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HEARING

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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE DAVID IPP AO QC

PUBLIC HEARING

Reference: Operation E09/350

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON THURSDAY 2 AUGUST, 2012

AT 2.10PM

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

THE COMMISSIONER: Ms Lonergan.

MS LONERGAN: Commissioner, could I deal with some suppression orders relating to the Art Gallery of New South Wales documents?

THE COMMISSIONER: Yes.

10 MS LONERGAN: I tender a schedule prepared by Freehills Solicitors which details those suppression orders. Copies will be handed to the parties. If that could be marked MFI 9.

THE COMMISSIONER: So you're not asking me that these orders be made. I'm sorry, this is a list of, of matters to be suppressed.

MS LONERGAN: Yes. Yes. The Art Gallery make application for the orders to be made and that is by consent, Commissioner.

20 THE COMMISSIONER: Yes. And, and does this document – you said this document has a number MFI - - -

MS LONERGAN: If you call it MFI 9, Commissioner, please.

THE COMMISSIONER: MFI 9.

MS LONERGAN: Thank you.

30 THE COMMISSIONER: Yes, the list of matters recorded in a letter from Freehills to the Commission of 2 August, 2012 will be MFI 9. And the, there will be suppression orders that suppress all the matters listed in MFI 9.

#MFI 9 - LIST OF MATTERS RECORDED BY FREEHILLS DATED 2 AUGUST 2012

SUPPRESSION ORDER TO SUPPRESS ALL MATTERS LISTED IN MFI 9

40

THE COMMISSIONER: Mr Strickland.

MR STRICKLAND: Could the witness please be given Exhibit 83? I think I've mis-described it before without identifying it there are in fact two dates, Commissioner, there are two dates on these two separate invoices. One is 3 December, '07 and the second is 2 June, '08. If I could just take the first one - - -

10 THE COMMISSIONER: Yes, well I just better note this.

MR STRICKLAND: Yes.

THE COMMISSIONER: Yes, well Exhibit 83 comprises two invoices from SCI, one dated 3 December, 2007 and one dated 2 December, 2007. Is that right?

MR STRICKLAND: That's correct.

20 THE COMMISSIONER: No, I don't, that doesn't seem right. Sorry, there's just been a slight confusion here. Yes, thank you.

MR STRICKLAND: If I can just take you to, in relation to Exhibit 83, invoice 31207 which you've described as the provision of consultancy services and tender review advice. Does that invoice represent a service that you'd actually delivered to Q Video Systems?---There was a number of invoices, three of which I think in total, from memory again, and I think looking at that, which makes more sense to me, the tender review advice that I gave Paul Thompson didn't in my, in my memory didn't fall after the tender, after the Art Gallery tender it was, it was long before it and this looks like that. The other one may well be, that is the one that was split into four, may well be the presentation stuff in relation to a tender, in relation to a product shootout. I did a product shootout presentation to Paul and I did some tender review advice to Paul and then, you haven't asked me about the next one but that's essentially the software one.

30

So the evidence you gave about the \$25,000 which you went through at some length about meeting him I think on six occasions and going through the tender, that was incorrect as it related to that invoice?---The, the information's correct, the, the, the invoice may be incorrect, yes.

40

So the answer to that is yes, it's incorrect as it relates to that invoice?---Yes.

Okay. You now saw having looked at these invoices that the advice in relation to how to go through a tender and prepare a tender, that relates to this invoice of invoice 31207 dated 3 December, '07, is that correct?---I believe so, yes.

And what about the next invoice, the second page of Exhibit 83, invoice 20608 dated 2 June, '08?---If my memory serves me correctly it is in relation to the, to the software that, that, that Orion were developing.

And explain that please?---There was, Orion were developing a software that could talk to a multitude of different, a multitude of different digital recorders and they wanted me to specify it in Westfield tenders and I suggested to them that I was no way going to specify it because it was a proprietary product to them and that they would have to sell it if, if they
10 wanted anything, they'd have to sell it through a wholesaler so that the rest of the industry could buy it at a, at a even price so that everyone was fairly treated and I facilitated the meetings, et cetera for that. That's if that one's relating to that, I don't know because I don't have the details in front of me.

THE COMMISSIONER: Was that again a lump sum deal?---Yes.

But the amount here of this invoice is \$40,395, a peculiar lump sum?
---Yeah, I don't know how I got to that, I, I - it's going back four years, I
20 have no idea what the discussion was. I think Q Video went halves with, with Orion at the time and I think I invoiced the same amount to Orion.

MR STRICKLAND: Is there any reason why in your invoices you don't actually specify the client? I know it's Q Video but you don't specify for example in relation to invoice 20608 is there any reason you don't provide any details that would enable you and Q Video to identify which precise consultancy services you've rendered?---I don't know. I, I don't recall the detail of, of, of that, no. No, there's no reason why I haven't put more detail in there, I don't know.

30 With this tender review advice in relation to what you now say is 31207?
---Well, I think it is, yeah.

What, you're not sure?---Well, there's, there's three invoices and I - well, it ended up being four split for, for the other thing and I think it was a total of three but I don't know which ones ever got paid and which ones didn't, I don't have that detail in front of me. At one stage one invoice at one point got cancelled and, I don't know.

40 Isn't the one that cancelled the Orion one?---I don't know.

But I want to suggest that you never there were no actual services rendered in relation to the software for Orion because that in fact got cancelled?---
Not at all, there's - I've got minutes of meetings et cetera.

Okay. So one of them got cancelled but you don't know which one?---But I don't know which one.

But did you render a invoice for the one that got cancelled?---I don't recall. I don't, I don't recall all the details.

And in relation to the - Q Video Systems is - it supplies products to integrators and others, correct?---To integrators, yeah.

10 So why on earth did they need training in relation to tenders?---So they can pass it on to the integrators 'cause I can't go and do that for an integrator otherwise it's - otherwise it would be seen to be favouring an integrator wouldn't it.

So you're training Mr Thompson to be a trainer?---Training him to, to tell, tell all, all of his customers, yeah, absolutely. Benefits his company.

THE COMMISSIONER: Training him to do what?---Benefits the integrator.

20 Training him to do what?---To understand what goes into a tender assessment so that he can explain that to integrators so they can provide a better service to the clients, a better, better tender submission. See you - - -

But he just sells goods and Q Videos just sells to, sells goods to integrators?---Yeah. And they want, well they want to get an edge on their competitors I guess.

MR STRICKLAND: See, Mr Paul, you've said that - just said a moment ago I had to train Mr Thompson because I can't train integrators myself?---That's right.

30 But you gave evidence a couple of days ago having looked at, having looked at an email that you did in fact train Kings in relation to tender evaluation?---Not at all, not at all. Go back to the transcript. I never gave that evidence.

40 Well did you - - -?---On that same day I flew down to Canberra. Have a look at the times and dates, I didn't attend that meeting. I'm not talking about that email I'm talking about an email that I showed you before relating to your - well do you remember that - right, let me show you the precise email rather than guessing at it?---No worries.

THE COMMISSIONER: One of these invoices in exhibit 83, Mr Paul, says that part of the reason for the - part of the consideration for the invoices tender review advice, why would Q Video need tender review advice?---So that they can better understand what it is we look for in relation to seeking products, seeking solutions, so that they can then pass that information onto integrators and it benefits them, it draws, draws integrator to them.

MR STRICKLAND: I'll come back to that when I've found it. So in relation to the \$25,000 invoice which we - I was asking before lunch, what work do you now say was done in relation to that?---If my memory serves me correctly it will be the presentation of the results of a shoot out, of product shoot out but I would need all of that information in front of me. As you can appreciate I've only got two dates and two invoices in front of me, it's going back four years and beyond and my, my memory is not that great on the, on the specific details of each service.

10 THE COMMISSIONER: So are you just guessing?---No, I'm trying to remember for you.

And who was present at the shoot out?---No, it's product shoot out done on behalf of clients and so it will be the collated results - - -

So what, what's that to do with - - -?---of that shoot out.

What has that got to do with Q Video?---Well their products would have been in that shoot out.

20

Well can you explain why Paul Thompson should email Jamie Taylor saying, "Please disregard the invoice for 25K. What Dan should have done is provide us with four separate invoices which are now attached." What's that - why should he say that if it was a - if it was a shoot out?---No, it's a presentation of that.

Why should he, why should they - - -?---Because the 25,000 is too high for him and he wanted to break it up.

30 How does that make it lower if the 25,000 is split up?---I guess he can, he can just - you'd have to ask him but my, my best guess is he can disperse the costs amongst the different branches around the country, I don't know.

MR STRICKLAND: Just have a look at exhibit 1, please tab 44?---Yeah.

40 We've gone through this before but in November '07 Mr Roche has invited you as a result of a conversation at the Kirribilli Club last night for you to come and talk about what evaluators look for in tenders, how they are weighted, the dos and don'ts and best presentation. Would you be available and interested in meeting with our sales team some time in the future to discuss these elements of our work so we can improve in these areas and your answer is with pleasure?---Yep.

Well that exposes as a fib your previous answer that I don't train integrators - - -?---No, it doesn't.

- - - on evaluations?---No, it doesn't because I never, because I never attended that.

But you agreed to with pleasure?---No because I thought about it at the time, I went yeah sure, that'd be a great idea. And then obviously at some later stage I've gone oh that's probably not a real good idea to do that with Kings. And that's probably how it came about that I was talking to Paul Thompson, hey, here's an idea, I was talking to Peter Roche, he suggested he wanted information on how we do tender assessments, it's not right that I do it with, with an integrator, are you interested and he would have said yes.

10 Mr Paul, every time you are shown documents on their face - - -?---Yeah.

- - - on the written word show that what you've said is false you say, oh well sure it's false but it's a joke or I thought something else later even though you never committed it to writing?---You're asking - - -

20 But there are, there are numerous examples of where the documents on their face say the total opposite of what you say and you have an incredible explanation for each and every one of them don't you?---A true explanation for each and every one of them. What you're doing is you're throwing things at me with no notice whatsoever and expecting me to recall stuff on a thousand different issues at a seconds notice to give you the answers. Of course it's going to come back to me clearer later on isn't it, after I've thought about it and understood the context.

THE COMMISSIONER: Mr Strickland, this is best dealt with in argument.

MR STRICKLAND: Yes. Could the witness please be shown tab 68?

30 THE COMMISSIONER: Exhibit 68?

MR STRICKLAND: No, I'm sorry, I beg your pardon. I'm sorry, I said, tab 68 is a reference to our documents. I apologise.

THE COMMISSIONER: I see.

MR STRICKLAND: I tender this email.

THE COMMISSIONER: The email from Paul Thompson to Stanley El Komala dated 30 June, 2009 is Exhibit 84.

40

#EXHIBIT 84 - EMAIL FROM MR THOMPSON TO MR EL KOMALA SENT ON 3 JUNE 2009 AT 4:33PM (ICAC REF: 194)

MR STRICKLAND: See on 1 June, 3 June, 2009 that is three months after the award of the contract to Kings Mr Thompson writes to Mr Komala. Do you know who Mr Komala is?---I have no idea.

That's okay. Attached is the purchase request for the first lot of equipment required for the New South Wales AG, Art Gallery order. What I want to suggest to you, having been shown that email is that you knew, particularly having attended the ISC conference in March 2009 that orders were only accepted for, were only accepted by Pelco for the Endura 2 product after its release date in April 2009?---The first I've heard of it. This also refers to , order.

MR SMITH: Commissioner, could I have suppression on that - - -?
10 ---Sorry, yeah.

- - - suburb name, please.

THE COMMISSIONER: Yes. There will be a suppression order on that.

**THERE WILL BE A SUPPRESSION ORDER ON THE SUBURB
NAME MENTIONED BY MR PAUL**

20 THE COMMISSIONER: That's again a gratuitous comment from you, Mr Paul. It really doesn't behove you to keep adding on comments to answers you're supposed to give. Please stick to the question.

Yes, Mr Strickland.

MR STRICKLAND: You see, I want to suggest to you that the Endura 2 products, those Endura 1, the Endura version 2 products for the Art Gallery were not even shipped until mid/late June 2009. Do you agree with that?
30 ---I have no idea, I don't when the orders were placed. According to this the orders were placed then but there's probably a lead time on product, yes. So what?

Well, when you say so what you would agree, wouldn't you, that if the orders could only be accepted in relation to the, in relation to Endura version 2 from the release date and no orders could be accepted before 1 April, 2009 in relation to the Art Gallery, then that would expose as a sham the notion that on 27 February, 2009 Mr Diekman saying Endura 2 was available for lease as of that date?---Not at all, not at all. There's a lead
40 time in installation that the company that is the installer gets the project, does the installation.

THE COMMISSIONER: If there were, if you had to allow for a lead time it could not have been available at that date, isn't that right?---Nothing's off the shelf. All of this is integrated solutions, they've got to install cables and
- - -

MR STRICKLAND: Mr Paul, you're, you're total - listen carefully to the phrasing of - - -?---You're completely wrong.

No, listen to the phrasing of the question. If orders for the products, orders for the products could only be accepted after 1 April, 2009 that must mean that the available was not, the products were not available before that date, you would agree that, with that wouldn't you?---I was never, I was never told that there was orders not available.

10 THE COMMISSIONER: Answer the question?---No.

You don't agree?---No, I don't agree. No one's ever told me - - -

All right. That's fine?--- - - - that they weren't able to - - -

I have to tell you that these kind of answers - - -?---This is absurd.

20 - - - do nothing for your credibility?---It doesn't matter whether it does anything, you've, you've, you've already made your decision on my credibility.

Oh, that's - - -?---Seriously.

Yes?---There's nothing to the fairness of this process.

You'd better just be quiet, Mr Paul. The name of the suburb mentioned in the next attachments, the word attachments in Exhibit 84 is, is suppressed.

30 **THE NAME OF THE SUBURB MENTIONED IN THE WORD ATTACHMENTS IN EXHIBIT 84 IS, IS SUPPRESSED**

MR STRICKLAND: In relation to the \$25,000 invoice plus GST is \$27,500, do you accept that you were paid for that, for that invoice?---I believe so, I'd need to go back to the records but I believe so.

I'll try and shorten this. I'll just tender the bank statements for Hootspah.

40 THE COMMISSIONER: The bank statements for Hootspah Propriety Limited being statement number 106 is exhibit 85 and the bank account number and address are suppressed.

#EXHIBIT 85 - BANK STATEMENT NUMBER 106 & 107 FOR HOOTSPAHTY LTD (ICAC REF: N/A)

**THE BANK STATEMENTS FOR HOOTSPA H PROPRIETY
LIMITED BEING STATEMENT NUMBER 106 IS EXHIBIT 85 AND
THE BANK ACCOUNT NUMBER AND ADDRESS ARE
SUPPRESSED**

MR STRICKLAND: If I could just quickly show the witness exhibit 85?
---Thank you.

10 I'll just go through this fairly quickly. I want to suggest payments were made in relation to those invoices that have been tendered totalling \$26,500 on 10 September, the entry being QR Sciences Securities or Secure. Do you see that?---Yes.

And then on 2 October?---Yes.

And then on 19 October and 22 October. Do you accept that?---Yes. And the 20 what?

20 2 October?---Yes. Correct.

Thank you. Just tender a - do you accept that you were paid in relation to the other two invoices that I have referred you to?---I, I don't recall the payments.

It's okay. I'll tender a further bank statement, a business statement of account for Hootspah. That's H-o-o-t-s-p-a-h for August/September '08.

30 THE COMMISSIONER: The bank statement number - well, sorry. Well I've now got two bank statements both of which are identical?---Yeah.

MR STRICKLAND: No, I don't think so. One's - they're just different dates. One is the 6 September. Well you should have if you've been given what I've been given, 6 September '09 to 5 October '09 and that's exhibit 85 and this one that I've just given is 6 August '08 to 5 September '08.

THE COMMISSIONER: I'm afraid not.

40 MR STRICKLAND: You haven't.

THE COMMISSIONER: I've got two of the 6 September to 5 October.

MR STRICKLAND: Okay. Well I'll make sure you're given the right one. I apologise. But there's one, one which goes from statements page 106 to 107 and there should be a separate statement for 6 August '08 to 5 September '08. Have you got that?

THE COMMISSIONER: Well, statement number 106 is a 4 page statement, and attached to it is statement 107 which is from 6 October to 5 November. And that all forms part of 85.

MR STRICKLAND: That's correct, that's right. That's right. And so you - now should be given a separate statement dated August '08. I'm afraid we haven't got it right. So we'll do it, we'll do it, we'll do it in due course.

10 THE COMMISSIONER: All right. Well, exhibit 85 is bank statement number 106 and 107 for Hootspah. Exhibit 86 is statement number 93 - - -

MR STRICKLAND: Yes, that's correct.

THE COMMISSIONER: - - - for Hootspah.

Now are you going to refer to anything in exhibit 93?

20 MR STRICKLAND: No, thank you, I just wanted to tender it. Sorry, I just - I'll - maybe the witness could just be given exhibit 86. And do you see - in relation to that there's a entry on 6 August where \$15,834.50 has been deposited from Q Video Systems?---Yes, I do.

Relating to invoice 20608?---Right.

Yes, thank you.

THE COMMISSIONER: Mr Strickland - - -

30 MR STRICKLAND: Now on a separate bank statement that also relates to the QR I tender finally a bank statement from January '08 to February '08 that relates to a second invoice payment. If you could just have a look at the entry on 9 January. Do you accept that's the payment for invoice 31207.

THE COMMISSIONER: So this is, Exhibit 87 is bank statement number 86 for the period 6 January 2008 to February 2008.

40 **#EXHIBIT 87 - STATEMENT OF ACCOUNT NUMBER 94 FOR
HOOTSPAHTY LTD (ICAC REF: E09/0530/8/19)**

MR STRICKLAND: And Mr Commissioner, could I just, I wanted to add one, perhaps I'll show you this document, please. I'm sorry to the witness, sorry. Do you recognise that as your document?---Yes, I do.

If that could be added to Exhibit 17, tab 5.

THE COMMISSIONER: The letter from SCI of 1 February, 2009 to the Art Gallery of New South Wales will be added, inserted as part of, did you say tab 5 of Exhibit 17?

MR STRICKLAND: (No Audible Reply)

THE COMMISSIONER: Yes.

10 MR STRICKLAND: I just want to show you another document, please. Do you recognise that letter to Kings in relation to monitoring?---Yes, I do.

I tender that document, 2 May, 2008.

THE COMMISSIONER: A letter from SCI to Kings dated 2 May, 2008 is Exhibit 88.

20 **#EXHIBIT 88 - LETTER FROM SECURITY CONSULTANTS
INTENTIONAL TO KINGS SECURITY GROUP DATED 2 MAY
2008**

MR STRICKLAND: This was a quote for \$62,980 in relation to providing services for the organisation of the monitoring lines at Kings or the monitored lines at Kings. Correct?---Yes.

Do you say you actually provided that service?---I provided services to them, yes.

30 And did you, did you get paid 62, 980 or thereabouts?---I don't recall. I'd need to go back to my invoice records.

Okay. Have you got any records of that work being actually performed?---It was a series of meetings, I don't recall the detail of the documents that I provided. It would have been most likely a spreadsheet analysis of how to evaluate the cost of per chair of a person sitting in his control room.

40 So it appears from the, do you agree that in relation to the invoices that I have shown you that you had done, you'd done a considerable amount of work, paid work for services rendered for Kings prior to the Art Gallery tender, is that correct?---I wouldn't call it a considerable amount, no.

Did you ever, you didn't disclose to the Art Gallery that you'd had that relationship with Kings had you, did you?---In relation to monitored lines, no.

And in relation to the invoices and the work you performed for Q Video Services you didn't disclose that to the Art Gallery either did you?---No, it was negligible.

Forgetting whether it was negligible you didn't disclose any of it, is that correct?---I said no.

I want to show you the document that you produced a couple of days ago in answer to some questions I had?---Yes.

10

That's the document you produced, is that correct?---That's the document I produced.

I tender that.

THE COMMISSIONER: The document headed "Key control operating procedure" is Exhibit 89.

20

**#EXHIBIT 89 - KEY CONTROL OPERATING PROCEDURE
DOCUMENT PRODUCED BY MR PAUL**

MR STRICKLAND: The evidence you gave, this is on 30 July, 2012, was that that report was prepared for the Northern Area Health Service or otherwise known as Northern Sydney Central Coast Health, is that correct? ---Yes, I had that confused with the original one as I said in this, in this hearing earlier. The 2004 and the two thousand and whatever this is, '07 one or whatever it is, were confused, yes.

30

But - well, your evidence was that report you'd prepared, you had prepared for the Northern Area Health Service is that right, or otherwise it has gone through different names, Northern Sydney - - -?---Yeah, yeah.

- - - Central Coast Health?---I mistakenly said yeah to that, yes.

That was your evidence, is that correct?---Yes.

But you want to change that evidence?---Yeah, absolutely.

40

Yeah. What, what do you want to change it to?---As I said in this, in this hearing - - -

Yes?--- - - - that I had accidentally mistaken the 2004 one with the two thousand and whatever this one is, 2007, and this report was given to Charlie not Northern Area Health. The 2004 one was given to, to Northern Area Health.

I tender that.

THE COMMISSIONER: Which one are you tendering?

MR STRICKLAND: The document that I've just handed to the witness?
---Exhibit 89.

89, thank you.

10 THE COMMISSIONER: It has been tendered.

MR STRICKLAND: 89. And does that relate to Abloy, the Abloy key system?---The spreadsheet does.

The spreadsheet in it?---The spreadsheet on the back.

All right?---It was taken off a Kaba one but it was, is effectively altered for Abloy.

20 Now do you say you actually provided this to the Northern Sydney Area Health Service, is that right?---On which occasion?

On any occasion did you provide this document to the Northern Sydney Area Health Service?---No. I have it, on, on both occasions it was given to Kings Security. On the first occasion I was engaged by Kings to do that and they gave it to Northern Area Health to Risto Haataja and on the second occasion I gave it to Charlie Diekman as part of the invoice or attached to the invoice.

30 And you presume that he gave it to the Area Health Service?---On the second occasion?

Yes?---No.

The second occasion being 2007, is that right?---Mmm.

And why do you say no?---Because if you go back over the evidence it was, it was not actually for that it was for a bet, it was a repayment of a bet.

40 Yes, I understand that?---Yeah.

So, so I'm a little confused and pardon me, do you say this document relates to the 2004 service, is that right, you, you provided?---It would be the same document, yes.

That's 2004?---Yes.

Okay.

THE COMMISSIONER: Is this the copy of a document or is this the original document or can't you tell?---It's printed off my computer so it's, it's, it's the same document.

So both documents were the same?---Essentially, yes.

MR STRICKLAND: And you say you know that that document exhibit 84, exhibit 89 was given by Mr Diekman to, you gave the name Mr Haaja, is that right?---No, Mr Haataja. Risto.

Right. Risto. And he's a good friend of yours isn't he?---He is now, yes.

Yes. Would it surprise you to learn that there is no record of this document in the Northern Sydney Area Health Service system?---It would surprise me, yeah.

And do you note that the document that I've given you doesn't have any document number or any published date?---That's correct.

And can you explain that?---Yes, they were, they were removed for, for Charlie.

Who removed them?---I did.

And when did you do that?---When I print them out.

I beg your pardon?---When, when, when I printed them out originally.

And why did you do that, why did you remove them?---'Cause there was no, there's no relevance to the date. He wanted, he wanted a report so I gave him the reports.

But can I suggest this document was not in fact provided to Northern Sydney Area Health Service?---When, in 2004?

At any stage?---Well, I, I gave it to Risto through, through Charlie, I gave it Charlie so Charlie would have given it to Risto.

Are you able to provide the Commission with an electronic copy of this document?---Yes, I can, yeah.

THE COMMISSIONER: So this is not an electronic copy? Sorry, this you printed off your computer?---Yes, I did, yes, yes. Yeah. I can bring the file in on a USB.

MR STRICKLAND: Show you a - some documents in relation to the ASIAL conference?---ASIAL, yes.

Thank you. ASIAL, thank you. In July 2007?---Thanks.

And can I show you another document that goes with this?---Can we have the Amex number suppressed, please.

I'll certainly do that?---Thanks.

10 Now having a look at those documents do you see that you in fact paid for the - you paid on your Amex credit card 1750 for the ASIAL table?---Right.

Now if you look at the entry in the card transactions on 24 July 2007 you'll see a debit of 1802.50, do you see that?---Sure.

I tender both those documents and I ask that the card number be suppressed.

THE WITNESS: Thanks.

20 THE COMMISSIONER: Exhibit 90 will be comprised of the registration form for the security 2007 gala award dinner and the ASIAL card transactions document and the matters in respect of which a suppression, and there will be a suppression order in respect of the matters sought by Mr Strickland.

**#EXHIBIT 90 - REGISTRATION FORM FOR SECURITY 2007
GALA AWARDS DINNER AND ASIAL CARD TRANSACTIONS**

30 **SUPPRESSION ORDER ON MATTERS SOUGHT BY MR
STRICKLAND**

MR STRICKLAND: Your previous evidence in relation to this particular dinner was that you did not pay for it. Correct?---I don't believe I did, no. I believe I raised an invoice to Austar on it.

40 THE COMMISSIONER: Sorry, you raised an invoice to?---Austar, Maurice Ciot, the company Maurice Coit was working for.

To recover the money you paid by Amex?---Yeah, I booked the table, I went halves with him, I believe. I don't recall the details.

MR STRICKLAND: Your evidence that you're trying to distance yourself from arranging or paying for that was incorrect wasn't it?---I'm not distancing myself at all.

I'll show you another one page email chain ending from Mark Roma to Daniel Paul dated 24 February, 2009. I tender that.

THE COMMISSIONER: Thank you. The email from Mark Roma to Mr Paul of 24 February, 2009 is Exhibit 91.

#EXHIBIT 91 - EMAIL CHAIN WITH TOP EMAIL FROM MR ROMER TO MR PAUL SENT AT 9:25AM ON 24 FEBRUARY 2009

10

MR STRICKLAND: I just want to draw your attention to the bottom email on 24 February, '09 from yourself to Thompson and Terry Yallouris and others. And I just want to ask you about the second point where you say, dear all, under the heading Rebates, "please confirm in writing any product rebates being offered by your organisation. Rebates will be claimed directly by the Art Gallery of New South Wales and should not be applied by way of discounts on currently offered or future potential products". Do you see that?---Yes.

20

And was that done on instruction from the Art Gallery?---It was done in conjunction with the Art Gallery. As you can see they're on copy.

Yes. And so by writing that wasn't it – that demonstrates doesn't it that one of your tasks was to chase up the payment of product rebates in relation to the Art Gallery for your client the Art Gallery?---No. In fact it doesn't say that at all.

30

Well but that's exactly the task you were doing in this email wasn't it?
---Can I read this out to you? It says, rebates will be claimed directly by the Art Gallery of New South Wales.

Yes?---That's not me.

But you're confirming in writing that any product rebates being offered by your organisation?---I'm asking them to confirm in writing back to, back to the client and myself what the rebates will be, yes.

40

Well back to the client and yourself and therefore your job was wasn't it to chase up whether any rebates were actually paid?---No, not at all.

You don't see that?---Unless they ask me to.

I see.

THE COMMISSIONER: Did they understand what rebates were?---Yes, they did.

Did you explain to them?---Yes, I did.

To whom did you explain it?---Tony Morris and Anne Tregeagle and I may have explained it to Anne Flanagan, I'm not sure. I can't, I can't say she was, she was at that meeting.

MR STRICKLAND: I just want you one, I want to show you one email chain that relates back to the Zoo. I tender that email chain ending from Peter Roche to Charlie Diekman dated 27 April, 2007.

10

THE COMMISSIONER: The email chain ending with email from Peter Roche to Charlie Diekman of 27 April, 2007 is Exhibit 92.

#EXHIBIT 92 - EMAIL CHAIN ENDING WITH EMAIL FORM MR ROCHE TO MR DIEKMAN ON 27 APRIL 2007

MR STRICKLAND: Sorry, I beg your pardon, what was that, sorry?

20

THE COMMISSIONER: 92.

MR STRICKLAND: Thank you.

If I could just get you to read please that chain of emails?---Yes, I've read it.

And do you accept that you - after Kings were awarded that contract in relation, in relation to the surveillance cameras for the elephant watch you provided some assistance to Kings?---I wouldn't call it assistance to Kings, I'd call, I call it pressure to Kings.

30

In what respect?---Telling them in that, in that email that it's time that they upgraded that server, in other words the server was not performing as well as, we all as it should have been and they should upgrade it.

Why have you, at the top of page 186 in an email to Mr Diekman on 26 April said "This is passed to you in confidence so you can see the discussions regarding the CCTV systems"?---Because it shows a discussion from the client in relation to the problems that they're having with the server so I wanted Kings to know what the problems were so they could fix it.

40

Did you advise your client, Taronga Zoo, that you would be passing that email on to Kings?---I don't recall whether I did, I may have.

The fact that you've written "this is passed to you in confidence" suggests that you did not, do you agree with that?---At the time of the, of the email I did not. I may have post, post that email and they did in fact get a free upgrade of the server.

Now, I want to ask you some - I beg your pardon.

THE COMMISSIONER: Are the comments in black yours, Mr Paul?---In bold I think so, yes.

Yes, in bold?--- Yes, they are.

10 MR STRICKLAND: I just want to tender a number of documents, I'll do it individually because I think it's easier to do so.

THE COMMISSIONER: Are you going to ask the witness about them?

MR STRICKLAND: Yes, I am, very, very briefly. I tender a, excuse me, I tender a statement, I tender Daniel Paul's American Express statement of account and I seek a suppression order in relation to the account number.

THE COMMISSIONER: Is there a date on that Mr Strickland?

20 MR STRICKLAND: Yes, it's March/April 2009.

THE COMMISSIONER: Well the Amex statement of Mr Paul for March/April 2009 will be Exhibit 93, with a suppression on his address and the account number.

#EXHIBIT 93 - AMEX STATEMENT OF MR PAUL FOR MARCH/APRIL 2009 (ICAC REF: 365-373)

30

SUPPRESSION ORDER ON MR PAUL'S ADDRESS AND ACCOUNT NUMBER

MR STRICKLAND: I also tender a St George statement of, excuse me, Daniel Paul's, excuse me, Visa Card statement for Mr Paul from 15 April, '09 to 13 May, '09.

40 THE COMMISSIONER: So the Visa Card statement for Mr Paul at St Georges Bank for 15 April, 2009 to 3 April, 2009 is Exhibit 94. And there will be a suppression order on Mr Paul's address and his bank account number.

#EXHIBIT 94 - VISA CARD STATEMENT FOR MR PAUL FOR PERIOD 15/04/2009 – 13/05/2009

SUPPRESSION ORDER ON MR PAUL'S ADDRESS AND BANK ACCOUNT NUMBER

MR STRICKLAND: I tender the Hootspah Pty Limited annual general ledger 2008/2009.

THE COMMISSIONER: Exhibit 95 is Hootspah's annual general ledger for 2008/2009.

10

#EXHIBIT 95 - HOOTSPAH ANNUAL GENERAL LEDGER 2008-2009

MR STRICKLAND: And finally I tender now a summary from the, it's a summary of the Hootspah ledger and Daniel Paul's American Express entries.

20 THE COMMISSIONER: The summary of Exhibit 95 is it?

MR STRICKLAND: The summary of Exhibit 95 and Exhibit 93.

THE COMMISSIONER: Exhibit 96 is the summary of Exhibit 95 and Exhibit 93.

#EXHIBIT 96 - SUMMARY FROM THE HOOTSPAH LEDGER & MR PAUL AMERICAN EXPRESS ENTRIES (ICAC REF: 309)

30

MR STRICKLAND: I'll just ask the witness to be given Exhibit, excuse me, 96 and – in fact 93, 94, 95 and 96 and if you just put 96 on the top, please. Just have a look at Exhibit 96, please?---Which one is that, page 309?

40 That's it. That is a summary of your – of the American Express, your American Express statement and your Hootspah ledger and travel expenses. I want to ask you this, your evidence was – this relates to the two cheques given to you in February '09 which you have said were used for the travel expenses for Mr Ciot and his partner, Ms Kellett and your evidence was of that \$20,000, 18 ½ was spent on Mr Ciot and his partner and you kept fifteen hundred dollars. Remember that?---I never added it up, I said around about.

You said approximately?---Approximately yes.

Quite so. You said approximately fifteen hundred dollars?---Yeah.

What I want to suggest to you is that the actual – when one has regard to all the credit card expenses including not just your American Express card expenses but your Visa Card expenses, that the total that the total expenditure in relation to Mr Ciot’s travel, not just travel, restaurants, hotels, AVIS car rentals, et cetera was 13,000 – you’ll see the figure at the bottom right hand corner of 309 is \$12,898, call it 13,000?---13,000, yeah.

10 Would you accept that?---What about the cash spent on, on lunches and dinners and stuff like that?

What about the cash spent?---It goes to that as well.

I see. And, and in what way - in what form was the cash spent?---Cash? In, in Venice and in, and in Milan.

Cash on what?---On Morris and, and Michelle.

20 Yeah. How much?---Oh, it would be around about five grand.

Do, do you know?---Yeah, be around about five grand. When I added it up it came to about 18 and a half thousand dollars.

So can you identify what, what the \$5000 in cash was spent over that very short period of time?---Over the entire trip?

Well, what was it spent on the \$5000 cash?---Most likely alcohol and food.

30 Thank you. Now I want to ask you some questions, please about the Woollahra City Council, Woollahra Municipal Council contract. Were you the security consultant?---Yes.

First do you recall ever being shown or ever seen or reading any codes of conduct in relation to Woollahra Council?---Not that I recall.

40 I’m just going to show you some documents and I just simply want to ask whether you - at the time you were the consultant whether you had been shown them or had read them. I’ll show you the first code of council, I’m sorry, the code of conduct?---Thank you.

Do you recall whether you have regard to that code or had seen that code at the time you were the security consultant?---Not that I recall.

I tender that.

THE COMMISSIONER: Exhibit 97 is the Woollahra Municipal Council Code of Conduct.

**#EXHIBIT 97 - WOOLLAHRA MUNICIPAL COUNCIL PRINTED
ON 20/12/2011**

MR STRICKLAND: I'll show you another - I'm sorry. I'll show you another document dated August 2008.
Mr Commissioner, part, part of the purpose of this relates to corruption prevention matters.

10

THE COMMISSIONER: Yes. The Woollahra Municipal Council Code of Conduct of August 2008 is exhibit 98.

**#EXHIBIT 98 - WOOLLAHRA MUNICIPAL COUNCIL CODE OF
CONDUCT DATED AUGUST 2008**

20 THE COMMISSIONER: The other one, do you have a date for that, Mr Strickland?

MR STRICKLAND: Yes, there's a - there is a date I beg your pardon, it's - don't think there's a date on the first one. There's a - - -

THE COMMISSIONER: Well, there's a date - it's a dated on page 2 as 20 September 2011.

30 MR STRICKLAND: I think that's the, I don't think that's the correct date, it is not the correct date. That's a print off so - - -

THE COMMISSIONER: All right. Well, Exhibit 98 is, I think I've said is the Woollahra Municipal Council Code of Conduct for August 2008.

MR STRICKLAND: Thank you. I'll show you another, a Code of Conduct from April 2009. I tender that.

40 THE COMMISSIONER: The Woollahra Municipal Council Code of Conduct for April 2009 is Exhibit 99.

**#EXHIBIT 99 - WOOLLAHRA MUNICIPAL COUNCIL CODE OF
CONDUCT DATED APRIL 2009**

MR STRICKLAND: I'll show you a request, a quotation provided for the provision of technical advice for the Woollahra Council Gap Park project. Do you recognise that as your document?---Yes, I do.

I tender that.

THE COMMISSIONER: Well, the SCI proposal of November, 2008 to the Woollahra Municipal Council is Exhibit 100.

10 **#EXHIBIT 100 - REQUEST FOR QUOTATION FOR THE
PROVISION OF TECHNICAL ADVICE FOR THE WOOLLAHRA
COUNCIL GAP TV PARK CCTV PROJECT DATED NOVEMBER
2008**

MR STRICKLAND: Thank you. I'll show you a letter, a statement of probity, written by you to the Woollahra Municipal Council on 3 December, 2008.

20 THE COMMISSIONER: The statement of probity signed by Mr Paul on 3 December, 2008 addressed to the Woollahra Municipal Council is dated, is Exhibit 102, 101 I beg your pardon.

**#EXHIBIT 101 - STATEMENT OF PROBITY SIGNED BY MR PAUL
DATED 3 DECEMBER 2008 ADDRESSED TO WOOLLAHRA
MUNICIPAL COUNCIL**

30 MR STRICKLAND: Could the witness be given 101 please? Have you got it?---Page 167?

THE COMMISSIONER: Yes?---Yes, yes, I have it, thank you.

MR STRICKLAND: And you make your usual statement there, no commercial arrangements were known, potential conflicts of interest et cetera exist between Hootspah, its trading companies et cetera, do you see that?---Yes, I do.

40 Did you ever disclose to the Woollahra Municipal Council any personal or financial relationship you had with Mr Diekman of Kings?---Regarding the betting, no, I didn't.

Did you make, did you disclose to Woollahra Municipal Council any commercial or financial relationship you had with Kings?---No, because it was, it was, it was not, not related to this project, no.

Well, did you disclose any, did you disclose that you had had any financial or commercial relationship with Kings?---No, nor did I about SECOM or anyone else.

Did you have a commercial or financial relationship with SECOM?---I've done some work for them in relation to acquisitions, yes.

And when was that?---Oh, I don't recall the details of the dates.

And did you get paid for that work?---Yes, I did.

10 And approximately how much?---I don't recall, I'd have to go back to the records.

But in any event you didn't disclose that to Woollahra Municipal Council? ---It was, it was, it wasn't related to this project or in relation to what I meant by this statement, statement of probity, no.

I'm just asking whether you disclosed it or not?---No.

Your answer's no, all right.

20 THE COMMISSIONER: But those dealings with SECOM, did they occur before you started dealing with Woollahra Municipal Council or after?---I couldn't tell you, I don't know, I don't have the details in front of me.

MR STRICKLAND: This statement of probity doesn't contain a statement that you have no links, financial relationships et cetera with any suppliers or integrators et cetera. Is that - - -?---Sorry, could you repeat that question?

30 The statement doesn't contain a statement that often appears in this - in a statement of probity about not having any links or relationships. Is that with any integrators or suppliers?

THE COMMISSIONER: It speaks for itself, Mr Strickland.

MR STRICKLAND: It's just a question I wanted to ask?---What, what's the question?

Well, is it - did you, did you omit that particular statement or not?---It's not there, I don't know - - -

40 Did you deliberately omit it?---Deliberately in what - for what purpose?

Did you, did you - - -?---No. It's a changed statement what that looks like.

All I'm asking is the statement has different context - contents in different circumstances. Is that a statement you deliberately omitted or, or not?---I have no idea, no, it's just - this is the, the one that was issued at the time.

Okay. I want you - can I just take you - sorry. Can I show you a - tab 12. I just want to show you an email from Mr Roche. I beg your pardon. This is already in exhibit. I just want to show you exhibit 1 tab 64, please?---Thank you.

10 Now just putting this email to you in context of the questions I wish to ask you but this is a letter from Mr Roche to Bob Reynolds of Ausdrill and it's the fourth sentence that I wish to alert your or draw your attention to. It says, "Council is obviously interested in learning more about our proposal using DD and have invited us to an interview this Thursday." That's a reference to Council's proposal about directional drilling, was that correct? Correctional drilling - - -?---Sorry. Re, re, re-ask the question, my apologies.

The reference in that email, you have that in front of you?---Yes, I do.

That Council is obviously interested in learning more about our proposal using DD as a reference to directional drilling. Is that correct?---Yes.

20 And you knew during the tender process that Woollahra Council was interested in the directional drilling concept for its GAP security project, is that right?---During the tender process - like what, what do you mean by that?

I mean before the tender - before the contract was awarded?---Before the contract was awarded, yes.

Between the time the tender was open until the time the contract was awarded?---Yes.

30 They expressed an interest in directional drilling?---Absolutely we did.

And but you were security - you were the security consultant on that - - -? ---That's correct.

- - - on that project? And did you, did you speak to Mr Diekman during the tender process, so by the time - from the time the tender was open until the contract was awarded about Council's interest in directional drilling?

40 ---About Council's interest? No. Council didn't know and nor did I until Mr Diekman raised it to my attention.

I see. And when did he do that?---During the tender process.

When precisely?---I don't know, I don't recall the date.

Was it before, before an interview?---Yes, it was.

And, and what did he say to you about that?---He said we're planning on using directional drilling I asked him what that was, he explained it to me and, and asked me that I don't broadcast it because obviously the other companies that were tendering it was, it was a, it was an idea of his.

And did you go back to the Council with that idea during the process?---I don't recall whether I spoke to Rod Ward or not.

10 Rod Ward was the main person you dealt with at the Council?---He, he's my client, yes.

And what was his position?---I think he's superintendent, I'm not sure what his specific role is. He was superintendent in this project.

20 And, and what did you understand was the attraction that Council had for the directional drilling concept?---The benefit that we got out of it was that it would bear no, no impact on the environment and a major issue that we had or that we do have down there on site is that its, its, part of its National Parks and Wildlife land and we didn't want to, we didn't want to adversely impact the, the, the environment down there.

So it basically linking cables between different CCTV cameras, is that correct?---Between different locations in an underground drilling, yes.

And if you just want to have a look at tab 14 please. I just want to show you interview notes for The Gap tender works?---Thank you.

I tender that document.

30 THE COMMISSIONER: The shortlisted tenderer interview notes for The Gap Park CCTV works is Exhibit 102.

**#EXHIBIT 102 - GAP PARK CCTV TENDERWORKS
SHORTLISTED TENDERED INTERVIEW NOTES DATED 13
AUGUST**

40 MR STRICKLAND: And you can see that the shortlist for the tenderers was between Kings and SNP and each of them had a - Kings had an interview at 11.30, I suspect that should be AM shouldn't it, 12.30pm, do you see that on page 419?---Yes.

Do you see where I'm reading from?---The top left there, 11.30pm, yeah, it would be, it would be AM, yes.

It would be AM to 12.30pm?---Yes.

I want to show you please a record of a mobile phone record on that same date, being 30 August, 2009?---Thank you.

And that, and this shows that on the morning before the interview you called Mr Diekman at 8.35am and spoke to him for some 747 seconds, do you see that?---Seven minutes and 47 seconds or seven hundred and - oh, yeah, whatever, yeah.

I think it's - - -?---Yeah.

10

- - - 747 seconds?---Yeah.

And then after the interview at 4.28pm you spoke to him again, you rang him again and spoke to him for 635 seconds. Undoubtedly - well, I withdraw that. Do you agree that when you spoke to him on the morning of the interview that the conversation would have related to the interview that Mr Diekman was about to attend in relation to the CCTV tender for Woollahra Council?---Not at all. Wasn't he on the Art Gallery project at this, at this stage?

20

I'm just asking you the question?---No.

Do you have a recollection of speaking to him on the morning of the interview?---No.

Do you have a recollection of speaking to him after the interview?---No.

Is there any reason that you can think of that you wanted to speak to Mr Diekman before the interview had commenced in relation to the Woollahra Council tender?---It may have been in relation to the Art Gallery, I have no idea but it wasn't in relation to the, the, the Gap project.

30

Why can you be certain of that?---Because I didn't speak to him about it prior to, prior to them doing the presentation.

Did you - can I suggest that you - your modus operandi in relation to Kings was to call up Mr Diekman before an interview was taking place for a tender to provide him any, provide him with information or assistance in relation to that interview. Do you agree or disagree with that?---No, you're wrong.

40

I tender those phone records.

THE COMMISSIONER: The phone records of calls between Mr Paul and Mr Diekman, do we have a date, from - - -

MR STRICKLAND: Yes, 13 of August, 2009.

THE COMMISSIONER: - - - on 13 August, 2009 is Exhibit 103.

#EXHIBIT 103 - OPTUS CCR ANALYSIS OF PHONE USED BY MR PAUL TO MR DIEKMAN FROM 11/8/2009-21/08/2009

10 THE WITNESS: We were well into the installation of the Art Gallery at this stage. There would have been many, many conversations going on.

MR STRICKLAND: Do you recall – it's the case isn't it that before Kings was awarded the - I'll withdraw that. You accept don't you that Kings was awarded The Gap contract?---Yes.

And you recommended them?---I was part of a Tender Evaluation Committee that recommended them, yes.

20 And do you agree that during the tender process before Kings was awarded the contract you attended the Kings offices?---Yes.

And do you agree that you had a conversation at that office with Mr Diekman about directional drilling?---He advised me about his desire to use directional drilling, yes.

And do you agree that Ms Jarvey was in the office at that time?---I don't recall whether she was in the office or not.

30 And did you do any drawings in relation to direction drilling at that time? ---No, not at all.

You heard the evidence of Ms Jarvey about that?---I did.

So do you deny giving Kings any assistance at all in relation to directional drilling?---Absolutely I deny it, yes.

You've seen Mr Diekman's drawings haven't you? Ever see Mr Diekman do drawings?---I don't recall ever seeing his drawings, no.

40 THE COMMISSIONER: You've never seen any drawings by Mr Diekman? I'm not sure what your answer is?---I don't recall seeing any drawings of his, no. Like do you mean hand drawings of his, no, on.

MR STRICKLAND: See as at this time, and we're talking about August 2009, you had done – you had worked with Ms Jarvey hadn't you?---She worked for me, yes.

Sorry, I should say you had worked together?---Well she worked for me, yes.

Okay. And she – one of the things she did was to do drawings. Is that correct or assist in drawings?---No, she drew, she did schematics and, and CAD drawings, yes.

And you worked together on those matters?---No. I, I drew them, gave them to her and she did them in CAD.

And so - - -

10

THE COMMISSIONER: She did them in?---In CAD. It's a computer aided design, it's a programme.

MR STRICKLAND: So her evidence that she was familiar with your drawings at that time was correct wasn't it?---Familiar with my drawings, my hand sketches?

Yes?---I can't say she wasn't familiar with them, no.

20

So is the answer to that question yes, her evidence that - - -?---I guess, yeah.

Okay. And her evidence at – in relation to this hearing was that your drawing style, hand drawings was quite distinct and separate from Mr Diekman's. Do you recall that evidence?---I recall the evidence, yes.

And she gave evidence and she said she was sure that the drawing that was handed to her in relation to directional drilling came from your hand not from Mr Diekman's?---She also said other things that were a complete fabrication also.

30

Well, that's something you just added in, isn't it, and you've been warned repeatedly just to answer the question and not to add in things, haven't you?---You have warned me of that, yes.

So can you answer my question?---Could you answer the, could you ask the question again, please?

40

Well, she gave evidence that your, she gave evidence that the drawing she received in relation to directional drilling came from your hand, not from Mr Diekman's?---No, she didn't.

I beg your pardon?---No, she didn't. She said she didn't know who drew that. She said that she was handed a drawing from Mr Diekman, that she didn't know who drew it, she didn't see me draw it, she didn't see him draw it.

No, but - - -?---She didn't know who drew it.

That's, that's quite - her evidence was she didn't see who drew, drew it but she could recognise the style of drawing and the hand under which it had been drawn, namely yours. Do you, do you deny that you, do you deny that you did any drawing at all in relation to directional drilling?---Absolutely deny it.

Because had you done so that would have been completely improper, wouldn't it?---It had no bearing, no, absolutely, it would have been improper, yes.'

10

Thank you?---Yes. I had no input into their directional drilling.

And what about did you provide any advice or any assistance into, in relation to the camera positions that Kings were working on, that is along The Gap?---Prior to the tender?

I beg your pardon?---Prior to the award of the tender?

20 Prior to the awarding of the contract?---None whatsoever. In fact you'll see the diagrams that I've given you and all of the drawings that I've given you done by me, not Ms Jarvey or anybody else, actually show the exact positions and the directions that I want those cameras to, to point.

So you deny do you providing any assistance at all prior to the awarding of the contract to Kings in their preparation of the tender?---Absolutely.

30 Thank you. Did you give any advice or assistance whatsoever to Kings in relation to the type of camera poles that they should suggest in their tender document?---No, that was specified, the exact type of camera pole was specified.

Yes, I understand but I'm asking did you give any assistance whatsoever in relation to anything to do with the type or the quality of camera poles that should be used before the awarding of the contract?---Not, not in the first tender, no, in the second, second stage I did, yes.

40 And what was your assistance there?---I told them not to use the crap square ones that they'd been using and I wanted them to use a, a proper octagonal I think it is, it was a proper camera pole that was capable of dealing with wind shear.

Look at please at - did you, before Kings were awarded the contract did you ever advise Mr Diekman or Mr Roche that they, that they would be awarded the contract?---I don't recall, no.

Could the witness be shown Exhibit 1 tab 62. I'm sorry, no, that's the wrong one, I'm sorry. Sorry, Commissioner, I'm just lost at the moment. Could the witness please be shown exhibit 2 tab 32?---Thanks.

Got that email?---Yes, I do.

Again, I'm not suggesting this was sent to you but Mr Diekman says to Mr Roche in April - 30 April 2010 that he's paid \$72,000 cash for AG Gap et cetera out of personal funds. Did you ever receive any cash from Mr Diekman or from Kings in relation to your assisting Kings for the Gap Project?---No, not at all.

10 Did you receive any cash or cash cheques from Mr Diekman or Kings between the time Kings was awarded the contract and the date of this email 30 April 2010?---You've got those cheques, I don't know when they were received. Once again trying to remember those dates of the various different cheques that you've seen today and you, you presented over the last three days I couldn't tell you whether those dates line up or fall out or whatever.

Okay. Just assist you. If the witness could be shown tab 66, please.

20 THE COMMISSIONER: Tab 66.

MR STRICKLAND: I beg your pardon. Exhibit 1.

Have you got that?---Yes.

30 So that's the - Mr, Mr Ward advising Mr Diekman of being awarded the contract on 25 August 2009. So do you recall receiving any cash by way of gambling debts or any - for any reason from Mr Diekman between 25 August '09 and 30 April 2010?---I'll repeat my answer, I don't, I don't recall because I don't know the dates of whatever payments were made in relation to, to bets et cetera, no, I wouldn't have a clue what those dates line up as.

Did your gambling relationship with Mr Diekman continue throughout end of 2008 through to 2009?---I don't recall the dates of any of the gambling.

If I could show you - if you go to exhibit 1 again tab 60, and 61?---Thank you.

40 And these are cheques made payable to Harvey Norman on 28 June, 2010 for \$9,900 and cheque 3961 for \$9,800. Excuse me. Can I just have ten seconds, please.

THE COMMISSIONER: Yes.

MR STRICKLAND: Now do you remember Mr Diekman giving you those cheques?---Yes, I do.

And why did he give you those cheques?---As a result of that pool game that we talked about earlier.

And do you know why he gave you two cheques rather than one cheque?---I have no idea.

Do you know why the – did you understand that they were Kings cheques or personal cheques?---I didn't, it didn't, I didn't care, I didn't particularly take any notice.

10

Okay. Did he tell you when he gave you the cheques what they were for?
---Yes.

What did he say?---For the pay back of the bet, of the, of the snooker game.

That's what he said was it?---Yeah.

And was that the first payment you received for that – this is the \$80,000 is it?---\$80,000, yes.

20

And was that the first payment you received?---I couldn't tell you, I don't recall.

And did you receive any other payments after that?---I don't recall.

See \$80,000 is a lot of money even to you isn't it?---Well it depends on when, no, not necessarily.

In 2010 it wasn't a lot of money?---Not really.

30

I think that was spoken softly did you say not really?---Not really, no.

I see. So weren't you interested in knowing whether you'd received 20,000 or 40,000 or 60,000 or 80,000?---As I said to you yesterday, I left it up to Charlie to pay that back and I didn't really keep a tally.

So to this day you can't say how much of the \$80,000 is actually paid back. Is that right?---I think we talked about this yesterday.

Just answer the question?---No, no I don't. I can't say that.

40

Okay. And you went and bought a number of items from Harvey Norman. Is that correct?---Correct.

I tender a statement from Lester Nicholas who is the administration manager for Harvey Norman which outlines the purchases made in relation to those two cheques. And there is a summary of those purchases which I tender. Thank you. There's no, there's no plan for him to be called but if anyone requests him to be called then perhaps they could let Ms Lonergan know.

MR LLOYD: Commissioner, I have no problem with it being tendered. Obviously I've never seen it. It's eight pages, if I need him I'll indicate to (not transcribable)

THE COMMISSIONER: That's the intention Mr Lloyd.

MR STRICKLAND: So - - -

10 THE COMMISSIONER: Just a moment, please Mr Strickland.

MR STRICKLAND: Sorry, I beg your pardon.

THE COMMISSIONER: Exhibit 104 is a statement by Lester Nichols dated 8 May, 2012. Exhibit 105 is a summary purchases by Mr Paul at Harvey Norman on 26 June, 2010.

20 **#EXHIBIT 104 - STATEMENT OF MR LESTER NICHOLLS DATED 8 MAY 2012**

#EXHIBIT 105 - SUMMARY OF DANIEL PAUL PURCHASES AT HARVEY NORMAN (ICAC REF: 312)

MR STRICKLAND: So do you accept that with those cheques you bought a television, a stereo system, a receiver, all the items I've outlined in that summary?---I haven't got the summary.

30 Page 312 and 313.

THE COMMISSIONER: Well it's on 105 isn't, the Exhibit 105.

MR STRICKLAND: Sorry, my page numbers are different, I beg your pardon.

THE COMMISSIONER: It's on Exhibit 105.

40 MR STRICKLAND: Thank you. Exhibit 105, that's right. Thank you.

The Woollahra Council, the Gap Project wads continuing at this time wasn't it, it was ongoing as at this time wasn't it, in relation to stage 2?---I don't recall the dates of stage 2 but yeah, I don't, I don't know.

Did you ever disclose to the Council, I may have asked you this, that you had a gambling relationship or that you'd been paid any money from Mr Diekman arising out of gambling debts or otherwise?---No, it was irrelevant.

Thank you. Did you provide any gifts to Mr Ward?---Yes, I gave him a bottle of wine at Christmas one year that he told me that he couldn't accept and he would have to put it into a, a raffle or a sweep or something within the office.

Anything else?---Not that I recall.

So you - - -?---I may, I may have, I don't recall.

10

I'll just show you some SMS messages?---I could have given him a hamper, I may have given him a hamper, 'cause I frequently gave out hampers. I don't know whether Rod was on the - well, was on that list or not.

I'll show you some SMS messages?---Thank you.

Mr Paul, these are - at some stage you gave your telephone to the Commission, is that correct?---Yes, you asked for it, yes.

20

And these are a segment of the text messages that were downloaded from that phone call. I'll just take you to 802. You'll see there's a number on the side from Rod Ward on 22 August, '09, "great seats, great match. Thanks Dan, much appreciated. Cheers, Rod". And you said, "Absolute pleasure. Glad you enjoyed it." Do you see that?---Yes.

Does that jog your memory that you shouted - - -?---I have no idea what those tickets were for.

Okay?---No idea whatsoever.

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You then asked, "what's your home address?" And he gave it. Do you see that?---Yes.

And was that for the purpose of providing him - - -?---That would have been for the purpose of the, of the hamper.

Okay. Did you form a friendship with Mr Ward?---Working friendship if you like.

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I tender these text messages.

THE COMMISSIONER: Yes, Exhibit 106 is the is a set of SMS messages from or between Mr Paul and Mr Ward.

#EXHIBIT 106 - SMS LOG FROM DANIEL PAUL'S PHONE RE WOOLLAHRA COUNCIL

MR STRICKLAND: Have you still got that document there?---Yes, I do.

If you just go over the page to 308, number 4850 there's a message that you said, "Well done, you're awesome. Chat when you're back. Proud of you mate. I'm coming next year. Top stuff." Do you know what that relates?
---It relates to a, a suicide prevention motorcycle ride that he took last year for the Black Dog Society. And I sponsored it a hundred bucks, \$200 or something.

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Now did you provide those gifts to Mr Ward, that is tickets to a game and the hamper in order to network with him and - - -?---No, the hamper was for Christmas, it was just a Christmas thing. I don't even know what the tickets were for so I don't recall what that was all about but - - -

Do you see the - sorry, go ahead, I'm sorry?---(No Audible Reply)

Are you finished?---Yeah.

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You said earlier that you tried to give Mr Ward a bottle of wine I think and he said no, I can't accept that gift, do you remember that?---Yes.

Do you know why he refused that gift but accepted the hamper and tickets to a football game or tickets to some, to something?---No.

Did it concern you that his refusal of the wine indicated that it was contrary to Council policy that any gifts should be provided to Council officers?---I didn't really give too much thought to it, no.

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Did you provide any hampers to, to Art Gallery personnel?---Yes.

Who was that?---I gave one to Ms Tregagle, I don't recall whether I gave one to Tony Morris, I presume I did, I don't have the, I don't recall and I definitely gave one to all of the security staff there down at the control room where we, where we were working as a group thing.

And why did you do that?---Oh, it was Christmas.

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Could I ask you - so do I - why did you continue to or why did you give a hamper and tickets to Mr Ward after he'd refused the wine?---It wasn't the same year, it was a different year but I, I don't recall why, I just said that.

Mr Paul, it's the case isn't it that from time to time you have accepted money from Mr Diekman or Kings Security in return for assistance or favours that you have done them arising out of contracts in which you and Kings have worked together on?---No.

It's the case isn't it that you've accepted money from Q Video Systems in relation to assistance that you have provided them in relation to the Art Gallery tender?---No.

Mr Commissioner, they're the only questions I have at this stage. I have no current, I have no current intention to ask him any further questions. However, it may be that as a result of evidence from other witnesses I may request him to be recalled but I have no current intention to do so.

10 THE COMMISSIONER: Yes. Thank you, Mr Strickland. I'm sure that there are people who will want to question Mr Paul in any event. Perhaps I can have an indication apart from Mr Lloyd, I presume Mr Lloyd you will be re-examining?

MR LLOYD: I will. I might be somewhere between half an hour and 45 minutes I would think.

THE COMMISSIONER: Yes, thank you for that indication. Does anybody else - - -

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MR BUCK: I have counsel briefed, Commissioner, who wasn't available today but it (not transcribable) will be seeking instructions we may wish to re-examine.

THE COMMISSIONER: Yes. Is there anyone else? Well, thank you for that indication because we, the Commission can then proceed to arrange for the next witness. We will recommence on Monday at 10.00am.

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**AT 3.59 PM THE MATTER WAS ADJOURNED ACCORDINGLY
[3.59PM]**