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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE DAVID IPP AO QC

PUBLIC HEARING

OPERATION CHARITY

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TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON WEDNESDAY 23 FEBRUARY 2011

AT 10.10AM

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

THE COMMISSIONER: Mr Alexis?

MR ALEXIS: Commissioner, apologies for the slight delay but we've been managing some witness issues. Can I now call Ms Stacey Linton.

MR MULLEN: Whilst that's happening, Commissioner, with leave Mullens solicitor, I'm appearing for New South Wales Health this morning.

10 THE COMMISSIONER: Yes. I beg your pardon, I didn't get your name.

MR MULLEN: Mullen, M-U-L-L-E-N.

THE COMMISSIONER: Yes, Mr Mullen.

MR MULLEN: Just while Ms Furness is otherwise engaged today and we will have Mr Lynch appearing for us this morning as well but he's tied up this morning.

20 THE COMMISSIONER: Now, do you want me to, Mr Mullen, do you want me to make a section 38 order for Ms Linton?

MR MULLEN: She's not our witness.

THE COMMISSIONER: She's not your witness. No. Do you have legal representation?

MS LINTON: No.

30 THE COMMISSIONER: No. Does Ms Linton need a section 38 order?

MR ALEXIS: I would not have thought so.

THE COMMISSIONER: Pardon?

MR ALEXIS: I would not have thought so, Commissioner.

40 THE COMMISSIONER: Yes. Well, she needs to be, and this needs to be explained. Something needs to be explained to you. What is Ms Linton going to give evidence about?

MR ALEXIS: Commissioner, Ms Linton's name appears on a number of the tax invoices that were sent to the accounts payable section of the relevant area health service and it was in that section of the service that Ms Linton worked at the relevant time. I expect that she will give evidence about some communication that she had with Ms Lazarus concerning those invoices. And, of course, there will be some evidence concerning procedures within that section as she then understood them and whether or not what occurred was consistent with those procedures.

THE COMMISSIONER: Right. Mr Mullen, this sounds as if Ms Linton is a part of your organisation that you represent.

MR MULLEN: That does sound like that, Commissioner. Ms Linton was a contractor engaged through an agency at the time.

10 MR ALEXIS: Perhaps in the circumstances, Commissioner, although I don't make an application for such an order to be made it might be appropriate - - -

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

20

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

30

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

MS LINTON: Affirm the truth.

<STACEY ANNE LINTON, affirmed

[10.16am]

THE COMMISSIONER: Mr Alexis.

MR ALEXIS: Thank you, Commissioner. Madam, is your full name Stacey Anne, with an E, Linton?---Yes, that's correct.

10 And I think about six weeks or so ago you gave birth to a baby?---Yes, yes, that's correct.

So is your current position one of home duties?---Yes, that's correct.

Now, when you gave a statement in this matter on 21 October, 2010 you were then employed I think as an accounts payable clerk, is that right? ---Yes, that's correct.

20 And just in relation to the statement could I show you a copy of that statement. Put a copy before you, Commissioner. And, Ms Linton, should we understand that what's just been provided to you is a copy of a statement you provided to ICAC investigators on 21 October, 2010?---Yes, that's correct.

And is the evidence that you gave in that statement true and correct to the best of your ability at the time?---Yes, that's correct.

Thank you. I tender the statement, Commissioner.

30 THE COMMISSIONER: Yes. Statement by Ms Linton is Exhibit 43.

#EXHIBIT 43 - STATEMENT OF MS STACEY LINTON DATED 21 OCTOBER 2010

40 MR ALEXIS: Now, if I can come to the events we're concerned with, Ms Linton, should we understand by reference to paragraph 4 of your statement that in March of 2008 you were engaged on a contract through a recruitment agency to the South Eastern Sydney Illawarra Area Health Service as a data entry clerk?---Yes, that's correct.

And that also included customer inquiry duties, is that so?---Yes, that's correct.

Eventually I think?---Yeah, yeah, it changed after a few months because they basically re-jigged everything, yeah.

All right. And your statement tells us that you worked in the accounts payable section of the service, is that so?---Yes, that's correct.

And can you just tell us where physically you attended to this work from day to day?---At the office at the back of Sutherland Hospital at Caringbah.

Now, a contract, should we understand, was for six months and after that first six months it was then extended for a further six months?---Yes, that's correct.

10

And that coincided I think you tell us in paragraph 5 with a transfer as you understood it of the accounts payable role to a centralised office to be known as the Health Support Service in Newcastle?---Yes, that's correct.

And Newcastle was a little far for you to travel I gather?---Yeah.

And so your role as you've described it so far came to an end. Is that how we can understand - - -?---Yes, that's correct, yeah.

20

- - - the duration of your arrangements with the Area Health Service?---Yes, that's correct.

Thank you. Now, just coming to some detail concerning your role, we see in paragraph 4 of your statement that you tell us that you were responsible for entering all tax invoices that had been received with purchase orders or with an approved requisition form into something called Oracle?---Yes. Initially yes, yes.

30

And can you just tell us a little about Oracle and what the entering of information into that system related to?---Basically a department would raise a purchase order or raise a requisition for a corresponding invoice or services, we'll then match it in Oracle or have it referred to in Oracle manually and that was basically to put the costs through the books and then to pay that supplier basically that's it, I don't know if there's much more I need to give there.

Thank you. Now, could I ask you to go to paragraph 6 of your statement - - -?---Yeah.

40

- - - where you tell us a little about the expansion of your role which was to follow up on tax invoices that were received in the accounts payable section without having a purchase order or a requisition form, do you see that? ---Yeah.

Did that happen very much in your experience while you were there? ---Yeah, yes, it did, I have about four or five boxes full of invoices with problems so I had quite a lot of invoices that come through to me with problems.

Right. And then you say, "I was required to follow these matters up and have the appropriate paperwork completed and sent through to the accounts payable section before payment could be processed." Do you see that?

---Yes, that's correct.

10 When you refer to appropriate paperwork, what, what should we understand about that?---Well, the, if the original tax, well, tax invoice signed by the appropriate parties, it had to be a tax invoice with specific things to pass as a tax invoice or a requisition in the case that it was, it didn't have a purchase order raised, they were requesting that we pay, basically like, how do you explain this one, sort of like a cheque requisition, basically that's what it was, it'd probably be a one-time job or basically where we had to pay first before we received services, that's where we'd have a requisition otherwise it'd be the invoice with the purchase order number written on there and signed by the appropriate people. I mean, I'm not quite sure because we didn't actually have the signatures book so - - -

20 I'll come to the details of that - - -?---Yeah, yeah.

- - - but in relation to what I might call problem invoices - - -?---Yeah.

- - - to which you came to be responsible was the problem associated with the following things, one, the invoice came in without a purchase order?
---Yeah.

Two, the invoice came in without a requisition form?---Yeah.

30 Three, the invoice came in without information like cost centre numbers, account numbers and - - -?---Yes, that's correct.

- - - important information such as that?---Yeah, that's correct.

And should we understand that that sort of information relating to cost centre numbers and account numbers was necessary for the purpose of inputting into the Oracle financial accounting computer systems otherwise payment could not be made?---Yes, that's correct.

40 Thank you. Did problem invoices arise because of anything else that I've just gone through?---Um, I mean, there was a possibility that it was the wrong Health Area Service as well, we used to receive invoices for other Health Area Services that we didn't look after. A lot of other miscellaneous things, I mean, it was a huge, I mean, the reasons, the reasons are varying, like a department wouldn't know what to do with the paperwork so they'd send it back, that was probably one of the biggest problems we had there because there was no administrations in a certain part so they'd just send it to us unsigned or anything if they didn't know what to do with it. A lot of the time it was the nurse unit managers who'd sort of handle a bit of the

paperwork and they weren't 100 per cent sure what to do with things as well.

So it came - - -?---Yeah.

- - - to your desk and you had to - - -?---Yeah.

- - - work out what to do with it?---Yeah, that's correct.

10 Now in paragraph 9 of your statement you refer to the subject of paying. Now the, the word that we see in paragraph 9, I'm just quoting from your paragraph 9, Ms Linton, formal induction or training. Do you see that?
---Yep.

And you tell us there that you didn't receive any and I assume you are referring to the time when you started there in March, 2008?---Yes, that's correct.

20 Did you receive any informal training?---Basically with the data entry, yes, I was shown how to use the system. But apart from that nothing really else.

What, what about training in relation to resolving the problem invoices that we've just discussed? Those without purpose orders and those without - - - ?---I didn't really receive - - -

- - - requisition orders, any training on them?---I didn't receive a lot of that. I mean a lot of the issues with that were sort of a common sense thing. You need to go back to the department, I mean that's something with my previous experience I've had to use. I wasn't given any training on how they resolved issues.
30

So in paragraph 10 should we understand the training that was provided included the explanation about tax invoices requiring purchase order or the requisition form. Do you see that?---Yes.

But then you make a point it seems that you were never informed of what the procedure was if an invoice was received without either the purchase order or the requisition?---Yes.

40 So how did you deal with (not transcribable) receive tax invoices that were not received with either the order or the requisition form?---Well, I'd have to go back to the supplier and sometimes I'd speak to them and say, do you know who you spoke to and what department they were in. If they could give me that information I would go on the intranet, look up that department and find somebody, anybody and just give them a ring or an email and chase them down that way. It was quite tedious, but I did end up getting results sometimes. It wasn't always 100 per cent, but - - -

And when you tracked the relevant person down and made contact with them was it the practice to obtain from that person a purchase order or a requisition form or - - -?---Yes, that correct.

- - - did you just process the tax invoice with whatever verbal - - -?---No. I'd never verbally process an invoice. Well basically what happened was an invoice would be processed by me to a miscellaneous account, put on hold until I received some kind of authorisation and it always had to be in writing. I wouldn't take it as a verbal because basically that's, they've said this, that's not going to help me basically I needed it in writing. So they'd either send me an email and then send a signed copy of the invoice with the purchase order or whatever necessary paperwork. But, yeah, I wouldn't take a verbal authorisation.

You referred a couple of answers ago to - - -?---Yep.

- - - a couple of boxes I think and I just lost it a moment what that related to. Was that a couple of boxes a day or a week or a month (not transcribable)?
---A couple of boxes, probably over a week I'd have two sort of large boxes full of invoices. There'd be close to 1,000 maybe more. I mean I really didn't count. I really didn't want to spend my time counting them. There was a lot there, sorry.

But no doubt it kept you very busy?---Yeah, yeah.

Now in paragraph 11 you deal with something called a financial delegation book or manual, do you see that?---Yeah, yeah.

And you tell us there that you had no recollection of ever being told or shown such a thing, is that so?---Yes, that's correct. We'd never had a signatories book issued to any of us.

I just wish to understand whether you believed at the time that such a thing actually existed?---Not within New South Wales Health, previous accounts payable jobs I've had they've had that. They've had a signatories listing so that you can compare a signature just to make sure that the right person's signing something.

So when you say in paragraph, pardon me, 11 that you weren't shown or, or told about such a Financial Delegation Book you're recalling to mind experience in another position?---Yeah, I would have thought they'd have something like that but they didn't.

And based on that other position, your experience from that, that's how it is you tell us that you weren't shown such a thing called a Financial Delegation Book?---Yes.

And what, what can you tell us about whether there was any facility available to check signatures, that is to say whether a signature on a form was or at least appeared to be the signature of someone with authority?
---There wasn't any, any book to compare a signature to, there was never, I don't think they ever had one unfortunately.

Now, can you recall to mind the requisition form that was being used while you were working in the accounts payable section?---Roughly I could.

10 All right. And - - -?---It was like a - - -

Could Ms Linton be shown Exhibit 7, please and what I am having shown to you, Ms Linton, is simply a form of requisition book. You may not have seen the book but - - -?---Yeah, the pages - - -

- - - it's the form inside the book that I wish to direct attention to, if you can ignore - - -?---Yeah.

- - - any of the detail, is that the form of requisition that you're referring to
20 in your statement?---That's correct, yes.

Thank you. And if you just look at the bottom part of the form you'll see there is provision for signatures to be applied to the form by someone called a requesting officer - - -?---Yes.

- - - the delegating officer and an authorising officer, do you see that?
---Yeah.

Now when a requisition form came across your desk with an invoice what
30 steps did you take to see if the requisition form had been signed properly?
---Well, I didn't have to deal with too many of the requisitions. I only had to deal with them in certain cases. I'd check, because we actually had a listing of department heads and I'd just basically check against that, basically authorising officer should have been on that, should have been the head of that department from, from what I was, from basically my understanding. If that person worked in paediatrics it should have been the paediatrics head signing as the authorising and then basically whoever's delegating, I mean, it just depended on the circumstances what - - -

40 Can I, can I just raise - - -?---Yeah.

- - - a couple of scenarios with you?---Yeah.

When a requisition form came across your desk with an invoice should we understand that you would firstly check to see that there was a signature next to requesting, delegating - - -?---Yeah.

- - - and authorising officers?---Yes.

So the Commissioner should understand that you would look for three signatures?---Yes.

Secondly, there was something available to you to determine who the head of department was?---It was actually on the Intranet.

On the Intranet?---Yeah.

10 And what was the information available on the Intranet?---Well, basically you could look up the department, the specific people in a department or I'd look up through email. I'd have to sort of have a search around just to make sure.

20 But if you looked on the Intranet and you saw that for example a Professor Neville Hacker at the Royal Hospital for Women was the head of the Gynaecological Cancer Centre and if you looked at a requisition which had what appeared to be his name and signature next to delegating officer what would looking at the Intranet tell you about whether or not Professor Hacker either could or could not sign as delegating officer?---It would tell me he's the department, he's in charge of that department.

And what, was that good enough for the purpose of the delegating officer?---It should've been. Yes, it should've been because he's the head of the department.

30 Now, what about the signature of the authorising officer, was any check done on that?---Yeah, well, delegating person should've been the person that they'd be delegating to sign that if that, if the authorising person, I suppose, couldn't sign it to me the delegating person would be the delegation person to sign. I'm just trying to remember what I did in that situation because it was a while ago.

Could I suggest you look at paragraph 16 of your statement and also paragraph 17?---Yep.

40 And you see that you tell us there, I gather as a matter of practice, that you'd always check the order or requisition form to see that it was signed by someone called an authorising officer?---Also another, I suppose another tool I used was if I went in and had a look at purchase orders regardless of whether it was relating to this project or not they did actually give me the name of the person requesting the purchase order if they were from that same department so I'd go back to that person and contact them and say who's your department head et cetera, et cetera. I know it sounds a bit confusing but there wasn't any straightforward tools to sort of get a hold of somebody and we didn't have an exact list of who was the delegating officer and who was the head, well, the intranet used to tell you the head of the department but you don't know who their delegated officer is so you'd need

to get in touch with that department or whoever's been previously raising purchase orders would know since they're raising purchase orders for that department.

Could I suggest that if a form had a signature which appeared on the form to be that of a delegating officer that was simply accepted without any real check?---I'd check it out, I used to. But as I said I didn't have to deal with too many of these. A lot of the time purchase orders were raised.

- 10 Now with the authorising officer we see from paragraph 16 of your statement that you didn't have available to you what you've described as an actual signature book, do you see that?---Yep.

So does that mean that a signature appearing on a document next to the space for authorising officer was not a signature that could be verified in any way?---No, it wouldn't be verified against anything. And there were on occasions where people wouldn't print their name so you can't, from a signature you can't guess what they've written.

- 20 So if the form, that is, the requisition form contained the three signatures that we've identified in those three different capacities would they be assumed as correct and acceptable?---They would have to be on some occasions. Unfortunately, because we don't have that book, didn't have that book to compare signature. If they had their name printed there yes. But as I said I didn't have to deal with that many of these.

- 30 So if a situation arose where the authorising officer was identified by their name and if the intranet information told you that that person that could be identified by surname was not an authorising officer - - -?---It would get sent back to the department or I'd contact the department and say this person should be signing this.

So if you were confronted with that situation where you've done the check you would reject the requisition form?---Yep.

Because it wasn't signed by who you knew to be the authorising officer according to the name available to you on the intranet, is that right?---Yep.

- 40 Now, if that scenario occurred and the requisition was processed for payment what would that tell you as to what occurred in the processing of that requisition?---Sorry, you just lost me for a second there.

If someone was confronted with a requisition form that identified a persons name who was not an authorising officer - - -?---Yep.

- - - according to the information available on the intranet and the form was nonetheless processed - - -?---Yep.

- - - what would that tell you as to the check that was made in relation to the form?---There's somebody doing the wrong thing or not following procedure. Basically, yeah, I mean, as I said, I didn't have to do that too many times. There were a few times where I had to phone them.

Now within the Oracle system is there some identifying number or code which enables one to see the person who actually processed requisition forms and invoices?---There wasn't, it was, there was a cost centre which would tell you which department, but it wouldn't tell you what specific
10 person was raising a requisition.

Okay?---So requisitions aren't, they're not linked with Oracle 'cause they're a, they're basically a hardcopy. They're not linked into it, we process it.

Okay. My question I don't think is very clear?---Yep. Sorry.

Let me ask you again if that's all right?---Yep.

Is there something available as you understand it in the Oracle financial
20 computer system - - -?---Yep.

- - - which identifies the person in accounts payable that has processed a requisition and a tax invoice?---Yes. There is a way that you can, but also the way that invoices were processed in batches, we used to put our initial or our name as the batch name.

All right?---But there is, there is another way you can actually check an ID number et cetera.

30 Okay. Now can I just come to some information that is inputted into the Oracle computer system. I think in paragraph 13 you tell us about the cost centre number and the fact that, that you would make sure that the cost centre number was entered into the system?---Yep.

And how would you check that that number on the requisition and the invoice, it'd be on the invoice, corresponded with the department?---I had a listing. I actually had a list of cost centres and departments or what department that cost centre belonged to. There also was a way to look it up in Oracle as well from memory. You could actually check.
40

But, but if an invoice came in without a requisition form - - -?---Yep.

- - - you wouldn't be able to process that stand alone invoice - - -?---No.

- - - without knowing two things, one the identity of the department within the particular hospital. Is that so?---(NO AUDIBLE REPLY)

And secondly the relevant cost centre number?---Yes.

All right. Thank you. Now in paragraph 15 you refer to data entry teams which I think were groups of clerks working within the accounts payable section that were divided according to the alphabetical listing of suppliers or vendors. Is that so?---Yes, that's correct.

You were not part of a particular team I think because you were designated the problem invoices?---Yes.

10 We see that at the end of paragraph 15 do we?---Yes.

Now paragraph 20 of your statement you tell us that, pardon me, once the data entry of the invoices and requisition forms for purchase orders have been entered, payment to the company or organisation was then arranged. Can you just step us through how that occurs once the details on the invoice and or the requisition are inputted, how that, how that occurs?---Basically it gets inputted into Oracle in a batch. It might be in a batch of 30 invoices. A report is then printed and kept with the batch. The batch then gets filed. And then it gets put on a certain, it can be put on a certain number, a priority
20 number to be picked up for payment and basically that's it. I mean if it's on a priority 99 it'll never get paid. If it's on a priority 5 it could get paid that week. It just, it just depended on the invoice whether it was the supplier who'd actually chased me and I've gone from that point and chased up everyone and got it processed. Then it would get paid in a certain priority.

And who, who's responsible for identifying the priority?---It was the accounts payable supervisor. I used to ask her.

30 And what circumstances informed the question of priority?---Sorry, can you just repeat that? Sorry, my brain's a little bit - - -

No, no?---Sorry. You have to excuse me.

No, no. There's no problem at all Ms Linton. What situations or what sort of events would lead to any particular priority being given to the payment of a particular invoice?---Okay. Well if the supplier was ringing and chasing up that invoice, because we may have processed it and it could have been sitting there for a long time, because of the, the cashflow situation with health service things didn't get paid weekly. It just depended on what
40 priority it was on. Usually we'd have to wait until the supplier chased us up or the department would chase us up and say, we need this paid because they won't provide us with a service. It just depended on how much it was, who was chasing us, what service they were providing to what priority it would go on.

And was there any practice that you were aware arising perhaps from the cashflow - - -?---Yep.

- - - situation within the area health service where invoices were either not paid or not processed for payment until the supplier or the vendor made contact and raised the - - -?---That's pretty much what happened all the time.

10 But was there a practice in place as you understood it whereby invoices would be left and not processed until someone screamed about it?---They were always processed, but invoices did go to a default priority, priority number, which is basically 99, which means they'll never run a payment run to 99. But usually suppliers rang up and we'd change the priority manually and they'd get paid. It's just a matter of the, and I'm 100 per cent sure a supplier would ring up chasing money, they wouldn't just leave it owing.

THE COMMISSIONER: How would you decide to put a 99 number on it? ---I'm not quite sure how they work that one out. I think it's because - - -

20 Is this regarded as fair?---No, probably not. I mean it just, it picks, it's, with Oracle it's, the default priority code for anything you process unless that supplier has been set up for a specific priority, which could be, I mean a lot of pharmaceutical companies would have been set up with a different priority, because they had a lot more invoices and they were also the bigger companies that would scream if you didn't pay them. It isn't exactly a fair system, but - - -

So the priority had nothing to do with a contract between the supplier and the hospital?---No, not necessarily. Not necessarily.

30 It was simply a form of delaying payment?---Yeah.

Delaying the final payment that actually was due?---Yes.

And who's responsible for this, this system?---For their, I'm not quite sure who's actually responsible for that. I'm not - - -

It was built into the system?---Yeah, yeah. That's the way Oracle's, yeah, set up.

40 Oracle itself contains this priority system?---Yes, yes. And basically from that priority I believe you can run a payment run. Say you picked up 99, basically that would pick up everything that's sitting on that priority, every vendor or each, each invoice, sorry, because we used to have to manually change the priorities unless, as I said, the vendor was set up as a priority 5, it would automatically be picked up as a priority 5.

And was this a, how many priorities were there? You mentioned 99, were there 99 - - -?---No.

- - - grades of priorities?---It went, there probably wouldn't have been 99 that were used.

And how many were used?---Probably 30, maybe more.

So what happens if you, what's the next most degree of priority after 99?---I can't remember. I think it could have been 80 or something. I mean, I think the numbers weren't picked - - -

10 I see?--- - - - as their, as, you know, the first one is the highest to, and then -
- -

But what sort of suppliers do you have who you're talking about, you talk about pharmaceutical companies?---You had your pharmaceuticals, your, basically - - -

Suppliers of medical equipment?---Yeah, your x-ray machines, stationery supplies, stationery supplies didn't get that much priority. We'd have, just trying to think what else we had. Basically a whole range - - -
20

Was there ever doctors who provided services?---Yeah, yes, there were.

What sort of priority did they get?---I'm not quite sure 'cause I didn't actually handle those but (not transcribable) - - -

What about nurses, did nurses provide services?---No, they went through agencies and the agencies were paid reasonably quick. Yeah, doctors were paid pretty quick 'cause a lot of it was, I forget what it's called now, but a lot of the doctors providing surgeries, surgeries they got paid pretty quick.
30

MR ALEXIS: And, Ms Linton, if a supplier or a vendor at the processing stage with the invoice either with or without requisitioning was accorded a 99 priority?---Yep.

What was the event or what events usually occurred which might lead to that supplier to vendor being promoted to a 30 or a five?---If they rang up, if they rang up or contacted us we'd change the priority on a certain set of invoices. If they said you owe us this much on these invoices we'd go in and change the priority on those invoices.
40

THE COMMISSIONER: So it's the squeaky wheel principle?---Yep.

MR ALEXIS: And did you have the authority yourself to make a decision about changing priority in that respect or did you have to speak to someone?---No, I always checked.

And who did you check with?---The supervisor.

And who was that?---Belinda Thompson.

Right. Now - - -

10 THE COMMISSIONER: Is that still going as far as you know that system?
---To be honest I'm not quite sure 'cause it's moved up to John Hunter
Hospital now. They've changed, changed it all, I don't even know if they're
using the same accounting system. The accounting system was great, just
how it was used wasn't the greatest, wasn't utilised as good as it should've
been.

MR ALEXIS: Now, Ms Linton, we've spoken about the requisition form.
Was there any practice when you were working in the accounts payable
section as to whether or not a facsimile requisition form or a scanned copy
received by email of such a requisition form would be accepted and
processed with an invoice?---Yes, that would be accepted if it was urgent
and a really urgent situation yes, a scanned or faxed copy would be.

20 So if there was no apparent urgency what would happen to a facsimile or
scanned copy - - -?---It would just have to wait.

- - - of such a requisition or an invoice?---It would just have to wait because
there was a lot more urgent and more important invoices I suppose.

30 Now, can I come to some detail concerning a person that you've identified
in this statement as a Ms Sandra Lazarus and you deal with that from
paragraph 23 of your statement. And in paragraph 24 you refer to the
receipt of a number of telephone calls from a woman that so identified
herself, do you see that?---Yes.

Now, can I ask you to recall to mind - or perhaps before I do that can I show
you Exhibit 1 please and it will be open for you to page 120 and the pages
are in the top right-hand corner. And could I just invite your attention to the
tax invoices that appear to record your name in handwriting, do you see that
on 120?---Yes.

And also on 121 if you turn the page and similarly on 122 and 123. Do you
see that?---Yes.

40 And you also notice that in relation to those four tax invoices that I've
identified they seem to be part of a four page facsimile apparently
transmitted on 11 August, 2008 at about 4 minutes past 1.00, do you see
that?---Yes, that's correct.

And could I also draw your attention to what appears on page 126 and 127
and similarly do we see two tax invoices again with your name written
across the top seemingly forming part of a facsimile transmission on 18
August, do you see that?---Yes, that's correct.

Now, I understand that the tax invoices with your name on them as we've just identified were received and came to your attention, is that so?---Yes.

And what should we understand as to the timing of the telephone conversations that you tell us about in paragraph 24?---What do you mean, as in - - -

10 What I mean is did you receive the faxes and then speak or did you - - -?
---She rang me first.

- - - or did you speak and then receive them, how should we understand the sequence?---She phoned me first.

All right. So should we understand then that at some point before 11 August, 2008 which is the first in date order of the faxes that were received you had a telephone conversation with this woman?---Yes, that's correct.

20 Can you tell us as best you can what was said during the conversation?
---Basically she was just saying these invoices were urgent and they needed to be paid. She was quite persistent about it, didn't mention that she'd had any part of the business.

THE COMMISSIONER: Sorry, she didn't mention, I'm unclear, I beg your pardon?---She didn't mention she had any part of this business or anything.

30 MR ALEXIS: So when you came to receive the tax invoices from Wish Consulting which is pages 120 and 121 and the invoices from Medical and Clinical Informatics Consultants which is the invoices at 122 and 123 what you're telling the Commissioner is that during the telephone conversation or conversations that preceded the receipt of these invoices you weren't given to understand that Ms Lazarus had anything to do with either of these companies, is that so?---No. No.

Now, if you're able to recall can you tell us whether or not Ms Lazarus introduced her down the telephone line to you in a particular way?---Yeah, she did, I can't remember what she said her position was, I remember her telling me her name and basically - - -

40 THE COMMISSIONER: What was her name?---Pardon?

What did she say her name was?---Sandra. But don't recall her saying what her position was or anything like that. She was quite persistent, all these are from March they really need to be paid, sort of very, very urgent, quite persistent.

MR ALEXIS: And what do you recall the urgency was, did she explain that?---Can't remember to be honest but I'm pretty sure it was, she was

really, really pushing them because they were dated March and usually we did try to get things that come through that late get them paid as quickly as possible.

Now, paragraph - - -

THE COMMISSIONER: Where are they dated March?---On the top of the invoice, on the right-hand side.

10 17 March?---Yeah.

And what did she say that they - - -?---They were quite old and needed to be paid, the supplier wanted them paid.

Did she say, did she tell you when they'd been submitted?---No. I can't, I can't really remember that, I'm not sure if she told me they're from March.

Sorry, I beg your pardon?---I'm not quite sure if she told me at the time that they were from March, she did say that they were old invoices and I said to
20 her, Can you please send me a copy through? And basically from memory -
- -

I don't understand this. If they were old invoices wouldn't you have had them?---We should've.

Did you look for them?---No. Well, there's lots of invoices there. They weren't processed in Oracle and the actual copy itself could be anywhere.

So when she said they were old invoices did you or did you not understand
30 it to mean these were invoices that had previously been sent to the
department or to the hospital?---Yeah, I believed that they would have been
sent to the hospital originally. Where they go from there I, to be honest I - -
-

So did you ask her for copies of them?---Yeah, send me a copy, a signed copy with the requisition. She also claimed that she'd lost her requisitions book as well so she didn't have one anymore.

Why would she tell you that?---Because I told her she needed to have a
40 requisition or a purchase order.

MR ALEXIS: And do we see that in paragraph, Ms Linton, of your statement?---Yeah.

Now, just to perhaps round off on a point the Commissioner has raised, when you spoke to Ms Lazarus you I gather had no idea whether the invoices had been submitted to the hospitals at an earlier point in time or not?---I had no idea.

What you came to learn though when you went into the Oracle financial computer system was that none of these invoices had been processed into the system, is that so?---Yes, that's correct.

And that I gather had some effect on your understanding as to the age of these invoices?---Yes, that's correct.

10 Now, in the 2008 year when you were working in accounts payable did you understand what a conflict of interest was?---Yes.

And what was your understanding of that?---If a person was basically submitted an invoice for a family, if they sent in an invoice for services that a family member or a friend had done or that, or they were a member of that company or a shareholder of that company that there was a conflict there, they shouldn't be dealing with that. It's hard to explain.

20 Well, you do it pretty well in paragraph 43 of your statement and should we understand that given your understanding of the idea of the conflict that you refer to in paragraph 43 if you had any idea that Ms Lazarus was connected in some way with the suppliers referred to on the invoices that would have raised a flag?---Yes.

THE COMMISSIONER: I don't understand that, why, what's wrong with the supplier himself phoning (not transcribable)?---No, a staff member, a staff member, if a staff member was chasing up - - -

A member of what staff?---Of any part of the hospital where there's - - -

30 I see?---Basically if they've had a family member do some work for the hospital and they've submitted an invoice and chased us up we should sort of be looking at it a bit more closely.

Does this include a research student?---Yes.

40 MR ALEXIS: So can I just come back to a question and I think I may have asked and you may have answered, how did Ms Lazarus introduce herself and what did you understand her position to be when she telephoned you? ---I'm not quite sure that I remember her position, her position she said but she did actually tell me her name as Sandra, well, she didn't tell me her last name, she told me her name was Sandra.

Could you have a look at paragraph 32 of your statement please, now there you express a belief about where Ms Lazarus was working at the time. How did you come by that belief?---Just by the types of services that were claimed to be provided on these invoices.

But why did you believe based on that that she was working at the, at a hospital within a gynaecological oncology unit?---That's the cost centre as well, the cost centre's for the gynaecological unit I think from memory but also the, where it's addressed to and also the type of service that they've provided I've sort of thought, okay, gynaecology.

Now, if I can just ask you to go back to page 120 - - -?---Yeah.

10 - - - and I'll use that as illustrative of the others that I've identified with your name on them, when you received them did you notice the words written at the bottom of the page in relation to the account being okay to pay, being overdue and the cost centre and account numbers - - -?---Yes.

- - - and a signature?---Yes.

20 Now, do you recall the conversation at all with Ms Lazarus in relation to that sort of information being written on the invoice before it was faxed through?---I don't really remember that part. I remember, I remember her telling me what the services were for but I don't remember anything with the coding specifically.

THE COMMISSIONER: What did she tell you the services were for?
---That they were clinical trials, cancer, clinical cancer trials or something or other that they did at the Women's Hospital.

And did she explain to you what the urgency was?---Basically she said they're quite urgent because they'll stop doing the research and as these invoices are quite old - - -

30 If someone's not paid?---Yeah.

Who?---This supplier basically she said we need to get it paid because they're, they're doing clinical trials and it's quite old so she, I mean - - -

Did she refer to the supplier as they, that's what you're saying?---Yes.

So she - - -?---Didn't sort of - - -

40 She didn't identify herself as - - -?---No, as a part of, no, no.

You thought she was somebody separate?---Yeah, I thought she was a person who worked in that department.

Not for the supplier?---Yeah.

MR ALEXIS: Now, Ms Linton, what can you recall about the number of telephone calls and the regularity of those calls during the period that we see referenced by the facsimile imprint on these invoices?---Basically she was

just quite persistent with us paying these. From, from basically the conversations that I'd had with her these clinical trials would stop if we didn't pay them so she was kind of, I mean, she wasn't pushy in a rude way but she was pushy about it, very persistent and she'd, she'd ring maybe twice a day every, well, not every day, I really can't remember if it's every day but she was quite persistent and really sort of pushy with them and basically it wasn't huge long conversation or anything but - - -

10 So if we look at paragraph 33 of your statement we should understand your reference there to her ringing her every day - - -?---Yeah.

- - - for a period of about two weeks to generally indicate that there were a number of regular conversations over that sort of period, is that so?---Yes, that's correct.

And can you now, in paragraph 34 you tell us that some two weeks later your processed the tax invoices, that is the ones that had been sent to you by facsimile, is that - - -?---Yeah.

20 - - - how we should understand that?---Yes, that's correct.

And at the end of paragraph 34 you say, and I quote, "All the information I required to process these tax invoices were contained upon the invoices?" ---Yes, that's correct.

30 And do you mean by that having received the cost centre number and the account number and obviously the invoices otherwise identified the vendor and the amount involved and all of that, you were able to process them through the system?---Yes, that's correct.

What effect did the numerous telephone calls that you received have on the allocation of priority for payment?---Basically I spoke to the supervisor and said can we get these paid, this is how much they are and then they were put on a priority. I really can't remember when we paid them, I'm not sure whether it was a week or two weeks. I can't remember how quickly they were paid but I said to the supervisor she's quite persistent that these get paid, they're going to stop these clinical trials.

40 THE COMMISSIONER: And you said this, you said that to the supervisor?---Yep.

Yes?---Yeah.

MR ALEXIS: And who was the, sorry, who was the supervisor?---Belinda. Belinda Thompson.

That's Belinda Thompson you referred to earlier?---Yes.

All right.

THE COMMISSIONER: Sorry, Mr Alexis. Something I just want to clarify Ms Linton?---Yep.

Just look at paragraph 33?---33, yes.

Do you see what it says? Just read it to yourself?---Yes.

10 It says that Sandra Lazarus was demanding when she would be paid?---I think that could be wording, I don't know if that's a wording thing, but she didn't say she.

That's wrong is it?---Yeah, yeah. I think that could be actually just worded wrong.

What should it say?---When they would be paid.

20 When the supplier would be paid?---Yes, that's correct.

MR ALEXIS: Now we should understand that you processed these invoices, that is the ones with your name of them - - -?---Yes.

- - - without the requisition form?---Yes.

30 Now can you explain to us why you did process these invoices without the requisition form given the procedure that we dealt with earlier?---Due to the age, due to the age of them and also she'd claimed to lose, well to have not had the requisition book. That it had been misplaced. So from that I sort of tried to do the right thing and process it.

Now the invoices that I've taken you through don't appear to have a vendor number on them?---No.

And if the invoices were accompanied with a requisition form, there's a provision on the requisition form isn't there for the vendor number?---I'll just have a look. There's actually for a purchase order number, but there isn't, there isn't for a, for a supplier number. Not that I can see anyway.

40 Now in any event, should we understand that you can't process an invoice without the vendor having a vendor number within the financial system? ---Yes.

And you were able to process these. So what does that tell us about whether or not some other form had been received and processed with respect to each of these vendors?---She may have sent somebody, 'cause I didn't set up suppliers in the system. She probably sent through her details to be set

up to the person who looked after setting up vendors and vendor maintenance.

So when you went on to the system with respect to each of the vendors identified in the invoices, they already existed. Is that - - -?---I think so.

Otherwise you wouldn't have been able to process them?---No.

10 THE COMMISSIONER: So where it says vendor number 1-111515, you went into the system to look at number 1-111515. Is that right?---Sorry, what was this on?

Page 115. It's a requisition form. The page is on the top right hand side? ---Yep. Yep. Yeah, that's a requisition form.

And do you see contact person there on the top - - -?---Oh, they've handwritten in there vendor number.

20 Yes?---Yes.

Is that how it was when you received it?---I didn't actually receive this, this requisition. It didn't come through to me. I believe it might have come through to another staff member. But I'm pretty sure it didn't come through to me.

And it has a vendor number on it?---Yes.

30 And what, would that, was then, that capable of being checked against the records to see whether that was the vendor number?---Yes. You should be able to check that in Oracle, 'cause that's the number you'd have to put in there to pull up the vendor.

But you didn't see these requisition forms?---I didn't get, no, I didn't get this requisition.

MR ALEXIS: Now could I ask you to look please Ms Linton to pages 117 of the bundle which is Exhibit 1, 117, 118 - - -?---Yep.

40 - - -and 119. And then if you could jump forward please to 124 and 125. So at the time you were working in the accounts payable section - - -? ---Yep.

- - - do you know whether someone by the name of Pauline was working with you?---Yes.

And who should we understand Pauline to be, if you could just give us her surname if you're able to recall?---Formosa.

Thank you. And she also worked in your area as a data entry clerk and customer service - - -?---Yes.

- - - clerk. Is that so?---Yes, that's correct.

Now did you come to receive the invoices that are marked to the attention of Pauline that we've just identified in this bundle?---I may have received them. I'm not quite sure.

10 If you just look at paragraph 44 and I just want to get this (not transcribable) before we finish. Paragraph 44 you tell us that you would never have processed 11 tax invoices sent to you by Ms Lazarus if you knew that no clinical trials had commenced et cetera. Do you see that?---Yes.

Now should we take from that that the invoices that you're referring to in addition to the ones that have your name written on them - - -?---Yep.

20 - - - are to include those with Pauline's name of them?---They could, they could have included them. She may have given them to me and I've processed them in the similar manner.

Do you know whether Pauline received any telephone calls from a woman identifying herself as Ms Sandra Lazarus?---Yes, she would have. I couldn't tell you how the conversation went, but I'm pretty sure she called.

No, I'm just asking whether you knew or were aware at the time that Pauline had also received some phone calls?---Yes, yes.

30 Yes, thank you, Commissioner. That's all I wish to ask Ms Linton.

THE COMMISSIONER: Ms Soars.

MS SOARS: Commissioner, there's just a couple of things on which I need to briefly take instructions that have come out of the oral evidence.

THE COMMISSIONER: We'll adjourn for five minutes.

40 **SHORT ADJOURNMENT**

[11.17am]

THE COMMISSIONER: Yes, Ms Soars.

MS SOARS: Thank you, Commissioner.

My name is Julie Soars, I'm a barrister for Sandra Lazarus. Ms Linton, you have given some evidence that during the period you worked in the accounts payable section you were dealing with approximately two large boxes full of

troublesome invoices and documents a week, is that correct?---Yes, that's correct.

And although you couldn't give an estimate you said it was probably over 1,000 a week?---Yes, that's correct.

And that's over the entire 12 months you were there, is that correct?---No, that'd probably be over a week or two.

10 Sorry, you didn't understand me?---Oh.

You dealt with that many boxes of troublesome invoices and documents every week for that entire period of 12 months?---No, probably for about seven months maybe, for the first three, three or four months I actually was a data entry.

Okay. And after that you were dealing with - - -?---Yeah.

20 - - - troublesome invoices and you received them at the rate of approximately two boxes a week?---Yeah.

Is that correct?---Correct.

And I think you gave some evidence in relation to paragraph 24 of your statement, do you have that there?---Yes, yes.

That someone introduced themselves as Sandra?---Yes.

30 And you said you couldn't remember if she said her last name, that's correct?---Yes, that's correct.

Can you explain why in paragraph 24 if your statement she identified herself to you as Sandra Lazarus if that's not your recollection?---She may have. I, to be honest I don't remember the exact conversation.

So was that something suggested by the interviewer that you just agreed with?---No, no.

40 But - - -?---No, no, it wasn't. I mean, this was, this statement was done in October last year. I've just recently had a baby so my brain isn't what it should be, I apologise.

THE COMMISSIONER: But did this reflect your memory as at the date of the statement?---Yes, yes, yes.

MS SOARS: So is it, is it your evidence that at the date of this statement you thought - - -?---Yes.

- - - she had introduced herself as Sandra Lazarus and now thinking about it you think it was just Sandra, is that correct?---Yes, she could have. To be honest it was a while ago, I can't say definitely not or definitely to be honest.

You're not sure?---I, I can't, yeah.

THE COMMISSIONER: I'm not sure what the point of this is as your client has already admitted this?

10

MS SOARS: I won't be much longer, Commissioner.

And you made this statement approximately two years after the events?
---Yes.

So they were already some way away?---Yeah.

You've given some evidence also in relation to paragraph 33 of your statement, do you have that there?---Yes.

20

And you said today it wasn't every day for two weeks?---Yeah.

That's correct?---Yeah.

But it says in your statement that it was every day?---But I, yeah, it could have been every day, it could have been every day, it could have been every second day.

30

I'm putting to you that my client only rang you approximately three times. Is that possible?---No, I'd say it'd be more. She rang more than that.

And I'm putting, putting it to you that you couldn't be entirely sure because you were dealing with so many invoices - - -?---Yeah.

- - - and suppliers at the time, that's correct, isn't it?---Oh, I remember speaking to her more than three times.

THE COMMISSIONER: How many times do you think?---It would have been, well, if it was over two weeks it would have been at least ten times.

40

MS SOARS: And I'm putting to you that my client never said to you that the clinical trials would stop if the invoices weren't paid?---She, she did say something to that effect.

But it's not correct that you have a clear recollection of that, is it?---No, but that's why I've said she said something to that effect.

You can't be sure entirely - - -?---No, I can't be 100, 100 - - -

- - - now entirely of what she said?---Yeah, I can't be 100 per cent sure but.

THE COMMISSIONER: You can't be 100 per cent sure of what?---That she specifically said that they will stop the clinical trials. She did say something to that effect, that the services may stop.

Are you 100 per cent sure that she said something to that effect?---Yes, yes.

10 MS SOARS: Something to the effect that the services may stop?---Yes.

THE COMMISSIONER: Would stop?---May stop, I'd say may stop.

You also were taken to some invoices which were marked to the attention of Pauline, is that correct?---Yes, that's correct.

And you were asked whether you knew whether Pauline had any conversations?---Yes, that's correct.

20 And you said you think she would have?---Yes.

Do you actually have any knowledge of that, of whether there were conversations, you're just making an assumption?---I'm making an assumption, yes.

Okay. Thank you. No further questions, Commissioner.

THE COMMISSIONER: Mr Mullen?

30 MR MULLEN: No questions, Commissioner.

THE COMMISSIONER: Mr Alexis?

MR ALEXIS: Yes, nothing further for Ms Linton and I'd ask that she be excused and - - -?---Thank you.

- - - allowed to go home.

40 THE COMMISSIONER: Yes. Thank you for attending - - -?---Thank you.

- - - Ms Linton, you are excused.

THE WITNESS EXCUSED

[11.30am]

MR ALEXIS: Commissioner, our next witness is Dr Johel Neiron, it's spelt N-E-I-R-O-N. Can I indicate, Commissioner, that Dr Neiron has

travelled from Israel, arrived yesterday for the purpose of giving evidence before this inquiry. And I should note that he was not issued with a summons for the purpose of him attending to give evidence at the inquiry.

THE COMMISSIONER: Well, while we're waiting for Dr Neiron, Mr Stitt, I simply note your reappearance.

MR STITT: If you would, Mr Commissioner, I'd be grateful.

10 THE COMMISSIONER: It's like the appearance perhaps of a comet, Mr Stitt.

MR STITT: Halley's Comet. Every 300 years.

MR ALEXIS: I wonder while there's a pause while Dr Neiron is coming into the hearing room I might tender now the two statements that is provided to the Commission and, of course, I'll have Dr Neiron identify each of those statements when he's called. If I can tender those.

20 THE COMMISSIONER: Statement of Dr Neiron on 16 August, 2010 will be Exhibit 44.

#EXHIBIT 44 - STATEMENT OF DR JOHEL NEIRON DATED 16 AUGUST 2010

THE COMMISSIONER: And his statement of 14 December is Exhibit 45.

30

#EXHIBIT 45 - STATEMENT OF DR JOHEL NEIRON DATED 14 DECEMBER 2010

THE COMMISSIONER: Do you have any legal representation yet?

DR NEIRON: No, I don't need.

THE COMMISSIONER: Mr Alexis, I'll simply make the section 38 order.

40

DR ALEXIS: As it pleases, Commissioner.

THE COMMISSIONER: Yes. Pursuant to section 38 of the Independent Commission Against Corruption Act I declare that all answers given by Dr Neiron 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.

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

THE COMMISSIONER: Dr Neiron, that is an order that has been made which really gives you limited protection against the evidence that you give today from being used should there be any prosecution against you or any civil or criminal proceedings or other disciplinary proceedings. So the
20 effect of that order is that nothing that you say today can be used in proceedings of that kind against you. Do you understand that?

DR NEIRON: Yes.

THE COMMISSIONER: But the order that I made and the protection that it affords does not prevent you from being prosecuted for giving false or misleading evidence or for other offences under the Independent Commission Against Corruption Act. Do you understand that?

30 DR NEIRON: No, sorry.

THE COMMISSIONER: Well, it means that despite the order I've made should you give false evidence to this Commission in this inquiry you can still be prosecuted for that.

DR NEIRON: Yes, right.

THE COMMISSIONER: Otherwise the evidence cannot be used against you in civil or criminal proceedings.
40

DR NEIRON: Understand.

THE COMMISSIONER: As I generally tell most witnesses in whom the Commission may have an interest it is very important that you tell the Commission the truth and in fact should you give false evidence to the Commission you are liable to prosecution and if found guilty there is a minimum sentence of five years imprisonment. So this is a serious occasion as I'm sure you understand.

DR NEIRON: Yes, I understand it.

THE COMMISSIONER: Now, Dr Neiron, do you wish to give your evidence under oath or do you wish to affirm the truth of your evidence?

DR NEIRON: (not transcribable).

THE COMMISSIONER: That's just a personal matter.

10

DR NEIRON: I'm sorry, I'm not with you, I'm sorry.

THE COMMISSIONER: Generally evidence can be given either under oath where you take an oath on the Bible or you can merely affirm that you will tell the truth not on the Bible. That is just simply a matter of personal preference for each individual.

DR NEIRON: It's okay for me without. I mean it is - - -

20

THE COMMISSIONER: All right. That's fine.

DR NEIRON: Unless you have the Jewish Bible, no.

THE COMMISSIONER: You have the Old Testament don't you?

DR NEIRON: Yeah. Okay. That's okay, without is okay.

THE COMMISSIONER: We have the Old Testament.

30

DR NEIRON: Yep, all right.

THE COMMISSIONER: Mr Alexis.

MR ALEXIS: Commissioner, a moment ago I think you referred to the five years as a minimum period. I think all of us understood you to intend maximum, I'm not sure that it matters to Dr Neiron but I just thought I'd clarify that at the outset.

10

THE COMMISSIONER: That was a mistake on my part. It's a maximum sentence not a minimum sentence.

MR ALEXIS: Sir, could you state your full name?---Johel Neiron spelling with a J and pronounced in English Johel.

Thank you?---And surname is Neiron, N-E-I-R-O-N.

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

20

And you are a company director?---Some of the companies, yes.

Now, can I show you please two documents and could you examine those and tell us please whether or not they are copies of two statements of evidence that you've provided to the Commission, the first dated 16 August, 2010, the second dated 14 December, 2010?---Yes.

30

And you'll see that each have been annotated with a reference EX44 and 45 and you can take it from me, Dr Neiron, that your statements have already been received into evidence and they're marked accordingly?---Yes.

Now, Dr Neiron, should we understand that you hold a PhD in Pharmaceutical and Biomedical Medicine?---Yes.

And that you've been involved in the pharmaceutical and biomedical industries for about the last 30-odd years?---(not transcribable).

For about the last 30 years?---Yes. Since 1988.

40

Now, in paragraph 4 you tell us a little of the company known as Sydvat, S-Y-D-V-E-T, Pty Limited and is the position that you're a director of that company?---Yes.

And there is another director of that company that lives in Israel?---Yes.

And should we understand Sydvat Pty Limited to be a subsidiary of a German company known as Sydvat, S-Y-D-V-A-T-G-M-B-H?---Yes.

And does the German parent company have subsidiaries using the Sydvet name in London, Israel, Singapore and in Manhattan in the United States of America?---Yes.

Now could you tell us please the nature of the business conducted by Sydvet in Australia?---Yes. Sydvet is, is a company which is, we call it cash box. The company have private funds, meaning by private people or the shareholders of the company. The company research around the world for different medical product. If they are overtaking product or if they are
10 medical devices and the company establish, when they found something like that, then they, they establish in a different area around the world an office, a new company, register the product and Sydvet subsidise of everything, so they pay for all expenses and whatever it's cost. And generally that is when they have a new product, the company enter into clinical trial to find out the value of the product. And if the value is satisfy the company requirement and the local requirement of the country or whatever, they the company markets the product in this country's.

All right?---The idea of clinical trial is mostly on commercial idea. It's
20 really, that is if the product is satisfied the claim of the product, it's, the product have opportunity in the market and can (not transcribable) and administer around the country that is the clinical trial is being conducted, as well utilise the same idea of the clinical trial in a different country and the same concept of business. If the product is not satisfied the requirement and do not stand in the level of good results, let's say is bad results, the company generally do they try to take over the manufacture of the, the original (not transcribable) of the product and upgrade the product and then do the same.

All right. Now are you familiar with a person known as Vern Pleiksna,
30 spelt P-L-E-I-K-S-N-A?---Yes. Vern Pleiksna was - - -

I'll come to some detail, but could I just check something with - - -?---Oh, yes. Okay.

- - -you in that regard. Does he have any interest or indeed has he ever had any interest in Sydvet in Australia?---Never.

Now in paragraph 8 of your statement you tell us that you are a co-director of another company called Medex Screen (Australasia) Pty Limited. Do
40 you see that?---Yes.

And that's a company we should understand as being based in Perth?---Yes.

And it's in that company that I think at one point in time Mr Pleiksna, who I've referred to, was your co-director?---Yes.

And should we understand that either in or by about May, 2009 he had ceased to be involved in that company?---Yes.

And he'd resigned as your co-director?---Yes. He's been, is actually is happen in December, 2008 after a huge conflict with his interest. And officially he resigned during 2009.

10 All right. Thank you. Now should we understand that the company Medex Limited in Israel granted some rights to the Medex Screen (Australasia) company in relation to the distribution of the Medex device within Australia and New Zealand and other countries in the South Pacific region?---Not really.

All right?---You like me to explain how it's work?

All right. Could you just look at - - -?---Actually is Sydvvet (not transcribable)

Could you look at paragraph 9 of your statement - - -?---Yes.

20 - - - and I'm seeking to understand - - -?---(not transcribable) Yes, I understand that, yes.

And could I just indicate to you that there was a large amount of information in your statement that the Commission may not be particularly interested in in terms of - - -?---Oh (not transcribable)

- - - the, the dispute with Mr Pleiksna and related matters?---Yes, I understand that.

30 When you're asked questions by other counsel those things may become relevant. Do you follow?---Yes.

I just wish to understand how it was that Medex Screen (Australasia), the company that both you and Mr Pleiksna were directors of - - -?---Mmm.

- - - came to be able to use the Medex device in Australia. Do you follow? ---Okay. Yes, I understand that.

40 Could you just explain that for us, please?---Yes. Is actually the Sydvvet is the company that is being received the right to be distributing Australasia which is Australia, New Zealand and the countries around. But then we, we can't use Sydvvet so, but Sydvvet actually approve it, request us to build a new company which is called Medex (Australasia), Medex Screen (Australasia) and then Medex Screen (Australasia) be accepted by Medex Israel to be the sole distributor in this region. So it's yes and no. I mean it is on the both of the way.

Now - - -?---But initially it is Sydvvet started the idea and then later on that is transfer to Medex Screen. So Medex Screen is actually authorised by Medex Israel to be the sole distributor.

Thank you. And when you refer to Medex Screen in the shorthand that's a reference to Medex Screen (AustralAsia)?---Yes.

Thank you. Now did that company Medex Screen is 2008 conduct its business from premises in Twickenham Road, Burswood in Western
10 Australia?---At that time, yes.

And is that - - -?--- But this, before that the company start in the number 9 Russell Avenue, North Perth.

All right?---For a short time until they find a, a proper office.

Now are you familiar with a company known as Medex Test Corporation?
---Yes.

20 And is that a company in respect of which you had any directorship or any interest as a shareholder?---No, I don't, I hope I'm not confusing the date, but is (not transcribable) Medex Test Incorporated it is the company that is being the sole distributor in Sydney. I'm not sure if they call it Medex, I can't remember the name.

What about the company Inter Medical?---Inter Medical - - -

Were you involved in any company by that name?---No, never. I know they exist but I don't know, I don't have any, any involvement with this
30 company.

Now - - -?---(not transcribable) we supply to the other companies, the product.

Now if you can look at paragraph 175 of your statement, that if your first statement and that can be found on page 47. Do you see you there refer to the Inter Medical company as Mr Vern Pleiksna's new company?---Yes.

40 And that's not a company that you're involved in. Is that so?---No.

And just coming back to the other company Medex Test Corporation, do you see in paragraph 14 of your statement on page 5 you refer to Mr Pleiksna as having changed the name?---Yes. That, now I remember that, yes. At first, first, his, because we had a conflict in the company and he have, so he (not transcribable) his own company and then later on changed the name to the different name, to Inter Medical or something like that.

So should we understand that the Medex Test Corporation that was so named following a name change by Mr Pleiksna was a company that you were not involved in?---Yes.

Now, can I just deal very briefly with some I hope relevant history. Should we understand from paragraph 16 of your statement that the Medex device, being the electrical impedance device was one that you understood was developed back in about 1999 in Israel?---Yes.

10 And should we understand your explanation as to how the device works and how it can be utilised as a diagnostic tool as set out in paragraph 17?

THE COMMISSIONER: And following.

MR ALEXIS: I'm sorry, Commissioner?

THE COMMISSIONER: And following.

MR ALEXIS: And following, thank you?---So 5 and - - -
20

THE COMMISSIONER: No, 17.

MR ALEXIS: Paragraph 17 on page 5 and over as the Commissioner has pointed out in the following paragraphs on page 6.

THE COMMISSIONER: Page 5, paragraph 17 and following?---Yes, that's correct.

MR ALEXIS: Now, in paragraph 19 you refer to the subject of training and
30 in order for the device to be used as a diagnostic tool and I'm not referring for the moment to training that someone like a clinical research person would need in order to undertake a test of the machine on a patient, but what sort of training does a medical practitioner have to undertake in order to be able to understand the information the device produces to diagnose a patient?---Generally it is, I used to do the what we call a demonstration of the product, how the product is work, how does the device work and then if the, if we have enough doctors and we are, they are interested in the unit we bring from Israel one, two or three doctors and they train the doctors.

40 THE COMMISSIONER: How long does the training take?---Between two and a half and three weeks and which is included the exam at the end and a list of questions and they have to, to express their understanding and if they have any doubt about the machine or the results or how the graph that is produced, all of that is within this, this study and we also, we also supply the doctor three booklets which I can show you.

No, no, it's all right, but without the training can a doctor understand the information properly?---If the doctor read carefully the booklets you will

have a good understanding but he will not be able to interpret it, the graph results into medical evidence or medical results.

So you need to have the, the doctor needs to have the training of two to three days before the doctor can do that?---Yes. That is the strong recommendation of the manufacturer, of Medex Israel.

MR ALEXIS: So, Dr Neiron, if, just to illustrate some evidence that you've just given we could show you Exhibit 9?---Number 9 or page 9?

10

THE COMMISSIONER: No, no, we'll show it to you.

MR ALEXIS: We're just going to show you a document - - -?---Oh, sorry.

- - - sir and - - -?---Okay.

And could you pass over the first two pages which is a form of consent and come to the third of the four pages on the document which should be a coloured graph?---Yes, yes.

20

With the word "spline" printed across the top part of the graph, do you see that?---Medex Test, yes.

So just in relation to the answer that you just provided the Commissioner, is this the graph to which you were referring - - -?---Yes.

- - - in relation to which a doctor has the training that you've described in your evidence?---Yes, the doctor we train and we explain how the graph is work, what is the relation between the colours, we see that is three colours which is red, it means that something is really, have complication or have some medical - - -

30

THE COMMISSIONER: Problem?---Yeah, bad results, you know, it is some, some, some problem that is possibly the patient have and we see that it is, we have the three word in this graph so it is what the relation in between.

MR ALEXIS: All right. Thank you?---But this is how it work.

40

Thank you. Exhibit 9 can be returned. Now, again historically should we understand from paragraph 15 of your statement on page 7 that to the best of your knowledge about 15 clinical trials using the device - - -

THE COMMISSIONER: Paragraph, what paragraph?

MR ALEXIS: Paragraph 23 on page, page 7, do you see that?---Yes.

That about 15 trials have been, to your knowledge, conducted in various countries around the world?---Yes.

Now, can we then see from paragraph 25 and 26 that it was in about 2005 that a number of devices were brought into Australia and registration with the Therapeutical Goods Administration was obtained?---Yes.

10 And when you refer as you do in paragraph 26 to “re-imported” to what are you referring?---Referring to how many product we imported during this time. I think after we, after we registered the product we the TGA or ARTG then we start to import the product into Australia so we can’t, we can import a maximum ten unit to help us to register the product.

My question wasn’t clear and I apologise?---Oh, I’m sorry.

When you refer to “re” are you referring to Sydvet Australia or are you referring to Medex Screen (AustralAsia) - - -?---To both.

20 - - - or, or what?---Both, actually that is Medex, Medex Australia is input the product and Sydvet paid for it.

I see. All right. Now, in paragraph 27 you refer to what occurred which led to a separate distribution company being created and is that how we should understand the further company referred to in paragraph 29, Medex Medical Solutions Pty Limited, came to exist?---Yes.

And that was controlled by the four individuals that we see you refer to in paragraph 29, is that so?---Yes.

30 Now, should we understand whether you had any directorship or any other involvement with that company?---None at all, none with regarding to any directorship or any controlling or whatever to the company. The only thing which I have with the company to do demonstration to medical centres or doctors they, they need me to do.

So - - -?---And when they need to do training for the training we subsidise or we pay everything to bring the doctors to pay for all of them to do the demonstration and, and to training.

40 Now, some Medex devices were supplied, were they, to the Medex Medical Solutions company?---Yes.

And you tell us about that in paragraph 31 and was it the case that you went to premises from which that business was conducted at Bondi Junction?
---Yes.

In Bronte Road if we look at paragraph 34 on page 9?---Yes.

And are the premises from which the four persons you refer to, a Dr Schafer and others were operating from?---They weren't doctors, they were business people.

I see?---They have two people in their office. I think there's one called Dr Saba and I can't remember exactly his name, but I, we try to trace it but we don't know, and then they have a lady, she's work with them by the name of Sandra Lazarus.

10 I see. Well, I'll come to her in a moment. But finally, just on history, should we understand that you leased some space in Bondi Junction and was, and you used that space for your own purposes?---Yes.

And that was quite separate, was it, to the premises from which Medex Medical Solutions conducted its business?---Yes. That is a number 35 Oxford- - -

20 THE COMMISSIONER: Street?---I can't remember the name of the street, I'm sorry. It's number, I think it's number 35 Oxford, Oxford Street on the fourth level.

At paragraph 35 of your statement it says 35 Spring Street?---Spring Street, yes. Sorry, sorry, sorry. I (not transcribable) The level 4, 35. Yes, that's it. I have a small office for, for Sydvet, not for Medex. We have some other businesses and they need to move people and access to computer and so on, so that is a very very small room.

30 MR ALEXIS: Okay. Now, I want to come to the occasion when you were introduced to a Ms Sandra Lazarus. Can you tell us about that first meeting, please?---Is according to my memory, I can't say precisely, it's quite some time ago ah, she'd been introduced to me by Uwe Schafer, is one of the director or the CEO of the, of the local company, as a doctor. She hold PhD in some medical, I don't, I cannot remember what was it. And she was the one to do, to work with them.

And did you understand that she had some position or some role with the local company, as you've described it, Medex Medical Solutions?---Yes.

40 What did you understand her position to be?---Ah, she's, what they call, she opened the doors to the doctors and she give the first introduction to the doctors.

Right. Now- - -

THE COMMISSIONER: (not transcribable) Medex machine?---Yes, yes.

MR ALEXIS: Now, in paragraph 37 of your statement, if I could take you to that, please, you tell us of your belief concerning a salary that she was

receiving. Now, how did you come by that information?---Is actually Uwe Schafer have some complication with her. I can't remember what exactly the complication. And then he claimed that is he pay her eleven thousand or \$12,000 a month and she hasn't fulfilled her duties. And then he- - -

THE COMMISSIONER: All right. I think that's enough.

10 MR ALEXIS: Yeah, I think it is. And I really want to come to paragraph 38 before moving into some material that's perhaps of more significance to us, Dr Neiron. But should we understand that there was a circumstance with respect to the marketing of the Medex device, it was a difficult market and it was determined that some clinical trials locally should be undertaken?
---Yes.

And as a result of that, did you have any direct contact with Ms Lazarus?
---Yes.

20 And can you tell us about that, please?---She contacted me and she say she want to, she have the ability and she have access to hospitals, she claim that her father is a doctor and used to have a number of clinics which he sold to some company, large company which is in the stock market or something like that, and her father will help her and open for her the opportunity to reach the hospitals and to convince the hospital to conduct clinical trials. In this result I, because she worked with Medex and because she's doing some training with the doctors and so on, I accept her idea on the condition she not allowed to continue to work for Medex New South Wales as it's conflict of interest and but in the same time that is she have to realise that is, is against the law and is a conflict of interest, it is unable, we're not allowed to pay her so she have to get the income from a difference source. And then
30 she explained to us, that was on the same time, she explained to us this is no problem, she's in the university and the university pay her income. Also she say she come from very rich family so she don't need, she don't need the funds to survive and her benefit, which is (not transcribable) will be that she's able to upgrade or to get more into her PhD.

Right?---She claimed she had a PhD at home.

40 Now, in paragraph 44 you refer to some training that was provided to Ms Lazarus in relation to the use of the Medex device. Do you see that?---Yes.

Where did the training take place?---The training take place in the local company. Ah, we brought three, three doctors, we brought, at different time we brought a different number, a number of doctors, that's been published, that have, we have a sheet for that, I mean it is a piece of paper that is, we give to everyone, and she received the training at the same time. So I believe. I haven't been here so I can't tell you exactly if she's, how many days she attend or how many days she not attending there in the training. As I say, I haven't been here, I've been in- - -

We'll come to some, thank you. We'll come to some detail concerning her engagement by your company. But in paragraph 44 you seem to be referring to Ms Lazarus being unable to analyse the Medex test graphs correctly and some failure by her in relation to some written and physical tests. Do you see that?---Yes. According to the information I received from, from the company, from the local company.

10 Well, can you explain to us, please, how it is that your company came to engage her on the terms that we'll come to in circumstances where, according to your paragraph 44, she seems to have failed the training?
---The training is, was, is for the doctors to interpret the results of the graph, so is only, is mainly (not transcribable) for the doctors. So she don't need
- - -

THE COMMISSIONER: That's not what paragraph 44 says. If you look at paragraph 44- - -?---Yes.

20 - - -you say you believe that she failed the test to become a trainer- - -?
---yes.

- - -of your company to train and certify the medical officers?---Yes. So it means she can't be a - - -

But she failed the training- - -?---To be a trainer.

She failed the training to be a trainer?---Yes.

30 So the question is, if she failed training to be a trainer, why did you employ her to carry out the tests?---It's, it's no relation between if she failed with the training to be a trainer than to be coordinator for clinical trial. A coordinator for clinical trial is a different concept. Is a concept to introduce and to negotiate with the hospital and to establish clinical trial, but not to be a trainer.

Who, who, what is a trainer?---A trainer is a person who are able to train the doctors how to use the unit and how to interpret the results of the unit, of the, of the graph.

40 MR ALEXIS: So can we get clear then, Dr Neiron, that the training that you're referring to where in paragraph 44 you indicate that- - -?---She can't be a, she not allowed to or not accepted to be an interpreter of the graph for the patient.

I see?---She means she can't be as doctor.

Well, the training that you're referring to in paragraph 44 is the training that you referred to in your evidence earlier this morning in relation to the doctors- -?---Yes.

- - -who receive the data, look at the graph, interpret the graph and then provide advice to the patient?---And tell the patient what he's going, what is the complication has the complication the patient have.

10 All right. Now, in paragraph 45 you tell us there that you requested Ms Lazarus to provide details of hospitals that she intended to undertake some trials and some banking details, do you see that?---Yes.

And I just want to get this entirely clear. Paragraph 46 you refer to an agreement with Medex Screen, do you see that?---Yes.

Now, what came first the agreement or the request to provide details of hospitals?---I'm unable to give you any answer for that 'cause I can't remember what was first.

20 Now, just focusing, if we can, on the agreement that you tell us about in paragraph 46?---Ah hmm.

Now, was the agreement in writing?---Yes.

And you've referred to the Medex Screen (AustralAsia) company?---Yes.

Are you sure that that was the company that was the party to this agreement?---Yes.

30 And who was the other party to the agreement or other parties?---Sandra Lazarus, me and Vern Pleiksna.

And when you refer to yourself and you refer to Mr Pleiksna were you named as parties or were you the people that signed it on behalf of Medex Screen (AustralAsia) or what?---That's the director of the company that signed on behalf of the company.

All right. So we have a written agreement between Medex Screen (AustralAsia) and Ms Lazarus?---Yes.

40 About what, I'll withdraw that, I'm sorry. When was it that the agreement was entered into as best you can recall?---I think some time in 2007. I can't remember exactly the time.

Now, I think you tell us that you've been unable to locate a copy of the agreement, is that so?---Yes.

Can you tell us what the terms of the written agreement between Medex Screen and Ms Lazarus were?---That was that is Sandra Lazarus will be appointed as a (not transcribable) director in between the Medex Screen (AustralAsia) and the interested hospitals. So she have to approach the hospitals and some section in the hospitals to conduct different types of clinical trials, not, it's not to make it precise, lot of different type, actually is a different trials for different organs. Let's say if it's for the heart or for lungs or for (not transcribable) so each hospital (not transcribable) for the subject.

10

THE COMMISSIONER: She was going to undertake the trials herself? ---No, she can't do that. She can do only the recording, recording (not transcribable) she is in between the hospital, the doctors that is they do the test and in between the company. The company not allowed to talk to the hospital because - - -

Just read paragraph 45 please. That says expressly that Medex Screen requested Sandra Lazarus to provide details of the hospitals that she intended to undertake these clinical research trials?---Yes.

20

And so she is going to undertake the trials according to 45 and if you look at 46 "Sandra Lazarus signed an agreement with Medex Screen to undertake these clinical trials on our behalf."?---Yes.

So according to paragraphs 45 and 46 of the statement that you signed you said that Sandra Lazarus agreed to undertake the clinical research trial? ---Yes, to undertake of the clinical trial it's mean that she will be (not transcribable) and she work with, with the doctors.

30 So who was going to do the trials?---She allowed (not transcribable) and she allowed actually to do the physical test, she not allowed to do the interpretation of the test.

That's what I'm trying to find out, Dr Neiron. So say in addition to acting as a coordinator she actually was employed to do the physical tests?---She, she hasn't been employed to do that but she has the right to do that. We haven't employed her. She can (not transcribable) for the doctors - - -

Read paragraph 46?---Yes.

40

You're saying "She signed an agreement to undertake these clinical trials on your behalf."?---Yes.

So she agreed to undertake the clinical trials on behalf of Medex Screen? ---Yes. I think it is I have to explain how it's work. The test, the physical test it's actually can, can, can, conducted by any person who learn how to do that. So we have, we teach the person do this training, we teach the person about the 24 meridian point in the body which is mainly in the palm and the

feet or all in the palm and the feet and then she have the results on the computer. Then the completion of the results have to be by the doctor.

I understand that, I understand that, Doctor?---Okay. So she can do physical, she can take the test but the interpretation she can't.

I understand that. But you agreed with her that she would go out to the hospitals and do the tests?---Yes, it's nothing wrong with that, I mean - - -

10 I'm not saying that?---All right. Yeah, she can do it because she given the course, she, she, she studied it with the training.

And she was doing the tests on behalf of Medex Screen?---No.

That's what your paragraph says?---The clinical trial is on behalf of Medical, of Medex Screen.

That's what I asked you?---Yeah, the clinical - - -

20 She was doing the clinical trials on behalf of Medex Screen?---Yes.

MR ALEXIS: Now, Dr Neiron, just coming back to some important detail, if I may, concerning the agreement that you've just been asked questions about in paragraph 46 by the Commissioner. Are you sure that the agreement was with Sandra Lazarus and not a corporate entity on her behalf?---Definitely.

30 Now, did you have at the time of this agreement any knowledge of a company called Medical and Clinical Informatics Consultants?---Never heard. I mean, I just heard it today, first time. Not first time which I heard it, when I give the evidence they ask me about it but I never heard before. I mean - - -

THE COMMISSIONER: The first time you heard it was from when you - - -?---From here.

- - - were spoken to by the Commission investigators?---Yes, that's the first time I heard about this company.

40 Dr Neiron, it's unusual for a company to have an agreement and not have a copy of it?---Okay, I will explain the story. We have a conflict with Mr Vern Pleiksna and during - - -

You have litigation with him?---Yes. And during the time and before, when we have the conflict before that is we solved the problem and then the company have to store all of the company equipment, goods, document and so on (not transcribable). Vern Pleiksna has say, Look, although we have the conflict of interest and that we disagree about a lot of things I have a big

place in my house and I can store it in my house. So, and because I'm wasting most of the time not in Australia I will accept the deal. So he signed this document and he got, he got the whole company (not transcribable) company, company document and goods and he store. And later on we doing, by the end of 2008 we ask him to return the goods and he don't want to return. So we went into the court and before we reach the court after six months he return the goods. And when we (not transcribable) you destroyed all the computers and all the document is (not transcribable). So we don't have any one document of the company.

10

MR ALEXIS: Now in 2007 did you learn of a company called Wish Consulting?---No, I think, I think I heard only from here. I never heard it before. I can't, I never even knew that it exist before.

And in 2008 or 2009 did you come to learn of a company called Complete Health and Medicine?---Also no, I just heard from here.

Now again coming back to some important detail in the agreement that you've told us about. What did it provide for in terms of remuneration?

20

---We pay Sandra all out of pocket expenses. So if she is go, she take a taxi and she took taxi a few times a day to the hospitals and if she have to fly to New Zealand or Western Australia or Adelaide or (not transcribable) she flying over, so we pay or we provide the flight ticket. We pay the hotels, food, whatever the out of pocket expenses, that was the agreement.

All right. Now at or around the time in 2007 that these arrangements were being made with Ms Lazarus, did you have occasion to ever meet either of her younger sisters?---I, during the time she work for the local company, for the Medex New South Wales, I met her, one of her daughters.

30

THE COMMISSIONER: Sisters?--- I think she told me she has two daughters. I'm not sure.

THE COMMISSIONER: Sisters, sisters?---Two sister, sorry. Sister, sorry. And her mother. And during that time that is she request me to conduct some test on, on her sister which is I conduct. She ask me to give the results and I explained to her, I am not a medical doctor, although I have a very good experience with the machine, I, I just can give her indication. I am not a doctor, a medical doctor so I am not allowed to do that. So I give her the indication what was wrong with her sister.

40

Her sister?---Sister, yes. But I know that she have two sister, I met only one, one of the sisters and I can't remember if I met her one or second, no, I think I only met her only once.

MR ALEXIS: And can you recall her name?---No, I'm sorry.

All right. Well we might come back to that. But can you - - -?---Michelle, possibly Michelle. I'm not sure.

Can you recall an occasion, pardon me, where you had a meeting with one of Ms Sandra Lazarus' younger sisters and suggesting that she establish a company, transcript 607, line 5 and following. Dr Neiron, that's just a reference for the Commissioner?---Oh, all right. I try to find this.

10 Yes, I understand. But the suggestion is that you indicated that she, that is one of the sisters ought to establish a company so that you can deal directly with that company in relation to the provision of some marketing services?
---Never.

And that company came to be known as Wish Consulting and it's suggested that on a second occasion there was a meeting between you and Michelle Lazarus during which a written contract was entered into between Sydvet or perhaps another company and Wish Consulting for the purpose of marketing services being provided in relation to the conduct of clinical trials involving the Medex device. What do you say about that?---Never happen and never,
20 never, I never heard about this company. I'm (not transcribable) came here to give evidence, so I never heard about this company in my life. I mean I heard just now, now and the time I give evidence, okay, but never before.

The suggestion is that the agreement that was entered into either by Sydvet or another company that you had an interest in and Wish Consulting provided that for marketing services or marketing consultant services \$9,000 a month plus GST would be paid?---Never.

30 What do you say to that suggestion?---I never, I never heard about that. That's the first time I heard about it.

And the suggestion is that this occurred in or about October, 2007?---Never. Just to give you some idea, if it something that - - -

THE COMMISSIONER: You'll have plenty of opportunity to speak, Dr Neiron. I think, we've got a lot to get through and it will be helpful if simply answer the questions?---All right.

40 MR ALEXIS: Now Dr Neiron, in paragraph 48 of your first statement on page 12, you tell us about what had been indicated to you in relation to nine clinical trials using the Medex device in various states of Australia and New Zealand. Do you see that?---Yes.

And who was it that provided you with that detail as to what was proposed?
---Sorry, I'm not really understand that you try to ask me.

Was it Sandra Lazarus who indicated that she intended to undertake the nine research trials referred to in paragraph 48?---Yes.

And was Strathfield Private Hospital and St Vincent's Hospital two of those?---Yes, and Concord Hospital.

And did she provide you with banking details in relation to Strathfield and St Vincent's Hospitals?---Yes.

10 Now in terms of equipment should we understand that Medex Screen (AustralAsia) provided some equipment to Ms Lazarus in anticipation of the conduct of some clinical trials?---Yes.

And what equipment was that?---It was the Medex unit. It was a laptop, actually seven of each, seven of each, yes. Two for each hospital and one for her.

THE COMMISSIONER: I'm not sure, you may have (not transcribable) this, but I, why did you provide the banking details?---I need to transfer the money to the hospital.

20 What money?---For the clinical trial.

What was the arrangement about the money?---The arrangement is - - -

Why do you pay the hospital?---I, we have to pay the hospital because the hospital, I utilise their own space, you know, the bed, all the people what they need.

30 How do you know how much to pay the hospitals?---We receive, we receive the budget from Sandra that it will cost 47,200, each - - -

(not transcribable)?---47,200.

47, 200?---Yes, \$200 per clinical trial. And (not transcribable) and so we have to transfer the money. So we have to pay to the hospital, so she give us the, the advantages of the hospitals.

Is that in the contract?---Yes.

40 With Sandra?---Yes. That we pay the hospital, they, the hospital, you know, for all the stuff for the hospital, the people they have to do the registration, I mean all people that work in the hospital, we have to pay.

And the budget, can you just - - -?---47 - - -

Yes, I understand that. But did she give you details of the budget or is it just a bottom line figure?---She give me bottom line, bottom line figure and then later on we request her to, to give us the break down where the money went actually.

And did you get that?---Yes.

And what did it come to, 47, 200 or some other figure?---47,200, the one of them it was, we receive 200, approximately \$200 back from the hospital because they say that it was too much.

Which hospital is that?---I, Strathfield.

10 MR ALEXIS: Commissioner, I'll be coming to the detail of that.

THE COMMISSIONER: All right.

MR ALEXIS: Now I was asking about the equipment that was provided, you referred to some laptops. Was anything else provided?---The unit itself.

And the Medex device that's used to - - -?---The Medex device.

- - - examine a patient, is that so?---Yes.

20

Righto. Anything else?---The PEDS, I can show you what it means.

That's all right. So - - -?---The PEDS and the, the stimulation unit so the test work like that, the first is two tests, is one after the other. The first test, then you do stimulation and after stimulation you do the second test so the machine give the results what happened before stimulation and after stimulation.

30 THE COMMISSIONER: What do you call stimulation?---Stimulation, oh, okay. The unit extract the amount of electricity or micro-electricity from the body through the nerves transfer that to the meridian point on the body, on the, on the palm and on the feet. Then the stimulation is actually is a type of vibration to give to the body to relax the nerve system and then you do exactly the same.

And where is the patient when this happens?---On the bed, on the examination bed.

40 On a bed?---Yes, on a hospital bed.

A chair?---No, no, no, it is a examination bed.

Can it take place when a person sits on a chair?---Not really, no, no, it is, is very, very complicated to do it on a chair, extremely complicated, I don't believe, because there is a bending of the body the transfer of the information through the nerves is slightly different.

So you need, you need the patient to lie on the bed?---Accordingly to the company regulation the patient must be on the examination bed.

MR ALEXIS: Now, doctor, in relation to the equipment that was provided to Ms Lazarus was any charge made to her for that?---No, nothing at all. It is free of charge. She receive it as a loan and she receive also, for each unit she received the hasp. The hasp is connected to the laptop and the hasp give a number of test so it's she can't or no one can do more tests than that's the hasp allowed you do.

10

And when you say more tests what you're referring to what I think is the - - -?---If it's 200 test, it's a 200 test on the, on the hasp or if it's a 50 test on the hasp you receive four hasps.

But the hasp as you've been referring to is a storage facility which stores the results, is that so?---No, is only storage the number of tests, not the result, the result is actually on the laptop.

20 So the hasp will tell you how many times it has been used to conduct a test?
---Exactly right.

The result of each test is stored on the laptop?---Yes, but you can't open the laptop if you don't have the hasp.

All right. Thank you.

30 THE COMMISSIONER: And do you know how, were all the hasps, did they all contain the same, the capacity for the same number of tests or were they different?---No, it's, there's a 50, 100, 200, 1000 and 11,000.

And what did you give to Ms Lazarus?---We give her two of each for 100. I can show you, I have it here. Not the, not the, not the one that we give to her but example how they look like.

40 MR ALEXIS: Now, Dr Neiron, in paragraph 49 at the top of page 13 you refer to a sum of \$70,000 described as out of pocket expenses which she had claimed. Is that an amount that was paid from time to time in relation to those sorts of expenses?---Yes, that's the amount of paid for taxis, food, transport, aeroplane, I mean flying, hotels and so on.

Now paragraph 50, could you just look at that please because there's an aspect of it that is a little difficult to understand. You tell us there that Ms Lazarus invoice Sydvat for those expenses. Is that what you're referring to?
---Yes, she have attached to each invoice all the receipt. I mean, if she got, if she take a taxi and it cost \$10 for example it should be the taxi or the food, whatever receipt is it.

And this is Ms Lazarus invoicing not some company that she might control the invoicing, is that so?---No, only Sandra.

So why then is the Sydvvet company being invoiced when the contract that you referred to earlier was with Medex Screen (AustralAsia)?---The financial sponsor of the clinical trial was Sydvvet. The reason is Medex don't have the money to do that and that is because Sydvvet is a shareholder of Medex and Sydvvet have the interest so that was the, the agreement.

10 Right.

THE COMMISSIONER: So, so who deposited the funds? I mean, if you look at paragraph 45 there's a reference to the company depositing the funds. Is that Medex Screen as appears on 45 or is it Sydvvet?---Sydvvet deposited the, the funds. Although the clinical trial was on behalf of Medex the sponsor or the funds provider was Sydvvet.

MR ALEXIS: Now a moment ago I asked you about Ms Lazarus' younger sisters. Could you look at paragraph 55 of your statement on page 14 and in
20 reference to the sister referred to as Jessica Lazarus can you recall to mind the occasion when you met her and you'll see at the end of that paragraph you tell us that you've only met her once?---I, as I said before, I can't remember which sister I met, I met only one sister. I don't know which one is it. I can't remember that. But in one stage she, Sandra has expressed she had a lot of document and she need someone to help her and at that time that was the question that is if she is also a medical student, I cannot remember what was the answer for that but I can, she never told me that she engage any, any of, of her sister into the business, into these trial.

30 All right.

THE COMMISSIONER: Did you agree that she could?---I can't control it. She can employ anyone that she want except if, except companies. Companies not allowed, she allowed to have only people that are in the medical, as a medical student.

Is that in the, is that in the contract or was that something you told her?
---That is something internationally, it is worldwide. You can't employ,
you can employ people, you know, a secretary or so, that don't need to be a
40 medical but she have to be like a medical secretary, someone who understand the language they use in the medical world.

MR ALEXIS: Is what you're telling us, Dr Neiron, that if Ms, Ms Lazarus wanted to obtain assistance from someone in the conduct of the trials it was open for her to do so provided either of your ocmpanies weren't paying for it, is that - - -?---No, we can't pay her. We can't pay to anyone except Sandra. Our agreement is only with Sandra Lazarus.

And that related to her out of pocket expenses?---Yes.

Now - - -?---And to employ someone else it's not out of pocket, that is her decision what she want to do.

Now, in your evidence earlier about the subject of what Ms Lazarus would be paid and the discussions that you had around that subject, you referred I think to being informed that Ms Lazarus had obtained some sort of scholarship or some sort of funding?---Yes.

10

Could you explain what it was that she told you about that?---She explained to me that she have to, although she have PhD at home she want to upgrade her PhD and her pure benefit will be that is she can provide the article and the, the clinical trial results into medical journals and that is her benefit. Again your question?

Well, if you look at paragraph 51 of your statement - - -?---Yes.

20

- - - you tell us that Ms Lazarus informed you about the subject referred to there?---Ah hmm.

Do you see the reference to a government grant or scholarship?---Yes.

THE COMMISSIONER: 51?---Yes. It was (not transcribable) that she was not entitled to receive any fund from Sydvat.

Just 51.

30

MR ALEXIS: Paragraph 51 on page 13, Dr Neiron?---Yes. That's, she, that's what she explained to me.

Now, did you- - -?---This is how she survived, yes. That is what (not transcribable) should be.

40

Now, did you have an understanding when she informed you about this as to what the value of that grant or scholarship was?---In one stage she say, she say that is 80,000. I can't remember what was the 80,000 related to. Now, I think that she's supposed to have fortnightly fee from the, it's a scholarship or something like that.

THE COMMISSIONER: When you said she had PhD at home, what do you mean by at home?---She tried to tell us that she's, she's, she's not really dying to do the clinical trials for her PhD because she already have PhD and that was her expression, "I have a PhD at home." So what the benefit she have from the clinical trail is to upgrade her PhD to a better level.

MR ALEXIS: But by the reference to "at home", did you take that as being- - -?---She already have it, she already have a PhD.

From an Australian university or from a foreign university?---I am not sure. I can't tell you. I haven't seen it so I can't tell you.

Now, can I come to some financial detail?---Yes.

10 In paragraph 52 you tell us about the depositing of moneys in a trust account at Strathfield Private Hospital and the St Vincent's Hospital. Do you see that?---Yes. Is only for the expenses of the hospital. She not allowed to have, she can't bill the hospital, she can't send any invoice to the hospital. The funds is purely for the hospital expenses.

Now, in telling us that, are you relating to us what you understood the position to be then or are you telling us that that was the subject of discussion with Ms Lazarus or what?---The subject, that is, that is a part of the agreement.

And what did, what did you tell her about that subject?---What I told her?

20 Well, you were provided with bank details of the two hospitals, were you, to put the money in?---Yes. I have to give the money to the hospital for the hospital expenses, not for her work.

Now, just on that, we know that \$47,200 was deposited with each hospital? ---Yes.

How did you come to learn- - -

30 THE COMMISSIONER: Which hospital?

MR ALEXIS: I'm sorry, Commissioner, Strathfield Hospital and St Vincent's Hospital. How did you come to learn that it was that amount of money that needed to be deposited with each of those hospitals?---We learn from by Sandra.

THE COMMISSIONER: Sorry, I- - -?---She inform us that is the amount of dollar that we need to, to be paid.

40 I see. All right.

MR ALEXIS: And how did you learn what the account details were into which those funds were paid?---Ah, we receive, the first time we receive from her the bank details in the handwriting and then later on we ask her, we ask her to, that the hospital will forward to us their own bank details so we be sure that is the correct, the correct bank account. I mean sometime we can put money in the bank account (not transcribable) So we have by email, we received by email and I think by, also by hard copy, we received the details of the banks.

Now, in paragraph 53 on page 13 and paragraph 54 on page 14, you tell us what was to occur with the moneys or rather what should not have occurred with the moneys that were deposited. And in paragraph 54 you refer to the potential to jeopardise the integrity of the trial. Do you see that?---Yes.

Now, was this a matter that was discussed with Ms Lazarus at all?---Yes. Actually it was (not transcribable)

- 10 Now, can I just pick up some detail concerning the two hospitals that I've referred to and then I'll move on to some other matters. Firstly if you go to paragraph 91 and 92 of your first statement, do you there set out the moneys deposited into the trust account of the Strathfield Private Hospital by the three cheques referred to in paragraph 92?---Excuse me. I have to find that.

Page 23 of your first statement?---Page 23? Ah. Okay. Yes.

Paragraph 91 and 92?---Yes. That precisely what happened.

- 20 Thank you. And you've produced copies of the relevant cheques- - -?
---Yes.

- - -to your statement. Is that right?---I also produced the evidence from the bank that actually the money went through the account.

Now, if you could come through please to paragraph 158 on page 42 of your statement. Have you there set out the payments that were made to St Vincent's Hospital by the three cheques referred to in 159?---Yes.

- 30 And again you've produced copies of those cheques?---Exactly, yes.

And they were moneys paid by Sydvet. Is that how- - -?---That's correct, on the Sydvet cheque.

- - -we understand it?---Yes, on the Sydvet cheque (not transcribable)

- 40 Now, is it the case that sometime after those moneys were deposited with those two hospitals, Strathfield Private and St Vincent's, you started asking some questions of Ms Lazarus concerning the work that you understood that she was doing at those two hospitals?---Yes.

And do we see in paragraph 61 the subject of the questions in relation to what was being reported by her?---Yes.

And at the time, according to paragraph 62, you were receiving some communications from the parent company in Germany, is that so, about what was going on?---Yes.

And- -?---Because we receive very, I call it nasty letter or unclear letter from the hospitals that says something is not really correct with the clinical trial.

Now- - -

10 THE COMMISSIONER: From the hospital. Which hospital?---Ah, from both of the hospital actually, signed, I can't, I, I, I cannot remember the name of the doctors that signed on that but they say that is, the clinical trial in St Vincent is never happened and the clinical trial in, in, in Strathfield Hospital is not accepted by the professor who supervise (not transcribable)

What does it mean in paragraph 62 that you were being forced by Professor (not transcribable)?---Yes, yes.

20 What do you mean by forced?---Forced, it mean that is he, actually he receive also a copy of this letter and he was understood that is everything's, that a clinical trial actually took place and at the end of the story he receive a letter that is from the hospital, the doctor from the hospital, that is never happened. I mean, that the clinical trial in the St Vincent Hospital never happened, nothing. So I've been forced, it's been, he is my boss and he, he's, he send me to Australia, he say, go to the hospital and check what is going on.

30 MR ALEXIS: Now Dr Neiron, during the time where you were having communications with the parent company in Germany and you were asking questions of Ms Lazarus, did you receive a letter from the Strathfield Breast Clinic dated 16 May, 2008, a copy of which I think is attached to your statement, and can I show what seems to be at least a colour copy of that document?---Yes.

And did you receive this letter from Ms Lazarus to indicate how the funds that you deposited with Strathfield Private Hospital had been expended? ---Yes.

THE COMMISSIONER: Sorry, what is the date of that letter, please?

MR ALEXIS: 16 May, 2008, Commissioner.

40 THE COMMISSIONER: Thank you.

MR ALEXIS: And it's immediately after the copy cheques attached to Dr Neiron's statement.

THE COMMISSIONER: Yes.

MR ALEXIS: There's then a letter and then it's the third document and it's otherwise on the screen before you.

THE COMMISSIONER: Yes, thank you.

MR ALEXIS: Now - - -?---I, sorry.

I think I asked you whether you received this letter from Ms Lazarus and you said that you did?---Yes.

10 And should we understand that after you received the letter you made contact with the hospital, that is the Strathfield Hospital?---I forward a copy of this to, to other medical, medical people. And then I, after conversation with them, they say, okay, (not transcribable) that and go to the hospital and ask them to verify the, that is actually is happen, because that claim is something is wrong.

Now if you just look at paragraph 66 of your statement and I apologise for jumping around but I am trying to present this in an orderly fashion. Paragraph 66 on page 17 - - -?---Yes.

20 - - - you tell us that your company received about \$200 back from Strathfield Private Hospital?---Yes.

And we should understand that that's 200 out of the 47,000 that was deposited on the earlier occasion?---Yes. Yes, that was one of the complication that we have because the price was different and the expenses was different and we receive only 200.

30 Now if you go please to paragraph 96 of your statement on page 25, do you there set out the communication you had with the Executive Director of Strathfield Private Hospital?---Yes.

A Peter Woodley and the financial officer, Elizabeth Brooks. Do you see that?---Yes, yes. That's true.

And what were you told during that communication about the person who signed the letter to which we've just referred as the finance practice manager?---They say (not transcribable) facts and evidence they receive the money but they never heard about someone by the name Peter Williams.

40 I see?---They say this person does not exist. Although some Peter there but not Peter Williams. Actually the meeting is, I went to, I went to the hospital was to meet this Peter Williams because as I said, it is, I have, we actually provide 47,200 but we receive only 200 and they (not transcribable) the bottom line is 400, 46,257, so is, the amount of dollar doesn't (not transcribable) for us.

Now at about the same time did you have similar discussions with persons at St Vincent's Hospital?---Yes.

And could I ask you to look at the colour, at the colour version of another letter that you've attached to your statement, that is a letter from St Vincent's Hospital, no it's the other one. And Commissioner if you turn through after the letter from Strathfield Breast Clinic, it's the second last page I'm told, Commissioner?---Sorry, what page?

10 Yes, thank you. Now can I just check, Dr Neiron, you should have before you the colour version of the St Vincent's Hospital letter dated 16 May, 2008?---Sorry, you're talking about, I'm sorry - - -

You should have before you the St Vincent's Hospital letter?---From 21 May.

No, no 16 May?---16 May, St Vincent, that's Strathfield. I need to get Vincent, St Vincent Hospital.

20 Oh, I see, I'm confusing you?---No, no. You're talking about, sorry, which document are you talking about?

I'm sorry. Could I have - - -?---I have one it is from St Vincent from 16 May, 2008.

Yes, thank you?---And I have also one on 21 May, 2008.

THE COMMISSIONER: All right.

30 MR ALEXIS: Could you look at the 16 May, 2008 letter from St Vincent's Hospital?---Yes.

And is that signed by Vanessa George as the practice accounts manager? --- I believe so.

Thank you. Now Commissioner, can I just check that you have that document.

THE COMMISSIONER: Yes, I do.

40 MR ALEXIS: Thank you. Now in relation to the receipt of that document how did you come to receive it?---From Sandra.

And after you received it did you compare it with the other letter that you'd received from the Strathfield Breast Clinic?---Yes.

And did you notice something about the form of letter from each of the two hospitals that Ms Lazarus had provided to you?---Yes, is a bit different, but you know, each hospital utilise different system. So I can't tell the hospital what type of system to use. So - - -

THE COMMISSIONER: No, that's not the question?---That's not the question?

MR ALEXIS: No.

THE COMMISSIONER: Just listen to the question?---All right.

10 MR ALEXIS: At some point Ms Lazarus had provided you with two letters, one from Strathfield Breast Clinic?---Yes.

One from St Vincent's Hospital?---Yes.

Each of those letters sought to explain how the funds that had been deposited at each hospital - - ?---Deposit or administered or paid?

Paid?---The hospital paid?

20 Correct?---Yes.

Now when you had each of those letters did you notice something about the letters?

THE COMMISSIONER: Did you compare the one letter with the other letter?---No. I never compare because I can't compare because each, as I said before, each hospital have, pay differently and in a different method and different amount.

30 Dr Neiron, I mean, you just have to be able to read to realise that just reading of the two letters, except for the amounts is exactly the same. Did you not appreciate that?---Registration, registration, administration, only the first different what I think is one is called staff wages and the other one say specialist wages, which is - - -

Yes, but it's more than that Dr Neiron?---O.K.

If you look at it it says, if you look at the first letter from Strathfield Breast Centre?---Yes.

40 It's addressed to Sydvet, To whom it may concern, re breast cancer clinical trial. And then it says, this letter outlines a general overview et cetera. And then comes the expense, expense summary and then the total amount? ---Ah hmm.

And then it says the total amount to date to so and so, as outlined in the trial (not transcribable). You then turn to the St Vincent's Hospital letter, it's exactly the same terms except instead of a breast cancer clinical trial it's got prostate cancer?---It say prostate, yes.

Did you notice that?---That is the two clinical trial that we conduct.

Did you notice that the wording, just listen to the question, did you notice that the general wording in each letter was exactly the same? Did you - - -?

---No, I didn't, I never look at the (not transcribable)

10 All right?---I'm sorry, I just, you know, I receive it at different times, so I haven't compared the two, yeah, I just see it now is exactly the same wording.

Is that the first time you've realised it?---Yes.

MR ALEXIS: Did you contact anyone at St Vincent's Hospital to see whether Vanessa George or someone by that name worked there?---Yes.

20 And what was the result of that inquiry?---The first time they reject me, they don't want to talk with me at all. Actually they don't know who I am. And the second time they say that is if I can provide evidence who I am. And then I, I spoke with someone and they say they never produce this letter.

THE COMMISSIONER: Sorry, they didn't write the letter?---They never write this letter. They say that they never, they, they, they, they can't find it.

Do you know the name of the person you spoke to?---No, I can't remember I'm sorry.

30 Do you know where the person was?---On the phone (not transcribable) or somewhere upstairs. I can't remember.

All right. Mr Alexis, is this a convenient time?

MR ALEXIS: It ordinarily would be, Commissioner, but can I just complete one very short final topic. Now, at about this time had you received some information from Ms Lazarus concerning the preparation of some medical peer review journal articles that she had written on the Medex device?---Sorry, I'm, I'm not with you, I'm sorry.

40 Did Ms Lazarus tell you at some stage during the time when the Strathfield Hospital trial was being undertaken as you understood it that she'd written a number of medical peer review articles on the Medex device which had been published?---I have received from her a number of document which is each document is slightly different, they have a lot of spelling mistake, a lot of grammar mistakes and she ask me if I have someone to correct her spelling, not to change the content of the document but to help her with all the medical terminology.

But did you understand that an article had been submitted to the New England Journal in the United States?---Yes, I have a copy of that.

Did you understand that a further article had been submitted to the Lancet Medical Journal in the UK?---No, but a different journal, it's something with the breast cancer journal, I can't remember the name of the journal. I received from Sandra copy of this document and (not transcribable) published and actually with the letterhead of the (not transcribable) journals. When I contact the journals they say that they never receive it.

10

So just with the paragraph 105 of your statement on page 28 - - -?---Page?

Twenty-eight?---Thank you.

And you'll see that you refer to the New England Journal and the Lancet Medical Journal and possibility the Breast Journal of Australia, do you see that?---Yes, but I (not transcribable) - - -

20

Can I just, sorry, Dr Neiron, can I just ask you this question. How did you come to learn that there was an article written which was either published in or was to be published in any of those journals?---I receive, I receive copy of the New England Journal and I receive a copy from the Breast Journal. I haven't received any copy. She, she mention to me about Lancet but she never give me the document.

From whom did you receive those copy journal articles?---From Sandra.

30

And after you received those and in the events that you've told us about in relation to Strathfield and St Vincent's you contacted each of those journals did you?---Yes.

And what was the result of that contact?---I'm a member of the, of the, of the New England Journal so receive from them (not transcribable) payment information. And because I'm a member so I had direct access to ask where it's published and so on.

40

THE COMMISSIONER: When you say member what do you mean? Subscriber?---Yes. So I tried to locate this article and I can't find it so I contact the management there and they tried to help me and the end result was it's never happened.

MR ALEXIS: Now, about this time when you started asking questions of Ms Lazarus how did you find being able to contact her at that time? ---Nearly impossible.

And why was that?---First she never replied to the, to the internet, her, her email address was every time changed. And then (not transcribable) answer and then she claim she been in USA, she'd been in Pakistan or something

like that. It was impossible so I, I (not transcribable) every time I have to (not transcribable) I been forced by the company that is to conduct legal action against you so then she reply and then disappeared again.

And in relation to legal action may we understand you engaged some lawyers to act in the interests of your company?---Yes.

Thank you. Commissioner, if that's a convenient time.

10 THE COMMISSIONER: Yes, thank you. Dr Neiron, just one question. I just want to come back to these two letters?---Yes.

The letters from Strathfield Breast Centre and St Vincent's Hospital. Do I understand you correctly to say - let me ask you again?---Okay.

How did you receive these letters?---Some were given me by hand.

And did she explain to you how she had got them?---From the hospital.

20 Did she tell you that?---Yes, because I ask her and I actually give her example but because we also conduct the clinical trial in Lidcombe Hospital so I show her how they do (not transcribable) how, it's the evidence, the hospital spend the money in proper direction.

All right. Now, did she give you these two letters at the same time or at different times?---I, I'm not sure, I think, I'm not sure, I don't know what to say, possibly the - - -

30 All right. You can't remember?---I can't remember, I can't remember. I'm sorry, that's - - -

You never checked the one letter against the other?---No, no, no, no, no. I had to give her two for the hospital, I personally deposit the money.

No, I understand but my question is you never looked, took the one letter and checked the expenses in the one letter against the expenses in the other letter?---No.

40 No?---The only ones that I did - - -

All right. That's all I want to know and did you notice that they're both dated the same date?---(NO AUDIBLE REPLY)

Do you know that? Is this the first - - -?---No, one is 21 May and one is 16 May.

They're both - - -?---And there is another one and, and also on the 16th.

Well, I'm looking at the two attached to your statement are both dated 16 May, 2008 and they are - - -

MR ALEXIS: I think that's - - -

THE COMMISSIONER: I beg your pardon?

MR ALEXIS: I think I've caused that?---So I have from St Vincent Hospital I have one on 16 May.

10

THE COMMISSIONER: Just look at that one. Just leave - - -?---Okay.

Put the other one aside and look at the one of 16 May and then look at the Strathfield one and you'll see they're both 16 May and the wording is more or less identical?---Yes.

Did you, and you didn't notice that before?---No.

All right. Thank you. Yes, we'll adjourn until 2.00pm.

20

MR ALEXIS: Thank you, Commissioner.

LUNCHEON ADJOURNMENT

[1.08pm]