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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 MONDAY 26 MARCH 2012

AT 9.30AM

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

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

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

MR MORRIS: Yes, I tender a statement of Steven Bach, dated 7 October, 2011 together with a copy.

ASSISTANT COMMISSIONER: Yes, that will be Exhibit 42.

10 **#EXHIBIT 42 - STATEMENT OF MR S BACH DATED 7 OCTOBER 2011**

MR MORRIS: I tender a statement of Patrick John Taylor dated 1 November, 2011 with a copy.

ASSISTANT COMMISSIONER: That will be Exhibit 43.

20 **#EXHIBIT 43 - STATEMENT OF MR P J TAYLOR DATED 1 NOVEMBER 2011**

MR MORRIS: I tender a statement of Geoffrey John Knowles, K-N-O-W-L-E-S dated 16 August, 2011.

ASSISTANT COMMISSIONER: Exhibit 44.

30 **#EXHIBIT 44 - STATEMENT OF MR J KNOWLES DATED 16 AUGUST 2011**

MR MORRIS: I tender a statement of Luke McKelvey, M-C-K-E-L-V-E-Y dated 26 September, 2011.

ASSISTANT COMMISSIONER: Exhibit 45.

40 **#EXHIBIT 45 - STATEMENT OF MR L McKELVEY DATED 26 SEPTEMBER 2011**

MR MORRIS: And I tender a statement of Luke John McKinley, M-C-K-I-N-L-E-Y dated 10 August, 2011 together with a copy.

ASSISTANT COMMISSIONER: That will be Exhibit 46.

**#EXHIBIT 46 - STATEMENT OF MR L MCKINLEY DATED 10
AUGUST 2011**

MR MORRIS: The next witness - - -

10 MR McILWAINE: I'm sorry, Commissioner, just in regard to that
statement, in regard to Mr Bach and Mr McKinley and Mr Johnson, I don't
seek those witnesses be called for cross-examination but their evidence is
disputed by my client and he will give some evidence about that. On, on,
this is on the issue of the (not transcribable).

MR MORRIS: Yes.

MR McILWAINE: I'm content to rely on my client giving you that
evidence. I just wanted to make it clear the correctness of their statements is
not conceded.

20 MR MORRIS: Okay. Thank you Mr McIlwaine.

ASSISTANT COMMISSIONER: You said Mr Johnson?

MR McILWAINE: Certainly Mr Bach and Mr McKinley. There was three
- - -

MR MORRIS: And Taylor.

30 MR McILWAINE: Taylor, sorry, Mr Taylor.

ASSISTANT COMMISSIONER: Right. Thank you.

MR MORRIS: The next witness is Mr Bill Mylonas, M-Y-L-O-N-A-S.

40 ASSISTANT COMMISSIONER: Yes, Mr Mylonas, come forward and
take a seat. Mr Mylonas, you've been called to give evidence and you are
required to answer all of the questions asked of you. You may seek a
declaration under section 38 of our Act, the effect of which is that nothing
you say here can be used against you in future proceedings.

MR McILWAINE: My client seeks the declaration, Commissioner. It's
been explained to him.

ASSISTANT COMMISSIONER: Thank you. Pursuant to section 38 of the
Independent Commission Against Corruption Act, I declare that all answers
given by this witness and all documents and things produced by him during
the course of his evidence at this public inquiry are to be regarded as having
been given or produced on objection and 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 HIM DURING THE COURSE OF HIS EVIDENCE AT THIS PUBLIC INQUIRY ARE TO
10 **BE REGARDED AS HAVING BEEN GIVEN OR PRODUCED ON OBJECTION AND THERE IS NO NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING PRODUCED.**

ASSISTANT COMMISSIONER: Mr Mylonas, you're required to take an oath on the Bible or make an affirmation.

MR MYLONAS: The Bible, thanks.
20

ASSISTANT COMMISSIONER: Yes, Mr Morris.

MR MORRIS: Thank you, Commissioner. Can you give the Commission your name?---My name is Bill Mylonas.

10 And what's your occupation?---My, my primary, my primary occupation is IT industry, I, I do IT integration and I do recruitment as well.

Now on the 5 July, 2011 you were interviewed by investigators. Is that correct?---That's - - -

And you've had a copy of your, of your interview haven't you?---I have, I have a copy of my interview.

20 I hand up for tender a statement, sorry, a record of interview dated 5 July, 2011 with investigators with Mr Mylonas together with a copy. Do you have a copy of your statement with you?---I don't have it with me. Should I go and get it.

No, it's O.K.

ASSISTANT COMMISSIONER: Yes. The record of interview of Mr Mylonas will be exhibit 47.

30 **#EXHIBIT 47 - RECORD OF INTERVIEW OF INTERVIEW OF MR B MYLONAS**

MR MORRIS: Mr Mylonas, I take it you've had the opportunity to go through that statement in recent days. Is that correct?---I have gone through a lot of it, yes.

40 And you've also heard, you've also been here throughout those proceedings. Is that correct?---Yeah, that's correct.

And, Mr Mylonas, is there anything you wish to change about your record of interview?---Not specifically. I'll (not transcribable) it was, it was accurate at that point when I gave it.

Are you by that meaning to convey that there have been issues that have come since which might have refreshed your memory?---I can't be specific, I - - -

Well, I'm going to ask you a few questions that perhaps you can help us clarify. Mr Mylonas, at page 3 of your statement you were asked by investigators for a list of the companies that you own and you say you had All Fresh Food Services, Southern Computer Services and I-Secure which is Succuro Recruitment. Is that correct?---That's correct.

10 And is it the case that there was a change of name in about March of 2009 where you've changed the company name from Succuro Recruitment Proprietary Limited to I-Secure Proprietary Limited?---Yeah, we did a, a name change probably about, I don't know six to nine months after Succuro Recruitment was, was established.

Okay. Now the point is that I-Secure went onto operate the Succuro Recruitment business, didn't it?---That's correct.

20 Now you say in your statement that you established Succuro Recruitment Proprietary Limited for having had a conversation with Mr Peter Kostogiannis. That's correct, isn't it?---Yeah, oh, well I did, I did, yeah. I established the company with that name. Yeah, it got established following a conversation.

Well, it wasn't just you was it?---What do you mean?

Establishing the company?---I, I have a partner in establishing the company.

Yeah. But that was Virginia Kantarzis wasn't it?---That's correct.

30 Now how - Virginia Kantarzis at the time that you, sorry. The time you first spoke to Mr Kostogiannis, Virginia Kantarzis was at least working with the business wasn't she?---Yes, that's correct.

Okay. Now you knew Virginia Kantarzis and you've known her for some years, haven't you?---Quite a number of years.

And you also knew Mr Kostogiannis, correct?---Far more years.

Yes. You had - he went to your wedding. That's correct?---He was my best man.

40 Yeah. And he was a close friend of yours. Correct?---His whole family is close friends.

And you've heard the evidence of Mr Moustacas in these proceedings?---Yes, I did actually.

In which he set out in considerable detail a meeting of 15 July, 15 or 16 July 2008 at which you attended. Correct?---I'll accept that, yes.

And at that meeting was discussed that Virginia Kantarzis were going to set up a company Succuro Recruitment Pty Limited. Correct?---That's correct, we went to that meeting to establish the company, yes.

And she was going to become the director and secretary. Is that correct? ---I, yeah, the, I know that's how that was done however, yes I think she was going to become the director and secretary, yes, correct.

10 And at that stage Succuro was placing, that's Mr Kostogiannis, was still placing business with Transfield. Is that correct?---I don't know if he had any people at Transfield at that stage, I can't be sure.

But you were still working at Transfield at that stage?---Yeah, I had resigned.

You had resigned.---Yeah.

20 But it was some time before you came on board as a director of Succuro Recruitment?---I resigned about July, I came on with Succuro I think, I think from memory around August/September, may be.

Yeah. If I suggest to you it was about three weeks after the company was incorporated would that accord with your memory?---That may be correct.

30 And you heard Mr Moustacas' evidence on Friday I suggest in which you said that you were reluctant to become a director when the company was first established because you were still working at Transfield at the time? ---Well, absolutely, even though I had resigned and I knew I was leaving, yeah, I didn't want to be, even though I had resigned - - -

No, no, I got that bit. I didn't want to be - - -?---I didn't want to be a director while I was still at the company.

And why was that Mr Mylonas?---I just didn't feel comfortable with it, I didn't think it was appropriate.

And what was the level of discomfort?---It's just not something I wanted to do.

40 Why was that?---Just, I just didn't want to be director while I was at Transfield.

Is that because you thought there might have been a conflict of interest with your employment at Transfield and holding a directorship with an IT recruitment company?---I probably didn't go into in that detail, no, I just didn't want to be while I was at Transfield, I didn't think I wanted to be, I just didn't want to be a director while I was still at Transfield. I didn't

really go into the whole, you know, sorry, it might have been – I didn't think of it in that much detail.

Well, at that time, you were running, were you running a company called All Fresh Food Services?---I probably was at that stage, yes.

And did they have any business with Transfield?---No, not at that stage.

10 And you were also running Southern Computer Services were you?---Not that I'm aware of, no.

Right. Okay. So just getting back to my question, given that there was a business relationship from time-to-time between Succuro, between Succuro that's Mr Kostogiannis' business and Transfield, was it those contractual relationships which made you decide that you didn't want to become a director of the company which may still want to explore business with Transfield?---Yeah, like I said, I just didn't feel company, being a director of a company which potentially may or may not, still continue to have business with Transfield.

20

Thank you Mr Mylonas. Now, was it the case that you started Southern Computer Services later in 2008 or early 2009?---I wasn't even prepared for that, I just don't even know when I, what exact date I started. It would have been, I would have, I would suggest it would be 2008.

2008.---Yeah, late 2008.

30 Okay. And is it the case that – the reason that I ask Mr Mylonas and there's no secret about it, is that the 2009 Financial Statements which have recently been produced by Mr Moustacas shows that there was a loan from Succuro Recruitment Pty Limited to a company called SCS in the sum of \$127,168.71.---That's correct.

Right. Now was that – was SCS is a reference to Southern Computer Services. Is that correct?---Correct. That's what we used as an acronym.

Now was Mr Kostogiannis involved in Southern Computer Services?---No, he wasn't, no.

40 Was he employed there?---Never.

Right. And so you've heard evidence that Mr Kostogiannis lent you about \$120,000, all right, in order to clear the debts of Succuro as part of the consideration as it were for you taking the business over. Right. You've heard that evidence haven't you?---Yeah, absolutely.

And you'd agree with me that his evidence was that it was about 127 odd thousand dollars?---About that. It was about 30.

Now what I just wanted to explore with you is if the, was that loan as he describes it to Succuro then fed through into Southern Computer Services?--
-I, I was, I was an owner of, of Succuro and (not transcribable) and I myself was purchasing a property and I made a loan over to change (not transcribable) to assist with the purchase of some properties in Southern Computer Services.

10 So that's completely unrelated to the 120 odd thousand dollars that came into Succuro Recruitment from Mr Kostogiannis?---Coincidence.

Coincidence?---Mmm.

Okay. Now the role of Virginia Kantarzis, right, in the business. You've told investigators that she was a 50/50 proprietor in the business. Correct? ---That's correct.

20 So her role was not just simply working in the back office doing admin work was it?---No, not at all.

No. She also had a central interest in the success of Succuro Recruitment Pty Limited. Correct?---Oh, she's an owner of the company, she's - - -

Both you and she had a central interest in the success of Succuro Recruitment Pty Limited?---Correct. We both have an interest, yes.

30 Yes. Now she – how was it that she came on board?---Oh well, I, I'm quite used to, to, used to having partners in my businesses. It's something I do. I don't know why, maybe I'm insecure or whatever. But I, I usually partner with someone. I, I wanted, I wanted Virginia to partner with me. She had some very, very strong skills in a particular area that complement the industry that we were in and, and yeah, I, I asked her to, to become my partner.

So you approached her or she approached you?---I approached her because I was taking over the business.

40 All right. Now what were the skills that she had experience in Mr Mylonas?---She had some really good skills in what they call ITIL, which is a really good industry standard in how you do desktop support and how you, you develop staff and she's got some really good qualifications around that. So she was going to develop the training and development part of the business. So every time she would leverage from any companies I would have and go in there and do a lot of the training and development aspect of it.

But you see Succuro Recruitment Pty Limited was an IT recruitment company wasn't it?---That's, that's how it, that's, it's, that it's, that's how it

starts, but that doesn't mean that it doesn't delve into other areas.
Recruitment and development go hand in hand.

As at August/September 2008 the only business Succuro Recruitment Pty Limited had was IT recruitment. Correct?---That's correct.

And Virginia Kantarzis had been working there for at least 18 months hadn't she?---I can't tell you that. I wouldn't even know how long she was working there.

10

Well, you've heard evidence in this inquiry that she was working there from about January 2007, correct?---Well, if the evidence says that, that's how long she's been working there for.

Well what inquiry did you make of her about how long she had been working there as you decided to take her on as a business partner?---I know she was working with Peter for some time, I don't know how long she was working there but I do know she was working there for some time. I didn't say, hey, how many months have you been working there, that wasn't a question that I asked.

20

But as at the time of your acquisition of this business in August 2008, Mr Kostogiannis stepped away from the business didn't he?---Well, to a certain extent. We were doing a hand over, he was ready to go, he wanted to really leave so there was a hand over. I mean, he stayed, he assisted me even though I took on, even though I um, it's normal course of a business when you do take over a business there is some kind of hand over and people stay on sometimes. He was nice enough to assist me even though after I took on the business.

30

But you see you knew that Virginia Kantarzis knew how the business worked, didn't you when you took her on?---Correct.

And you knew that one of the major clients of the business was Sydney University, correct?---That's correct.

And you knew, did you know that Virginia Kantarzis had been responsible for the introduction of Mr Kostogiannis into Sydney University?---Yes I do.

40

But you were aware of that at the time you took her on as a business partner, correct?---Yes, I did.

And the predominant client of the business was Sydney University, correct? ---Correct.

And you knew that Virginia Kantarzis was in a relationship with Todd Demiralay, correct?---I understand that's his wife.

Yes. And you knew that the business of Succuro Recruitment Pty Limited would be placed through the ICT at Sydney University, correct?---Succuro Recruitment customer was Sydney University, yes, correct.

And it was the ICT?---The ICT Department, correct.

Yes. Where Mr Demiralay was the Field Services Manager, you knew that, didn't you?---Yes, he was definitely one of the members in ICT.

10 But he was the Field Services Manager Mr Mylonas, wasn't he?---Yes he was, I didn't answer - - -

And you knew it, didn't you?---Sorry, yes I did.

And can I suggest that because, that because of the close contact between Virginia Kantarzis and her husband and the Sydney University she was a very valuable person to have on board, correct?---I would have taken Virginia on as a partner regardless of whether Sydney University was my customer or not.

20

Thank you Mr Mylonas. You knew because of the close relationship between Virginia Kantarzis and her husband who was the manager of ICT that she was a very important person to have on board, wasn't she?---Um, I don't know if I totally agree with that, no, I can't say that, I can't totally agree with that just because of their relationship would be a very important to - no I can't, I'm sorry I can't agree with that.

30

Well, it's a combination of her knowledge of the business and her contact with her husband who was the Field Services Manager at the predominant client that you knew she was an important person to have on board?---I thought she was an important person to have on board because she was very, very skilful, very knowledgeable and a great attribute to the business. I would - - -

ASSISTANT COMMISSIONER: Mr Mylonas, I'm sorry to interrupt you. Could you sit back, you're sitting too close to the microphone.---Sorry about that.

40

THE WITNESS: I wouldn't say she was a detriment to the business because of her relationship but I wouldn't say that that was the reason why, you know, she was very important because her husband was the ICT Field Manager.

MR MORRIS: Now Mr Mylonas, in giving that answer are you concerned about the implication that arises from my question because it exposes a very clear conflict of interest between your company and Mr Demiralay's role in the University of Sydney?---I really don't, I really really don't, I really brought on Virginia because I thought she was a really valuable asset um,

for the business to proceed. She was very well connected, not only just at, she's got some great skills, she's well connected and she's a great communicator.

But she also has a very, very close relationship with by reason of marriage with her husband?---Absolutely, yeah.

Right.---Yeah.

10 And he is the person who allocated the work for Succuro Recruitment, wasn't he?---Correct.

So she was critical, can I suggest, to your decision - it's that relationship that was critical to your decision to take her own?---Well, I - you're suggesting to me that had I not taken her on I would not have kept that Sydney University business that's what it- that's what - it sounds like a suggestion and I don't, I don't agree with that statement.

20 No. But can I suggest that by taking her on you maintained the Sydney University work?---I would hope not, I would hope I maintained Sydney University because I was delivering good candidates and quality, quality service.

Now quality service, Mr Mylonas, at the time you acquired this business it was in a mess, wasn't it?---Correct.

30 Now I take it by reason of your meeting with Mr Moustacas on about the 15 July, 2008, you became aware that half the shares in the company that you were establishing were owned by Virginia Kantarzis and Todd Demiralay. Correct?---That's, that - I, I didn't know that, I didn't - I wasn't aware that Todd was part of the ownership of the business, I, I wasn't aware of that.

Mr Mylonas, you have had - by the time you went into Succuro you had achieved a very high position at Transfield I suggest. Correct?---It's all subjective. I, I think I held a position of authority there.

Yes. You were skilled in commerce, weren't you?---Well, it doesn't seem like it but given that I didn't realise that, yeah.

40 Mr Mylonas, let's not try - - -?---Yeah.

- - - and make excuses for ourselves in the witness-box.---Apologise.

You were operating businesses outside of your work at Transfield weren't you?---I was definitely, yes.

And you would take great care, can I suggest, in knowing who you were doing business with within your own company. Correct?---Correct.

And you would take great care to know who your shareholders were wouldn't you?---I'll, I'll - I will - I can only answer the question honestly and I could say that I - from my discussions and I must have misunderstood what was said at those discussions with Nick Moustacas that I, I thought I was fairly clear or he made it clear to me and I once again I must have totally - that Todd Demiralay was not going to be a partner in the, in the business, I thought it was - and, and I'm just totally honest I can not only - I can only be honest with it I didn't realise that - - -

10

Mr Mylonas - - -?---Yeah, yeah.

- - - you were going to come on board as a company director of this business. Correct?---Correct.

And you knew that being a company director was not just a mere matter of formality, didn't you?---Yes, and I should have taken it even more serious than what I did.

20

And you would as a company director want to know who the shareholders were that you were going to have to report to, wouldn't you?---And I asked that question as well.

And, Mr Mylonas, you were at a - you were at a conference where, can I suggest, the shareholding of this company was being discussed with the accountant.

30

MR McILWAINE: Commissioner, I take objection. In my respectful submission there's no evidence that my client was present in any discussions or party to any (not transcribable) between the accountant and (not transcribable) about the - how the (not transcribable) shares will be (not transcribable)

ASSISTANT COMMISSIONER: Well as I understand it they were all present at this meeting where the family trust was discussed.

MR McILWAINE: Well there's no evidence that the family - - -

40

ASSISTANT COMMISSIONER: Well that's what Mr Moustacas said.

MR McILWAINE: There was no evidence that the family trust, certainly there was evidence there was discussion about the company, there was no family trust situation discussed.

ASSISTANT COMMISSIONER: Well I have to disagree with you as on my recollection Mr Moustacas said the family trust was discussed in that first meeting, which is the joint meeting. I mean you were there weren't you - - -?---I was there.

- - - when the family trust was discussed?---We discussed, sorry, yeah, there was a meeting there where the family trusts were – from, unless I’m completely mistaken there was a meeting.

And it was discussed that it would be beneficial on a tax basis for Ms Kantarzis to hold her interests through a family trust or words to that effect?---And mine unfortunately. Yeah, we were, we were given the, the advice it would be the right way to do it and - - -

10

Yes. So you knew who her family was, her immediate family?---Correct. But the subsequent, but the question that was followed up in that was with the trust situation Todd cannot have anything to do with the, the company. And he assured us that Todd is only a trust member, he’s not a company member.

All right. So you knew Todd was a member of the trust - - -?---Yeah.

20

- - - and would be benefitting from the trust?---Well yeah, I didn’t understand that part of it, sorry.

But you just thought he wouldn’t be directly running the company?---I didn’t think he’d have anything to do with the company. I didn’t think his name would be anything near the company or - - -

Yes. All right. Yes, Mr Morris.

30

MR MORRIS: Thank you, Commissioner. Just going back though as a company director, you’d want to know who was on the share register wouldn’t you?---Oh, absolutely.

And can I suggest that from August 2008 to June 2010 Mr Demiralay’s name appeared on the share register. Correct?---That’s, that’s, that’s correct.

And you knew that didn’t you?---As I mentioned I didn’t know that, no.

40

Is it the case - did you make any - you knew that there was going to be – you knew that a trust was discussed and Mr Demiralay was involved in the trust in some way. Correct?---Correct.

But you didn’t know whether he was going to be a beneficiary under the trust. Is that what you’re saying?---I don’t understand the trust. By the sounds of it, sorry, I didn’t understand the trust from in times like now when I took at it now how it’s structured. What I understood the trust meant back then when we discussed it and what I know now, are totally different.

But Mr Mylonas, you use trust structures in your own business dealings don't you?---No. It's the first trust I ever created.

Sorry?---That was the first trust I created.

You didn't actually create that trust, just to correct you?---Sorry.

You actually created your own trust for your shares didn't you?---Yes. Or Nick, Nick recommended that I create the trust for my shares, yes.

10

Right. And your shares were being held by you on behalf of your family trust weren't they?---Yes, that's correct.

So you knew - - -?---I think yeah.

Sorry?---I believe so.

20

Yes. And so that you knew that while you held the shares on trust the trust had the discretion to distribute money in accordance with the deed. Is that correct?---Like I said I'm much more knowledgeable about it now than I was back then.

But what did Mr Moustacas tell you about how your trust operated? ---Whatever he told me it doesn't seem like it's something that I was told totally correctly. Well I didn't understand it, sorry. He probably did tell me correctly, I didn't understand it very well.

30

When did you come to understand, Mr Mylonas, what the effect was?---I think when it really came to, when it hit home that what, what really the way its structure was when this, this ICAC investigation really started. Around about that time.

Was it about six or eight months before the ICAC investigation started? ---From what, from my memory it was, you know, Virginia called me and advised me that, hey, Todd, someone's done some kind of search or Todd's in an owner of our, of our, of Succuro Recruitment company.

40

When was that?---I don't know, probably about June or so, 2010, June/July somewhere around there.

Okay. Now there's no doubt that as at August 2008 you thought that the relationship between Succuro and the University of Sydney was to use your words, fantastic. Correct?---Sorry?

You thought that the relationship between Succuro and the University of Sydney as at August 2008 was to use your words, fantastic. And I take you to page 9, line 23 of your statement?---Okay. What, what, sorry, what - - -

Line 23 page 9?---Line 23 of page 9, page 9.

MR McILWAINE: Commissioner, that's, in my respectful submission that question is unfair?---Where is, where is line 23, okay, got it.

ASSISTANT COMMISSIONER: Yes, sorry. I think what he's saying is slightly different from the way you've put it.

MR MORRIS: Okay.

10

ASSISTANT COMMISSIONER: He's saying they had a relationship which was he thought was fantastic. Not necessarily that he thought it was a fantastic relationship.

MR MORRIS: Oh, sorry.

ASSISTANT COMMISSIONER: I mean it could be read either way, but - -
-

20

MR MORRIS: Yes. I wouldn't want to be unfair, Commissioner. You say at 23, it wasn't in a goods, it was, it had a, it had a, it had a relationship with Sydney University which I thought was fantastic?---That's, that's correct.

Right. It was a very valuable business asset to hold. Correct?---Oh, absolutely.

30

Yes. And indeed you go on to the bottom of that page to say that I didn't think I needed any other clients. Correct?---Putting it in perspective when I gave this statement, correct. I wouldn't have made that remark back when I first started the company.

Now you and Virginia formed a view that what you would do is try, to use an expression which seems to crop up, to grow the business or grow the operation. Right?---I'm sorry I never used those, when did I use those words, sorry?

You were trying to expand the business. Is that right?---Oh, absolutely. We wanted to, to grow the business, yes.

40

Right. Okay. Now in that regard you would have noticed from Mr Kostogiannis' operation of the business and I talk about Succuro not Succuro Recruitment Pty Limited, when he was operating the business - - - ?---Yep.

- - - he seemed to have two broad streams of contractors that he was placing into Sydney University. Right. One was very short term contractors who may be employed for days or weeks . Correct?---Correct.

And they were generally a high volume, low value contractors weren't they?---I don't know the real rates he was receiving on those short term contracts. Usually the really short term contracts are high, are high yield, high profit, usually, but I don't know what rates he was receiving from them.

Right. Were they high yield, high profit in your business?---I didn't really, I didn't have any real short term ones.

10

Yes. And the other stream in Mr Kostogiannis' business were IT contractors who were placed into more senior positions for longer periods of time. Correct?---Is this Peter's business?

No your, sorry, yes, Peter's business?---I don't know. I didn't go into that much detail.

20

Okay. But when you were conducting Succuro Recruitment Pty Limited you moved more, can I suggest, into contractors, IT contractors placed at higher levels for longer periods of time?---I went into – they're not – longer than their short terms ones, yeah, I went for six, generally a six to 12 month type contract arrangement.

Yes. Because they involved less administration. Correct?---No, that wasn't, that wasn't the reasons I went for it, no.

What was the reason you went for it?---Well that was the nature of the work that, that was coming from the ICT department at that stage.

30

Okay. Now can I suggest that in the financial year ending 30 June, 2009 and 30 June, 2010, right, there were no other clients of Succuro Recruitment other than the University of Sydney. That's correct isn't it?---Absolutely correct.

Yes. And in that time the turnover from the Sydney University grew substantially didn't it?---Well the University was, was bringing in more faculties, so their requirement increased.

40

But the turnover of your business increased in that time didn't it?---It followed the trend of the University's requirements.

Mr Mylonas, the turnover of your business increased?---Revenue, yes, it did, correct.

There's no doubt about that is there?---Oh, no question.

Yes. And it increased again, it increased – well let’s just - - -?---It didn’t increase, it didn’t increase again the year after, no, if that’s what you’re saying.

No. But can I suggest that the ledgers provided to your accountant by somebody in your business showed that as at 30 June, 2009 the income, and I’m referring to Exhibit 41, page 78, so 30 June, 2009 \$364,000?---Correct.

And 30 June, 2010 \$522,000?---Correct.

10

In broad terms?---Yeah. And then it went down the year after that.

So when you say in your statement that you and Virginia had an aspiration, and I’m taking you to page 10, right, of your statement, line 27, right, mmm, ahh, at what point did Virginia come into the business? Pretty, she, she came in at the beginning um, I knew Virginia for a lot of years and um, as like I said, our aspiration was to grow the operation and get more customers on. Right. Is really what you were saying to investigators was that you and Virginia set about growing the business at the University of Sydney?---

20

Totally incorrect. Our – when we first discussed our – the University we didn’t understand the numbers or how long that business was, we didn’t have any definitive timeframes. No, our, our model was to grow the business externally.

But it didn’t come to pass did it?---No.

In fact what happened was you and Virginia set about expanding the amount of business at the University of Sydney. Correct?---No. No, Virginia and I didn’t do that. I, I, I came – if you, if you looked on my – you’re just looking at it from Succuro Recruitment, I ran three other businesses at that stage. I was working at full capacity. So my – I didn’t - - -

30

ASSISTANT COMMISSIONER: Excuse me, sorry, Mr Mylonas, you’re causing problems, can you sit back, thank you?---Sorry about that. Yeah, sorry. No, I was at full capacity. I was running other business, Succuro was only one of my businesses. I was running Stable, well it’s now Stable IT, Southern Computer Services and All Fresh Food, so I was pretty stretched. So to say that I came there to, to – we, we sat there and said, hey we’ll grow the, the University business is incorrect. We let the business grow organically.

40

Is what you’re trying to tell the Commission that throughout the years ending 30 June, 2009 and 30 June, 2010 that you were busy running three other businesses?---Yeah, I was running three other businesses.

MR MORRIS: And you say that you were stretched to absolute capacity? ---Beyond capacity.

Beyond capacity. Right. And in that context you had a business partner to whom you say in your statement you were paying \$600 a week?---Correct.

Right. The business partner was Virginia Kantarzis. Correct?---Correct.

There was no other business in those financial years other than the University of Sydney?---Correct.

10 That revenues in those two years increased not exponentially but significantly didn't it?---Not - when you put into perspective a, a - one person per year equates to about 80, 90, 90,000 maybe 100,000 so really it grew by two additional people per year. So you got to put things in perspective.

Well, I'm trying to put it into perspective for the Commission, you see?---Okay. So to give you an idea, one - one (not transcribable) resource per year cost about \$100,000. So if you're doing about 350,000 a year that's about three and a half resources. If you're doing about 550,000 that's about five and a half resources a year.

20

ASSISTANT COMMISSIONER: Mr Mylonas, whether you count it as people or money the business almost doubles from one year to the next, that's all that's been said. Why are you so reluctant to say that it increased?---I'm not. I did admit an increase no problem, no, no (not transcribable) if they're using exponentially.

And it increased substantially, it almost doubled?---Well, 50 per cent is not really doubled.

30 Fifty per cent is not doubled?---Yeah. Increase 50 per cent.

Well, it didn't increase 50 per cent?---Well, it went from 350 to about 5, 500,000, that's about 50 per cent.

Not on my maths, that's also 100 per cent, almost doubling the - you almost got as much again. Not quite, no, it's 100,000 let's say?---(not transcribable) okay it went up - - -

40 Eight per cent, say. Let's say 80 per cent.---Okay.

Is that a big increase?---It's - it is an increase, yes, it is a - I wouldn't use the word big increase but I would increase. If you guys feel more comfortable using the word big increase.

MR MORRIS: No. You see we'd want to use words that you feel comfortable with.---I think it's an increase, I absolutely confess it's an increase absolutely. I know, I know (not transcribable) about that, it was an increase.

And those figures according to exhibit 41 and I'm happy to show you the annual accounts for that, - those particular years. In fact we might do that, Commissioner. Can the witness be shown exhibit 41.

Just go to page 65, you'll see the bottom - you see at the bottom of the page there are some numbers in the centre. Right. They're the page numbers, okay, so when I'm taking you to page numbers. All right.---I appreciate that.

10

Page 67 you sign off on the directors' declaration there?---Yes.

All right. And when you sign off on the directors' declaration you say and I'll read from the top, "The directors are determined that the company is not a reporting entity and this special purpose financial report should be prepared in accordance with the relevant policies", right. Now there's no doubt that you had a directors meeting at which this declaration was given. Correct?---That's correct.

20

And when we talk about the directors, directors we're talking about yourself and Virginia Kantarzis?---Yes.

Right. So there's no doubt in your mind that you and Virginia Kantarzis had directors meetings to prove - to affirm the accounts in the years ending 30 June, 2009 and 30 June, 2010. Correct?---Well, I was, I was definitely present. I, I don't know what a directors meeting truly entails in a legal sense I'm - but I was, I there - I know Mick and I went through the, the details of accounts and, and I signed, I signed off on - - -

30

But for 30 June 2009 that financial year, you and Virginia Kantarzis resolved to adopt the accounts, didn't you?---Sorry, I didn't understand the question.

MR McILWAINE: He's not a lawyer, it's alleged these terms have specific legal meaning. If my friend wants to draw his evidence he should ask him about specific meetings and conversations.

40

MR MORRIS: Well, I thought I was but I'll try and fix it.---I'll answer whatever, ask the question and I'll see if I understand it.

Okay. Mr Mylonas, you have a period of business ending at 30 June in each financial year, correct?---Correct.

And you know that if you're operating any business, all right, you've got, that's the end of the tax year, correct?---That's right.

And you've got to put in BAS statements, correct?---Well, we do them quarterly.

Quarterly, right. But you've got to put in a tax return, correct?---Yes, correct.

And the directors of the company have got to instruct the accountant to prepare the tax return, correct?---See, I, I delegated responsibility of managing our accounts to Nick Moustacas at his company.

10

So if he told you that you had to have a directors meeting to approve the accounts, you'd do it wouldn't you?---Of course.

And you would do it with your other director Virginia Kantarzis, correct? ---See it's going into a legal thing here and I don't, I never said with Virginia and Nick and me together at the same time at the same room.

ASSISTANT COMMISSIONER: Nobody's suggesting that.---Okay.

20

You're being asked whether you had a meeting with your other director to approve the accounts?---I took on a lot of responsibility for the accounts.

MR MORRIS: But did you have a meeting to approve the accounts with Virginia Kantarzis?---Not with Virginia, no.

Just go to page 68, by this stage of course, this was for the year ending, this document was prepared for the year ending 30 June 2010 by which time the company name had changed to I-Secure Recruitment, hadn't it?---Correct.

30

Now we're asking you some questions about the revenue, right. You see on the right hand column you've got revenue of \$366,000, right, of which \$364,000 came from Sydney University in professional fees, correct?---Ah hmm.

And the following year, look at the next column along to the left, the professional fees charged to Sydney University were \$522,000, correct? ---Page 68 is this?

40

Page 68, yeah. See the left hand column?---Yes, sorry, keep going.

All right. And if you go down to the bottom that changed the profit of the company from \$5,000 roughly to \$155,000, correct?---Yes.

Now that's a substantial increase in the position, isn't it?---Yes it is, but you've got to also, if you look at, if you look closely at those figures I was only getting paid \$600 doing full time work in that as well.

ASSISTANT COMMISSIONER: That's totally irrelevant Mr Mylonas, you're being asked whether that's a big increase in profit?---I'm sorry, yes it is.

Nobody's suggesting you took the profit.---Yes, yes.

If you could just answer the question.---Sorry, yes it was.

10 MR MORRIS: Now just while we're on the, on that page you see about just about two lines up from the profit at the bottom there, you'll see we've got wages of \$284,000 in 2010 and wages of \$313,000 in 2009, right.---Yes.

Do you see that?---(NO AUDIBLE REPLY)

Now tell us if you will whether those wages were the wages that were being paid to the contractors and to Ms Kantarzis?---I couldn't be, I don't know unless I had a breakdown of what those wages encapsulated whether it was our wages and their wages or just their wages, I can't - - -

20 Well, you were being paid about \$600 a week and Virginia Kantarzis was being paid the exact same amount. Is that correct?---That's correct.

So we're looking at about \$1200 a week which is about \$60,000 per annum between the two of you. Right?---Yeah.

And is it the case that she was working part time from home?---Yeah, she was working from home.

30 And essentially you were working about part time in this business as well, is that right?---Correct, I was doing about 20 odd hours.

Because you had your other business interests, didn't you?---Correct.

Now if we go up a little bit, all right, two lines we've got telephone charges of roughly \$900 to \$1,000 per annum.---Yes.

And we've got rent up two lines of between \$800 and \$1,000 per annum, correct?---Yep.

40 So there were very few rental expenses weren't there?---Yes, that's correct.

And then we go up about five lines and we've got CONTR S/CONTR and commission, one year's almost \$45,000 that's 2010 and the next, the previous year it was \$17,000 right?---Yes.

Now is that reference to, and this is under the expense column, that's payments made to contractors and also commission, is that correct?

---I don't know what that specific line, I think that's commission earned from contractors or full time staff placed at the University as I understand.

Yes. But this is under the expenses column Mr Mylonas.---Yes.

So it can't be revenue.---Yes, okay, I understand what you're saying, yes, I don't know what that figure is made up of then. I don't know, I'm not sure what that figure is for then.

10 Were you paying commissions to anybody?---No.

Were you paying commissions to Virginia Kantarzi?---No, absolutely not, I wasn't paying it to myself.

Sorry?---I wasn't even paying myself a commission.

And when I talk about commissions I'm talking about, were you paying any commission to any person on achieving a successful placement at the University of Sydney?---Absolutely not.

20

No, okay. Now in about the, on the about the 4 March 2009 you changed the name from Succuro Recruitment, right, to I-Secure Pty Limited, correct? ---That's correct.

And can I suggest to you that the Australian Business Number remained the same.---I did notice that. It's an error.

And the Australian Company Number remained the same?---Yes, it's a, I do remember there was an error in the ABN's.

30

It wasn't an error.---Oh well.

They remained the same, didn't they?---Well, what do you call them if it's not an error?

And you, the bank accounts at the Commonwealth Bank continued to remain in the name Succuro Recruitment Pty Limited, didn't they?

---Yeah, they did actually.

40 And you continued to use Succuro on the website didn't you?---Yes, correct.

And you continued to use the name Succuro in your dealings with the University of Sydney, correct?---Correct.

And you continued to utilise the Succuro trade name, didn't you?

---Correct as Succuro Recruitment, yes, correct.

Yes. And can I suggest you did not lodge a business name for Succuro Recruitment at the Department of Fair Trading, correct?---You're totally correct there.

Now you say in your statement words to the effect of, essentially, correct me if I'm misinterpreting it, that I-Secure was a completely different business?---Where would I have said that?

10 Okay. Well, the fact is that I-Secure - I withdraw that question.---Okay.

Can I suggest that I-Secure as a company continued to operate as normal with the University of Sydney?---It was, it was the same business just a change of name.

Just a change of name?---Yeah.

20 Right. Now what you say that and at page 13 you changed the name to I-Secure, page 13 of your statement line 11 and following?---Yeah, sorry, I - sorry (not transcribable) 13 is it? Line - - -

You change the name to I-Secure Recruitment in about - at about - page 13 or line 10 and following. "You told me already that it changed to I-Secure Recruitment. We love the name, we love the name I-Secure", you say, "What, I-Secure? Yeah, I really wanted to use that as good branding." ---Mmm.

30 Right. Now that's what you say to the investigators, right. The fact is that in so far as the business was concerned at the University of Sydney it continued to operate Succuro didn't it?---Yes, it did, yes, it did.

And the - Commissioner, exhibit 28 the copy I have doesn't have the annexures to it. Might I just have access to it? Thank you.

40 Now you did - I just want to show you the annexures to Mr Wong's statement which is exhibit 28. I'll just turn it up. The first one is email from Bill Mylonas to Geoff Wong, right. Just go through those and you'll see that the - everyone but the last one is using the Succuro letterhead?--- Absolutely, I use that even much after the, the name change. Succuro (not transcribable) I used the name still, yes.

Yeah. Well, all those documents are well after the name change?--- Absolutely. I know I have done it.

All right. And just go to the final page of that - those annexures and you'll see it's a wages summary. You see there? It's a PAYG payment summary into the Geelong business, you see that?---What page is that one?

It's the final page, page 28, it's the last page of the statement.---Yeah.

All right?---Yeah.

And if you go right the way to the bottom it shows payer's name I-Secure Recruitment Proprietary Limited?---That's right.

Right. And that's dated 30 July, 2010. Correct?---Yes, that's right.

10 Now can I suggest that Mr Wong in his statement says, "I was employed by Succuro, I had no idea who I-Secure Recruitment was." Right. Now that wouldn't surprise you, would it?---It wouldn't surprise me, no.

No. Now can I suggest to you, what do you say the reason was and what do you say today to the Commission, what the reason was for the change of name from Succuro Recruitment Proprietary Limited to I-Secure Proprietary Limited in March 2009?---I think the name Succuro ran its race and I-Secure was a very, very strong name I thought to move forward with.

20 It is the case that as at about March 2009, February/March 2009 that word had got out of the University that Succuro Recruitment Proprietary Limited was owned in part by Todd Demiralay and Virginia Kantarzis?---Totally incorrect. The, the real -the reason why we did that was - I suggested to Virginia that I-Secure was a strong name, it's a good name moving forward and Succuro - before Succuro Recruitment, like Succuro stand alone had some I guess legacy that - well, something that I was carrying still, so I thought I'd like to change the name and move forward with a fresher name.

30 Well, the fact is, Mr Mylonas, you did not move forward with the fresh name, did you?---Yeah, I, I just didn't have enough time to start re-branding and, and totally doing all - it's a fairly, fairly big job in doing the - the re-branding and I, I guess I was flattened or I was snowed under by all the other work.

ASSISTANT COMMISSIONER: Well, why change the name if you're not going to use it?---Well, it was easy to do it - it was easy to change names - if someone else was doing it then the stuff that fell back on me was the actual re-branding stuff which was a lot of work.

40 Why would you want to re-brand it when Succuro seemed to have a good - a name at the Uni, they were doing a lot of work with them?---Correct, but - -
-
Succuro was the known name?---That's, that's correct - - -

And that's why you continued to use it, isn't it?---That's exactly the reason we used it.

Well, in those circumstances the name change to I-Secure makes no sense at all?---Well, you can still, you can still go in or just you can still go in with another name I-Secure, you're already at the University.

But you didn't go in with another name, you didn't use it?---Sorry, yeah, we didn't go out there and, and do a re-branding of it.

You continued to use the known brand?---And like I said the reason being was I didn't have an opportunity to do the re-branding and I should have done that re-branding side of - - -

10 So it was a complete waste of time to change the name?---In a, in a sense, yeah, we didn't, I, I didn't really follow through and do what was supposed to. I, you know like I kind of left it.

MR MORRIS: You say you were aware at some point that staff at the University started talking about a link between Succuro Recruitment and Todd Demiralay, didn't you?---Yes.

Right. Now in your statement you seem to attribute that to June 2010? Right?---It seems around about, yes.

20 Right. There was another and separate event I suggest and that is that you became aware that there had been an ICAC investigation called Operation Kanda, all right, that had become public and that that involved allegations that at Sydney University a woman had been diverting cleaning contracts to a company in which she and her husband owned the company - to a company that she and her husband owned. You're aware of that aren't you?---I, I've never heard of the word Kanda, Operation Kanda.

No. But you're aware of the investigation?---Yes, I was aware of that, yes.

30 Yes. And that was a separate and distinct event to the University staff talking wasn't it?---The reason I was aware of that was because I have quite a few customers that were cleaning contracts, like that's how I became aware of that. I've got like HW Cleaning and things like that, they're customers of mine (not transcribable) would talk to me about it.

Is it the fact that the discussion came from either Virginia Kantarzis or Todd Demiralay?---No. Like I said I've got cleaning companies that I work for and they told me about it. That's how I first, that's how I first - you wouldn't talk to Todd about, no, that's - - -

40 Mr Mylonas, you were talking to Todd regularly won't you?---Not really, no, not regularly. Sorry, can I qualify what you regard as regularly?

Yes. Well how often - - -

MR McILWAINE: The witness a question.

MR MORRIS: No, I, Mr McIlwaine – how often would you speak to Todd?---There may be weeks where I wouldn't speak to Todd, maybe, maybe longer sometimes.

All right. And who did you deal with at the University?---My primary contacts at the University were people like George and Peter and - - -

And what were you discussing with them?---We definitely wouldn't be discussing operation, like, like I said I've never of Operation Kanda.

10

Let's put, let's put Operation Kanda to one side?---Okay.

You would speak you say – you said to investigators, and I take it you're saying here today that you would speak to the team leaders. Is that right? ---Yes, that's right.

And what would you be speaking to them about?---We'd, we'd speak when there's a resource requirement.

20

Right. So what would they say?---We have a resource requirement.

Right. Now you set this out in your record of interview at page 25, line 26. Right?---Ah hmm.

So how would you know um, when the University wanted IT contractors? Um, their team. I used to deal with their team leaders. Right?---Sorry, what, what - - -

30

Page 25 of your statement?---Yes. And what line was that?

About line 24?---So how would you - - -

How would you know um, when the University wanted IT contractors? You seem to have said, Ah, their team, I used to deal with their team leaders?---Yeah, the team leaders would advise me or - - -

40

And, and you would then negotiate with them would you for their requirements?---Yeah. They would say there's a requirement to have one resource or two resources, whatever was required at that time.

Right. Is that false, that statement?---No.

Is your evidence on this issue today false?---No, not at all.

The reason that I ask you this Mr Mylonas - - -?---Ah hmm.

- - - is that Mr Hunt, who was a team leader says that if he had any resourcing issues he would send it to Todd Demiralay, transcript 206, all

right. That Mr Passé-de-Silva, who was a team leader said that if he had a resourcing issue he would send it to Todd Demiralay. Right?---Ah hmm.

Transcript 191, Commissioner. And Mr Buxton, right, said that if he had a resourcing issue he would send it to Mr Demiralay to sort out.

Commissioner, 257?---Correct. I dealt with Todd only on essentially – it may not have been essentially on team leader roles and or what they refer to as CSO’s roles. I, I only dealt with, with George or Peter through my time at Sydney University.

10

Also Mr Tshipidis says that he referred it all to Todd?---Well I can tell you I dealt with George or Peter, ‘cause (not transcribable) I can’t even you know – very rarely – I may have once or – it would be an exception if I ever dealt with Todd on the CSO role, always dealt with George or Peter. I only ever really dealt with Todd on the occasional team leader role. So if anything else was said that’s, that’s, that’s what I did.

20

Right. And, but you would negotiate with Todd as to what price you were going to pay – he was going to pay wouldn’t you?---What are you referring to exactly?

I’m going to refer to your statement in a minute. Just tell us what your recollection is now?---I, I don’t have a recollection of it.

Page 36?---Yep.

30

All right. Hodges, all right, um, so how would the rate that um, you’d obviously charge the University certain rates for the contractor working for the day? Yep. How was that rate negotiated? It was haggled and they would tell me, they would tell me this is the rate for that position. When you say they who are you talking? It’d be team leaders that I’d normally – I dealt with Todd rarely on these – the only time I’ve ever dealt with Todd on candidates usually was team leader level, it wasn’t at a lower level. Which is what you’ve just said. Right. So I deal with the team leaders at that level um, so they would say no, this is what, this is what you need to get somebody in this price range. Right. All right. So in the team leaders who specifically? I dealt with like, I said a few of them, but George was um, one of the ones I – one of the primary ones I always dealt with. Um, this is George Tshipidis? Correct. Right. Now you’ve heard the evidence of Mr Tshipidis in this inquiry?---Yep.

40

Right. He says he just didn’t do this work?---I will stand by it and I will tell you that’s what I did. I dealt with, I dealt with George and I dealt with Peter at the team leader, I rarely, I think only once or twice maybe I’ve dealt with Tim Passé. Look I can’t – I don’t, I don’t even remember Adrian. And yeah, so that’s - - -

Well in relation to the appointment of Mr Tshipidis, right?---Yep.

Who did you deal with?---Yeah, as my statement suggests I – I don't have a recollection of, of placing George Tsipidis.

Well just go and have a look at page 26 of your statement, Mr Mylonas?
---We put an amendment in immediately after the, the investigators 'cause it was very unclear even in this – in this statement about George, and I put an amendment through my solicitor at that time.

10 Okay. Has Mr McIlwaine got a copy of that amendment?---It went through to, to, to the investigator Hodges at that time. And it was put through - - -

And what did you say?---I just didn't have a recollection of George Tsipidis, placing him, and I don't know where it is in this statement that it is, but - - -

Page 26.

MR McILWAINE: Commissioner, can I make it clear that I think (not transcribable)

20

MR MORRIS: No, no, Mr McIlwaine - - -

MR McILWAINE: And I was caught by surprise as well.

MR MORRIS: Come on, no, no.

ASSISTANT COMMISSIONER: Yes.

30 MR MORRIS: That's all right. I'm not suggesting that Mr McIlwaine leaves documents like I tend to. Well just go to page 27. Right?---27, yep.

So George has submitted his resume without a position in mind so you had, just had it on record? No, no, no. I knew George was available and was a strong candidate. Um, I spoke to Virginia about it and she advised me that George would be available and he'd be a fairly strong candidate. Right?--- Yep. Do you want me to - - -

40 Let me go down, okay. So I don't know if there was any advertised position, sorry for internally, the investigator says, all right. I mean, there was a position, I got advised that there was a position, says the investigator, all right, the second investigator chimes in and that was from Todd, to which you say, yes, correct.---Like I told you, I retracted that, I walked out of there that time and I retracted it from my lawyer and he put through I just didn't, I have no recollection of George being placed at the University.

You see you don't say I don't remember at page 26 and 27 do you?---I absolutely apologise for that, I should have just said, no, back then.

But these are details that show you did have a memory Mr Mylonas?
---Mmm, like I said I did retract, as soon as I walked out of there, I didn't,
even when I was answering questions in there, I didn't have a recollection.

Well you had an obligation to tell the truth, that's correct isn't it, to the
investigators?---And I believe I did that.

10 And this was July 2011, right. Now all you had to do was say, look, I don't
remember anything about George Tsipidis?---And I wish I'd said that at that
stage, yes.

And instead you go and give a whole heap of details about him, about how
he was recruited?---I shouldn't have done that.

About how there wasn't a position available but it was coming up?---I don't
remember, is that what I said?

20 Yes. And that you were put onto him by Virginia Kantarzi?---I have said
that, I did retract that immediately afterwards.

Is the reason you retracted it was because you wanted to conceal the
relationship between Virginia Kantarzi and Todd Demiralay?---Not at all.

Is the reason that you retracted it that you wanted to conceal the relationship
between George Tsipidis and Mr Demiralay?---No, I retracted it because I
was wrong.

I see.

30 ASSISTANT COMMISSIONER: So when you said on page 26 that Todd
said he needed a team leader and George was looking for a job and he was
one of the candidates that was going to be a fairly strong candidate for that
position, what you just made all that up did you?---I felt so, I admitted to it
and I, I did, I, you know what, it was working on memory a couple of years
earlier, you know, two/three years earlier and I was trying to think well it
must have been and I must have convinced myself somehow that's that what
happened. But as I was talking and if you looked at the interview, if,
Investigator Hodges was in there at that time she could see at that point I
wasn't being very coherent and um - - -

40 I'm sorry, you seem to be very coherent, you had no trouble at all answering
any of these questions, you don't once say, well I don't really know what
happened, I have no idea what happened with that position. You tell a big
story about how Todd told you that this guy was going to be a strong
candidate, he needed a team leader, you spoke to Virginia.---And then
immediately, one thing I immediately retracted as soon as I walked out of
there.

MR MORRIS: Commissioner I could go on on this, perhaps I ought to in far, so you can assess this witness's evidence, page 27 line 26. Mylonas, well let's go back, 24. Mylonas, so that's, I didn't have many team leaders so if he, meaning George Tsipidis, didn't get the job, Hodges, yeah sure, I wouldn't have had too many options back at that stage but he was a, George was a very experienced and he has had 20 odd years in the field, it varied, you see that there.---I don't - - -

10 You don't see it?---No, I'm saying, I don't know which line you're on sorry.

Page 27, line 24, you see the little numbers in the left hand column.---I can see that now, yes.

I didn't have that many team leaders, so if he didn't get the job, Hodges, yeah sure, Mylonas, I wouldn't have had too many options back at that stage but he was a, George was a very experienced, he has 20 odd years in the IT field, it varied. Now that's a statement from you about Mr Tsipidis' background, correct?---Like I said, I retracted the statement the minute I walked out, I was, I was incorrect in describing the events of hiring George,
20 I didn't mean to mislead or say anything there but that's, that's why I retracted it, that part of my statement I didn't feel totally comfortable at all about.

Hodges, I was, and this is following on, I was going to say, do you know where his background was and where he worked, Mylonas, yeah, yeah, he was working for a trading house, he was managing the IT operation there. Hodges, okay and do you know, as I said, he was referred to you as a person who was available right. Mylonas, that was a very, was a fairly strong candidate yeah. Hodges, all right, when he was available was he working
30 just prior to coming to you or? Mylonas, no. Hodges, okay. Mylonas, he was made redundant. Hodges, all right. All right. Mylonas, as I believe. How long before? Man, I'm even guessing on that whole, you know, what he was available, how long he was redundant for but I'm pretty sure he was redundant at that time that he became available. Do you know if he was doing any other work at that time? I don't. Right. And we'll go down to page 18. Mylonas.---18.

Line 18 on page 28.---Okay.

40 I just saw his resume and he was a pretty impressive resume.---And I told you I retracted that statement.

Mr Mylonas, you've got an opportunity to tell us truthfully about this incident, right, and you talk about retracting the statement, right. Do you want to retract, do you want to stick by what's in here in your record of interview or do you want to go back to the statement to this Commission that you didn't actually remember. What do you want to do?---I have no idea how George was placed at Sydney University.

Yet, you give details in here that you would know as being the recruitment IT consultant on this job, correct?---I'm sorry about that, what was that question again.

You don't, you accept that you placed George Tsipidis in that role don't you?---No I don't.

Who did it?---I don't know, I, I - - -

10

Virginia Kantarzis did she do it?---I don't know who placed George, he was there when I started really working sort of, started operating at the University.

Mr Mylonas, we've just had three pages of your statement to investigators in which you told the investigators that you were involved in his placement on referral from Virginia Kantarzis and that you looked at his resume and you made an assessment of it. Now that was true, wasn't it?---No, I didn't place George at Sydney University.

20

Is what you told the investigators that you got George Tsipidis on recommendation from Virginia Kantarzis true or false?---False.

Was the statement that you made to investigators that you were involved in placing him at Sydney University, true or false?---Wrong I believe.

True or false?---I think it was wrong.

30

And was the statement that you made to investigators that you looked at his resume and you made an assessment of it as being very strong, true or false? ---I think it was wrong, I didn't place George at the University.

I don't care Mr Mylonas. What do you say about the statement that you made to investigators in July 2011?---It was wrong.

False?---Well, wrong false if, if they mean the same thing. I, I call it wrong.

40

So you were spinning a story to investigators here?---No, I wasn't spinning any story I was wrong. I, I, I - the facts that I, I, I tried to remember weren't, weren't correct. I wasn't trying to spin any story.

Okay. Let's just go to page 40. Now, line 3, Mylonas, "Back then we had discussions with Todd and he said yeah, he was going to be interviewing, he was going to be interviewing George." Do you see that?---Yeah.

That's a discussion with Todd.---Ah hmm.

Now is that true or false?---I was wrong in anything that had to do with placing George at the University.

All right, okay. "So the discussion was solely with Todd on that - well at that level Todd interviewed for all the team leader levels? Yes", you say. Right. Let's go down a little bit. Okay. "Was there any bonus payment paid to Succuro Recruitment for securing George?" Right?---Didn't place George.

10 "No, I don't believe so not for George, I might be wrong there", you say. Right. Down to line 20, "I don't believe because what happened was sometimes early in the piece Todd negotiated with me that obviously I was looking at the normal process or a standard thing to do is when the client turns full-time you would secure some kind of recruitment fee", right, "As well it might even it may be over-shaded but Todd negotiated with me when we were turning some of these contractors we wouldn't be paying you a fee so." Right. Hodges say, "These negotiations would have been done with Todd?", Mylonas, "Yeah, absolutely they were done with Todd." Right. And then we go on that at the top of page 41 you can satisfy yourself, right
20 that - and page - at line 5 and following, The fact is if you have a contract that then went full-time you would try and secure a placement fee. Correct?---Of course.

And you had been negotiating with Todd in respect of that?---That's, that's (not transcribable) negotiate, yes.

All right. And if we go down to the bottom of page 41 line 33 you again say that you had to negotiate with Todd the percentage fee payable. Correct? And - - -?---No, no, sorry. That was - yeah, sorry.

30 This is just broadly speaking?---Yeah, yeah, that's broadly, yeah, it was, it was a broad conversation, yes.

Yeah. And at line 28 you're talking about 15 per cent. Correct?---Yeah.

Now this is the reality of it, Mr Mylonas, you were negotiating with Todd about these fees, correct?---Well, I gave him my - I gave Todd a list of our fees.

40 Yeah. And he might negotiate with you?---He may negotiate (not transcribable) with it, yes.

And this is the placement fee that he would then pay you in the event that a contract would turn full-time. Correct?---Correct.

And were you negotiating with him in his capacity as the Field Services manager of the University of Sydney or a shareholder of a company you were conducting?---As I mentioned earlier I didn't Todd was a, a - had any

part in, in Succuro Recruitment at that stage, so - and the (not transcribable) that we wouldn't get paid a fee.

Right. You knew that Virginia was involved in Succuro?---Yes, I did.

She was your co-director? Correct?---Correct.

She was Todd's husband?---Yes. She was Todd's wife.

10 Todd - sorry, Todd's wife, all right. And in relation to your statement that you didn't know that Todd was a shareholder, right, is it the - you knew that he was involved in the trust that Virginia had set up?---Yeah, I did actually.

Right. So were you negotiating - you knew he had - an ownership interest in the company, didn't you?---I didn't, I didn't understand the trust - like, like I mentioned early in the peace I didn't understand that, that, that - the way the trust behaved in the company.

20 But when you were - when you were dealing with him over the two and half, three years - - -?---3 years.

- - - that he was a Field Services manager at Sydney University?---Yeah.

30 You knew that he was somehow involved with Virginia Kantarzis and somehow involved in the trust of Succuro Recruitment, didn't you?---Yeah, but when you speak to someone you don't think oh, they're involved in the trust, you don't think that way. When I was dealing - you, you - I knew I was dealing with him as a, as the Field Services manager of the University and that's how I -I treated the, the interaction between myself and Todd not as hey, he's, he's, he's one of the members of the trust.

Did you make any inquiry when you turned up - look you're running a recruitment company and you go and see the person who's allocating the work at the Sydney University and you don't go back and check actually what involvement he was having in the company, did you?---No.

And you didn't do that for two and a half years on your case?---I had no reason to.

40 Is that - I'm going to make a suggestion that the reason you didn't was because you knew exactly that he was involved in a proprietorial capacity at Succuro Recruitment. What have you got to say about that?---Yeah, it's an incorrect statement.

And I want to suggest to you that the reason why the name change came about in March 2009, right, was because contractors started talking about the fact that Virginia Kantarzis and Todd Demiralay were part owners of

Succuro Recruitment, right. What have you got to say about that - - -?---
No, that's not true. It's absolutely false.

And I want to suggest to you that the reason why you changed the name was
to try and put a firewall between your recruitment activities - - -?---Ah
hmm.

10 - - - right, at the University of Sydney and the ownership of shares albeit on
trust by Virginia Kantarzis and Todd Demiralay in the company you were
running?---No, that - - -

What do you say about that?---No, that's, that's crazy. If, if I knew Todd
was a member of the company at that stage I wouldn't have done an I-
Secure, I would have, you know - - -

20 But you did, Mr Mylonas, you knew he was involved in it?---Sorry. I knew
he was involved in a trust but if I knew that I would have made, I would
have made - I would have engaged Nick to remove Todd and et cetera from
the company at that point. We, I, I - - -

Why was that, Mr Mylonas?---Because he should have been part of the
company, he shouldn't - she should have had no, no kind of involvement at
all in the company.

But you see, Mr Mylonas, he did have an involvement in the company and
you let business continue with him being there, didn't you?---Like I said I
was, I was under the understanding he didn't have any involvement, he only
had an involvement in the trust.

30 You knew he had an involvement in the trust and you continued business as
usual to deal with him in relation to the IT recruitment at Sydney
University. Correct?---Yeah, it was naïve of me to believe that the trust
didn't have any ownerships in a country - in a company.

Let's not, let's not put it down to naivety, Mr Mylonas. Can I suggest to
you - - -?---Ah hmm.

I want to suggest to you - - -?---Ah hmm.

40 - - - that you knew he was there, right, in the company, you knew Virginia
Kantarzis was involved in the company and you - the three of you had a
meeting of minds whereby the company could profit by reason of the work
he could divert to it. Correct?---Totally incorrect. Didn't even, didn't
even - would not even remotely close, no. Todd had no - as far as I was
concerned Todd had no involvement in the company, he had - - -

Mr Mylonas?---He was a member of the trust and that's, and that's, that was
the extent of it.

And you want the Commission to believe that this was an exercise in naivety on your part?---I'm telling you how it is. I don't want anyone to believe – they can believe whatever they want.

And what then happened, all right, in – I want to suggest some dates to you?---Sure.

23 June, 2010, all right, 23 June, 2010 - - -?---Ah hmm.

10

- - - this Commission sat in relation to the allocation of cleaning contracts to a related person called Operation Kanda. Right?---Ah hmm.

And that some time between 23 June, 2010 and 25 June, 2010 you had a conversation with Virginia Kantarzis or Todd Demiralay in relation to the directorships and the shareholding of Succuro – of then I-Secure Pty Limited. Do you accept that?---No.

20

All right. And that what then happened was Virginia Kantarzis resigned as a director and secretary of the company. Do you agree with that?---The – Virginia Kantarzis resigned around that timeframe, but it had nothing to do with conversations with cleaning contracts.

No, it was conversations with Virginia Kantarzis and Todd Demiralay?---Oh, okay. Yeah, there was a conversation with Virginia.

Virginia?---Virginia.

30

Right. And what was happening while she was going to resign as the director and secretary of the company wasn't she?---Yes, correct.

And the other thing that was going to happen was that she transferred the shares that she and her husband owned on trust to you. Correct?---She would transfer the shares the trust held to me, yes.

Yes. And was that after a conversation with Virginia Kantarzis?---That's correct.

40

And what – tell the Commission what she said and what you said?---Well from recollection back then it was Virginia phoned me and, and suggested that Todd is, Todd actually has his name on our company and I disputed it, I said, no that's not correct. Todd has no, no directive over our company. I immediately phoned Nick and said, is this true and he once again went through and told me no, he's only a member of the trust, he went through that trust arrangement again and, and then I said, however if anyone did any search would he have any kind of rights on our company? And he said, oh they will, but – and I said, well that's not right. I need that removed

immediately. And that's how – that's basically the process of what happened of removing Virginia from our, our company.

And so that – there was no mention of ICAC. Is that what you're saying?---
Around about that timeframe, there was always some mention of ICAC.
Like I said I knew about - - -

Well just, just tell the Commission?---Well I - - -

10 Who, who - - -?---Sorry, go for it.

No, it's all right?---I'll let you finish, no, please.

I wanted you to start. Tell the Commissioner what was the mention of ICAC, who was talking about it?---I, I had a couple of cleaning companies that I worked with and that - - -

No?---Oh, okay, sorry.

20 Sorry?---Is that, did you want me - - -

Virginia Kantarzis, did she mention ICAC?---I don't recall that conversation. She may have, I don't recall it. But it was pretty prominent in my cleaning contracts companies that I deal with. But I don't recall actually Virginia using the word ICAC. She may have, I just don't recall. We just had the – the conversation that came from Virginia was more to the fact that Todd is – has, you know, Todd is showing up as an owner or a director or some kind of visibility on our company. That's, that's, that was more the point rather than the ICAC scenario that you're going down the
30 path of.

Was it contractors at the University who were talking about the ICAC issue?---Well you know what, you can see from you know the, the, there's a few contractors that have been through, obviously there was a bit of a union happening that there was a lot of discussion about that. (not transcribable) there was a lot of suggestions of ownership and who owned what from the people that came up here and gave evidence.

40 Yes. You've heard that evidence haven't you?---Yeah.

Yes. Now did you have any heated conversations at about this time in relation to this ICAC – or in relation to this transfer of the shares from Virginia Kantarzis and Todd Demiralay to you?---Once again no conversation with Todd, but Virginia was extremely unhappy.

Yes. Is it the case that what really happened was that right from the start you thought that if Todd held shares on trust that that would be an insufficient financial interest to prevent him from allocating work to

Succuro Recruitment?---All right. I didn't really – can you just sort of put that in kind of a bit more layman's terms?

Okay. You knew that it would be wrong if Todd had an ownership interest in Succuro Recruitment for you to be dealing with him at the University?

---Oh, absolutely.

Right?---Yeah, without doubt.

10 And you had to make a judgement call, right, about whether his ownership in the, ownership interest in the company was sufficient to prevent that business relationship from commencing or continuing?---Say that one again, sorry about that.

Okay?---Sorry about that, I'm, sorry.

No, look, if you don't understand the question I'd rather you tell me?

---Yeah. Okay.

20 All right. You knew from the start that Todd had a trust interest in this company. Right?---Yes.

And you - - -?---Well, no I didn't, anyway, yes.

Well you did?---I knew the trust had a financial interest in the company, I didn't - - -

Yes. And he was involved in that. Correct?---Yes.

30 And you were dealing with Todd - - -?---Yep.

- - - at the University. Right?---Correct.

And he was sending you work. Correct?---Correct. His department was.

His department was sending it to Succuro Recruitment?---It was.

40 And is it the case that Moustacas told you that if Mr Demiralay was holding it on trust, right, it really wasn't him who owned the shares?---That, that was the kind of line Nick said, he's on trust, he doesn't really have any kind of ownerships in the actual company name.

Right. And so it's that advice that made you feel comfortable about dealing with Mr Demiralay?---That's, that's correct.

Right. Okay. And then what happened was the contractors started talking - - -?---Sorry, can I just - - -

Yes?--- - - - clarify that. That, that – him not having ownership isn't what made me comfortable. I just don't think, it wouldn't be right for him to have, yeah, I wouldn't deal with, you know, it wouldn't be right to deal with someone that – if he had rights to your company. I guess it's the same thing.

10 But really, you had to make a judgement call – is this what you're saying that you had to make a judgement call as to whether his interest in the company was sufficient to prevent you from doing business with him?---I didn't realise he had an interest – see I didn't, I didn't know he had an interest in the company.

Is that because of the advice you were given by Mr Moustacas?---That's right.

20 Right. And so when the contractors started talking and I suggested about March 2009, you tried to conceal, I suggest the involvement of Mr Demiralay in the company by changing the name to I-Secure.---I-Secure, no, I Todd, the contractors didn't talk, I don't know where you're getting the information a contractor starting talking at 2009. The only time I realised the contractors were really talking to that extent was when I came into – I had no idea the contractors were talking at 2000 and – I changed the name to I-Secure because it was a better name than Succuro Recruitment. I-Secure was a really cool name, I still maintain it's a really cool name for a recruitment company it wasn't to conceal that hey, Todd has (not transcribable) Todd maintained, whether you, he had ownership at Succuro Recruitment, like in hindsight, he's got the same ownership at Succuro Recruitment as he has in I-Secure, nothing really changed other than the name change. So we weren't concealing anything.

30 Okay. But the thing is you didn't go and register Succuro as a trade name at the Department of Fair Trading, right?---Correct.

40 So anybody who wanted to find out about Succuro, the name Succuro, if they wanted to conduct a search, they couldn't find out who the proprietors were?---Look, I don't understand the ASIC type thing but you are correct, I've since found that and I do understand that and you know what, if I could go out tomorrow and if I thought it was okay, I would register the name with the business and just make it okay.

Okay. And then what happened was, there was the change in June 2010, right?---Yes.

Where the transfer and I think we're in agreement, what you wanted to do was to get Virginia Kantarzis and Todd Demiralay off the public record? ---When was this, when you're - - -

June 2010?---Yes, no, no, I didn't want get, yes sorry. I wanted to get the trust off, yes, correct.

But you wanted to get Virginia Kantarzis off as well, didn't you?--- Absolutely, the trust had to, Virginia, I don't believe you can remove just a person, as I understand, once again, I don't understand how these work. If I could, I believe once you remove the trust you remove both, I may be mistaken, I don't understand that.

10 But you also wanted to remove Virginia Kantarzis from the public document as director and secretary didn't you?---No, no, I just wanted to get rid of the trust, she was a by-product, she was a by-product of being part of the trust.

Right. Now, as at 30 June 2010, right, as at 30 June 2010 this was a company was turning a profit, correct?---It's always turned a profit.

20 And its gross profit as at 30 June 2010 was in the order of \$150,000 after payment of salaries and wages and commission and everything, correct? ---That's what the financial statements say.

And there were other business assets like loans to Mr Cheal of about \$127,000, right?---Yes.

It was a valuable asset?---Correct.

And what did you pay Ms Kantarzis and Mr Demiralay for their shares? ---Why would I pay Todd anything, what's he got to do with the?

30 Well, what did you pay the trust for their share?---Their trust, there was, the money in that business is in that business. There was never ever any discussions of ever distributing that money, I wouldn't have kind of allowed that. I didn't think it was fit to be doing that at that time.

Mr Mylonas what did you pay for the shares?---Sorry.

What did you pay for the shares you acquired?---That's irrelevant, what's that got to do with paying.

40 Because I'm asking you the question, what did you pay for the shares? ---Nothing.

Nothing.---Yeah.

Did you pay their face value of \$10?---No actually, I don't know, I don't remember handing over \$10.

And is it the case that after that transaction, right, that is 25 June 2010, that you continue recruiting at the Sydney University?---I did.

Yes, it was business as usual, correct?---Yes, that's correct.

And you kept dealing with Mr Demiralay?---Correct.

Did you keep Virginia Kantarzis on the books?---She stayed on as an employee after that, yes.

10

Now as there any side agreement?---Between who?

Between you and Mr Demiralay and Ms Kantarzis about ownership of the business?---Todd had nothing to do with my business. He had nothing to do with it. There's, there was no, there was a, there was a um, there was no paperwork between Virginia and myself. We were very close friends a handshake was more than sufficient.

20

Okay. So after 25 June 2010 were you proceeding on the handshake?
---Yes.

So you maintained a 50/50 split on profits, is that correct?---No, she's not entitled to anything anymore. She's not a, she's not even a director anymore. I'm sorry, am I confusing the dates. Is she off the um, register now, is that what date you're referring or have I just - - -

Yes.---Okay, yeah, well she's not even director, she's not entitled to any share now even if she, she screams and begs for it, she's not even a director.

30

Up until that time you were involved in a 50/50 partnership, correct?
---Correct.

And after the transfer of the shares you say that the partnership was extinguished.---Well is it, isn't it, am I wrong? Am I mistaken in that?

No, no, I'm just asking you Mr Mylonas?---Okay, sorry.

40

Right. There was nothing off-balance sheet as it were where you on the basis of a handshake agreed to split the profit after 25 June 2010?---It's pretty obvious, we hadn't split profits since we started so why would it change? Like it's been, we started in 2008 and in 2010, mid 2010 we took her off the register and there was no profit splits during all of that time, why all of sudden show status quo change and now she's not even on the register.

Okay. You were being paid \$600 a week as I understand it?---Yeah, I was, actually.

And she was being paid \$600 a week?---Correct.

Right. And as a shareholder, her shares would have entitled her to a 50 per cent split of the company assets, correct, prior to 25 June 2010?---That's correct.

And after that she was entitled to nothing, is that right?---That's it.

10 So what did you pay her, you say you paid her nothing for that, for the acquisition of the shares?---Yeah.

Did you ever document the, apart from a share transfer, did you ever document the terms of which the handover was taking place?---I don't know how it works on the other side, the way I deal with my partners, I only bring on a partner that I would have some level of trust. We didn't have any of that kind of formalised processes.

20 Are you saying that because you trusted her and she trusted you you didn't need any documentation?---I just don't do documentation.

You didn't submit the share transfer for stamp duty did you?---I didn't do any of that transfer. Nick took care of that.

No, no. I assume that if you spoke to Mr McIlwaine you'd be intending to rectify that situation would you after these proceedings.---Absolutely, there's a lot of things I think I need to rectify after these proceedings.

30 Now, I want to make a suggestion to you Mr Mylonas, right, and it's made quite seriously. Is it the fact that the evidence you've given to investigators about I-Secure being a totally separate business and a recruiting, a training was an attempt to try and conceal the involvement of Demiralay and Kantarzis in the Succuro Recruitment involvement at the Sydney University?---I'll answer it just as seriously and I'll say Todd had absolutely zero, nothing ever, was discussed or ever have in any involvement in Succuro Recruitment or I-Secure. Never discussed, Virginia was always discussed to have and I would take Virginia on without any hesitation as upon us, I don't think you realise how, in my industry, obviously probably not, how good of a resource she would be and how, how valuable as a partner she would be in your company. And I like working with her as well.

40

And when we talk about that we talk about the IT recruitment industry aren't we?---Talking about IT industry, yeah.

And in fact she did involve herself with finding candidates for Sydney University, didn't she?---Absolutely.

Yeah. And she interviewed them. Correct?---She did - not all of them but she interviews the occasional one.

And she would identify people and put them forward to you to put - to then put forward to Mr Demiralay. Correct?---Yeah, she's, she's well networked.

Yeah. And indeed many of those people ended up in team leader or CSO positions, didn't they?---They were varied. When we - when you're recommending someone they're already quite - they're a very strong candidate.

10

Yeah. So it doesn't come to anybody's surprise that for instance they - when you heard evidence this week about being contacted by Virginia and subsequently been placed in University of Sydney positions. Correct?---Sorry, can you ask that question (not transcribable) yeah.

It didn't come to any surprise to you to hear that some of the contractors who ended up being placed at Sydney University had had contact with Virginia Kantarzi?---Not, not really.

20

Now I'd just like to pass onto a final topic, Mr Mylonas - - -?---Sure.

- - - and that is you involved yourself in forwarding curriculum vitae to Sydney University for consideration. Correct?---That's correct.

And I want to suggest to you that sometime in late October 2010, right you forwarded curriculum vitae on Succuro letterhead to, to Mr Demiralay in the names of Stephen (not transcribable) and Patrick Taylor. Correct?---I know those two candidates, yes.

30

Right. You say you know those two candidates?---Yeah, I know those candidates, they're team leaders.

Where are they team leaders?---Well, sorry they were team leader candidates I believe.

They never became team leaders?---No, they didn't, I don't - they - - -

40

Would it surprise you to learn that they had given statements to this Commission that they have never previously had contact with Succuro Recruitment?---Not really. I mean they probably - they dealt with me a couple of times over the three years and I spoke to them what, once or twice.

Over what three years?---Over the three years of my involvement with Succuro Recruitment.

When do you say you dealt with them?---I dealt with Stephen (not transcribable) really strong, strong candidate, very good candidate actually,

wonderful candidate and Peter Taylor was just as good, he was a good candidate as well, strong, really good candidate.

ASSISTANT COMMISSIONER: I don't think his name's Peter?---Is it - yeah, I call him Peter 'cause I played footy with him, he was a Taylor guy anyway.

MR MORRIS: Have you been, have you been shown the statement of Patrick John Taylor which is exhibit 43?---Yeah, he - - -

10

- - - of Mr - - -?---He obviously just doesn't remember dealing with me. I know I've got him documented that I spoke to him, I got a bit of history about him, did an interview with him.

All right. And what about Mr (not transcribable)?---Yeah, same (not transcribable) just as good - I think he was from Citibank that guy. Pretty, pretty good candidate, recently became redundant at that time and looking for a team leader role. Once again excellent - those guys were excellent candidates.

20

All right. I want you to - I want to suggest to you that they were not applicants for a position in October 2010 for team leader position. What do you say about that?---oh, well, I'm - I think if you go through the evidence I submitted you'd probably even have their resumes that came through My Career that I handed in for the Commission.

Now what about - what about a fellow by the name of Luke (not transcribable)?---Yeah, I know the name as well. He was, he was another applicant for a team leader - he's, his resume was quite a strong resume as well.

30

Yeah. I want to suggest to you that what happened with Luke (not transcribable) resume is that it was said to Mr - sent to Mr Demiralay sometime in April 2009 by a company called Reed Technology?---Oh, was it. Okay.

Right?---All right.

And that Mr Demiralay either gave it to you or Virginia Kantarzis, right and the same resume was cut and pasted onto a Succuro letterhead?---Well, I've got a copy of his resume because - - -

40

On Succuro letterhead?---Yeah, absolutely.

Right. Have you got a copy of any correspondence forwarding it to you?---I would have - all that correspondence was given to the Commission so.

Well, if I suggest to you that there's no correspondence from Mr Luke (not transcribable) to you - - -?---Ah hmm.

- - - enclosing his resume what would you say?---I - like I said I got a copy of his resume.

I know you do.---Okay.

Right. Because you prepared one on Succuro letterhead, right?---And you're saying Todd sent that to me?

10 Either to you or Virginia Kantarzis and it was cut and pasted onto Succuro letterhead and sent off.

McILWAINE: Well, Commissioner, I object - - -?---(not transcribable) Sorry.

- - - call attention, Commissioner, to paragraph 11 to Mr (not transcribable) statement, yeah, which he gives an explanation as to how (not transcribable) position.

20 MR MORRIS: Thank you, Mr McIlwaine. Have you got any email, right, from Mr (not transcribable) - you don't have an email from Mr (not transcribable) to you enclosing his CV do you?---I don't but all those emails, sorry, all those emails for all those - I, I forwarded onto the Commission from my understanding so you should - you guys should have that - all those emails, all those contractors that came through to me and they came through My Career.

If those emails existed you'd have sent them?---Absolutely, yeah.

30 Because you keep records don't you?---Absolutely, yeah.

All right. Now similarly if - you'd keep records of any emails that you received from Patrick Taylor. Correct?---Mmm.

As part of your business records. Correct?---Correct. Well, yeah, sorry I do.

And if they existed you'd have sent them through to the investigators wouldn't you?---I'm positive I have.

40 And the same with Stephen (not transcribable) if you had an email from him forwarding a CV to you or a resume to you you'd have sent that email on into the Commission. Correct?---Absolutely.

If it exist?---It did exist.

Now you see I want to suggest to you - well, is it the case that Mr Demiralay asked you to send through some strong - some CVs from strong candidates at about October 2010, right - - -?---Ah hmm.

- - - send through some CVs of strong candidates so I can pad out some selection applications?---I'm just trying to put a - you said - there's a couple of things I'm trying to piece together.

10 Okay. Look - - -?---You, you said that one of the resumes was sent to me or Virginia from, from Todd.

Yeah, no, no. This is a different question, okay?---Okay.

As at, as at October 2010, right - - -?---Yeah.

- - - did Mr - did you ever have a conversation with Mr Demiralay - - -?
---Yeah.

20 - - - in which he asked you to send through some CVs of strong candidates on Succuro letterhead to pad out some Selection Committee assessments?
---No, never.

All right?---But I would never send a, I would never send a candidate's resume without our letterhead on there ever.

30 No. And is it the case that, and is it the case that as at about the 28 May, 2009 or before that Mr Demiralay asked you for a strong team leader applicant on Succuro Recruitment letterhead to pad out a Selection Committee assessment?---I can't recall any - him ever saying that to me.

Because if you were modifying other peoples' CV's and putting them forward as being your recruits, that would be misleading, wouldn't it?---If I was putting, yeah, I'm sorry, I'm trying, if I was padding, using- - -

No, if you were, if you were taking other peoples' CV's, cutting and pasting them onto Succuro letterhead and sending them into Todd as being your- - -?
?---That's what I do.

40 - - -applicants- - -?---That's what I do. I, I take their CV's, I cut and paste my letterhead onto the CV's and send them off to Todd. They don't just come in, people don't send their CV's with my- - -

ASSISTANT COMMISSIONER: Yes, but Mr Mylonas, the point is, do you think it would be all right, could you just go to say Seek, get somebody's resume and then put it on your own letterhead?---No, I, I only
- - -

Well, I'm asking you- - -?---Yeah, sorry, no.

- - -would that be all right?---Well, I don't know how you can do it but, I don't know how it's possible, but- - -

Well, you wouldn't do it and you don't know how to do it?---It's not, no, it's not, but yes, there is an area in, sorry, just to answer, there is an area in Seek where you can just go, get whoever's resume is up there and take it and use it.

10 Yeah, yeah?---And use it, 'cause they put it up there?

So you could do that?---Yeah, absolutely can. There is, it's, it's, it's, it's called Marketplace.

So you can take the resume, put it on a Succuro letterhead and say this is a person we're putting forward?---Yeah, absolutely, you could do that. I've never done it but I don't use that, the people that I use come directly to me, but there is an area, it's called Marketplace, where you can- - -

20 So when you put it on a Succuro letterhead you are saying, this person has come to me?---Yeah, all of them have come to me. I don't use the other, the other method.

Thank you.

MR MORRIS: Just one other thing?---Yeah.

You made a, just about the placement fees. Right?---Yeah.

30 On a contractor being made a permanent employee?---Sure.

It wasn't otherwise payable, was it, the placement fee?---A placement, I did receive a placement fee for a team leader.

Right. Even though they weren't a contractor?---They weren't a contractor, that's why I asked for the, the, the placement fee.

Right. And who was that?---Who was it?

40 Was it Gerard Hunt?---That's him.

Right?---That's him.

And that was a placement fee that you asked for of about \$15,000, wasn't it?---Yes, that's correct. That discounted rate, \$15,000.

Discounted rate?---Absolutely was discounted.

What was your, what was your prior, what was your first- -?---Would have been about, would have been about closer to \$20,000.

Yeah. And you knocked it down, did you?---I gave them a discount because we had a relationship with the University, I thought it was a goodwill gesture.

Yeah. And you were negotiating with Todd in relation to that placement fee, weren't you?---Ah, yeah, Todd was a pretty hard bargain.

10

Thank you.

ASSISTANT COMMISSIONER: Yes, we'll adjourn for 15 minutes at this time.

SHORT ADJOURNMENT

[11.43am]

20 ASSISTANT COMMISSIONER: Thank you. Please be seated.

MR MORRIS: Commissioner, just one, one additional thing, I'd just like to show Mr Mylonas a spreadsheet for some analysis of Succuro invoices. There's a copy for you as well, Commissioner. Mr Mylonas, this is a spreadsheet analysis of the invoices that have been rendered to the University. Could you just have a look at those spreadsheets and indicate whether they broadly accord with your recollection as to the business you were doing there?---The first one definitely is not right, it's 2007, I wasn't involved in 2007.

30

Right. Well it's your predecessor is it?---I would say.

Yes, okay?---2008 looks like it's all jumbled in together.

But it looks, it looks broadly correct does it?---No, I don't know the first person, the third person, the fourth person, the seventh person, there's a lot of – there's less than half of those are mine.

40 Right. Well if we went back and dug out the actual invoices, you would defer to that?---Yeah, I'll tell you how – I can count how many are mine from here. Aleks started with Peter, Ben started with Peter, Con's mine, David Anderson is mine, Emmanuel is mine, Phillip, he was a short term one.

Erin's yours?---Sorry?

Erin's yours?---No, she's not. She's Peter's. Mark's mine.

Oh, I see, what you're – sorry, you're talking about which are yours and which are Peter's?---That's correct.

I see?---So I don't know the other people.

Okay. Because they were organised through Peter. Is that correct?---Yeah.

Now let's go to the next one, 2009, does that look broadly correct?---Which one's - - -

10

The third page?---The third page, yeah, they're mine.

Yes. And if we just go to 2010, which is the fourth page, does that look broadly correct?---Yeah, they're mine as well.

Might they be either separately tendered or perhaps tendered as an annexure or an extra exhibit to that of Mr Mylonas' statement, just to keep it in order?

20

ASSISTANT COMMISSIONER: I think I'll just make it as a new Exhibit. It seems the easiest way to go. Yes, these invoice summaries will be Exhibit 48.

#EXHIBIT 48 - SUMMARY OF SUCCURO INVOICES

30

MR MORRIS: And, Commissioner, just as a matter of completeness, Mr Moustacas gave evidence on Friday and his statement became Exhibit 41. He indicated that he was going to go away and find some additional information. That was produced I think on Friday night by email and it was distributed to the parties. Might I tender as Exhibit 41A so as to keep it with his statement, a bundle of documentation commencing with a letter dated 11 November, 2009, and there's also a copy?

ASSISTANT COMMISSIONER: Yes. Well, that will be included in Exhibit 41 as 41A.

40

#EXHIBIT 41A - A BUNDLE OF DOCUMENTATION COMMENCING WITH A LETTER DATED 11 NOVEMBER, 2009

MR MORRIS: Thank you, Commissioner.

ASSISTANT COMMISSIONER: Mr Mylonas, I notice Mr Tsipidis on this list of invoices and as I recall, there's no doubt he says that he was, he went to Succuro and he was put forward through Succuro?---Correct.

Now, you're saying you had nothing to do with that?---I don't recall any, I don't recall his placement at all. He, he, I don't even, I don't even know the exact date he started, but he started probably around about July or August, somewhere around there maybe.

And were you in the company then?---I was just forming the company at that stage.

10 All right. But as I understand your evidence, there was only you and Virginia working in Succuro?---Correct, but Peter did give us a, a month or two handover as well.

So are you suggesting he referred- -?---I don't recall how, when I got there, George was there, do you know what I mean, so I don't know who actually placed him, whether it was Virginia or whether it was Peter, whether it was some other person, I'm not sure, but- - -

20 So when did you actually start working with the company?---I started, officially I started in mid, mid-August I believe, but I did some, some preliminary work leading up to that as well.

Well, I just want to get this clear, because I find this whole issue about how you are now disavowing the very detailed information you gave to the investigators very unusual, to say the least. You, so if you didn't refer Mr Tsipidis it must have been Virginia?---Or Peter.

Or Peter?---Yeah. But can I say, that shouldn't have even been, the, the, the, the Commission actually had that detail before I came in here so- - -

30 Well, I must say I did not?---No, I know.

And I don't know who else did. But- -?---Ben Clark, Ben Clark definitely forwarded on statements.

Who do you say forwarded the statements?---Ben Clark, solicitor, sorry, the barrister, Ben Clark.

40 What, did you make a new statement?---No, just that, that evening, me and Ben- - -

Yeah, well, what, what did he forward- -?---He- - -

- - -is what I want to know?---He put a, he put a, a letter detailing of what my statement was- - -

He wrote a letter?---Yeah, to, to, and delivered, emailed it, I believe he actually did, to Investigator Hodges I think he said he did it, but don't quote

me on that, but I believe it was to Investigator Hodges and it was from Ben Clark.

Is that the same night or the next day?---Well, I spoke to him that day so I don't know whether he forwarded it that day or definitely by the next day, he spoke to me the next day and said it was done.

10 And what made you recall that everything you'd said on this issue was wrong?---Oh, it was a stressful time for me at that time and, and, and I, I was saying it and I was saying, I don't think this is right, this is not right, I can't even remember. But I was just getting these questions thrown at me by a couple of people and I, and I don't- - -

Well, you were getting fairly open-ended questions and you were giving very detailed answers?---Of course I was.

20 All I'm saying, what, what made it occur to you that everything you'd said was just made up, didn't happen?---Because I didn't, I walked out of there not being able to put myself in that position, not, not being able to put, I couldn't see myself and I had, when they were saying, when I reflected back and said, oh, where did I do the interview, where, where was that interview, these kind of questions I started asking myself and that's where I started- - -

But only in relation to Mr Tsipidis?---Oh, absolutely, yeah.

Did you discuss it with anybody else?---My, my, my barrister only.

Apart from him?---No one else, because I discussed it straight after that.

30 ASSISTANT COMMISSIONER: You didn't discuss it with Ms Kantarzis?---I don't think, I don't think so. I don't think so.

Well wouldn't you know that?---I did – you know what I – 'cause – because there was an investigation under way I didn't want to kind of talk – I didn't really speak to her a great deal after that.

40 Well I'm asking you did you discuss this issue with her?---I don't, no, I don't recall discussing that specific issue with her, no, of whether she hired him or not, no.

Did you discuss it with Mr Demiralay?---Oh definitely not.

Yes?---Not even with Peter. I didn't even go back with Peter either.

Yes, thank you.

MS OAKLEY: Might I ask some questions of this witness, please?

ASSISTANT COMMISSIONER: Yes, Ms Oakley.

MS OAKLEY: Mr Mylonas, is it the case that when somebody was placed through Succuro with Sydney University that a timesheet came to Succuro after, after that person had worked there for some period?

---Correct. After they – timesheets came in I think every week or every fortnight at the latest.

10 And was it the case that based on that timesheet you or somebody else organised the payment to the particular person who had been placed?

---Correct.

And an invoice was raised and submitted to Sydney University for that person's time. Is that correct?---Yes. Yes, that's correct.

And were you the person who mainly had charge of doing that?---I did.

20 And it's the case isn't it that after you took over Mr Kostogiannis' business and started running it through your company that you received timesheets for Mr Tshipidis didn't you?---Correct.

And it was the case wasn't it that you looked at those timesheets and you arranged payment to Mr Tshipidis - - -?---Correct.

- - - for his time?---Yep.

And you also included Mr Tshipidis in invoices to Sydney University didn't you?---No, no. Invoices went directly to accounts.

30 I'm sorry?---Invoices went directly to accounts department.

For Sydney University?---Sorry? You asked the question did I include Mr Tshipidis in those invoices.

Perhaps we'll make this clear. Mr Tshipidis, after you started running this business Mr Tshipidis submitted timesheets to you didn't he?---Correct.

And you arranged for him to be paid didn't you?---Yes.

40 And you invoiced Sydney University for time that Mr Tshipidis had spent at Sydney University didn't you?---That's correct.

So you were aware weren't you when you took over this business that Mr Tshipidis was somebody that had been placed at Sydney University and that it was being charged out by Succuro?---Absolutely, yes.

And that situation continued, namely that Mr Tshipidis was submitting timesheets to you and you were including his time and invoice to Sydney

University from the time you took over this business until he became a permanent employee. Do you agree?---Yes, correct.

Thank you?---Yeah, I've never questioned Mr Tsipidis came through Succuro.

And you were well aware that he was one of the employees that were being charged out to Sydney University weren't you?---Yes, yes correct.

10 When you took over the business?---Yes, correct.

Right up until the time he became a permanent. Correct?---That's correct.

ASSISTANT COMMISSIONER: Yes, thank you. Does anyone else wish to question this witness?

MR MIRALIS: Yes, Commissioner, I seek leave to ask Mr Mylonas some questions on behalf of Ms Kantarzis.

20 ASSISTANT COMMISSIONER: Yes, Mr Miralis.

MR MIRALIS: Thank you, Commissioner. Mr Mylonas, can I just commence my questioning by asking who is James Cheal, C-H-E-A-L?---He was a former partner in one of my other businesses.

And whilst you were a director of Succuro Pty Limited I think your evidence was that you provided him a loan. Is that correct?---Correct.

30 What was that loan in the amount of?---I believe it was \$127,000.

Was that your personal money?---It came from Succuro.

I understand that, but it was money that you brought into the company. Is that correct?---It was money that was in the company called Succuro.

Okay. Is that money that in effect was proceeds of the work that you'd been proceeding for Sydney University or was it sourced from another location? ---I didn't create buckets. It was one bucket, it was one bucket where - it was a bucket and I just gave that money from that one - - -

40 Did you put any of your personal money into Succuro Pty Limited bank account?---None of my personal money, no.

When you gave out this loan to James Cheal, it's the case, isn't it, that you had no discussion with Virginia Kantarzis about the nature of the loan and the purpose of the loan?---Not true.

And I suggest to you that when the accounts were completed for that financial year 2009, Virginia Kantarzis was not made aware of the fact that this loan had been made to James Cheal?---She didn't know it was going to James Cheal, she knew there was, I was purchasing a property down there, so, so James and I were purchasing properties, so she did know it was going towards those properties.

10 Okay. So she didn't know who it was being lent to personally, is that correct?---I don't know if she, if we physically said the names or not, but she knew it was being for, what it was for.

Okay. James Cheal had nothing to do with Succuro Recruitment Pty Limited---No.

And is that a loan that is still outstanding to Succuro Recruitment Pty Limited?---Correct.

20 Did you already reach an agreement with James Cheal about that loan prior to speaking to Virginia Kantarzis and then you simply raised it with her, is that how it took place?---No, I don't remember the, the, the, the, the, the dates or the timelines on, on that, I- - -

You agree it's a significant amount of money for the company to loan someone?---It's a significant amount of money.

And you understand that as a director you can't make loans on behalf of the company unless there's agreement by a fellow director?---As I mentioned, Virginia knew about it.

30 And ordinarily you understand that minutes are kept of these decisions when companies are making loans to third parties?---I didn't realise the minutes had to be, is that, is that a law, that minutes have to be- - -

Well, as a director, you're making decisions for the shareholder?---But you're saying, but you've just told me there's a law to say there's a minute that should have been kept?

40 That's correct, that's the usual procedure. Were you aware of that?---But is that a law or is that just process?

Did you have a meeting with Virginia Kantarzis where minutes were kept about this loan being made to James Cheal?---No.

Was your accountant made aware of it?---Yes, he was.

Now, you were asked a number of questions about the end of financial year statements for the years 2009 and 2010 by Counsel Assisting the Commission?---Ah hmm.

Do you recall that?---Yes.

And you were asked a number of questions about whether or not you had any meetings with Virginia Kantarzis in which those documents were looked at by her and signed by her. Do you recall that?---I don't think he asked those exact words but he did, yeah, I do recall him saying there was a meeting where me and her were present, yes.

10 And the answer you gave in response to that was that you don't believe that she was present at those meetings?---Correct.

And in fact I think your response was that it was you and your accountant, Moustacas, who were present at the meeting and went over the figures?
---That's right.

So to the best of your knowledge in relation to those financial accounts for the years 2009 and 2010, Virginia Kantarzis was not present and did not consent or did not sign those documents. Is that correct?---I don't know,
20 you'd have to ask her if she had further conversations or discussions with Nick.

Okay. But isn't it the case that those documents were being forwarded to your PO box at Boronia Park?---Maybe, could have gone to her address as well, that was on record.

Had they been forwarded to your PO box at Boronia Park, would you have then on forwarded those to Virginia Kantarzis?---May have.

30 In your mind- -?---If I was, sorry, if I was instructed to, sorry.

But in your mind you saw nothing wrong with the proposition that you would be entitled to sit there with the accountant by yourself and go through the accounts and figures for the financial years 2009 and 2010?---Sorry?

You saw nothing wrong with the scenario where you alone were sitting with the accountant, in the absence of Virginia, going through the figures for 2009 and 2010?---I saw totally nothing wrong with it.

40 Okay. I want to suggest to you that both of these examples are in effect, if you like, indicative of the way in which Succuro Recruitment Pty Limited was run. Do you agree with that?---I would say more indicative of how I ran it.

Yeah, that's what I wanted to effectively put to you. You saw yourself as the principal of this company?---I, I was the very active, yeah, I was.

Well, I think the word principal is your term when you were interviewed by ICAC investigators. During the course of the record of interview you put to them that you were the principal of Succuro Recruitment Pty Limited. Do you have a recollection of that?---I do. And I also did take charge of the, the accounts side.

10 Okay. I'll go through the aspects of the company that you did take charge of and you just tell me whether you agree or disagree with the propositions I wish to put to you. If I can just go back to the very beginning when Succuro Recruitment Pty Limited was incorporated. You were responsible for the negotiations with Peter Kostogiannis?---Yes, I, I spoke to Peter about it, yes.

And you understood Virginia Kantarzis was an employee at that stage of Peter's?---Correct.

And you dealt with the handover of the company, is that correct, or the business to (not transcribable) - - -?---Yeah, I dealt with hand - - -

20 - - - (not transcribable) incorporated?---Yeah, I took the handover - - -

And you took control of if you like the data base that Succuro had up until that point in time, potential contractors?---Yes.

And you in fact had left Transfield to get into this business of recruiting. Is that correct?---Yeah, I basically left Transfield and I knew I was going into this business amongst other - amongst other businesses I had at that time.

30 And you also received it's been described variously as a loan or some sort of financial assistance from Peter Kostogiannis?---Yeah, we took the money. Yeah, we needed a - we had no money coming in and there was - we didn't know whether the Uni would pay in one, two, three, four months and I knew I had to pay - - -

You say we took money but that's not strictly speaking correct, the money was given to you by Peter. Is that correct?---Correct.

And Virginia had nothing to do with that process whatsoever?---That's correct.

40 Was that money deposited in your personal account?---No, it was put into the company account as I understand.

So you understood it was money lent to the company?---Yeah, Virginia probably didn't have, had no idea about that money.

Okay. Well, if, if that money went into the company and Virginia was a director you would agree that in the ordinary course she was ought to have been made aware of what you were doing as a co-director?---Yes.

But you tell the Commission that she wasn't aware of that?---Be specific in that, please sorry.

Well, you say that the money went into the Succuro Recruitment Proprietary Limited account?---Yeah.

10 Have you seen a bank statement showing that money going into the account from Peter Kostogiannis?---I believe there is. I believe it would be in - in the bank statements there.

Are you certain that the money that he gave you was not made out to your personal name?---I don't think so, I don't- look there's - I guess, sorry, I can't be absolutely sure but I'm pretty sure it was made out into Succuro.

Well, had it not been put in your personal name and it was becoming a debt of the company you would have been required to disclose that to your fellow director, would you not have? The company is taking on a debt. Is that correct?---It's a lot.

20 Yeah, okay. And it's, it's a debt that - it's a loan but it's a debt. You agree with that?---Yes.

Which is expected to be repaid at some point (not transcribable)?---It's, it's expected to be repaid of course it is.

Virginia, Virginia Kantarzis is a fellow director of this company?---Yes.

30 And she was not told of that loan or the nature of the loan and whom it came from. Is that evidence you give today to the Commission?---Yes, correct.

Okay. Is it possible that any money went into Succuro Recruitment Proprietary Limited which you say was a loan in fact came from your personal bank account?---Could it have come from my personal - - -

Could it have come from your personal bank account?---I don't know, I, I, I don't know, I don't think so but it's, it's possible, I just know, yeah. I don't - I thought it came directly into the Succuro account.

40 What's - it's a large sum of money in - - -?---There's (not transcribable)

- - - and it's something that you would ordinarily be expected to have some recollection about. Do you recall what - on your oath can you deny the possibility that the money came initially from your private account?---My recollection was it went straight into the Succuro account but if you're saying (not transcribable) there's, if there's evidence otherwise well - - -

(not transcribable) on your oath and you deny that the money initially came from your personal account?---I don't - what, that, that money?

Went from Peter into your personal account and then from your personal account. Can you deny that proposition?---I can't, well, no, I can't. But my - I have - my, my memory states that it came directly into the Succuro account.

Did you mix your personal finances with the Succuro Recruitment Proprietary Limited bank account?---Yeah, I tried to keep them very, very distant. I, I tried to make them very clean and - - -

10

But did you in fact put in any personal money into the company account?---I don't think so.

Now apart from being in control of the finances and I take that to mean that you had control of the bank account. Is that correct?---Correct.

Virginia Kantarzis made no withdrawals personally from that bank account. Is that correct?---No, she wouldn't. I, I wouldn't have allowed her to do that without consulting me first.

20

Okay. You were responsible for paying her wages, weren't you not?---Correct.

And in fact when you made payments to her the word that you use in the EFT transfer was wages?---I used a combination of, of words but wages was what I ended up with, yeah, correct.

30

I suggest to you the reason why you paid her wages is because you saw her continuing in her position as an employee from Peter Kostogiannis up until you taking over the business and simply having her perform the same tasks she was performing as an employee for Peter Kostogiannis. Do you agree with that?---No. What happened was me and Virginia sat down and we, we - I said, you're going to become a partner and this is what we're going to agree on the remuneration.

Ah hmm?---What she agreed on, I agreed on the same amount. So it's all fair. And that's how it was agreed.

40

Okay?---And that, sorry, and that, that figure was derived pretty much around about what she was getting at Peter's.

Okay. And this was all incorporated through your accountant. Is that correct? The company was incorporated through your accountant? ---Correct.

And there was that one meeting at your accountant's office where Virginia became in effect the director of the company. Is that correct?---Correct.

I suggest to you that whilst she may have been a director in so far as official records show that, you otherwise represented yourself as being the person who had effective control of the company. Do you agree with that?

MR MORRIS: I object.

ASSISTANT COMMISSIONER: Yes.

MR MORRIS: Represented to whom, when, where?

10

ASSISTANT COMMISSIONER: It's very vague.

MR MIRALIS: Yes, I'll clarify that. You had a meeting with Todd Demiralay at some point in time at Sydney University. Is that correct?
---Yes.

And that was after Peter Kostogiannis had handed over the business to you. Is that correct?---Yeah, well it would have been in transition anyway.

20

And at that point in time you understood that, that you were seeking to let Todd know that you were going to continue the business relationship that had started by Peter. Is that correct?---Oh, absolutely.

Was Virginia part of that meeting?---No.

Did you relay any of the information from that meeting with Todd to Virginia?---Any of the information from - - -

30

You had a meeting with Todd in which you discussed no doubt the future work that you'd be providing to Sydney University amongst other matters?
---Yeah. There was, I don't, yeah, it wasn't something I would get on to the phone and discuss that.

Yes. And the reason for that is because you saw that as work that you were performing. Is that correct?---Yeah, it's just day to day work.

40

Yes. And the fact of the matter is what you had built up with Sydney University was, you would say, the fruits of your labour and your efforts with Sydney University, not what Virginia Kantarzi had developed through you to Sydney University.

ASSISTANT COMMISSIONER: Sorry, I mean that's - - -

MR MORRIS: I object.

ASSISTANT COMMISSIONER: - - - that's leading, it's not supported by the evidence, his answer would be totally useless to me.

MR MIRALIS: Commissioner, he's actually already given evidence about that in which he has said that he would, he in his opinion was of the belief that Virginia Kantarzis' contribution to the company or to the business was not related to the Sydney University side and that he saw his role as being those relationships with Sydney University - - -

ASSISTANT COMMISSIONER: Well it's not as clear cut as that. He's also given evidence that she probably sourced an interview candidate for the University of Sydney. So you can't put it like that.

10

MR MIRALIS: Okay. I can break it down to a very specific question. In all the time that you had any relationship with Sydney University regarding Succuro Pty Limited - - -?---Yep.

- - - was Virginia Kantarzis made aware through directors meetings or the like of those negotiations, those discussions and the relationships you had with Sydney University?---Our directors meetings whether she had – sorry say that question again, sorry.

20 How regularly would you talk to Virginia Kantarzis about your affairs when you were acting on behalf of the company?---I would speak to Virginia regularly. You know I may speak to her, if you want to – look it'd be regular, weekly.

And during this time she was at home performing work for Succuro Pty Limited?---Or course.

Okay. And as you understand it it was on a part time basis. Is that correct? ---She had a baby.

30

Okay. And she told you that in fact she had sought part time work because she wanted to avoid the stress of full time employment as she'd previously been in. Is that correct?---She had a baby. I don't think that's - I mean she couldn't really work, she had her first born baby that was under one year old, like no one in their sensible mind would think - - -

Okay. Does that explain in part why it was that you saw yourself as the principal, and that is to say that you were far more active in terms of the advancement of this business than what Virginia was. Is that correct?---I

40

did, I did feel like it was – in other words it was my kind of thing to, to run, yeah.

Yes. I mean you - - -?---But she had her, she had her role too.

No, I understand that, but you use the word at page 10, question 20 when you're speaking to the ICAC investigators, you said that you considered yourself as the principal person in Succuro. That is a true statement of how you considered yourself, vis-à-vis the company. Is that correct?---Well, I

was, I was principal in the recruitment area, you know, I did have expectations she would be developing the additional areas.

Okay. Well- - -?---Which is the training and development side.

Let's move to the financial area just for a moment and consider what you've just told the Commission about where you regarded yourself as being a principal. I suggest to you that in relation to the financial records, and specifically with respect to the profit of 2009, which is in the sum of
10 approximately \$150,000, do you agree with that?---I think that was 2010.

2010, yes, you're correct?---Yeah.

Do you agree that that was roughly the profit of Succuro Recruitment Pty Limited?---That's, that's, that's the balance sheet, sure.

Okay. You were asked a number of questions in relation to the profit distribution. I think the words that you said were that, "She wasn't entitled to any of that, even if she was screaming and begging for it." Is that
20 correct?---(NO AUDIBLE REPLY)

MR McILWAINE: (not transcribable)

MR MORRIS: We both object.

MR McILWAINE: This is not his evidence, Commissioner.

MR MORRIS: I couldn't agree more with Mr McIlwaine.

30 MR McILWAINE: Do you recall being asked questions about the potential profit distribution for the financial year ending 2010?---Yes.

And do you recall it being put to you that you were in partnership with Virginia Kantarzis, is that correct?---Yes.

And I think the evidence you gave earlier on was that it was a 50/50 split. Is that correct?---Say that- - -

40 It was a 50, you owned, you owned 50 per cent of the company and Virginia Kantarzis owned the other 50 per cent. Is that the way that you understood the business partnership to be?---That's how I understood the business, I don't know, the reality is our trusts may have owned those.

I'm not asking you about the trusts for the time being- - -?---Yeah.

- - -I just want to focus your attention on whether or not it was the case that she was a 50 per cent owner- - -?---Yes, that's correct.

- - -of Succuro Recruitment Pty Limited in the year where the financial profits were \$150,000. Did you understand that that meant that she had, if you like, 50 per cent ownership of that amount?---Oh, I guess she probably was entitled to 50 per cent of that, yeah.

See, you're very reluctant, aren't you, Mr Mylonas, to concede that she in fact was not probably but well legally entitled to 50 per cent of that profit? ---Yeah.

10 And the reason- - -?---Yeah, legally she probably is, yes.

But the reality was you were, you had made a unilateral decision that that profit was not going to be distributed. Is that correct?---Absolutely.

And in fact going back to the quote from your evidence that I put to you at the very beginning of this series of questions, you said she was, "Not entitled to any share, even if she was screaming and begging for it." Is that what you told the Commissioner earlier on?---Yeah, I do recall saying something along those lines.

20

And what I want to suggest to you is that that also is a reflection of the way in which you saw your role in Succuro Recruitment Pty Limited, in other words, you were the principal. Do you agree?---Yes, well, yes.

You had control of the purse strings insofar as you had control of the Succuro Recruitment Pty Limited account?---I, no. I was responsible for the accounts side of it and I, I did see my, in any partnership, someone's the, someone's, in the partnerships I have someone's always the leading partner and I saw myself as the leading partner.

30

Well, you saw yourself, I would respectfully submit, not only the leading partner but someone who was able to unilaterally decide whether or not the profits would be divided 50/50 in accordance with the structure of the company. Do you agree with that?---In accordance, say that question again, sorry?

I put it to you another way. You would not have allowed Virginia Kantarzis to draw down 50 per cent of what was in the Succuro Recruitment Pty Limited account?---Right.

40

Is that correct?---Right.

Firstly she couldn't, but secondly, you wouldn't permit it. Is that correct? ---I wouldn't- - -

You wouldn't permit it?---I wouldn't permit it, yeah.

And the reason why I suggest to you that that's the position you took is because you saw it as money belonging to the company?---Yes.

10 And despite the fact that she was 50 per cent shareholder, in truth you saw that money as being, if you like, moneys that you had earned through your efforts with Sydney University?---No. I saw it as money that allowed the business to maintain and continue to go. You just, like, I'm quite a conservative person, I don't know what the future holds, I, you know, if, if you hit a bad time you need that liquid to make sure that company continues to run and, and operate and function, so yeah, that's what I see it as, that's how I see the business as.

Okay?---So that- - -

20 I, I understand that but what I want to suggest to you is that that was a view that wasn't shared by, withdraw that. That was not a view that you expressed to Virginia Kantarzis during any directors meeting about whether or not there'd be a distribution of profit?---There was never such a - there was never a conversation to, to get (not transcribable) so I, yeah (not transcribable)

So you, you - you're assumption was that this was money that would not be distributed without conveying it to Virginia Kantarzis. Is that correct?--- This money wouldn't be distributed?

Yes. Without that being conveyed to Virginia Kantarzis?---Of course.

30 And what I'd suggest to you is that is indicative of the way in which you conducted the affairs of Succuro Recruitment Proprietary Limited?---Yeah.

You yourself said that there were leaders, partnerships. Is that correct?---I always find in some partnerships not always not - it's - not - I don't want to generalise but there are incidents where someone does take the lead role in a partnership, yes.

And you took a great risk by leaving a secure job at Transfield to take over this business, did you not?---Great risk.

40 And no doubt therefore you were highly anxious to control the affairs of this business to make sure that that was a risk that paid off for yourself?--- Absolutely.

And I would suggest to you that as a result of your concern about the way in which the company was to develop, expand or do business any decision had to be in accordance with your views of what the role of this company was rather than Virginia's views. Is that a fair assessment?---No, I, I think - I've listened to - I think she, she trusted in my judgement.

Well, you didn't even express that judgement for example about the \$140,000 loan to (not transcribable) but you just assume that - - -?---(not transcribable) \$140,000 loan it's 127 isn't it?

Okay. You just assumed that she would accept that proposition because of implicit trust in you. Is that correct?---Yeah.

10 Okay.---But I didn't - sorry, can I - I did mention to her (not transcribable) was happening, it wasn't a big secret or anything. That loan was, you know she knew about it.

I just want to move to another topic which has to do with your knowledge of Virginia Kantarzis's role at Succuro - Peter Kostogiannis was the owner of that business, do you understand that?---Yeah, okay.

20 And I just want to put a number of propositions to you. No doubt you discussed with Peter Kostogiannis what was anticipated to happen with the sole employee of this business before you took it over?---We didn't - I didn't actually, I didn't actually commit - the information that I would be taking on Virginia as partner.

Okay.---For Peter - - -

Did you have any discussions with Peter at all about the fact that Virginia you say at this stage was proposed to be a partner in Succuro Recruitment? ---No.

30 When you had those discussions with Peter about the handover, had you in fact formulated in your mind the prospect of Virginia being a business partner with you?---Virginia and I definitely, we - me and Virginia definitely, yeah (not transcribable)

At the time that you were speaking to Peter and specifically dealing with the loan that he gave you at that stage had you formulated in your mind that Virginia Kantarzis would be your business partner?---Yeah, yeah, absolutely, yes, correct, yeah, definitely. Yeah, we - - -

40 So as early as, as early as those handover discussions with Peter you say that you had already approached Virginia and were discussing with her, her prospective role as 50 per cent shareholder in Succuro Recruitment Proprietary Limited?---Of course.

Okay. Are you certain about that?---Yeah.

Now you were aware were you not that Peter had already successfully sought work from Sydney University, is that correct, and had a relationship with Sydney University?---Yes, correct.

And were you aware that the way that he ran his business at that point in time was such that Virginia Kantarzis was not permitted to have any access to Sydney University or employees or Sydney University's?---I, I didn't - yeah, I, I had a - an understanding that's how it worked, yeah.

That understanding I suggest to you came from Virginia Kantarzis. She herself told you that she purposely kept away from anything to do with Sydney University whilst an employee of Peter Kostogiannis. Do you agree with that?---Oh yeah, Virginia made it clear that she can't have any direct
10 dealings with Sydney University.

And I would suggest to you that she made it clear to you on a number of occasions. Do you agree with that?---You know I know, I accepted that she couldn't either. I mean it wasn't as if, yeah, I accepted that she - we understood - - -

You understood that. And Peter no doubt told you as well that that was the arrangement he had with her and Sydney, well with her that she would have no contact with Sydney University?---I can't recall that conversation but
20 I'm sure he may have spoken about it.

Okay. Now when you subsequently made contact with Todd at Sydney University, I think you've already told the Commission that Virginia Kantarzis had no role in that introduction between yourself and Todd? ---Yeah, I think I've mentioned that already.

That's the case is it not that she had no role in arranging the introduction between you and Todd when you took over the business from Peter Kostogiannis?---No. I, I phoned up Todd.
30

Yes. And thereafter when you had any further dealings with Sydney University or Sydney University staff it's the case is it not that Virginia Kantarzis, I would suggest, had no involvement in facilitating those meetings or those contacts between you and Sydney University.

MR GOLLAN: I object to that. He cannot say what may or may not have been done and a number of the questions are on the premise that in some way despite the fact that my learned friend has done the best at alienating his client from this man, he's now asking for them to share thoughts. And
40 with respect it does nothing to advance the Commission's inquiry.

ASSISTANT COMMISSIONER: Yes, I mean I don't - - -

MR MIRALIS: He's a co-director he may, he may not know anything about it, but as a co-director one would reasonably anticipate there'd be some discussion or some inkling or some understanding what - - -

ASSISTANT COMMISSIONER: But I'm not sure what you're even asking him. Whether when he was contacting these people she was also contacting them or somehow - - -

MR MIRALIS: No, whether she was responsible for that - - -

ASSISTANT COMMISSIONER: - - - rang up first and said I'll put him on.

10 MR MIRALIS: - - - facilitation. That's correct Commissioner, whether she was responsible for the facilitation.

ASSISTANT COMMISSIONER: Well you should ask him a direct question. Did she, did she have some role in him ringing up these people. I don't - - -

20 MR MIRALIS: Thank you, Commissioner. To your knowledge did Virginia Kantarzis have any role in the facilitation of any contact between yourself and anyone at Sydney University?---Are we talking employers – employees of Sydney University?

That's correct?---No.

Mr Mylonas, I just want to take you to a portion of your transcript where you were asked questions about you paying Ms Kantarzis. Do you understand that?---I think I handed back my - - -

30 I'll just give you a direct page reference, it's page 22. Do you have a copy of your transcript before you?---I, I'll just get it back in a minute. Sorry, I handed it back. What page was that?

All right. Can you have a look at question 10, sorry, if you can just pull that up, page 22, Mr Mylonas?---Yep.

If I can just – question 10, Mylonas – she was a director. Hodges, yep, no that's all right. I know some of this going to sound obvious but I just wanted to be clear so that – and that then if you go to your next response – I just feel like, you're starting, you're starting to make me feel guilty that she's a director?---Yep.

40 Can you just read to the end of line 25 from there to yourself, please?---No, no, no. I don't know, no that's not what the purpose of this is. And I, I didn't, I don't, laughing um, and I'm feeling like I'm guilty I've paid her because she's a director. That's how I'm feeling, laughing. No, no, it's, that's not missing a "h" there is it? S-it, no it's, it's, okay, not about that. It's just that, okay, I know that, I know, I know as I've said or if any of this sort of, like, okay, yeah, this has happened. It's so that nobody feels in any gaps that the questions are asked. Good English. Oh, okay, yeah, yeah,

yeah, no problem. That's your answer? That's your answers, that your answers are recorded. Do you want me to read 25 as well?

Well, at 25 do you agree it says, "I just started to feel guilty that that's because I'm paying for, paying, paying, or just, you know, okay"?---Yeah.

10 Do you agree that that reflects what's said? Now you state in your response to a question asked by the ICAC investigator that you were feeling guilty or you were made to feel guilty that you were paying her because she's a director and you say that on two occasions. What did you mean by that?
---I guess you've got to understand I was put in front of ICAC and I'm getting questioned regarding the payments I've made to, to Virginia and
- - -

Which payments did you understand those to be?---Her, her wages.

Okay?---I felt guilty about the whole thing actually but anyway.

20 Yeah. Can you just elaborate on why it is that that situation made you feel guilty?---Well, the, the fact that, you know, you're in front of ICAC, you know, see, I mean that's, that's a fairly, you know, it's not something that you, when you're growing up going through school thinking, hey, that's one for the bucket list, that's just- - -

Yes, but specifically, specifically- - -

ASSISTANT COMMISSIONER: Yes, Mr Mylonas, but you're not answering the question?---I'm just- - -

30 MR MIRALIS: Yeah.

ASSISTANT COMMISSIONER: Why did you say you felt guilty that you were paying her as a director?---I just felt I was guilty because it felt like it's something I was made to feel, like it's not something I should have done.

Why, why was it not something you should have done or you were made to feel that way?---Because the questions all, all revolved around the, her being a director, the amount of work she was, she was doing, things like that.

40 MR MIRALIS: Yes. Is it the case that what you were trying to convey to the investigators was that they raised, take one step back, they raised with you the fact that you were paying her wages. Is that correct?---Yes.

Does that have anything to do with your response to them that you felt guilty that you were paying the wages of a director, is that what you were trying to convey?---Yeah, like I said, the fact that I'm paying her as a director and I'm paying her and there was a lot of questions around the volume of work and I- - -

Okay.

ASSISTANT COMMISSIONER: So you felt guilty it might be suggested you were paying her for doing nothing?---Yeah.

Right.

10 MR MIRALIS: Now, at the time that you took part in this record of interview you understood, did you not, that ICAC were, had, were commencing an investigation into Succuro Recruitment Pty Limited? ---Sorry, when was that?

When you spoke to the investigators on this occasion. I'll just take you to the date. On 5 July 2011 you were approached by investigators. Is that correct?---Yeah, I knew before that.

20 Yeah. But on this occasion you knew that you were required to answer questions. Is that correct?---Yes.

And you were told, were you not, at the very start of that interview that the investigation related to your company- - -?---Yeah.

- - -and its relationship with Mr Demiralay and his wife, Virginia Kantarzis? ---Correct.

30 You understood the nature of the allegation being one which possibly suggested some improper conduct or knowledge on your part in relation to those two divisions?---Absolutely.

And you were naturally enough concerned about such an allegation?--- Yeah, yes, shattered.

And you sought legal representation?---Yes.

And you had a barrister who was present throughout that interview?---Yeah, Ben Clark.

40 Okay. As the interview progressed I want to suggest to you that it became clear that what the ICAC Commissioners were very much interested in was your possible knowledge of any conflict between Succuro Recruitment Pty Limited and its relationship with Todd Demiralay and Virginia Kantarzis. Is that correct?---(NO AUDIBLE REPLY)

MR McILWAINE: Whose conflict was that?

MR MIRALIS: The company's conflict?---Yeah, okay.

Do you agree with that proposition?---Yeah. A conflict between the, so can I verbose that and say- - -

Yeah, of course---?- - -a conflict between the company, Succuro Recruitment- - -

Yes---?- - -and my, and, and Todd Demiralay- - -

Yes---?- - -and Virginia Kantarzis. Is that what you said?

10

A suggestion that whatever relationship may have existed between the company and the work that was being provided by the company for Sydney University may have been - - -?---I'm sure that - I'm sure it may be - yeah, okay. Well, I'm sure that's what they were - that would have been one aspect they were investigating, yes.

20

Well, what else would they have been asking you questions about? I mean it was clear I would suggest to you that that was their interest in you at Succuro Recruitment Proprietary Limited?---They, they did probably mention to me right, right up, they, they actually mentioned that they wanted to know about Todd Demiralay's interest in Succuro Recruitment, I think that's what they actually suggested when we first started the interview but it might have been in, in like right at the beginning.

If you could just have a look page - the very first page, Mr Mylonas, at question 30 Hodges?---What page?

The very first page of the interview page 1?---Yeah, yeah, sure.

30

At question 30. Hodges?---Yeah.

Okay. And he puts to you that - so what is we should do is question you for the purposes of obtaining your knowledge regarding an allegation that Mr Atilla Demiralay known as Todd the former manager of Field Services Information and Communication and Technology at the University of Sydney has been employing contract staff for a company called Succuro Recruitment Proprietary Limited. Do you see that?---Yeah.

40

Now that would have alerted you immediately to the fact that your company was of interest to ICAC. Is that correct?---Yes.

And no doubt as I put to you earlier on that was one of the reasons why you retained legal representation to ensure that your interests were observed and protected during the course of this interview?---Yeah.

Is that correct?---Yeah, yes, I did, yeah.

Well you had a barrister that you - - -?---I had a barrister there, I was quite, I was quite concerned, I've never been to one of these before and I, and I thought I'd, I thought it'd, it'd be wise just go into that - it wouldn't harm.

You, you, you were concerned enough about an allegation of your company acting improperly that you retained counsel to be present. Is that correct?--
-Sure.

10 And I want to suggest to you that what you have done in this interview and I'll - I will take you to specific portions but I'll put this to you as a general proposition, is that you have put forward a view about how the company was run which was not consistent with the fact of the way that you ran the company. In other words you put Virginia Kantarzis's role above and beyond what it was in fact. Do you agree with that?---No, that's not what I was thinking.

20 When you told the ICAC investigators at page 11 at 56 at line 13 or 12 that you invited her earlier on in the operation to join a business and she became a partner. I suggest to you that the only impression you gave Virginia Kantarzis both in word and action is that she continued to being an employee of Succuro?---Sorry, I gave her the impression - - -

She - that's correct.---She was only going to be the employee?

An employee?---I never suggested that.

And that you paid her according to her being an employee?---I paid her according to her being an employee.

30 And I would suggest the fact that you did not distribute dividends and unilaterally - in other words in your own mind you had decided that she would not get a share of the profit. I would suggest to you it's consistent with the view that you had of her role which is that she would continue to be an employee?

ASSISTANT COMMISSIONER: Look, I don't think you can put that, he didn't distribute - - -?---I'm just saying - - -

40 - - - the profits to himself either, he was getting the same wages as a director. Neither of those is an indication that she was an employee.

MR MIRALIS: He - the reasons, Commissioner, why he didn't distribute the profits or, or if you like the (not transcribable) about not distributing the profits does have some relevance in so far as his understanding of what his ability was to prevent the distribution is indicative I would respectfully submit of, of a frame of mind as to his effective control of the company.

ASSISTANT COMMISSIONER: Yes, but that's not what you're putting to him, you're putting to him that he was treating her as an employee.

MR MIRALIS: Okay. I'll withdraw that question. I'll ask you another way, as far as you were aware when she was an employee of Mr Kostogiannis she was being paid \$600 per week?---That's what she, she stated, yes, or thereabouts.

10 She, yes, okay, she then becomes as you say a business partner with 50/50 shares in the company?---Yes.

Is that correct?---Yep.

And she still continued to be paid the same amount that she was being paid as an employee of Peter Kostogiannis?---Yep. Well that's what she told me she was getting paid so that's what – that's how we arrived at that figure.

20 There was no change to her wage whether it was with you or whether it was with Peter Kostogiannis. Do you agree with that?---Yeah.

We'll just move to another topic very quickly. PO Box 2151 Baronia Park, New South Wales?---Yep.

Whose PO Box is that?---That's me.

That's your PO Box?---That's my PO Box, yep.

30 And is that where all the records if you like of the company were being forwarded to?

MR MORRIS: I object. Only those that were addressed to that PO Box. There's other evidence which will come out in due course.

MR MIRALIS: Well I haven't seen that yet, but I just asked - - -

MR MORRIS: Oh, registered office by way of example, Commissioner.

40 MR MIRALIS: I'll ask you this question Mr Mylonas. Was that an address that was nominated by you?---That was an address that I, yes.

Okay.

ASSISTANT COMMISSIONER: Nominated to whom?

MR MIRALIS: Nominated to - - -?---Nominated, I, I created, I said it was close to my house, so I, I made that our business address.

ASSISTANT COMMISSIONER: The business address?---Correct.

MR MIRALIS: Mr Mylonas, you said during evidence about the change of name from Succuro Recruitment Pty Limited to I-Secure that one of the motivators for you was that there was a legacy that Succuro had that you thought was being carried over into your business. Do you recall saying that?---Yeah, I think there was some legacy there, yes.

10 And what did you mean by that?---I just – there was, like there was issues in the past – sorry there were some, still some issues there when Peter had it and I thought that, that probably carried on too.

What you meant by that was the outstanding issues with the Australian Tax Office and unpaid superannuation?---Mate, too much detail, I didn't go into that much, I just, it was just reputation, I just, you know, things said.

But it was a negative legacy. Is that what you imply?---Sorry.

20 Whatever it was it was negative?---It wasn't, it wasn't, yeah, there was some negative in there.

Okay. And that had to do with whatever the situation may have been when Peter left the business and the handover to you. Is that correct?---That's, yes, the handover went over to me, yes.

Okay. And Virginia had no role in the handover?---No, no, I went to Peter's place and did the handover and - - -

30 And you never assumed that any legacy that Succuro may have had when it was being handed over to you was attributable to Virginia Kantarzis or her responsibility?---No.

Thank you Mr Mylonas. Nothing further, Commissioner.

ASSISTANT COMMISSIONER: Thank you. Could I get some indication how long other people will be if anybody is going to question this witness?

40 MR GOLLAN: I'm going to ask a couple of questions. I certainly won't be unfortunately in the two or three minutes. There's only a small purview that I need to cover, so as long as I get some cooperation from the witness about 15 minutes.

ASSISTANT COMMISSIONER: Yes. Anybody else?

MR GIBSON: Commissioner, do you need me to come forward?

ASSISTANT COMMISSIONER: Oh, just yell.

MR GIBSON: I may as well be recorded. Commissioner, I'll just have a few questions for Mr Mylonas. I won't be long (not transcribable)

ASSISTANT COMMISSIONER: Yes. And Mr McIlwaine, will you be re-examining to any length?

MR McILWAINE: I'm pretty sure, I think about five minutes.

10 ASSISTANT COMMISSIONER: All right. Well we'll resume at 2 o'clock. You will have to come back unfortunately in view of those indications and - - -?---Just get me out of here.

Yes.

LUNCHEON ADJOURNMENT

[12:59pm]