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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE DAVID IPP AO QC

PUBLIC HEARING

OPERATION CHARITY

Reference: Operation E10/0035

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON MONDAY 21 FEBRUARY 2011

AT 2.15PM

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

THE COMMISSIONER: Mr Alexis.

MR ALEXIS: Thank you, Commissioner. I propose to interrupt Ms Lazarus' examination, I hope not for too long for the purpose of calling a witness who I would understand to be relatively short.

THE COMMISSIONER: Yes.

10 MR ALEXIS: If Mr George Hansford, and can I indicate to you, Commissioner, that he's been good enough to attend in response to a telephone call. He hasn't attended under summons. I wish to acknowledge and thank him for his assistance in that regard. And with that introduction, Commissioner, can I call please Mr George Hansford.

THE COMMISSIONER: Yes, he wouldn't need a section 38 would he? Please be seated. Are you appearing for - - -

MS FURNESS: I do appear for Mr Hansford.

20 THE COMMISSIONER: Do you want a section 38 order?

MS FURNESS: I do, thank you, Commissioner.

THE COMMISSIONER: Well I'm happy to make one, but I really think that sometimes these are unnecessary. But I'll, I'll deal with it. Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by Mr Hansford and all documents and things produced by him during the course of his evidence at this public inquiry are to be regarded as having been given or produced on objection and  
30 accordingly there is no need for him to make objection in respect of any particular answer given or document or thing produced.

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

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

MR HANSFORD: Oath, please.

THE COMMISSIONER: Yes, will you swear Mr Hansford in.

THE COMMISSIONER: Yes, Mr Alexis.

MR ALEXIS: Thank you, Commissioner. Sir, is your full name George Edward Hansford?---That's correct.

10 Your address I think is known to the Commission. Is that so?---Yes.

And you're currently retired?---Yes.

And your former occupation was that of Area Manager of the Revenue Department at the Royal North Shore Hospital at St Leonards. Is that so? ---Oh, it was located at North Shore, but it had responsibilities for the whole of the area.

20 Thank you. Now in this matter I think you've provided the Commission with a written statement dated 1 February, 2011. Is that so?---That's correct.

Could I show you a copy of that statement, with a copy for you, Commissioner. And sir, is that the statement or a copy I should say, of the statement that you've provided on the date that I've indicated?---It is.

And the content of that statement is true and correct is it?---No.

You wish to - - -?---Amend.

30 Amend. All right?---Section 7 to 12.

Thank you. I was going to come to that and let you deal with that directly. But look perhaps before I do can I ask you this, in paragraph 3 of the statement, you tell us about the duration of your employment as Area Manager in Revenue between 2006 and September, 2009. Do you see that? ---Yes.

40 And is it September, 2009 the time at which you retired?---I retired at the end of September of 2009.

Thank you. Now in paragraph 9 of your statement you refer to some photographs of a female person which you were shown by the ICAC investigator and on the last page of the statement we have a copy, albeit a black and white copy of the photographs to which you were provided. Is that so?---Yes.

MR ALEXIS: And I think since giving the statement you had occasion to see some images of a person described as Ms Sandra Lazarus on the evening news last week on television?---That's correct.

And, Commissioner, with your permission could I ask Ms Sandra Lazarus to stand. And, Mr Hansford, do you recognise the person who's just stood in the back of the hearing room as someone that you have seen before today?  
---Yes.

10 And is it in that respect that you wish to correct the latter part of your statement?---Yes.

All right. Thank you. Commissioner, I tender the statement.

THE COMMISSIONER: The statement by Mr Hansford dated 1 February, 2011 is Exhibit 33.

20 **#EXHIBIT 33 - STATEMENT OF MR HANSFORD DATED 1  
FEBRUARY 2011**

MR ALEXIS: Now, Mr Hansford, can you assist us by indicating firstly, whereabouts in your former working environment you came to meet and speak with Ms Lazarus who has now identified herself to you?---She came to my office as, as mentioned in section 3 at the back of the Revenue Department at North Shore Hospital.

30 And where was that office located?---On the third floor of Royal North Shore Hospital off the main waiting room behind the cashiers as in the far corner of the Revenue office.

All right. And do you recall when she first made herself known to you what it was that she said and what it was that she was looking for?---Not exactly. It was to the effect that she had an invoice that wanted to be paid and she needed some help to do the paperwork for it. That's my recollection of what she came about.

40 All right. Now, just looking if we can to paragraph 4 of your statement you tell us there a little of your duties managing the staff of the department revenue, petty cash and the like, do you see that?---Yes.

Now, were you also involved in the processing of any vendor maintenance forms or non-order voucher forms?---No vendor maintenance forms. I did raise non-order vouchers for my department , yes.

All right. Now, firstly, in relation to vendor maintenance forms were they forms that were available to you in your office?---They're online, all the

forms, all the finance forms are online on the website of Northern Sydney Central Coast Health so anybody who had access to the, to the intranet site was able to, would've been able to download those forms.

All right. And did you have those forms available to you in your office in hard copy?---Not, I could've, as a rule I wouldn't keep a blank form.

10 Now, do you have a recollection of ever providing to Ms Lazarus vendor maintenance forms from your office?---I don't recall vendor maintenance forms, no.

All right. In relation to the non-order voucher forms do you have a recollection of ever providing Ms Lazarus with an electronic form of that voucher form on a USB stick?---I believe I did.

And can I ask you why it was that you provided her with an electronic form of the non-order voucher form on the USB?---So that she could fill it in electronically so it didn't have to be handwritten.

20 Do you recall her explaining to you or otherwise discussing with you why it was that she wanted the form or the forms in electronic form?---I believe she had an invoice with her and it was to match up with the invoice that she had. The particulars of it other than what were on the actual invoices I didn't know about, the background to it or anything.

All right. So she asked you for the forms and you obliged?---Yes.

30 All right. Now, do you have available to you in your office the cost centre numbers for the various departments within Royal North Shore Hospital? ---Yes, they're online again.

And when you refer to them being available online, online where?---On the website, on the Northern Sydney Central Coast Area Health Intranet site, on the finance page.

Ah hmm. Does that information identify with the particular cost centre number the person who is the head of that particular department?---No, no, the delegation list is a separate list on the Intranet site.

40 All right. So - - -?---The cost centre only details the name of the, the name of the cost centre and the entity code that should be used with it.

But in a separate area on the, on the Intranet site one can match up the relationship between the person who is the head of the department and the cost centre number, is that so?---I couldn't say to the actual cost centre number but the cost centre name.

MS SOARS: Commissioner, I say this to be helpful but I'm not sure if it's clarified that we're talking about 2008.

MR ALEXIS: All right, that's a fair point to raise and I thank my learned friend for it. Mr Hansford, I must say I have proceeded on the basis that we are discussing questions of availability of information at or around the time that Ms Lazarus was having a conversation or conversations with you and may I take it that the answers that you've provided so far are accurate in relation to that information being available in the 2008 calendar year?---I believe so.

Thank you. Now, just coming back to the question about the head of department, how does one identify the relevant head of department in relation to a cost centre number?---The actual cost centre name, if you looked on one table on the, say the delegation table you could see who the delegate was for that department and then you could go to the other table and look up the cost centre name against the cost centre number but bearing in mind that a cost centre name might appear against multiple cost centres and that goes back to history of an old financial system where cost centres used to be able to carry project codes for different jobs that were being done within the department and when the new financial system came along the charter accounts was flattened out and all those projects were given their own cost centre number so you had, ended up with multiple cost centres for the same cost centre name. So - - -

THE COMMISSIONER: Multiple cost centre numbers for the same name? ---For the same name, yes, mainly - - -

Well, could you, could you use any number?---No, no, no, it'd, the name of it would probably include a, the old project number in the name, behind the name of the cost centre.

Did that apply to a number or a few or many or all?---Well, I, I checked the other day. There's approximately 2,000 general cost centres in North Shore and yet there wouldn't be more than actual physically 300 departments in North Shore so there's a lot of extra cost centres out there.

MR ALEXIS: Now, Mr Hansford, leaving aside just for the moment what is available on the hospital's Intranet site do you have a recollection of ever providing Ms Lazarus with the cost centre numbers for various departments within the hospital and linking up with respect to those cost centre numbers the identity of the particular head of department?---I don't recall looking up the head of the department. I recall giving her cost centre names and numbers but not the, the actual name of a, of a person in the department.

All right. What about identifying whether or not the particular head of department had a particular limit on their financial delegation?---That would

have been on one of the, on the table I described, the delegation table, it showed what their limit was.

And should we understand from that that there was a table available on the hospital intranet site which identified a financial limit that a particular head of department was able to authorise expenditure up to?---Yes.

10 All right. Thank you. And again do you recall providing any information concerning the limits on financial delegation of various heads of department to Ms Lazarus?---I can't recall doing that at all.

Following that Mr Hansford, are you someone who when working in your office at Royal North Shore would regularly drink soft drink?---I would have one bottle of soft drink at lunch, which would last me the afternoon.

It would normally sit on your desk would it or somewhere close to you?---It would sit on my desk. I was more likely to have a cup of coffee there.

20 All right. Yes, thank you, Mr Hansford. Commissioner, that's all I wish to ask.

THE COMMISSIONER: Ms Soars.

MS SOARS: Mr Commissioner, this evidence is different obviously to what was in his statement originally and I just need a short adjournment just to clarify a few matters if I could.

### 30 SHORT ADJOURNMENT

[2.32pm]

MS SOARS: Thank you, Commissioner. Mr Hansford, my name is Julie Soars and I'm a barrister for Sandra Lazarus. I just want to ask you a few questions. Mr Hansford, you gave some evidence in relation to the possibility of my client obtaining vendor maintenance forms from you in 2008. I just want to put it to you that that's in fact what occurred isn't it, that my client obtained the vendor maintenance forms from you? She asked you to print them?---Not to my recollection. I can't recall that.

40 Is it the fact that you just can't say either way, one way or the other?---My memory is hazy, but I don't know why she'd want those off me.

THE COMMISSIONER: Did you have them?---I could get access to them, but they would not be one of my normal tools I'd use.

What are they used for?---They're used for opening up a vendor on the accounts payable system. It would contain or sorry, or modifying a vendor on the accounts payable system. It allows for you to make a payment, it has

things like the vendors name, their ABN number, their address, postal address, their banking details so the money can be electronically transferred, that sort of detail.

Who falls into, what sort of person falls into the category of vendor?---Any supplier, including staff, staff, if a payment has to be made to staff outside of the payroll system then they would even have to have it, a vendor maintenance form put in for them.

10 Well how do you become, do you have to be a vendor before you can have a vendor maintenance form filled out?---No, no. Well, if, if I had a, a supplier supply me with goods, I would then before, when I received, I'd establish a relationship with them by getting their details off them including all those details I mentioned and I would forward them to Newcastle to the accounts payable section for them to be put into the system. But if somebody else in the organisation has already had dealings with them, you wouldn't need to do it again. It's done once and that's all that's required.

20 And the vendor maintenance form?---That's the form you'd fill in to send.

That's, that's to create a vendor?---Yes, in the system.

In the system?---Yes. In the accounts payable system.

So you, to be paid as a vendor you would have had to have submitted a vendor maintenance form?---Or somebody, somebody would have had to at some time, either in the past - - -

30 Someone would do it for you. The person, usually the person to who you supplied something?---Somebody within, in the organisation would do it, not outside the organisation.

Right. And then the vendor would submit invoices - - -?---Yes.

- - - and you'd be paid because there'd be a record made in consequence of the submission of the vendor maintenance form?---Yes, sir.

40 So it was, it was an absolutely critical document for anyone wishing to be paid for services rendered to the hospital?---Yes.

Do you know whether it is something that research students who are to be paid out of a trust fund have to have before they can be paid? Do you know about that?---I would normally think that they wouldn't be the people who would be filling them in.

No, but would they, would they need - - -?---Oh, if you needed to pay them something, yes, a vendor form would have to be filled in. That's paid them personally?

Yes?---Yes, a form would have to be filled in to pay them if they're not on, on the payroll.

I see. Thank you.

No further questions, Commissioner.

THE COMMISSIONER: Mr Hogan.

10

MR HOGAN: No questions for me.

THE COMMISSIONER: Ms Furness.

MS FURNESS: No, thank you.

THE COMMISSIONER: Mr Alexis.

20

MR ALEXIS: Just one matter Mr Hansford. Do you have an understanding about whether upon submission of the vendor maintenance form those processing that form allocate that vendor, a vendor number?

---Yes.

And so when that vendor then comes to lodge with an invoice a non-order voucher form the vendor becomes identified within accounts payable by reference to that vendor number, is that so?---Can you just rephrase that?

30

Certainly. When it comes time for that vendor to submit an invoice for payment and let's assume they submit it with a non-order voucher does that vendor become identified by reference to the vendor number on the non-order voucher form?---Firstly, the vendor wouldn't be doing the non-order voucher normally. The invoice will be sent to the organisation and somebody within the organisation would fill out the non-order voucher if it was done that way.

40

And the person within the organisation filling out the non-order voucher would identify somewhere on the non-order voucher form that vendor's particular vendor number?---No, no, that would be left for the accounts payable people who identify that.

I see. And so your understanding as to the practice is that the vendor number gets allocated onto the non-order form at the time of processing in accounts payable?---Yes.

Yes, thank you, sir. Commissioner, that's all I have for Mr Hansford.

THE COMMISSIONER: Thank you. Thank you for coming forward and thank you for your attendance?---Thank you.

**THE WITNESS EXCUSED**

**[2.46pm]**

MS FURNESS: Commissioner, just before my friend calls the next witness you were asking questions of the previous witness Dr Hugh in relation to a non-order voucher.

10 THE COMMISSIONER: Yes.

MS FURNESS: I've had some inquiries made about precisely what that is. Would it assist you, Commissioner, to know that now?

THE COMMISSIONER: Yes, thank you.

MS FURNESS: It's, in terms of the Northern area it's generally raised for goods already received where there's no purchase order so initially prior to the goods being received there would be a purchase order and then the  
20 goods would be received subject to it and then there would be payment for it. The non-order voucher is when there hasn't been a purchase order in advance of the goods being ordered and it is the means by which they are then subsequently paid.

THE COMMISSIONER: Right. So where services are provided or goods delivered without there being a formal order no payment can be made without a non-order form signed?

MS FURNESS: Yes. Because ordinarily one would have approval before  
30 one entered into some arrangement with a supplier and then when the supplier provided the goods that invoice would be matched up with the purchase order but when that hasn't happened in advance there has to be some method by which the invoice is verified and that's a non-order.

THE COMMISSIONER: And that explains why it's called a non-order?

MS FURNESS: Yes. Because there's no order preceding it. It's frequently used for things like course attendants and the like where ordinarily one  
40 wouldn't expect there to be a purchase order in advance.

THE COMMISSIONER: Yes. That's helpful, thank you. Mr Alexis?

MR ALEXIS: Yes, thank you, Commissioner. I recall Ms Michelle Lazarus please.

THE COMMISSIONER: Please be seated, Ms Lazarus. You're still under the oath that you took earlier and the section 38 order continues to apply to you?---Yes.

MR ALEXIS: Thank you, Commissioner. Ms Lazarus, before lunch I was asking you questions about the three documents comprising the payslips from Medical and, Medical Informatics Consultants. Can I provide you with the document that I was referring to before lunch. Do you see that's  
10 the document that we were discussing before?---Yes.

Okay. Now, before the documents are tendered can I just ask you a couple of questions about some aspects that we haven't touched so far?---Ah hmm.

First of all, can you tell me whether there was something called a Media Department within the company to which the document refers at the time?  
---Sir, I can't answer that question because I don't know what, what's meant by it because I didn't draw this document up.

20 But I think you told the Commissioner earlier that you did see these documents at some point?---I glanced at them but I didn't keep any record of them.

Do you know what they were prepared for?---No, I don't.

THE COMMISSIONER: But you did also say I think that you were asked to work in the media department of this company?---Yes, just to do some research.

30 For the media department?---I don't recall whether she said it was media department, whether there was an actual department that I was working for.

MR ALEXIS: But Ms Lazarus, any suggestion of any media department or indeed any department at all would be a complete nonsense, wouldn't it?---I can't answer that question, sir.

Well, why not?---Because I don't know whether it would nonsense or not. It was her company, I guess it was her, her call to see fit whether she wanted media research or not.

40 As far as you were aware in late 2007 and early 2008 you were the only employee of this company, weren't you?---As far as I knew.

So it would be a nonsense, wouldn't it, to suggest that there was some media department within this organisation if you were the only employee?  
---I don't think it would be nonsense, sir.

All right. Now, if you look at the document you'll see underneath the reference to "annual taxable salary" a reference to a super plan. Do you see that?---Yes, I do.

And you see the reference to REST Super, REST Super?---Yes.

Were you a member of REST Super in late 2007, early 2008?---Yes.

10 And did Medical and Clinical Informatics Consultants make any superannuation contributions to that superannuation fund?---I don't believe.

In late 2007, early 2008 did you owe a HECS debt?---Yes.

In respect of which university?---The University of Sydney and UWS.

Are you sure about that?---I'm not exactly sure.

20 Now, can you tell me what actual work you did for your sister's company in late 2007 and early 2008?---Well, she was actually thinking of manufacturing cosmetics, all natural cosmetics so I was doing some research for her on those sorts of ingredients that went into those cosmetics.

Right. And should we understand that that had nothing to do with any hospital in New South Wales, whether public or private?---No, sir.

It had nothing to do with the conduct of any clinical trial concerning the Medex device or any other device?---No.

30 It certainly had nothing to do with St Vincent's Hospital?---No.

All right. Commissioner, I tender the three pages that comprise the document that I've been examining the witness on.

THE COMMISSIONER: The three documents, each headed Medical and Clinical Informatics Consultants Pty Limited showing Michelle Lazarus' as the employee's name for pay periods from 15 November, 2007 to 15 February, 2008 will be Exhibits 34A, B and C respectively.

40 **#EXHIBIT 34A - DOCUMENT HEADED MEDICAL AND CLINICAL INFORMATICS CONSULTANTS PTY LTD SHOWING MICHELLE LAZARUS AS THE EMPLOYEE'S NAME FOR PAY PERIOD 15 NOVEMBER 2007 – 15 DECEMBER 2007**

**#EXHIBIT 34B - DOCUMENT HEADED MEDICAL AND CLINICAL INFORMATICS CONSULTANTS PTY LTD SHOWING**

**MICHELLE LAZARUS AS THE EMPLOYEE'S NAME FOR PAY  
PERIOD 15 DECEMBER 2007 – 15 JANUARY 2008**

**#EXHIBIT 34C - DOCUMENT HEADED MEDICAL AND  
CLINICAL INFORMATICS CONSULTANTS PTY LTD SHOWING  
MICHELLE LAZARUS AS THE EMPLOYEE'S NAME FOR PAY  
PERIOD 16 JANUARY 2008 – 15 FEBRUARY 2008**

10

MR ALEXIS: Thank you, Commissioner. The copy of that document before Ms Lazarus can be returned, thank you.

THE COMMISSIONER: Did your sister, when she showed this to you did she not tell you what it was, these documents, what they were?---No.

Did you not ask?---No, I didn't actually.

20 I find that mysterious. She gives you a document, you look at them, they bear your name, they contain details on them, some of which seemed apparently true, some of which are false, you don't even ask her what they are?---She did - - -

She doesn't tell you what they are?---She said they were employee forms and that's all.

Employee forms?---Pay, payslips which I - - -

30 Payslips?---I don't actually remember what she actually said. All she said was these are papers in regards to your employment.

Well, why didn't you keep them?---I don't know why, sir.

Don't you usually keep payslips that you're given?---Not, not regularly, no.

You throw them away do you?---I do. I don't even open some payslips.

40 So what do you, how do you do your tax return or is that something you're complacent about?---I am, I'm sorry, I'm complacent about that.

What do you mean you were complacent about not troubling to do the right thing?---No, sir, no.

What are you complacent about?---Keeping records, I guess.

And making proper tax returns?---No, sir.

But why didn't you keep these for your tax returns?---It was such a long time ago, sir, I, it was only for a year, something that - - -

That what?---That I probably should have done, but I didn't get a chance to.

You didn't get a chance to. Why is that?---Sir, I may have been busy or - - -

Yes.

10

MR ALEXIS: Can I show you this document Ms Lazarus? Now Wish Consulting is the company of which you have been the sole director and shareholder of, I think we've established. Is that so?---Yes.

And at no time did your company employ your younger sister, Jessica either in clinical research or in any other capacity did it?---No.

20 Now this document therefore may I suggest falsely represents your younger sister as an employee of your company in clinical research earning a salary of about \$87,000. Is that so?---Yes.

Now is it the case, I'll withdraw that I'm sorry. May we take it that you've seen this document before today?---No.

Are you telling the Commissioner that this is the first time that you've seen this document?---Yes, sir.

Me providing it to you this afternoon?---Yes.

30 THE COMMISSIONER: Even though it's your own company?---Yes.

MR ALEXIS: Now do you see the number printed across the top of the document in handwriting ending with 39?---Yes.

Now you can take it from me madam, that that is a serial number which identifies documents that were seized from your sister, Sandra Lazarus' home upon execution of a search warrant. Do you follow?---Yes.

40 Now can you provide me with an explanation as to why your sister would have a document available in her possession that was seized in the circumstances that I've just referred to - - -

MR HOGAN: I object.

MR ALEXIS: - - - which indicates that your younger sister, Jessica was an employee on the terms set out in the document?

THE COMMISSIONER: Mr Hogan?

MR HOGAN: My objection is that it's asking the witness to provide an insight into the mind of Sarah, Sandra, her sister.

THE COMMISSIONER: Yes. That might be a good objection in the court, it's not a good objection here I'm afraid.

MR HOGAN: Yes, sir.

10 MR ALEXIS: Can you provide us with any explanation?---I can't, sir.

Well can you indicate to me please why it is that your sister, Sandra, has at least in her possession a document relating to a company of which you control?---I don't know why, sir.

THE COMMISSIONER: Did you give her authority to use the company's name?---No.

MR ALEXIS: So do we - - -

20

THE COMMISSIONER: Sorry - - -

MR ALEXIS: I'm sorry, Commissioner.

THE COMMISSIONER: Did you give her authority to produce documents with the name of a company on it as if the documents were those of the company?---Not this particular document, sir.

Other documents?---I may have allowed her to use once or twice - - -

30

The company's name?---Yes.

For what purpose?---Just in the (not transcribable) we were thinking about in regards to, just a pipedream that we had about doing business together. But that, that never came to anything.

So there was no reason for her to produce documents in the name of Wish Consulting as far as you were concerned?---Yes.

40 MR ALEXIS: What I wish to suggest for your consideration, Ms Lazarus, is that although Wish Consulting was a corporate entity of which you controlled as a director and sole shareholder at all relevant times your sister Sandra conducted business involving that company as if it was her own?---I can't answer that question, sir, I don't know what she was doing.

Well, you were entirely accepting of your sister Sandra using Wish Consulting the company and, you know, its banking facilities and other

documents in a way that she wished to?---No, sir, it didn't, it didn't allow me to do that, any such thing.

All right. Now, it is untrue isn't it that between 11 January, 2008 and 10 February, 2008 your company employed Jessica with the gross and net salary payment details that we see on this document isn't it?---With the gross and net salary payment, yes.

10 In fact every detail that's set out on this document on its face is false isn't it concerning your sister?---Sorry, I haven't seen this document before.

Well, just look at it please and tell me, take your time, but please tell me if you agree with the proposition that every detail on this document concerning the employment of Jessica Lazarus by Wish Consulting is true or false?

THE COMMISSIONER: Starting at the top?---No, it's not right.

20 Is there any one piece of information on this document which is true?---That is my company name and admin at the top and - - -

Yes. Anything else?---And that is my sister Jessica.

But she's not an employee?---No. I do believe she has a HECS debt as well. And her super plan is REST. Sorry, I can't elaborate on anything else.

30 MR ALEXIS: Now, Ms Lazarus, you know don't you that your younger sister Jessica acquired some real estate not so long ago?---I don't know about that.

Well, you know that she bought a unit with Sandra your sister at Rhodes don't you?---Yes.

You know that your sister Jessica owns 80 per cent of that property don't you?---I don't know what percentage she owns of that.

Well, leave aside the percentages you'd understand that it's a jointly owned property?---Yes.

40 You understand don't you that both of your sisters applied to a bank to raise some money to buy the property?---I do believe the applied to a bank, I don't know about raising money or anything like that.

Well, they apply to the bank for a loan in order to buy the property?---Yes, they would've.

And you know don't you that this is a document that was used by them in support of their application to borrow money from the bank?---Sir, I don't know that.

You sure about that?---Yes.

All right. Commissioner, I tender the document before the witness relating to Jessica Lazarus and Wish Consulting.

10 THE COMMISSIONER: Yes. The document headed Wish Consulting with the employee's name Jessica Lazarus is Exhibit 35.

**#EXHIBIT 35 - DOCUMENT HEADED WISH CONSULTING PTY LTD SHOWING JESSICA LAZARUS AS THE EMPLOYEE'S NAME FOR PAY PERIOD 11 JANUARY 2008 – 10 FEBRUARY 2008**

20 MR ALEXIS: Thank you. Can I show the witness please the examination bundle Exhibit 1. And, madam, would you be good enough please to open the folder at page 84 and following. Now, Ms Lazarus, do you see the document at page 84 to be a letter on your company letterhead relating to the subject of the employment of your younger sister Jessica as Head of Research and Development?---Yes.

Now, is there anything in that letter that is true as at 17 April, 2008 in terms of its subject matter?---I haven't seen this top letter before this - - -

30 THE COMMISSIONER: Which is what?---This document.

Just read it, it's short. Read it?---Would you like me to read it.

Yes, please. To yourself.

MR ALEXIS: Yes. Just to yourself?---Yep.

Have you finished reading the letter?---Yes.

40 There's not one word in that letter that's true as at April 2008 is there?---No.

It completely and utterly firstly represents your younger sister, Jessica as an employee of your company in the position of Head of Research and Development doesn't it?---Yes, it does. But sir, I do recall talking to Sandra about doing, I mean again about these cosmetic, natural based cosmetics that she was talking about that we may be going into business with, but it may have something to do that. Again, I'm not sure.

I suppose that subject was something you spoke to your Head of Recourse Manager, Linda Gomez, about?---No, sir.

And you answer no sir because you know that Linda Gomez is someone that you have never heard of before. Is that so?---Sir, I did meet an associate of Sandra's. I don't recall her name. It did start with an L and she was of South American decent. But that's all I know.

And where did you meet her?---We were out at a café and we met there.

10

Now whilst your sister Sandra has been giving evidence in this inquiry, madam, I think you've been seated outside?---Yes, sir.

But you've been reading the transcript of her evidence at the end of each day or when time permits haven't you?---I've read one or two transcripts, yes.

20

And let me clear about it, you've been reading haven't you the transcript of your sister's evidence before the Commissioner haven't you?---No. Actually I haven't, truthfully I haven't read Sandra's transcripts.

Are you sure about that?---Yes.

You see do you recall giving evidence during a private examination before this Commission back in July last year?---Yes, I do.

30

And you recall being asked questions about whether or not Linda Gomez, the person who apparently has signed this letter at page 84 was someone that was known to you?---Yes, sir.

And do you remember telling the Commissioner on that occasion that you'd never heard of that person before?---I, I couldn't recall the name, sir, and that's why I said I didn't know who it was.

40

See I want to suggest that you have looked at your sisters evidence that she gave last week about the occasion when there was a meeting with Linda Gomez and that's why you've just referred in your evidence to meeting with her at a café?---No, sir, it's true, I did. But I didn't, when I was, when I was shown this document the first time, I didn't know what it was about, and that was the truth. And I still don't know.

Well can you explain to me please then why this person, if the person does exist, Linda Gomez, has signed this letter on the letterhead of your company in relation to an appointment that you say does not represent the truth?---I don't know why, sir. I can't answer that because I, I didn't draw this document up.

Well do you know who did?---It seems to me it was probably Sandra.

Yes. There's no doubt in your mind about that subject is there?---No.

No. Because you've spoken about this document and it's preparation before haven't you?---With who, sir?

With your sister, Sandra?---No, I haven't, sir.

10 I see. Have a look at the document that is attached to the letter. And you see from page 85 of the bundle through to page 91 and we have what appears to be a fairly detailed letter of approval. Do you see that?---Yes.

And do you see on page 91 next to the words, signed by Jessica Lazarus, what appears to be your younger sisters signature?---Yes.

And you see that she seems to have signed it and dated it 17 April, 2008? ---Yes.

20 Did you see your sister sign the document?---No.

You've got no doubt in your mind though that that's her signature on the document have you?---Yes, it is her signature.

It is her signature?---Ah hmm.

Now you never employed her in the capacity referred to in this letter of appointment for a salary of \$87, 000 per annum, see paragraph 4, have you?---No.

30 So can you explain why it would be that in circumstances where your younger sister was not appointed to that position she came to sign at the end of the document on page 91 and dated 17 April, 2008?---Sorry, sir, can you just repeat that?

Can you explain how it came to be that your sister signed this document when she wasn't appointed, according to your evidence, to the position referred to in the letter of appointment?---I don't know why, sir, I can't answer that. I don't know why she would.

40 But this is a letter of appointment that appears to have been prepared on behalf of your company?---Yes.

Do you know who prepared it?---I think you asked me that before, I did.

No, I asked you about the letter, what about the letter of appointment?---I believe that would have to be Sandra.

Well, why would she prepare a letter of appointment and get your younger sister to sign it if it didn't represent the truth or her employment by your company with a salary of \$87,000 per annum?---I don't know, sir, I can't answer for her.

All right. When was the first time you saw this letter of appointment from pages 85 to 91 inclusive of Exhibit 1?---I believe it was the first time that ICAC presented this to me.

10 Do you know whether this document was provided to a bank in support of an application for finance?---Sir, I truthfully don't know that.

Was Linda Gomez ever employed by your company either in the position of human resource or recourse manager or in any other capacity?---No.

Can you tell us on what basis that person came to sign both the letter at page 84 and the letter of appointment at page 91?---I can't, I can't tell you why.

20 Can I show you another document and do you see this document is a series of copy bank statements of your company's bank account with the St George Bank from the period commencing July 2008 and ending September 2009?---Yes.

I don't suggest that it covers the whole period but the document is intended to identify the payments received from the relevant Area Health Services. Do you follow?---Yes.

30 And so if we look for example on the first page at the entries for 5 and 6 August we should understand that your company received payments from the Area Health Service there of 8,800 and 12,650, do you see that?---Yes.

And that relates to invoices that your company submitted for payment to the Royal Hospital for Women, do you see?---Yes.

And just for identification purposes, if you look at 12 August on the same page you'll see 19,800 came in, do you see that?---Yes.

And then over the page 4 September a further payment of 9,000?---Yes.

40 Over the page you see on 10 November payments coming in from the NSAHS which relates to Royal North Shore Hospital. Do you see that, of \$9,900?---Yes.

And similarly two deposits further down the page of 9,900 and 18,700, do you see those?---Yes.

And then on the next page, 28 November 19,800 and finally on the next page 14 September you see the 49,500?---Yes.

Now, just in relation to each of those deposits, is it your understanding that those payments were received by electronic funds transfer directly into this bank account from the hospitals?---I would imagine they would be.

All right. Now, I just want to ask you this, did you have a practice of withdrawing most of the funds that had been received from payment of invoices into this bank account shortly after the funds had been received?  
---Yes.

10

And for example, if we look at the withdrawals that occurred on and shortly after 6 August, do you see the three withdrawals of \$2,000 and then the withdrawal of \$10,000, do you see that?---On 6 August?

6 August, \$2,000?---Yes.

Then you'll see the following withdrawal was on 7 August and 11 August, do you see that?---Yes, sir.

20 Each by ATM withdrawal, do you see that?---Yes.

Now, that requires the insertion of a card, doesn't it?---Yes.

And the entry of a PIN number to be able to effect the withdrawal?---Yes.

Now, did you have with you at all times the card which enabled an ATM withdrawal or was that something that was available to your sister Sandra?  
---No, that was with me.

30 Did you ever give your card to your sister so that she could withdraw or transfer money whenever she wanted to from this account?---No.

So is your evidence that you always attended to the transactions that we see reflected by the bank statements, is that your position?---Yes, yes.

And does that relate to every one of them?---Yes.

So you're responsible for each of those 2,000 withdrawals on 6, 7 and 11 August?---Yes.

40

Do you see the further withdrawal of \$10,000 on 11 August appears to be by cheque, do you see that?---Yes.

Do you know what that relates to?---It just looks like a withdrawal to me.

No doubt it is but my question was whether you know what cheque number 4 related to?---No, sir.

And the \$15,000 on 14 August, do you see shortly after the receipt of 19,800, can you tell me what the withdrawal of 15,000 related to?---I can't recall at this stage, sir.

THE COMMISSIONER: It says "cash withdrawal." Why would you have needed \$15,000 in cash?---(NO AUDIBLE REPLY)

MR ALEXIS: Ms Lazarus, do you understand the question that's being asked of you?---Yes, yes.

10

The question is why would you withdraw \$15,000 in cash on 14 August, 2008?---I don't have any explanation of that, sir.

All right. Just come through to the page after next, the entry for 26 November, you'll see a further cash withdrawal on, on that date following shortly after the two deposits in late November, do you see that? ---Yes.

20

Well, can you recall what that cash withdrawal of \$20,000 related to?---No, I cannot.

Just come over on the next page you'll see that on 28 November \$19,800 has come into your account that day, do you see that?---Yes.

And then shortly after, on 3 December there's a cash withdrawal of \$16,522.85, do you see that?---Yes.

30

Now, can you tell us what that cash withdrawal on that date related to? ---No.

And on 5 December another cheque seems to have been drawn, cheque number 6 for 9,326, do you know what that related to?---No.

Now, can I ask you again, is your evidence that you always operated this account, because my suggestion to you is that in fact Sandra operated the account and utilised the funds in this account as and when she wished to? ---Sir, I did operate the account. This was my account.

40

THE COMMISSIONER: Well did you give the money, the cash that you withdrew to Sandra?---I may have loaned her a little bit.

What do you call a little bit? You won't find the answer down there. How much did you lend her?---Nearly \$20,000 more or less.

MR ALEXIS: And what would, I'm sorry, Commissioner.

THE COMMISSIONER: That's (not transcribable)

MR ALEXIS: And what would be the purpose of such a loan for \$20,000?  
---I didn't ask her. She asked me and I just gave it to her.

What you didn't ask her what she needed it for?---No.

Did you ask her when she was going to pay it back?---Well, she'd lent me money in the past so I just thought it's okay.

10 That may be so, but did ask her what it was that she was going to use it for or when she was going to pay it back?---No.

THE COMMISSIONER: Do you have a record of the loan?---I beg your pardon, sir?

Do you have a record of the loan?---No, sir.

MR ALEXIS: See this is company money, this is not your money, this is money of Wish Consulting Pty Limited, so was there any record of any loan made by the company to your sister?---I, I gathered this is my money  
20 because it's my company.

Just come over to the last page of the series of bank statements that I've given you copies of. Do you see on the day after the deposit of \$49,500, there's a cash withdrawal of \$49,000?---Yes.

Can you tell us what that related to?---No.

THE COMMISSIONER: It's not long ago?---Mmm.

30 Are you really saying that you withdrew \$49,000 on 15 September last year and you don't know what for and you withdrew it in cash?---(NO AUDIBLE REPLY)

Are you, you're not, not able to remember why you withdrew \$49,000 of cash six months ago?---(NO AUDIBLE REPLY)

MR ALEXIS: Ms Lazarus, are you understanding the Commissioner's question?---Yes, sir, I am.

40 And are you having difficulty answering it?---(NO AUDIBLE REPLY)

THE COMMISSIONER: Well the seconds are ticking by, what are you thinking about?---I'm thinking about your question, sir.

Thinking about what possible answer that it could be?---(NO AUDIBLE REPLY)

MR ALEXIS: See the position is Ms Lazarus, that before that deposit of \$49,500 on 14 September, your company bank account had \$177 in it. And the day after that significant deposit, most of it is withdrawn. Now surely to goodness you can recall to mind what the purpose of that sudden withdrawal on the day after of receipt of the funds was for?---(NO AUDIBLE REPLY)

10 May I suggest that the reason you're having difficulty answering my question because it was your sister, Sandra that attended to the withdrawal and utilised those funds in a way that she wished to?---(NO AUDIBLE REPLY)

THE COMMISSIONER: You're not answering the question?---Can you please repeat that, sir?

MR ALEXIS: The truth of the position is that your sister, Sandra, made the withdrawal and used the funds that were received into this bank account as she wished to?---I don't know whether that's the truth, sir.

20 Well why isn't that the truth? If you can't recall to mind what \$49,000 was expensed for, the very day after that sum of money came into the account, an explanation could be that it was in fact your sister, Sandra who made the withdrawal and expensed it for her own purposes and that you were happy for that to occur. That's an explanation isn't it?---It's an explanation, but - - -

Well is it the right explanation?---I don't think it's entirely correct, no.

Right. Tell me why it's not entirely correct?---(NO AUDIBLE REPLY)

30 THE COMMISSIONER: In the length of time you're taking in replying to the question gives rise to a possible inference that you are really desperately searching for some possible answer. Would that be wrong to infer that? ---No.

There is another possibility, Ms Lazarus, and that is that you knew about the ICAC investigation and you were just trying to move the money away so that no one else could, so that ICAC couldn't get its hands on the money and then you could keep it?---No, sir, that's not correct.

40 You had no difficulty in answering that did you?---(NO AUDIBLE REPLY)

Did you? You answered that immediately?---Yes.

But answers, the questions that counsel assisting has, has asked you, you appear to have had enormous difficulty in responding to them. Why is that? Is it because the answer to his questions is yes?---Sir, I can't say yes because it's not entirely correct.

Well can you explain to me why it's not entirely correct? To what extent is it correct and to what extent is it false?---(NO AUDIBLE REPLY)

Well, is it possible that most of the money was taken out by Sandra but some of it was taken by you?---No, sir, that's not right.

So what is right?---(NO AUDIBLE REPLY)

10 You see if one goes through this, Ms Lazarus, I mean, there is, I'm not sure how much money there is, but it looks like close on \$150,000 that has passed through this bank account to your credit. Is that a fair comment?  
---Yes.

That is from the health service?---I, my knowledge was that this was coming from a company called Sydvat.

20 No, but you can see that it says, look at the back statement, it might originally have come from Sydvat, that's true, but the actual payments were being made by the health service. You see that?---Yes, sir, but I believed that Sydvat was putting money into these hospitals and that these hospitals were then paying - - -

Is that what Sandra told you?---That's what Mr Neiron told me, that he would be putting money there and then - - -

Dr Neiron?---Yes. And he was.

When did he tell you that?---When I first started working.

30 When was that?---That was in October, '07.

But this is long after that isn't it?---Yeah, I, you can clearly see that I backlogged for a lot of the work that I did because he was waiting to put funds into there, or as he told me.

What work did you do?---I, I did marketing work, sir. May I show you my folder of evidence?

40 No, it's all right. No.

MR ALEXIS: We'll get to your folder, Ms Lazarus. But the exchange that you've just had with the Commissioner concerning your knowledge of Sydvat, whether it put monies in to the hospital or not and whatever discussion you had with Dr Neiron - - -?---Ah hmm.

- - - doesn't assist us in explaining why it is that you cannot explain the withdrawals that were made from your bank account shortly after the receipt

of funds from the area health services. That's so isn't it?---Can you repeat that again, sorry?

Your reference in answers to the Commissioner to Dr Neiron and Sydvat and the prospect whether fulfilled or not of monies being deposited with the hospital doesn't assist in explaining why it is that you can't tell us the purpose for which these monies were expensed it seems shortly after each deposit was received into your bank account?---Yes, that's right.

10 Right. So in explaining to the Commissioner while what's been put to you is not completely correct can you again attend to identify for us please what part of what I've put to you is incorrect?---In relation to the withdrawal?

In relation to your sister's use of this bank account. See my suggestion to you is that your sister Sandra attended to the withdrawal of funds from this bank account shortly after the date of each deposit and that you were entirely happy with that?---No, I'm not going to say I was happy with that, sir.

20 Well, did you know that your sister was withdrawing funds from the Wish Consulting bank account shortly after the deposits were made by the area health services?---No.

THE COMMISSIONER: I just want to take you back to an answer you've given more than once when it was put to you that these withdrawals were made by your sister you said not entirely correct. Do you recall that?---Yes.

What did you mean by not entirely correct?---Sir, I don't want to implicate anybody.

30 You're obliged to and I must warn you that if you do not tell the truth you are liable to conviction for a criminal offence and the maximum term imprisonment of five years. So this is an extremely serious matter. I understand that you don't want to implicate anyone?---Ah hmm.

I think everybody understands that and especially one wouldn't want to implicate close family relation. There's a problem here for you. The problem is your obligation to tell the truth to the Commission and the consequences that occur to you if you do not. So I'm asking you again what  
40 did you mean by not entirely correct?---(NO AUDIBLE REPLY)

Are you eating something?---No, sir.

What have you got in front of you?---I'm just, I'm just trying to find a point of focus.

No, (not transcribable) document in front of you?---Yes.

What is that?---That's the bank statement.

Have you got any, you came into the witness box carrying your document, carrying a piece of paper?---Yes. Yes, that's this document here.

What is it?---It's just accounts for all the work that I did.

All right.

10 MR ALEXIS: Could I have access to that document, Commissioner?

MR HOGAN: I understand that the lawyers for ICAC already have a copy of it. And she was not looking at that she was looking at the statement.

THE COMMISSIONER: I understand this. Can you please show that to Mr Alexis.

MR ALEXIS: Yes, thank you, Commissioner, I have seen that before and I'll hand it to Ms Lazarus' counsel to be retained so that it's not available to  
20 Ms Lazarus in the witness box. It appears to be an aide memoir in chronological form. I'm handing that document back to you to retain. Ms Lazarus, what else do you have in the witness box with you apart from the bank statements that I showed?---Nothing else, sir.

What's the folder in front of you?---The folder is a folder of evidence.

Of whose evidence?---The folder that you gave me.

MS SOARS: Exhibit 1.

30 MR ALEXIS: Exhibit 1?---Exhibit.

Thank you. Now, Ms Lazarus, can I show you another series of documents please. And, Commissioner, I'll complete the examination with respect to these other documents before tendering bank statements if I may.

MR HOGAN: Sir, if I might say after that strong direction from you, Mr  
40 Commissioner, I don't know whether Ms Lazarus wants, she had another long pause without giving an answer and you gave her the direction and I've given her that quite unequivocally, perhaps she may have an opportunity to answer your question before moving on.

THE COMMISSIONER: Yes. Thank you. Are you now prepared in your own interests, may I say, to tell me what you meant by not entirely correct? ---As to the withdrawal of the funds?

Yes?---Sir, I can tell you I was working and I was carrying out the tasks that were asked of me and I, and I was paid for the tasks that I was carrying out but because my sister needed the money this money was given to her.

This money being? All the money that you withdraw - - -?---Yes.

- - - over the full period shown in the bank statement?---All aside for a few.

10 Yes. Did you withdraw it and give it to Sandra?---Um, - - -

Or did you give her your bank card and allow her to withdraw it?---She did borrow my bank card on occasions.

MR ALEXIS: So is the position, Ms Lazarus, that your sister Sandra was given your bank card and PIN identification number for the purpose of accessing and either withdrawing or transferring money from the St George Bank account that Wish Consulting held, is that right?---Yes.

20 And is that why when pressed to provide an explanation in relation to the withdrawals you had difficulty doing so because you know that you did not yourself conduct any of those withdrawal transactions?---Yes.

30 And may we understand your hesitation before being pressed by the Commissioner related to a concern that you had that if you accepted the proposition that your sister Sandra did what she wished with the money that had been received in the Wish Consulting bank account that might tend to indicate that in fact Wish Consulting had done no work in relation to each of the two hospitals we're concerned with?---No, sir, that's not it. I carried out the work which was asked of me and I did it on a regular basis. I worked very hard.

All right. Well, we'll come to the detail in due course. Now, I've provided to you in addition to the bank statements a series of documents that relate to transactions on the account. Do you see first of all a copy of a cheque to St Vincent's Hospital dated 4 August, 2008 for \$10,000?---Yes.

40 And if you look at the first page of the bank statements you'll see that on 11 August cheque number 4 was presented for payment. Do you see that?  
---Yes.

Now, just looking at the cheque did your sister Sandra write the cheque to St Vincent's Hospital?---I actually can't remember.

Well, have you - - -?---That is my signature though.

All right. So, but you accept from me that that's not your writing on the cheque apart from your signature?---I can't accept that, sir, because it's hard for me to tell whether this particular writing is mine or hers.

All right. Well, do you recall writing out a cheque to St Vincent's Hospital for \$10,000 in August 2008?---I remember the cheque and I remember signing it.

Now, what commercial or other arrangement did Wish Consulting have with St Vincent's Hospital in August 2008?---I can't recall, sir.

10 So the position is that your sister needed money to repay money to St Vincent's Hospital because of an allegation that was made at the time against her that she had received moneys to which she was not entitled, do you agree with that?---I don't know, I don't have any knowledge about that.

In any event, she came to you and said can I write a cheque or get a cheque from Wish Consulting for \$10,000 made payable to St Vincent's Hospital? ---Yes.

20 Now, do you know from what your sister told you what that money was to be used for by the hospital?---No.

No idea at all?---(NO AUDIBLE REPLY)

Now, Ms Lazarus, I gather you're familiar with the process of providing instructions to accountants for the preparation of financial statements and income tax returns by your company?---I often need help from my accountant with those sort of things.

30 Well, let me just put some simple propositions to you and let's see if you agree. I think you've already agreed with me that Mr Young was your accountant in 2009?---Yes.

And may we take it that you provided him with instructions for the purpose of preparing financial statements and income tax returns for the company? ---Yes.

And in response to those instructions he provided the set of accounts and the tax return for your approval?---Yes.

40 Having received those documents you looked at them, you considered them and you approved them?---Mr Young's documents that were given to me or - - -

Yes?---I don't recall having looked at all of them.

All right. But you do recall signing the tax return on behalf of Wish Consulting for the 2009 financial year?---Yes.

All right. I'll come back to that topic in a moment but can we just keep travelling through the material. On the second page of the bundle of documents I've provided to you, do you see a transaction slip for 14 August, 2008?---Yes.

And do you remember I asked you about the \$15,000 that was a cash withdrawal on that date and you were unable to tell me what it related to?  
---Yes.

10 Now, do you see that on 14 August, 2008 there is the \$15,000 withdrawal from the Wish Consulting account that was activated by the insertion of a PIN number, do you see that?---Yes.

And that was the bankcard with the PIN number that you provided your sister Sandra to enable her to make that withdrawal, is that right?---Yes.

And do you see also that day \$10,000-odd has been withdrawn from the account of Medical and Clinical Informatics, do you see that?---Yes.

20 And that both withdrawals were used to purchase a bank cheque for \$25,425 made payable to the Office of State Revenue, do you see that?---Yes.

And you know don't you that on or about that date your sister Sandra settled on the purchase of a piece of real estate at Rhodes or perhaps a piece of real estate in the city and that related to the stamp duty payable on that transaction, you know that, don't you?---No, I don't, sir, I don't have any knowledge of that.

30 What, you had no knowledge that your sister Sandra used \$15,000 of Wish Consulting's money to pay stamp duty on a property that she acquired in her own name?---Sir, I can't tell you what she did and for what purpose because I didn't know when this happened so I can't say what it was for.

Well, well, have a look at the bank statement. You see that at the time the address of the bank statement was a property at Dharruk, do you see that?  
---Where's the bank statement?

If you look at the bank statement you'll see the address underneath your name - - -

40

THE COMMISSIONER: Are the bank statements in front of you, that's the bank statement?---Oh.

The front page of it?---Oh, sorry, oh. Yes.

MR ALEXIS: Now, in August 2008 that's where you were living wasn't it?  
---Yes.

And that's where your sister Sandra was living as well?---Yes.

And your younger sister Jessica?---That's right.

By the way, when did you move out of the family home?---2008, 2009.

So at the time that this bank statement covers, that is to say late July to late August, 2008 you may we take it received the bank statement at home at or about the end of that period?---Yes.

10

So it would have been obvious to you that \$15,000 had been used and used for a purpose connected with your sister's acquisition of a piece of real estate?---Sir, I do believe it was used but I don't know for what purpose.

But you were completely accepting of that, were you?

THE COMMISSIONER: Accepting of what?---Of what?

MR ALEXIS: I apologise. You were, you were completely accepting of \$15,000 being used for a purpose associated with your sister?---No.

20

Well, how should we understand that answer, madam? Did you agree or didn't you agree to \$15,000 being used in the way as indicated by the slip dated 14 August, 2008?---(NO AUDIBLE REPLY)

THE COMMISSIONER: Ms Lazarus, I understood your evidence to be that you agreed to your sister withdrawing money on the basis that she could do with it whatever she wanted, is that right?---Yes.

30 And you didn't, does that mean you didn't discuss with her what she was going to do with it?---No.

You were just happy for her to take the money and use it however she wanted?---Well, she said she needed it so - - -

So you - - -?--- - - - I obliged her.

MR ALEXIS: And so perhaps that's well illustrated, is it, by the next transaction slip in the bundle, you'll see the date 26 November, 2008 in the top right-hand corner, do you see that?---Yes.

40

And if you look at the third bank statement for that day you'll see that the \$20,000 cash withdrawal was activated by the use of the bankcard PIN number, do you see that?---Yes.

And again that's a transaction that your sister Sandra performed using the PIN number that you provided to her, is that so?---Yes.

Now, the next transaction on 3 December for \$16,522.85 was again another transaction by which your sister Sandra used your PIN number to make that cash withdrawal?---Yes.

And if you can come to the next document in the series of transaction documents you'll see that we've copied another cheque to St Vincent's Hospital dated 3 December, 2008 for \$9,326, do you see that?---Yes.

10 And if you look at the bank statement for 5 December you'll see that the cheque number 6 was presented on that day?---Yes.

Did you write this cheque out or is it your sister's writing?---That is my signature there.

What about the payment details to St Vincent's Hospital and the amount details on the cheque, that's your sister's writing, isn't it?---Yes.

20 Now, do you have any idea as to what that payment to St Vincent's Hospital related to?---No, I don't.

You were content to allow your sister to pay that sum of money to St Vincent's Hospital in December 2008 from your company's bank account? ---Sorry, I didn't see the details of where this money was going so I can't say whether I was content about it or - - -

Well, you had no idea, is this your evidence, you had no idea in December 2008 what the payment related to?---Yes, I had no idea.

30 And is that still the position?---Yes.

And is that still the position with respect to the first cheque of 4 August, 2008 for the \$10,000 that we've spoken about already?---Yes.

You had no idea then what it related to?---No.

And you still don't know what it related to?---(NO AUDIBLE REPLY)

40 THE COMMISSIONER: Was there any discussion between you and your sister as to whether there should be any repayment to St Vincent's of monies that she had received from St Vincent's?---No, sir.

MR ALEXIS: Now can I provide you with, to one further document.

THE COMMISSIONER: Mr Alexis, are you going to tender, are you finished with the other documents and should they be tendered?

MR ALEXIS: Can I just complete what I need to do with this document and then I'll deal with the tenders? Now, Ms Lazarus, I've provided you

with a copy of the financial statements for your company for the year end 30 June, 2009. Do you see that?---Yes.

And if you just leaf through to page number 3, you'll see the page numbers in the bottom of each page, you'll come to the profit and loss statement for that year and income. Tell me when you're there?---Yes, I'm here.

Thank you. And you'll see that the consulting fees of \$82, 500 are referred to as income for the 2009 year. Do you see that?---Yes.

10

And that relates to the paid invoices that were submitted to the Royal Women's Hospital and Royal North Shore?---Yes.

And you'll see in expenditure that \$19,326 has been expenses as donations. Do you see that?---Yes.

20

And if you look at the two cheques that I've just taken you to you'll see quickly enough that the sum of those two cheques amount to the sum in respect of which a donation deduction has been claimed. Do you agree with that?---Yes.

And so we should understand that in the 2009 year just over 20 per cent of the company's income was expensed by a donation to St Vincent's. Is that so?---It appears so.

Well why would that have occurred?---(NO AUDIBLE REPLY)

30

THE COMMISSIONER: You're again not answering?---Sir, I don't, I don't know because I can't answer for that.

MR ALEXIS: Well Ms Lazarus, you signed the company's income tax return for the year end 30 June, 2009 didn't you?---Yes, I did.

And in that tax return you know that a donation of \$19,326 was claimed as a tax deduction don't you?---I can see it now.

40

Well can you explain to us why that amount was claimed as a tax deduction when you've given evidence to the effect that at the time of payment and at the present time you've got no idea what either payment relates to?---I don't know why that's there.

Well it's completely false to suggest isn't it in the income tax return of the company that donations totalling \$19,326 were made during that year of income isn't it?---Well, they, they don't appear to be donations from the evidence you've given me.

Yes. And you understand don't you that the implication of claiming those payments as donations reduced the company's taxable income for that year?---Sir, I'm aware that donations reduce the, as you said, but - - -

And the consequence of that knowledge is that you understand don't you that the amount of tax that the company paid for the 2009 financial year was reduced as a result of that claimed deduction don't you?---Well it was reduced because of those deductions, but I, I don't know what to make of this mess.

10

Well it's simple isn't it Ms Lazarus, you allowed your sister Sandra to use the funds received by Wish Consulting for her own purposes. That's so isn't it?---Sir, I didn't allow her, she, she needed it so I said okay.

All right. And when it came tax time you instructed the accountant that the two payments that had been made by your sister to St Vincent's would be claimed as a donation deduction in the company's income tax return didn't you?---I didn't instruct him.

20

Well how would your accountant have come to understand that those two cheques to St Vincent's should be treated as a tax deductible donation in the company's income tax return if you didn't instruct him?---Well it may not have been me.

Well who else would it have been, Ms Lazarus?---(NO AUDIBLE REPLY)

THE COMMISSIONER: Did your sister instruct the accountant?---She may have. I don't know.

30

MR ALEXIS: You see in the profit and loss statement that the income tax payable by Wish Consulting for that year of income was just over \$18,000? Do you see the figure in brackets?---Which page are you on?

I'm still on page 3 of the financial statements at the profit and loss statement?---Ah hmm.

And do you see profit before tax 60,000 odd dollars?---Yes.

40

And do you see underneath that the income tax before we get to the profit after tax?---Yes.

So you see that the tax based on the net profit of the company for that year is just over \$18,000? Do you see that?---Yes.

Now we know because you've now told us that most if not all of the funds received from the area health services were expensed out by your sister, Sandra, can I ask where the money came from to pay the tax?---I don't know.

Your sister, Sandra paid the tax for Wish Consulting for the 2009 financial year from her own resources didn't she?---I don't know about that.

Well your sister, Sandra, having utilised the money, when it came time to pay the tax, there wasn't any left was there?---Mmm, she may have.

You know she did don't you?---(NO AUDIBLE REPLY)

10 You know she did don't you?---(NO AUDIBLE REPLY)

THE COMMISSIONER: You must answer the question?---Well she probably would have.

MR ALEXIS: Now finally madam, can I take you to the transaction record of 15 September - - -

THE COMMISSIONER: I beg your pardon, Mr Alexis.

20 MR ALEXIS: Yes, Commissioner.

THE COMMISSIONER: I've got one question. When I look at this, these financial statements, Ms Lazarus, I see no reference to any loan to Sandra Lazarus?---No, sir.

I take it there was no loan to her?---The loan wasn't, it was more of a verbal contract that - - -

30 There was no loan to her was there?---Not a (not transcribable) loan.

There was no, there was no kind of loan because if there'd been a loan it would have been in the balance sheet wouldn't it? She didn't have to pay anything back, put it that way. Is that right?---She didn't pay me anything back, no.

And she didn't have to?---Well I believe she, she had to and I still believe she has to.

40 It's a moral obligation is it?---Yes.

MR ALEXIS: Am I clear in your evidence that in fact none of these monies have been repaid by her to either you or your company, Wish Consulting? ---Not as yet, no.

Now, if you can go back to that bundle of documents that commences with the cheque to St Vincent's and come through to the second last page, please. You should see a transaction relating to 15 September, 2009. Do you have that?---Yes.

This relates to \$49,000. Do you see that?---Yes.

And if you look at the last page of the bank statements that I gave you, you'll see as we've previously identified, that following the deposit on 14 September, the \$49,000 was withdrawn on 15 September. Do you see that?  
---Yes.

10 And again is this a transaction that your sister, Sandra conducted using the Bankcard with the pin number and transferred that \$49,000 to Medical and Clinical Informatics Consultants?---Yes.

And if you look at the last page in the bundle you'll see that I've copied the bank statement for your sister's company which shows that money transferred into that company's bank account on the date that I've indicated 15 September?---Yes.

20 Did your sister Sandra ask you before each of these transactions occurred where she used the PIN number to withdraw or transfer funds or did they occur without her asking you beforehand?---Sorry, can you just repeat that question?

Certainly. With each of these transactions that we've gone through did your sister Sandra attend to the transactions after she asked you whether you were accepting of it or did it happen without her speaking to you about it?  
---It just happened.

30 It just happened. All right. So is it fair to say then that in relation to the operation of the bank account for Wish Consulting you enabled your sister Sandra to utilise the funds that were received into that bank account as and when she wished to?---So you're referring to me as an enabler?

Yes?---I don't think I'm an enabler.

Well, you enabled her by providing her with the bank card and the PIN number didn't you?---I provided her with the bank card and the PIN number.

40 You enabled her by when receiving bank statements not raising any issue with her about her use of the funds in the bank account?---Sir, I didn't allow her to do anything that - - -

THE COMMISSIONER: You're just being asked about the bank statement, Ms Lazarus, you're not being asked about what she did or said to the doctors or the hospital. You're just being asked about the money in the bank statement.

MR ALEXIS: Let's deal with it this way, Ms Lazarus. You enabled your sister to withdraw and utilise funds whenever she wished to by providing her with the bank card and the PIN number, correct?---She was able to do that because of me?

Yes? She asked you and you agreed, is that so?---I had to because she needed it.

10 All right. And when cheques had to be drawn she wrote them out, gave them to you and you signed them, is that so?---Yes.

And when the bank statements arrived at home you'd look at the bank statements and see that your sister was utilising virtually all of the funds that were being deposited by the hospitals and you didn't query any of that with her?---No.

Because you were content for that to occur?---(NO AUDIBLE REPLY)

20 THE COMMISSIONER: Or you were agreeable to it?---Not, I wasn't, I wasn't content for that to occur.

But you agreed to it?---I agreed to it.

MR ALEXIS: And the truth of the position is that because your sister was generating the invoices for Wish Consulting was submitting them to the hospitals for payment and was facilitating the receipt of the monies you were content for her to use those monies as she wished?---No, sir, I wasn't.

30 MR HOGAN: Perhaps if I can just object to that. If they were sort of just three separate things generating, submitting - - -

THE COMMISSIONER: I think that's fair enough.

MR ALEXIS: And the proposition was rejected anyway so can I now, Commissioner, tender firstly, the bank statements that were before the witness.

40 MR HOGAN: Perhaps if I could ask them to be broken up because I understand - - -

THE COMMISSIONER: (not transcribable) it's not being asked.

MR ALEXIS: No, I withdraw the question.

MR HOGAN: Well, it was answered no but I, the instructions I have if it's broken up there may be - - -

THE COMMISSIONER: I will not take any, I'll pay no attention to that answer.

MR HOGAN: I'm sorry, sir?

THE COMMISSIONER: I will not pay any attention to that answer.

MR HOGAN: Yes.

10 THE COMMISSIONER: It will not be regarded as having any weight.

MR HOGAN: Yes, thank you.

MR ALEXIS: So, Commissioner, can I tender firstly, and these should be separate exhibits, the bank statements from the St George Bank account relating to the Wish Consulting bank account.

20 THE COMMISSIONER: The Wish Consulting bank statements will be Exhibit 36.

**#EXHIBIT 36 - BUNDLE OF DOCUMENTS RELATING TO WISH CONSULTING & MEDICAL AND CLINICAL INFORMATICS COMMENCING WITH CHEQUE MADE OUT TO ST VINCENT'S HOSPITAL**

30 MR ALEXIS: The next tender, Commissioner, is the bundle of transactional documents relating to the Wish Consulting bank account.

THE COMMISSIONER: Exhibit 37 is the bundle of transactional documents relating to Wish Consulting bank account.

**#EXHIBIT 37 - BUNDLE OF WISH CONSULTING BANKING STATEMENTS**

40 MR ALEXIS: And the final tender is the copy financial statements for Wish Consulting for the year end 30 June, 2009.

THE COMMISSIONER: The Wish Consulting financial statements and tax return for 30 June, 2009 is Exhibit 38.

**#EXHIBIT 38 - FINANCIAL STATEMENTS & COMPANY TAX RETURN FOR WISH CONSULTING PTY LIMITED YEAR ENDING 30 JUNE 2009**

THE COMMISSIONER: Mr Alexis, you wish to continue or is this a convenient time to adjourn?

MR ALEXIS: Commissioner, my preference would be to continue if I may but I'm of course in your hands.

10 THE COMMISSIONER: How long do you wish to go so that everybody knows?

MR ALEXIS: Yes, of course. About fifteen minutes please. I won't finish but I would like to think I will get close which is why I'd like to conclude in about fifteen minutes if I may.

THE COMMISSIONER: Do you want to say something, Mr Hogan?

20 MR HOGAN: Only that I would ask that my client be given a strong direction as you gave in relation to the other matters involving the bank accounts. Again, she seems to be reluctant to give answers often. I've simply given her unambiguous advice - - -

THE COMMISSIONER: I appreciate that, Mr Hogan.

MR HOGAN: It is at the end of a long day, she has provided information which - - -

30 THE COMMISSIONER: All right. You need say no more. Ms Lazarus, I understand it's been a difficult afternoon for you and you've been placed in a very difficult position. I understand that. But I must warn you again that you are obliged to answer every question that counsel assisting asks you and if you do not answer, if you do not answer the questions truthfully and that is established you may well be prosecuted for not telling the truth to the Commission. Should that occur and should the prosecution be successful you will be liable to a maximum imprisonment of five years in gaol and really I'm sure you and no doubt your family would want to, would not want that to happen. And it really is in your interest to answer the questions honestly and forthright. You understand that?---Yes, sir.

40 Yes.

MR ALEXIS: Thank you, Commissioner. Ms Lazarus, have you ever met or spoken with Professor Neville Hacker at the Royal Hospital for Woman at Randwick?---No.

Have you ever met or spoken with Associate Professor Marsden at that hospital?---No.

Have you ever spoken with any other medical practitioner at the Royal Hospital for Women?---(NO AUDIBLE REPLY)

Let me add to that question. In relation to the subject of clinical trials either to be conducted or having been conducted at that hospital?---No.

Now, if I can just ask you about some personnel at the Royal North Shore Hospital at St Leonards. Have you ever met or spoken with Professor Ross Smith?---No.

10

Have you ever met or spoken with a Dr Gilbert Burton?---(NO AUDIBLE REPLY)

THE COMMISSIONER: Look, Ms Lazarus - - -?---No. The answer is no.

MR ALEXIS: Thank you. And I note the pause before you gave that answer. Can you tell me what matters were occupying your mind before you gave the answer to my question in the negative?

20 MR HOGAN: Sir, - - -

THE COMMISSIONER: I don't think (not transcribable)

MR ALEXIS: Ms Lazarus, have you ever met with or spoken to Dr Kenneth Vaux, spelt V-A-U-X at the Royal North Shore Hospital?---No.

Have you ever attended any meeting with Dr Gilbert Burton and a Mr Vern or Pleiskna or David Pleiskna in his, that is Dr Burton's office?---No.

30 In the 2008 calendar year were you ever enrolled as a PhD student at any university?---No.

Have you ever been enrolled as a PhD student at any university?---No, sir, but I was looking into that prospect.

All right. Now, have you ever met Dr Neiron?---Yes.

How many times?---About four times.

40 And whereabouts have you met with Dr Neiron on each of those occasions, if you could tell us please?---The first time I met him it was at his office in Bondi Junction.

Yes?---And it was basically a meet and greet. Prior to that I've met a few other employees of Medex at the Spring Street office in Bondi Junction, Dr Saba and two other employees.

And was your sister Sandra present during that first meet and greet meeting with Dr Neiron?---Yes.

And what was the purpose of the meet and greet with Dr Neiron?---It was about me working as a marketing consultant.

10 For whom?---Well, essentially for, the contract that signed with Mr Neiron was with Sydvat, I think his company's called, and it was actually suggested by him that I open or establish a company so that he was dealing directly with a company rather than a person or employee and that's why I established my company.

So do you tell the Commissioner that in light of the meet and greet meeting with Dr Neiron you asked your account, Mr Young, to set up Wish Consulting Pty Limited?---Yes.

So as I think we've already identified given the date of incorporation is 3 September, 2007 - - -?---Ah hmm.

20 - - - should we understand that the meet and greet meeting with Dr Neiron occurred prior to that day?---Yes.

How long before the 3 September, 2007 did you meet with Dr Neiron?---It must have been a few weeks.

30 All right. Was anything else discussed during that first meeting with Dr Neiron?---Yes, my possible employment with his, his company and the activities I would carry out as a marketing consultant for Medex and the hospitals that were conducting the trials for Medex.

All right. Now you mentioned there were four meetings. Could you tell me - - -?---Ah hmm.

- - - now about the second meeting, when was it?---The second meeting was in October.

October of 2007?---Yes.

40 Where was the meeting?---At his office in I think it's Bronte Street or - - - That's Bronte Road, Bondi Junction?---Bronte Road, yes.

Thank you. And who was at that meeting?---Himself, Dr Neiron, Sandra and I.

And what was the purpose of that meeting?---To sign a contract with Dr Neiron and I.

And prior to that meeting had you seen the form of contract?---No.

So you were presented with a contract were you at this second meeting?  
---Yes.

Did you read it?---Yes, I did.

10 What did it provide for?---It had my tasks and responsibilities on there, my pay rate, general information but it wasn't very detailed.

What was your pay rate as provided in the contract as best you can recall?  
---\$9,000 plus GST.

THE COMMISSIONER: \$9,000 a what?---A month.

And did it set out your duties?---Yes.

20 What were they?---It included seeking and establishing bonds with potential sponsors, I had to create a very large database that collated information about public and private companies and this was constantly updated. I had to contact these companies (not transcribable) those that were positive towards providing funds towards the hospital and the trials that were going on and I had to prepare (not transcribable) which included an introductory letter, proposal, it was a tailored proposal to that particular company.

This is all for potential sponsors?---Yes, that's right.

30 MR ALEXIS: Now, your company Wish Consulting was one of the parties to that contract, is that so?---Yes.

Representing your interest?---Yes.

And who was the other party to the contract?---Mr Neiron's company, Sydvat.

All right. So we should understand that there was a contract between two parties - - -?---Yes.

40 - - - your company Wish Consulting on the one hand and Dr Neiron's company Sydvat Pty Limited on the other, is that so?---Yes.

And that provided that Sydvat would pay \$9,000 a month plus GST for the performance of the duties that you've just told the Commissioner about?  
---That's right, oh, and there were more duties than just that. Would you like me to tell them or - - -

THE COMMISSIONER: Yes?---Okay. I also had to review and edit various documents that were related to the trials, you know, ethics, ethics

applications, proposals, articles, anything that needed editing, handbooks such as the Medex ones that went out to GPs. I had to design advertisements and brochures for the Medex company and that's what I can remember off the top of my head.

Now, Ms Lazarus, prior to the commencement of this public inquiry you were served with a notice on behalf of the ICAC to produce documents. You recall receiving that?---Yes, sir.

10 And is the position that despite receiving the notice you have not produced a copy of the contract that you've just described between Wish Consulting and Sydvat?---I hadn't been able to locate one. I actually thought that ICAC had the contract but I was, once everything went pear shaped with these trials and Medex Mr Neiron wanted everything back and that included all the work that I'd done which is still on the hard drive and the Medex laptop that I was using and I don't know, maybe I just put my contract in there because he was threatening to get the lawyers involved, not anything to do with that.

20 So we should understand from that evidence that you've just given that after the second meeting when you signed the contract you obtained a copy for yourself?---I did.

And Dr Neiron from what you could see retained a copy as well?---Yes.

Did he retain the original?---He would've I presume.

Or were there multiple originals?---I know of two copies that were there, one for him and one for me.

30 And is your evidence that at some point you sent material, documents and the like back to Dr Neiron - - -?---Yes.

- - - and that includes your copy of this contract?---He may well have.

When did you say you sent this back to Dr Neiron?---In '09, 2009. I think it was around September, November. Late, late '09.

40 Now, the services provided for in the contract and the payment of the monthly fee was the performance of them and was the payment of the fee contingent on any event as far as the contract provided?---Can you just elaborate on that question?

Certainly. Did the contract provide that you would only be paid in certain circumstances?---Such as?

For example, hospital agreeing to the conduct of a clinical trial?---No, there weren't any specifications like that.

THE COMMISSIONER: No conditions?---No.

MR ALEXIS: So is your evidence that from the time of the contract, or let me withdraw that in fairness. Let me ask you another question. When did the contract commence, when did, under the contract, were you to commence your duties sand start getting paid?---When I signed the contract, which was in October.

10 So from October 2007- - -?---Ah hmm.

- - -you understood that you had contractual obligations to Sydvat to perform the services that you've outlined to the Commission and you expected to receive \$9,000 plus GST after that. Is that so?---Yes.

And that wasn't contingent upon any hospital agreeing to the conduct of any clinical trial?---There was no, there was nothing outlining that in my contract- - -

20 Right.---?- - -from what I can recall.

THE COMMISSIONER: And it wasn't, it had nothing to do with a trust fund or anything?---He, he did say that he would be putting money in from the hospitals in, into some sort of trust fund, or I don't know exactly how it worked but he said to me that I would be getting paid from that.

From what, the trust fund?---Yes. And that he would be providing moneys in there.

30 MR ALEXIS: Now, you mentioned- - -

THE COMMISSIONER: Sorry.

MR ALEXIS: I'm sorry, Commissioner.

THE COMMISSIONER: Was that in the contract?---No.

Was that stated in the contract?---No, sir.

40 This was something outside the contract?---Yes.

But much of the work that you've described- - -?---Yes.

- - -had nothing to do with the, with the hospitals, it wouldn't benefit the hospitals?---It would sir, potentially.

Getting sponsors?---For funding for the clinical trials. These, the companies that I was contacting were companies that were envisioned to be providing

funds for the trials once they were completed and once the papers were published and, you know, hospitals gained acclamation for the work that was being carried out. Companies jump on board to causes such as donations and fundings for hospital and cancer research, once they know that something is well-established, and my work was preliminary work.

MR ALEXIS: Ms Lazarus, you mentioned four meetings with Neiron. I think we've dealt with the first two. Could you tell us about third meeting. When was it and where was it?---The third meeting would have been at a  
10 café in Bondi Junction and he was discussing- - -

Well, before we get to the content- - -?---Yes.

- - -when was that third meeting?---In January I think, '09.

So after the two meetings, the second of which was October 2007- - -?  
---Yes.

- - -should we understand that you didn't meet with him again until early  
20 2009?---'09, yes.

And you say that was in about January 2009?---Ah hmm.

At a café in Bondi Junction?---Bondi Junction.

And who else was at the meeting?---Just him, himself and I.

And what was the discussion during that meeting?---I believe he wanted me  
30 to design brochures and advertisements, some new ones, because the ones  
that they had weren't very good, so he wanted me to design some from  
scratch professionally because I know how to use design software and that  
requires a lot of work, otherwise you would have to go outside and employ a  
designer but because I had those skills he wanted me to do that.

So there was a discussion about you providing some services that were  
outside of the existing contract that you've described?---No, no, no. They  
were in my contract, designing brochures and advertisements, that was  
under my contract

40 Thank you. And was that in, as you understood it, to form part of the  
services that you would bill for at 9,000 a month?---Yes.

When was the next meeting?---The next meeting was in February.

Of 2009?---Yes.

And where was that meeting?---I believe that was at his office.

In Bondi Junction?---Yes.

Thank you. And who was at that meeting?---Just him and I.

And what was discussed during that meeting?---He was very adamant that he wanted these Medex handbooks first of all revised and proofread because the thing is, they were originally in Hebrew and were translated into English and much of, much of the meaning in that handbook was lost in translation so I had to fix that up first. And he wanted me to do three other copies of  
10 that, one for prospective sponsors, one for trial participants and I can't recall what the other one was for, but there were four all together that I had to do, four versions.

And did you agree to undertake that task for him?---Yes, I did.

And did you- - -?---Yes.

- - -undertake that task for him?---Yes.

20 All right. Now finally before we adjourn, I think it's the case - - -

THE COMMISSIONER: While that's being looked for, Ms Lazarus, when did you start getting paid?---I believe my first payment was in, in March, '08.

And when did you start work?---'07.

I beg your pardon (not transcribable)?---In 2007, October.

30 And was it paid, your \$9,000 regularly each month on the same date more or less or did they come intermittent, the payments come intermittently?---I was charging every month, but I believe - - -

You were charging him?---Yes, or - - -

You were charging Sydvat?---Yes.

You sent them an account, an invoice?---No. I, I wasn't generating these  
40 invoices.

Because you were, you were just being paid?---Yes.

Was your sister generating an invoice?---Yes.

Or Wish Consulting?---Yes.

To Sydvat?---Yes, or to the hospitals, I gather, because the monies were going into the hospitals.

I'm talking about, you're agreement was with Sydvat?---Yes.

And at any event you were paid whether it be through the hospital or well you were only, you were never paid by Sydvat direct ever were you?---No. He didn't want any connections with the hospital because he was involved with Medex and he didn't want a conflict of interest.

10 So all the payments you received came from the hospital?---I - - -

For all the work you did all the payments came from the hospital?---Sir, I believe they were coming from, the money that I was being paid was from Mr Neiron.

I understand that?---Yes.

20 But what I mean, the actual physical transmission of the money that you received always came from the hospital, never from Sydvat?---It, it didn't say Sydvat, but I, I don't understand how these trusts work, so - - -

I understand that. What I'm trying, you never received a payment direct from Sydvat?---Never directly, no.

And the payments you did receive they came sporadically didn't they? ---They did, but I was told by him that sometimes the money was in the hospitals and I had to wait, things like that.

So he actually told you - - -?---Yes.

30 - - - that he had paid the money into the hospital?---He, he told me on some occasions, not always.

Right. You've spoken, you've told us about, you've told us there were four meetings?---But he did call me as well.

And you spoke to him on the telephone?---Yes.

40 And from time to time, what, he would - - -?---He would check up on me to see how I was going.

Yes?---And I would ask him, ask him how the funds were going and he said on one occasion that I had to wait until later because he hadn't put funds into the hospitals.

When was that? Do you remember when, specifically when that was - - -? ---He told me - - -

- - - when he told you that?---He told me that a few, a few times, but the occasion I remember was some time around August, I can't remember whether it was '09 or '08. Somewhere, it was August '09 not '08.

My impression from what you, you've just mentioned a statement by him saying that he was going to put money in?---Yes, and that I had to wait until I invoiced, yes.

10 Yes. And did he ever, did he or did he not say to you at any time, I have put money in and the money is there?---Yes, he did.

And how many times did he say that to you?---I only spoke to him about four or five times. And of those times three, three out of five.

He said the money is there?---Yes.

And approximately when was this?---It was sporadically over the two, two years that I spoke to him.

20 But you can't pin point the time?---No.

Not even approximately middle of the year or end of the year, the beginning of - - -?---The start of the year.

Which year?---2008.

He said to you the money is there?---Yes. Yes.

30 And again, the other time?---Yes, around middle of October, '08 as well. And then September, no, not September, yeah, no, September, '09.

What gave rise to the dispute between you and Mr Neiron? How did the dispute come?---There was no dispute between him and I. There were disputes I believe within the Medex company and the employees - - -

But he asked for all the money, all the documents to come back - - -?---Yes.

- - - and you said he threatened going to lawyers and (not transcribable)?  
---Yes.

40

What, what was the problem?---I don't know the full extent of the problem, but - - -

That sounds like a problem between you and him?---No, sir, it wasn't. He - - -

Well why did he want to get lawyers to - - -?---Because, because the laptop was a Medex laptop and all the work that I was doing was essentially related

to Medex and for some reason he was getting pushed out of the company and so he wanted everything that belonged to him and everything that he was instructing people to do back to him.

MR ALEXIS: Now finally before we adjourn, can I show you this folder that your counsel I think made available to us earlier this week?---Yes.

MR HOGAN: Can I just put on the record it contains material on a USB which was presented to ICAC investigators at the time of the examination.  
10 It's merely copies of the material from that - - -

THE COMMISSIONER: Yes, thank you.

MR ALEXIS: Commissioner, we'll come to some detail in the morning, but Ms Lazarus can I just ask you to look at the white folder that I've provided to you and could you confirm please that what we see is a printout of the hard drive that your counsel has just referred to?---A printout from my hard drive?

20 Or from a CD or, well perhaps I can withdraw that question and ask you this.

THE COMMISSIONER: Mr Hogan said that it came from a - - -?---A USB.

- - - a USB.

MR HOGAN: I don't understand the point, everything in the folder, the bulk of the material in the folder is a printout of material which is from a  
30 USB provided to investigators. And it's been produced in this form as well. There may be some other email correspondence as well which is derived from the computer of the Lazarus' as well. But all of it is material that the ICAC investigators have from that source or those sources.

MR ALEXIS: Well Ms Lazarus, you listened to what counsel has just indicated to the Commissioner, and is that an accurate description of what we should understand is contained in this folder?---Yes.

40 Thank you. And is it representative of the work that you wished to have the Commissioner accept was done by you in accordance with the contract that you've described to us earlier between your company and Sydvat?--- Yes, sir. But these, I also maintain that this is but a fraction, a very small fraction of all the work that I did, because like I said, everything was given back to Mr Neiron. And this is, I don't even know why I had this on a USB because this is, this was a really old USB and I had even forgotten about it. It wasn't until ICAC said that they wanted any, any evidence that I'd done work that I scrambled through everything to find this.

All right. So with that qualification in terms of this being representative of all of your work, we understand what you've said about that, does it otherwise indicate the work that you did and the nature of the work that you did?---Yes, it's indicative of the work that was being carried out.

Thank you. And just by way of very brief illustration if we turn to the A3 pages towards the back of the folder and we put out the first in the series of those documents we see a spreadsheet entitled Companies and the identity of various companies, for example, Coke on the page. Do you see that?  
10 ---Yes.

And is that indicative of you communicating with, for example, Coca-Cola on 11 September, 2007 send email with background et cetera. Is that a record of what you say occurred at that time?---Yes, sir.

And that's how we should understand the scheme of this document, is that so?---Yes.

Yes, thank you. Commissioner, I'll come to some detail in the morning.  
20 Perhaps for present purposes the bundle could be marked for identification.

THE COMMISSIONER: Yes. The bundle of documents provided by Ms Michelle Lazarus will be marked for identification number 2.

**#MFI 2 - BUNDLE OF DOCUMENTS PROVIDED BY MICHELLE LAZARUS**

30 MR ALEXIS: Commissioner, I've exhausted my fifteen minutes and no doubt I've exhausted you, Commissioner, so I'd seek that we now adjourn until 10.00am tomorrow.

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

**AT 4.35pm THE MATTER WAS ADJOURNED ACCORDINGLY**  
**[4.35pm]**

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