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INDEPENDENT COMMISSION AGAINST CORRUPTION

THERESA HAMILTON ASSISTANT COMMISSIONER

PUBLIC HEARING

OPERATION CITRUS

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TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON WEDNESDAY 11 APRIL 2012

AT 2.10 PM

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

ASSISTANT COMMISSIONER: Yes, Mr Morris.

MR MORRIS: Commissioner, the next witness is Virginia Kantarzis.

ASSISTANT COMMISSIONER: Yes, could Ms Kantarzis please come forward.

10 MR GOLLAN: Commissioner, while, while that witness is coming to the witness box the document that was tendered through Mr Gibson, by Mr Gibson through Mr Demiralay, I sought instructions over lunch and I did reserve my position, so long as there's a suppression order to the whole of the document I don't have any problem.

ASSISTANT COMMISSIONER: Thank you.

20 MR MORRIS: And, your Honour, I've made some inquiries in relation to its tender and its production by Mr Gibson today. There was a section 22 notice that was served but I'd like it noted for the record that there was sufficient ambiguity within the notice and we can understand why it may not have been produced pursuant to the notice.

ASSISTANT COMMISSIONER: Yes.

MR MORRIS: Thank you.

ASSISTANT COMMISSIONER: That's noted. Thank you.

30 MR MIRALIS: Commissioner, Ms Kantarzis seeks a declaration under section 38 and she will also take an oath.

ASSISTANT COMMISSIONER: Thank you, Mr Miralis. Ms Kantarzis, the effect of the order I'm about to make is that nothing you say can be used against you in any future criminal, civil or disciplinary proceedings unless it is found you have breached the ICAC Act in some way. Do you understand the effect of that order?

MS KANTARZIS: Yes, I do.

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

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

10

ASSISTANT COMMISSIONER: Could the witness be sworn please.

ASSISTANT COMMISSIONER: Yes, Mr Morris.

MR MORRIS: Would you kindly give the Commission your full name?
---Virginia Kantarzis.

10 And what's your current occupation?---I'm not employed.

Not employed. Okay. Now, you're the husband of Mr - - -

MR GOLLAN: The wife.

MR MORRIS: Sorry?

MR GOLLAN: The wife.

20 ASSISTANT COMMISSIONER: You said husband.

MR MORRIS: Thank you. I'm very grateful to my friends and I apologise.

MR GOLLAN: We are listening.

MR MORRIS: They are listening. You are the wife of Mr Atilla Demiralay?---Correct.

And you had previously been employed by Transfield?---Correct.

30 Would you kindly just tell the Commission what you were doing at Transfield?---I was the national support centre manager.

Right. And how long had you been there?---About six or seven years.

And what were you doing before that?---I was an IT support team leader.

And where was that?---At Pacific (not transcribable)

40 And what was your - did you have a specialisation at all within your professional role while at Transfield?---Help desk.

Help desk?---Yes.

And was that largely a technical position or was it human resources?---A bit of both.

Right. And did you there meet Mr Mylonas?---Yes.

And what was your position with Mr Mylonas?---He employed me.

Right. And from time to time did you come across a Mr Peter Kostogiannis?---Correct.

And how did you come to meet him?---He was offering recruitment services.

10 All right. And did you avail yourself of the services that he provided from time to time on behalf of Transfield?---I did.

And do you know to your knowledge - and if you don't know please say so, do you know if Mr Mylonas - - -?---I think so.

Right. Now, what were your technical qualifications at the time you were at Transfield?---IT related, ITIL certified.

Sorry?---ITIL certified which is best practice in IT service and support.

20 Did you have any tertiary qualifications?---Diploma.

A diploma and where was that from?---Controlled Data Institute.

And what was that diploma in?---Computer programming.

Computer programming, right. Okay. Now, at some stage you met Mr Demiralay. Was that while you were at Transfield?---No.

30 When, when did you meet him?---At Bonds. Bonds, I work for Bonds Industries.

Was that after your employment at Transfield or before?---No, much prior.

Right. So you'd known each other for some time?---Yes.

And at some stage you came to leave Transfield, is that correct?---Ah hmm, correct.

40 And when you were at Transfield we've heard some other names, I'm sorry, did you know Mr Angelopoulos?---Angelopoulos.

Angelopoulos?---Yes.

How did you know him?---He worked for me.

Right. At Transfield?---At Transfield.

What about Mr Smeros?---He worked for me at Transfield.

And what about Mr Buxton, have you ever met him prior to 2007?---I don't know, I can't recall if I'd met him prior to then.

And what about Mr Passe-De-Silva, had you met him before 2007?---I don't think so.

We've dealt with Mr Smeros, Mr Tspidis?---That's my brother-in-law.

10 Now - oh, and Mr Selamat, had you met him - - -?---He worked for me at Transfield.

Right. Okay. And when, when you say that Mr Selamat worked for you you had the opportunity to - did you have daily contact with him?---Yes.

And what about Mr Smeros?---Yes.

20 And what about Mr Angelopoulos?---Mr Angelopoulos worked for me for a short time and then he was transferred to an application development group.

Right. Now, at some point you came to leave Transfield?---Yes.

Do you recall when that was?---It was May 2005.

Right. And what were the circumstances of your departure?---My ex-manager at Transfield was - had a managerial role at First Data and he headhunted me and he offered me a position.

30 Right. And so when did you start at First Data?---May 2005.

And how long were you there?---A year and a half I think.

Right. So you left what, about September 2006?---Left FDI in November 2006.

You left in November 2006?---Yeah.

40 And you're aware that your husband took a job some time in October 2006 at the University of Sydney?---Yes.

And you were aware of his position?---Yes.

And he was appointed to a management position of the University of Sydney so far as you were aware?---Correct.

All right. Now, I think you got married some time in September 2006? ---Correct.

And he commenced work I think on about 8 October, 2006?---Okay.

Now you say you left First Data what, in about November 2006?---Correct.

Did you have any plans when you left First Data?---No. I wanted a, a break from IT, I wanted something with less stress because we've been trying to have a baby, so I wanted to do something maybe part time or maybe do nothing at all.

10 Right. And was that something you discussed with your husband?---I'm sure I did.

And did you discuss the financial impact of that, of that decision?---No.

All right. You were living in - then living in a flat with your husband?---I moved in with him prior to getting married, yes.

Right. But there was a mortgage over that property?---Yes.

20 And did you make - did you, when you were at First Data did you make any financial contribution to the family unit as it were?---I paid my own way.

Well, when you say that were there any discussions between you and your husband about financial arrangements between the two of you?---No. Well, life continued as it, as it did previously.

Right. After your marriage did you have discussions?---No. Life continued. We have separate bank accounts, always had and that's how it remained and still remains.

30 Did you make any contribution towards mortgage payments?---No.

Was it agreed that he continue to make mortgage payments?---We never discussed it. He paid his mortgage and I had an apartment in Bexley which I was renting out and I continued to make mortgage repayments on that.

Right. And did you have any discussions about what your future plans were going to be with - - -?---Yes.

40 - - - with respect to housing?---Yes, we wanted to buy a house.

Right. And did you investigate buying a house at any point in time?---Yes. For quite some time.

Did you discuss how you were going to purchase that house?---Yes.

What was the proposal?---We'd get a loan from the bank.

All right. And who would look after the mortgage repayments?---Both of us I'd say for - if there was - if we were both working both of us.

Right. And did you have any discussions about how you'd register your names on the title of the property, if you bought?---No, no discussion.

Did you ever talk about the timetable for repayment - - -?---No.

10 - - - of the house?---Yeah, we agreed that it should be something like fortnightly or whatever it took to pay less interest.

Right. did you contemplate making accelerated payments on the mortgage - - -?---No.

- - - at that time?---No.

20 Did you talk about contributing, you contributing any capital to the purchase and he contributing any capital for the purchase?---Well, I had capital I don't think Todd did.

No. But did you talk about it?---We may have, yeah, probably.

Right. And did you talk about any plans to sell either of the flats - - -? ---Yes.

- - - to put into the house?---Yes.

30 And when you talked about selling either of the flats to put into the house was it agreed between you that you'd each contribute to the purchase of the new house?---Yes.

And did you talk about the capacity for each of you to pay the mortgage on the new house if you did not work at all?---No.

Did you talk about the capacity to pay for the mortgage on the house if you only worked part time?---No.

40 You must have at least considered that. You must have considered how that was going to happen if you were looking for a house?---I did consider it because we were trying to start a family.

Yes?---So it was my wish and understanding that I would be probably not working or working part time if I could if I had a baby.

Right. And was that a discussion that you had with your husband about how you would hope to be able to raise your own child?---Yes.

Was that because you had a particular view that you wanted to raise your child rather than utilising child care and working full time?---Correct.

Right. Now at some point you had contact with Mr Kostogiannis in relation to potential employment at Succuro?---Correct.

Do you recall when that was?---It was after I resigned from First Data.

Do you recall whether it was in 2006 or 2007?---It was in 2006.

10 Right. And do you recall when you started at Succuro?---January, 2007.

So after the Christmas break?---Yes.

And was there any reason why you started after the Christmas break?---No.

20 Right. And what were the nature – what was the nature of the discussions with Mr Kostogiannis?---I called him to say that I'd resigned from First Data. That I was looking for something less stressful, possibly short term contracts, three months or six months consulting and if he had anything to consider me for it.

Right?---Yep.

So in other words you first approached him to be placed on his books as an IT - - -?---To find any, yeah, to see if he had any work that would suit.

I see. When was it first discussed with Mr Kostogiannis that you might work for him in Succuro?---I think he called me some time later, I don't recall when and he asked me if I'd consider working for him part time.

30 Right. And did you discuss a wage?---Not initially. At some stage we did.

And did you discuss the duties that would be expected of you?---Yes.

What were the duties that would be expected of you?---Helping with office set up 'cause he was looking at changing offices.

Where was his office at that point?---I don't recall. I think it was, I don't recall. It was either in town, I don't recall.

40 Ah hmm. And so did you then attend to that task when you were employed by him?---What task?

Looking for offices or changing offices?---Yes.

And what arrangements did you make?---Well we sourced a virtual office called Clearly Business in Castlereagh Street. We looked at Cost Services as such and employed them to take care of our virtual office requirements.

Right. So you didn't actually enter into a lease, engage in a fit out or anything along those lines?---No. The office was already set up. I think he paid them monthly for their services.

And what other tasks did he give to you?---Well recruiting, to see if I could pick up any new customers.

Right. And were there any other tasks that he gave you?---Oh, there was probably some processes, procedures I assisted with, yeah.

10

So is it – in terms of recruiting do you recall who he had on his books as customers at that point?---No.

And who did you approach so far as trying to procure recruitment?---Well I attempted recruiting for about a year and a half. I approached a company called Tetran, I approached a company called DP, I approached Transfield Services, I approached Konica Minolta.

20

Right. And did you have any success in placing people in that employment?---I placed one person at DP World and one person at Transfield.

Right. Now at that time did you attempt to place anybody at the University of Sydney?---No.

Was there any reason why you did not do so?---Yes.

30

What was that?---Because, because my husband worked there and I didn't want to have any dealings with Sydney Uni directly.

Why was that?---Because I didn't want to compromise his position there.

And how would that have compromised his position?---Well it could be seen as a conflict of interest.

Right. Was that something that you'd discussed with your husband?---Yes.

40

Right. When did you discuss it with him?---When I told him I was working for Succuro.

And when was that?---January 2007.

Right. Now at some stage did you have a discussion with him about Succuro placing IT contractors at the Sydney University?---Sorry, say that again?

At some stage did you have a discussion with your husband about placing IT contractors at the University of Sydney?---Yes, we did when I told him I took a job with Succuro in January 2007.

What was the effect of that conversation?---Well when I told him that I was – that I'd taken the part time role at Succuro he didn't seem too happy. And I showed him that I wouldn't be working with Sydney Uni directly.

10 Why was he unhappy?---Because he didn't obviously want me to do any work at Sydney Uni.

He didn't want you to do any work at Sydney University?---Yes.

Did he discuss why?---Not in, not in any detail, no.

Right. At the time that you commenced work in January 2007 is it the case that Succuro to your knowledge had placed people in an IT position at Sydney University?---I think they had.

20 Right. Is it possible that you could be wrong about that?---No, I think Peter had placed some people. He had a lot of little short term three day, four day small contracts happening at Sydney Uni.

Can I suggest that the first invoice appears to be some time in February 2006?---That might be the case. They were always late with their invoices. We'd have to look at the invoice itself?---You may. I think it was, I think he was dealing with – and I don't know their names, but I think it was a lady by the name of Madeline, a manager there.

30 Right. How did you find that out?---Peter told me.

I'm sorry, I might have said 2006, it was February 2007 the first invoice? ---Right.

So please, I take it that doesn't change your answer?---No.

40 Right. Did you have a – how did Peter get in contact with Sydney University to your knowledge?---Well I gave him the lead while I was working at First Data. He called me a few times trying to see if he could get his foot in the door at First Data to do some recruiting there.

Ah hmm?---And there was no opportunities for him there. And I referred him to Todd.

Okay. Is it possible that the – that you said when you commenced working at Succuro with Peter that you suggested to Todd that he might approach Peter to see if he had - - -?---No. No. That Todd approach Peter?

No. That you told Todd to approach Peter?---No.

Or you told Todd to approach Succuro?---No.

I see. So if there was a suggestion made that it was you who had suggested to Todd that he try using Succuro that would be incorrect to your recollection?---Incorrect.

10 I'm sorry. Would it be incorrect or would it be correct that you told Todd to approach Succuro?---Incorrect.

Right. Now during the first half of 2007 what was your role at Succuro?---I was helping set up Clearly Business, the virtual office and the processes around that. And also looking for new clients.

I see. And did you engage in any activity in the first half of 2007 to try and ascertain, to try and find recruits for Succuro to be placed at the Sydney University?---No. I looked for clients of my own.

20 Now, I take it that you were not particularly successful in recruiting?---Yes. No, I wouldn't say I was great at it, no.

And did your role change at any time for 2000 - the first half of 2007 at Succuro in terms of the part time work that you were performing?---I pretty much did the same thing 'til about July 2008, actually probably June 2008.

Right. And after that what changed?---Well, I was pregnant and I had a baby, so I, I was more housebound, I wasn't going out interviewing.

30 Right. Did you do any interviewing of recruits for placement by Succuro at the Sydney University?---No.

Did you ever ring people to suggest that they might make application through Succuro to the University of Sydney?---Sorry, can you repeat that.

Did you ever speak to people, IT people - - -?---Ah hmm.

40 - - - to suggest that they might approach Succuro to apply for a job at the University of Sydney?---No, I didn't ask them to approach Succuro to apply for a job at Sydney Uni, no.

I see. You've been sitting through these proceedings - - -?---Yes.

- - - and you'd be aware of the evidence of Mr Smeros - - -?---Yes.

- - - to the effect that you've rang him to suggest that he might make an application to the University of Sydney?---I don't think I called Peter to make an application to the Sydney Uni, no.

Okay. That was at transcript 277. Now are you aware of any of the detail of the way Mr Kostogiannis ran the Succuro business - - -?---No.

- - - up until June, July 2008?---No.

Are you aware whether it was a well organised business or not?---It had some good points and it had some limitations.

- 10 What were the good points?---He provided great candidates, he was very quick to respond to his clients and that was the case when he dealt - when I dealt with him at Transfield and the negative side was probably just all the paperwork. I know that there was a few complaints about superannuation not being paid on time.

And after - as at 2008 were you doing, I know it's a broad year but were you doing any recruiting for the University of Sydney through Succuro - - -?
---Not for the University of Sydney, no.

- 20 Not at all?---Not at all.

Were you involved in trying to procure candidates to being employed at the University of Sydney?---No.

Were you involved in the interviews of candidates at the University of Sydney?---No.

Were you - - -?---Can you clarify the timeframe, sorry?

- 30 I'm talking about during 2008?---No.

Was there any time that were you engaged in the interview of candidates for the University of Sydney and if so - - -?---Well, it was probably the beginning of 2009 that I started reviewing all candidates, all resumes that were coming in for job applications.

And how long broadly did that continue for?---Until I resigned.

- 40 And at some stage during your employment with Mr Kostogiannis, at any stage did he discuss with you the prospect of being paid commission?---I think in regards to finding new clients, there was some talk about commission but nothing, nothing specific.

Right. Was it the case that - did he discuss with you the payment of any commission for the introduction of his company into the University of Sydney?---No.

Did he discuss with you any commission for any successful placement of a contractor with the University of Sydney?---No, the University of Sydney was his client. I had nothing to do with University of Sydney.

Right. Is that an agreement that you reached with Mr Kostogiannis?---He made that pretty clear straight off the bat and I said not a problem because I didn't want to deal with the University of Sydney either.

10 Why did - well, can you kindly tell the Commissioner what the circumstances were of that conversation and what was said by him?---Well, pretty much just what I said. He made it clear that the University of Sydney was his client, I gave him that referral in 2006 so he had already established something with them and that was it.

I see. Is there any - is it - did you have any financial interest in Mr Kostogiannis business apart from - - -?---No.

- - - being - just let me finish the question, apart from being a wage earner? ---No.

20

What were you being paid by Mr Kostogiannis?---\$500 a week.

Right. Now, in mid 2008 something happened to the Succuro business and would you kindly tell the Commissioner what happened in about mid-2008? ---Mid-2008 Peter left the business, Peter Kostogiannis left the business and Bill Mylonas took over.

30 I see. And did you speak to Mr Kostogiannis about that transition and, if so, what was said?---He told me that he was leaving the business and that Bill Mylonas was taking over.

And when was this discussion?---Mid-2008.

Are you capable of putting a time, a month to that conversation?---Well, I think Bill Mylonas started around September 2008 so it would have been a couple of months prior to that or a month prior to that.

Right. And did you - you knew Mr Mylonas didn't you?---Of course.

40 And do you know how - do you know, and if so tell us how - how it was that Mr Mylonas came to be interested in the Succuro business?---No, I don't know how.

Did you have a discussion with him about that?---No.

Did you have a discussion with Mr Mylonas at any time around mid-2008 about him taking over the business?---I told him I was happy that he was taking over the business.

Why was that?---Because I had worked with him previously and I knew him.

Right. And did you have a discussion about - with Mr Mylonas about how the business structure would proceed from mid-2008 onwards?---Not really.

10 Well, you say not really, did you have any discussion at all?---Yeah, he, he was new to recruiting so we talked about what I did and how things were set up in regards to clearly business, in regards to interviewing at the Bureaux which is a place where we conducted interviews.

About how the business operated?---In what regard?

Well, just how the, how the, how you advertised for candidates?---Yes.

The rates charged?---No.

20 Did you have any idea of what the rates were?---I knew what, what certain positions were being charged at.

Right. Because you would need that in order to try and recruit new business?---Yes.

And did you know anything about what the margins were on those rates? ---No.

30 Did you know anything about placement fees?---I did see something about placement fees, yes, there was a range, a percentage.

And that was something that you would have to know because you were trying to place business - - -?---Yes.

- - - with new customers?---Yes.

And it was clear to you as at mid-2008 that Mr Mylonas had no relevant experience as a recruiter?---Not to my knowledge.

40 And Mr Kostogiannis was leaving?---Yes.

And that you were the only person remaining?---Yes.

Because there was no other employees were there?---That's correct.

Now did you have a discussion with Mr Mylonas about you yourself being involved in the ownership of the Succuro business?---No.

Not at all?---No. Not, not in regards to Succuro, no.

What about to – with regards to Succuro Recruitment?---Well we discussed, Bill approached me about starting a new business with him.

Right. A new business?---A new business.

Is it possible that in fact Bill approached you about acquiring the existing recruitment business?---No.

10 Is it possible that Bill approached you with a view to going into partnership on a 50/50 basis into the Succuro Recruitment business?---No.

You deny that do you?---Yes.

What do you say the new business venture was with Mr Mylonas?---Bill approached me about starting a new business together. We discussed what we would do and I would be taking charge and looking at training and development in the IT service management area and I could leverage off his contacts and, and customers. And he would do his IT consulting.

20

He would do IT consulting?---Yes.

Was he – did he discuss with you abandoning the Succuro Recruitment business?---Not then, no.

So - - -?---He had just taken it on. He had just taken it on.

Right. And you were going to continue to be employed there?---Yes, and I was.

30

Right. Now at some stage you went with Mr Mylonas to see Mr Moustacas?---Yes.

Now at the time you went to see Mr Moustacas what was in your mind as to the purpose as to why you were going?---We were going to set up the company, the new business called I-Secure.

Right. And you went – and it was quite clear that you were going to call it I-Secure. Is that correct?---Yes. Bill and I discussed names and we run through quite a few names. He'd ring me with possible suggestions and then I'd ring him and we'd be checking, I'd be asking him to check domain names and what not until we found a name that we liked and one that was available. And we came up with I-Secure.

40

At the time of these discussions with Mr Mylonas he was acquiring Mr Kostogiannis' recruitment business. Correct?---Yes, I think so.

And that recruitment business had very valuable contacts within the Sydney University. Correct?---Yes.

And it had a website. Correct?---Which, which did?

Succuro, Mr Kostogiannis' business?---Yes, yes.

Telephone numbers?---I think so.

Customer lists?---I don't know. I don't know about customer lists.

10 Well you had a customer list didn't you?---No.

Well you must have, you had a portfolio that you were trying to develop?
---Oh, my own customer list, yes.

And he had his customer list. Correct?---Peter Kostogiannis?

Yes?---Yes.

20 According to his evidence you kept it very separate?---We did.

And you also had lists of contractors who might have been available?---I think Peter had a database, yes.

Did you have a database?---No.

Well how did you in developing your business know what you could offer people if you didn't have access to the database?---The database was available candidates, they were people.

30 I understand that, but when you went for instance to Konica Minolta or those other businesses - - -?---Yes.

- - - how did you know that you were capable of offering anything, any IT recruit to them?---Well Konica Minolta was a – they had a requirement for four telemarketing positions so I placed an ad on MyCareer, which was part of my role and I advertised, put a job description together, advertised and got applicants and looked at their suitability as to the customers requirement.

40 You didn't ask Mr Kostogiannis whether he had anybody available?---Yes.

You did?---Yes.

So you - - -?---I asked him if he had any telemarketers that he knew of.

So you assumed that he had a contractors list?---Well, I knew he had a database.

Now, what was your intention as to your involvement with this business with Mr Mylonas at the time that you went to see Moustacas?---My understanding was that Bill and I were going to see Mr Moustacas to set up our new business called I-Secure.

What was your intention as to - - -?---I was going to develop a training and development (not transcribable)

Please could you let me finish the question.---Oh - - -

10

What was your intention as to ownership, Ms Kantarzis?---We were going to be partners.

On what basis?---50/50.

I see. And what were you going to receive out of it?---Whatever I brought into it.

What about a wage?---It was never discussed.

20

And what about his drawings?---It was never discussed.

What about the distribution of dividends?---It was never discussed.

What about the share ownership?---That was discussed I think setting up the company.

Right. And how many shares were you going to take?---I think there was 10 allocated or something.

30

And how many was he was going to take?---I think he had the same.

And you never discussed wages with him?---No.

Dividends or drawings?---No. It was something that we were aiming to start, we didn't have any work lined up for it so as the work came in I'm sure we would have got to those details.

How were you going to fund them the development of this new company? ---?---Well, there was just the matter of setting up paying for the setting up of the, the company.

40

Right. And who was going to pay for that?---We both did.

When you say you both did are you saying you split the cost 50/50?---Yeah, I think it was \$200 or something I think I paid Nick Moustacas. That might have been for the trust I'm not sure.

Okay. Now what - how were you going to live while you developed this business?---I was still working part time for Succuro?

So you were going to continue to work for Succuro?---I did continue to work for Succuro.

And who did - from whom did you take your direction?---From Bill Mylonas.

10 I see. So Succuro continued to operate under the Succuro name did it?---
Yes, I think so.

Did it change to Succuro Recruitment Pty Ltd?---Yes, it did.

And when did that take place?---Well, that, that's what ended up - that's how it ended up being - that's how it ended up being set up unbeknownst to me, I was unaware that was the way it was going to be set up.

20 Well, would you like to just explain that to the Commission?---Well, my understanding was Bill and I were setting up a separate company called I-Secure, we workshopped the name, we discussed what we wanted to do with it and we were setting up that company. While we were there at the office, at Nick Moustacas's office in the meeting room there was some talk of Succuro and I remember Bill was talking about - 'cause he had just come on board and he wanted to change Succuro from a business to a company, so he was talking to Nick Moustacas about that and they were workshopping something so that was, that was that but as it turned out I was mistaken in how I-Secure was going to be set up and it tied in with Succuro
30 Recruitment.

Just in relation to that some of the details there you were in the room while this discussion was taking place?---Yes.

And you were aware that Peter Kostogiannis had registered a trading name at the Department of Fair Trading. Correct?---Succuro, yes.

And that he had to withdraw that trading name. Correct?---I don't know about those details.
40

And that the company was going to be incorporated by the name of Succuro Recruitment Pty Ltd?---I, I didn't really understand that. No, I don't recall that.

You didn't understand that?---No. It had nothing to do with me as far as I was concerned. I was there to set up I-Secure, Bill was dealing with his Succuro business with Nick Moustacas as well.

Right. Was there any suggestion at all made at that meeting that you should become involved in the Succuro Recruitment business?---Not to my recollection, no.

Did you say that you wanted to be involved in the Succuro Recruitment business - - -?---No.

- - - as a proprietor?---My understanding was I was there to set up I-Secure, a new company with Bill Mylonas.

10

Was there any discussion at that meeting about you becoming involved in the Succuro Recruitment business?---No.

Was there any discussion at that meeting with Mr Moustacas with you becoming a director of Succuro Recruitment Pty Ltd?---My recollection and my understanding was that I was there to become a director of I-Secure.

You have said that several times?---Well, if I misunderstood what they were talking about I misunderstood and I obviously did.

20

I want you to tell the Commission whether there was any discussion at that meeting about you becoming involved in the Succuro Recruitment business? ---No, not to my knowledge.

Was there any discussion of you becoming involved - and I'm talking about at that meeting with Mr Moustacas - - -?---Yes.

- - - in the - as a director in the Succuro Recruitment business?---No, not with Succuro, not to my knowledge.

30

What about to your recollection?---I can't recollect too much, it was four days before I gave birth so I was out here. I was very absent-minded in my third trimester and no, I don't recall. I was very forgetful and I don't think I took it all in. It's obvious I didn't take it all in.

Are you saying that you now no longer have a recollection of what took place at that meeting or are you - - -?---I recall some things.

40 Right. But you don't recall any discussion of you becoming a director of Succuro Recruitment Pty Ltd?---No, director - - -

What about becoming a shareholder in Succuro Recruitment Pty Ltd? ---No. My recollection was that I was becoming a director of I-Secure.

Right. Now, your husband was not present at this meeting was he?---No.

So any information that Mr Moustacas obtained about your husband's details came from you, is that correct?---Correct.

Now, was there any intention of your husband - sorry, was there any discussion at the meeting with Mr Moustacas about your husband becoming involved in the I-Secure business?---No, there was no discussion with him being involved in I-Secure.

Was there any discussion about your husband becoming involved as a proprietor of the Succuro Recruitment business?---No, there wasn't.

10 And when I say a proprietor I mean a shareholder?---No, there wasn't.

Was there any discussion about Mr Mylonas becoming a director of I-Secure?---Yes.

And was there any discussion about Mr Mylonas - and I'm talking about at the meeting with Mr Moustacas - of Mr Mylonas becoming a director of Succuro Recruitment Pty Ltd?---I don't know what they were discussing in regards to Succuro, all I recall was I remember Bill and Nick white boarding things when Bill was talking about making Succuro, changing it from a
20 business to a company so there might have been some discussion about Bill and Succuro Recruitment.

Was - so you actually recall at this meeting with Mr Moustacas there being discussion about Mr Mylonas becoming involved in Succuro Recruitment Pty Ltd?---Yes.

And there was a discussion about him becoming a director in Succuro Recruitment Pty Ltd?---I don't know to what detail, I sort of switched off when it came to that.

30 You see, I'm going to suggest to you that at the time that you saw Mr Moustacas it was your intention that you and your husband acquire a 50 per cent holding in Succuro Recruitment Pty Ltd?---That is incorrect.

And that it was your intention that Succuro Recruitment would continue to be engaged in recruitment services for IT people?---That's what Succuro was doing.

40 And that you were going to become a director of Succuro Recruitment?
---No. My understanding was I was becoming a director of I-Secure.

Okay. Might the witness be shown Exhibit 41 for the purpose of showing - actually, look I'm sorry, if we could have that readily available for the witness, because we will be going to it. Might the witness be shown Exhibit 2, which is volume 3. You see you are now aware I suggest Ms Kantarzis, that you were - that as a result of this meeting with Mr Moustacas you became a director of Succuro Recruitment Pty Ltd?---Correct.

And your husband became a shareholder. Correct?---Yes.

And that you became a shareholder albeit on trust?---Yes.

And that you – and can I suggest to you that you discussed with Mr Moustacas the fact that you were to become a director and secretary of Succuro Recruitment?---No, I didn't discuss Succuro Recruitment.

10 And that you were to become a shareholder in Succuro Recruitment Pty Ltd?---No. My understanding was I was going to become a director and shareholder of I-Secure.

Yes, you have said that. The fact is you are aware are you not that as a result of this inquiry before the Commissioner there is not one document between August 2008 and October 2008 that records any reference to I-Secure?---There might not be.

20 And that the documents that have been generated by Mr Moustacas - - -?
---Ah hmm.

- - - were all relating to Succuro Recruitment Pty Ltd?---Yes, I am aware of that.

Right. Now Mr Moustacas is an accountant isn't he?---He is.

Right. And you were going to him for the specific purpose of setting up a company, whatever you suggested it was to be called - - -?---Yes.

30 - - - and whatever business it was to be called. Right?---Correct.

Now if you just have a look at page 457 in volume 3. That's your signature of a consent to act as a director of Succuro Recruitment Pty Ltd?
---Correct.

Right. Now Mr Moustacas generated this document didn't he?---Yes.

40 And before you signed it I suggest that he explained to you the obligations of being a director of a company?---He explained the obligations I think at the meeting that we had.

Right. And you understood that you, as a director, it was not just a matter of formality but there were formal obligations that you were assuming. Correct?---He did mention something like that, yes.

That you had an obligation only to act in the company's best interests?---Yes.

That you had an obligation to prepare financial records?---I don't recall.

To file tax returns?---Don't recall but, yes.

Well, you know that they're the obligations - - -?---Yes.

- - - of a director? And whether he explained it to you or you found out later on - - -?---He did, yes, he did explain some of the requirements, yes.

10 And that you could be personally liable for debts if you weren't - if the company wasn't able to pay its debts?---Yes.

All right. Now and he also told you that prior to becoming a director you had to give your consent?---Yes, I suppose so.

Now he gave you this document I suggest and you read it and signed it?---He didn't give it to me he sent it to me.

He sent it to you?---Yes.

20 So it was after the meeting that he sent it to you?---Yes.

How did he send it to you?---By post.

By post. All right. And did he send a covering letter with it?---I think there was a Post-it, Post-it note or maybe there was a covering letter, I can't remember saying this is the company set up as discussed, please sign and return it to me ASAP.

30 Right. And was there any rush for you to set up this company?---Not that I recall.

And you read the - you read this document at four, five, seven I take it?---I recall signing the documents that he sent.

Did you read the document before signing?---No, I didn't.

Do you have a recollection of that or is that something that you say today?---I have a recollection of that, yes.

40 Do you have a recollection of not reading them?---I have a recollection of receiving the document, it had a number of little stickers saying sign here, little tabs, I recollect I think one of his staff actually sent it and asked - asking me to sign it and send it in.

Did you think it prudent to check the details that were being given before you signed it?---Yes, I probably did think it prudent to do that but I didn't.

Did you think it prudent to check your name was correctly nominated?---
Well, I didn't think my name would be incorrect 'cause I sent those details
to him via email.

Did you think it was prudent of you to check the address and your date of
birth?---I had already supplied that information via email.

10 Prior to signing did you consider it prudent to check that the details set out
in the document were correct?---I did consider it prudent but I didn't do it.
I had a newborn at home, so I didn't have any time or not much time and I
didn't want to sit there reading a whole bunch of documents that really
didn't mean too much to me because I never set up a company and I
probably wouldn't have understood a lot of it any way, so I signed the
documents and had Todd sign the trust and sent them back.

You had Todd sign the trust?---Yes.

20 Did you sign the consent to act as director in the presence of Todd?---No, I
don't think so.

Now you say you have an actual recollection of considering it prudent to
check the details before you signed?---Yes.

But then you decided not to?---Yes.

Is that evidence false?---No, and I didn't actually decide not to, I didn't say
oh, well you know what I'm not going to do it, I had intentions of reading it
but I didn't. I signed it (not transcribable) - - -

30 Why did you have intentions of reading it?---Because I would have liked to
have sat down and read it, it might have clarified a few things but I just
didn't get around to it.

You have never been a company director before?---No.

40 You understood that you were undertaking very formal obligations as a
company director?---Yes, I didn't understand a lot about how formal it was
and based on the fact that I was eight and a half months pregnant if not nine
months pregnant I don't think - in hindsight I don't think I was in any state
of mind to be signing any formal document let alone setting up a company.

Is, Ms Kantarzis, is the evidence that you're giving on this issue simply to
attempt to provide an innocent explanation as to how it was that you came
to be made a director of Succuro Recruitment Pty Ltd?---No.

And to that extent is your evidence on this issue false?---No.

Let's go to the next document, page 458, Consent to Act as Secretary. I suppose you'd give the same account as to why you didn't read that document before signing - -?---Well I'm assuming they were all together.

You give the same explanation as to why it is you ended up signing that document. Is that correct?---I'm assuming they all came together. I don't recall dribs and drabs of documents. I recall a bunch of documents with little, little stickers with sign here and that's how I did it.

10 Can I suggest that you also nominated your residential address as being the registered office of the company?---I didn't nominate my residential address. I think that was an error on Nick Moustacas' office because the first time I received some document I called Bill and said, "Bill, there is something here for you. It's got Succuro Recruitment on it. I don't know why it's come here. Can you come and pick it up the next time you're in the area or we meet? And can you have Nick rectify the address."

20 You see you'd agree that these two documents that I've shown you show in the third line that the company to which you were consenting to act as a secretary and director was Succuro Recruitment Pty Ltd?---Yes, I do see that.

And there is no mention on either of them about I-Secure. Correct?---I do see that, yes.

And you say that that is a most serious error on behalf of your accountant? ---No, not on behalf of my accountant.

30 MR MIRALIS: Objection (not transcribable)

THE WITNESS: Not on behalf of my accountant. On my own behalf, it was my own negligence. I shouldn't, I shouldn't have been, I shouldn't have been undertaking anything like that if I didn't understand and I wasn't in the right frame of mind or state of mind to be signing anything.

Well why did you sign?---Because I just thought that I was, I was setting up I-Secure.

40 If you knew that you were in no state to sign any documents because of your physical or hormonal state, why were you embarking upon this course of conduct of setting up a company?---I didn't think I was not in a state of mind then, but I do afterwards.

That's because of course these documents you'd agree implicate you in the proprietorship and management of Succuro Recruitment?---Absolutely.

ASSISTANT COMMISSIONER: Ms Kantarzis, did you tell Mr Moustacas you wanted to set up a company called I-Secure?---Yes.

So this was a serious mistake on his part to put the wrong name on this form?---Well that's what I thought and I can't remember when I received the first document when I realised that this wasn't I-Secure. But it was soon after it was, I was a director and I contacted Nick Moustacas, I sent him an email and I spoke to, I think I spoke to Bill first and said, "How is this possible?" And then from his answer I gauged that it was just my misunderstanding, my lack of paying attention. I don't know what, my negligence that it was being set up a separate way. But I did contact Nick Moustacas 'cause, 'cause I realised, 'cause I saw a document and I can't remember what the document was and I think it came from the accountant's office. I'm not sure. But I saw a document with the wrong company, me being a director of the wrong company and our trust and Todd's name and I sent him an email, I tried to call him, I sent him an email with some questions and asked him to remove that. And then I called Bill Mylonas and asked him why this was, why this was set up this way. And then I realised it was my own negligence, like I can't, I am not saying that it was Nick's fault, it was obviously me.

20 Well if you told him that you wanted to set up a company called I-Secure and he set up this other company then he was negligent wasn't he?---Yes, but I think he was, I think I was, I think I made a mistake because I recall that they were talking about Succuro and Succuro Pty Ltd. But I just didn't think it was relevant to me, but it obviously was and I, I don't recall too many details of that day. My primary focus was, I was ready to have the baby.

Wasn't this a month after you had the baby, 19 August '08?---I think the documents were signed a month after but when we attended Nick's office it was four days before.

30 Well, as I understood your evidence about five minutes ago you said you signed this when you were pregnant and that's why you didn't read it properly?---No, I'd had the baby, I'd had the baby.

That's right. Well, I don't - this is a very brief document, it's very short. I don't see how you could sign it without seeing your address on it and Succuro Recruitment Pty Ltd?---I didn't receive five pages, I received a folder in relation to the trust, it had trust things in it.

40 Yes, I understand that but how could you - - -?---So there was a whole bunch - - -

- - - look at this document and sign it without seeing Succuro at the top?
---Well, the first thing I did was open and thought okay, well, this is a company document, read the post-it, I think it was a yellow post-it, please, this is the company set up, flicked over, saw - I had quite a few little tags to

sign so I signed it and then my - I thought I'd be sitting down to read it but I didn't so I just signed - - -

A casual glance at any of these documents would show - - -?---Look, I, I understand it was - - -

- - - that it had Succuro on it?--- - - - it was, it was a stupid mistake, I should have just at least read the pages I was signing but I didn't.

10 Yes, Mr Morris.

MR MORRIS: Thank you.

I'd like you to go 459. You see again we have an agreement, consent of members to take shares and that's the signature of both you and your husband, correct?---Yes.

And that too relates to Succuro Recruitment Pty Ltd?---Yes.

20 And there's no doubt that you and your husband - did you sign this document together?---No, I think I signed my, I think I signed prior and got him to sign when he got home.

Okay. Do you recall anything of the circumstances of that?---Of what, the signing?

30 Of him signing the document?---Yes, I recall he came home after work, I think he'd, he said he went out for drinks and I remember because he was in the kitchen and I gave him the documents, told him that I'd set up a family trust and he needed to sign here, it was all associated with my company and Bill's, of I-Secure.

Right. So you told him in no uncertain terms that he was taking shares in a company called I-Secure?---No, I didn't tell him that. I said you need to sign here, I'm setting up a family trust, it's going to be linked to my company with Bill called I-Secure and I'm setting up a family trust and you're part of the family trust.

40 Is it possible that you told him that he was going to sign documents relating to a family trust in relation to a company called Succuro Recruitment Pty Ltd?---Absolutely not.

And that the - you'd been given advice that the trust was the best way of - - -?---It was a tax-effective way.

Was it also a way to your - was it explained to you that it was a way of your husband being a notional but not a legal owner of the shares?---No.

And that it really in terms of his ownership, it was a matter of formality, not ownership proper?---No, absolutely not.

Right. You're quite sure that you didn't tell him that it was relating to Succuro Recruitment Pty Ltd?---I do recall that he said this has got nothing to do with Succuro, right and I assured him, profusely assured him.

10 Do you recall him reading the document before signing it?---No, I was holding the folder, flipping to the pages where the little tags were and he signed.

And you recall prior to him signing him saying the words, This has got nothing to do with Succuro, is that correct?---Correct.

20 And did you have a discussion as to why it was he wanted it to have nothing to do with Succuro at the time?---That was, it was just obvious. I had spent a year and a half of working at Succuro making sure I don't do any work for Sydney Uni directly. Why would I be signing a document and asking him to sign a document placing us with Succuro?

What was your concern about that?---Well, there was a conflict of interest. I didn't want any, anything to, to affect his work there.

Because you knew that he was allocating work to Succuro?---Well I knew he was, I knew he was using Succuro, yes.

30 He was sending very lucrative IT contract, contract – he was approaching Succuro to – and entering into contracts for IT consultants and recruits which were very lucrative to Succuro. You knew that didn't you?---
Lucrative, I don't know. He was hiring contract staff from Succuro.

And that was resulting in a profit to Succuro?---Obviously.

Now when he asked you to please make sure that this had nothing to do with Succuro Recruitment prior to him signing it, did you look at the document to satisfy yourself that it didn't have anything to do with Succuro?---No, I did not. No.

40 Because you've seen this document?---Yes.

It's been shown to you by your lawyer. Correct?---Yes, I've seen it.

And the third line refers to Succuro Recruitment Pty Ltd. Do you see that?--
-I have seen it, yes.

And it's quite clear that the legal effect of this to your understanding now is that you were becoming shareholders in Succuro Recruitment?---Correct.

Now let's just go to the next document, 460?---Yes.

This is signed by both you and your husband. Correct?---Correct.

And the second line of Succuro Recruitment Pty Ltd?---Right.

Do you see that?---Yep.

10 And it's the share certificate that has your name and address and your husband's name and address on the share certificate. Correct?---Right.

It's got nothing to do with I-Secure. You'd agree with that?---It doesn't seem to be, no.

No. And you didn't think to change that did you?---Well I did after I realised how it was set up.

20 When do you say you realised how it was set up?---It was probably about a month after I became a director.

And what did you, what did you do?---I – as I stated before I spoke to Bill and I called the accountant.

And what did you ask them to do?---Well I couldn't get through to the accountant, I sent a, sent him an email and there was a few, I can't remember what the email stated, but there were a few things. But I asked him to remove Todd's name from there.

30 Did you ask him to change the name of the company?---No. But I asked Bill that. I asked Bill, I specifically told Bill we need to rectify this.

Right. And in that regard it was specifically relating to – that was specifically related to changing the name from Succuro Recruitment to I-Secure. Is that correct?---Correct.

40 Okay. Now I want to suggest to you that this evidence that you've given about intending to incorporate a company called I-Secure is false. Do you understand that?---I do understand that and that is totally incorrect. I am under oath.

And that really what you were intending to do as at July 2008 was to incorporate a company called Succuro Recruitment?---Why would I do that?

You see I want to suggest that the reason that you were doing this is to try to explain away the obvious conflict that – the conflict which is now obvious to you that arose from your husband providing, procuring IT recruits from a company in which you and your husband had a shareholding?---No.

And of which you were the director with Mr Mylonas?---No.

Okay. I'd like you to go to Exhibit 41. Just go to Exhibit 41. You'll see that in the bottom - - -?---What page, Mr Morris?

If you see in the bottom centre there's some page numbers, if you go down to 14?---Yes.

10 It's an annexure, right, and it's - just have a look at that page. That's an email dated 16 July, 2008 from Nick Moustacas to Karen Unicomb, U-N-I-C-O-M-B copied in to you. Right. Do you see that document?---Yeah.

And subject creation of trust for Virginia Kantarzis. Right?---Right.

Now do you recall seeing that document?---I recall - yes, I do recall.

20 Don't, don't go over, please, just have a look at that, right. And if you just have a look at that email from Nick Moustacas to Karen, right, it talks about establishing a discretion, a DISC which stands for discretionary trust for Virginia B and T United Trust, Virginia and Atilla will be trustees, right. Once we've been - once this has been created we will be incorporating a new company Succuro Pty Ltd?---Right.

Right. Now that is a document that you were sent that clearly demonstrates that you were intending to set up a company called Succuro. Correct? ---Correct.

30 And can I suggest that there was never a response from you by email to correct this email?---Well, I obviously didn't realise that I needed to correct it.

But - - -?---I'm very used to seeing Succuro 'cause I work for Succuro, so whether I saw it and didn't, I obviously didn't pick up on it or if I just didn't read it properly and just skimmed but I knew that he was asking for some details and I responded.

Or the alternative is that you saw this and you agreed for it to proceed?---Incorrect.

40 Because it was your intention to establish a company called Succuro?---Incorrect.

You say that that is just a - that's just an incorrect interpretation?---No. I'm saying his interpretation was obviously correct, they were going setting up whatever they were going to set up, my - it was my negligence that I didn't pick up that it was Succuro.

Yet another mistake?---Yes. This was on the 16 July which was the day I was going into hospital and I remember trying to get all my emails done that afternoon, all my bags were packed to go to the hospital.

Okay. And one of the emails that you were trying to get out of the way was instructions to your accountant to set up the company?---It wasn't instructions I think he asked for my details, some details.

Some details?---Yes.

10

Right. And one of the matters that you were attending to that afternoon while you were waiting to go to hospital was to provide the relevant details?---I was going through my emails.

You were going through your emails?---Yes.

Right. And the email that you're talking about that went to Mr Moustacas is this one dated 16 July, 2008 at the bottom of page 14?---Right.

20

Is that correct?---Correct.

And that sets out your full name and that of your husband with your dates of birth?---Correct.

So you were providing this information to him?---I did provide that information.

Right. And then go over the page. It's got the place of birth for each of you. Do you see that?---Yes.

30

And the residential address do you see that?---Yes.

And the relevant telephone numbers. You see that?---Yes.

And the name of the trust, you see them?---Yes.

40

And the name of the operating company Succuro?---Right. Mr Morris, I am not sitting here trying to tell you that anything but it was my mistake. I clearly appreciate how it seems but I've made a major mistake, an honest mistake. I should have been more vigilant in what my dealings were. In hindsight I should never have been attempting to do anything formal let alone set up a company. I had complete faith in Bill Mylonas and his relationship with the accountant, I thought they were going to take care of it, I thought they needed some details from me so I would just give them the details to get it done. So, yes, I accept that all these documents - 'cause I have seen them and I have re-seen them, I accept that all these documents are in regards to Succuro and Succuro Recruitment Pty Ltd. My understanding and my only explanation is I was in no state of mind to be

doing anything like that because I know how I was towards the end of my pregnancy, I was very forgetful. I would find salt and sugar in the fridge, I'd leave the house without my wallet, there were lots of things going on for me. My primary focus was having our baby which we conceived through IVF. I was not focussed on anything else, clearly, because in hindsight I don't think I would ever be signing any document without reading it, let alone setting up a company. So I accept responsibility. I am not pointing the finger or Bill or Nick, I think they were doing what they thought they should be doing. It is my negligence so you can show me all the documents, I accept them for what they are.

Thank you, Ms Kantarzis. Do you understand that there's a difference between failing to detect an error and correcting it - - -?---Well, I did try to correct it.

- - - and actually giving positive instructions to perform a task?---I did try to correct it.

Ms Kantarzis, you understand that there is a difference between failing to detect an error and correcting is - - -?---Yes, yes, Mr Morris.

And giving a positive direction for somebody to follow a particular course? ---I did give a positive direction to Bill Mylonas because I spoke to the accountant, I didn't really get what he was saying about what options there were so I spoke to Bill Mylonas and said I'm not happy about this, my understanding was this and he said, I said my understanding was we were setting up I-Secure, why am I a director of Succuro Pty Ltd and he - we discussed changing the name back to I-Secure.

Do you - - -

ASSISTANT COMMISSIONER: Sorry, could I - - -?---Which did happen.

Could you just stop for a minute. Mr Miralis, I am very concerned that I do not think its been put to either, on my memory, Mr Mylonas or Mr Moustacas that they were given instructions to set up a company called I-Secure and they set up this other company and this Ms Kantarzis had to take them to task at a later time. Now, it's very difficult to run an inquiry of this kind where important issues are not put to witnesses and I don't know what we can do about it now but I do raise that as an issue.

MR MIRALIS: I think, Commissioner, the issue that this Commission will have to ultimately decide as I see it is whether or not Ms Kantarzis' version as to what was taking place during the course of this meeting with Mr Moustacas is accepted and whether subsequent to the meeting, her interpretation of what these documents meant is to be accepted by the Commission. That's a matter that's peculiar to her mind and she's put on the record that she's not suggesting for a moment that either Mr Moustacas

or Mr Mylonas were in any way performing something that was contrary to her intentions and she's made that very clear. I think she's also made it very clear and placed on the record that this is peculiarly within her knowledge and the way in which she was, she says, inappropriately attending to formal matters in circumstances where she now says with hindsight she was not fit and in a proper position to do so. So it's not a situation for example where I have instructions understandably to put matters to witnesses which would suggest that they have not followed my client's instructions because they are not - and that is not her position that she's disclosed on oath to the
10 Commission. As I understand her evidence, Commissioner, she's in effect saying her subjective state of mind is really the only relevant issue and she's not, she - to phrase her words she was not, she's not pointing the fingers at either of the other two people who were involved. Now, we know what Mylonas' evidence is because he's given a statement to the Commission and you have the benefit of having heard his evidence that there was absolutely no need for anything to be put to him with respect to this evidence because he could not in any way comment on what was peculiarly going on in her mind during the course of this particular meeting and subsequently what was in her mind at the time that she received these documents.

20

ASSISTANT COMMISSIONER: He could comment on whether they, as she now gives evidence discussed setting up a different company called I-Secure, went to a meeting for that purpose. Later she found out there'd been a mistake and it hadn't been set up and she spoke to Mr Mylonas about it and she spoke to - or she tried to speak to Mr Moustacas about it. They both could have commented on that. They're factual issues. They are not what's going on in her mind?---And Mr Moustacas - - -

30 And it has not been put in those terms.

30

MR MIRALIS: Yes. Commissioner, I hear what you're, what you're saying but it seems to me that those matters are not matters that relevantly could be commented on by either Moustacas or by Mr Mylonas. In any event the tenor of the evidence is such that it's abundantly clear what their position is with respect to what they believe has taken place. Mr Bill Mylonas goes so far as to say that he had discussions with my client openly about her being 50/50 in partnership in relation to Succuro Recruitment Pty Ltd. He has given extensive evidence about not only the setting up of the company, but discussions about the relevant roles of each participant in the
40 company. The discussion has taken place whilst he was still negotiating with Peter Kostogiannis. The nature of those discussions are relative to the relevant roles of each of the participants. It's clear what his evidence is and it's clear there is a conflict. And that conflict could only be resolved by the adjudication as to whether what's (not transcribable) in her mind will ultimately be accepted by the Commission. Mr Moustacas can't assist with that.

ASSISTANT COMMISSIONER: Well it would have helped with the adjudication of that issue if it had been put to Mr Mylonas and Mr Moustacas in evidence and they could have commented on it or rejected it or accepted it. But we're left now where it's not, and this is an important issue. I understand an inquiry of this kind with all of the issues and all of the witnesses, not every matter can be put to every witness. I just raise my concern that I think this is a significant issue at which your client does seem to be at odds with both Mr Mylonas and Mr Moustacas.

10 MR MIRALIS: That's correct.

ASSISTANT COMMISSIONER: And I do think it should have been put to them.

MR MIRALIS: And if I could also just add for finality, Commissioner, that it was put to both of those witnesses relatively at the time that she was with Mr Moustacas she was heavily pregnant and likewise it was put to Mr Kostogiannis as well as Mr Mylonas that she was heavily pregnant at the time that these transitions were taking place. But to go beyond that and ask
20 them to speculate as to what was going on in her mind and the way in which she was perceiving what was actually taking place, with respect, in my submission would have added nothing to the adjudication that this Commission has to make ultimately.

ASSISTANT COMMISSIONER: Yes, well I don't agree with that but I don't think we can take it any further. Yes, Mr Morris.

MR MORRIS: Well your Honour, perhaps my friend might consider his position and he may wish to make an application. I don't know. Ms
30 Kantarzis, I was asking you about page 15. Can I suggest that you were there giving a positive direction to Mr Moustacas, who was then acting as your accountant to create an operating company called Succuro?---I was providing my details as requested.

You were doing more than that Ms Kantarzis, you were providing the name of the operating company?---Well it is what it is, Mr Morris.

That's why I have been challenging you, madam, about this account that you seek to give today that you were attending upon Mr Moustacas for the
40 purpose of establishing a company called I-Secure?---Right.

And you'd agree with me that when we look at the three or four documents that I've shown you already, it's perfectly clear that the company was being set up as Succuro Recruitment or Succuro. Correct?---Correct.

And in fact they were being set up in accordance with the direction given by you at page 15 - - -?---Correct.

- - - of Exhibit 41. Correct?---Yes, correct.

And that that was your intention at the time that you typed this email to him?---That was not my intention. I had spent all my time working for Succuro making sure I had nothing to do with Sydney Uni so it wouldn't compromise my husband's position. I would not then go and start a company or join a company and put my and my husband's name knowingly on Succuro's company.

- 10 You see, I want to suggest to you that what has happened since this investigation was commenced is that you now realise that the conduct that both you and your husband have been engaged in - - -?---Incorrect.

- - - has been a clear conflict of interest in his position, correct?---It's turned out to be, yes.

And allegations of corruption and misuse of his position at the Sydney University?---Incorrect.

- 20 And that as a result - this has been as a result of you acquiring an interest in the company that he was referring the work to?---I understand that.

And that it's a result of him acquiring shares in the company that he was referring work to?---I understand where it places my husband. I have apologised to him profusely about my negligence and my assurances to him.

You see, I want to suggest to you that the establishment of Succuro Recruitment was at your direction?---Not Succuro Recruitment.

- 30 And that the acquisition of shares in the company was at your direction? ---Incorrect.

And that your - the acquisition of your husband's shares in the company was at your direction?---Mr Morris, I think we've just covered all this so I don't know why you're asking me this again. It's all incorrect. It is what it is, my intentions were not that.

And that the appointment of you as director and secretary was at your direction?---Correct, but not for Succuro.

40

And as director and secretary of Succuro?---Incorrect.

And that that direction is in part in writing and is comprised the email at pages 14 and 15 of Exhibit 41. What have you got to say about that? ---What, to your statement?

Yeah?---That's your statement.

Do you agree with it or do you disagree with it?---It is what it is.

It is a direction for you to establish a company - - -?---My intention was never to direct anything with Succuro, my intention was to set up a company called I-Secure.

But you see, this is a contemporaneous document isn't it?---Well, yes.

10 And it was done - it was generated by you at a time when you had no contemplation that this investigation would take place?---I was nine months pregnant, filled with additional hormones. A pregnant woman is usually absent-minded and forgetful and not in right state of mind anyway let - - -

But you - - -?---And that all happens because of elevated hormone levels during pregnancy. I had additional hormones injected regularly so it does surprise me but it doesn't surprise me that this happened but it's not typical of me.

20 But you gave a positive direction to an accountant to establish a company called Succuro that you and your husband were going to take shares in?
---Incorrect.

Just go to - now these events took place at 16 July, just before you were going to go into hospital, if you just go and have a look at page 56, all right. That's your signature on it, isn't it?---Yes.

And that is a document being a change of company details from - which is the addition of Mr Mylonas as a director of the company?---Right.

30 All right. And you see the changes to company details, the first box there, the company name Succuro Recruitment Pty Ltd, you see that?---Yes.

Right. Now, you'd have read that document before you signed it wouldn't you?---I don't know.

And this was about roughly, give or take a week, three months after you signed the original documents?---That's what the date states.

40 And there's no reference to I-Secure in that document is there?---I think I was already aware by then.

I see. Now, I want you to go to page 53, right. And you see that's an email from you to Nick Moustacas, carbon copy Cathy Chitty, subject re Succuro Recruitment. Do you see that?---Ah hmm, yes.

Now that's, that's a document you've typed?---Right.

That's an email. Correct?---Correct.

And you've got no doubt that it came from you?---No.

Correct?---Correct.

And that email is generated in response to the email below which is the 29 August. Do you see that?---Yes.

Subject Succuro Recruitment. Right?---Right.

10

And the 29 August, 2008 is asking for specific direction and instructions from you, right, as to the structure of this company. Correct?---Do you want me to read it?

Well, let's just go to the first line. "Dear Virginia, Cathy has told me you have a few questions", do you see that?---I'll read it. Yes, I'll read it.

Now do you recall there was a - was there a telephone conversation between yourself and Cathy Chitty on or about the 29 August, 2008?---Probably.

20

Right. Because we have no email correspondence relating to this. Do you understand?---Okay.

All right. And do you recall what questions you had of your accountant or Cathy Chitty as at 29 August, 2008?---No, I don't recall.

Just have a look at the first one. Background the trust V and C, United Trust own shares in the company Succuro Recruitment Pty Ltd the trustees are (not transcribable) Virginia Kantarzis and Atilla Demiralay. Do you see that?---Yes.

30

And if we go up to your response paragraph 1, "My only concern was that I didn't want my husband's name publicly listed with the company. That is fine, we will leave it as it is"?---Right.

Right. Why did you write that?---Because after discussing it with them there was - I didn't think I had too many options and after discussing it with Bill Mylonas we come to the understanding that we would be changing the name to I-Secure which I thought would fix everything. So - - -

40

Right, okay. Let's just go down. This request can I suggest relates to removal of your husband's name from the public record at Succuro Recruitment Pty Ltd?---Yes.

And is the reason that you wanted it removed because you had learned that he was going to be a shareholder in Succuro Recruitment Pty Ltd?--- Obviously.

And you recognise that that was a major conflict of interest?---And a big problem.

And a big problem, right. Because he would be then allocating work to a company in which he had shares. Correct?---No, the problem would have been with him and me.

Okay. And you were asking for a method of getting his name off the company?---Yes.

10

All right. Now if you go to page 54 and you see item - number item 3, right. "Our understanding is that Bill does not want to be a director of the company Succuro Recruitment Pty Ltd, this was discussed with Bill on several occasions, I suggest you discuss this with him." Right?---Right.

To which you respond, three, "I have since had the same discussion with Bill and Bill was agreed to be listed as a director also. Please feel free to confirm with him that we agreed that we would both be listed as directors of Succuro Pty Ltd?---Correct.

20

Right. Now those are your words?---Yes. I was aware of the time what, what had happened.

But you say there's no reference in this document when you've become aware of the problem?---Because I'd already discussed it with them, it was - - -

30 You didn't seek to put it in writing?---I thought I may have, I don't know. I had discussed it with them, I had discussed it with Bill, I had discussed it with Nick or his staff, so I knew it was as it was, I wanted Todd's name removed in the - straight off and then I would have just let it go until we changed it to I-Secure but it - my main concern was to remove Todd's name first.

Ms Kantarzis, seven days later at page 56 you lodged the change the company details adding Mylonas as a director but not changing the name? ---I didn't do that.

40 Have a look at the document, page 56?---I trusted the accounts guy, Nick Moustacas, to take care of it. I did not have many dealings with the accounts guy. Bill knew him, I let Bill know what my requirements were, what my concerns were and I trusted that he would take care of that.

Ms Kantarzis, really?---Yes, Mr Morris.

This is about the seventh or eighth document in which you say - - -?---Yes, but I was aware of it at this stage. I'm not denying that I didn't know what was going on then. I was aware of it.

I see?---So I'm trying to sort it out.

But you see nowhere in there do you refer - - -?---But I had discussions with them so I don't have to write everything. Whether I put it in writing or not, I might have.

Can I suggest to you - - -?---Do you not have a copy of that one?

10 No, I'm sorry Ms Kantarzis, no document's been produced that shows any concept of I-Secure occurring before March 2009. Do you understand that?---Okay.

And you've heard Mr Mylonas' evidence that you and he were going into a 50/50 business relationship in relation to Succuro Recruitment?---Yes, I heard, yes, yes.

Right. Now would you like to change your evidence about this?
---Absolutely not. Change it what?

20

Well I'm just asking?---Why would I want to change my evidence? I'm under oath.

I'm inviting, I'm giving you - - -?---I'm trying to enlighten everybody. I'm telling it how it is. It's not easy for me to sit here and acknowledge that I made such a big stuff up. That I jeopardised my husband's career after 20 years in IT, rubbished his name. Made him mistrust me. That is not an easy thing for me to do Mr Morris. So no, I do not want to change my evidence.

30 Okay. Can you just – can I just take you to page 51, Ms Kantarzis? I feel that as it's here we ought to deal with it. If you go to the bottom of page 51, 6 August, 2008, Hi Virginia, just to follow up on two quick matters with you. Go over to the next page. Firstly, I was wanting your go ahead with the ordering of the company Succuro Recruitment Pty Ltd. Secondly, our outstanding invoice for the set up of your trust is attached for your payment. Right. To which you reply on 13 August, Hi Cathy, please go ahead with the company name – Succuro Recruitment Pty Ltd. Do you see that?---Yes.

40 Lightening strikes again Ms Kantarzis?---Does it? I think it struck me the first time.

Well - - -

ASSISTANT COMMISSIONER: Ms Kantarzis, this is an email that you've written?---Right.

So any explanation that you didn't read a certain document does not apply to this, you wrote it?---Right.

You wrote, go ahead with the company name Succuro?---It was already, it was already done.

This is on 13 August, 2008. Do you see that? Is it on your screen?---Oh, right.

10 This seems to be completely at odds with your evidence that you did not intend at this time to establish a company called Succuro Recruitment Pty Ltd but another unrelated company. Do you agree?---Yes, I do agree.

Well, I would like to give you an opportunity to explain or to change your evidence?---Right, I don't, I don't know why I would write that.

MR MORRIS: Would you like the opportunity, Ms Kantarzis, of changing your evidence on the question?---No, no, I would not.

20 Okay. Ms Kantarzis, it is correct, is it not, that you continued after this to work for Succuro Recruitment Pty Ltd?---I continue my part-time position there, yes.

Your payslips were issued by Succuro Recruitment?---I don't even think I received a payslip.

Just have a look at this document. Do you see that document?---Yes.

Is that a payslip for your employment for the fortnight - - -?---No, it is not a payslip.

30 What is it?---Well, it says it's, it's a payslip and it's got Sydney University and it's got my name on it with an amount of hours and what-not. I, I know what this is. I remember when Bill Mylonas was setting up the payslips he was changing them or setting them up, he sent them, he, we discussed it, he sent it to me to make modifications to and he put in some details. So it was a mock payslip.

It's a mock payslip?---Yes.

40 How do you know that it's a mock payslip?---Because I don't work for Sydney Uni.

But did he show it to you before - - -?---He emailed it to me.

Right. So did it on only one occasion, is that correct?---I don't know, until he got it sorted.

5 May, 2009, right. Do you see that?---(NO AUDIBLE REPLY)

And underneath is that another mock payslip, 21 April, 2009?---Yes. It's got Sydney University, I never worked for Sydney University.

If we go over the page, 2 November, 2009, another mock payslip?---This one says Succuro Recruitment so I don't know if this one is. Oh, hold on, let me check the wages. Yes, I'd say it is another mock payslip.

14 November, 2009?---I think they would have all come together.

10 Right. And on the back, 13 November, 2009?---Right.

And then another one 14 December - - -?---Well, like I said, Bill Mylonas was setting up different templates, what-not, I would always be helping him with processes, templates, email templates, all of that like.

I see. So did you help him set this mock up?---No, he did it, I might have made some recommendations.

20 And when do you say you saw this?---He must have - he emailed it to me, I don't know when he emailed it to me.

You don't have any recollection?---No. It was some time after - I'll give you a date, some time after September 2008.

I see. Now, are you saying that you didn't - you continued to work part-time with Succuro?---Yes.

All right. Succuro Recruitment Pty Ltd we're talking about?---Succuro, yes.

30 In about March 2009 that company changed its name to I-Secure?---Ah
hmm, yes.

You're aware of that, aren't you?---Yes.

Can I suggest to you that you have either consciously or unconsciously transposed the discussions about changing the name from March 2009 to August 2008?---I'm sorry, I don't understand what your question is.

40 Well, is it the fact that you've made a mistake as to when your discussions about I-Secure arising that you're just wrong in the dates?---More than likely, I don't, I never really worked off a diary back then so my timelines aren't that great.

You see was there a company resolution to change the name from Succuro Recruitment Pty Ltd to I-Secure Recruitment Pty Ltd?
---Yes.

And that was on about 4 March, 2009?---Probably.

Go to - if you go to exhibit 2 which is volume 3 at page 58?---Have I got that, this one?

No, it's the volume.---Page, sorry?

Sorry, 463.---See that there?---46, oh, 63.

463, top right hand corner.---Sorry, I was looking at 462. Yes.

10

Now this is a notification of resolution, I understand it's not in your hand, if you go to 464 it's signed by Bill Mylonas, right. As at 4 March, 2003 he was the director of Succuro Recruitment Pty Ltd I suggest?---Right.

And you were a director of Succuro Recruitment Pty Ltd?---Right.

And you resolved to change the name to I-Secure Recruitment Pty Ltd?---Yes.

20 Do you recall that?---Yes.

And is it the case that the reason why you changed the name was to try to address the name of your husband being on the public record of Succuro Recruitment Pty Ltd?---It was trying to rectify the whole set up of me being a director of Succuro Recruitment as opposed to I-Secure but as it turned out that didn't rectify it anyway, I found out some time later.

Well, that's what you thought you were doing?---Yes.

30 Okay. Indeed what you were trying to do was trying to distance your husband from the proprietorship of Succuro Recruitment Pty Ltd?---Absolutely.

And in fact what happened was I-Secure Recruitment Pty Ltd continued to operate with the Succuro Recruitment business didn't it?---Yes, it did.

Okay. And indeed as a director you didn't take any steps to lodge the name Succuro Recruitment with the Department of Fair Trading did you?---I didn't do anything as a director.

40 Okay. You didn't, I see. Is it the fact that indeed, well, no. You're aware I take it that I-Secure Recruitment Pty Ltd commenced issuing wages slips to some of its contractors aren't you?---I was not aware at the time, no.

But you're aware now aren't you?---Yes.

Mr Wong is but one example. Correct?---Mr Wong?

Mr Wong, sorry wrong name. You're Mr Wong. What was, what was that fellow's name Cristopher Wong. It was Cristopher Wong?---I don't know who that is.

Sorry?---I don't know who Cristopher Wong is.

Well, there was some evidence before the Commission, sorry. But I-Secure Recruitment continued to operate the Succuro Recruitment business at the University of Sydney. Correct?---As it turns out, yes.

10

And you were from time to time involved in referring people to the business whatever it be called, people who may be contractors - - -?---Succuro business.

Yes?---No, oh, I might have had some referrals, yes.

And some of those referrals went onto become contractors at the University of Sydney?---Actually I don't think they were referrals I think I was more of a reference.

20

A reference?---A reference from people that had worked for me.

And indeed the - that you were involved in interviewing people who ultimately became - - -?---I, I didn't partake in any face to face interviews after I had my baby, after I had our daughter. I did reviewing of all the applicants for positions.

And reviewing of applicants for positions at - who ultimately ended up at the University of Sydney?---Yes.

30

And indeed I'd like to show you this bundle of documents which is Exhibit 35 of which we've had some copies made and these have been produced by Mr Miralis. Just have a look at those documents?---Yes.

That's - if you just run through them they're documents that you've produced to Miralis to produce to this Commission?---That's correct.

And there's handwriting on those documents which is yours?---Yes.

40

And can I suggest that a number of these people that you interviewed ended up being placed at Sydney University?---I don't know about these ones. I think these were back in 2007/2008. No, these were when I was trying to place people in other organisations. I was not doing any, any interviewing for Sydney Uni.

Okay. There came a time when you started doing some interviewing of recruits for Sydney University?---I didn't do any interviewing for Sydney Uni. I reviewed and shortlisted candidates when Bill Mylonas would put an

application, a job application for a position. I was set up to, in my inbox to receive all applicants. So for any one position we would receive 200 or in excess of 200 applicants and one of my major roles was going through all those applications, shortlisting, I did speak to candidates and touch base with them, just to confirm their availability, what they were requiring in regards to a salary or a rate. To gauge whether they could speak well on the phone, if they could speak and understand English, if they were professional and that's what I did after I had my daughter.

- 10 Okay. Now you're aware that from about 2008 onwards Succuro didn't actually have any other business other than the University of Sydney?
---Yes.

And when I talk of Succuro, I'm talking about the business Succuro Recruitment?---Yes, yes.

Right. Which after 2009 was being operated by I-Secure Recruitment Pty Ltd?---Yes.

- 20 And of which company you remained a director?---Yes.

And of which company you remained a shareholder?---Yes.

As did your husband?---Did he? Oh, yes, yes.

And he to your knowledge continued to allocate work to the company. Correct?---He still used Succuro, yes.

- 30 And in fact you were at some point your income from Succuro started to be paid by \$8,000 instalments quarterly didn't it?---Yes, it changed to quarterly.

And that was being matched 50/50 by Mr Mylonas. Correct?---What do you mean matched 50/50?

Well he was also drawing \$8,000. Correct?---I don't know what Mr Mylonas was drawing.

- 40 Well you'd agree to a 50/50 partnership I suggest?---Yes, but that was for a business that never went on, took off the ground.

I suggest it was for a - - ?---I was just working for Succuro doing my part time, like I did from day one.

Can I suggest it was a 50/50 arrangement to operate the Succuro Recruitment business?---No.

And indeed there are no relevant documents, can I suggest, that have been produced to this Commission that suggests that there was a separate company called I-Secure Recruitment Pty Ltd that operated anything other than a recruitment business?---Yes, I do know that, yes.

And indeed – just by the way, what’s the relevance of the name I-Secure Recruitment to an IT development and training company?---Well it was supposed to be called I-Secure.

10 Well what’s the relevance of I-Secure to training?---There wasn’t any real relevance. It was a name that sounded great.

It sounded great for a training - an IT development business, is that what you’re suggesting?---It was just a name.

Can I suggest to you it was a name that sounded great for a recruitment business?---Yeah, Bill might have looked to do some recruiting through there, he did say that he did want to eventually change Succuro’s name because of the complaints or whatever, a bad name he’d had at some stage.

20

Now is it - can I - at any time did you say to your husband throughout 2008/2009 and into 2010 that you were a director of Succuro, of the Succuro Recruitment business?---No.

Did you tell him that he was a shareholder?---No.

Is that because he knew?---No.

30 It’s the case, isn’t it, that - is it the case that you and he had discussions about your work from time to time?---Not really.

No. Is it the case that he - is it the case that he actually - you and he actually agreed to participate in the Succuro Recruitment business when you took on the shares some time in 2008?---Absolutely not.

There’s no doubt that you were receiving a wage from Succuro Recruitment, the business itself?---I got paid from Succuro.

40 And as a shareholder you were entitled to dividends and a distribution of assets in the business?---So are you saying that I was - well, I probably was legally if I was director in Succuro Recruitment but I did not think I was entitled to Bill’s business, no.

Well, it wasn’t, it wasn’t Bill’s business, it was your business - - -?
---Well, it was Bill’s.

- - - and his?---No, it was never my business. Succuro was never my business.

It was your husband's business as well?---No, it was never our business.

I see. Now, some time in June 2010 you caused a transfer of shares from - of the shares in this business and this business only - to Mr Mylonas, you're aware of that?---I was removing myself as a director.

10 Why was that, Ms Kantarzis?---Well, my part of the business never went anywhere, the training and development although I did try but I found it increasingly hard to have any time and I, I got the impression that Bill wanted me out.

Is it the case that you had heated discussions with Mr Mylonas about an ICAC inquiry that caused you to divest yourself of the shares?---I did at some stage but not then, no.

20 Can I suggest to you that it was as a result of that - an ICAC inquiry into Operation Kanda that caused you to - caused you and your husband to divest yourself of shares?---No.

Was it - - -?---When we found out about ICAC was at the end of 2010 when Todd was approached by ICAC.

Okay. You were aware that Mr Mylonas has given evidence in this Commission that it was some time earlier in about June 2010?---What was some time earlier?

30 The ICAC investigation that caused the divestment of shares in the company?---I don't think so, not to my knowledge.

You see, did your husband come home from work on about 23 June, right, to alert you to the fact that there had been an ICAC investigation into a manager at the University of Sydney who had been allocating work to a company in which he and his wife - sorry, she and her husband had owned the shares?---No.

40 And is it the case that you had a discussion with him about the fact that he had been allocating work while he was in a management position at the University of Sydney to, to the Succuro Recruitment business?---No, Mr Morris, I think the dates are very coincidental. I did see that, that email but no.

You see, it's an extraordinary coincidence, isn't it?---Well, it's a coincidence and coincidences happen so I understand how it's, how you, what your question is but no.

You see is it possible that you and your husband had a discussion some time on the 23 or 24 June about the fact that if you remained as a director and

shareholder and he remained as the shareholder in the Succuro business whether its formal name was I-Secure Recruitment or Succuro Recruitment that there would be potentially serious allegations made against him of corruption?---No.

Potential criminal investigation?---No.

And it's in fact that discussion that caused you and your husband to transfer the shares - - -?---Incorrect.

10

- - - that you held to Mr Mylonas?---Incorrect.

Okay. Now, just as a matter of formality, all right, exhibit 2 volume 3 page 61.---Page 61?

Sorry, page 466, I'm sorry everybody, 466. See - - -?---Share transfers, yeah.

20

Share transfer. That's your signature, correct?---Yes.

And that's your husband's signature?---Yes.

And that's a transfer and when I said, sorry, I want to correct something formally, Ms Kantarzis, that is when I made suggestions about you and your husband transferring your shares that was as trustees, all right?---Right.

Because you only owned the shares as trustees. Correct?---Yeah, I think so.

30

Yes. And that you did was - that ICAC investigation I suggest caused you and your husband to transfer the shares on the 25 June as set out at 466. Do you see that?---The ICAC investigation became known to, to us and I found out from Todd at the end of 2010.

Yes. I understand that that's the ICAC investigation into your business affairs?---Right.

But I want to suggest the ICAC investigation - - -?---Oh, the other one.

40

- - - that caused you to transfer the - that - - -?---No, incorrect.

We both talk over the top of each other?---Sorry, I'm sorry - - -

I'll rephrase it.---I'm so sorry.

I'm sorry too. The fact is I want to suggest to you that it was on or about the 23 June, 2010 that publicity become available about Operation Kanda which is the cleaning contract - - -?---Yes.

- - - in ICAC investigation?---Yes.

And in fact it was that investigation that caused you and your husband to transfer the shares to Mr Mylonas?---No, I'm sorry that's incorrect.

And at the time that you transferred the shares to Mr Mylonas there was roughly you may or may not know, there was roughly in the order of \$300,000 in accumulated assets in the company account?---I wouldn't know but - - -

10

Right. And did you ask Mr Mylonas to be paid for your shares?---No.

Why not?---I didn't, didn't - there was (not transcribable) zero, I was just being removed - - -

How did you know they were worth zero?---Because I didn't make any money through my directorship.

No, no.---My trust never had any money.

20

The company was worth money wasn't it?---What company?

I-Secure Recruitment Pty Ltd?---Well, there was money in that company from Bill's work with Succuro but there was nothing from, from me. My training and development never took off, I didn't have any additional customers or anything so, no, there was nothing for me to ask for.

Ms Kantarzis, I want to suggest to you that you tried to artificially split off a - the fact is I-Secure Recruitment at that time only had one business, right?

30

---Right.

Which was the Succuro Recruitment business. Correct?---Okay.

And but that - it's that business that was owned or being operated by I-Secure Recruitment - - -?---Yes.

- - - that was a valuable business wasn't it?---I'm sure it had some value, yes.

40

And that was a company in which you and your husband were shareholders?---Yes.

Right. And you were not paid anything for what was as a valuable business asset?---Because I wasn't entitled to it.

You were entitled to it as a shareholder?---No, maybe on paper but not, not ethically. I couldn't say to Bill, well, you know what, I'm director of I-

Secure and it's got whatever money and whatever, give me half of it, that wouldn't be right. That's not very ethical.

You see, I want to suggest to you that the, that the reason why there wasn't any discussion about the - there was no discussion about a purchase price or anything like that was there?---Purchase price for what?

For your shares?---No.

10 No?---They were worth zero.

Well, I want to suggest to you that the reason why there was no purchase price discussed was because what you were trying to do was cover your tracks?---No, I'm sorry, Mr Morris, you're incorrect.

And that it was all something of an emergency that blew up - - -?---No, you're incorrect.

20 - - - because it was at that time that you realised that your husband had been involved in the grossest conflict of interest?---No, that's incorrect.

And that you'd been involved in it?---No, that's incorrect. Excuse me, Commissioner, because of the time - I'm happy to stay on but I just have to make arrangements for my little girl to be picked up - - -

ASSISTANT COMMISSIONER: Yes?--- - - - unless my husband already has.

30 MR MORRIS: Well, I'm sorry - - -

ASSISTANT COMMISSIONER: No, look, I - it seems to me we won't finish tonight even if I was willing to sit on a little longer, that's not going to happen. Is there anyone who's not available in the morning to continue?

THE WITNESS: Are you available?

ASSISTANT COMMISSIONER: Mr Miralis?

40 MR MIRALIS: I am available tomorrow morning and likewise on Friday, Commissioner.

MR GIBSON: I'm unavailable for a short time in the morning, it's as always hard to predict how long I'll be but hopefully (not transcribable) 11 o'clock.

MR GOLLAN: Commissioner (not transcribable) they're taking a vote, I imagine (not transcribable)

ASSISTANT COMMISSIONER: Well, I don't think that - the witness hasn't said anything about your client so I don't think you'd have any interest anyway.

THE WITNESS: I'm happy to continue today to finish today.

ASSISTANT COMMISSIONER: Well, it's just that it's very hard, it could go very late?---That's okay.

10 You don't understand all these people have to examine. The big - - -

MR MORRIS: I'll have, I'll have to make an inquiry about availability tomorrow morning. Can we make that inquiry? Perhaps what we ought - well, can I suggest that we have a five minute adjournment, Ms Kantarzis - - -

ASSISTANT COMMISSIONER: Yes.

20 MR MORRIS: - - - can make her arrangements and we can inform the Commissioner - - -

ASSISTANT COMMISSIONER: Yes. And the other thing I would say is that Ms Kantarzis has given evidence to date which does not affect everybody involved in this inquiry. She hasn't given any evidence about any of the staff at the Uni so I would not expect that people representing them would want to question her. She hasn't actually given any evidence that adversely affects the interest of any, any of the other people too, the people she'd worked with at Transfield for example so I'm hoping maybe you can have a whip around, Mr Morris, and see who has any genuine
30 interest in questioning this witness and how long they're going to be and then we can decide whether we will sit on.

MR MORRIS: I'll make that inquiry as well.

ASSISTANT COMMISSIONER: So we will adjourn for five minutes so you can do that and Ms Kantarzis can ring.

40 **SHORT ADJOURNMENT** **[4.18pm]**

ASSISTANT COMMISSIONER: Thank you. Please be seated.

MR MORRIS: Commissioner, I've taken a straw pole and half the bar table left, I'm pleased to say. So we'll just continue.

ASSISTANT COMMISSIONER: Yes.

MR MORRIS: I'm instructed that if there's any questions from Mr Gollan or – they don't expect any questions, Mr Gollan, Mr McIlwaine and Ms Oakley really don't have any questions. Mr Gibson seems to fall in the same category. Just shortly, Ms Kantarzis, the – is it the case that the decision to remove – to divest yourself of the shares was your husband's?---Sorry?

Was it, was it, the decision to transfer to the shares was your husband's?
---No.

10

Was it the case that you – that your husband knew that you were a director in the company?---No.

That he was a shareholder in the company?---No.

And that you were a shareholder in the company?---No, he didn't.

And that he knew, I suggest, that you had a greater involvement than just doing administration work at \$500 a week?---No.

20

And that is it the case that you were receiving a financial benefit from Succuro which was the five or \$600 a week as a wage?---That was my wage.

And also you were obtaining a financial benefit from – in the form of accumulated capital assets within the company as a shareholder?---No, that's incorrect.

30

And that your husband was – the financial benefit he was receiving was accumulated financial assets within the company?---No, that's in correct.

In the form of accumulated earnings?---Incorrect.

And that those benefits were accruing indirectly through Succuro because he was allocating work to Succuro?---Incorrect.

And that that work was highly profitable?---Incorrect.

40

And that there was an agreement that the – while ever you were employed on \$600 a week he would continue to supply work to Succuro?---Incorrect.

Okay. And that it became abundantly clear in June 2010 that that conduct and scheme that had been established was in fact illegal?---Incorrect.

And corrupt?---Incorrect.

Now your Honour, I should just tender a document that I had shown – oh sorry, the other potential financial benefit was the payment of \$8,000 a quarter to you?---That was my wages.

And that really what you were doing in terms of admin work was disproportionate to the wage you were earning?---No. Incorrect.

10 Okay. Your Honour, this document that I showed the witness which is headed Company Name Succuro Recruitment, I better tender that for formality.

MR MIRALIS: Commissioner, I object to the tender of this document. No foundation has been established as to the provenance of the document. We don't know whether in fact it is a document that has been created or generated by Bill Mylonas, as has been said by my client and certainly there's no evidence that's been produced thus far either from Bill or from any other source during the investigation which corroborates or supports a contention that was put to my client during cross-examination which is that this is in fact not a mock up but a document which accurately reflects
20 monies that were paid to her. There is no bank statements or evidence to suggest that her evidence which is that this is a mock document has in fact been denied. So it seems to me with respect to my friend, that it cannot be tendered in circumstances where we know nothing about its provenance and we know nothing about whether or not it's purported to be the truth on what's represented on its face. It's still very unclear.

ASSISTANT COMMISSIONER: Well your client's given evidence that it's a document produced by Mr Mylonas that was sent to her. If for no other reason it has to be tendered so her evidence is comprehensible on that
30 point - - -

MR MORRIS: Yes.

ASSISTANT COMMISSIONER: - - - I take your point about what reliance can be made on it, but that's a matter for submissions and perhaps further inquiries.

MR MIRALIS: Well if I get the concession from my friend it's not being tendered as a true representation of monies that were going into my clients
40 account, in other words it's not being tendered as a representative, a representation of a truthful account of her payments then I'm happy on that basis to make some submissions at a later course about it. But otherwise it goes in in a state of ambiguity and in my respectful submission it can't assist the Commission.

MR MORRIS: Well I'll – thank you Mr Miralis. Can I just, this document that I showed you which you said was the mock up payslips. Is it the fact

that in fact this is not a mock up but an accurate payslip or not?---No, that's incorrect.

Okay. Now your Honour, this document came into my hands at a late stage. I have no capacity to prove its provenance except but to say that this witness' evidence is that she was shown it and she says it was a mock up. Now I'm going to ask that further inquiries be made to try and establish that provenance and we may seek to supplement the evidence with a short statement indicating where the document came from, how it came into our possession and what its source was. Is it the case that you have provided this document to any person as being evidence of your wage earnings?
10 ---Have I provided?

Yes?---No.

Perhaps to a financial institution to prove your - - -?---No.

No. Your Honour, I tender it.

20 ASSISTANT COMMISSIONER: Yes, well we'll accept it as a tender on that basis.

MR MORRIS: Yes.

ASSISTANT COMMISSIONER: That will be Exhibit 60, sorry that will be Exhibit 59.

#EXHIBIT 59 - PAYSLIPS

30

MR MORRIS: Thank you, Commissioner.

ASSISTANT COMMISSIONER: Thank you. And I'll make the folder of Succuro interviews, Virginia Kantarzis Exhibit 60.

MR MORRIS: Commissioner, I think that's already in evidence, it was 35.

ASSISTANT COMMISSIONER: Is it?

40

MR MORRIS: Mr Miralis tendered it as a loose bundle.

ASSISTANT COMMISSIONER: Oh, I see. Is it the same? Do we know it's the same?

MR MIRALIS: It is the same.

MR MORRIS: I'm told it's the same.

10 ASSISTANT COMMISSIONER: All right. Well we'll withdraw that as it's already Exhibit 35 I'm told. All right.

MR MORRIS: Thank you, Commissioner.

ASSISTANT COMMISSIONER: That's Mr Morris. Yes now is there any application to examine this witness. I think Mr Miralis is the only one.

MR MIRALIS: Yes.

20 ASSISTANT COMMISSIONER: Yes.

MR MIRALIS: Yes, I'd like some questions, thank you, Commissioner. Ms Kantarzis, do you have Exhibit 35 in front of you?---Which one's that? Yes.

That's that folder there. Could you please open that?---Yes.

And can I take you to the front page of that folder?---Yes.

30 You see that the date on that front page is 20 March, 2007?---Correct.

And on that date you were in fact an employee of Succuro?---That's correct.

And that was during the time that Peter Kostogiannis was the owner of that business. Is that correct?---That's correct.

Now there's a document which lists a number of names and times next to those names?---Yes.

40 Did you create that document?---Yes.

And what was the purpose of that?---It was my schedule for interviewing candidates.

Okay. Can you turn the page?---Yes.

Can you see a resume with the name Mark Balfour on the top?---Yes.

Are you able to tell the Commission how you came to be in possession of that document?---He would have applied for a position, I would have posted and advertised online on MyCareer and I would have spoken to him, viewed him as a potential candidate and organised an interview at the Bureaux.

Okay. Now if I can just take it one step at a time. Presumably this application was emailed to you?---Yes.

10 And you would have downloaded it or printed it at the computer?---Yes.

And is this the computer that was in the kitchenette - - -?---Yes, at home.

- - - reference made to earlier on?---That's correct.

And is that your general procedure in terms of the way that you - - -?
---That's how I would - - -

- - - would interview prospective candidates?---Correct. Correct.

20 If we can just have a look over the four or five pages of this document we can see that there's handwriting in the margins?---Yes.

Is that your handwriting?---Yes.

And is that handwriting that takes place during the course of the interviews?---Interviews, yes.

Okay. And if we can just go to the, the sections headed Warm Up Questions?---Yes.

30 Is that a document that you produced?---Yes.

And what was the purpose of that document?---I always would have some warm up type questions, whether it was in regards to their work history or – just not technical basically. I just wanted to get a feel for the candidate.

Okay. Who actually created these questions?---I did.

40 And was that part of your job description at Succuro in 2007?---Yes. I think I would have modified a previous document I would have had from my previous jobs.

Okay. Now you said that these interviews would take place at the Bureaux. Is that correct?---Correct.

Can I show you this card and this folder?---Yes. Thank you.

Firstly, could you have a look at the card?---Yes.

Can you describe to the Commission what that is?---It's a swipe entry card into the, into the Bureaux.

And you previously produced that to me pursuant to a notice to produce to the Commission. Is that correct?---That's correct. Yes.

And did you ever have occasion to use that?---Yes, I used it quite often.

10 And how regularly were you using that card to carry out interviews?
---Every time I had an interview so between 2007 and to mid 2008 I would probably use it every month maybe.

Okay. Now all the individuals that are named on the front page of Exhibit 35 - - -?---Yes.

- - - were they all interviewed at the Bureaux?---Yes, on that date.

20 Okay. Now there are other documents of a similar style throughout this folder. If you could just satisfy yourself of that?---Yes.

And again similarly there appears to be a date on the right hand corner of pages which are headed Succuro Interviews?---Yes.

And likewise I take it the names that appear on those pages are people that you advertised, put a position out advertising for recruits, received resumes, subsequently printed out their resumes and interviewed them?---Correct.

30 And how much of your work day did this type of activity be comprised of?
---The interviews would be pretty much the whole day. I'd typically start about 10.00 and finish, depending on how many clients, finish around 4 o'clock.

Okay. Well if we just focus on the resume of Mark Balfour?---Yes.

Are you able to estimate how long it would have taken to read the interview, make the comments that you've made on the side and interview him alone?
---Oh, I tried to keep it to about half an hour.

40 Okay. And if you have a look at all the names that appear again on that front page, Mark Balfour, Amit Rangbulla, and you can satisfy yourself of the others?---Yes.

To the best of your knowledge were any of these individuals prospective contractors for Sydney University?---No, I don't believe they were.

Did you interview any of these individuals with respect to positions at Sydney University?---No, no, I didn't.

Commissioner, I tender the, the swipe card and just very briefly - - -

ASSISTANT COMMISSIONER: I'm sorry, what, what is the relevance of the swipe card? It doesn't tell us whether she ever used it or whether she ever went in there.

MR MIRALIS: She's just given evidence that - - -

10 ASSISTANT COMMISSIONER: Yes, well her evidence is sufficient I think. The card doesn't add to it is all I'm saying. So I don't think we need to take it. Thank you.

MR MIRALIS: Okay. There is another folder that's being handed up, that's in the same category. I'll just ask you to identify it. That's a folder that relates to the Bureau. Is that correct?---Correct.

20 And that's just a list of the prices in relation to occupying the Bureau for interviews. Is that correct?---Yes, yes.

And you were responsible whilst you were working at Succuro to actually facilitate (not transcribable) to use at the Bureau. Is that correct?---Yes, yes.

Okay.

ASSISTANT COMMISSIONER: All right. Well I'll make that folder Exhibit 60.

30 **#EXHIBIT 60 - BUREAUX EMPLOYMENT MATERIALS**

MR MIRALIS: Now throughout 2007 Ms Kantarzis, you continued predominantly to work from home on a part time basis, working from the workstation in the kitchen. Is that correct?---Yes. Yes.

40 And you would occasionally go to use the Bureau but exclusively for the purpose of interviewing prospective applicants?---That was the only reason I went to the Bureau.

Okay. Now can I show you this bundle of documents which also, Commissioner, has been produced pursuant to a notice to the Commission? ---Yes.

Do you see those documents?---Yes.

Are you able to tell the Commission what those documents are?---I was putting together an engagement plan, getting ready for ITIL Service

Management and any prospective clients. So while I was on leave from Succuro, after I had my daughter, I started working on this.

Okay. Were you doing that work for Succuro whilst under the employment of Peter Kostogiannis or whilst you were employed by Bill Mylonas?---Bill was – I was under the employment of Bill back then, but this was in relation to the company we were going to set up, I-Secure.

10 Okay. So you've given evidence about discussions between yourself and Bill regarding development of a company called I-Secure?---Yes.

And you gave evidence earlier on that your role was going to be in the side of development if you like?---Yes.

Is that a document that was created to advance that side of I-Secure?---Yes.

20 And you used the acronym ITIL, are you able to tell the Commission what that actually stands for?---ITIL is Information Technology Information Library, I think.

Okay?---It's a best practice for IT service and support.

And over how many weeks or months did you work on that document?---I worked on and off on this during my course of probably six months when I was at home not working.

30 Okay. Has that document ever been typed up or put into some formal folder?---No. I did try to type this up, but I found it really hard 'cause I was breastfeeding, so I found that while I was breastfeeding I was writing.

Okay. Are you able to recall what year in fact you wrote that document? ---It would have been any time after July/August 2008.

I tender that document.

ASSISTANT COMMISSIONER: Yes. These handwritten pages will be Exhibit 61.

40 **#EXHIBIT 61 - HANDWRITTEN NOTES**

MR MIRALIS: I'll show you another document, Ms Kantarzis. Likewise Commissioner, this document has previously been produced to the Commission. Those post-it notes Ms Kantarzis have been placed on there by myself. But can you identify that document?---Yes.

What is that?---It's my writing pad, an old writing pad.

Okay. And where would you ordinarily keep that?---On my desk in the kitchen.

Okay. Now the front page obviously shows a recipe that's been written down?---Yes, my mum's apple pie.

Ignoring the recipe and there's a number of them in there, I've tabbed items which I'd just like to ask you a number of questions about?---Yes.

10

Can you go to the first item?---Yes. Yes.

Could you just read that to yourself?---Yes.

Can you identify what you've written there?---Yes.

And what's the relevance of that to you?---The relevance of it to me?

20

Yes. Why did you write that down?---Because that's what I was doing that day.

Okay. And what in fact were you doing on that day?---Calling IVF, calling the Clearwater Filter Systems, taking out some cutlets, grabbing some presents for my sister, printing resumes, printing questions and running through.

Okay. So you've written down that you were printing resumes on that day? ---Yes.

30

MR MIRALIS: And was this, for want of a better term if you like, your running diary for what you perform for Succuro on a given day?---Yeah, it was obviously the little notepad I was working with that day so I was just taking notes so I wouldn't forget things.

Okay. How many of those would you have typically gone through during the course of a working week or a working month?---Oh, a working week, well, I usually had bigger ones but this one I just found, I thought I'd thrown them all out so this was just a little one so - - -

40

If I could just get you to quickly look through the rest of the tags?---Yes.

And just would you - or do you agree that that page also reflects work that you were performing on that day in relation to work for Succuro?---Yes.

And just go through the rest of the tabs if you could, Ms Kantarzis?---Yes, that was for Konica Minolta.

And you gave evidence earlier on just in relation to Minolta that you managed to allocate a person at that company or you sought to?---No, I just sought to allocate four telemarketers there but I didn't, I didn't place anyone there.

Okay. Is that the same company that's referred to in that document?---In this one?

Yes?---Yes, well I recognised one of the names. Yes, yes, yes.

10

Now, you would agree that all those pages identified specific tasks that you were doing on those particular days for Succuro?---Maybe not on those particular days but yes.

Okay. Do you recall what year that document was created in?---No, I don't actually.

20

Would you be able to say whether it was 2007 or 2008 or that would just be guessing?---Well, if it was Konica Minolta it'd have to be between, it'd be either 2007 or up to - it could have even been early 2008.

Okay. So it was a time prior to Succuro becoming Succuro Recruitment Pty Ltd - - -?---Yes.

- - - whilst you were employed by Peter Kostogiannis, is that correct?---Yes, I think so, yes.

I tender that document, Commissioner.

30

ASSISTANT COMMISSIONER: Yes. The tagged pages of the writing pad will be Exhibit 62.

#EXHIBIT 62 - NOTEPAD OF MS KANTARZIS

MR MIRALIS: I'll show you this card?---Thank you.

40

Are you able to identify that?---Yes, it's my business card.

And when did you come into possession of that business card?---It would have been early - when I started working at Succuro so Peter Kostogiannis got them, got them made up for me.

Okay. And you've got an email address there at succuro.com.au?---Yes.

I'll tender that card.

ASSISTANT COMMISSIONER: Yes, the business card will be Exhibit 63.

#EXHIBIT 63 - BUSINESS CARD OF MS KANTARZIS

MR MIRALIS: Now, Ms Kantarzis, you've been asked a lot of questions about your work practices during the time you were employed by Succuro, both under Bill Mylonas as well as Peter Kostogiannis, do you understand that?---Yes.

And it's been put to you on a number of occasions or it's been suggested that the salary that you were getting in return for your work was somehow disproportionate to the number of hours - - -?---Yes.

- - - or the effort you were actually applying to the job. Do you understand that?---Yeah, yes.

I'm very mindful of the time but are you able to give us a global summary if you like of what a typical working day for you would be and the number of hours you would typically work on a given day?---I didn't really just structure in a way that I would say I'm going to work on Tuesday or Wednesday this week. Depending what I had to do, if I had interviews to do well, I'd pretty much take the whole day to do. If I was reviewing resumes well, then, I would maybe do it over the course, a couple of hours over the course of the week so it all depended on what I was doing.

Okay. In any event, you had a workstation at home - - -?---Yes.

- - - and that's predominantly where you would do your work?---Yes.

You were connected to the Internet?---Yes.

You had a printer?---Yes.

And you were able to telephone Peter Kostogiannis?---Yes.

You were able to email him?---Yes.

And later when you were employed by Bill Mylonas you were likewise able to contact him through email?---That's correct.

As well as telephone?---Yes.

Now, if I can just move forward to the time at which you were employed by Peter Kostogiannis - - -?---Ah hmm.

- - - and you've been told that Bill is about to take over the company?---Yes.

Do you understand that?---Yes.

That was at a period of time during 2007 - sorry, 2008?---2008, yes.

At the time that Peter - - -

10 MR MORRIS: Your Honour, this - there's a prefatory of (not transcribable)
as it were contained in a couple of my friend's questions. I don't want any
lack of objection by me to be seen as any concession by me that
Ms Kantarzis was employed by Bill Mylonas or that Bill Mylonas took over
the company. So to the extent that he's asking a leading question I don't - I
notice the time.

ASSISTANT COMMISSIONER: Yeah, yeah.

MR MORRIS: I don't want to slow things down.

20 MR MIRALIS: There are questions on her version clearly - - -

ASSISTANT COMMISSIONER: Yes.

MR MIRALIS: - - - so they're intended to be questions on her version.

MR MORRIS: Thank you.

ASSISTANT COMMISSIONER: Thank you.

30 MR MIRALIS: Now, at the time that you were employed by Peter
Kostogiannis and you advise that Bill would come into the company, did
you have any discussions with Peter as to the circumstances surrounding the
takeover by Bill?---No.

Did Bill - sorry, did Peter at any stage discuss with you whether or not you
would be required to stay on with the company as a result of the
introduction to made to Sydney University?---I'm sorry, can you repeat
that?

40 Did Peter ever discuss with you his belief or desire to have you stay on with
Succuro as a result of the initial introduction you gave him to Sydney
University?---No, no, no.

Okay. Were you privy to any conversations between Peter Kostogiannis
and Bill Mylonas in relation to the circumstances surrounding how Bill
would actually take over initially?---No.

Were you aware of any moneys being given by Peter Kostogiannis - - -?
---No.

- - - to Bill Mylonas in relation to the company?---I was not, I was not privy to any of that, no.

In your mind you were an employee of Succuro?---Yes.

And you were doing honest work for honest pay?---Absolutely.

10 At the time that Bill Mylonas took over the company were you privy to any information from him as to how he in fact purchased the company or got the company - - -?---No.

- - - or took the company from Peter?---No.

Okay. Did you regard yourself when Bill came into Succuro Recruitment Pty Ltd, did you regard yourself as an employee?---Yes.

20 Now, in relation to the reasons why you say that, you continued to work the way that you used to work - - -

MR MORRIS: I object to this. This is - - -

ASSISTANT COMMISSIONER: Yes.

MR MORRIS: She's given an account, she's been challenged on it, by asking these questions doesn't establish anything except a reaffirmation of what she says is her account, all right.

30 ASSISTANT COMMISSIONER: Yes.

MR MORRIS: And frankly it's a waste of time and it's of no evidential value at all.

40 MR MIRALIS: Your Honour, my, my friend - with respect, my friend did not conduct the chief examination of this witness, he conducted a cross-examination. I am simply doing what ought to have been done in chief and in effect eliciting from her her version rather than it being a cross-examination which is in effect (not transcribable) from the very start. The evidence could have been adduced in a way which would enabled her to answer these questions much more fully than she was provided an opportunity to do so under effectively what was cross-examination.

ASSISTANT COMMISSIONER: Mr Miralis, Ms Kantarzis has made it abundantly clear that she says she was employed, she continued to be employed after the company changed. I don't think there's any doubt at all that that's her evidence so I don't want to go through the same evidence just to give her a chance to repeat things that she has said three, four, five times. We're well aware - - -

MR MIRALIS: Yes, I hear what you say, Commissioner.

ASSISTANT COMMISSIONER: - - - of her evidence.

MR MIRALIS: Yes.

ASSISTANT COMMISSIONER: If there's new issues that you feel she hasn't been given an opportunity to - - -

10

MR MIRALIS: Yes.

ASSISTANT COMMISSIONER: - - - state then you may lead that.

MR MIRALIS: Yes, thank you, Commissioner.

I'll take you forward to the time that Mr Bill Mylonas had a conversation with you at Mr Moustacas' office, do you understand that - - -?---Yes.

20

- - - Ms Kantarzis?---Yes.

You've given evidence and I won't go into it again that when you attended that office you understood that what was going to be created was in fact a separate entity to Succuro Recruitment Pty Ltd?---Yes, I was under the impression that we were setting a company called I-Secure.

Okay. And subsequent to you signing the documents which you concede show that you in fact signed as a director of Succuro, Succuro Recruitment Pty Ltd you nevertheless continued to work for Bill Mylonas, is that correct?---That's correct.

30

MS OAKLEY: Well, I object to that because - well, that's not really what the evidence was, in fact it's quite contrary to a great deal of the evidence.

ASSISTANT COMMISSIONER: Mmm.

MR MIRALIS: She gave evidence, Commissioner, that she continued to work for Succuro Recruitment Pty Ltd and I could qualify it by just asking her to tell the Commission in her mind what she understood the relationship to be at the time after the signing of the documents making her director.

40

Ms Kantarzis, after you signed this document which you now accept made you the director - - -?---Yes.

- - - of Succuro Recruitment Pty Ltd, in your mind did that change your relationship to Bill Mylonas with respect to your day to day activities?---No, no.

Okay. Did you ever present yourself to anyone including your husband or members of the outside as a partner with Bill?---No. I might have mentioned that I started a business with Bill.

Okay. And which business were you referring to when you mentioned that?
---I-Secure.

10 In relation to Succuro Recruitment Pty Ltd however did you at any point in time represent to the world that you were a partner or owner or shareholder -
- -?---No.

- - - of that business?---No.

Okay. On a practical level dealing with the business on a day to day basis was it your view that Bill owned the business?

MR MORRIS: I object.

20 ASSISTANT COMMISSIONER: Yes. What do you - I, I don't know what you mean? What is her view that Bill owned the business?

MR MIRALIS: Well, I'm asking her whether or not in her opinion regardless of the fact that she had signed a document which purported to design - designated who's the director she nevertheless believed that it was (not transcribable) Bill's business and Bill's company.

30 ASSISTANT COMMISSIONER: Yes. But, well you can't say he - the question of whether he owned it or not is basically a legal and a factual issue on which her opinion doesn't really bear.

MR MIRALIS: Well, it'll be relevant, Commissioner, in the sense that she's given evidence that notwithstanding the legal implications of signing on as a director she proceeded on the previous relationship as an employee and her understanding or her subjective understanding was that she was still effectively acting in an employee capacity. Now it is the case that the ASIC documents will throw a different complexion on that but the issue of what was in her mind will be - would be relevant to determine whether or not she - - -

40 ASSISTANT COMMISSIONER: But the trouble is, Mr Miralis, she, she said she thought that she and Bill had set up a company together but it was I-Secure. So I don't think you can say to her that - because what business are you talking about, are you talking about the business that she wrongly assumed had been set up with Bill as in I-Secure, are you talking about the other business which had in fact been set up. I just think the question is vague and the answer will be un-useful.

MR MIRALIS: Ms Kantarzis, if I can just focus your mind on the business Succuro Recruitment Pty Ltd?---Yes.

That's a business that you now concede you were a director of?---Yes.

After you became a director you nevertheless continued to work in the same, if you like the same capacity as - - -?---Yes.

- - - you were previously for Peter Kostogiannis?---Yes.

10

Is that correct?---Yes.

Did anything change after the document was signed by you which changed your, if you like, your - the manner in which you worked?---No. The only thing that changed was after I had my daughter that I wasn't doing face to face interviews.

Right, okay. Did Bill suggest to you at any stage that he was the owner of Succuro Recruitment Pty Ltd?

20

MR MORRIS: I object.

ASSISTANT COMMISSIONER: Well, can't he ask her that? He's only asking whether Bill ever said he was the owner. I mean I don't know where that gets us.

MR MORRIS: Well, precisely. Look in the interests of carrying on let's keep going.

30 MR MIRALIS: Ms Kantarzis, did Bill ever suggest to you or present to you that he was the owner of Succuro Recruitment Pty Ltd?
---I don't recall him ever saying that.

Okay. He was paying your wages, is that correct?---Yes.

MR MORRIS: I object. It's a company.

MS OAKLEY: It's not the evidence.

40 ASSISTANT COMMISSIONER: No, the evidence was her, and both drawing wages.

MR MIRALIS: But, Commissioner, I have to ask - - -

ASSISTANT COMMISSIONER: Well, you have to take your - did you could think he was paying you a wage (not transcribable)

MR MIRALIS: Well - - -

MR GOLLAN: (not transcribable) records saying that it was a company.

ASSISTANT COMMISSIONER: Sorry, Mr Gollan?

MR MIRALIS: Did you understand that he - - -

MR GOLLAN: Business records demonstrate it's a company, it's quite contrary to the business records.

10

ASSISTANT COMMISSIONER: That's right, it is of limited use I would think what she thought on this issue but go ahead.

MR MIRALIS: What was your understanding about the relationship between Bill and yourself in so far as payment was being made to you for the work that you were performing?---It always the same as it had always been.

Okay. Well, who was paying you?---Bill was.

20

Why do you say Bill?---Because I didn't pay myself.

Okay. Was there an account from which money was being drawn - - -?---Yes.

- - - for you to be paid?---Yes.

Did you ever draw money from that account?---No, no, I had nothing to do with that account.

30

That was the company account?---Yes.

Why did you never actually pay yourself a salary or take any money from that account?---Because it wasn't my money.

Why do you say that if you were the director of a company and a shareholder, how is that possible?

MR MORRIS: I object.

40

WITNESS: That - I - it was not my money, it's not my money.

MR MIRALIS: Why did you have the belief that it wasn't your money?---Because it was Bill's business money that he earned through Succuro.

Well, how's it Bill's if you are a director of a company - - -?---Well - - -

- - - why do you say it's Bill's?---Well, I was a director of the company but to start a training and development (not transcribable) so - - -

MR MIRALIS: So is it the case - - -

ASSISTANT COMMISSIONER: Mr Miralis, your client has already given this evidence that she didn't feel ethically she had any right to the money because he'd been doing all the work and her training didn't get off the ground, so I don't see - if you want to go through something new you're
10 welcome to or to clarify points which you feel has been unfairly brought out but she's already said that in evidence.

MR MIRALIS: Ms Kantarzis, with respect to the way that Succuro Recruitment Pty Ltd was run you understand that my learned friend puts to you that in fact you were a 50/50 owner with Bill. Is that correct?---Yes, I understand.

And you understand it's been put to you that in fact you were fully aware that you were an owner, director and that you had access to the dividends that were in the account if you chose to draw them?---Yes.
20

You understand that that means that you had a legal right to actually - - -?---Yes.

- - - take the profits from that company?---Yes.

Is that correct?---Yes.

Okay. Now, were you at any stage privy to any directors meetings held at the registered offices of the company in relation to whether or not dividends would be an issue?---No, no.
30

Did you attend any directors meetings at all with Bill either at the accountant's office or elsewhere during - - -?---No.

- - - the course of Succuro Recruitment Pty Ltd's life?---No.

What's the reason for that?---Didn't even know about them.

You were present when Mr Moustacas spoke about a meeting that he had with Bill Mylonas at his offices in which a number of company issues to do with Succuro Recruitment Pty Ltd were discussed?---Was that on the 15 July, 2008?
40

No, it was after that. To do with the financial statements, end of year financial statements?---No, no.

You weren't present at that meeting?---No.

Okay. Were you made aware that a meeting had actually been convened at that office between Bill and his accountant in order to settle the financial records of the company?---I can't recall that, no.

Okay. To your recollection have you signed any documents in relation to meeting of directors held at the registered offices of, of the company?---No, not to my knowledge.

10 If I can just show you this document. Now that's just been given to you as an example of the type of documents that directors sign when decisions are made by directors in relation to the conduct of the company. Do you understand that?---Yes.

Have you ever been shown any document similar to that with respect to Succuro Recruitment Pty Ltd?---I don't think so.

20 Have you ever signed any document to the best of your knowledge similar to that with respect to Succuro Recruitment Pty Ltd?---I don't think so.

Okay. If I could have that document back, thanks. So - - -

MR MORRIS: Might I have access to it, Commissioner?

MR MIRALIS: It hasn't been marked for identification, Commissioner, it's just a - happy to show my friend what it is.

30 MR MORRIS: Just to make sense of the evidence, Commissioner. Is this in evidence, Mr Miralis?

MR MIRALIS: I don't believe it is.

MR MORRIS: We might have access to it for the purpose of tender, Mr Miralis.

MR MIRALIS: You want access to it?

MR MORRIS: For the purpose of tender on the - (not transcribable)

40 MR MIRALIS: If it is - if it's an exhibit number you can pull it out.

Now Ms Kantarzis, you've given evidence to the Commission that you had no, to best of your knowledge no formal involvement after signing as a director of Succuro Recruitment Pty Ltd with the conduct of that company?--That - - -

Is that, is that a fair assessment of your understanding of your relationship with Succuro Recruitment Pty Ltd?

MR MORRIS: I object.

ASSISTANT COMMISSIONER: Well, that's - - -

WITNESS: Yes.

ASSISTANT COMMISSIONER: - - - contrary to the evidence. She continued to sign documents about it and changed - transfer shares and change directors, so I don't think you will put it that way.

10

MR MIRALIS: How would you characterise, Ms Kantarzis, your involvement with Succuro Recruitment Pty Ltd after you became a director?---I just continued working part time and trying to gain some new business.

Okay. Now in terms of the signing of the document that made you a director of the company you asked a number of questions about that and you gave an explanation with respect to why it was or why it might have been that you made a mistake - - -?---Yes.

20

- - - with respect to which company you thought you were becoming a director of?---Yes.

Is that correct?---Yes.

And you were shown a number of emails between yourself and Mr Moustacas's office in relation to what I believe you said was an attempt to rectify the situation?---Yes.

30

You can concede that some of those emails in fact showed that you gave instructions or the Succuro Proprietary, Succuro Recruitment Pty Ltd company to go ahead?---Yes.

And you said that that was at a time that you understood what actually had happened. Is that correct?---Yes, I think so, yes.

I think you also gave some evidence that your main focus at that time was to simply ensure that your husband's name was removed from the public register?---Yes, that was the main focus.

40

Okay. Are you able to tell the Commission with respect to those emails which didn't appear to rectify the mistake regarding the company name why that was so?---Why it didn't get rectified?

That's correct. Why you didn't direct the accountant at that point when there was an opportunity to do so, why it was that you were not giving the direction to the accountant to change the company?

MR MORRIS: I, I object. There is actually no direction in any of those emails to change the name of the company, which is an assumption that exists in Mr Miralis' question and I object.

ASSISTANT COMMISSIONER: Well I thought Mr Miralis was asking for the witness to advance a reason as to why she didn't take that opportunity to direct that the name be changed.

MR MIRALIS: That's correct.

10

MR MORRIS: Oh well that's a valid question. I withdraw my objection.

MR MIRALIS: And in fact it arises from my friend's question to her - - -

ASSISTANT COMMISSIONER: Yes.

20

MR MIRALIS: - - - in relation to what she said her priorities were. Are you able to tell the Commission why it was that in those emails that you didn't instruct the accountant to rectify the error that you identified in relation to this?---Well the accountant talked about company set up and how it had to be done and, and whatnot. So I didn't really get all that to be honest. And I spoke to Bill and we discussed, we discussed that - I told him what I was concerned about and we discussed that it would be - change the company name would be changed to I-Secure. So that assured me that - I thought that things would be after that.

30

Okay. Now it's been put to you that your account as to what happened when you attended Mr Moustacas' office and your subsequent explanation as to why you didn't or the assertion that you didn't actually see the document before you signed it - - -?---Mmm.

- - - is false evidence?---Sorry.

It's been put to you by Counsel Assisting - - -?---Yes.

- - - that that's a false version?---It's not a false version.

40

And you were offered an opportunity to change your evidence on that point?---Yes, I was offered that opportunity.

And you denied that opportunity and your evidence still remains that that's a truthful account as you said - - -?---Absolutely.

- - - in hindsight as to why it was that you made that mistake?---An honest and truthful account.

Ms Kantarzis, just finally in relation to your remuneration whilst you were working for Succuro Recruitment Pty Ltd, you were previously employed in the commercial sector earning a salary of approximately \$140,000 per year?---Yes.

10 And who were you working for at that time?---First Data International.

Okay. The amount that you were being paid by Succuro Recruitment Pty Ltd, you would say was a fair amount for the work – with someone of your experience and your qualifications?---Yes.

Thank you, Ms Kantarzis. There's nothing further Commissioner.

ASSISTANT COMMISSIONER: Thank you Mr Miralis.

20 MR MORRIS: Mr Gibson, would you like to ask any questions?

MR GIBSON: Not really.

MR MORRIS: Okay. Just a couple of issues that arise from Mr Miralis' questioning. Ms Kantarzis, Mr Miralis asked you about an account and about the fact that you'd never taken money out of the account?---That's correct.

You were a signatory to the account at one stage weren't you?---Yes, I was.

30 The other thing is Mr Miralis asked you to – in relation to Exhibit 35, which of the people in the summary on the front page and which of the curriculum vitae you had assessed, whether any of them had obtained employment at the Sydney University and you said that you weren't aware of any. If I suggest to you that there's an Exhibit before the Commission, Exhibit 48 which shows that in 2007 Mr Balfour, Amit Rangbulla, R-A-N-G-B-U-L-L-A and Dinesh Dindukurth, D-I-N-E-S-H D-I-N-D-U-K-U-R-T-H - - -?
---Yes.

40 - - - were employed at the Sydney University would you dispute that?---No.

And that in 2008 Mr Balfour, B-a-l-f-o-u-r and Amit Rangbulla were employed there?---Yes. I believe that's because I was interviewing for different positions, but I might have even made some notes in there that if I deem suitable for Peter Kostogiannis I might hand over their CV's to him and say that they might be suitable for whatever he was looking for.

And a name Lambrinos, L-A-M-B-R-I-N-O-S was – and you can check if you like, it's, there's - - -?---I remember the name but I don't even think I interviewed him.

Well there's a curriculum vitae there in that bundle for Lambrinos and if he was ultimately employed at the University would you dispute that?---I don't recall. I don't recall about him actually.

10 Now, Mr Miralis also asked you some questions about Mr Mylonas employing you and being the owner of the business and so forth, is it the case that you and Mr Mylonas or you, your husband and Mr Mylonas agreed that he'd be the public face of Succuro Recruitment?---No, that's incorrect.

And that that would be - - -

MR McILWAINE: I object to this, Commissioner, this has never been put to Mr Mylonas or anything along this path - - -

20 MR MORRIS: I think it was.

MR McILWAINE: - - - of being party to some agreement to be the public face.

MR MORRIS: Well, was he the public face? I think it was - - -

MR McILWAINE: I have no recollection of him - - -

30 MR MORRIS: - - - with respect, Mr McIlwaine. Well, look, can we do it this way, you can make a submission about it but I just want to ask whether - well - - -

MR McILWAINE: Well, I'm happy to write a submission but I just don't (not transcribable) put about my client being party to certain agreements which were never put to him but I'll address it by way of submissions the appropriate time.

ASSISTANT COMMISSIONER: Yes.

40 MR MORRIS: Was there any agreement to that effect?---Sorry, repeat.

That Mr Mylonas would be the public face?---No.

Did you think that Mr Mylonas would be the public face to conceal your involvement as an owner?---No, no.

And did you ever have any discussions with your husband about that?---No.

All right.

ASSISTANT COMMISSIONER: Yes, is that all?

MR MORRIS: That's all.

ASSISTANT COMMISSIONER: Thank you, Mr Morris.

MR MORRIS: Oh, that's all of this witness - - -
10

ASSISTANT COMMISSIONER: Yes.

MR MORRIS: - - - but there are a couple of minor procedural matters.

ASSISTANT COMMISSIONER: All right. Well, Ms Kantarzis, you are now excused. I think I should formally excuse Mr Demiralay too because I haven't.

MR MORRIS: Yes. When we're talking about excuses if Ms Kantarzis may be excused.
20

ASSISTANT COMMISSIONER: Yes, she may be excused.

THE WITNESS EXCUSED

[5.18pm]

MR MORRIS: Formally if Mr Demiralay can be excused.

ASSISTANT COMMISSIONER: Yes, he is excused.
30

MR MORRIS: Yvonne Pollock, may she be excused from her summons?

ASSISTANT COMMISSIONER: Yes.

MR MORRIS: Simon McCoy, Thomas Mawter, M-A-W-T-E-R, Sarah Collins, Tuyet T-U-Y-E-T Van V-A-N Chau C-H-A-U, Caroline Bugg, B-U-G-G, Andrew Apin A-P-I-N, Nicholas Moustacas, M-O-U-S-T-A-C-A-S, yes, and Mr Demiralay, that's - - -
40

ASSISTANT COMMISSIONER: Yes.

MR MORRIS: Might they all formally be excused.

ASSISTANT COMMISSIONER: Yes, they are.

MR MORRIS: Now, Commissioner, Ms Oakley has been raising with me a tender which has - is essentially the formal tender of a bundle of documents which indicates the changes that have been made at the Sydney University.

ASSISTANT COMMISSIONER: Right.

10 MR MORRIS: And there are a number of policies. I have one copy here to tender. I don't think it really affects anybody but her own client but if Mr - my instructing solicitor might be granted liberty to uplift the last series of documents that Mr Miralis has tendered and that document and scan it and distribute it to the parties.

ASSISTANT COMMISSIONER: Yes. Yes, well this - - -

MR MORRIS: And in that regard then I don't think it - it should be non-contentious.

20 ASSISTANT COMMISSIONER: Yes. Well, this submission about changes to practices at the University will be Exhibit 64 and it should be provided to other interested parties.

#EXHIBIT 64 - BUNDLE OF DOCUMENTS SUBMITTED BY THE UNIVERSITY OF SYDNEY

MR MORRIS: And that, Commissioner, is the close of the evidence in this case.

30 ASSISTANT COMMISSIONER: Yes. In terms of submissions, Mr Morris, we normally allow Counsel Assisting two weeks to prepare written submissions. Is that going to be a problem for you?

MR MORRIS: I'll endeavour to make that direction.

ASSISTANT COMMISSIONER: Yes, and if - - -

40 MR MORRIS: I know that Mr McIlwaine has got an exotic overseas holiday planned and I'm rather - - -

MR McILWAINE: I've made some arrangements for someone else to attend to - - -

ASSISTANT COMMISSIONER: Yes. You see, Mr McIlwaine looks after his clients, Mr Morris, he doesn't ask for extra time so you can't use him as an excuse I'm afraid.

MR MORRIS: No, I was going to use that as a reason for trying to get it to him so that he could take them with him.

ASSISTANT COMMISSIONER: Oh, it's very thoughtful of you. Well, you'll be allowed two weeks and if there's any problem with that it can be extended.

MR MORRIS: I'll note the time.

10 ASSISTANT COMMISSIONER: But if you do meet the two weeks' deadline then other counsel will be allowed two weeks to respond.

MR MORRIS: Yes.

ASSISTANT COMMISSIONER: And I make the usual suppression order in respect of all submissions made.

20 **THERE IS A SUPPRESSION ORDER ON ALL SUBMISSIONS
MADE**

MR MORRIS: May it please the Commission.

ASSISTANT COMMISSIONER: And unless there's anything else, that concludes this inquiry and we will now adjourn, thank you.

30 **AT 5.22 PM THE MATTER WAS ADJOURNED ACCORDINGLY
[5.22pm]**