

TILGAPUB00215
21/06/2012

TILGA
pp 00215-00267

PUBLIC
HEARING

COPYRIGHT

INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE DAVID IPP AO QC

PUBLIC HEARING

Reference: Operation E09/350

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON THURSDAY, 21 JUNE, 2012

AT 10.24AM

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.

THE COMMISSIONER: Mr Naylor.

MR NAYLOR: Commissioner.

THE COMMISSIONER: I have read the psychiatrist's report and I have discussed the matter with Mr Strickland and the result of these - and he has told me what you have told him and the result of all of this is that Mr Diekman will not be required to attend until Monday.

10 MR NAYLOR: If the Commission pleases.

THE COMMISSIONER: And I know that he is not present at the moment but I do wish to confirm in this open hearing that there is an undertaking by him to appear on Monday.

MR NAYLOR: Yes, I have those instructions, Commissioner.

THE COMMISSIONER: Very well. So we'll simply proceed with the hearing in the usual way and Mr Diekman will appear on Monday.

20

MR NAYLOR: If the Commission pleases.

THE COMMISSIONER: Yes, thank you. Mr Strickland.

MR STRICKLAND: I call Peter Roche.

THE COMMISSIONER: Mr Maher, you are acting for Mr Roche?

MR MAHER: I do, Commissioner, I seek a declaration under section 38.

30

THE COMMISSIONER: Yes, 38. Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by Mr Roche and all documents produced by him during the course of his evidence at this public inquiry are to be regarded as having been given or produced on objection and accordingly there is no need for him to make objection in respect of any particular answer given or document produced.

40

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

THE COMMISSIONER: Now, Mr Roche, do you wish to give your evidence under oath or do you wish to affirm the truth?

MR ROCHE: Under oath.

THE COMMISSIONER: Mr Strickland.

MR STRICKLAND: I'd ask you to speak slowly and clearly with everything you so, it's going to be transcribed. What's your full name?
---Peter James Roche.

10 And your occupation?---Managing Director.

I should also say that everyone in the whole courtroom needs to hear so speak up as much as you're able to. How long have you been the managing director of Kings Security?---Since 1998.

And was in that year that you purchased shares in the business or you, you purchased part of the business?---A number of years later.

20 So you are a part owner with Mr Diekman, is that right?---Correct.

Is there any other owner?---No.

Has there been any other owner since you've been involved?---No.

THE COMMISSIONER: So do you own the shares in equal shares with Mr Diekman?---Forty-nine per cent for myself, 51 for Mr Diekman.

30 MR STRICKLAND: Now before you became involved with Kings Security what, what work did you do?---Prior to Kings Security I was working for the Australian Quality Council.

All right. The Australian Quality Council for - can you elaborate on what that organisation is?---Ah, it was an organisation that was educating, educating in management; best practices in benchmarking.

And how long - what was your role in that organisation?---I was there for five years, my role was relationship manager and then also manager for the Australian Quality Awards.

40 And what about before that?---Prior to that I worked for the Shop, Distributive and Allied Employees Union.

And what formal qualifications do you have?---None.

As of now, how many years have you been in the security industry?---Oh, 14 years.

How did you come - when you started at Kings were you an employee then?---(No Audible Reply)

What was your first, first role when you came to Kings?---Managing director or general manager, you know, at the time.

10 Okay. If I talk now from say 2006 on what was your role as the managing director, what kind of things did you do?---I suppose covering all day to day operations, being it anything from managing installations, HR, marketing, virtually all business functions.

So when Kings Security were involved in tendering for a large contract then you were involved in that process, is that correct?---Correct.

And in what way were you involved?---Probably pulling together the tender submission.

20 And back in 2006/2007 what did you regard as a large contract? What was it worth for Kings?---Oh, large would be anything in the hundreds of thousands.

Now Kings also had a finance manager. Is that right?---Bookkeeper/finance manager, yes.

And that was Greg Poller and later became Mr Marinucci. Is that right?---In that order, yes.

30 Yes. And what was your understanding of their role in the company?---To manage the finance function.

And if I can just talk about Mr Poller, you met regularly with Mr Poller. Is that right?---Yes.

And you had regular finance meetings with him?---Yes.

With you, Mr Poller and Mr Diekman?---Yes.

40 And how regular did you have those meetings?---We may have had a weekly, but generally certainly monthly reporting.

Now if I can just ask you a little bit about the payment system at Kings. When Kings was doing a job then from time to time they would use contractors. Correct? They would subcontract a job to electricians or some tradesperson or – is that correct?---Correct.

And when those contractors actually finished the job then those contractors would send Kings an invoice. Is that correct?---Correct.

And then what would happen with – there was also what’s called a purchase order. Is that correct?---I’m not sure whether we initiated those for subcontractors at that stage.

Are you saying you did later. Is that right?---We do now.

Do you know – what is a purchase order?---It’s something raised, it’s an order raised against a particular job either for material or labour.

10 And it’s raised by Kings?---Yes.

And was that raised before the work was done or after the work was done?
---Generally before.

And was that internal document for Kings purposes was it, to ensure that payments for particular jobs subcontracted out were properly accounted for? Is that what a purchase order – the function of a purchase order?---Sorry, just explain - - -

20 What was the function of a purchase order?---Generally to provide another party with an order.

THE COMMISSIONER: But also your own records I presume, the purchase order had a function there too?---Correct.

What was that?---To assign a cost against a job.

MR STRICKLAND: Now – so when a contractor or we’ll call it a subcontractor did some work they would send you an invoice for that work.
30 Correct?---Correct.

And then Kings paid the invoice?---Correct.

And is it the case that Kings paid the invoice either a) by a crossed cheque in the name of that subcontractor or by electronic bank transfer?---Correct.

I just want to show you one bundle of documents in relation to the matter that I’m asking about. If the witness would be shown Financials 13 to 16. If I could just take you to financial 15 first. Have you got, got that?---Sorry,
40 say that again.

Can I take you to financial 15?---Page 15.

Page 15, I’m sorry?---Yes, ah hmm.

And is - do you recognise that as a tax invoice sent by Security Consultants International to Kings?---I do.

With a - at the bottom of the page there is a - there are electronic funds transfer details?---Correct.

Okay. And then if you go to 14. Do you recognise an email sent by Charlie Diekman to Daniel Paul in relation to that particular quotation? Just notice the date, it's the same date 25 January?---(No audible reply)

THE COMMISSIONER: You're simply being asked whether you, whether you - - -?---Yes, sorry, I was just reading it.

10

- - - see what it is?---Yes.

MR STRICKLAND: And then you go to page 13 you can see at the bottom email Mr Paul has attached a document to that email which appears to be the invoice and then Mr - on the top of email on 31 January Mr Diekman has sent you an email saying we need to get this invoice paid and it should be allocated to the Northern Health Wyong job and then gives a particular job number?---Ah hmm.

20

And is that - was that a usual practice where for Mr Diekman to send you an email relating to the payment of an invoice and advising you where it should be allocated?---The usual practice, it was one practice.

But in any event that, that train of documents commencing with the tax invoice is an example of what - of the evidence you just given namely a tax invoice gets rendered to Kings and then it gets - information gets conveyed to you, copy Greg Poller about where the invoice should be allocated, which particular job it should be allocated to. Is that correct?---Correct.

30

And if you just go to 16. You'll see that there's a cheque butt on 2 February '07 pay SCI and that appears to relate to the payment of the tax invoice on page 15. Do you accept that?---Yes.

I tender, I tender the tax invoice of 25 January 2007, the cheque butt on 2 February 2007 and the chain of emails from 25 January to 31 January.

THE COMMISSIONER: As one bundle?

MR STRICKLAND: As a bundle.

40

THE COMMISSIONER: Well, and we're starting a new bundle with the letter R - - -

MR STRICKLAND: That's right.

THE COMMISSIONER: - - - as the - commencing letter for the documents that follow.

MR STRICKLAND: Yes. This will be R1.

THE COMMISSIONER: Yes. Well exhibit R1, sorry, R2 is it? No. Yes. This will be - the document - the bundle will be marked R1 and it'll be part of exhibit 2. Exhibit 1 will be all the documents which have been tendered through Mr Diekman. So from - hence forth I may not always mention exhibit 2 but all documents which are prefaced by the letter R will form part of exhibit 2 and exhibit R1 in or document R1 in exhibit 2 is a bundle of documents which Mr Strickland has described in the top document being any email from Mr Diekman to Mr Roche of 31 January 2007.

10

#EXHIBIT R1 - BUNDLE OF DOCUMENTS SHOWN TO MR ROCHE, THE FIRST DOCUMENT BEING AN EMAIL FROM MR DIEKMAN TO MR ROCHE DATED AND MR POLLER DATED 31 JANUARY 2007

MR STRICKLAND: Now I want to ask you about cash payments. Is it correct that - I'm still talking from 2006 on, is it correct that in relation to the Kings cheque books there were only three people in Kings Security who were authorised to sign cheques?---Three to four, yes.

20

Those three, I'll come back to the fourth in a moment, the three were yourself?---Yes.

Mr Diekman and when Mr Poller was the finance manager, Mr Poller? ---Correct.

Now was there a fourth person?---There may have been another finance administrator at the time that may have had authorisation.

30

And do you know the name of that person?---It would have been Janet McLennan.

Janet McLennan. Apart from those four people did anyone else have the authority to sign cheques?---No, I don't believe so.

40

THE COMMISSIONER: Mr Roche, would you mind trying to speak a bit louder?---Yep, sorry.

MR STRICKLAND: Now did you ever ask Mr Poller for a cash cheque, that is a cheque to be made payable to cash?---I could have.

I'm asking whether you did?---I'm sure over the years I have.

And why are you sure of that?---Because sometimes we paid cash.

Were there occasions when Mr Diekman ever asked you or email you for him to be paid cash for the company?---Yes.

And was that – did you understand that to be for him to be given physical cash, that is notes or payment of cash by way of a cash cheque?---A cash cheque.

10 Did you ever take cheques from the company cheque book without advising Mr Poller or Ms McLennan?

THE COMMISSIONER: You mean take?

MR STRICKLAND: Take, like what I said.

THE COMMISSIONER: Put in your possession.

20 MR STRICKLAND: That's correct. Physically take a cheque from the cheque book without advising Mr Poller or Ms McLennan that you've done so?---I can't recall.

THE COMMISSIONER: You can't recall what? Having done so or whether you did so or not?---I can't recall ever doing so.

MR STRICKLAND: So if I can take the issue of asking Mr Poller to write cash cheques. Do you know what I mean by the words cash cheque?---I do.

30 In what circumstances did you ask Mr Poller to write cash cheques?---Either to give to Charlie.

THE COMMISSIONER: I beg your pardon?---To give to Charlie.

To give the cheque to Charlie?---Yes.

MR STRICKLAND: That was either and is there an or that follows? You said either to give to Charlie, do you want to complete that answer?---No.

40 So is it the case that the only circumstance you asked Mr Poller to write a cash cheque was to give to Charlie?---Oh look we may have paid cash for other things over the years.

When you say we, the questions I'm asking you are about you, what you did, what you asked Mr Poller to do. Do you understand that?---I do.

Well let's take, sorry, you asked Mr Poller to write a cash cheque because Mr Diekman had asked you for cash. Is that right?---Correct.

And were you always – would the request by Mr Diekman be by email sometimes?---Correct.

And would it sometimes be verbal, without an email?---Correct.

If he asked you verbally without an email would it always be followed up by an email?---No.

10 So sometimes the only information you got that Mr Diekman needed a cash cheque was because he came and told you?---Correct.

So when Mr Diekman told you that he wanted the cash cheque did he then tell you, and I'm talking about just a verbal communication, did he tell you how much he wanted?---Yes.

And what were the, what were the kinds of amounts that he said to you he wanted?---It could, could be anything in the hundreds to the thousands.

20 And when you say the thousands, how many thousands?---It could 2,000, 5,000, 10,000.

They were always round numbers?---No.

Mostly round numbers?---Probably mostly.

And when he emailed you asking for cheques was the same type of figures you just referred to, 2,000 - or hundreds and then 2,000, 5,000 and 10,000? ---Oh, yes, yeah, it could have been, generally.

30 Now again I'll just ask you about the conversations you had. When he asked you for say two or five or 10,000 did he tell you what he wanted the money for? What he wanted the cash for?---Sometimes.

And when he told you sometimes what did he, what did he say?---Either personally or for project or to pay a contractor.

Did you - - -

40 THE COMMISSIONER: Sorry, what do you mean by the project?---Oh, he'd just say I need some money for a project, yeah.

But a project, that's very general isn't it?---Yeah.

I don't understand how that can be good business practice that you just, money is simply taken for a project and not knowing what it's going to be used for. What underlay the request for money for a project? What did you understand it to be used for?---He was very general in that sense.

But you must have known what it was going to be used for generally?---No, not necessarily.

Some of these cheques for the project, were they for as much as \$10,000?
---It could have been, yeah.

Are you really saying that you agreed to Mr Diekman taking \$10,000 for the project without knowing what he was going to do with the money?---Yes.

10 How do you explain that, Mr Roche?---(NO AUDIBLE REPLY)

You'd come from an organisation which is dedicated to good management practice. Is this good management practice?---Definitely not.

So please explain what you understood this cash money to be intended for when you handed it to Mr Diekman?---He, he could do anything with it, he could, he could gamble, he could use it on his boat, he could take people out, he could give people money.

20 He could give people money. Is that bribes?---I'm not aware.

Well, what do you mean by give people money?---He, he gave a girl in the office \$5,000 for giving up smoking.

Well, that's one example. What else?---I never asked.

Did you understand that he was giving cash money to people who worked on the job?---Yes.

30 Sometimes consultants?---Unaware.

You recognised the possibility?---Sorry, what do you mean?

I'm sure you know what I mean. You recognised the possibility that some of this cash that you were authorising Mr Diekman to take would be used to pay consultants?---I didn't consider.

You took a long time to reply to that and your reply is you didn't consider. What does that mean?---I didn't always entertain where it went.

40

Did you recognise the possibility that it might be going to consultants?---I considered it.

You recognise that that was a possibility?---I considered it.

Well what does that - what's the difference between recognising that it was a possibility and considering that it was a possibility?---Probably little.

Mr Strickland.

MR STRICKLAND: When Mr Diekman said that he wanted cash for projects did you have a conversation with him about that?---Not necessarily, no.

THE COMMISSIONER: Sometimes?---No.

10 I beg your pardon?---No, I didn't enter into details with him.

Never?---Not that I can recall.

You just handed him the money without a question?---Typically.

MR STRICKLAND: Typically but not always. Is that right?---Meaning?

Well typically doesn't mean always does it?---(No audible reply)

20 Do you understand my question or not?---No, I don't.

Okay. As the managing director when Mr Diekman asked you for money for projects you knew what projects were going on with Kings at that time. Would that be true?---I had a broad understanding, yes, ah hmm.

So when Mr Diekman said look I need \$10,000 for a project I assume you said what project?---Sometimes.

30 All right. And did you - when he answered that question did you then ask him why do you need cash for that particular project?---I may have, yeah.

I'm asking you was it your practice to have a conversation with Mr Diekman about the specifics of where the cash was going for that project and why he needed cash as distinct from a cheque made out to a contractor or payment by way of an electronic bank transfer?---Not necessarily, no, no. Well I'm asking you - I know you said not necessarily - - -?---Yeah.

40 - - - but did you ever have those conversations where, where Mr Diekman said I'd like five or \$10,000 for a project and you said which project and why do you need cash for that particular project?---No, I can't recall that we, yeah, discussed it.

Why wouldn't you have had that conversation, why didn't you have those kind of conversations to inquire where the cash from your company was going?---Probably typically avoided it.

I beg your pardon?---Probably typically avoided it.

And why did you avoid it?---(No audible reply)

THE COMMISSIONER: You're taking a long time to answer that. I suggest to you that you avoided it because you knew it was going to be used for something improper?---He could just take the money.

MR STRICKLAND: But why did you, why did you avoid asking those questions?---I just did.

I know you did, just did - - -?---Yeah, mmm.

10

- - - but I'm asking you why you did?---I don't know why I did.

You must know why.

THE COMMISSIONER: You were just casting a blind eye to what was going on were you?---You could say I was ignorant to that, yes.

I beg your pardon?---You could say I was ignorant to that or naive to that.

20

Well you were deliberately closing your minds to what was going on. Is that right?---Possibly the case.

MR STRICKLAND: You see if you, and I'm using your word, if you avoided asking a question, that's a deliberate, that word avoid suggests a deliberate decision on your part not to ask questions. Do you agree with that?---Sorry, I don't understand the question.

You said that you avoided asking questions about where the cash was going to. Do you agree with that?---Yes.

30

And by avoiding asking those questions that involves a decision that you made, a conscious decision not to ask those questions. Do you agree?
---Was it a conscious decision, I don't know at the time, yeah.

No but I'm just, if you avoided asking questions that's because you decided that you didn't want to ask them. Do you agree with that?---Sometimes I didn't need to ask.

Well it was you that said you avoided asking the questions. Correct?

40

---Correct.

And you're saying sometimes there was no need to, is that because you knew where the cash was going to and that's why there was no need to?
---Yes, correct.

All right. And other times, but other times you didn't know where the cash was going. Is that right?---Correct.

And you avoided asking questions in those cases. Is that right?---Correct.

And did you avoid asking the questions because you didn't want to know the answers?---Possibly.

Well why do you say possibly? What other explanation is there?---I don't have one.

10 You understand that you have sworn to tell the truth and there is consequences for not telling the truth or for misleading the Commission. Do you understand that?---I do.

Well I'm asking you about your thinking at the time, your mental process. Surely you can tell us why it was that you did not want to ask questions about where the cash was going?---I don't have an answer.

THE COMMISSIONER: Why not?---(No Audible Reply)

20 You must answer?---I just didn't ask.

MR STRICKLAND: Let me ask you another question. Did you ever ask Mr Poller to make false records in relation to those cash payments?---Yes, I probably did.

Why do you say you probably did? I'm asking whether you did or whether you did not?---Yes.

30 And the false records you asked him to make included giving him the name of a contractor for example, whom you knew hadn't done any work for a particular job. Is that right?---Correct.

And why did you do that?---It was to assign the cost to a job.

I'm told you need to speak up because people at the back can't hear you? ---It was to assign the cost to a job.

But why, why did you ask Mr Poller to make a false record in relation to those cash payments?---Just what Charlie would ask us to do.

40 Yes, but you're not a siphon of Charlie are you?---Influenced.

Well if Charlie asked you to facilitate a bribe of a public official would you do so?---No.

Right. So it follows doesn't it that if he asked you to do something you wouldn't necessarily do it unless you had a good reason to do it. Is that true?---Sorry, I don't understand the question.

I asked you why you asked Mr Poller to make a false record in relation to cash payments and your answer was because Charlie asked me to do it. Is that right?---Correct.

And I said but you've agreed that you wouldn't do anything that Charlie asked you to do simply because he asked it, is that right?---It depends.

It depends?---Yeah.

- 10 Well, did Charlie, did you know why Charlie asked you to make, asked Mr Poller to make false records in relation to cash payments?---So that the cost could be assigned somewhere.

THE COMMISSIONER: But why? We understand that but Mr Strickland is asking you why you agreed to assigning the cost to someone who should not legally be required to bear it. I know that you did that because you wanted to disguise something. Isn't that right?---That's correct.

- 20 What did you want to disguise?---It was more so assigning a cost somewhere, you know.

But why did you want to disguise the true cost?---For accounting purposes.

But why did you want to disguise the true cost for accounting purposes?
---You had to put the cost somewhere.

What was the cost, the nature of the cost?---Sorry, I don't understand that, no.

- 30 Why, what did you understand the money to be expended for having regard to the fact that you knew that the true destination of the money had to be disguised?---It was just a way that he recommended that we put the cost somewhere.

Why?---To assign it somewhere, to put it somewhere.

Why couldn't you write down the true destination of the cost?---(No Audible Reply)

- 40 Now, that's a question which is simple to answer if you were to tell the truth?---Mmm.

I'll ask you again. Why was it necessary to disguise the true destination of the cost?---Why was it necessary?

I beg your pardon?---Why was it necessary? To disguise it.

Yes?---Yeah.

Why was it necessary to disguise the true destination of the cost?---So we didn't know where it went.

Why was it necessary not to know where it went?---Because he didn't want us to know.

Why didn't he want you to know?---That you have to ask him.

10 Why did you agree to do something when he didn't want you to know what he was doing?---That's what he asked me to do.

Mr Roche, you are not being frank, are you?---I am, your Honour.

I beg your pardon?---I am.

Well, why won't you tell us why you regarded it as necessary to disguise the true destination of these expenses?---He didn't want us to know.

20 One inference is that you're not telling us because you're not prepared to admit that you knew very well where it was going and it was going somewhere for an improper purpose and that is an inference that is available for the Commission to draw and I am giving you an opportunity to admit that or deny that again? Here is your opportunity. Do you admit that or do you deny that?---Sorry, the question being?

The question is did you agree to take steps to disguise the true destination of these expenses because you knew that they were being used for an improper purpose?---(No Audible Reply)

30 Do you admit that or do you deny that?---I admit they were going somewhere.

For an improper purpose?---I didn't seek, Commissioner.

I beg your pardon?---I didn't ask.

40 I'm not asking whether you asked I asked you whether you admitted or denied knowing that the monies were going to be used for an improper purpose, the precise details of which you might not have known?---Correct.

Yes, thank you.

MR STRICKLAND: If I can ask you about Government contracts that Kings were involved with. You knew didn't you that some Government contracts, some Government agencies employed consultants in relation to their large security installations or security jobs that they were about to undertake?---Yes.

And what was your understanding of the role of the consultant in that situation?---Either to provide a tender specification.

You said either?---Well, yeah, facilitate a project.

And you knew didn't you that consultants were often appointed because the Government department or agency didn't have the relevant specialised knowledge about how to install security systems. Correct?---Yes.

10

Or they didn't have the relevant specialised knowledge about which security installer or integrator would be best placed to fulfil the job?---Yes.

And you knew didn't you that those consultants in those circumstances had a significant influence over which integrator or contractor was awarded the Government contract?---Yes.

20

And whether - and they had a significant - as a consultant had a significant influence about maintain the contract such as extending it or varying it, et cetera?---Yes, yeah, sometimes they'd go.

And one of those consultants who had the kind of influence you've given evidence about was Dan Paul?---Correct.

And you also knew about a Mr La Greca didn't you?---No.

I beg your pardon?---When you say new or no?

30

Yes, it's the - word I used?---What do you mean?

Well you knew that Mr La Greca was a consultant for IPP?---I have since learnt, yes.

No. At the time 2007, 2008 - - -?---Yeah.

- - - you knew that he was a consultant working on projects that Kings were also working on?---Yes.

40

And you knew also didn't you that he had a significant role in whether to award Government contracts such as UWS. Is that true?---Yes.

Or the Department of Housing?---No.

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

And you also knew that there are Government employees who were project managers in relation to particular security jobs?---Not necessarily, no, unless - - -

Well there was some large Government jobs where there was no consultant but they were coordinated by a project manager who was an employee of the relevant department?---Such, such as?

Well I'm asking you generally, you knew that didn't you? Sometimes big security jobs were run and organised within the department or within the Government agency?---Possibly, yes.

10 Well you knew that to be the case didn't you occasionally?---I haven't personal, personal experience, no.

Well let's take the Area Health Service the North Sydney Central Coast Area Health Service?---Yes.

You knew that there was no consultant in relation to the awarding of those contracts to Kings. Correct?---Yes.

20 They were – those contracts were awarded within the department, within the Area Health Service itself. Correct?---Yes, yeah.

And Kings from 2007 on did a lot of work for the Area Health Service didn't they?---We started to, yes.

When did you start to?---At that time, 2007.

And you knew that there were particular project – there were particular employees at Area Health Service who Kings regularly dealt with?
---Correct.

30 And Robert Huskic was one of those people?---Correct.

Mr Kuiper was another person?---Correct.

And Mr Creary was another?---Correct.

And you knew that those, those people were also influential in Kings getting awarded work for the Area Health Service?---Correct.

40 Did you know that Mr Huskic was ever paid any money or provided any benefits by Kings in return for favouring Kings with contracts?---No.

Would you know whether Mr Creary was ever paid any money or provided any benefits or gifts by Kings in relation to favouring Kings by awarding AHS contracts?---No.

What about Mr Kuiper?---No.

Did you know whether Mr Paul was ever paid money, and by that I mean by way of a cash cheque or a bank transfer by Kings?---For Northern Area Health?

No, generally?---Yes.

And in what circumstances did you know that he was, Mr Paul was paid money by Kings?---What circumstances, there was things to do with Vegas.

10 Yes?---That's all I'm aware.

And can you elaborate when you say things to do with Vegas?---I think we sponsored some people to Vegas.

And before I get to that and what about cash cheques provided to Paul, were you aware of any cash cheques being provided to Paul?---I was not aware.

20 Okay. So now what did you know about Kings giving money to Daniel Paul in relation to sponsoring people to go to Las Vegas?---Not a lot.

I know you didn't know a lot - - -?---Mmm.

Well you say you didn't know a lot, what did you know?---I think we paid for Maurice Ciot to attend along with his wife.

I'm asking you about Daniel Paul. Has that got anything to do with Daniel Paul?---I think we gave him the money to pay for the ticket or something.

30 When you say I think we, who's we?---Kings Security.

Right. And why did Daniel – why did Kings give money to Daniel Paul to pay Maurice Ciot and his wife?---Well I don't know.

Well did you ask?---Charlie said that we wanted to sponsor Maurice.

Right. But why did you have to give – do you know why you had to give money to Daniel Paul to sponsor Maurice Ciot?---No, I don't.

40 Well didn't you ask?---No.

Why not?---It came and went.

Whether it came or went why didn't you ask him, why do we need to give money to Daniel Paul to pay for tickets for Maurice Ciot and his wife?---I don't know, Charlie organised it.

Yes, I understand that, but didn't you – you're saying you never asked him?---No.

THE COMMISSIONER: But how do you know it had anything to do with Daniel Paul?---They were just organising it.

Who is they?---Charlie, Charlie was organising it.

So if Charlie organises it why has it got anything to do with Daniel Paul?---I think they were organising it as a present for Maurice.

10 They being?---Charlie and Daniel.

So why are you paying?---It's something Charlie wanted to do.

Why?---As a thank you.

For what?---Years in the industry.

Years in the industry. Daniel Paul's years in the industry?---No, Maurice's.

20 So why did you agree to Daniel Paul's request to pay Maurice?---It wasn't, it was Charlie's request.

Charlie's request to Kings?---Correct.

But what had it go to do with Daniel Paul?---I'm not sure, I think they were organising it.

I beg your pardon?---I think they were organising it.

30 Why, why Daniel Paul?---Because he was a friend as well.

So you were helping Daniel Paul?---Who, sorry?

You?---No, they were helping Maurice.

But Maurice had nothing to do with you?---Oh, an industry colleague.

Oh, come on, Mr Roche. You do a public service handing out money to industry colleagues for nothing? You're really asking me to believe that?

40 ---Charlie just wanted it as a farewell gift.

What had that to do with Daniel Paul?---Him and Charlie wanted to do that for Maurice.

So why were you helping Daniel Paul to do that for Maurice?---I wasn't helping.

You were because you agreed to the cheque being made out didn't you?

---Oh, I can't recall the circumstances of it.

Mr Strickland.

MR STRICKLAND: How much money was involved?---I think 20,000.

THE COMMISSIONER: \$20,000. Do you regard that as a lot of money?

---Yes.

10 MR STRICKLAND: And you've given that as one example. Any other particular cash payments made to Daniel Paul by Kings you were aware of?
---No.

So just that one payment of \$20,000?---I've since learnt, but no.

No, I'm asking what you were aware - - -?---No.

- - - of at the time, 2007, '08, '09 and '10?---No.

20 And that \$20,000, was that paid in one cheque?---No, I think two 10's.

Why, why two 10's?---I don't know the circumstances.

Did you ask?---No.

THE COMMISSIONER: Two 10's at the same time?---Oh, we just gave it to Charlie and what he does with it - - -

30 Two 10's at the same time or was there a period between the, the issuing of these two cheques?---I don't know, Commissioner, I can't recall.

MR STRICKLAND: So this was your company, wasn't it, as well as Charlie's?---Correct.

And not only was it y our company, you were the managing director of it?
---Correct.

40 THE COMMISSIONER: And you were in control of finance weren't you, ultimately?---Not in control, no.

But you were in - the ultimate responsibility for the finance was yours?---It was probably shared amongst the three of us.

Well, Mr Diekman didn't have anything to do with finance did he?---No.

So of the two partners you were the one who took control of finance?
---Correct.

MR STRICKLAND: And Mr Poller was your employee?---Correct.

So you can't say he was in charge of - he wasn't ultimately responsible for the expenditure of money by Kings was he?---No.

So that leaves you, doesn't it?---Yes.

You're saying you just didn't make any real inquiries when Charlie asked for large sums of cash to be paid from Kings to people?---Correct.

10

Why not?---I just didn't bother.

You didn't bother?---No.

Why didn't you bother?---It became a habit of Charlie's after a while just - -

I'm not asking about Charlie's habit, I'm asking why you did not bother. ---I don't know why.

20

You don't know why?---Yeah.

Is it the case that you didn't want to know the answers to where the cash was going from your company?---Possibly.

And why do you say possibly?

THE COMMISSIONER: Why don't you say yes?---Yes.

30

MR STRICKLAND: Well is that, is that the truth?---I didn't inquire, yes.

Yeah, we - yes, we've established that but the question is did you not inquire because you did not want to know where the cash from your company was going?---Correct.

And why did you not want to know where the cash from your company was going?

THE COMMISSIONER: I think he has answered that, Mr Strickland.

40

MR STRICKLAND: Well, did you not want to know where the cash from your company was going because you believed that on occasions it was being paid for an improper purpose?---I didn't believe, I just didn't want to know.

THE COMMISSIONER: Well you suspected?---I didn't consider.

Well I thought you said when I asked you that you knew that the money was being used for something improper but you didn't know details of the impropriety. Didn't you say - didn't you agree with that?---Correct.

MR STRICKLAND: Did you ever to your knowledge did Kings ever pay or provide benefits or gifts to Mr La Greca?---Not that I was aware.

Or to anyone from IPP?---Not that I was aware, yeah.

10 Was there any other consultant or Government employee that you were aware of that Kings gave money to or provided benefits or gifts?---There was emails there that showed names but what that was for I didn't inquire.

So what's the answer to the question you don't know?---Didn't want to know.

Is it the case that you didn't want to know because you were concerned whether Kings was bribing officials or consultants?---I, I didn't consider it as such, no.

20

Well put it another way, were you concerned - is the reason you didn't want to know because you were concerned that Kings was paying money to Government employees or consultants on return for those consultants or Government employees assisting Kings or favouring Kings?---Again I didn't consider it.

You did not consider that?---No.

30 You're saying it never crossed your mind?---No.

THE COMMISSIONER: So what kind of impropriety did you think could be - being committed when you closed your mind to what the money was being used for?---I didn't consider impropriety.

Well you - I thought you said you accepted that you knew that it was - there was a possibility at least that it was going to be used for improper purposes but you didn't know what they were. So now I'm asking you what kind of impropriety did you think it could have been used for?---I don't know.

40 MR STRICKLAND: Isn't it the case that at one of the finance meetings with - attended by yourself and Mr Poller and Mr Diekman, Charlie Diekman said something along the lines that to stay in the game or for Kings to remain visible Kings had to pay - had to give gifts to key players? ---I can't recall that conversation. I heard it here the other day.

You have no recollection of Mr Diekman ever saying to you either in a finance meeting or at any other meeting or any other discussion that Kings

had to give gifts to key players so that Kings could stay in the game, remain visible, et cetera?---No.

Was there any discussion ever about the fact that in the security industry there was a practice of giving gifts to consultants or to government employees or to people who could award contracts?---No.

Did you ever hear rumours about that?---No.

10

When's the first time you ever became aware of allegations that there was corruption in your industry, i.e. giving bribes or giving gifts or benefits in return for favours?---I wasn't aware publicly until sitting here.

And you're saying it was never discussed with Charlie Diekman at any time that that was something that happened in this industry, you had to give gifts to the key players or the key people so we can get the contracts or get the income, keep visible?---Not that I can recall, no.

20

I wonder if the witness could be shown exhibit, I note the time, I'm happy to
- - -

THE COMMISSIONER: Well I'm wondering, I will adjourn if anybody wishes me to, but if – for 10 minutes, depending on wishes we will adjourn for 10 minutes Mr Strickland if you wish or any counsel wish, otherwise I'll just go on. Just proceed.

30

MR STRICKLAND: Could the witness please be shown Exhibit D1? Have you got that series of emails in front of you?---Yes.

And I'll start at the bottom, the one earliest in time. So the bottom of page 72, Charlie Diekman, Charlie Diekman emailed you on the subject of cash on 30 February, saying I need to get Dan the 10k cash by Thursday morning. And you have written back to him that same day, 13 February at 1.17 saying, are there any others we need to combine? And his reply to you, the same day, Telstra Bovis Burwood four k. So I take it, I'll withdraw that. When you replied are there any others we need to combine to Charlie Diekman's request for \$10,000 cash to Dan, you knew what he was talking about didn't you? You knew what he was writing?---Yes.

40

And what did you understand that – what did you understand the \$10,000 cash to Dan to relate to?---I don't know.

But you did then?---I'm not sure.

Well if you didn't then you wouldn't have written, if you did not know what it was referring to you would not have written the answers, the answer – you

would not have written are there any others we need to combine would you?---He's seeking cash.

Yes?---Yep.

He's seeking cash for Dan \$10,000 by Thursday morning?---Ah hmm.

You must have known then what that was relating to?---I don't know what it was relating to.

10

Well which Dan do you understand he was referring to?---I can only think it to be Dan Paul.

And why do you think it could only be Dan Paul?---Because I only know one other Dan.

Right. And did you ever ask him verbally why do you need the \$10,000 for Dan Paul by Thursday morning?---I can't recall if I did.

20

THE COMMISSIONER: Well why did you want to combine? Why did you want to – why did you think there was a need to combine something? ---One transaction.

Why?---I'm not sure why.

Oh, Mr Roche, isn't this part of the method you used to conceal cash payments which you knew were being used for improper purposes?---By combining?

30

Yes?---Yes.

So you knew all these were, all these payments were used for improper purposes?---No.

MR STRICKLAND: Well, why did you want to have them combined? ---Well, I was, weren't sure if they were improper.

Well, why did you want to have them combined?---Well, one administration task.

40

Oh, come on now. I thought you said you knew that they were being combined so you can disguise them, now you're saying something else? ---No, I'm - - -

I beg your pardon?---By combining it wasn't to disguise.

It wasn't to disguise. What was it for?---To make one transaction.

Why? How can there be, how can these - let's take Telstra Bovis Burwood be naturally part of one transaction with Daniel Paul?---I, I can't recall why.

Is it possible?---No.

Yes, Mr Strickland.

10 MR STRICKLAND: Well, do you know of any need back on 13 February, 2007 to pay Dan Paul \$10,000 cash?---No, I don't.

Do you remember the previous document I showed you, the invoice?---Yes, I do.

That was, that was an invoice for a job in January 2007 - - -?---Mmm.

- - - which you paid Kings by way of electronic, well you paid by way of a cheque?---Yes.

20 THE COMMISSIONER: Kings paid by way of a cheque.

MR STRICKLAND: By you I meant Kings, Kings paid a cheque in relation to an invoice and it was assigned to a particular job, correct? ---Correct.

So why was there a need to pay Dan Paul \$10,000 cash?---Is it the same?

No. Well, I'm asking you, I've shown you the cheque - - -?---Yes.

30 - - - for \$11,000 - - -?---Ah hmm.

- - - on - would you like me to show you that series of documents again? ---Yes.

THE COMMISSIONER: I think that would be a good idea?---Yes.

MR STRICKLAND: R1?---Thank you.

40 You see, if you just go to page 16 on that document it's got a payment of \$11,000 on 2 February and it's got the word "posted" do you see that? ---Yes.

And what does that mean, posted?---I don't know.

You don't know?---No.

Well, that suggests that there's been a cheque written in relation to the invoice on page 15 which itself relates to an email you send on 31 January, 2007?---Ah hmm.

Which is on page 13, which you received on 31 January?---Ah hmm.

In other words what those, what these documents reveal I would suggest is that on 2 February, '07 Kings paid a cheque to Dan Paul in relation to a particular invoice for \$11,000, do you agree with that?---Under (SCI) - - -

Yeah?--- - - - the credit, is that - - -

10 That's right. What do you understand that to mean?---I'm not sure, I'm asking that as to why credit and posted are, it's unusual.

Okay. Well, what do you think - what does that suggest - - -

THE COMMISSIONER: I think it means creditor, I think it's creditor.

MR STRICKLAND: Creditor. What, what does, what does the word signify to you?---Yeah, I don't know as to why that would have been written.

20

THE COMMISSIONER: Why was SCI a creditor of Kings?---A creditor.

That would be very strange wouldn't it?---Yes.

MR STRICKLAND: So I'll, I'll show you this in due course but I can indicate to you that the records show that that cheque 2895 cheque was paid by Kings and I'll show you that record in due course. Accepting that then that would indicate wouldn't it that the request for \$10,000 cash on 13 February is a different transaction. Do you agree with that?---Right. In addition to?

30

In addition to?---Yeah.

Do you agree with that?---If you say so that we haven't credited that cheque.

Well if you, you assume that the cheque 2895 you see on page 16 was paid by Kings?---Yes.

40 Then that would suggest wouldn't it that the request for \$10,000 cash is a different transaction?---It appears so, yeah.

But you don't know why there was a need, you don't know why there, there was a request?---No.

And you didn't ask?---No.

And did, did you not ask because you knew or you believed that the payment of cash to Mr Paul was for an improper purpose?---I can't recall, yeah.

Well there'd be no other reason not to ask wouldn't there?---No. Don't know.

THE COMMISSIONER: Well what other possible reason could there be for not asking?---I don't know, Commissioner.

10

Because you've already accepted the - it's very bad management practice? ---Correct.

MR STRICKLAND: Now could the witness please be shown D8. Got D8?---(No audible reply)

The D8 should be page 55 or may I got my - - -

THE COMMISSIONER: Yes, that's right.

20

MR STRICKLAND: Is it right? Thank you.

If you go to the - page 56 and there's an email from Charlie Diekman to a number of people including yourself on 19 April 2007. Were you in court when I asked Mr Diekman about this particular email, do you recall?---I was.

Okay. And is it the case that do you remember - do you accept that you were aware as at 19 April that Chris La Greca from IPP was the consultant for the Department of Housing job, jobs?---Sorry, the question there? Was I aware?

30

Having regard to this email - - -?---Yes.

THE COMMISSIONER: When, when?

MR STRICKLAND: I'll start again. Was it your practice to read emails that were sent to you?---Yes.

So having read this email, this is the one on page 65 from Charlie Diekman to a number of Kings employees on 19 April 2007 you became aware having read that email at least that Chris La Greca was the consultant for the DOH job?---Yes.

40

Okay. And also you were aware that he was also the consultant for the University of Western Sydney job?---Wasn't aware of that UWS, yeah.

THE COMMISSIONER: Well the email says that?---Only from the email here, yeah, yeah.

MR STRICKLAND: And it appears if you look at the email that was sent to the same day on the same chain of emails the subject being Department of Housing projects you have in fact read - - -?---Yes.

- - - 6.18am email. Is that correct?---Correct.

10 When you stated in your email, the one at 2.02pm, what do you expect from Sydney's leading security salesmen, who are you referring to?---Charlie.

When you say has he hit \$2 million yet, what does that refer to?---Their sales targets.

I see. So Charlie had a sales target?---Correct.

20 THE COMMISSIONER: Well it could be the \$2 million on page 56 in the third last paragraph, the total job is estimated to run out to \$2 million to \$2.5 million over two years.

MR STRICKLAND: It may refer to something different, I understand that.

THE COMMISSIONER: Yes.

MR STRICKLAND: Your understanding was that the \$2 million that you've written in your email referred to his sales target?---Correct.

30 Right. What was his sales target for that year roughly? Was it \$2 million? ---It could have been.

THE COMMISSIONER: That's fees to Kings? What does the \$2 million represent?---Business brought in.

MR STRICKLAND: Thank you. If the witness can be shown D14. Now I take it you were in this hearing room when this email was shown to Mr Diekman as well?---Yes.

40 And in that email of 29 June, 2007 Charlie sends an email to you under the subject heading cash, Peter, I need the following cash. And on the first line is DOHIPP5,000 and there are entries and you reply, 16 minutes later by saying okay?---Yes.

So I take it that you knew what that cash was for?---No.

Well why did you agree – did you make any inquiry of Mr Diekman what the cash was for?---I can't recall if I did.

THE COMMISSIONER: Mr Roche, I assume that it is not general practice in the security industry to pay people for legitimate business by way of cash?---Sorry, the question being that - - -

Am I right in assuming that in the security industry it is not the practice to pay people for legitimate claims by them by way of cash? You usually would pay by cheque or bank transfer to their bank account?---Correct. So did you see – you knew didn't you that Mr La Greca was the consultant working at IPP. Correct?---From that email, yeah, yeah.

10

And there's no one else in that email – there's no one else from IPP referred to in that email. Is that right?---Correct.

And you knew that IPP was the consultant, that is it was a consultant that had the job that you referred to earlier that consultants have. Correct? ---Correct.

So didn't it cross your mind as to why was Kings paying \$5,000 to a consultant?---No.

20

Well given your experience at that time in this industry and given your general business experience in your previous job, surely you must have asked yourself why was Kings paying \$5,000 cash to a consultant in relation to a job that Kings was doing work for?---I can't recall whether I asked myself.

MR STRICKLAND: Look, can you think now what legitimate reason there would be for Kings to pay \$5,000 cash to a consultant in relation to a job that Kings were working on?---No, I can think now.

30

I beg your pardon?---I can think now.

Well, what - and, what, what do you think now?---Well, I'd ask the question what was it for.

My question is can you - is there any legitimate reason to pay, for Kings to pay a consultant, IPP, who was consulting on a job that Kings was doing work for?---Not that I'm aware.

40

And you say you never asked Charlie Diekman a single question as to why he needed \$5,000 cash for that particular purpose, is that right?---Yeah.

And did you not ask the question because you knew that that particular cash payment was for an improper purpose and you did not want to know the answer if you did ask the question?---I, I can't recall if that was my train of thought, no.

So is your evidence that you shut your eyes to the cash payments that were being made by Kings as requested by Charlie Diekman? That's the effect of it isn't it?---Yeah.

You agree?---Yeah.

THE COMMISSIONER: So what is your answer?

MR STRICKLAND: I think his answer was yes.

10

THE COMMISSIONER: Is that right, Mr Roche?---Yes.

MR STRICKLAND: And the reason to shut your eyes is you just didn't want to know what was happening with that cash, is that right?---Correct.

You just have to speak up a bit I'm afraid?---Correct.

Could you look at D15 please. Now, if you go to page 89 and that's a - you should have their cheque 3031 of 4 July, 2007?---Yes.

20

For \$9,205, is that right?---Yes.

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

And Mr Poller's?---Yes.

And apart from that is any of your writing on that cheque apart from your signature?---No.

30 You signed both at the top and the bottom of the cheque?---Yes.

Now, just turn the page upside down, assume this is on the back of the cheque, is any of that your writing?---No.

So if you could then go to page 88 and look at the cheque for 3031, you see that that cheque is made out, it's the same amount of money, 9,205, the 2 is obscured but you see that that is paid to - the payee you've referred to there is Security Merchants, do you see that?---Yes.

40 And that was a, that was - you knew, didn't you, that that did not represent money for work that Security Merchants had actually done?---Yes.

And you had - you told Mr Poller to write that didn't you?---I'm not sure of that.

Well, you told Mr Poller to record the detail of the payee as something you knew not to be true, correct?---No, I'm not sure whether I told Mr Poller that, no.

Well, do you accept that Security Merchants was not the true payee of that cheque?---Correct.

Now do you say that Mr Poller off his own, off his own bat made that false record or do you accept that he did so because you asked him to do so?---I can't recall either.

10 Well I want to suggest to you that when Mr Poller made a false record such as a false entry on a cheque butt, he only ever did so in relation to cheques you signed when you asked him to do so?---Unaware, yeah.

Well you said it was your practice to ask Mr Poller to make false records in relation to cash payments. Correct?---Not my practice normally, no.

20 Well you did say I should say. From time to time you asked Mr Poller to make a false record by way of a cheque butt or on the company remittance advices or the MYOB system, you asked him to make false records in relation to cash payments. Is that right?---No.

You'll find that you've agreed to that earlier this morning?---Yeah. But he may have also, and Charlie may have also.

Let's just go, let's take it step by step?---Yep.

30 Do you accept that earlier this morning you have agreed that you did ask from time to time, you asked Mr Poller from time to time to make false records in the company books about cash payments?---Correct.

Right. I want to suggest this is one such example of that where you asked him to write in Security Merchants or some dummy contractor so to disguise the nature of this particular cash payment?---Correct.

Okay. And why did you want Mr Poller to disguise this cash payment?---I don't know.

40 Well you must have known mustn't you that it was for an improper purpose otherwise there'd be no need to disguise it. Do you agree with that?---Not - I don't know, not necessarily, yeah.

THE COMMISSIONER: Look I think we've gone through this kind of exercise. Mr Roche - - -

MR STRICKLAND: Okay.

THE COMMISSIONER: - - - has sufficiently - - -

MR STRICKLAND: Thank you. You also prepared a – or you also asked Mr Poller to prepare a particular purchase order for these type of payments didn't you?---Correct.

And that was a further element of the disguising of the payment wasn't it?
---Correct.

10 Could the witness please be shown D20? I just want to go through these fairly quickly. You were sent an email from Charlie, I'm sorry, you were copied into an email on 3 July, 2007 in relation to UWS' tender for the installation and maintenance of a Concept 4000 system at all UWS campuses. Correct?---Yes.

And you knew that was a very big job for Kings?---Yes.

Thank you. If you could just, if the witness could be shown D21. That's an email from yourself to Jo Lindsay at Optus net. Did you know who Jo Lindsay was?---Mark Eschbank's wife.

20 So how did you get Mark Eschbank's – how did you get that particular email address?---I'm not sure how.

And do you - - -

THE COMMISSIONER: From Mark Eschbank?---Possibly yes, yeah.'

MR STRICKLAND: And who was Mark Eschbank?---Mark Eschbank was a security manager at UWS at Bankstown at that time.

30 And you knew he was a person who had some influence in relation to the work that Kings were getting for UWS contracts?---At Bankstown.

At Bankstown. Is that correct?---Correct.

40 And do you know why you sent - if you just go to 300. You can see on 5 July Alyson Eather - and you knew that she was a solicitor or someone employed by TressCox who was a solicitor employed by UWS in relation to this Concept 4000 tender sent to Charlie a copy of the tender for that Concept 4000 job. Is that correct?---Yes.

And you then sent, you then sent on that tender to Mark Eschbank via his personal email. Is that right?---Yes.

And why did you do that?---He asked for a copy.

And do you know why he asked for a copy?---No.

Is there any particular reason that you could think of was to why he asked for a copy?---He was interested.

And why was he interested?---Had to do with his university.

But when you say he was interested you mean he had a personal interest as distinct a professional interest, is that what you meant?---No.

10 So in what way was he interested to look at the copy of the tender?---Sorry, the question?

Why, why was he interested in looking at a copy of the tender document?
---You'll have to ask Mark.

No. I'm asking you?---He just said send me a copy.

Yeah. But you knew that he wasn't involved in the tender process didn't you?---Correct.

20 So that being so why would you have sent him a copy of the tender document upon his request?---It was an area of interest for him.

Were you, were you - did you know that Mark Eschbank was assisting Kings in relation to these - in relation to the work you were doing for UWS?
---What do you mean by assisting?

Well that word means helping?---No.
All right. Well you had dealings with Mark Eschbank, is that right?
---Correct.

30 And what were the dealings you had with him?---What specific, what specific dealings did you have with him?---He may have got asked to do work at UWS Bankstown.

But not for - and for Concept 4000?---That's all it was, yeah.

So what - so just tell me did you have - what precisely did he - were your dealings with Mark Eschbank?---He may have ordered work. Yeah.

40 When you say he may have did he order work?---I don't know whether we were the supplier at that time.

The supplier or what, security installations you mean?---Correct.

So well - let me ask you one more time can you think of any specific reason why Mark Eschbank wanted to see the tender document?---No, I can't.

Can just - can the witness be shown exhibit D20. Excuse me, D22. And were you in the hearing room when this email was shown to Mr Diekman?
---Yes.

And is it the case that you didn't in fact assign people at Kings as described in this email for various jobs in relation to the - what you described as the very, very large tender for the UWS for the Concept 4000 project or contract. Is that right?---The question? Is it - - -

10 Did you assign, did you in fact assign roles to various Kings' employees in relation to the UWS contract?---Yes.

If you go to D23. Now, you knew didn't you, that David McMicking was an old friend or was a friend of Mark Eschbank's, is that right?---Yes.

And did you know that Mark Eschbank was giving information to David McMicking about the tender process or about the tender for the Concept 4000 system?---No.

20 Did you know he was doing so when you read this email?

THE COMMISSIONER: Which email?

MR STRICKLAND: The email - - -

THE COMMISSIONER: D23.

MR STRICKLAND: At D, at D23?---Apart from the contents here.

30 Well, that, that is saying - McMicking is telling you that he was - you understood the Mark there to be Mark Eschbank, is that right?---Yes.

That Mark Eschbank had told him that two of the tenderers, Signature and SNP had withdraw their interest on the tender, correct?---Yes.

So that was Mark Eschbank giving information to McMicking about a tender which had not yet been awarded, correct?---Yes.

40 And did you ever have any discussions with Mr McMicking about information that had been conveyed to him by Mark Eschbank in relation to this particular tender?---Not that I can recall.

THE COMMISSIONER: Did Mark - did you know if Mark Eschbank ever offered to help Kings in the tendering for this contract?---No.

You have no idea?---No.

Was he in any way going to be involved in helping you?---No.

Was he ever going to go to the site with you?---Go to the site for us?

Yes, meet you at the site or meet Kings people at the site?---I'm, I'm not sure whether we did a site survey at Bankstown, we may have.

Mr Strickland, I'm sure you're aware of this passage at page 315, Exhibit 22, the fourth last paragraph.

10 MR STRICKLAND: Thank you. If the witness can be shown D22 again. Have you got that in front of you?---Yes.

If you go to the fourth last paragraph you'll see that you have written to the Kings' employees, "Chris," I think you're referring there to Chris Hodges, is that right?---Correct.

"We will then require your tech skills to go to each site with Rob and probably Mark Eschbank to see what they have in place to integrate all the campuses there". Do you see that?---Yes.

20

At that stage you - why did you write that? What information did you have that made you believe that Mark Eschbank would probably go to the site for a site visit with Kings' employees?---I'm not sure why apart from somebody showing us around.

Well someone - either, either Mark Eschbank told you or, or McMicking or someone from Kings must have told you that there was a likelihood that Mark Eschbank would visit the - would be with the Kings' employees when they visited on site, that's what follows from that email doesn't it?---Yeah, I can't recall what we did for the process.

30

THE COMMISSIONER: Well, the paragraph tells you what he's going to do?---Whether we did it or not is another thing.

But you must have known that there was a probability that Mark Eschbank was going to go there to help as set out in that paragraph?---Yeah.

It's your words?---Yes, I understand.

40 MR STRICKLAND: Mr Roche, as you've said correctly, Mark Eschbank only worked with the Bankstown UWS. Correct?---Correct.

But you've indicated there that Mark Eschbank would probably visit each site - - -

THE COMMISSIONER: To see what they have in place to integrate all the campuses, et cetera?---Yes, yeah.

MR STRICKLAND: How many sites were there?---Ten.

So why did you think that Mark Eschbank was probably going to go to 10 sites at UWS to see what they had in place to integrate all their security systems? Why was he doing that?---I'm not sure how we approached UWS for getting on to sites, but that may have been how.

THE COMMISSIONER: But that doesn't mean that he's going to be there and it doesn't mean that he's going to help to integrate all the sites?---No.

10

So why did you write that to everybody?---Again, somebody at UWS to show us.

That's not what it says?---Well what does it say? To see what they have in place to integrate.

20

MR STRICKLAND: The question is this, that you must have had some knowledge that Mark Eschbank was probably going to attend with Kings employees on every – each of the 10 sites to assist the Kings employees to ascertain what the campuses had on place, what security systems were in place or needed to be in place in relation to this Concept 4000 system. Isn't that right?---No.

Well what does it mean?---Well we may have asked him to show us, show us around. I don't know.

THE COMMISSIONER: And why did you ask him?---He had knowledge of the site.

30

Why choose him?---Because he's a UWS employee in security.

Well they have hundreds of employees?---Sorry?

They have hundreds of employees, why choose him?---He's a security manager.

Was he dealing with you?---I'm not sure whether we had any contact with or dealings with UWS Bankstown at the time.

40

So why mention him?---Because he had site, he was a site contact.

Yes, Mr Strickland.

MR STRICKLAND: See before this Concept 4000 you hadn't done any work for UWS had you?---Again, I'm not sure whether we had or not.

And you knew didn't you that the actual security manager for all of UWS was Adam Burn?---Correct.

Sorry, can I just ask you again, if you go back to UWS 319.

THE COMMISSIONER: That's D23.

MR STRICKLAND: I'm sorry, sorry, I beg your pardon, D23. See the tender that's referred to in that email relates to the tender for this Concept 4000 system for all 10 campuses. Right?---Correct.

10 So do you know how it was that Mark Eschbank had any knowledge of why two tenderers had withdrawn their interest in that tender?---No.

THE COMMISSIONER: Why did he tell you?---He didn't tell me.

MR STRICKLAND: Well why did he tell one of your employees?---I don't know.

Well did you ever speak – I mean this was a, let's put this in context, this was a very big tender - - -?---Correct.

20

- - - for Kings at that time wasn't it?---Correct.

Are you saying you never had a discussion with David McMicking or anyone else at Kings as to their – any discussions they were having with Mark Eschbank - - -

THE COMMISSIONER: About the tender.

MR STRICKLAND: - - - about the tender?---Not that I can recall.

30

That's something that would have interested you wouldn't it if someone was giving you inside information or confidential information about the tender wouldn't it?---I don't believe Mark had any information.

Well he certainly had the information according to this email, two tenderers had withdrawn their interest in the tender. So he had that information didn't he?---Correct.

40 Did you want to know whether he had any other information?---No, I didn't actively go seeking it.

But you know don't you - well you knew that Daniel Paul was a consultant to the UWS in relation to this Concept 4000 tender?---Correct.

And did you have any discussions with Daniel Paul about the tender before - during the tender process?---Not sure whether I did.

Okay. Do you know whether Charlie Diekman did?---Not sure.

And, excuse me. Excuse me for a moment. Did you, did you receive any emails or send any emails to Daniel Paul during this tender process?---Not that I can recall.

Do you know if Daniel Paul assisted you at all during the tender process?
---Not that - - -

10 When I say - I withdraw that question. Do you know if Daniel Paul assisted Kings during this tender process?---Again not that I can recall.

If he had assisted Kings during the tender process in a way and didn't render similar assistance to other tenderers would you have regarded that as inappropriate?---Yes.

Now you're aware aren't you that in November 2000 the senior project manager from UWS wrote to you and confirmed that Kings had been awarded the contract?---Yes.

20 And to your knowledge did Mr Paul provide any assistance at all to Kings in relation to that contract that you were awarded?---Not that I can recall.

And did Mark Eschbank provide any assistance to Kings in relation to the awarding of that contract?---Not that I can recall.

Could the witness please be shown exhibit D26. Were you in the hearing when this email was shown to Mr Diekman?---I was.

30 And now do you accept on the basis of emails that I have shown you that this email was sent before Kings were awarded the UWS contract?---Not sure.

You're not sure?---Not sure of the dates.

Okay. Well I'm sorry, Commissioner, I'll just - I'll do it this way. Can - could the witness be shown D25. That's UWS 648. So on 13 November 2007 Mr Johnston wrote to you confirming, sorry. I'm sorry to do it this way. Can I just ask, sorry, could you look at - could I, could I show you D -
- -

40 THE COMMISSIONER: This paragraph does show. It says I'm please to advice you that Kings Security is the preferred supplier.

MR STRICKLAND: Thank you. I was going to show him an email before but that might be sufficient.

Could you accept that you, you advised on that date that you were the preferred supplier in relation to the Concept 4000 tender?---Yes.

Okay. Thank you.

So if I can go back to D26 and if you can recall that the emails that I've showed you where Mark Eschbank advised McMicking that Signature and SNP have withdrawn their - that was on 26 July so in other words during the tender - this email of 17 August was sent during the tender process for UWS, do you accept that?---The tender process goes for six months.

10 Well, I'm asking - - -

THE COMMISSIONER: The tender was awarded in November, this email is dated August.

MR STRICKLAND: I've shown you some emails from July 2007 which was D22 and D23 which is when the tender process was ongoing, do you accept that?---Yes.

20 It was awarded - - -

MR MAHER: Might I object, Commissioner. I don't know if that's what D22 says in the first line, that the tender was ongoing.

MR STRICKLAND: Well, I'll withdraw the question and I'll put it another way. You knew that - you'd been given information on 26 July, 2007 that certain tenderers had withdrawn their interest on the tender, correct?---Yes.

30 And you weren't informed that you had been awarded the tender until November 2007, do you accept that?---Yes.

And in light of the objection I'll do this in a slower way, it was quite a proper objection.

THE COMMISSIONER: I mean, he's not really seriously suggesting that it wasn't ongoing from July onwards are you? I mean, it's obvious from the emails that it was. They were preparing the tender in July and then November they get awarded it. Well, what do you think was happening in the meantime? Are you still taking the objection?

40 MR MAHER: I'm sorry, your Honour, I didn't realise you were speaking to me. Your Honour, it was only as to the form of the question on the basis of what was in the exhibit D22 which starts - - -

THE COMMISSIONER: It's an inference that's drawn from it.

MR MAHER: - - - "We are currently preparing a very large tender". It doesn't indicate that it was an ongoing process, that's the simple limited ambit of my objection.

MR STRICKLAND: I'll show the witness - I want to make this crystal clear so I'll show the witness D24, please. This is a tender report and a request for approval for the tender of the Concept 4000 system. Could you just go to page 587 under the, do you see under the heading "Evaluation", just for those who can't read the screen, it reads "The tender evaluation panel met on 14 August, 2007 and 23 August, 2007," do you see that?
---Yes.

10 And if you go to page 5, I beg your pardon, page 600 under the heading "Recommendation" - - -?---Ah hmm.

- - - you will see that the recommendation of four people, including Daniel Paul, was that Kings Security be awarded the contract for the sum, a total sum of some \$1.2 million plus. Do you see that?---Yes.

So if I go back to D26 when you wrote that email you knew that the UWS tender process was ongoing, correct?---I can't say I had it in my mind when I wrote that email, no.

20

Well, I'm not asking you that precise question. What I'm asking you is that based upon the emails that I've taken you to in July '07 - - -?---Ah hmm.

- - - of which, some of which you wrote, you knew at the time you wrote this email that the UWS tender process was ongoing, do you agree with that?---Yes.

30

Right. So you then wrote to Greg Poller, I need some cash or a cash cheque today to pay a contractor that's working for us also Charlie requires some cash for consultants. Do you see that?---Yes.

Et cetera. So that's clear isn't it that Charlie had had a discussion with you or had emailed you saying that he wanted cash for consultants. Correct?
---Yes.

And did you understand he was referring to consultants for the - or a consultant for the UWS project?---No.

40

Well what particular consultant did Charlie say to you he needed cash for?
---I don't know whether he mentioned anyone.

Well on what possible basis would it be legitimate for Kings to pay cash for a consultant?---Not.

Well then by not you mean there is no possible legitimate basis for Kings to pay cash to a consultant. Is that what you meant?---Only if we engage them.

Apart from engaging them?---Ah hmm. Correct. Yeah.

And you're not suggesting are you that the request by Charlie was for a consultant that Kings had engaged?---No.

All right. So you knew that Charlie was asking for cash for a consultant that Kings had not engaged. Correct?---Charlie could just be asking for cash.

But that's not what you've written?---Yeah. Mmm.

10

You're saying that he's written cash for consultants, et cetera. Correct?---Correct.

So you knew then, it follows in your answers that you knew that he was asking for cash for consultants and that there could have been no legitimate purpose or legitimate reason for such a payment. Correct?---It could be Charlie asking for money for anything.

20

But that's not what you've written?---No, it's not. It's what Charlie would term it or, you know.

I beg your pardon?---Just give it to a contractor or a consultant.

THE COMMISSIONER: But you've accepted it's for consultants because you have written to Greg Poller and told him that?---Yes, I see that.

So you knew that he wanted it for consultants?---I can't recall.

30

It's obvious from the email isn't it?---(No Audible Reply)

Are you answering that question?---I can't recall.

From the -- from your own email it is obvious that you knew that Charlie wanted the cash for the consultants isn't it, because that's what you've said?---Yes.

MR STRICKLAND: And do you remember how much cash Charlie said he wanted?---No.

40

If the witness could be shown Exhibit D27. And you were in the Commission when this email was shown to Mr Diekman?---Yes.

And in that email Mr Diekman has asked for a total of \$8,000 cash including \$2,000 cash for Bankstown UWS. Did you know why he needed \$2,000 cash for Bankstown UWS?---No.

Well did you link that with the previous information he'd told you that he needed cash for consultants?---No.

You didn't?---No.

Well you know this, you knew there was a tender process going on in relation to UWS. You knew UWS had a consultant. You knew that you'd asked for cash for consultants four days earlier. Didn't you link all that information together?---No.

10 Well what did he need – why do you understand he needed \$2,000 cash for Bankstown UWS?---I don't know.

Did you ask him?---I don't think so, no.

Again is that because you deliberately turned a blind eye to it?---I just didn't ask him.

I know you I didn't ask him?---Okay.

20 Now I'm asking you why you didn't ask him?---I can't recall.

Is it the case you didn't ask him because you deliberately turned a blind eye to where that cash was going?---I can't recall.

Well that's a reasonable possibility isn't it?---As I say I can't recall, yeah.

I know. I'm just asking now to think?---Mmm.

30 It's a reasonable possibility isn't it why you didn't ask him where that cash was going?---Mmm. No.

THE COMMISSIONER: Pretty weird to take out \$2000 cash for Bankstown UWS isn't it?---I don't know what that's for. Yeah.

But it's pretty weird that he's asking for that isn't it?---Yes.

I mean what possible reason could there be that he wants cash?

MR STRICKLAND: But, Mr Roche - - -

40 THE COMMISSIONER: I beg your pardon, did you say something?---No, I didn't.

MR STRICKLAND: Mr Roche, the contract hadn't been awarded at that time had it?---No.

So that being so what possible reason would \$2000 cash be needed for Bankstown UWS?---I don't know.

But didn't it - didn't you ask him, look the contract hasn't been awarded yet why do you need \$2000 cash for it?---No.

THE COMMISSIONER: Why not?---(No audible reply)

Are you just used to Charlie paying consultants before contracts are awarded?---No.

10 Not - you weren't used to that?---(No audible reply)
Mr Roche?---Sorry.

You were not used to that, used to Charlie, used to Charlie asking for cash for consultants on contracts before the contracts were awarded?---No.

MR STRICKLAND: If you just go to page 93 of that document exhibit D27. Their your signatures on that cheque, is that correct?---Yes.

20 THE COMMISSIONER: And do you see the cheque butt at page 92, consultant fees?---Yes.

MR STRICKLAND: And did you tell Mr Poller to write that record, to write those words?---I can't recall, no.

That indicates pretty clearly doesn't it that the \$8000 was for consultancy fees isn't it?---He's got there lock smithing technicians, I don't know what he's meant.

THE COMMISSIONER: Sorry. On page 95?

30 MR STRICKLAND: I was referring to page 91 when he answered that.

Well the - you knew at the time that you were also doing Department of Housing work, is that right, up in the Central Coast? I'm sorry, Area Health Service work up in the Central coast, is that right?---Yes.

40 If the witness can be shown exhibit 32. Just go to page 113. You received a email from Mr Curry on 3 March 2008 asking for incentive money for the job he was doing in relation to the Department of Housing. Is that right? ---Yes.

And then if you go to the next email over the page 112, an email from Charlie Diekman to yourself on 3 March. He writes to you, "Lets discuss there are other fees also that need to be applied to the job, e.g. \$15,000 cash to Tony Grubisic. Do you see that?---Yes.

And you understood from that that the job there referred to the Department of Housing job or jobs, is that right?---Yes.

And why did you understand - and you understood, didn't you, that Tony Grubisic was the principal at ACG, correct?---Yes.

And he was also bidding for or had also bid for contracts with the Department of Housing?---Not, I wasn't aware, yeah, yeah.

Well, did you know why Charlie Diekman wanted \$15,000 cash to pay Tony Grubisic in relation to the DOH job?---No.

- 10 So he says at the beginning of the email, "Let's discuss" so I assume that you practice was that if he sent you an email like that he'd discuss it? ---Yes, whether we did or not.

Yeah. Well, you would have wanted to know why you were paying \$15,000 of company money to Tony Grubisic, wouldn't you?---(No Audible Reply)

Mr Roche?---Sorry?

- 20 You would have wanted to know as the managing director of Kings Security why Kings should be paying \$15,000 cash to Tony Grubisic, the principal of ACG in relation to the Department of Housing job?---I'm not sure whether I did.

I beg your pardon?---I'm not sure whether I did want to know.

Well, didn't Charlie Diekman tell you the reason why he wanted to pay \$15,000 cash to Tony Grubisic, did he tell you or not?---No.

- 30 THE COMMISSIONER: I mean, doesn't this - don't warning bells scream out at you when you read this?---Oh, mmm.

Hmm?---Not at the time.

So - I mean what does Tony Grubisic and ACG got to do with the, with that job?---I don't know, I wasn't involved.

- 40 But you must have known they had, you weren't paying them for any work they'd done for you, is that right?---No.

It was wrong?---(No Audible Reply)

I'm sorry, I don't know what your no means, it's probably my question that's not clear. I'll try again. Did you think - well, no. Did you know that Tony Grubisic and ACG were not creditors of Kings in relation to that job? ---Well, I wasn't involved in the job, I didn't - - -

Did you know?---I didn't consider it.

Could ACG and Tony Grubisic have any possibility of being creditors of Kings in regard to that job?---As I say, I wasn't across the job, I didn't - yeah.

Please answer the question?---Yeah, yeah.

In the ordinary course, put it that way?---No.

10 So didn't it strike you as bizarre that you had to pay \$15,000 to Tony Grubisic in regard to that job?---Again, I didn't consider it.

Because you were used to this kind of thing happening. I'm trying to understand, Mr Roche, why you didn't consider it. At the moment the only answer that occurs to me is that this was something that was not out of the ordinary as far as you were concerned so you just took it in your stride? ---Mmm.

20 Is that, would that be a wrong inference to draw?---I don't know, your Honour.

THE COMMISSIONER: There's an email sent a couple of hours later from Charlie Diekman to yourself on 3 March, 2008, he says to you "If 5K per site, they split it between the IPP cons and himself." Did you understand what was meant there?---No, I've said what.

MR STRICKLAND: Yes, you've written what have you?---Mmm.

30 Is that right?---I think so, yeah.

And did Charlie Diekman then explain - answer your question?--- I can't recall if he did or not.

40 But when you combine the two emails with the knowledge that you had that IPP was the consultant for the Department of Housing work, then surely the only conclusion you could draw from this, from these emails written to you was that Kings were paying cash to the IPP consultant in relation to the Department of Housing job, either directly or through Tony Grubisic. There's no other conclusion any reader could draw is there?---It's how it reads.

So you knew at that time that Kings were making an improper payment to the IPP consultant in relation to the Department of Housing job didn't you? ---I don't know whether I took it on board or not.

What do you mean by that?---Whether I acknowledged it or not.

But you knew it. Whether you acknowledged it, you knew that fact didn't you?---I've been informed, yeah.

And you did nothing to stop that did you?---It appears not.

And why not?---I can't answer that.

10 See certainly by the time of this email you must have known that there was a practice that Charlie Diekman was arranging to pay cash to consultants or at the very least this consultant for jobs that Kings were working for. Correct?---Again, I can't recall, yeah.

But it follows from the answers you've just given doesn't it?---Yeah.

And, and is this the truth Mr Roche, that you knew that practice was happening and you said to yourself, well this is what happens and I'm not going to stop it. Is that right?---I don't know what I was thinking.

20 The next line of that email is the next three sites Tony gets and he pays us and so on. Do you know what that meant?---No.

THE COMMISSIONER: Have a guess?---No, I don't want to.

MR STRICKLAND: Well didn't you know that that meant that Tony Grubisic would get the next three Department of Housing sites and then when he got that contract he would give some money to Kings. That's what it meant didn't it? Didn't it?---It's how it reads.

30 So when you read this chain of emails then you knew that – didn't you that you and ACG, Tony Grubisic were colluding together in relation to those government contracts. Is that right?---I didn't consider it.

You say that's how it reads but you didn't – that's not how you read it at the time. Is that right?---Yeah, that's right.

Isn't it the truth that you did understand at the time but you simply decided look this is what's happening and I'm going to do anything about it? Isn't that the truth?---No.

40 Well if it reads that way now, how could you possibly not read those same words like that at the time, that is the next three sites Tony gets for the Department of Housing and then he will pay us. What other, what other meaning could it possibly have meant when you read it back in March 2008?---Again I've said what, yeah. I didn't, yeah, you know - - -

But, but I - but forget what you - I mean there is no other possible meaning is there to those words that you've read. Is there?---I didn't take them on board.

But is there any other possible meaning to those words?---Not that I'm aware, yeah, yeah.

Could the witness please be shown exhibit D39. That's the email from Charlie Diekman to yourself on 30 May. You, you were in the hearing when this email was - - -?---Yes.

10 - - - shown to Mr Diekman? And if I can just take you to the first line, "We need to credit all ACG invoices." You were here when Mr Diekman said here he - what he meant I think was that we have to write these emails off. Sorry, we have to write these invoices off?---He said that?

Well let me ask you perhaps - I won't - let me ask you in a non leading way. What did you understand that line to mean?---Now?

No. When you read it?---Credit ACG invoices, yeah.

20 Yeah. Well what did that mean?---Credit ACG invoices. Yeah.

THE COMMISSIONER: With what?---(No audible reply)

MR STRICKLAND: What did you understand it to mean, what, what needed to be done to credit them?---I don't even know whether we had the ACG invoices in our system at the time or what so.

THE COMMISSIONER: But what did you think it meant, Mr Roche?---Well he's saying credit them.

30 Credit what with what?---(No audible reply)

MR STRICKLAND: You're not sure what it meant?---No, I don't, no.

40 The next line informed you in a very clear manner I would suggest that Charlie Diekman paid seven and a half thousand dollars cash to the consultant via ACG for the Department of Housing job. And you knew when you wrote that - when you read that didn't you that there could be no possible legitimate reason for Kings to pay cash to the consultant for the DOH job, didn't you, you knew that at the time you read it. Correct?---Not sure whether I read it.

You're not sure whether you read this email?---Yeah.

Is that what you're saying?---(No audible reply)

Well that's the first time you've ever said that in this hearing when I asked you about emails that were sent to you. You said earlier it was your practice

to read emails that were sent to you. This is not sent to other people it was sent to you, isn't it?---Mmm. Yes.

THE COMMISSIONER: No. It's sent to Greg Poller.

MR STRICKLAND: I apologise. It's sent to you and Greg Poller?---Ah
hmm.

10 But you said it was your practice to read emails that were sent to you didn't
you?---Yes, yeah.

But why wouldn't you have read this one?---I can't recall.

Well you don't deny now do you that you knew at least as late, at least from
30 May 2008 on that Charlie Diekman had paid seven and a half thousand
dollars to the consultant for the Department of Housing jobs, you don't deny
you knew that fact do you?---I can't recall it.

20 But you don't deny. Do you deny that - - -?---No.

- - - you actually knew about that fact?---I can't recall either way.

THE COMMISSIONER: It's a pretty startling fact, isn't it?---Yeah, it is.

So why - wouldn't you remember it if you knew about it?---(No Audible
Reply)

You can't answer?---No, I can't.

30 MR STRICKLAND: Mr Diekman writes, "I have paid for a number of
opportunities out of my account in the last year." You knew that - did you
know that Robert H referred to Robert Huskic?---I do now.

No, did you?---Oh - - -

THE COMMISSIONER: Pardon?---I'm not sure at the time.

40 Well, who would you - who else would you have thought Robert H referred
to?---Yeah, so - - -

I beg your pardon?---I'm not sure.

MR STRICKLAND: You've said earlier that you knew that Robert Huskic
was one of the three AHS employees who gave Kings a significant amount
of work for the AHS job, correct?---Correct.

So - and that was during the time of this email, of giving lots of work to
Kings in 2008, correct?---Yes.

Well, surely you knew that Robert H there referred to was Robert Huskic?
---Yes.

Yes, you, do you agree with that?---I know no other.

You know no other?---Mmm.

10 And so you've said earlier when I asked you that you, you were not aware
of Kings paying for any money to Robert Huskic, do you remember saying
that earlier?---(No Audible Reply)

I asked you did you, did you have any knowledge whether Kings Security
paid any money or gifts or benefit to Robert Huskic and you said no?---Ah
hmm, mmm, yes.

20 Having read that email you knew, didn't you, that Charlie Diekman had told
you that he had paid \$15,000 out of his account to Robert Huskic and he
wanted Kings to pay him that money back, correct?---Yeah, that's how it
reads, yes.

Well, did you ever ask him why did you pay \$15,000 to Robert Huskic?
---No.

Why not?---I didn't ask.

Why not?---Because I didn't.

30 Pardon?---Because I didn't.

The Dan P, the next line, you knew that was, you knew that referred to Dan
Paul, didn't you?---I would imagine so, yes.

I beg your pardon?---I would imagine so.

And did you know what the 2,000 AMP job referred to?---No idea.

Did you ask Mr Diekman?---No.

40 Cam C, did you know that referred to Cameron to Creary?---I do now.

No, did you then?---No, yes.

All right. And did you - what did you understand that \$5,000 cash payment
was for?---I didn't ask.

Did you know?---No.

Do you know what four-door (not transcribable) meant?---No.

This was forty-seven and a half thousand dollars - - -?---Ah hmm.

- - - in total that Mr Diekman said he had paid and was asking Kings to repay him?---Ah hmm.

10 And you're saying as we go through these numbers you didn't know what these, what these cash payments were for, that Kings had to repay Charlie. Is that right?---No, I'm saying I didn't ask him.

Yeah, but, but not only, you're not only saying you didn't ask him, you're also saying that you didn't know, correct?---For what they're for, yes.

So why is the managing director of a company with your particular background, would you be prepared to pay forty-seven and a half thousand dollars from company money for purposes that you didn't know?---I can't answer that.

20 THE COMMISSIONER: What happened to this - to the record of this - or do you know whether the money was paid for not?---I don't know.

Would you have expected it to be written up in the books of the company? ---Yes.

Were the cash payments written up in the books of the company?---I don't know.

30 But you're the person responsible for having the ultimate responsibility for the finance?---Correct.

You don't know whether they were written up or not?---No.

MR STRICKLAND: In 2008 did you know whether Kings sponsored Daniel Paul to travel to Las Vegas?---I don't know whether we, no, I don't.

40 Well the next, the next item on this list is Dan Paul, I beg your pardon, Dan P \$8,000 Vegas sponsor. Did you understand that Dan P referred to Dan Paul?---Yes.

And what was that \$8,000 cash payment for? Do you know?---I didn't inquire.

Well surely you knew that Kings - that Charlie Diekman went to Las Vegas for the ISC International Conference. You knew that didn't you?---Yes.

And you knew that Kings sponsored people to go to that didn't you? ---Sponsored, the word, we paid for our employees, yes.

Well I'm using the word that is in that email?---Mmm. Yeah. I don't know who or what that refers to, yeah.

That's what I'm asking you. Did you know that Kings sponsored in the sense of paid for in full or in part for the accommodation and or airfare and or expenses of people to go to the ISC Conference in Las Vegas?---Not apart from our staff.

10 Okay. So when therefore this email is sent to you, and Dan Paul obviously wasn't part of your staff was he?---No.

So when this email is sent to you asking for cash back from Kings to pay Charlie for him paying \$8,000 to Dan Paul for sponsoring the Las Vegas conference didn't you say to Charlie, well why are we paying Dan Paul \$8,000? Didn't you ask him that?---No.

20 Didn't you have, didn't you have any discussion with Charlie Diekman about Kings sponsoring non-employees of Kings to go to the Las Vegas conference?---No.

You must have had some discussions with him Mr Roche? You must have?---He would just do it.

, did you know who that was?---As Charlie said it'd be .
And do you know why - - -

30 THE COMMISSIONER: Did you know that from what he said yesterday or from what he said before?---Oh, yeah, from Monday or Tuesday.

Yes?---But, but, yeah.

I mean not yesterday the day before?---Yeah.

Yes. So you didn't know it before this week. Is that what you say?---I haven't seen this, yeah.

You haven't seen this. Is that what you're saying?---On Monday.

40 Yes?---Yep.

Are you really saying - - -?---But four years ago.

Sorry, are you saying you saw it four years ago?---Well it's when it's dated, yeah.

Is that when you saw it?---Yeah.

Mr Roche, you are not answering my questions. Do you mind answering them? Did you see this email when it arrived at about that time?---I'd imagine I did, yeah.

All right. But when you said that you knew that stands for
- - -?---Ah hmm.

- - - are you talking about what you, what you thought four years ago or what you now think - - -?---Yes.

10

- - - as a result of what Charlie Diekman said in this hearing room?---No, four years ago.

Yes.

MR STRICKLAND: So did you know back then when you read, when you read this email who – what the payment of \$10,000 to Caterair et cetera was about?---No.

20 And did you ever ask?---No.

Did you have any discussions with Mr Poller about the subject matter of this email?---Not that I can recall, yeah.

Well do you recall Mr Poller talking to you about the need to create a spreadsheet of payments made privately by you and Mr Diekman?---To some degree, something about a spreadsheet, yes.

30

Right. And what did he say about that?---I can't recall.

Do you remember ever seeing a spread sheet?---Not that I'm familiar, no, no.

Well what was the, what was the purpose of the spread sheet as discussed with you?---I don't know, for directors equity or establishing that.

Isn't it the case that you expressed concern about the cash that was leaving Kings as exemplified by this email?---I hope I did.

40 Are you saying you don't recall whether you did?---(No audible reply)

You just shake - I'm afraid you have to answer verbally?---No, I don't.

Is this a convenient time?

THE COMMISSIONER: Yes. The Commission will adjourn until 2.00pm.

LUNCHEON ADJOURNMENT

[12.56pm]