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PUBLIC
HEARING

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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE DAVID IPP AO QC

PUBLIC HEARING

Reference: Operation E09/350

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON WEDNESDAY, 27 JUNE, 2012

AT 2.15PM

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.

MR SMITH: Commissioner, before Mr Strickland recommences - - -

THE COMMISSIONER: Yes, Mr Smith.

MR SMITH: - - - I have an application.

THE COMMISSIONER: Yes.

10 MR SMITH: Last Friday in the examination of Mr Roche there was
reference, sorry, you lifted the suppression order in respect of the private,
sorry, the compulsory examination of Mr Roche in September and in the
transcript there's a reference in respect of which I'd ask for a suppression
order. And I give you the reference, it's page 192 - - -

THE COMMISSIONER: What exhibit number is it?

MR SMITH: It wasn't tendered.

20 THE COMMISSIONER: Well if it's not tendered then why are you making
the application?

MR SMITH: Because the suppression order on the transcript, the transcript
as I understand it has been circulated to some people.

THE COMMISSIONER: Has it?

30 MR SMITH: And the suppression order in respect of it was lifted last
Friday in its entirety. There's only one aspect of it that I would ask for that
suppression order to be (not transcribable)

THE COMMISSIONER: I don't think it's been circulated, Mr Smith.

MR MAHER: Commissioner, as Mr Roche's representative I certainly
have, was given a copy of it.

THE COMMISSIONER: Of the compulsory examination transcript?

MR MAHER: That's so.

40 MR STRICKLAND: I need to check the transcript reference. My, my
recollection, which could be faulty is that only a couple of pages of that
transcript were tendered.

THE COMMISSIONER: Yes. There were two pages tendered.

MR STRICKLAND: Two pages tendered.

MR SMITH: Well I accept, I accept that Commissioner.

THE COMMISSIONER: But you're saying that the whole transcript was circulated.

MR SMITH: Well in so far as Mr Maher has it, yes. And I don't know if anybody else has it.

THE COMMISSIONER: Mr Maher, do you have the whole transcript?

10 MR MAHER: I do, Commissioner. I might come forward if I may.

THE COMMISSIONER: Can you just tell me who gave it to you, please?

MR MAHER: I believe my friend handed it to me when the suppression order was lifted.

THE COMMISSIONER: What's the penalty for that?

20 MR MAHER: I haven't circulated it any further.

MR STRICKLAND: There's an uncertainty about who my friend, he waved his hand that way.

MR MAHER: I was trying to be deliberately vague.

THE COMMISSIONER: All right.

30 MR STRICKLAND: I think he may have been pointing towards Mr Lloyd, Mr Commissioner.

MR LLOYD: Mr Commissioner, on this occasion I didn't get it.

THE COMMISSIONER: What order do you want Mr Smith?

MR SMITH: Just that the reference to the suburb on page 192, line 25 is suppressed.

THE COMMISSIONER: Yes. There'll be an order in those terms.

40

**SUPPRESSION ORDER ON NAME OF SUBURB ON PAGE 192
LINE 25**

MR SMITH: I have a redacted version for the Commissioner.

THE COMMISSIONER: No, that's - I believe you Mr Smith. The order is made.

MR SMITH: Thank you, Commissioner.

THE COMMISSIONER: Yes, Mr Strickland.

MR STRICKLAND: Could you just have a look at P8, please? So can you see in P8 there's a cheque, and I'll show you the cheque in a moment, but there's a cheque butt and I want you to assume it was made out, this is 3622 that was made out to cash for the Art Gallery. Do you see that?---Yes.

10 And – oh that's right there's no, there's no, we don't have a cheque for that. Do you – but if you got to page 45 you can see that there is a remittance - - -

THE COMMISSIONER: 45 of what, sorry? 45 of what?

MR STRICKLAND: I'm sorry, of P - - -

THE COMMISSIONER: Of P - - -

MR STRICKLAND: - - - 8, P8.

20 THE COMMISSIONER: P8. I don't have a 45.

MR STRICKLAND: There should be one - - -

THE COMMISSIONER: I've got one page, 144.

MR STRICKLAND: You've just got one page?

THE COMMISSIONER: Yes. That's 144.

30 MR STRICKLAND: Okay. There should be behind P8, there should be three pages to P8. One is 144, another is 45, another if 46.

THE COMMISSIONER: It's P9, I'm told it's P9.

MR STRICKLAND: Let me step back (not transcribable) I apologise, I'm sorry. It's P9 is it?

THE COMMISSIONER: Yes. But I still don't know what 45 is.

40 MR STRICKLAND: No, just because there's some confusion. I won't be - - -

THE COMMISSIONER: There's 145 and that's the first page of P9 and that's this Cheque of Security Consultants.

MR STRICKLAND: I'm just, I'm on P8.

THE COMMISSIONER: P8.

MR STRICKLAND: Cheque 3622, a cheque for \$10,000 to the Art Gallery. I'm just assuming we don't have the actual cheque. Do you recall writing a, signing a cheque in the sum of \$10,000 where the payee is Chubb but there's a reference to Art Gallery?---I don't, don't recall about the cheque, it would be handy to have it, but I- - -

THE COMMISSIONER: That's your handwriting, is it?---That Art Gallery there and the 10,000 is my handwriting.

10

And Chubb?---That was written by someone else.

Yes, I can see?---Maybe.

The ink is a different shade. So you don't know who it is?---Possibly Janet, maybe Lauren, I'm not too sure.

And she would know of the arrangement, the procedure in relation to Chubb and cash cheques as well, would she?---I did, I don't think so.

20

I see. So who would tell her to write Chubb there?---From maybe the way I could sort of understand what took place is I was asked for a cash cheque before any paperwork was made, I then wrote the Art Gallery on there 'cause that was the name I was given for the cash cheque and then at a later date someone's come in there and completed the paperwork and put in Chubb.

So you say Art Gallery was put in first?---Yes.

30

MR STRICKLAND: I want to show you a document, I think this is the only page I've got, it's a remittance advice in relation to cheque 3622 page 45. Now, is that the remittance advice that you created?---Yes, that's the remittance advice that would have been created for that.

Do you, did you create it or did someone else?---I did the entry, I, that I can't be 100 per cent sure about.

And just because you're the only one that has the document, what does the remittance advice say, what's, what's the information recorded on the remittance advice?---Payment number 3622.

40

Yes?---Refers to the cheque number. And then it has a date, 9/6/2009, and the amount, \$10,000.

And what's the description next to it?---There's no description on there. A supplier, payment for supplier invoice C7850-1630.

I tender that as part of P8 and I wonder if in due course some copies could be made of that.

THE COMMISSIONER: Yes. The remittance advice relating to cheque number 3622 will be inserted as an exhibit as part of P8.

10 **#EXHIBIT P8 - THE REMITTANCE ADVICE RELATING TO
CHEQUE NUMBER 3622 WILL BE INSERTED AS AN EXHIBIT AS
PART OF P8**

MR STRICKLAND: I just need, sorry, I just need that when you've got a moment. And if I can show you this document, please. I'll show it to you together with the last document I showed you at page 45. Is that, that's a tax invoice, isn't it, the document I've just shown you?---Yes.

20 And does that, if you look at the numbers, does that go with that remittance advice, the job number?---I believe it does.

Okay. And did you, did you create that tax invoice?---Ah - - -

Or did you arrange for it to be created?---I would have, I would have requested that to be created for the other, for the cheque, for the cash cheque that was requested.

30 But do you know why a, do you know if this, was this a genuine cheque for payment in relation to the Art Gallery project or contract or was it a, one of those dummy false records for gifts for consultants?---I believe the way it's set up it falls in line with one of those dummy ones, gifts for consultants.

And why do you say that?---Because it was made out to cash.

Yes?---It has Chubb, well, it's changed names here, Chubb Fire & Security.

THE COMMISSIONER: Is that invoice to Chubb Fire & Security, the invoice you're looking at now?---It says that, yes.

40 So that's the warning flag for you?---It would be, yes.

But the Art Gallery is genuine, is it? I mean, in other words this is a payment in connection with the Art Gallery as far as you know?---As far as I understood, that's why I wrote Art Gallery.

MR STRICKLAND: Did you write Art Gallery because you were tired of the pretence that you had been asked to participate in?---Yes.

Can you explain your reasoning behind that?---I just, I was just sort of, I had, I had concerns with the tax side of these, these false invoices, that's my, where my concern lied and I just basically, I, I think Janet, to my best recollection Janet was there as well and, and there might have been a cheque or something Janet asked me about and I, I, as far as I, I thought, you know, just put it down as Art Gallery. I didn't have much concern that it was some sort of illegal payment as much as just a bad business practice and I was a bit sick of hiding it 'cause of the tax reasons.

10 I tender that third tax - sorry, the tax invoice also as part of P8.

THE COMMISSIONER: Well, it's a tax invoice, dated what?---9th of the 6th, 2009.

The tax invoice dated 9/6/2009 will be inserted as part of Exhibit P8.

**#EXHIBIT P8 - THE TAX INVOICE DATED 9/6/2009 WILL BE
INSERTED AS PART OF EXHIBIT P8.**

20

MR STRICKLAND: If we could have some copies in due course.

THE COMMISSIONER: Yes.

MR STRICKLAND: Thank you.

Now if you could have a look at P9 please and do you recognise the cheque 3672, do you recognise any of the writing on that cheque or the cheque butt?
30 ---The writing is not that familiar on the cheque and the, neither on the cheque butt. It could be, it could have been Lauren's, it doesn't look like Janet's but I, I can't be sure, maybe not even Lauren's.

So you don't, you don't recognise it, is that right?---That's correct.

Okay. And if you go to page 148. Do you know if you created that document?---No, I didn't.

40 THE COMMISSIONER: And you don't know who did?---At the time - well, now I do.

And who's that?---Oh, sorry, I know the company, I shouldn't say who created it, I don't know who created this document.

MR STRICKLAND: Well, it's an SCI document not a Kings document?
---That's right.

And what if you go to page 150, the remittance advice, do you know if you created that, that document?---It would have been created when the entry was put through. I don't know.

But if you go to page 151, but if you go to the second entry, can you see that is the amount less GST has been entered in the general ledger?---Yes.

10 And it's also been entered under travel, it's got CD next to it, you see, what's, is that a reference to Charlie Diekman?---Ah, the, the first, the reference number, no, cash, cash disbursement.

That's cash disbursement. So is this the case, that Kings received a tax invoice from SCI for accommodation for Vegas and the accommodation paid by, accommodation paid for by SCI for Kings' visitors, it was regarded as a legitimate business expense paid for by Kings and therefore it was entered into the general ledger?---Correct.

20 Thank you. Now, if I ask you to, can you now go to Exhibit R20-22. I won't ask you about R20, I will ask you about 21, please, and also R22. Do you recognise your writing on those cheques or cheque butts?---No.

Do you know whose, who wrote on the cheque butts?---It looks like Janet's.

And what was Janet's position at Kings? You said she worked in the finance department but what exactly did she do?---She did accounts, just general bookkeeping duties and payroll, maybe a bit of accounts receivables.

30 Just go to R23. Do you know if you created that remittance advice or arranged for it to be created, those remittance advices, there's three of them? ---I, I'm not sure, I don't think so.

Now, I want to ask you about a, thank you, I've finished with Exhibit R. I want to ask you some questions about the time when you ceased working at Kings for the first time and when Mr Marinucci took over. Do you recall a conversation that occurred between Mr Marinucci, yourself, Mr Diekman and Mr Roche in relation to the handover to Mr Marinucci?---In regards to the cheques, yes.

40 Yes. And where did that take place? Was that – did you meet face to face or were you on the phone?---I was on the phone.

And doing your best did you ring up someone or did someone ring up you? ---Peter, Peter rang me up. I was at home and he was in the office and he said that Charlie and John were also with him.

Yes?---And that if I could explain to John the system process to write up these false cheques to pay cash.

And did you explain it?---I did explain it to John while they were there.

And do you know where John and Peter and Charlie were?---It was – I think they were in, not for certain, I think they were in the boardroom, but I'm not certain.

Okay. And do you remember any other part of that conversation?---After I explained it I mentioned to John to be wary about it in front of them all.

10

That was a separate conversation?---No that was just during that conversation.

What did you say about being, so was that said in the presence of Peter Roche and Charlie or was it after they'd left?---No, I'm pretty sure they were there.

20

And so what did you say when you said be wary of it?---That's what I said, meaning, the meaning behind that was again that it was, because it was like this hidden thing and it had this tax which I was very concerned about, tax, tax problems attached to it that concerned me.

30

Look sorry if you've said this before but can you just try and explain again what were the tax problems you were concerned about?---That I was unsure about the tax deductibility of such gifts. It would seem to me that they weren't. As time went on I also realised that there was (1) that the transactions started occurring more frequently so and (2) somewhere along the line I sort of suddenly worked out the GST problems along with it. That was my concern.

So you're saying from the time this discussion was first raised with you which was before August '07, it's before that email I showed you yesterday. Do you understand what I'm saying?---Yeah. Keep going.

And when you had this conversation with Mr Marinucci during the changeover, the frequency of the cash for consultants and key players had increased. Is that right?---Yes.

40

And had it increased markedly during that time? Significantly?---I think so.

And apart from what you regarded as the tax problems and the associated GST problems did it occur – did it also concern you that given the size and the frequency of those gifts that there was a legal problem or an ethical problem in giving that amount of gifts to that size and that frequency by Kings to keep visible?---I would probably say no, if that's the good answer. But basically the way I, the way I viewed it it was a, a bad business practice. Something which you know, shouldn't – I don't know, I don't think I would want to have engaged in it myself. I didn't particularly like it when people

wanted to necessarily offer me things to try to – in cars or photocopying machines and like that’s the way, that’s the way I seen it.

But some of these cheques that you were writing out would be - on a single day, there might be 20 or \$30,000, correct?---Yes.

That’s pretty significant isn’t it?---It’s significant.

10 And given that it was concealed in nature - - -?---Yes.

- - - both in terms of the way you were treating it - - -?---Yes.

- - - and also that they were \$10,000 or less which you believe meant that it wouldn’t be reported - - -?---Yes.

- - - didn’t it occur to you at least toward the end of this process that there was something illegal in what was happening?---No.

20 If you look at P10 please. Now, just to make sure we’ve got the same document is there a cheque there, cheque 3806?---Yes.

Chubb Security \$9,650.30?----Yes, yes.

And is that your writing on the cheque?---No.

Or on the cheque butt?---No.

30 Can you just go to P11 please. Or I should say was that, was that Mr Marinucci’s writing at P10 I’m sorry?---(No Audible Reply)

To your knowledge?---I, I think that’s his signature with, it seems, I never really got totally used to his writing, it possibly is.

Okay. So at this stage you had left, is that correct?---(No Audible Reply)

Does that appear to be correct from your memory, at about December 2009? ---Yeah, I think - - -

40 That is you were on leave at that point?---Yeah, I was, I was on leave during that.

Okay, thank you. And I’m sorry, when do you recall returning from leave? ---I think somewhere in 2010, I think it was March or something.

If the witness could be shown R27 please. Do you recognise that as a - I’m sorry. That’s an email from Charlie to yourself which is where there’s a - you’ve been forwarded a tax invoice from Scooter Central, do you see that? ---Yes.

And just have a look at that tax invoice from Scooter Central?---Yes.

Do you see at the top of the email at the top on 13 May says, "I need to discuss"?---Yes.

Do you remember having a discussion with Mr Diekman about the provision of a Vespa scooter to Mr Robert Huskic?---Not, not ah, not very, not with any certainty.

10

Do you have any recollection at all?---There is a vague, I have a vague recollection.

What's the, what is, what is the recollection you do have?---Sorry, I just find it hard 'cause I think it might be tainted from what I've heard in the last couple of days.

No, well, just do your best to recall as at the time?---Okay.

20 And if you can't recall, say so?---I can't recall.

Okay. Could the witness please be shown R32. Now, this is an email from Mr Diekman to you, or sorry, I'll actually go back to the first one, it's from you to Peter Roche, subject, Directors' Equity. And does this relate to the Directors' Equity spreadsheet you have been giving evidence about?---Yes.

And what does, "I don't believe personal CC have been addressed", do you know what CC stands for?---Credit card.

30 I see. You then say, "I do want to know major expenditures that you took up personally, like consultant et cetera, also any significant moneys taken. I'll increase Charlie by 17,160 for the 2009, for 2009 for car rental." So what was the purpose of sending this email?---Well, while I was away I left the directors' equity spreadsheet, worksheet, with John but I don't think John ever got a chance to look at it or, or, or not, he's seen it but not to, not, didn't, didn't have a chance to ah, action it, keeping them in balance, so when I returned back, then I, I, I went through to try to ah, bring it up to, to date, that's why, but I wasn't going to go through any credit cards or, or whatever they have paid out of the credit card, there were too many little
40 entries but I did put in the car rental, as, as I explained previously in regard to, in regard to Charlie taking, taking the, making use of the company car and then I quizzed them on the money that they paid out of their personal ah, funds ah, for ah, consultants' gifts et cetera.

THE COMMISSIONER: The email that Mr Diekman sent you, Mr Poller, ends with a question mark. Is that, was he asking you a question there?
---I don't think so.

He was telling you a fact?---Looking at, looking at it the way I understand it he, he was telling me and basically, I don't know, I'm not sure why the question mark's there.

Had you previously told him or written to him or in any way communicated to him that you thought that he paid \$72,000 cash for AG GAP et cetera out of personal funds?---Hmm, not that I'm aware of, I, sorry, could you just give me that again?

10 I'm just trying to find out whether Mr Diekman was really asking you a question or whether he was making a statement. If it's a question one would think that he had been informed by you earlier that he had paid \$72,000 cash for AG GAP et cetera out of personal funds. So that's why I've asked you did you – before receiving this email or at any time tell him that you thought that he paid \$72,000 cash out of his personal funds for the Art Gallery, The Gap and matters of that kind?---No. Unless it was on the directors equity spreadsheet and he had already seen it. Otherwise I cannot think of another reason.

20 You're not in a position to say - - -?---I would say no. I would say, no I would say no.

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

And can you just explain one other thing, please. In your email you say you don't believe personal credit cards have been addressed, sorry what were you saying this should remain confidential? What is this?---The, the, I guess the payments that were being made to - - -

30 So for that to mean that there would have had to have been an earlier email I think. Because what was there in, well what, sorry, I might be wrong there. I'm just trying to find out what it is that should remain confidential and what is there in the – is there anything in the email that should remain confidential?---I think I would have been referring to the equity spreadsheet.

And expenditures, major expenditures that he took out personally, like consultants, et cetera?---Yes.

40 That you would thought should remain confidential?---Yes.

Now what did you mean that the 2009 credit cards will need to be left?---I didn't have the time to go through all the different entries.

And therefore?---Since it hadn't been done, I wasn't going to do them. I didn't have the time.

So you're not going to determine the balance between Mr Roche and Mr Diekman for 2009?---Yes.

That's what you were saying?---For, for the credit cards, yes.

Yes. But you did want to know major expenditures because this was part of - - -?---Well credit cards were not a very large proportion compared to the monies paid out as gifts.

So you were asking that about 2009?---While I was away.

10 The credit cards 2009?---Yes.

Major expenditure on credit cards?---No, I didn't.

Pardon?---No. No. It says - - -

I do want to know major expenditures that you took out personally. What were you referring – for what period?---To get, for the period while I was away.

20 And that was 2009?---2000 and yeah, 9.

MR STRICKLAND: End of 2009.

THE COMMISSIONER: But you would determine that from the credit cards, credit card statements in 2010. So aren't you saying you do want to know major expenditures that you took out personally in your credit cards for 2009?---No. Could I explain it?

30 Please?---For the period that I was away, excuse me, I left the, this sheet I'm sure I passed it to John at one stage to take to action.

You passed it to?---John Marinucci. I don't think he was even in a position with time to, to do that. He was just trying to catch up with all the main things when he started. Therefore, the credit card entries, which would go on to this spreadsheet were just not taken up.

MR STRICKLAND: That's only - - -?---Since it was - - -

40 Was that for 2009 and '10?---No, just for the period that I was away which crossed for the, for the, roughly from, for the financial year I believe from when I left, I think that was 2009, as sick, all the way through to I think the next financial year or close - or where are we, 30 April so for that period.

Yes. So that's the 2010 financial year?---Yes, that's correct.

So that's what you wanted to know about?---Yes, that's that line about personal credit cards.

“And I do want to know major expenditures that you took up personally”?
---Sorry, I didn’t need, I didn’t need to know about the credit card, I wasn’t
- because I didn’t have the time to put it in, I didn’t see that it was a large,
too large of a difference between the two of them and I left it.

You just wanted to know generally about that?---Just, well, I didn’t even
really ask about it, I said the 2009 ones will need to be left.

10 No, I understand but the major expenditures that they’ve taken up
personally like consultants - - -?---Yes, I, I do - - -

- - - you want to know that generally?--- - - - I did, I did want to know about
that and so I could enter it on because that would I knew swing it how,
swing their amounts out.

And the reply to that was “I paid \$72,000 cash” et cetera?---Yes.

20 MR STRICKLAND: So if I could just take you to the top email where
Mr Diekman said, “I’ve paid 72 cash AG, Gap et cetera out of personal
funds” do you understand that referred to cash gifts for consultants, key
players, et cetera?---Yes, I did.

And did you, did you know the names of the key players or key player who
received any of that cash?---No, I don’t.

Did you have any discussion at all with Mr Diekman about who it was that
cash was given to relating to The Gap project?---No.

30 Did you understand that AG referred to Art Gallery?---I understood that.

Did you have any discussion about who, if anyone, and if so the identity of
the person or persons who received cash for the Art Gallery project?---No, I
don’t.

You didn’t, you never asked?---I never asked.

And he never told you?---He never said.

40 What about Mr Roche, did he tell you?---No.

Are you sure?---Yes.

Yes, thank you. Could the witness please be shown Exhibit R33. If you go
to page 133 of Exhibit R33. Mr Diekman writes to you and Mr Roche on 4
June and he states, “As mentioned I have paid out 72K in cash” and that
refers back to the email I’ve just shown you, is that right?---I, that’s what I
understand.

That's what you understood?---Yes.

And then he says, "And I also paid 10K allocated to dividends for projects, contractors" (not transcribable). Do you know what that refers to?---No.

THE COMMISSIONER: That must be \$10,000 which had already been dealt with by way of dividends in order to equalise the position?---(No Audible Reply)

10 In other words he's saying - well, I'm asking you if he is saying I have received my extra \$10,000 for that through dividends?---I, I wasn't, I didn't understand what, what the 10,000 was for. I assumed that it was part of the gifts. I put it on the spreadsheet above it in that sense and I questioned it.

Okay. That's not sure about it, yes.

MR STRICKLAND: If you go to the next email on page 132 from you to Mr Diekman and Mr Roche, you then, you write, "Hi Charlie, below is where you both sit as to equality." Then the next bit is you say, well, the
20 line beginning with but, "But I need to clarify or have Peter accept that the 72K or part of has not been recorded previously as per previous email. Also I cannot find the details about the 10K in your MYOB account so I've listed below" et cetera. Now, what did you mean when you said you wanted Peter to accept that the 72K or part of has not been recorded previously as per previous email, what did you mean by that?---Well, when I wrote these entries up in the, one, let's say, let's say with Charlie he might give me some amounts that he said he's paid out. I took that and rather - because it was to create equal standing between the two directors I would have to take that to Peter at some time and confirm it so that when both of them say yes,
30 we've paid, we understand and know that this amount of cash is paid out then I could say, you know, with a certainty tick both, tick that, tick that entry as, as, as accepted.

But have I got this right, it's accepted in, it's accepted in this sense. Peter had to accept that Charlie had paid \$72,000 cash which was going to be reimbursed by Kings by dividends or whatever?---Yes.

And that acceptance involved, one, that the amount had been paid out. Correct?---Correct.

40

And two, that it was for business opportunities, that is gifts for consultants and key players et cetera, i.e. it had benefit for the business?---Yes.

That's, they're, they're the two elements he needed to accept. Is that right? ---I imagine so, yes.

Well, that's what you intended, isn't it?---Well, that's what I understand.

All right. And then if you just go to 133 where you've set out this table, so on the first entry, as at, as at 4 June, Roche's account stood in, is it, stood in credit \$249,000, is that right, 249,380? Is that correct?---That's hit MYOB account.

Yes. That's the, that's the 3502 account that I showed you earlier today?
---Correct.

10 And that stood in credit. Is that right? That, that 249 is a credit amount, is it, or is it a debit amount?---It was a debit amount I think.

That's what he owed, that's what he owed Kings or that's what Kings owed him?---Um- - -

Do you want to have a look at the actual account itself?---Just one moment, sorry.

20 Actually can I suggest that, I might just- - -?---That increases, that increases, yeah, what- - -

Let's start with Diekman. I think that will be easier for you to work out?
---Okay.

I'll do Roche next. We'll start with Diekman. His, if you look at, at 4, on 4 June, 2010, his, his MYOB account, which is 3502, I think that might be a, that's correct and I think Roche's- - -?---It is.

- - -one is 3501?---(not transcribable)

30 But anyway, it's 221,023, okay. Then if you just go down the fourth line you've got, "Other cash given – not sure of overlap." Do you see that?
---Yes.

And that's 72,000?---Correct.

That's the 72,000 referred to in the previous email?---Yes.

Now, that reduces the 250 total by 72,000, doesn't it?---Yes.

40 So wouldn't that suggest that the 221,023 is, that's an amount that was being debited to Mr Diekman?---Yes.

Does that, does that sound right?---Yes.

Because once you take into account the 72, then the debit becomes less because he in effect gets reimbursed for the 72,000?---Yes.

Okay. Well, just going up then the line to, to, to the first, so 4/6/10 he's in debit, Diekman's in debit by 221,000, I'll round it off, and there's, "Off book expenditure per tabs below", at 32, 208. That's, that's off book expenditure by Mr Diekman, is that right?---Yes.

And that refers to expenditure that he cannot be reimbursed by the company because it's got nothing to do with company business. Is that right?---Yes. Complicated things like for the car and stuff.

- 10 Right. And why is it referred to as off book expenditure?---Because the, the main, the main accounts as you can see there with the 35 which were on the on book ones where, that's where their transactions occurred, dividends and other personal payments and things like that, loans, et cetera. With these, these ones here were for the balancing of the, their two - - -

- 20 Okay. In any event what you are – this was a proposal by you wasn't it, as distinct from – this email refers to a proposal that you were making to both of them in relation to equalising the accounts between the two of them. Is that right? Or is this something you'd actually decided – in other words was this a proposal in relation to the equity spreadsheet or was it something that you had actually done and was being finalised or approved?---Up until the point I believe where the 72 and the 10, they're the things I was not sure about. Above that I know those, the other items were part of it and it would have been agreed upon.

Okay. I think the answer is in the next email. On 5 June, 2007 Peter Roche replies to you saying, I have no issue with the method. Charlie is proposing to repay his funds that were used for projects. Do you see that?---Yes.

- 30 So is that his approval that he should be able to, Charlie should be able to be repaid the funds that were used for projects ie the cash for gits, cash gifts for consultants and key players? You're missing where I'm going?---(No Audible Reply)

Go to the top of page 132?---Yeah.

Roche's email to you and Diekman. Have you got that?---Yes.

- 40 The first line, I have no issue with the method. Charlie is proposing to repay his funds that were used for projects. Do you see that?---Yes, yes.

You understood that to mean that he had approved in the sense we – I'll withdraw that. You understood that to mean that Roche approved that Charlie was to be repaid an amount of money that was to be used for projects namely cash gifts for consultants and key players. Is that correct? Is that what you understood that line to mean?---Yes.

If it's not you tell me what you understood that line to mean?---Just I think with the method, and I just read the next line there about the car or something, I think, was the car mentioned - - -

THE COMMISSIONER: He's talking about something else there. Just read it.

MR STRICKLAND: Have you read it?---Yeah.

10 And do you agree with what I've put to you?---Yes.

Go to the next email, please. From Greg Poller to Mr Roche dated 6 June, 2010?---Yes.

And again you've set the, a table. You say I agree there should be no expenses off book. Do you follow where I'm reading from?---Yes, I am.

20 But in some situations where you have helped Kings substantially in a financial way then this is a way to make sure things remain even. And you've written that to Peter Roche. Correct?---Correct.

Now what were you referring to – what money were you referring to or payments were you referring to when you said you have helped, where you have helped Kings substantially in a financial way?---I would be referring to the largest payments there which were the gifts.

30 And which particular figure are you referring to?---I hadn't yet, I hadn't yet confirmed the 72 but I believe within the other figures that there were some gifts in those as well.

Well, let me just, I don't understand your answer, let me- - -?---Okay. Sorry.

When you were writing this email to Mr Roche, copy Mr Diekman- - -? ---Mmm.

- - -where you say, "Where you have helped Kings substantially in a financial way", does the "you" refer to Mr Roche or Mr Diekman or both? ---To both.

40 Right. And what did you, when you say, "Helped Kings substantially in a financial way", you're referring to the cash gifts for consultants and key players. Is that right?---That's right.

How does, how did you understand the cash gift helped Kings substantially in a financial way?---Well, like, I suppose what I knew from the start, which was it made Kings visible and ah, networked into ah, jobs that were coming up so that we could be seen and, and be involved with these jobs.

Well, isn't the concrete reality in dollars and cents of, "helping Kings substantially in a financial way", that these gifts were assisting in Kings being awarded contracts, therefore bringing in income?---Well, most, yeah, most probably.

Well, that's what you knew, didn't you, when you wrote this email, because that's why you said, "Helped Kings substantially in a financial way?"
--- Yeah, I guess I did.

10

Excuse me. Could the witness please be shown Exhibit D60 and D61. Do you recognise the writing on any of those cheques?

THE COMMISSIONER: In D60, let's start with that.

THE WITNESS: On the - - -

THE COMMISSIONER: (not transcribable) your signature, Mr Poller, your signature on the cheques (not transcribable)---No.

20

Not on the cheques?---No.

MR STRICKLAND: And what about 61?---No.

Thank you. Mr Poller, do you have any regrets about your role in the financial accounts of Kings' business?---Yes.

30

And what are those regrets?---I regret that I didn't stand up and say I didn't want to be involved with, with, with hiding or, and, and also the suggesting of the method, which probably is my main, main regret.

What do you mean suggesting of the method?---When they requested a method of hiding it, I explained that method to them of hiding the cheques. I regret that.

Anything else?---No.

Thank you, Mr Poller. I have no further questions.

40

THE COMMISSIONER: Mr Lloyd?

MR LLOYD: Nothing.

THE COMMISSIONER: Does any counsel wish to question Mr Poller? Mr Poller, you, thank you for your evidence. You are discharged from the summons, you're free to go.

MR STRICKLAND: Excuse me, I'm sorry, I've just been told I may have missed something, I apologise.

THE COMMISSIONER: Sorry, I withdraw that. You're not free to go but it won't be long I don't think.

I'm sorry, there is just - I beg your pardon, Ms Lonergan has pointed out I have missed something and I'm sorry. I'm sorry, Mr Poller, I can tell you I won't be much longer. Could the witness just be shown P12 please. I'm
10 just going to show you some ledger accounts and I just want you to briefly explain them please. So P12 relates to a sales customer detail ledger, correct?---Yes.

In relation to Mr Robert Huskic?---Yes.

That is a - - -

THE COMMISSIONER: It's 198 and 199.

20 MR STRICKLAND: Thank you.

And does that indicate on 198 that Kings did a job, job number 41696 in relation to Mr Huskic, referred to as "physical barrier"?---Yes.

And does that indicate that a debt was owed to Kings by Mr Robert Huskic in the amount of 1136.35?---Yes.

If you go to 199, can you explain what the second entry in 119 refers to?
---It's a credit or a reversal.
30

And what does that mean exactly?---That would credit that invoice and bring the balance to zero.

And would that - okay. And if you go either 199, 200 or 201 are you able to indicate whether the credit was as a result of Kings being paid a cheque or cash or some other form of payment?---If I could, if I go back to page 199
my, I used to use, I used to put a C in front of, a C or an R in front of the invoice number to indicate it was credited or, or removed, reversed,
removed.
40

So what does that mean?---Oh, it just means that that sale has been reversed, it's not a payment as your question was.

THE COMMISSIONER: It's a book entry?---It's a book entry.

So it's a pure book entry not based in any way on any transaction such as a payment by Mr Huskic?---No.

And so you're agreeing with what I said?---Yes.

MR STRICKLAND: And did someone tell you to reverse it?---I, I, I think Charlie asked to my best recollection.

And in layman's language you were being asked to cancel the debt, is that right?---Yes.

10 Would you have done that off your own bat?---(No Audible Reply)

Or would you have been, or would someone have to - would either Mr Roche or Mr Diekman have to have authorised you to cancel the debt? ---I think in this case I was, I was asked. There are, there are some times I have to make entries to clear things off but there would be normally a reason listed in the actual C44516.

And there's no such reason listed, is that right?---I don't know.

20 I see. Do you recall a reason why that particular debt was wiped?---No.

THE COMMISSIONER: I'm not sure what the, what you're saying now about this entry, Mr Poller. I do understand that you're saying that by reference to the letter C which one sees at page 199 it follows that no payment was received?---Correct.

But you're saying - I think that you - please correct me if I'm wrong but I think that you said that you seem to recollect that Mr Diekman told you to do this?---Mmm.

30 Is that right?---Yes.

But you're saying you can't be sure whether you just didn't do it off your own bat. That's what I'm really wanting - - -?---I can't, I can't discount that - - -

As a possibility?--- - - - as a possibility. But I would, I would need to refer to the notes which I'd normally put in that entry, which was C44515.

40 And what does the absence of those notes tell you?---(No Audible Reply)

I mean the absence of your - don't worry. Are you saying that there would otherwise have been - had you done it off your own bat you would have made some note on the entry which we see at page 199?---Oh there it is there. If you go to 201 there's my note, it came up on the memo.

MR STRICKLAND: Credit CRO is that it?---No. It's on 119 - - -

Sorry, I beg your pardon?--- - - - the first line, oh sorry, 201 - - -

Yes?--- - - - 201 first line C44515, reversal PR. Peter Roche told me.

I see. Righto. Thank you. Okay. If you go to 13, that is Poller, P13. Let's go through the same exercise. So does that indicate, sorry I'll start from page 203. There's a reference to Cameron Clearly on 31 July, 2008 the sale of a car ZJB-362. That shows a debt to Kings by Cameron Clearly. Is that right?---Yes.

10 And if you go page 205 you can see a reversal of that debt. Is that correct? Have you got 205 there?---Yes, I have.

I'm really focusing your attention on the third, well sorry the first line, we'll go through it, what does that indicate?---These, as far as I understand these three entries were PDY authorised entries to clear the debt from the books because the, on instruction that it was no longer a debt on our books.

On instruction from whom?---From Charlie to me.

20 Okay?---To PDY.

And PDY is their accountants?---That's right.

Okay. And so again in layman's terms the debt for the car was effectively wiped?---That's, that's right but I don't think it's reflected in that entry in 205.

THE COMMISSIONER: That's wiped without payment?---I believe so.

30 MR STRICKLAND: Perhaps even put more simply, is there any, is there any record in these books, in these accounts that Mr Clearly paid for the car? Have a look at them?---No, there's none in these records. I think the first, the first one is an aged receivable.

Which means?---It means that, that the debt went to 90 days plus.

THE COMMISSIONER: Without being paid?---Without being paid.

40 And then comes the reversal?---Then it was, yeah, cleared some time after that.

Cleared through the reversal book entry?---Mmm.

You mean yes?---Yes.

I'll just quickly show you P14. Can you assist us with the first pages 220 through to 222, what they refer to?---They're the card that appears for a, in this case the supplier, Chubb Safes.

I see, thank you. I want you to go to page 223. Is this a record - I've asked you some questions about Chubb Electronic Security and the cash, sorry, the cash cheques made where Chubb Security was a payee. Do you know what this particular card transaction relates to?---Chubb Electronic Security was the account I made to differentiate between that and the actual Chubb.

10 That is the genuine transactions?---Yes. So in this Electronic, Chubb Electronic Security I believe is the one that would hold the non-genuine ones.

I see, thank you. Thank you. So that goes over to 224 as well, is that correct?---(No Audible Reply)

That's also Chubb Electronic Security?---(No Audible Reply)

Have I got that right?---(No Audible Reply)

20 Do you see that at 224?---Yes, I think that's just a different way of looking at the ones that are card transactions, the other ones is the purchases.

THE COMMISSIONER: There's a different total?---Yeah, because not all the - in the first card transactions takes everything including disbursement as well where the other one just has a look at the, the invoices or PO's made. Just looking at similar things but just in a different viewpoint.

30 Why has it got a- I don't understand these, I'm sorry. What are the, what are the debit - does the debit column, what do the debit column items represent?---From a supplier it would represent a - - -

An invoice?--- - - - a reduction in the, in the supplier's account which would represent a cheque.

A cheque paid?---For, in this, in this instance.

A payment by Kings?---A payment, a payment by Kings.

So what is - - -?---The credit column was - - -

40 The credit?--- - - - is the invoices that have been created.

So to work out the total payment one adds up the debit column, the total cash payments, one added up the debit column?---Yes.

MR STRICKLAND: And have I got this right, in order to - for you to do your reconciliation, I'm just looking at the debit column on 223, there are a total of one, two, 10 separate cheques, each having a number, 3186, 3215, et cetera, et cetera, do you see that?---Yes.

And next to those 10 separate cheques are 10 separate amounts, being - which represent the 10 cash payments where Chubb was the payee, is that right?---Yes.

So if you add up those 10 amounts they, they are, give or take \$1.20, about \$55,000 during that five-year period?---Yes.

THE COMMISSIONER: Five year?

10

MR STRICKLAND: It's 1, 1 January, 2006 to 31 December - - -?---Two thousand and - - -

THE COMMISSIONER: No.

MR STRICKLAND: I'm sorry, I beg your pardon, three years?---Yeah, sorry, yeah, okay. I shouldn't haven't jumped to that.

20

THE COMMISSIONER: No, that's - the first cheque is 11 December, 2007.

MR STRICKLAND: I'm just, I'm referring, Mr Commissioner, to the heading, "Card Transactions, 1 January '06."

THE COMMISSIONER: All right. I understand.

30

MR STRICKLAND: Yeah. Okay. Thank you for that. And if you just go to 225 through to 230, they are the tax invoices, the false tax invoices in relation to those cheques. Is that correct?---Correct.

If you go to P15, or perhaps if you go to 234, can you assist us as to what this refers to?---(No Audible Reply)

40

THE COMMISSIONER: Can I just point out just in case it's relevant that under Chubb Fire & Security there are a series of Chubb Electronic entries, well, that's under Chubb Fire & Security in the second, the second of the Chubb Fire & Security sections, there's a series of Chubb Electronic entries with three Chubb Fire & Security entries, the top Chubb Fire & Security section is all Chubb Fire & Security Entries and at the bottom, the bottom section Chubb Security Services there is no entry for Chubb Electronics.

MR STRICKLAND: Do you understand, Mr Poller?---I understood. Without, without certainty it would seem that the Chubb Fire & Security was a renamed carry on from Chubb Electronic Security.

THE COMMISSIONER: So the same, so the probabilities, are you saying that the probabilities are that the Chubb Fire & Security section duplicates

the procedure previously applied to Chubb Electronics with regard to false invoices and payment of cash?---Probably so.

MR STRICKLAND: And this represents a further three or two and a half year period from January 2009 to 30 June, 2011. Is that right?---Yes, it says up the top, yes.

10 THE COMMISSIONER: So do we only look at the 45,000, so, so it's only, the Chubb Security Services is, is the same, isn't it, yes, so there is another 50-odd thousand dollars over this period in cash payments?---Sorry, could you just- - -

Yes. Well, the period 1 January, 2009 to 30 June, 2011, as reflected on page 234 of Exhibit P15, there appear to be of the order of \$50,000 cash payments been recorded by way of false invoices or disguised by false invoices?---Do, do you mean the \$45,000?

20 Yes, and the \$5,000 at the bottom. I'm adding the two together?---Well, I, I, I don't think the ones on the bottom- - -

You think the ones on the bottom are genuine?---I think they're genuine, the amounts.

I see. All right. So the false amounts come to some \$45,000?---That's what I would say.

So over the total period there's almost \$100,000 cash payments to consultants and important players?---45 and 55 you mean?

30 Yes?---Yes.

MR STRICKLAND: Can I, can I just, there's, there are some references under Chubb Fire & Security to, for example, the last entry, 9018, dated 9 August, 2010 for Chubb Fire & Security, 9410.50, bearing in mind the name, Chubb Fire & Security, are you able to see without, you don't know whether that's for a cash cheque or not. Is that correct?---I, I don't know if, if that was for a cash cheque but it would- - -

40 THE COMMISSIONER: But I think you said that you thought they were?

MR STRICKLAND: I think Mr Commissioner, when one looks at some of the cash cheques there are probably, not probably, there are three of those entries which are referenced to Chubb - - -

THE COMMISSIONER: Electronic.

MR STRICKLAND: - - - Chubb Electronic, sorry Chubb Electronic Security or Chubb Fire & Security which are in fact genuine or may be genuine transactions.

THE COMMISSIONER: Are you saying all of them?

MR STRICKLAND: No. I'm saying, the ones I think that are, the ones that – the relevant cheques when I've done the cheque references are 3806 and 3830, they, they are cash cheques. And I think they're the only cash
10 cheques I believe. In any event can I just, is this the case, that if it's a cash cheque and it's a reference to Chubb Electronic Security, it's those two facts in combination which would indicate that it's a false accounting record. Is that correct?---That's, that's what it would to me.

THE COMMISSIONER: But if the cheque was to Chubb Fire & Security it would be a genuine payment?---It would be a genuine payment.

MR STRICKLAND: Thank you?---My understanding is that where it says Chubb Fire & Security, the name would have changed in that, at that time
20 period.

But you need both bits of information, both the name and the fact that it's to cash. Is that correct?---Yes.

Is that correct?---Yes.

Thank you?---That's as far as I understand. I know that.

Thank you. Yes, they are the only questions I have.
30

THE COMMISSIONER: Yes.

MR McILWAINE: Just one matter, Commissioner, can I clarify?

THE COMMISSIONER: Yes.

MR McILWAINE: Do you have tab 15 in front of you and page, in particular page 234 which is the transactions from Chubb Security Group (not transcribable)?---Yes.
40 Page 234. You see, the first thing is Chubb Fire & Security Limited and if you across the page underneath the word account there's the letters SUP717. Do you see that?---Yes.

And then you go to Chubb Fire & Security which includes some Chubb Electronic matters and also Chubb Fire & Security, you see the reference SUP556? Do you see that?---Yes.

And if you go down the page to Chubb Security Services you see the reference CO1743?---Yes.

And they have a reference of a page number which is 223 and that was the earlier transactions for Chubb Electronic. Do you have that in front of you?---No, I don't.

10 All right. I want you to assume that on that page underneath the word account the letters SUP556 appear. Does that assist you in distinguishing between these lots of entries here?---It certainly does. That tells me that Chubb Electronic Security and Chubb Fire & Security are definitely of the same account but with a name change. Where the other one with CLI is a client actually, a client account. Thanks for picking that up.

And just going also on page 234, you see Chubb Fire & Security, the top is in lower case and Chubb Fire & Security (not transcribable) is in upper case. Does that also suggest something to you?---No, not really.

20 Okay. Nothing further.

THE COMMISSIONER: So can we then assume that all the items in the second section on page 234 are in respect of cash payments for the reason that Mr McIlwaine pointed out?---It would, it would seem - - -

Because of the letters SUP556?---It would seem probable that would be the case.

30 All right. Yes, thank you. Now are there any question arising out of this latest ground of questioning? No one has any questions. Well belatedly, Mr Poller, you are excused. Your summons is discharged. Thank you Mr McIlwaine.

THE WITNESS EXCUSED

[3:39pm]

MR STRICKLAND: Yes. I call Mr McMicking.

40 THE COMMISSIONER: Ms McGlinchey.

MS McGLINCHEY: I seek leave, Commissioner.

THE COMMISSIONER: Yes, well you have leave.

MS McGLINCHEY: The witness seeks a declaration - - -

THE COMMISSIONER: Yes.

MS McGLINCHEY: - - - and will be, will be affirming.

THE COMMISSIONER: Thank you. Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by Mr McMicking 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.

10

PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT ALL ANSWERS GIVEN BY MR MCMICKING 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.

20

THE COMMISSIONER: Would you administer the affirmation, please.

THE COMMISSIONER: Mr Strickland.

MR STRICKLAND: If I could get you to speak slowly and clearly every word you say is being recorded. What's your full name?---David Andrew McMicking.

10 It's spelt?---M-C-M-I-C-K-I-N-G.

And what's your current occupation?---Account manager.

For whom?---Kings Security.

How long have you been working at Kings Security?---Approximately 20 years.

20 And back in 2007, 2008, 2009 what was your position at Kings?---The same role as, yes, within sales.

Okay. So could you describe what your job involves?---My job involves quoting for the installation of security systems, for a better word specifying for those, what might go into those systems and, and areas.

Now, I want to ask you some questions about your dealings with the Northern Sydney Central Coast Area Health Service?---Yes.

30 You did - in working for Kings you worked a lot for the Area - I'll call it the Area Health Service, is that correct?---Correct.

And who did you mainly deal with there?---Mainly Robert Huskic and Eric Kuiper.

40 All right. And what were the dealings you had with Mr Huskic?---He would contact our office, from what year I'm not sure that that was but he would contact our office, speak to me and request that I sight a job and come and price that job for him to submit, submit that to the, to the Area Health Service.

And when he did that, what did you then do?---I would more often than not go and, and meet him at the, at the hospital the job was for, we would sight the job, he would typically walk me through the requirements of that job and I would provide him with a price for that job.

And was Mr Huskic involved in all hospitals throughout that Area Health Service system?---Predominantly the Sydney hospitals but occasionally the Central Coast hospitals.

And do you know whether Mr Huskic - is it Mr Huskie or - do you know how to pronounce his name?---Huskic with a C.

Thank you. To your knowledge did Mr Huskic have a limit, that is a dollar limit, as to what contracts he could personally authorise Kings to engage in without seeking approval from one of his superiors?---I thought that to be \$30,000.

10 THE COMMISSIONER: That's called a delegation. That was his delegation?---I'm not aware of what the - - -

All right?---Yeah.

MR STRICKLAND: And is that what he told you?---That's what he told me, yes.

Okay. So how often, generally speaking, what was the value of the contracts that Mr Huskic requested?---Between 1 and \$10,000.

20

Okay. And what were the largest jobs that Kings obtained as a result of Mr Huskic, as a result of Mr Huskic's ringing you or someone else from Kings? ---That I know of?

Yes?---Approximately \$200,000.

And in relation to which contract was that?---That was what was known as the Gosford Car Park, Gosford Hospital Car Park job.

30 And that was a contract where there was a, there was an open tender, wasn't there?---Ah- - -

Or competitive tender?---I'm not aware of the, the process of, of whether it was a, it was not a tender as such, I was again asked to provide a price and provided it directly to Robert.

Do you know if there were other companies who were asked to provide a price for the Gosford Hospital Car Park job?---I do not know that.

40 Right. Kings was awarded that job. Is that right?---That's correct.

And were you the project manager for Kings, were you the, were you the Kings' representative in relation to that job?---I was.

And what did that involve?---Coordinating the, that, that job entailed the installation of some boom gates, some what were known as pay and display meters, coin operators on those boom gates and access control on those boom gates. So my involvement was for the outside trades to coordinate

the, the pay and display meter suppliers, the boom gate suppliers and our staff.

And do you know, and over what period of time was that job completed by Kings?---I would, I would estimate it was to be three, it was a problematic, I would estimate three, three months.

And it was a problematic job?---It was a problematic job.

10 All right. Just briefly, why was it problematic?---Ah, the boom gates ah, we had problems with ah, getting the boom gates to work correctly.

Now, after that job, did you, did you receive any further jobs from Mr Huskic?---I would have.

And were there any, was that the regular type of quotes you would get, between 1 to \$10,000?---There would have been to greater value than that but I can't recall of that value.

20 Now, was Kings to your knowledge a preferred supplier for the Area Health Service?---One of two preferred suppliers.

Who was the second one?---Sielox.

And was, is it the case that Sielox was a preferred supplier before Kings came on board?---That's correct to my understanding, yes.

And do you know how Kings became a preferred supplier for the AHS?
---I don't.

30 And you also mentioned Mr Kuipers. Is that correct?---Mr Kuiper, yes.

Kuiper?---Yes.

It's spelt K-U-I-P-E-R. Is that correct?---Correct.

And what were your dealings with him?---Very much along the same lines as to Robert, they both filled the same role.

40 And did you receive any significant projects requested by Mr Kuiper?
---I can't recall the largest project from, from Mr Kuiper.

What's the order of quotes that Mr Kuiper would ask for? The same amount?---The same amount, yes.

And are you able to say from your own estimate about how much, how many, what was the dollar value of the quotes annually from AHS from your dealings with them?---For the quotes or the - - -

THE COMMISSIONER: No. The total work actually done.

MR STRICKLAND: The work actually done?---The work actually done from the quotes that I provided maybe \$500,000.

Per year?---Was my, my recollection, my, my estimate.

Per year?---Per year.

10

Over how many years?---I do not know what year I started doing quotes for them.

But are we talking two, three, four, five years?---I believe I may have, I would say four or five years ago, but it would have gone up gradually in that time I would suggest.

Okay. Thank you. Now have you ever arranged for any gifts to be given to Mr Huskic either by yourself or on behalf of Kings?---Yes.

20

And describe – what was the latest in time, that is the last one, the most recent?---I, it was a phone, an iPad, I believe a PlayStation, some computer games and an external hard drive.

And how did that come about that you provided him gifts? Did Mr Huskic ask for it or did he – how did it come about that you provided those gifts? ---He, he provided me with a list for those gifts.

30

Right. And what did he say when he gave you those, that list?---To my recollection is could you please arrange these or - - -

You mean arrange to give them to me?---Yes.

Is that what you mean by arrange there?---Yes. Arrange to purchase these for me.

Right. And did you give that list or show that list to anyone at Kings? ---Yes, Charlie Diekman.

40

Right. And when was this?---I believe it was mid last year.

And did you give him the list or did you show him the list, that's Mr Diekman?---I would have shown him the list.

All right. And what did you say when you showed Mr Diekman the list? ---I, my recollection would have been that Robert has asked me to provide him with these things.

Right. And what did he say?---I don't recall what he said at the time when seeing the, when seeing that list immediately.

THE COMMISSIONER: To what effect? Do you recall whether he authorised you at that time or did he say you shouldn't get them at that time or what happened?---After seeing them he authorised me to organise those to be purchased.

10 MR STRICKLAND: Right. He told you that did he?---He told me that.

And did you purchase those items?---I arranged for those to be purchased.

And how did you arrange that?---They were – I sent a, an email requesting for the list of goods to a supplier for him to purchase them.

What was the name of the supplier?---I believe it was Video Security.

20 And who's the name of the person you dealt with at Video Security?--- Zacki Wazir.

How do you spell the surname?---W-a-z-i-r.

And do you know what the approximate value of those gifts were? Approximate?---two to \$3,000.

And how did you arrange, did you deliver those gifts personally to Mr Huskic?---I did.

30 And do you know why Kings was providing him with those gifts?---I don't know why we were providing those gifts. Robert asked me to, I, I, I had imagined it was for works that we'd done for Robert.

THE COMMISSIONER: And to keep in his good books I take it? ---Possibly.

To butter him up?---I don't know about buttering him up.

40 MR STRICKLAND: Did he ever pay for those gifts?---I'm not aware of that.

Did he ever say- - -

THE COMMISSIONER: Sorry, you're not aware of him paying?---No, I'm not.

MR STRICKLAND: Did he ever say he was going to pay?---Not to me.

Well, was it your understanding that these were gifts to be given to him without him paying for them?---Yes, I believe so.

Well, that was your understanding in both your dealings with Mr Huskic and your dealings with Mr Diekman. Is that right?---Correct.

There was never any mention that, that Mr Huskic would pay for any of these gifts. Is that right?---Not to me.

10 Well, to anyone else to your knowledge?---Not to my knowledge.

And what other gifts, apart from those you've just described, now, you said that was mid last year. Is that right?---Yes.

And what other gifts to your knowledge did Kings provide Mr Huskic?
---To my knowledge a security door for his parents' place.

When, when was that approximately?---Ah, 2009 or 2010.

20 And was that paid for by Mr Huskic or his parents?---Not that I can recall.

Or by anyone on behalf of Mr Huskic or his parents?---Not that I can recall.

And what was the value of that security door?---It would have been approximately \$900.

And how did that, did he ask, did he or his parents ask you for Kings to install the security door?---Robert asked me to, for a security door.

30 And did you, did Mr - did you ask Mr Diekman for his approval?---Yes, I told Mr Diekman that Robert had requested a security door.

And did he approve that to be installed by Kings?---Yes, he did.

And is there any other gifts you can recall Mr Huskic being given by you or by Kings?---Mr Huskic came on a trip to Las Vegas with us.

Yes. Which year was that?---2010.

40 And to your knowledge did Kings pay for his - either his flight over to Las Vegas and back and/or his accommodation?---I believe so.

Right. Let's take his accommodation. What were the circumstances in which Kings paid for his accommodation?---I would have put that onto my, my personal credit card and been reimbursed.

THE COMMISSIONER: By, by Kings?---By Kings.

MR STRICKLAND: And did he ever pay you any - did Mr Huskic ever pay you any money for his accommodation at Las Vegas, during the Las Vegas conference?---No, he didn't.

And what was - how did you know that Kings paid for his airfare to, in that 2010 conference?---I can't recall that they - I'm not a hundred per cent sure that Kings paid for his airfare.

10 What was the value of the accommodation approximately?---I could say \$100 to \$150 per cent over six, six nights so eight, \$900.

US or Australian?---That would have been US.

Okay. And did you discuss with Mr Diekman that Kings would be paying for his accommodation?---Yes, I believe I would of.

And did he authorise that?---Yes, he did.

20 And whilst you were over in Las Vegas did Kings pay for anything else for Mr Huskic?---Not directly that I'm aware of, no.

Is that a convenient time, Commissioner?

THE COMMISSIONER: Yes. Thank you. We'll adjourn till 10.00am tomorrow.

AT 4.01 PM THE MATTER WAS ADJOURNED ACCORDINGLY
[4.01PM]

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