiralay, I suggest?
---I didn't read it so it wasn't.

If you go to page 111, Mr Demiralay, of that volume 4, that's an email that was sent to you from Venetia de Chazal. Right?---Yes.

20 Now, that's been recovered from your inbox?---Ah hmm.

Right. Now, I take it that that's a document that you read at about the time it was sent. Is that correct?---Yes.

And that document annexed a Recruitment and Selection Policy which is to be found at page 112?---Ah hmm.

Right. And this was all about, this was sent to you in your position as manager at the University of Sydney. Correct?---Correct.

30 In the context of advertising a team leader resourcing position. Correct?
---Yep.

And one of the people who was an applicant was George Tshipidis. Correct?
---Correct.

He was your brother-in-law?---Yes.

40 You did not disclose to anybody that he was your brother-in-law, anybody at the University that he was your brother-in-law, did you?---No, regrettably.

And was that a conscious decision by you not to mention it?---Yes, it was. It was a conscious decision because I was under the belief that if I had made it known that Mr Tshipidis' abilities and, and, well, his, his, his abilities and what he could actually do at the University would have been compromised by other people. The, the, I, I was under the impression that people may have felt resentment and wouldn't have given Mr Tshipidis a fair, a fair chance in the role.

But what was the problem in disclosing that relationship to Mr Pigot prior to his appointment?---I should have, I should, like, like I said, regrettably, I should have done it. I actually ah, believe I told Mr Pigot that he came strongly recommended but I didn't go any further, so I regret that decision, yes.

That was, you made a, you made a decision how much information you were going to give Mr Pigot, didn't you?---Yes.

10

Because I suggest that you wanted to appoint Mr Tsipidis to this team leader resourcing role. Correct?---Oh, he was very good at it and he'd been doing it for the last twelve months or so, so he would have had a chance.

Mr Demiralay, you wanted to appoint him to a full-time position, didn't you?---I wanted the position filled, yes.

You wanted it filled by him, did you not?---He was the only person that applied, yes.

20

No. At the time of this, this email, Mr Tsipidis was a contractor, wasn't he? ---Yes.

And the fact is that as a contractor he was not a current University staff member was he?---No, he was a contractor.

Right. And if we go to the first paragraph, sorry, the second paragraph this is for the application team leader resourcing - - -?---Ah hmm.

30

- - - two candidates have applied including George Tsipidis, the second candidate Apurva Pancholi is not a current University staff member, hence the only candidate eligible is George?---Ah hmm.

Well George wasn't eligible either was he?---I believe at the time he, he was because there was no clear distinction between a contractor being a University employee and not, that was actually up in the air.

No, but we've just discussed that Apurva Pancholi was not a current University staff member - - -?---He was - - -

40

- - - so he was excluded?---He was external to the University whereas George had actually been, been working at the University.

Is it the case that - is it the case that Apurva was actually a contractor within the University?---No.

Well what made George as a contractor eligible given he wasn't a current University staff member?---I believe at the time contractors were considered

to be internal to the University. There was a, there was a change at a later date that actually stopped contractors from being able to do that. That's my, that's my understanding.

How did you come to learn of that understanding?---Because we'd actually advertised it that way I guess or I was told by Sydney Recruitment or, or HR.

10 If we go to page 112, is the recruitment and selection policy that came in in January 2009. Right. Now you'd read that document before hadn't you?
---Parts of it.

Well this was another which was central, I suggest, to part of your function which was to recruit people for the ICT department. Correct?---Yep.

And if you go to page 112 it talks about the related documents, right, page 112, see it's got Code of Conduct and Conflict of Interest policy? See that?
---112?

20 Yes, page 112, top right hand corner. Yes, you've got it there in front of you?---Yep.

Now this document was sent through as an annexure to this email - - -?---Ah
hmm.

- - - of 22 September?---Yep.

30 Now you're saying that prior to proceeding any further with Mr Tsipidis' appointment you took the care to read this recruitment policy?---No, not really because my attention would have been on the request to appoint form and the selection committee report.

I see. Mr Demiralay, is it possible that you actually had a very detailed working knowledge of the staff selection and recruitment policy while you were employed as a manager at ICT?---No. I, I gained most of my information about recruitment from the relevant areas, whether it be Sydney Recruitment, HR, Finance.

40 Is it possible - - -?---The policies constantly changed, constantly. What was, what was relevant one day was irrelevant the next day, so it was, it was just notification to us by, by HR or Sydney Recruitment, Finance, et cetera.

Is it possible that in fact you were able - you had such a knowledge that you were able to guide people as to how to avoid the recruitment policies?---No.

Is it possible – and not just the recruitment policies, the procurement policies as well?---No.

Have you ever heard the expression appointment by nomination?---Yes.

And is it that the appointment by nomination was an exception to the staff procurement policy wasn't it? Staff recruitment policy?---I don't know if it was an exception but there was a multitude of potential ways to recruit someone within the University.

10 And the ways were set out in the staff recruitment policy weren't they?---I don't know if they all are, but my – like I said the guidelines that were given to me were given to me by HR and Sydney Recruitment or they were divulged to me in meetings or by my peers or colleagues.

They were also given to you in document form too weren't they?---Yeah, probably.

And they were readily available on the intranet?---Yes, and they constantly changed, like I said.

20 And you knew that they were constantly changing. Correct?---It was almost impossible to keep up with.

No, but it was your job to keep up with them?---My job was to, to, to deliver – my job was for my department to deliver services across the University. It got to the stage where recruitment was almost a full time job.

Your job was to do so within the context of the University policies and guidelines. Correct?---Correct.

30 So you knew that these policies were changing all the time. Correct?---Inadvertently, yes. I'd, I'd submit a form I'd try to do something and then I'd be told then and there that no, we don't do it that way, we now do it this way. It doesn't necessarily mean that the paperwork on the intranet was actually updated.

Okay. If you go to page 75 of that volume, we see an email from Tim Passe - - -?---Yes.

- - - 14 October, 2008?---Yes.

40 He's asking you a question?---Ah hmm.

What is nomination versus contract?---Ah hmm.

Right. So just don't turn the pages over, don't - - -?---Okay. Sorry.

Well I asked you about page 75 and you turned to page 74?---I'm sorry I was looking for the relevance, I didn't know I wasn't allowed to do that.

Well Mr Demiralay, Tim Passe was a man that you'd worked for before at Ozemail. Correct?---Worked with, yes. He reported to me, yes.

Worked with, sorry?---Yes.

He worked for you?---That's correct.

10 And you were involved in appointing him initially as a contractor through Succuro. Correct?---No, he wasn't a contractor, he was a full time employee.

Full time employee?---He applied for the advertised position, yes.

All right. But you were responsible for approving his employment. Correct?---Yes.

20 You recommended to Mr Pigot that he be appointed?---No. I actually recommended to Mr Kovari.

Mr Kovari was it?---Yes.

And did you tell Mr Kovari that you'd worked with him before?---At the time I believe I did, yes.

Now he says, what is nomination versus contract. If you go to page 74, which is the page you were just reading?---Yep.

30 All right. You respond to him, carbon copied to George Tsipidis - - -?---Ah hmm.

- - - you can potentially hire someone without interview. The duration is for a maximum of 12 months. The incumbent is treated as a full time employee. At the end of the 12 months you can advertise the position and make it available to uni staff, the position on nomination can then reapply for the position instead of interview. All right. Normally used when you want to appoint someone you know into a position or if you are in a hurry? ---Yes.

40 The ideal situation would be that nobody else would apply for the position when advertised as they know someone else is already in the role - - -?---Ah hmm.

- - - and he or she will more likely than not keep the position after it's advertised and the interviews have been conducted. Do you see that there? ---Yes.

Now, that's a statement by you - - -?---Ah hmm.

- - - to two of your underlings, correct?---Correct.

And those two underlings were people who'd been appointed by you?
---Yes.

And I suggest to you that that email shows a sophisticated and detailed knowledge of the University's staff recruiting policies?---Ah hmm.

10 Correct?---No.

And that it also shows a sophisticated understanding of the procurement policies?---No. That was, that was passed on to the - my two underlings because when I first started at the University Mr Kovari actually sat down and explained to me how the nomination process worked, that's why I passed it on because at the time we were looking at recruiting someone and Mr Kovari told me the recruitment on nomination and explained, explained what it was all about.

20 Can I suggest to you that this shows a detailed knowledge of the recruiting policies?---No.

And it shows that you know that there was a way of evading them so that you could appoint someone that you know into a position?---No. the only person that, that I actually appointed on nomination was Mr Angelo Angelopoulos and that was with (not transcribable) my manager.

Well, that's a different question, Mr Demiralay?---No.

30 What I'm saying - - -?---The answer's no.

And indeed, this sets out a method, it actually sets out two methods, right. One is to do an appointment by nomination, right, which you used with Mr Angelopoulos, right?---Yes.

Now, you knew Mr Angelopoulos, didn't you - - -?---Ah - - -

- - - before this?---I had met him on one occasion, yes.

40 On one occasion?---Yes. I believe one, maybe, maybe two.

But he came on recommendation from somebody else, didn't he?---Ah, yes.

Who was that?---Virginia, my wife. I actually met Angelo, the first time I actually met Angelo was at a wedding and we were sharing the same table. I believe that, that was where I first met him.

And Virginia your wife recommended Mr Angelopoulos to you to a position at the University, correct?---She actually, she actually didn't recommend him. We were having a discussion around the table at the wedding and I told him what my role was, I, I think I'd just started at the University or, or it was then abouts there and he actually said well, this is what I'm doing, he was an IT manager at Prodocom and the only thing that my wife would have done in those circumstances would have, would have concurred that he, he had good, good qualifications.

10 Did you ever make any inquiry as to his background with his former employer?---Did I?

Yeah?---I can't recall if I did or, or, or not.

The other thing this email demonstrates I suggest is that it demonstrates that you knew as at 2008 that one way of appointing a permanent employee was to take them on as a contractor first and then when the permanent position became available - - -?---Ah hmm.

20 - - - they could apply internally, correct?---That was, yes, that was an agreed mechanism, yes.

Well, I suggest to you that that shows a detailed understanding of the staff recruitment policy?---No, that, that to me explains that I've been informed or told by HR, Sydney Recruitment that it is possible to be done that way.

And - - -?---Most of the information I knew was actually garnered from, from, from speaking to people as, as was the case with a lot of people I, I expect.

30

Well, it's the case, isn't it, that a good number of Succuro contractors started out working in a contract position at the University of Sydney - - -? ---Ah hmm.

- - - while you were the manager, correct?---Yeah, yeah.

And then they were appointed to permanent positions weren't they?---Yes. They were great candidates.

40 No, but I'm talking about - - -?---Yes.

Now, just run through who they were to your recollection?---Peter Smeros, George Tsipidis, David Anderson, and there was probably a few more but I really can't recall.

Aleks Jankovic?---Yes.

Andri Selamat?---No.

Any others you can think of?---Not off the top of my head.

And in relation to your dealings with Succuro, do you recall Succuro when that happened, do you recall them, the company claiming a placement fee?
---Ah no, no placement fees were, were paid under those circumstances.

A different question, Mr Demiralay. Do you recall them claiming a placement fee?---No.

10

But none was paid you say?---No, there was - no. No, no placement fee.

Now, you were aware when using Succuro contractors that you were paying Succuro well in excess of what you would pay a permanent employee, correct?---I don't know about well in excess.

Well, for instance for a computer support officer - - -?---Ah hmm.

20

- - - do you recall what you were paying, paying Succuro?---Roughly \$50 an hour.

And what about a team leader?---Depending on experience, skill-sets, knowledge, anywhere from 75, 80 to 110, 120.

And you were making - were you making the decision to use Succuro?
---Was I making the decision to use Succuro? It depends on the circumstances. I, I was a participant in, in the recruitment of nearly all roles I guess prior to, prior to say March 2009, I think from about 2009 onwards I actually didn't participate in, in, in interviewing computer support officers, I actually just dealt with the team leader roles, the high end roles.

30

Who was responsible for that?---My team leaders.

You've heard the evidence of Mr Tsipidis - - -?---Ah hmm.

- - - here in this Commission - - -?---Yeah.

- - - that says that he left recruiting, recruitment issues to you?---It would have depended, if it was a team leader level, yeah.

40

Well, he didn't make that distinction in his evidence?---Well, I'm not sure of that.

Now what about I think Mr Buxton too - - -?---Yeah.

- - - indicated that if he had a recruitment need, he was a team leader wasn't he?---Ah, yes.

If he had a need for employment he would send it to you?---Well, he sent it to me. If he found out that, for example, one of his staff was, had decided to leave he'd let me know about it and then we'd put the ball in progress to, to fill the position, yes, and then I'd probably hand it back to my, my, my team leaders. I'd probably instigate the raising of the paperwork for it but from then, from there on it'd flow, flow, flow down to them.

10 Assume that they in fact - and I'm not making any concession in this regard, assume that they in fact asked you - sorry, assume that they set about looking for a contractor you'd have to give an approval to use that contractor, correct?---If they were looking for a - well, we weren't in a position where we could make that decision. If a contractor was required it would be based on requirements within the University and that'd depend on the shared services initiative. We did not just put our hands up and go we need another contractor, we had to fall within a headcount and the headcount was based on the centralisation initiative.

20 Did you ever give a direction to Mr Tsipidis along the lines that ICT only use Succuro - - -?---No.
- - - for recruitment?---No.

Did you ever give a note, give a direction to Mr Tsipidis that you should approach Succuro first?---No, I wouldn't have said it in those terms but considering that our best candidates actually did come from Succuro and they were our highest achievers, I'm sure that that would have been probably one of the first points of contact.

30 Well, do you recall that under the, when you first commenced at the University in October 2006 there was directive sent round that you needed to approach three- - -?---Ah hmm.
- - -providers?---Yeah.

Are you saying that you abandoned that scheme or that directive at some point?---No.

Well, are you saying that you preferred to use Succuro?---No.

40 You made a decision to use them as your first port of call?---No.

Now, as at, just excuse me a moment, as at June, 23 June, 2010, do you say that you were unaware that you were a shareholder of Succuro Recruitment? ---2010, I can't recall the dates, I can't recall the dates, but I do remember there was an, an issue, there was a lot of issues apparently with the way that the company was set up, but I didn't think it was about shareholdings.

When do you say you became aware that you were a shareholder of Succuro Recruitment?---When ICAC actually approached me, and that would have been October/November 2010.

When do you say you became aware- -?---And they actually didn't share that I was share member, sorry, they actually said that I was a director.

A director?---That's what was put to me, yes.

10 When do you say that you first became aware that your wife was a shareholder in Succuro?---I can't recall. I don't know. I don't even know if, probably 2010 sometime.

Sorry?---Probably sometime in 2010.

20 What was it that brought your attention to the fact that she owned shares in Succuro Recruitment Pty Limited?---I think it was ICAC, to tell you the truth. I knew she was a director and I didn't, I didn't think it was Succuro Recruitment, I actually thought it was I-Secure, but I didn't know, I'm pretty sure that I didn't know about the shares until much much later on. I knew that she was a part, a part owner and a director.

I-Secure, I thought I asked you about that this morning and you said you didn't know about it?---Well, at the time I didn't. I've known about I-Secure since being in this, in this, in this Commission.

I see?---Or, or since initial meetings have taken place with ICAC, sorry, that's probably a better was of phrasing it.

30 So your best recollection now that it was late 2010?---Yep.

I want you to go to page 109 in volume 4, Mr Demiralay. See that?
---Yep.

Now, you've been noted to be a recipient of that email?---Ah hmm.

Right. Do you recall reading that document?---No, I don't.

40 Do you recall going to the, I think that's called a hyperlink. Is that right?
---That's correct.

Do you recall going to the hyperlink?---No, I can't. I can't recall going to the hyperlink but I do recall having a coffee with a colleague and she mentioned it.

I'm sorry?---I do recall having a coffee with a colleague and she mentioned it because she was actually- - -

Who was the colleague?---She was actually emailed as well. That's Jenny Malapetsas.

I see. And what was the terms of that discussion, Mr Demiralay?---Oh, she basically said, have you, have you read that article that Nick shot around, and I said, "No, I haven't read it." And she said, "Oh, it's some investigation into, into cleaners." And I think that was, that was about it.

10 Right. What was it about the cleaners that made it interesting?---It wasn't interesting. She just mentioned it and we moved off the subject.

I can see that an article about cleaners would not be interesting?---Ah hmm.

But did she say anything about the allocation of cleaning contracts to a company- -?---No.

- - -that was owned by the person- -?---No, she didn't.

20 - - -who was doing the allocation?---No.

That was a complete mystery to you after that conversation with Jenny Malapetsas?---I believe so, yeah.

And- -?---She brought it up and we moved off, we, and I, I, I, I think she just had a look, she just opened the hyperlink herself and actually just had a, had a skim and then we caught up after that.

And you say that you didn't read this at all?---I can't recall reading it, no.

30 Okay. Your Honour, the hyperlink has not made it into the brief in the pages following it, but I've taken the liberty of downloading a copy and it is the, now's as good a time as any to tender it. It's a copy of the opening of Operation Kanda of 21 June, 2010, and I tender an original and a copy.

ASSISTANT COMMISSIONER: Yes, that will be Exhibit 53.

**#EXHIBIT 53 - TRANSCRIPT OF OPENING ADDRESS FOR
OPERATION KANDA**

40

MR MORRIS: Now, I want to suggest to you, Mr Demiralay, that what was attached to that hyperlink was a copy of the opening in relation to Operation Kanda which involved a women called Yandell, Y-A-N-D-E-L-L, who was a manager of site services and she was awarding cleaning contracts to a company in which she and her family members had an interest. Right?
---Ah hmm.

You say that would be a complete mystery to you, do you?---I, I, like I said, I can't, I can't recall reading it. I, I recall hearing about it but I can't recall reading it.

Right. Did you do, after the, after seeing this email at page 109 and speaking to Jenny Malapetsas, did you do anything?---No, not that I can recall, no.

10 Did you go home and speak to your wife about it?---No, not that, not that I remember, I didn't do that.

You didn't do that?---No.

I see. Well, you see, Mr Demiralay, I want to suggest to you that within two days of that email being sent to you- -?---Ah hmm.

- - -and your discussion with Jenny Malapetsas, there was a major change in relation to the business holdings of Succuro Recruitment?---Yep.

20 All right. How did that come about, Mr Demiralay?---I don't know. Bill Mylonas, I do recall that he mentioned something about it when he was in the witness box the other day, that he said something about cleaners, I didn't take that much attention then either.

Is it possible that what happened on 23 June, contrary to your evidence here today- -?---Ah hmm.

30 - - -that you actually went to the hyperlink and read it?---I may have opened it. Like I said, I really can't recall. I may have opened it, I may not have. Possible.

If the witness might be shown a copy of it. Is it ringing any bells, Mr Demiralay?---Not really. There's a lot there.

Sorry?---There's a lot there but no.

You see I want to suggest – well I want to ask you whether this is in fact what happened?---No.

40 You've read the hyperlink, right. And you immediately recognised that Yandell was in a very similar position to you in that she had the power to allocate contracts. Right?---I don't know. I've never even heard of Yandell before.

No, but I'm – I've got to suggest something to you. Is what happened that you recognised that that inquiry involved corrupt conduct by somebody who was a manager at the University of Sydney?---Did, did this?

Yes?---Well having it – from what I’ve heard from you, yes.

Is that something – I want to suggest to you that on about 23 June - - -?---Ah
hmm.

- - - if you’d read this hyperlink - - -?---Ah hmm.

- - - you’d have recognised that she, she was allocating contracts firstly.
Secondly, that she was allocating contracts at the University of Sydney?
10 ---Ah hmm.

- - - to a company. Right?---Ah hmm.

You would have recognised thirdly that the allegation of corrupt conduct
was that she had an interest in the company - - -?---Yep.

- - - to which she was giving the contracts. Correct?---Ah hmm. Well I’m
sure that’s all stated in here, but no I wasn’t aware of that. No, no.

20 No, but if you’d, if you’d read it that’s what you would have seen?---I
didn’t, I didn’t read it.

And that what had then happened was that that had led to a corruption
inquiry?---Ah hmm.

Right. Now I want to suggest to you that in fact those basic – that you did
read that hyperlink and that those basic four elements came to your
attention?---Incorrect.

30 And what happened was you recognised that you’d been allocating contracts
to a company that you had a shareholding in?---Correct. I did not know that
I had a shareholding in the company.

And that you had allocated contracts to a company that your wife had a
shareholding in?---Incorrect, no.

Right. And that you went home and you spoke to your wife about it?---No.

40 And that you must, between the two of you formed an opinion that
something needed to happen to the share ownership of Succuro Recruitment
Pty Limited?---No.

And that your wife had discussions with Bill Mylonas about it?---No.

Do you recall that evidence by Mr Mylonas?---No. I recall, like I said I
recall him saying, saying that he heard from someone else about the case
and whatnot, but it wasn’t from me.

No, but there was discussion between Mr Mylonas and your wife about the shareholding?---Ah hmm. Yep.

MR GIBSON: I object. If I'm correct, he was asking about whether there was discussion between other people.

MR MORRIS: Okay. Well were you aware that there was discussion between your wife and Mr Mylonas?---Oh well, yeah, well whatever it was I guess, yeah, they were talking about it here. Well Bill Mylonas said it.

10

And there was some discussion that took place either on 23, 24 or 25 June, 2010?---By?

Between Virginia Kantarzis, your wife and Mr Mylonas?---Mr Mylonas definitely, I think, I can't recall what testimony was put on the table by Mr Mylonas, but if that's the case, that's the case. I do definitely remember Mr Mylonas saying something along those lines, yeah.

And if you go to Exhibit 2, have you got that in front of you?---Yep.

20

Go to page 466, please?---It doesn't actually have a 466.

Exhibit 2, Volume 3 on the side?---This is 4.

Sorry. Now you see by this stage the name had changed from Succuro Recruitment to I-Secure Recruitment. Correct?---Yes.

And that's a document signed by you isn't it, page 466?---In the presence of, yes, that's me.

30

And you and your wife were transferring shares in the company to Mr Mylonas?---Yep.

Right. And did you ask anybody why it was that this was required?---I think I actually discussed it with my wife at the time and she actually said that there was an error in the way that the paperwork was set up, something along those lines.

Whose - - -?---I can actually recall even questioning why our address was on it, but - - -

40

Yes. Well can I suggest to you that this transfer took place - - -?---Ah hmm.

- - - in order to divest yourself of shares – you and your wife to divest yourself of shares - - -?---Ah hmm.

- - - to Mr Mylonas in an attempt to prevent any corruption investigation into your conduct as manager at the University of Sydney?---No, I don't agree with that.

Is that a convenient time, your Honour?

ASSISTANT COMMISSIONER: Yes, that is. We will resume at 2 o'clock.

LUNCHEON ADJOURNMENT

[1.07pm]