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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 FRIDAY 25 FEBRUARY 2011

AT 10.05AM

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

MR ALEXIS: Thank you, Commissioner.

THE COMMISSIONER: Mr Alexis.

MR ALEXIS: May I call Mr Ravi Ratnam please.

THE COMMISSIONER: If you be seated, Mr Ratnam.

MS FURNESS: I appear for Mr Ratnam.

10

THE COMMISSIONER: And do you want a section 38?

MS FURNESS: (NO AUDIBLE REPLY)

THE COMMISSIONER: I think Mr Ratnam needs to be sworn in. Mr Ratnam, do you wish to give your evidence under oath or do you wish to affirm the truth of your evidence?

MR RATNAM: Under oath, Commissioner.

20

MR ALEXIS: Mr Ratnam, if your full name Ravi Ratnam, R-A-T-N-A-M?---In fact my full name is Raveendran Ratnam. In the hospital I been called as Ravi Ratnam.

10 Thank you. And is your current occupation one of Senior Finance and Business Manager?---Senior Finance and Business Partner.

Thank you. For the Northern Hospital Network at the Randwick campus employed by the South Eastern Sydney and Illawarra Area Health Service? ---That's right.

And should we understand the campus to which your employment relates includes a number of hospitals including the Royal Hospital for Women? ---That's right.

20 Now, in this matter, Mr Ratnam, have you provided a statement of evidence to the Commission dated 25 June, 2010?---That's right.

And can I show you a copy of your statement of evidence with a copy for your, Commissioner.

THE COMMISSIONER: Thank you.

30 MR ALEXIS: And, sir, could you look at the document I've just provided to you and confirm that that's a copy of the statement of evidence you provided on the date I indicated?---Yes, that's right.

And is the content of that statement true and correct to the best of your ability?---Yes.

Thank you. I tender the statement, Commissioner.

THE COMMISSIONER: Yes. The statement of Mr Ratnam is Exhibit 59.

40 **#EXHIBIT 59 - STATEMENT OF MR RATNAM**

Now, Mr Ratnam, should we understand your duties during the 2008 year set out in paragraph 4 of your statement?---Yes, that's right.

Management and analysis of the financial accounting records, operation of the various monthly reporting to the executive directors of the relevant area health service office, is that right?---That's right.

And when you there refer to matters of financial reporting what should we understand in general terms such reports or reporting to take?---It's monthly reporting to the executive directors, that's include (not transcribable) of hospital expenditure classified into different categories, comparing with the budget and with previous years expenditure. For example there I am reporting on the July expenditure, I will put (not transcribable) column, after July last year expenditure were behaving in compared to this years July.

10 MR ALEXIS: And in relation to those monthly reports should we understand the format of them to be typical of management accounts which identify as you've just said expenditure on a monthly basis with comparative provisions to the month of the prior year?---Yes.

20 And when you referred in your answer to the management reporting being provided to the executive director with respect to the Royal Hospital for Women who was the recipient of these monthly reports in 2008?---The executive directors and the other directors like nursing director, medical clinical service director, deputy clinical directors, any other members who consist of the clinical executive (not transcribable) which is mostly the directors.

All right. So with respect to the Royal Hospital for Women should we understand that your monthly management reports go to at least five, perhaps more, people?---At least five people.

30 Thank you. Now where were you physically located in 2008 and in particular in April of 2008 in carrying out your duties?---I have two offices. My supporting team work at Port Kembla, I visit quite often there. My main office is in Prince of Wales Hospital at High Street.

Now, before moving to some detail should we understand your qualifications are set out in paragraph 6 of your statement?---That's right.

40 Thank you. Now, I ask when it was that your attention was first drawn to some concerns that you had about expenditure increasing from the gynaecological cancer centre at the Royal Hospital for Women?---When I was preparing July and August reports I noticed a special line item for special services which has increased three to four times compared to the previous year. It's a bit alarming so I reported this matter at the (not transcribable) performance committee meeting, that's the next clinical directors meeting at the Royal Hospital for Women, I think it's in August I assume. July and August report.

Sorry, who did you report that to?---The executive clinical group executive directors, Professor William Walters, the clinical group director and the (not transcribable) and clinical director, Vanessa Madunic (not transcribable).

So in August 2008 you conveyed your concern to Professor Walters and Ms Madunic, is that so?---That's right.

Now, if we look at paragraph 7 of your statement you tell us there that you noticed that the hospital's and you say "special services" expenses going rapidly higher compared to the previous year, what does the reference to "special services" mean?---Special services include like pathology services for example, CVO, pathology test work under these "special services" and many other diagnostic services like medical imaging and that type of services is grouped under "special services" so this, this group of expenditure is rapidly going up.

Now, Mr Ratnam, we know that by 22 July, 2008 Medical and Clinical Informatics Consultants had been paid just under \$50,000. We know also that by 14 August two further payments of \$33,000 had been made to that company so that by that date, namely 14 August a total of about \$115,500 had been paid out to that company. Is what I've just put to you, does that accord with what you had noticed in terms of the "special services" expenses going rapidly higher in the July/August period?---That's right.

And we know also, Mr Ratnam, that a further \$19,800 was paid out to Wish Consulting on 12 August, 2008 and if we add that to what we've just been through it's plain I think that by mid-August about \$135,000 had been paid out so is that the anomaly to which you were drawing attention to when you were looking at the "special service" expenses?---That's right.

And so, pardon me, was it that matter that you drew to Professor Walters and Ms Madunic's attention at the end of the August, 2008 month? ---August, during the August, towards the end of August.

All right. Now after you did that from what you can recall what happened with that information that was brought to their attention?---Well I was told that this is due to clinical trials being conducted at (not transcribable) department. That, that because I was looking for the income from that clinical trials which I couldn't find then I asked first of all Vanessa Madunic to speak to the people to other people and found the income. Subsequently Vanessa told me that she had interview with the, Sandra Lazarus and 200,000 has been (not transcribable) to the hospital.

THE COMMISSIONER: Sorry, who told you that?---I asked Vanessa Madunic to speak to her.

I see, yes. I'm sorry, I didn't catch her name?---Yeah. And Vanessa must have spoken to the (not transcribable) informed me there's a 200,000, money has been paid to the hospital, which I checked the hospital later and all the South Eastern Sydney ledger there hasn't been any money paid to the hospital which I told Vanessa.

MR ALEXIS: Now I want to come to what you've just said in relation to Ms Madunic's conversation with Ms Lazarus as you understood it. But before we do, can I just ask you this, was it obvious to you when you noticed that the "special services" expenses had gone through the roof that those expenses have been paid out of the hospitals general operating account and not out of any particular or special trust account?---Yes. It's paid out of the hospital account.

10 So when there was discussion about money having been deposited into the hospital, I suppose that would have led you to think that the expenses had been paid out of the wrong account because they should have been paid out of a trust account. Is that so?---That's right. But I went further, see somebody, the money get credited to some other accounts in other hospitals, because it comes under (not transcribable) transfer. So that's why I went ahead and checked all the accounts we'd received for the last three months in South Eastern ledger, I couldn't find any 200,000 being paid to us.

20 Approximately when was it that you were able to satisfy yourself that there had been no trust account created within the hospital set of accounts and more importantly that no money had been deposited into that account?  
---Towards the end of August, the beginning of September.

So at the beginning of August, early September you knew that no money had come in, I'm sorry, have I - - -

MS SOARS: He said the end of August.

30 MR ALEXIS: Thank you. So let me withdraw that question, Mr Ratnam and I'll put it again. So is your position that at the end of August or early September, 2008 you had identified at least 135,000 having gone out with no money coming in to cover that expenditure?---That's right.

All right. What happened after you were aware of those two pieces of information?---Well when I, when there's no monies then I thought I have to inform Professor William Walters and other directors. I did go to them about these anomalies. And I started my own independent inquiry as to find out what other payments been made to this account.

40 Now Mr Ratnam, you've attached to your statement I think an email or an email string which commences with an email to Professor Hacker of 3 October, 2008. Is that right?---That's right, yes.

THE COMMISSIONER: What are you now referring to, Mr Alexis?

MR ALEXIS: Well, Commissioner, I'm tempted to respond by saying the email attached to Mr Ratnam's statement but I fear that's not going to be of much assistance.

THE COMMISSIONER: There are letters attached to the email.

MR ALEXIS: Yes. If you have paragraph 39, Commissioner, you'll see that that in terms refers to an email and it's said to be produced and exhibited to the statement. Based on where that's located in the statement it should be the very last attachment.

THE COMMISSIONER: The last email has no heading so it's really not possible to see to whom it's sent.

10

MR ALEXIS: Mr Ratnam, what I'll do is I'll leave the email for now and I'll come back to it if I may?---Okay.

Now, in paragraph 8, could I go to that part of your statement please. You tell us there about an occasion where you believe that you met Ms Lazarus, that's Sandra Lazarus, when she came to your office, you see that?---Yeah, that's right.

20

And your recollection is that she asked you to sign two letters, is that so?  
---That's right.

Could you be shown Exhibit 1 please.

THE COMMISSIONER: These are the letters that are attached to the statement are they, Mr Alexis? And there are two letters attached to the statement dated 13 May, the first attachment, first two attachments.

30

MR ALEXIS: Otherwise, Commissioner, they're in Exhibit 1 at pages 93 and 94.

THE COMMISSIONER: Thank you.

MR ALEXIS: Now, if I can just come to some detail concerning that occasion and should we understand that you received a telephone call according to paragraph 9 of your statement and you've said there, "From Professor Hacker's office" informing you that a medical student was coming to see you and they require a letter to be signed. Do you see that?  
---That's right.

40

Now, are you able to recall who it was from Professor Hacker's office that you spoke to during that telephone conversation?---I can't remember the name but that telephone conversation was in there from Professor Hacker's office.

Was it the person who then came to see him, do you recall?---(not transcribable) was Sandra Lazarus.

But was that the same person that spoke to you on the phone or was it someone different?---I could say it could be someone different.

All right.

THE COMMISSIONER: Are you uncertain or are you not - - -?---Sorry, I can't hear, Commissioner.

10 Are you uncertain who phoned you or are you certain that it was not Sandra Lazarus?---I'm not certain but I couldn't, I couldn't say clearly that - - -

I understand that, I just want to know if you're certain or you're not certain?---I'm certain.

MR ALEXIS: Now, in paragraph 11, Mr Ratnam, you tell us that you recognise your signature on both of the letters and we see the letters at page 93 and 94 and I take it there's no doubt that that's your signature on each of those letters?---That's right.

20 Do you recall signing those?---Yes, that's right.

And what can you tell us about the occasion when you were asked to sign these letters, just step us through what occurred?---Just with any clinical trials they collect money we insist them to collect the money in advance from the companies so that it doesn't have any pressure on the hospital patient funds.

30 Thank you. But can you tell us what happened when you first met Ms Lazarus and you came to sign those letters?---Ms Lazarus came to my office and she (not transcribable) as a medical student and working with Professor Hacker on a clinical trial, on a clinical trial and they want to get some money, advance money from the companies and wrote the letter to be signed and that letter was already prepared for me to sign.

Now, how did she introduce herself to you?---As a medical student with a hospital identity card.

And you saw her hospital identification card did you?---Yes, that's right.

40 Did it have a photograph on it?---It is a photograph.

What happened then?---Then I check the hospital account number and the BSB number, they were right so I signed the letters and - - -

So these are letters that had been already been prepared?---That's right.

And they were already printed on the letterhead as we see in the copy at page 93, on the letterhead of the cancer centre?---That's right.



And she provided these two letters to you and asked you to sign each of them, is that so?---That's right.

Now, you've told us that you checked the bank account details and I gather they are the details we see on page 94?---Yes, that's right, that was our accounts at that time.

10 Do you see in the last paragraph the letter says, "Please quote the following reference number" and there's a number referred to in that sentence 152107, do you see that?---That's right, yes.

Did you check that number?---That's the number is, my, my prefix I can see that Royal Hospital Women cost centre number.

And what's the prefix that tells you that?---152.

20 Thank you?---That's, when you look at that one it's the Royal Hospital for Women so I didn't check further anything.

I see. So you didn't look up to see whether or not the numbers after the prefix, namely, 107 related to or was a cost centre for the gynaecological cancer centre?---No, no, I haven't checked it, there's no reason to be checked because the money is coming to Royal Hospital for Women so I didn't bother checking that one.

30 Now, in terms of your understanding that money was coming in to the hospital can you turn back to page 93 of Exhibit 1. You'll see there's reference in the second paragraph to the sum of \$73,950 being required. Do you see that?---That's right, yes.

So when you tell the Commissioner that you understood that money was coming into the hospital how did you come by that understanding?---Well, the usual practice that they look for advanced funding from the company so I thought this is one of the same issue, they are getting advanced funding from the trial companies.

40 Now, did Ms Lazarus say anything to you in relation to that subject apart from what you read in the letter before you signed it?---No, nothing.

So what, you assumed that because the letter referred to \$73,000-odd being required that in due course it will be received by the hospital to cover the proposed Medex test cervical cancer clinical trial?---Yes, I assume that's part of the advanced funding they are receiving so I was (not transcribable) they are receiving advanced funding before commencing the trial.

Now, if a special purpose trust account was to be opened for the purpose of receiving that sort of deposit would you ordinarily in 2008 have been

involved in the opening of such a trust account?---I can't recall anything but normally the trials get their funding first before even opening the cost centres.

Perhaps you didn't understand my question. If a special purpose trust account was to be opened, I know you didn't open one but if one was to be opened would you ordinarily be involved in that?---That's right, I would be involved.

10 And at what point would you become involved in opening that trust account? What I mean by that, sir, is at the point when money is received or at some other point?---No, opening the cost centre itself I need to authorise the forms. In opening the (not transcribable) must be, must, I have to sign the forms before opening the cost centres.

THE COMMISSIONER: Does the money, do you do that before or after the money is actually received?---Commissioner, can be both, sometimes the money comes first, sometimes people who are very (not transcribable) open the cost centre first.

20

MR ALEXIS: So when you saw this letter and you were asked to sign it was there any discussion about the forms and the process and the steps that needed to occur for the purpose of creating such a trust account to receive these monies?---With Ms - - -

With Ms Lazarus, I'm sorry?---No.

THE COMMISSIONER: And this amount of \$73, 950, did you do any independent checks to find out that that was the correct amount?---No, I wasn't - - -

30

You just accepted at face value what the letter said?---Letter says.

MR ALEXIS: All right. Now there has been a suggestion made, Mr Ratnam in the course of this inquiry, that when Ms Lazarus came to see you in your office the two letters were prepared, and by that I mean physically typed in your office and that Ms Lazarus only provided two elements to each of the letters, first of all in relation to the letter at page 93, she gave you the information concerning the, the RE: and you see after that

40 MedexTest Cervical Cancer Clinical Trial. She told you that that should go in the letter. And she's also suggested that she provided you with the sum, namely the \$73, 950 referred to in the letter and that apart from those two elements, you prepared the balance of that letter at 93 and the letter that we see on page 94. What do you say to that suggestion?---No, that's not correct. These letters were already prepared and brought to me for my signature.

You remember that clearly do you?---Clearly I remember that.

Okay?---Obviously that's supported by my (not transcribable) if it was not printed correctly here, so we had to prepare (not transcribable). I wouldn't make a mistake like that.

10 And Commissioner, that's a suggestion that was put in evidence on page 54 of the transcript. Now if I can return to the subject of the emails. And can I provide you with the email and a copy to you, Commissioner. Now Mr Ratnam, if you turn to paragraph 39 of your statement. Is the email that I've just provided you a copy of, which is the last email in the series of emails on the page, the one to which you were referring in that paragraph?---Yep, that's right.

So we should understand that on 3 October you sent Professor Hacker an email which drew attention to the concerns that you express in that email. Is that so?---That's right.

20 THE COMMISSIONER: That I think is the email which is (not transcribable). It commences on the second last page of your attachments to your statement.

MR ALEXIS: Thank you. Now you referred in your evidence earlier to learning of a conversation that occurred between Ms Madunic on the one hand and Ms Lazarus on the other in relation to the subject of funds being paid in. Do you follow?---That's correct.

30 And if you look at your email to Professor Hacker, should we understand that the second last paragraph, that is the paragraph after the words, as a matter of urgency. Do you see that?---That's right. Yes.

Is that paragraph dealing with that conversation?---It's - - -

Let me ask the question again?---Yes.

You've told us that you learnt from Ms Madunic that she, Ms Madunic had had a telephone conversation with Ms Lazarus during which she was told that \$250,000 had been sent to the area health service for the trial?---That's right.

40 Is that right?---Yes.

And is, is it that conversation to which you learnt of that you are referring to in this email to - - -?---Yes, that's correct.

- - - Professor Hacker?---Yes, that's right. Yes.

All right. Now - - -

THE COMMISSIONER: Can you just, is it \$200,000 or \$250,000?---It's 250,000.

MR ALEXIS: Now I just want to confirm this which is why I'm taking you to this paragraph. Do you see in that paragraph of the email you refer to the discussion as occurring last week. Do you see that?---Yes.

10 So is this a telephone conversation that was reported to you by Ms Madunic as occurring during the last week of September, 2008?---Yes. That would be right.

All right. Thank you. Now we see on this email string that some emails concerning the internal audit unit and the like go back to, we'll go through the month of October and at the top of the page, I think we can ignore, ignore the email at the top of the page. But should we understand that there was further emails that passed between you and others during the month of September trying to track down and understand what had occurred so as to explain these expense?---That's right.

20 Are you able to recall to mind perhaps in reference to these, the email before you the point in time at which there was some determination made as to whether or not the monies that have been paid out were proper expenses for the hospital or not?---Yes, I can remember from the, looking at the emails again on 23 September I have (not transcribable) there's something seriously wrong with these payments because when I see these invoices being sent to me from this consultant and medical and clinical information.

30 THE COMMISSIONER: I'm not sure to what emails you're referring. Where do you get 23 September from, Mr Ravi?

MS FURNESS: Commissioner, I've just provided counsel assisting with a series of emails which I gave him earlier this week as well in relation to Mr Ratnam and his email exchanges with others. And I think counsel assisting has the required emails with the relevant dates.

MR ALEXIS: Yes, thank you.

THE COMMISSIONER: Thank you.

40 MR ALEXIS: Thank you. And I'm absorbing them as we go, Commissioner.

THE COMMISSIONER: Yes. (not transcribable) question was that Mr Ratnam said by looking at the email that he could see that - - -

MR ALEXIS: Yes, I understand. Could I approach, Commissioner.

THE COMMISSIONER: Yes, certainly.

MR ALEXIS: Now Mr Ratnam in the answer in reference to emails you referred to the date 23 September - - -?---Yes.

And I'm showing you a string of emails that passed between you and various people within accounts payable and other areas?---Ah hmm.

And within that string is an email of 23 September - - -?---That's right.

10 - - - from you to an Eileen Alberniti, that's A-L-B-E-R-T-I-N-I - - -?  
---That's right.

- - - 23 September, 2008 at 12.06pm. Do you see that?---Yeah, that's right.

And is that the email in which you say, Eileen, appear conflict of interest here. Please suspend all payments temporarily until we investigate this fully?---Yes, that's correct.

20 Is that the email to which you were referring?---Yes. Yes.

Thank you. Commissioner, we'll organise copies of the email string. I'll seek to tender, but when I get the copies back. Now in relation to the, sorry, let me withdraw that. In September, 2008 what should we understand Ms Alberniti's position to be?---She's the accountant for, accountant operation which may payments to the suppliers.

30 Now, do you know what step was taken on or about 23 September or any time thereafter to suspend any payments to Medical and Clinical Informatics Consultants or Wish Consulting?---No, I instructed them to stop paying them but I, I don't know any operational side of that area.

Well, do you know if any stop was made or any step taken to suspend payments from 23 September?---I remember Eileen confirmed to me that stop payment has been effected which I believe is so but I, I have no details about that operational side of it, whether or not - - -

THE COMMISSIONER: You were informed that appropriate steps had been taken?---Taken.

40 MR ALEXIS: We know don't we that after the payments that I've already referred to which as I said earlier total about \$135,000 up to the middle of August that about another \$90,000 was paid out and paid out after 23 September, 2008. D you know that to be the case?---I only found two invoices being paid after my stop payment so I asked her, Eileen, about the, why that was paid, she apologised and said system error or - - -

Sorry, what was that, I just missed it.

THE COMMISSIONER: System error?---System error.

MR ALEXIS: And what was the nature of that system error?---I really honestly, I am not involved in that, the operation side of it.

All right. Now, in the course of the inquiries you made, I think you called for the invoices, I think we see that in paragraph 17 of your statement?  
---That's right.

10 And you realised when you got the tax invoices as you tell us in paragraph 18 that you were unhappy about them because there was no physical address for these companies and you refer there to Medical and Clinical Informatics Consultants and Wish Consulting, do you see that?---Yes, many things, not only that the address, the nature of the invoice of Wish Consulting, it's a marketing company and there is no physical address, there's no telephone number, there's no logo, that's why I passed on all the invoices to Eileen to double check the invoice.

20 Now, if you could look at page 108 of the bundle of documents before you, Exhibit 1, have you got the invoice with page 108 in the top right-hand corner, it should be - - -?---Yes, that's right.

Thank you. And I wish to draw attention to the GPO box in the top right-hand corner - - -?---Yes.

- - - in company with the company's details, do you see that?---Yeah, that's right.

30 So just explain to us what it was about the fact of a PO Box on the invoice which you weren't happy about when you saw it?---Usually, excuse me, usually a company like this must have a company logo first and has a physical address and also a telephone number. So I have never seen companies, big companies operating with GPO Box.

All right.

40 THE COMMISSIONER: And no telephone number?---Telephone number and mostly looking for the telephone number for, just to double-check the 200,000 payment from these companies, that's one of the major reason I called for the invoices.

MR ALEXIS: But does the fact of a GPO Box on the invoice create any impediment at all to the processing and payment of that invoice?---No.

So if you turn back to page 105 do you recognise at 105 the vendor maintenance form for that company and do you see under the company's bank account details there's a GPO Box recorded next to the payment address, do you see that?---That's right.

And if you look back at the invoice on 108 you'll see that the GPO Box, pardon me, on the vendor maintenance form and that on the invoice is the same?---Yeah, that's, that's correct.

So we should, we should understand should we that your concerns about a physical address rather than a GPO Box is not an impediment to the entering of a vendor referred to on a vendor maintenance form and it's not an impediment to the processing and payment of any invoice, is that so?

10 ---Yeah, that's so.

All right. Now, you also expressed concern about Wish Consulting and there being no address for that company could you look please, could you look please at the invoice at 110 and if you look at the details beneath the bank account details on that invoice of Wish Consulting we seem to have a physical address, don't we?---(NO AUDIBLE REPLY)

Do you see at, towards the bottom of the page, underneath the bank account details there's the address at Dharruk, New South Wales, do you see that?

20 ---Yes, I can, I can see that.

And if we go back to the vendor maintenance form for that company at page 104 we will see that that address is the same as that referred to on that form?---I, can I look at the - - -

Yes, please?---The invoice I received from my investigation I don't think I have any address of this Wish Consulting in my inquiry, maybe that's been attached to my statement.

30 All right. So when you refer to the Wish Consulting invoices in paragraph 18 you had in mind did you that those invoices didn't identify an address?  
---No, I don't think I have seen any address.

All right. Now, can I just ask you a question or two about paragraph 19 and the cost centre number and I think you draw attention to the cost centre number on each invoice as relating to the "special services" account of the Royal Hospital for Women, is that so?---Yes.

40 And that's not the same number referred to the letter that I took you earlier to at page 94?---Yes.

And that's, the number at page 94 referring to the reference number to quote when transferring funds I think you said was not a number you checked when you signed the letter?---That's right, yeah.

But the number used in fact on the invoices is a different number, is that what you say?---Yeah.

All right. Thank you. I think when you got the invoices you also noticed that they hadn't been authorised by Professor Walters?---That's right, yes.

And he's the person that you understood in May 2008 had the financial authority to sign such requisition forms for the expenditure referred to on them?---That's right.

10 Now in paragraph 29 of your statement you refer to some information you received in relation to some checks on the Australian business number ABN website, is that so?---That's right.

And is that information, namely the relationship between an ABN number and the particular company something that's readily available on the Internet?---I have no access to that but Eileen in accountancy has access and I think she can check that on the Internet.

20 And when a check was done for the owner of the ABN number referred to on the invoices from Medical and Clinical Informatics Consultants, it was determined was it that that ABN number related to something called The Lazarus Family Trust?---That's right.

Now was that a piece of information that was would you say easily ascertained?---Could be easily, because I requested the previous day and immediately see reply to me on the next day, if not the say, she reply to me.

30 So at the point where for example a vendor maintenance form has been processed and perhaps we can go back to the vendor maintenance form for this company at page 105 of Exhibit 1, so at the point where that form was processed I gather you would say that it would be a simple thing to do an ABN check to confirm the relationship between that company and the ABN number that we see running across the top of the form in the top right hand corner?---Yes, that's the right thing to do.

And at that point it could have been easily ascertained that that ABN number in fact belonged to The Lazarus Family Trust?---Yes.

40 And one could have identified a relationship between that trust and the person who has requested the registration of that vendor within the system? ---Yes.

Now in paragraph 33 in relation to the vendor maintenance forms you tell us that the form must be completed. You see half way through that paragraph, it must be completed, approved from a representative from the hospital and processed at the material resource division before any payments are made. And then at the end of that paragraph you've got to be confirmed by accountant financial control. Now is that perhaps a remanent prompt which has remained in your statement? Did you confirm what you've said there with the accountant or - - -?---Yes. It's accountant from the material



resource division is Patrick Smiley, he's the final approval for that, any new vendors to be included in the system.

Are you able to tell us and if you're not please say so, how it is that someone processing a vendor maintenance form is able to determine whether or not that form has been authorised by someone with authority? And perhaps you might need to look at the form again?---I really don't have any knowing of these forms. This is by sight, prepared by the (not transcribable) and sent to accounting processing (not transcribable).

10

Now finally can I come back to the subject of monthly reporting?---Yes.

Because you deal with that again at paragraph 40 of your statement. And you remember you told me earlier that the monthly management reports were sent to about five people?---Yes.

20

And in paragraph 40 you refer in terms to each department head or director viewing monthly reports. Now is that the same as the management reports that we were talking about earlier?---No. That's, management reports are more summary reports. The department heads can see their cost centres and details (not transcribable) details in the system.

30

All right. So in terms of level of detail what does the head of a department receive on a monthly basis from you in terms of that department's income and expenditure?---The current system is they don't receive anything from me. They have access to the system by themselves. All the department heads were given access to their cost centres. They can view and (not transcribable) their cost centres to very much in details from the transactions up to the summary.

So what you're telling us is that a monthly report is not physically provided to heads of department. That information is nonetheless available presumably through a computer?---That's right.

And they can view expenses for the previous month on a monthly basis? ---Yes, that's correct.

40

And so if a head of department for the Gynaecological Cancer Centre at the Royal Hospital for Women wanted to check monthly expenditures say at the end of August, 2008, would they have been able to see that comparatively the \$135,000 had been paid out for "special expenses" - - -?---Yes, that's right.

- - - from that department?---Yes, that's right.

And would they have been able to see that compared to the previous year that was an anomalous item of expenditure?---Yes, they can.

And that information would have been presumably available on a monthly basis thereafter as well as further invoices were paid and expensed to the "special expenses"?---Yes. On a daily basis, is updated daily.

Yes, thank you, Mr Ratnam. Oh, I'm sorry, your Honour, I should tender the additional emails to which reference was made particularly the email of 23 September, 2008.

10 THE COMMISSIONER: The email string commencing with an email from Stacey Linton to Angelo (not transcribable) dated 16 September, 2008 is Exhibit 60.

**#EXHIBIT 60 - EMAIL STREAM COMMENCING WITH EMAIL FROM S LINTON TO A IANNUZZI COMMENCING 16 SEPTEMBER 2008**

20 MR ALEXIS: Now Commissioner, the other email string which includes the email from Mr Ratnam to Professor Hacker of 3 October, is that sufficiently identified as an attachment to the statement?

THE COMMISSIONER: It is. Yes, I think so.

MR ALEXIS: Yes. Thank you, Commissioner.

THE COMMISSIONER: Yes, Ms Soars.

30 MS SOARS: Commissioner, just two things if I could raise them. The first is yesterday I understand my instructing solicitor made a request for a document from the documents held by ICAC according to a spreadsheet of Jan Daly, I can identify that document. We haven't had a chance to speak to anyone this morning because there wasn't anyone sitting there in the position. We just need access to that document for the purposes of this witness.

40 MR ALEXIS: I'll be in a position to respond immediately to that request and I have the original in the hearing room and I've prepared multiple copies for my learned friend.

MS SOARS: Thank you very much. And the other matter is, Commissioner, there was some evidence given that went beyond the scope of the statement and in respect of that I just need to retain short instructions of five to ten minutes. Thank you, Commissioner.

THE COMMISSIONER: Yes, we'll adjourn for five minutes.

**SHORT ADJOURNMENT**

**[10.58am]**

MS SOARS: Mr Ratnam, my name is Julie Soars and I'm a barrister for Sandra Lazarus. You've given some evidence, Mr Ratnam, about the preparation of the two letters at pages 93 and 94 of Exhibit 1, can I ask you to just find them in the bundle?---Yes, yes.

10 And is your evidence is it that you had no involvement in the preparation of the letter?---That's right.

Letters, both of them, 93 and 94 - - -?---Yeah.

- - - and you didn't provide any information used in the preparation of those letters?---That's right.

And they were presented to you in final form for signature?---That's correct.

20 I'd like to show you a document and a copy for you, Commissioner.

THE COMMISSIONER: Has this been given to counsel assisting before?

MS SOARS: It comes from the documents seized by ICAC of - - -

MR ALEXIS: I've seen it.

MS SOARS: - - - of Sandra Lazarus, Commissioner?---Yes.

30 Have you had a chance to have a look through that document?---Yes.

I'm suggesting to you, Mr Ratnam, that this is, the majority or all of the handwriting in this document is your own, is that correct?---Yes.

And are you satisfied that all of the handwriting on it is your own?---Yes, that is correct.

40 Okay. And I'm suggesting to you that you in fact were involved in the drafting of the letters and the provision of the information that's contained in this note.

THE COMMISSIONER: You'll have to connect that better than that, Ms Soars?---This could be, I provide this - - -

I, sorry, excuse me. I don't know how this note refers to that question.

MS SOARS: Thank you, Commissioner, I'll - - -

THE COMMISSIONER: Just clarify that, please.

MS SOARS: Yes.

Mr Ratnam, is it correct that this note contains information that is contained in the letter at page 94?---Sorry, say that again.

Could you go to page 94 and I'll ask you a question about the letter?  
---Yeah.

10 Is it correct that this note I've given you which you've, you've agreed is in your own handwriting contains information which is included in the letter at page 94 of the bundle?---Yes. This information is mostly used by the departments, they, they use this information for various other clinical trials as well.

And I'm suggesting to you, Mr Ratnam, that you in fact typed up a letter - - -?---No, that's not right.

20 - - - containing the information contained in this note?---That's not correct.

Having seen this note what's the best recollection of what occurred?---I mean this, they are given this for the different clinical trials for other, other clinical trials as well so it may not be for this purpose, people are having this (not transcribable) for the BSB number and the telephone number in the department.

30 THE COMMISSIONER: It's still not clear to me how this forms the foundation of your cross-examination? Is it being put that Mr Ratnam gave this note to Ms Lazarus.

MS SOARS: I'm sorry, yes, yes, Commissioner.

THE COMMISSIONER: Please put it, Ms Soars.

MS SOARS: Thank you, Commissioner, thank you, Commissioner.

40 Mr Ratnam, I'm putting to you that at around the time of the preparation of this letter at page 94 that Ms Lazarus, you gave a copy of this note to Ms Lazarus, is that correct?---I can't recollect but this letter is already in my department, whoever needs this, the bank account and this one is being given to this letter, I have no recollection I give to Sandra Lazarus this particular letter or (not transcribable) my handwriting.

Do you accept it's a possibility that you did so?---It's a possibility because this is a, my handwriting is used by the other clinical trials as well so in order to type their letters, this, this mainly contains my telephone number and the bank address.

Are you aware of any - - -

THE COMMISSIONER: Mr Ratnam, as I, as I understand this, I'll be corrected if I'm wrong, this note was in the possession of Sandra Lazarus. Can you explain how it got into her possession?---I can't recollect, Commissioner, but this is mainly my designation and the telephone number and the bank details, probably I grab for her, she grabbed, obtained from me, I really have no recollections of this one being given to her.

10 So, so senior finance and business manager is the correct designation of the, your position?---No, senior finance and business partner my designation.

Sorry, business?---Partner.

Partner?---That's right.

Is your designation?---That's right.

20 But you've written manager there have you?---Yes, yes.

How did that come about?---It could be an error.

I beg your pardon?---It could an error.

MS SOARS: And in the letter at page 94 your designation is senior finance and business manager, that's correct, isn't it?---Yes.

30 And I'm putting to you, Mr Ratnam, that you prepared the letter, the letters at pages 93 and 94 and that Ms Lazarus provided you with letterhead?---No, not so correct.

I'll just finish this, the question, and then it was printed and then you signed both letters at 93 and 94, that's correct, isn't it?---No, not, that's not correct.

THE COMMISSIONER: Are you saying, Ms Soars, are you putting that Mr Ratnam gave this note to Ms Lazarus and what did she do with it?

40 MS SOARS: My instructions are she took it away, Commissioner, and wasn't able to do anything with it in terms of typing the letter and came back and Mr Ratnam then typed the letter up and signed it.

THE COMMISSIONER: Well, I think if you put it, why don't you put it?

MS SOARS: Yes, Commissioner, I will, I apologise.

Mr Ratnam, in relation to this note we've been looking at and you accepted there is a possibility that you had given it to Sandra Lazarus at or about the time these two letters at 93 and 94 were prepared?---Yes.

I'm putting to you that Sandra Lazarus took the note away and then came back and informed you that she was unable to prepare any type of letter and requested that you prepare the letter, the two letters at pages 93 and 94?  
---That's not correct the reason being we don't have this letterhead in our department and we don't have a secretary to type any letters there so that's, that's not true, that's not correct.

10 And I'm putting to you that you could've had a facility whereby you could've typed letters?---No, that's not correct because I don't have the letterheads there in my department.

You had a computer though, Mr Ratnam?---I had a computer.

And I'm putting to you that Ms Lazarus provided you with the letterhead on which to print the letters?---That's not, that's not correct.

20 And I'm putting to you, Mr Ratnam, that you gave Ms Lazarus the reference number which appears towards the bottom of the letter on page 94 152107?  
---No, I don't give her the letters.

Do you know to what account that relates 152107?---Yes, now I know that's not a, I know by prefix that's a Royal Hospital for Women cost centre, it could be the gynaecology department.

THE COMMISSIONER: Do you know what it is?---It's a cost centre number.

30 Yes, I know. Do you know what 107 designates?---At the (not transcribable) no, I didn't bother checking it.

You know now?---Yes, I know.

What is it?---It's, it's one of the clinical trial cost centre.

MS SOARS: It's a clinical trial cost centre?---Yes. Yes.

Just while I'm here can I tender the note please, Commissioner.

40 THE COMMISSIONER: Yes. The note in Mr Ratnam's handwriting is Exhibit 61.

### **#EXHIBIT 61 - NOTE IN MR RATNAM'S HANDWRITING**

Do you remember writing this out, Mr Ratnam?---Well, (not transcribable) I have a copy of, copy of this letter in my office.

No, this note?---Yes.

Do you have a standard copy in your office?---This I have a, look like it's a photocopy, I have a note like this in my office whoever wants it I give this letter.

Beg your pardon?---Whoever wants to type a letter I gave this samples to type the letter from it.

10

For what purpose? You typed it for what purpose?---Clinical trial, any other purpose, if they want to type the letter and give it back to me for signature I give this letter.

So you hand it out?---Yes.

So could you have handed it out to Ms Lazarus?---This could be possible, yes.

20

MS SOARS: So you're accepting aren't you that Ms - it wouldn't have been possible otherwise for Ms Lazarus to obtain the bank details of the hospital on page 94 would it?

MS FURNESS: I object. This witness can't answer that question.

THE COMMISSIONER: He can say that.

THE WITNESS: Yes, it's possible from my, from, from me or any other people or the hospital they can, she can get the bank account.

30

MS SOARS: She'd have to have a reason for requesting it though wouldn't she, it wouldn't just be given out?---Yes, there's a reason.

And the cost, the same with the reference number or cost centre number on page 94, that's not publicly available is it? Who was access to that, those numbers?---That's, whoever can access the computer can see that cost centre number.

40

And who has access to that program on the computer with the cost centre numbers?---Most of the finance staff and clinical group managers (not transcribable) the staff and the department itself, most of the people in the department they can see the number.

THE COMMISSIONER: Mr Ratnam, just looking at - this isn't a standard, if this is a standard that you keep in your office I take it that, well, this number 0-4-1-1-6-4-7-8-2-4 is that part of your note or is that - - -?---No, that's not my number.

Do you know what number that is?---No, I've got no idea.

And then there's something written underneath that?---That's not my handwriting.

And on the bottom right-hand side is that your handwriting BSB 0 et cetera?---Yeah, that's right.

10 And at the bottom CWB Crown Street, is that your handwriting?---Yes.

Is that on your note in your office?---Office, yes.

THE COMMISSIONER: So everything on this note is in your office except the phone number 0-4-1-1-6-4-7-8-2-4 and the handwriting that appears underneath?---(not transcribable).

MS SOARS: Can I just take you to paragraph 38 of your statement please, Mr Ratnam. Do you have paragraph 38 of your statement, Mr Ratnam?  
---(not transcribable).  
20

Your statement?---I see.

Yes. Paragraph 38?---Yes.

30 It's correct isn't it that the usual process for money to be requested for payment in respect of the clinical trials by requisition signed by the researcher as requesting officer? I'm asking whether you agree with me or not?---It depends on the practicality of the department and the arrangement they have within each clinical trial so what arrangement they have is local, I have no knowledge of what arrangement they have.

And assuming within the department there was such an arrangement then it's appropriate that the requesting officer would be the researcher, is that correct?---If it is a hospital employee, yes.

But it's not the case is it that you could only request, be the requesting officer on the requisition if you're an employee of the hospital is it? You can be, you can request it as a researcher can't you?

40 THE COMMISSIONER: You're saying request, what do you mean?

MS SOARS: The requesting officer on the requisition can be a researcher and not an employee can't it?---That's what I told you that nobody other



than the hospital employee has any authorities to request on the hospital documents, it's a common document, cannot be used by others other than the hospital employees.

And is that according to any manual?---Yes.

And was that manual applicable in 2008?---Yes, that's right.

And were all people aware of that manual?

10

MS FURNESS: I object. That's a ridiculous question, Commissioner.

MS SOARS: There's a reason for it, Commissioner.

THE COMMISSIONER: But you can't ask the witness that, how does he know?

20

MS SOARS: To whom was the manual made available?---It's put on the intranet, whoever is responsible or (not transcribable) they can go and see whether they can do this job so I do myself (not transcribable) they can see the intranet, hospital intranet got all the manuals.

For the finance, access by the people in the finance department, is that correct?---No, everybody, all the hospital staff who have that computer can see the manual.

I see. Accessible by all employees?---That's right.

Thank you, Commissioner.

30

MR HOGAN: No questions, sir.

MS FURNESS: Might I have access to the original of Exhibit 61?

THE COMMISSIONER: When you say the original I'm not quite sure what you mean. Do you mean the original being that which was in Mr Ratnam's possession or that which is in the Commission's possession?

40

MS FURNESS: That which is in the Commission's possession.

MR ALEXIS: Commissioner, I can produce the original in response to the call together with the Post-it notes that are on it which are apparently the photocopy that's Exhibit 61.

MS FURNESS: Can I ask the witness to be shown the original. Now, Mr Ratnam, you said that there were two yellow Post-it notes on that document?---Yes, that's right.

The first contains the mobile number you've been asked questions about?  
---Yes, that's right.

And that's not in your handwriting?---No.

And that Post-it note was not ordinarily affixed to the document that you've given evidence that you created?---Yes, that's right.

10 The second Post-it note which contains the bank details - - -  
THE COMMISSIONER: Is that the BSB?

MS FURNESS: That's the BSB. Now, you've given evidence that that is in your handwriting. Having looked at the original is that still your evidence?---Yes, that's my handwriting.

20 And is it the case that the document that you prepared to be handed out to those listed in obtaining such details had on it that yellow Post-it note with the details?---Yellow Post-it, that's right.

Nothing further, thank you.

THE COMMISSIONER: Sorry, I didn't understand that last - you say when you handed this out to interested persons you put a Post-it note on it?  
---Whoever wants the BSB number I put the Post-it note on it.

You don't write on it?---I don't write because not everyone wants the BSB number so whoever wants, wants the BSB number I put the Post-it note on.

30 MS FURNESS: Thank you, Commissioner, nothing further. Might the original be returned?

THE COMMISSIONER: Yes. Mr Hogan, you said you had no questions?

MR HOGAN: That's so, sir.

THE COMMISSIONER: Yes, thank you.

40 MR ALEXIS: Commissioner, I have no further questions for Mr Ratnam, could he be excused from further attendance.

THE COMMISSIONER: Thank you for your help, Mr Ratnam, you may be excused.

**THE WITNESS EXCUSED**

**[11.25am]**

MR ALEXIS: Commissioner, I wish to call Ms Jessica Lazarus but before I do following some discussions I've had with Mr Hogan counsel for Ms Michelle Lazarus I understand that it would be convenient if I call Ms Michelle Lazarus first to deal with some matters that I understand she wishes to give some further evidence about following her evidence from the other day. And it would be appropriate for Ms Jessica Lazarus to be in the hearing room while that occurs.

THE COMMISSIONER: Yes.

10

MR ALEXIS: So can I recall Michelle Lazarus please?

THE COMMISSIONER: Yes. Mr Hogan, I think it would be better for Ms Jessica Lazarus to be in while - - -

MR HOGAN: Yes, we've attempted to do that as well. She didn't want to but we'll go and put to her again that it's our advice that she should but we've attempted to do this, to ask her to come in.

20

THE COMMISSIONER: Have another try.

MR ALEXIS: Yes, could I call Ms Michelle Lazarus please, Commissioner.

THE COMMISSIONER: Yes. Please be seated, Ms Lazarus. Ms Lazarus, you're still under the oath that you swore when you gave the evidence before and the section 38 order which I made for your protection before continues to apply to you?---Yes.

Mr Alexis?

10

MR ALEXIS: Thank you, Commissioner. Ms Lazarus, do I understand the position correctly that you wish to go back to some aspects of the evidence that you gave to this Commission the other day and indicate that you wish to explain some of your answers, is that so?---Yes, that's right.

Perhaps the best way to do it might be by a topic by topic, is that convenient to you?---Yes.

20

All right. Now, do you recall the other day I asked you questions concerning the payslip documents which came to be Exhibit 34A to C inclusive which on their face indicated that you were employed by Medical and Clinical Informatics Consultants Pty Limited in the media department on an annual salary of \$96,000. Do you remember those documents?---Yes.

And just so that we're clear I'll have a copy of Exhibit 34, I'm sorry, let me withdraw that. I'll have the Exhibit 34A to C inclusive shown to you?---Yes.

30

Now, Ms Lazarus, what is it that you now wish to tell the Commissioner about those documents?---I wish to tell the Commissioner that I was aware of these documents and that they were used to obtain a loan for myself for a property.

And this is the apartment that you purchased in the suburb of Rhodes, is that right?---Yes, that's correct.

I think we referred to that in your evidence the other day?---Yes.

40

Can you tell the Commissioner how this document was used in relation to the purchase of that property?---Well, this was given to the bank or rather I believe my mortgage broker or the bank, I'm not too sure, but it did go to the relevant financial institutions for processing.

Now, you told me the other day I think that your sister Sandra prepared this document?---Yes.

Is that, is that the truth?---Yes.

And it was prepared with your knowledge was it?---Yes.

And it was prepared for the purpose as you understood it of being provided to a bank in support of an application for money so as to enable you to purchase a piece of real estate, is that so?---Yes.

10 And should we understand that when this document was prepared and submitted to the bank, whether via a broker or not, you knew that the document was being provided to the bank to demonstrate that you had a capacity to service a loan?---Yes.

And you knew that the document when it was submitted to the bank was completely false?---No, that's not correct.

Well, why isn't what I've suggested to you correct?---Because I wasn't truthful about the amounts that I had been paid and the year to date net payments were correct and I didn't want to be (not transcribable) that to the Commissioner at the time.

20 So what you're saying to the Commissioner is that the documents comprising Exhibits 34A, B and C were partly true and partly false, is that so?---No, they were true.

Well, can you tell me what in the documents was true at the time that the document was submitted to the bank in support of a bank application and could I ask you to think very carefully before you answer that question?  
---Yes, yes. Well, the company that I was working for was Medical and Clinical Informatics Consultants and my name is Michelle Lazarus and that  
30 looks to be my employee number and that was the department that I was working for and that was my established salary, I do not know what PS area mean, super plan, I was with REST and I did have a HECS debt and I'm not too sure about the weekly work hours and that is the correct period, gross payment is correct, the tax is correct which I didn't pay and the net payment is correct as is the year to date gross payment, the tax again which I haven't paid and the year to date net payment is correct. And all this information is, is correct in relation to the other two payslips is, is the same.

40 But Ms Lazarus I thought you told me a moment ago that when this document was prepared and it was submitted to the bank - - -?---Ah hmm.

- - - you knew that the information contained in it was not the truth?---Not everything, sir.

Well, can you tell me what wasn't the truth?---I don't believe that my super, REST Super was paid any super on my behalf or that I paid any HECS debt.

All right. But was it true that at the time that the documents are dealing with - - -?---Oh, sorry, can, sorry, can I also say that, yes, I didn't pay the tax.

All right. But is it true that at the time the document is dealing with, namely the period from 15 November, 2007 - - -?---Yes.

- - - to 15 February, 2008 - - -?---Yes, sir.

10 - - - that's the date on the last of the three documents, you were employed on an annual salary of \$96,000 with that company?---Yes, that's correct.

All right. Now, in relation to another document, Exhibit 35 which you'll be shown immediately - - -?---Thank you.

- - - is there something you wish to say about this document which - - -

THE COMMISSIONER: Sorry, what is the exhibit (not transcribable)

20 MR ALEXIS: Exhibit 35, I'm sorry, Commissioner.

THE COMMISSIONER: Right.

MR ALEXIS: Is there something you wish to say about this document to the Commissioner?---Yes.

30 And what's that?---This wasn't prepared by myself, it was prepared by my sister Sandra but I did give her permission to use my company because we decided that Jessica would be getting paid from my company for the work that we were doing.

And do you know why your sister Sandra prepared the document and whether it was used for any particular purpose?---She did prepare it because Jessica was to be paid for the work that she was doing and I did have knowledge of the fact that this would be used for a home loan for, as a, to go into the paperwork that, that needs to be submitted for a home loan.

40 So should we understand that this document was prepared and you were aware of its preparation?---Yes.

Did you see it at the time it was prepared?---No.

But you knew that a document representing Jessica as an employee of your company on a salary of \$87,000 had been prepared and was going to be used in support of an application for a loan by Jessica, is that so?---Yes.

And should we understand that at the time you became aware of the creation of this document and the purpose to which it was going to be used you well

understood that Jessica was not employed by your company, whether on a salary of \$87,000 or otherwise?---As far as I was concerned she was employed but it wasn't indicated to my accountant that she would be an employee.

Ms Lazarus, do you recall me asking you questions about this document the other day, on 21 February?---Vaguely.

10 Well, when I asked you about this document you told me that there wasn't one piece of information in it concerning your sister and the salary and what she was paid that was correct?---Yes, at the time, yes, but I'm telling you the truth now, sir.

Well, are you telling me that despite your evidence the other day Jessica was in fact employed by your company?---Yes.

And she was employed on a salary of \$87,000?---Yes, or thereabouts.

20 So you're telling me that the content of this document is true at the time it was prepared?---To my knowledge most of it's true.

All right. Is there anything about it that's false?---Again I don't think that tax was paid and like I said I hadn't informed my accountant about the fact that she was an employee. I don't know about the, whether the HECS debt was paid either or anything paid on that.

THE COMMISSIONER: So it's true that she was employed at an annual salary of \$87,000?---Thereabouts, yes, sir.

30 And was she paid \$87,000 for that year?---No.

Why not?---Because she, she didn't work for the entire year.

When did she stop?---I believe in April/May.

Of 2008?---Yes.

40 And when did she start?---The same, around the same time I did in '07, November.

So she worked for something like six months?---Yes, but she had been working prior to that as well but we don't have payslips for those.

No, I'm asking you when did she start working for Wish Consulting?  
---About mid '07.

So by the time she left in April she'd worked for ten months?---Something like that.

So did she get paid ten months' worth of her annual salary of \$87,000?---I believe so.

Did you pay her?---Yes, but the money wasn't taken out by myself, it was taken out by Sandra.

Taken out of what?---My account, my Wish Consulting account.

10 MR ALEXIS: Ms Lazarus, I'd like to show some of your evidence that you gave on 21 February, 2011. Page 582 of the transcript. If we can get that up on the screen, please. And you'll understand that what I'm about to show you is some evidence that you gave concerning this document. I'm sorry. Can we, can we get page 582 and 583. Do you need the date? 21 February. You're being shown a hard copy of the transcript, Ms Lazarus? ---Thank you.

And what I'd firstly like to do is to - - -

20 THE COMMISSIONER: But just let's get it on the screen, please.

MR ALEXIS: Just turn to 583, Ms Lazarus. Okay. Now, if you look at 583 at lines 10 and following, you'll see there in bold script a reference to Exhibit 35, which is the document a copy of which should be before you. Do you see that?---Yes, that's correct.

Now, if you can scroll back to page 582 and if we can start at the top of the page and do you see, and please feel free, madam, to either follow it on the screen or follow the hard copy before you, but do you see the question that commences with the words, "All right?" Do you see the question that says, "Now, it is untrue, isn't it, that between 11 January, 2008 and 10 February, 2008", now, just pausing there- - -?---Mmm.

30 Just have a look at Exhibit 35. And do you see where I got those dates from?---Yes.

Thank you. The question continues. "Your company employed Jessica with the gross and net salary payment details that we see on this document, isn't it?" And your response was, "With the gross and net salary payment, yes." Do you see that?---Yes.

40 So there you were agreeing with my question that the gross and net salary payments were untrue. Now, was the evidence you gave to the Commissioner on that occasion true or false?---It was false.

So you now wish to say to the Commissioner that it was a true representation of what your company was paying Jessica at the time. Is that so?---Yes.



All right. And could I ask you also to just read the questions from the Commissioner starting at about line 15?

THE COMMISSIONER: Well, I think, sorry, Mr Alexis.

MR ALEXIS: Commissioner, of course.

10 THE COMMISSIONER: Ms Lazarus, the next question after the one that Mr Alexis has just shown you at line 9 on 582 is in fact, "Every detail that's set out in this document on its face is false, isn't it, concerning your sister?" And you say, "Sorry." And then you're asked a series of questions. I just want to make it clear that that's the context in which this is occurring?  
---Yes.

Yes. Sorry, Mr Alexis.

MR ALEXIS: And you see the question, "Every detail on the document concerning employment of Jessica by Wish Consulting is true or false?"  
20 And then the Commissioner asked you to start at the top and you worked down the document. You identified your sister and the super plan and the HECS debt. Do you see that?---Ah hmm.

Then I asked you about your knowledge of the unit that was bought at Rhodes and you've said that you knew about that. Do you see that?  
---Ah hmm.

And then if we just pass over the questions concerning the bank loan and come to the question at the top of the next page, page 583, do you see the  
30 question I put to you there: "You know, don't you, that this document was used by them in support of your application to borrow money from the bank?" And you said, "Sir, I don't know that?"---Mmm.

Now, that answer was untrue, wasn't it?---Yes.

Because as you've told us this morning, you did know the purpose that the document was prepared for?---Yes.

40 And then I asked you again, "Are you sure about that?" That is to say your answer. And you said, "Yes."---Sorry, and I can I just interrupt you. I didn't know, the document was prepared by Sandra for Jessica on, on my behalf.

And how should we understand that clarification?---I just wanted to make that clear.

All right. Well, thanks for doing so. Now, can I come to the document in Exhibit 1 at page 84. Now, Ms Lazarus, you'll see that I'm drawing your

attention to the letter apparently under the hand of a Mr or Mrs Gomez and the attached letter of appointment. Do you see that? Which goes through to page 91?---Yes.

Now, having regard to your evidence the other day, is there something you wish to tell the Commissioner about your evidence in relation to this document? ---Ah, no, sir.

10 Is there something you wish to tell the Commissioner about your knowledge as to what the letter and the attached letter of appointment was used for in 2008?---All I know, that it was prepared. I haven't seen the cover letter as you have there, but I do know a document was prepared that outlined Jessica's roles and responsibilities.

And you know that it was prepared for submission to the bank?---I don't have that knowledge, but I presume it would have been. It would have gone together with the payslips.

20 And why would you have presumed that the letter and the document attached to it would have gone to the bank?---Well, it's her appointment application or application of appointment.

Yeah. And you knew because of your involvement at the time that this was part of material being prepared for the purpose of submission to the bank to represent Jessica as someone who had a capacity to service a loan?---Can you repeat that question, please?

30 I certainly can. You knew from what was being prepared at the time that this was as document, together with the payslip documents, that was to be submitted to the bank to represent a capacity on her part to be able to pay a loan?---I don't know when exactly it was prepared so I can't answer that question.

THE COMMISSIONER: You and your sisters were trying to defraud the bank, were you not?---I don't believe so, sir.

Now, look, Ms Lazarus, why have you come back into the witness box now?---Because- - -

40 What is your purpose in coming here now?---I'm trying to tell you the truth, sir.

Why didn't you tell the truth on the first occasion?---Because you intimidated me.

And I'm not intimidating you now?---Well, I'm trying to honour you with the truth this time, sir.

And you weren't trying to honour me with the truth before?---I was but I was intimidated by you.

So because you were intimidated, you lied?---Yes.

MR ALEXIS: Now, Ms Lazarus, you know full well, don't you, that the letter and the appointment document at page 84 and 5 of Exhibit 1 was prepared for the purpose of providing it to the bank so Jessica could get her loan?---It would have been.

10

Yeah?---That's all I can say.

Now, can I show you some evidence you gave on this subject the other day at page 585, if we can get that up, please, 585. Now, if we come down to line 40, and I'm sorry, in fairness to you can I start, please, I do apologise for this, back at 583 we should start and you can either look on the screen, Ms Lazarus, or look at the hard copy in front of you. But do you see from line 20 on page 583 I've started an examination by reference to the folder at page 84? Do you see that?---Yes.

20

And we see of course that's the letter that I'm now asking you questions about. Do you see that?---Yes.

Now, if we just come forward in the transcript to page 585 and you see at line 30 on 585 there's the question, "Can you explain why it would be that in circumstances where your younger sister was not appointed to that position, she came to sign", do you see that?---Ah hmm.

30

And you said, you asked me to repeat the question and I did and you see your answer just above line 40, I don't know why, sir, I can't answer that. I don't know why she would. Do you see that?---Yes.

Now that answer to my question was false wasn't it?---Yes.

And do you see a little further I said, but this is a letter of appointment that appears to have been prepared on behalf of your company, you've acknowledged that. And then you see my question, do you know who prepared it? You then told me that you though you asked that I'd asked that already and then you said, I did. Do you see that?---Ah hmm.

40

Now is that answer true or false?---That's true.

So you did prepare the document?---No, no. Sorry, you're trying to confuse me.

Let's just, no, I'm not trying to confuse you. Look at the question, do you know who prepared it? Do you see that question?---Ah hmm.

And do you see that answer, I think you asked me that before, I did. Now was that answer true or false?---No, that's, that's false.

THE COMMISSIONER: And did you give that false answer because I intimidated you?---Yes.

MR ALEXIS: Now do you see the next question, no, I asked you about the letter, what about the letter of appointment. All right. I was drawing your attention to the letter of appointment. And you expressed a belief there that  
10 that would have been Sandra. Do you see that?---Yes.

You know that to be Sandra who prepared the letter of appointment now don't you?---Yes.

And then do you see over next page, 586 I asked you why she would prepare a letter of appointment and get your younger sister to sign it if it didn't represent the truth of her employment by your company with a salary of \$87,000 per annum. Do you see that?---Mmm.

20 And you responded by saying, I don't know, sir. I can't answer for her. Do you see that?---Mmm.

That answer was false wasn't it?---Yes.

Because as you've already told the Commissioner this morning, you well understood the purpose of the preparation of that letter and the letter of appointment didn't you?---I understood the preparation of that letter, yes.

30 And then if we just come to the next question, which I think we can pass over and then come immediately to the question at line 10. Do you see that?---Ah hmm.

Let me read it so we're clear. Do you know whether this document was provided to a bank in support of an application for finance? Do you see that question?---Yes.

And see your answer, Sir, I truthfully don't know that?---Mmm.

40 Now you weren't expressing the truth then were you?---Well in a way I was because I don't know when this was all done.

I didn't ask you in that question about timing did I? My question was crystal clear, Do you know whether this document was provided to a bank in support of an application for finance? Now, I didn't ask you anything about timing there did I?---Mmm, no. That, that answer is incorrect.

Do you agree, are you agreeing with what I just put to you? I didn't ask you anything about timing did I?---No.

No. And when you answered my question by saying, Sir, truthfully I don't know that, you weren't telling me the truth were you?---Not on that occasion.

THE COMMISSIONER: To your knowledge you weren't telling the truth.

MR ALEXIS: Your answer was - - -

10 THE COMMISSIONER: Are you saying yes?---Yes, I wasn't telling the truth.

To your knowledge?---Yes.

MR ALEXIS: Because at the time I asked you that question you well knew that the purpose of the letter and the purpose of the underlying letter of appointment was to support Jessica's bank application for finance?---Yes.

20 Thank you. Now can I move to the series of cheques and transactional documents that form part of Exhibit 36. And Ms Lazarus, do you recall me asking you some questions about these documents after I had taken you through the bank statements for the Wish Consulting St George Bank account?---Ah hmm.

And those bank statements I think formed part of Exhibit 35. Now is there something you wish to say to the Commissioner about your evidence concerning the transactions referred to in the documents that comprise Exhibit 36?---Yes.

30 And what's that?---I did have knowledge that the, the money indicated on the cheque was going back to St Vincent's.

No, can we just - - -?---Just on this - - -

I'm sorry. When you say the cheques, you're referring to the two cheques within Exhibit 36 - - -?---Yes.

- - - addressed to the St Vincent's Hospital?---Yes, that's right.

40 All right. Tell us about your knowledge of those?---I believe that they were going back to pay some overpayment of some sort.

And, and what's the source of your knowledge concerning the existence of some overpayment?---My sister Sandra told me.

So when I suggested that to you the other day and you told me that you didn't have knowledge of that, that evidence was false was it?---Yes.

THE COMMISSIONER: False to your knowledge?---Yes.

MR ALEXIS: Because you knew that Sandra, your sister had told you that monies had to be paid back to St Vincent's because the hospital were alleging that she had been overpaid. Is that so?---All I know is that she said there'd been some overpayment.

10 And when it came tax time and you claimed each of these payments as a tax deduction for a donation, you know, you knew then that such a claim was false?---Yes.

And so when you came to sign the declaration on the income tax return for Wish Consulting for year end 30 June, 2009 you knew that the declaration you signed as to the truth of the content of that income tax return was false? ---Yes.

Now - - -?---But can I just also - - -

20 Yes?---I don't know whether it's worth mentioning or not, but the receipts that, that I got back from St Vincent's did refer on their donation, so - - -

Are you telling the Commissioner that you received at some point some document from St Vincent's Hospital - - -?---Yes.

- - - indicating that one of the cheques that you'd paid and signed - - -?---Or both.

- - - or both was a donation?---Yes.

30 But you - - -?---I don't know that means anything to you, but - - -

Well whatever it might mean, Ms Lazarus, the position is that whatever that document told you, you knew that it didn't represent the truth?---Yes.

All right. Now with respect to these transactional documents, do you recall the other day I asked you some questions about a bankcard and a pin number?---Yes.

40 And you told me when I suggested to you that you'd provided it to your sister so that she could operate the account as she wished, you (not transcribable)?---No, no. I didn't provide it to her so that she could operate the account as she wished. That's incorrect.

All right. Well what do you wish to say to the Commissioner about the subject of your evidence concerning her use of your card and pin number? ---Well, I did give her my card and pin number so that she could pay Jessica for the work that she was doing. And that's, that's pretty much it. And, oh,

aside from the money she said she needed for St Vincent's, which I wrote out cheques to St Vincent's for.

Now you said in your evidence to the Commissioner on this subject when I was pressing you about the purpose for the monies being used from this account by your sister, that she needed the money and that you were lending it to her?---Mmm.

10 Do you wish to say something to the Commissioner about the evidence you gave on that subject?---Yes. Well it wasn't lent to Sandra. It was actually given to Jessica for the work that she did and - - -

THE COMMISSIONER: Why didn't you say that?---Because you, you kept on saying well you haven't paid tax, you haven't paid tax, you haven't paid tax.

20 I kept saying that?---Well it was inferred by Mr Alexis and yourself that no tax had been paid and that no employees had been acknowledged by the, the two companies. So I didn't know what to say.

Why didn't you say the truth?---Because I thought I would get in trouble for this, you know, not having claimed it on my tax, which is, you know, on there on paper that I haven't.

30 I warned you at least twice and at least one occasion at the invitation of your counsel it is very important for you to tell the truth. And the consequences that follow should you not tell the truth to the Commission. Do you remember that?---Yes, sir. And that's what's been going around in my head for the last few days. And that's why I wanted to tell you the truth.

MR ALEXIS: Now can I come to another topic. You recall the other day I asked you some questions about the invoices that your sister had generated for Wish Consulting and I asked you some questions about your knowledge of any contract or arrangement or agreement between your company, Wish Consulting and either of the hospitals, Royal Women's or the Royal North Shore?---Ah hmm.

40 Now, do you wish to tell the Commissioner something about your evidence on that subject?---No, everything I said was correct.

Are you sure about that?---Yes.

All right. Now, in relation to the source of the money that was paid into the Wish Consulting bank account and your evidence that you gave the other day on that subject, do you wish to say something to the Commissioner about that evidence?---What do you mean?

Well, you gave some evidence about being, your invoices being paid and I asked you some questions about where you thought that money was coming from?---Yes.

Well, is there something you wish to say about that?---No, I believe the information I provided to you at that time was correct and is correct.

10 All right. Can I ask you to tell us please what current knowledge you have as to the existence of any contract or agreement between Wish Consulting and either the Royal Women's Hospital or the Royal North Shore Hospital?  
---A contract between myself and the hospitals?

Mmm, what's your knowledge as to whether or not any such contract ever existed?---I don't believe that there was a direct contract but from what I've seen of the evidence I've only seen the vendor form which was filled out.

20 Well, when you tell the Commissioner now that you don't believe there was any direct contract can you explain what you mean by that?---I didn't sign any documents myself that had my company and the hospitals but like I said the vendor form as I've learnt put me onto the hospital database or accounts database for me to be paid as a contractor.

When you saw money coming into the company bank account from the Area Health Services associated with each of the two hospitals - - -?---Yes.

30 - - - what was your understanding as to why it was that moneys were being paid to you from the hospitals rather than a corporate sponsor or a corporate funder, that is to say the type of corporate entities that you were seeking sponsorship funding from?---Can you repeat that question, please?

Well, we know don't we that when one looks at your bank statements one sees deposits coming in from Area Health Services - - -?---Yes.

- - - associated with the Royal Women's Hospital - - -?---Ah hmm.

- - - and the Royal North Shore Hospital?---Ah hmm.

40 Now, we know from what you've told us that you were seeking corporate sponsorship for clinical trials?---Ah hmm, for the extension of clinical trials.

So where did you think the money was coming from that you saw here in your bank account from time to time?---It was my knowledge that Mr Neiron was providing this funding for the trials that were currently being conducted.

All right. So when the money appeared in your bank account from the Area Health Services - - -?---Ah hmm.



- - - how did you connect that to Mr Neiron or any company or companies associated with him?---Well, I don't, I don't have knowledge again, I think I've said this before, of how trusts and funds work in a hospital so my understanding was that he was putting money into those hospitals and that those hospitals were then paying me the money out of those trust accounts or whatever it was.

And you came by that knowledge from your sister Sandra?---Yes.

10 And from - - -?---And, and by, by Mr Neiron himself as well.

So do you adhere to your evidence that you saw Mr Neiron on the occasions that you told us about?---Yes, sir.

Four of which I think was - - -?---Yes.

- - - the number you identified. Now, just in relation to all of the funds that Wish Consulting received and whether you ultimately used that money or whether other people ultimately used that money, is there something you wish to say to the Commissioner on that?---About what?

Well - - -?---Part, part of the funds that went into my account which I had been paid for the work I was doing went towards payments for Jessica's work that she'd been doing for my company and part of those went to myself and the amounts that's written in these two cheques obviously went to St Vincent's.

So out of all the money that was paid by the hospitals to Wish Consulting, how much of that do you say you actually received and used yourself?

30 ---About 40, 40 to \$50,000.

And the balance, how was that used to the best of your knowledge?---The balance sorry?

Well, the balance of all the funds that were paid to Wish Consulting, who ultimately ended up using that?---Like I said, part of that went towards payment for Jessica's employment.

40 And how much of the balance went to Jessica, do you know?---I'm not too sure about the exact amount because I wasn't directly paying her, Sandra was paying her on my behalf.

So do you have any knowledge at all, and I'd ask you to think very carefully about this?---Yes.

Do you have any knowledge at all about how much Sandra paid Jessica out of those monies received by Wish Consulting?---I don't have exact knowledge about that.

All right. Well, apart from money paid to Jessica what else was, what was the balance of the funds used for as best your knowledge?---The remaining after all of that?

Yes?---The best of my knowledge is these two cheques.

10 So are you telling the Commissioner that your sister Sandra didn't use any of the balance of those monies after yourself, the 40,000 you've told us about out of the money, after the money that Jessica received and after monies paid to St Vincent's?---Yes.

What happened to the rest of it?---The rest would be mine.

But you've told us that you only used 40,000 of it?---Yes.

What happened to the rest?---The rest went to Jessica and St Vincent's and that's all.

20 All right. Well, Commissioner, I don't wish to take it any further at this stage but it might be appropriate if I invite Mr Hogan to perhaps raise any matters that he wishes to - - -

THE COMMISSIONER: I think I will adjourn for ten minutes and then Mr Hogan will have the opportunity.

MR ALEXIS: Thank you.

30 SHORT ADJOURNMENT [12.06pm]

THE COMMISSIONER: Mr Hogan.

MR HOGAN: Thank you for that time, sir. Now Ms Lazarus, after you gave evidence in relation to documentation in Exhibit 34, that's the payslips and you gave me instructions and I asked whether you made an application for a bank loan anywhere. Yes?---Yes.

40 And you gave me instructions yesterday and again this morning in relation to that process, obtaining a half a million dollar bank loan with a bank in which you lodged documentation to, to gain that loan. Correct?---I talked about it, yes.

Yes. And did you attach a covering letter from Linda Gomez purporting to be some kind of Human Resources Manager from Complete Medicine as well?---Yes, there was one.

Yes. That was a false document wasn't it? You knew it as being false?

---To my knowledge it was real because I didn't produce it.

Did you give me instructions to the affect that you supplied documents to the bank you knew were false yesterday and today?---I didn't believe that they were false.

No, did you give me those instructions yesterday and today?---I didn't give you those instructions.

10 Have you had conversations with Jessica this morning in depth about evidence that you were going to give today?---No, not in depth.

You've had conversations, did you just have a conversation with Jessica then about what you're going to tell this Commission?---Yes, I did. I was, I told her I was going to tell them the truth.

Are you under any pressure from either of your sisters in relation to the evidence that you are telling to - - -?---Not from my sisters, but from this whole Commission, from ICAC.

20

Have you been approached by counsel for Sandra Lazarus in relation to your evidence?---Never, no.

Did you give me any instructions, yesterday and today did you give me instructions that Sandra Lazarus used the company bank account, that's Wish company bank account - - -?---Yes.

- - - as she saw fit and that you did none of the large cash withdrawals?

30 ---No, she didn't use it as she saw fit with the money. I did give her my bankcard and the pin number to pay Jessica money for the work that she was doing.

Yes, thank you?---And, and the rest of the money I believe she was taking because she needed and I said it was okay, because I did have another job by that time.

And you're aware are you not that you gave me instructions that Sandra Lazarus used the company's bank account as she saw fit, I did none of the large cash transactions, ones like \$49,000. Yes?---Towards the end, yes.

40

Well that's what you told my solicitor and I today and yesterday. Correct? ---I did some of the large transactions as well.

Your evidence is that you had the benefit of about 40,000 I think of - - -40 odd thousand, yes.

- - - the 150 or \$160,000 that you're aware was channelled from the two hospitals into Wish Consulting bank account?---Yes, that's right.

And you stand by your evidence to counsel assisting that you gave Sandra a card, an ATM card and pin number such that she could operate that account. Is that your evidence?---So that she could pay Jessica and so that she could take money that she needed to borrow from me.

So you want to stand by the evidence about Jessica working and not being at uni, getting \$87,000 or something?---She was on holidays from university for part of that time. But she was at uni as well.

10

All right?---And she was doing the work.

THE COMMISSIONER: And do you still, is it still your evidence that the money that Sandra took was a loan by you to her?---The part that wasn't paid to Jessica, yes.

Even though it's not in your, not in the financial statements of Wish Consulting?---It was given to her because she is my sister and she needed it.

20

But you say it's a loan she has, does she have to pay it back?---As far as I was concerned she didn't have to but it would have been nice if she was able to later on in life be able to pay me back. It wasn't a legal document that was drawn up, this is something between sisters and it wasn't (not transcribable) I thought it was fine for me to be able to (not transcribable)

MR HOGAN: And in relation to the, that Jessica is receiving money from the Wish Consulting, do you agree that your instructions to my solicitor and myself, that is the first time you have told us of that?---No, I mentioned that before as well.

30

I think that's as far as I can go.

THE COMMISSIONER: Yes, thank you, Mr Hogan. Does anyone else wish to question Ms Lazarus? Mr Alexis?

MR ALEXIS: Commissioner, I would ask that Ms Michelle Lazarus stand down from the witness box for now. I can indicate that I will be calling her again later in the inquiry, towards the conclusion.

40

THE COMMISSIONER: You may stand down.

**THE WITNESS EXCUSED**

**[12.41pm]**

MR ALEXIS: Commissioner, can I now call Ms Jessica Lazarus, please.

THE COMMISSIONER: Mr Hogan, I take it you wish me to make a Section 38 order?

MR HOGAN: Yes, thank you, sir.

10 THE COMMISSIONER: Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by Ms Jessica Lazarus 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 answer 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 JESSICA LAZARUS 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 ANSWER GIVEN OR DOCUMENT OR THING PRODUCED.**

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

30 MS LAZARUS: Under oath.

THE COMMISSIONER: Swear the lady in, please.

THE COMMISSIONER: Mr Alexis?

MR ALEXIS: Thank you, Commissioner. Please tell us your full name.  
---Jessica Lazarus.

Where do you live?---33 Pangari Crescent, Dharruk.

10

Do you have a current occupation?---Well, I was told to give my key back so I think I've been fired.

Key back from where?---Well, I was working at a clinical research group and when they heard about these proceedings they just said, "Give your key back."

All right. So you're currently unemployed?---I think so.

20

Well, is there any doubt in your mind about that?---I'm not too sure 'cause they didn't give me, like, any information. Like, she just said, "Oh, give the key back and you don't have remote access to your emails any more."

What, you tell the Commission, do you, that you're not sure whether you're employed at the moment or not?---Yes.

Now, should we understand that in May 2010 you graduated from the University of New South Wales with a Bachelor of Medical Science?  
---I stopped going in 2009.

30

Would you listen to my question, please. Should we understand that in May 2010 you were awarded a Bachelor of Medical Science by the University of New South Wales?---Sorry, I don't understand. Is that the date of graduation?

Yes?---Yes.

And you started that undergraduate course, did you, in 2006?---Yes.

40

And you completed that undergraduate course in 2009. Is that right?  
---I stopped studying I think in November 2009.

All right. And the degree was awarded the following year?---Yeah, graduation was in that next year.

And you were a full-time university student between 2006 and 2009?  
---Not all the time.

What should we understand you to mean by not being a fulltime university student?---Well, in the second year like I stretched the two, the second year over two years.

THE COMMISSIONER: I beg your pardon? Would you please speak up it's difficult to hear you?---I stretched the two, the second year over two years so I think it might've been like part-time or something.

10 MR ALEXIS: So you had a bit of time off in the 2007 calendar year did you?---2007 and 2008.

I'll put the question to you again. Are you telling the Commission that you had some time off from university during the 2007 calendar year?---2007. I think so.

All right. And in relation to getting time off in the 2007 year you made written applications to the university for a leave of absence?---No, because I was going through some personal issues and I failed a lot of courses so I ended up taking a few courses in the next semester the next year.

20 Now, in 2007 do you recall undertaking some training in relation to the Medex device?---Yeah.

And can you recall when it was that you undertook that training?---Yeah, I looked at the certificate and it was on August.

And you were trained by Dr Reitzfeld, R-E-I-T-Z-F-E-L-D, is that so? ---Itzhak Reitzfeld.

30 THE COMMISSIONER: I beg your pardon?---Itzhak Reitzfeld.

MR ALEXIS: Thank you. Now, - - -

THE COMMISSIONER: Sorry, is that a name?---Yes.

MR ALEXIS: And you've just referred to that particular doctor's first name and surname?---Yes, his first name's Itzhak and his last name is Reitzfeld.

40 All right. And was that training undertaken at the premises of Medex at Bondi Junction?---I don't know what it was called but it was at Bondi Junction.

Now, during that course did you learn how to use the device on a patient? ---Yeah.

And did you learn how the information from the device was to be conveyed into and stored in a laptop computer?---Yeah.

And did you learn from that course the procedure from the point at which introduction is made to the patient through to the point where you say goodbye to the patient?---Yes.

And so you understood from that course of study what it was that you ought to do at each step of the examination process of a patient using the device, is that so?---Yes.

- 10 Now, did you receive any instruction during that course on how to interpret data from the laptop computer after conducting an examination?---Dr Reitzfeld touched on it on the third day but it wasn't really for me 'cause like they had GPs there and they had to learn it but I didn't have to learn it but I was just there anyway.

And did you learn from the course that the interpretation of information that is obtained when you use the Medex device on a patient was something for a medical practitioner who's trained for the purpose of interpreting that information?---I think so, that's, I think that's what they said.

20

So when you left the course and you received the certificate of attendance - - -?---Actually, sorry, sorry, I think there were (not transcribable) as well.

Thank you for that. But when you finished the course and you received a certificate which is Exhibit 46 in these proceedings, you see the certificate I'm holding up?---Yes.

- 30 That course, we should understand, related to the use of the device not the interpretation of the information, is that so?---No. I told you that the third day was when (not transcribable) interpretation when the nurses were there and the GPs were there (not transcribable) learn how to do it.

Yes, but you didn't learn that did you?---I did but I (not transcribable) because it wasn't really for me.

All right. It was a bit over your head was it?---I sort of didn't, wasn't listening to that part, like I didn't really bother to pay as much attention because I knew I wouldn't be interpreting.

- 40 All right and thank you. Now, in relation to some work that I understand you did at the Royal Hospital for Women - - -?---Ah hmm.

- - - may we take it from the evidence that you've just given that you didn't do any of the interpretation work of information obtained from a patient? ---That's correct.

And were you ever present when a doctor was provided with information from a test for the purpose of interpretation?---I don't think so.



Are you sure about that?---I don't think so.

And do you recall giving evidence before this Commission in July last year?---No, I can't remember that.

Do you recall that when you were asked to give evidence before the Commission in July last year - - -?---Ah hmm.

10 - - - you were asked to take an oath on the bible to tell the truth like you have this morning?---Yes.

And you were sitting in that very chair, weren't you, in July last year giving evidence before the Commissioner?---Yes.

And do you recall being asked who it was that was provided with the data after a patient test?---Oh, yeah, that's Dr Hacker.

20 Dr Hacker. So what can you tell me about Professor Hacker or Dr Hacker and the interpretation of information? Did you see him do that?---I didn't see him do that.

But you gave evidence to the effect that you did see him do it last July, didn't you?---I didn't see him do it, I knew that the information was going to be given to him.

30 So is your position to the Commission today, madam, that at no time you saw Professor Hacker looking at and apparently interpreting information that arose from an examination of a patient using the Medex device?---Well, he wasn't looking at the laptop or anything but I think he was looking at sheets.

And so you saw him looking at sheets, did you?---Yeah, I think so.

Sheets of what, sheets of what?---Like the stuff (not transcribable) but I wasn't really paying attention to what he was doing because it wasn't really my concern.

40 And after the course that you did in August 2007 should we understand that you became involved with Medex Medical Solutions as an exhibitor at the annual scientific convention at Darling Harbour?---Yeah, that's - - -

And that was in about October - - -

THE COMMISSIONER: Please, if you, do you mind leaving the microphone because it's difficult to transcribe when it's so close to you?  
---Okay.

MR ALEXIS: And was that in about October 2007?---Yes.

Can I just show you a plastic badge that has been made available to the Commission and should we understand from that document that you were provided with a badge which identified your name and your role at the convention as an exhibitor with Medex Medical Solutions Pty Limited?  
---Yeah.

10 Now, should we understand that that was a convention either sponsored by or organised for the Royal Australian College of General Practitioners?---I don't know about the organisation of it.

What did you do as an exhibitor at the convention, Ms Lazarus?---I told people about the device and what it done and the future prospects, like it was supposed to be used for detecting diseases at the early stages without the need for like heaps of tests.

20 And who were you telling this information to at the convention?---Just people who were attending, a lot of them were doctors.

Well, most of them would be doctors, wouldn't they? It was a doctors' convention wasn't it?---Well, sure.

30 So you were talking to doctors, were you, about the wonders of this device and how it might assist in detecting cancer?---Well, it wasn't all doctors, like there were heaps of people like (not transcribable) companies and there was also (not transcribable) from there like the companies that were trying to recruit doctors or something and heaps of these people were coming around so it wasn't just doctors.

Now, were you paid as an exhibitor at the convention?---I can't remember now.

Well, do you recall being paid by Medex Medical Solutions or anyone else for your time at the convention?---I can't remember now.

40 Well, did you attend the convention to get some experience in relation to the device and therefore weren't paid?---Yeah, it was experience but I can't remember whether I got paid.

Can I show you a document that has been provided to me by your solicitor, Mr Beasley?---Ah hmm.

And do you see that it is a document which seeks to record your participation at the convention in October 2007, do you see that?---Yeah.

And a quick look down the page indicates, doesn't it, that you weren't paid a cent for your work?---Yeah.

So does that refresh your memory that for the work that you did at the convention you weren't paid anything?---Ah hmm.

Do you agree with that?---I think so.

Yes, thank you. That document can be returned. Now Ms Lazarus, I wish to have shown to you please Exhibit 35?---Ah hmm.

10 And I have a spare copy, Commissioner if you - - -

THE COMMISSIONER: I have it, thank you.

MR ALEXIS: Thank you. Now Ms Lazarus, have you seen this document before today?---Before today, I vaguely remember it.

And you vaguely remember it from when?---When I was working for my sister on some cosmetic development stuff. And I think that's where I saw -  
- -

20

And when you refer to a sister you're referring to Sandra or Michelle? Which one?---Oh, both of them. I was kind of working with them both.

And so is this document something which indicates that you were employed by Wish Consulting - - -?---Ah hmm.

- - - in the area or department of clinical research. Is that so?---Ah hmm. Well that's what it says.

30 Well is what it says in the document true at the time between January, '08 and February, '08?---Yeah, 'cause I (not transcribable) research all the cosmetics and ingredients to put in them and all that stuff.

Now Wish Consulting you knew at that time in early 2008 was your sister Michelle's company?---I believe so.

You knew that she was the director and shareholder of it?---No, not really. I don't pay that much attention.

40 All right. Now do you see that for the period January 11 to February 10, 2008 the document at least indicates that you were paid \$7,250 and after tax about four and a half thousand. Do you see that?---Yep, that's correct.

You weren't paid that money by Wish Consulting were you?---No. I, I think Sandra paid that to me but I know that she was paying like a loan for the house that she organised for us so I said what other deduction do you need to make to pay that loan, like you can make those deductions and just give me whatever.

So are you telling us that this document truthfully records what you were paid or not?---Yeah, I was but then I said you can take, you know, whatever you need to take for the loan, because I knew she was paying a loan for a house that she set up and organised for the two of us.

All right. Now do you see that this document records you having an annual salary of \$87,000?---Ah hmm.

- 10 Now you know don't you that you were never employed by that company on a salary of that size or in fact any salary don't you?---Sorry, can you say that again?---You know that in January, 2008 you were not employed by Wish Consulting on a salary of 87,000 or any other salary don't you?---Like I do know that I was getting paid.

All right. When did you commence work with Wish Consulting and commence earning a salary of \$87,000 a year?---I think I was working (not transcribable) start and finish, I think it's November and we'll get it back in March or something.

20

All right. So if we were to look at your tax return for the 2008 year - - -? ---Ah hmm.

- - - would we find any reference to being paid \$4,500 after tax from Wish Consulting?---I'm not too sure. I didn't do my tax.

- 30 You know don't you that when one looks at your tax return for that year there's not a word of reference to Wish Consulting or the receipt of any salary or wage from that company don't you?---No, I'm not sure 'cause I didn't do my tax at all.

Is that a truthful answer, Ms Lazarus?---Absolutely. I don't know anything about anything to do with tax.

Now what I want to suggest to you, pardon me, is that what we see on this payslip completely misrepresents the true position as at January, 2008 in so far as your employment with Wish Consulting on a salary of \$87,000. What do you say to that?---Can you please say that again? I didn't understand.

- 40 The document that falsely represents you as an employee of this company on a salary of \$87,000 in January, 2008?--- (not transcribable) false when I was getting paid for, like, all the work I was doing.

So is your evidence to this Commission that what we see on this document truly represents the receipt of income by you from Wish Consulting up to and including January and February 2008. Is that your position?---As far as I know, like, this is correct (not transcribable) details.

THE COMMISSIONER: Mr Alexis, is this a convenient- - -

MR ALEXIS: Could I just touch on one aspect, please. I want to show you some evidence that's been given in this inquiry, Ms Lazarus. And could we have it up on the screen, please. Page 580 of the transcript. Now, Ms Lazarus, you can accept from me that what I'm showing you is some- - -?  
---Ah hmm.

10 - - -evidence that your sister, Michelle, gave this inquiry at page 580?  
---Okay.

And do you see the numbers down the side, and if we could scroll up to line 10. And do you see my name just next to number 10?---Mr Alexis?

Yes. Now, can you just follow this through with me?---Yep.

Can you see that I'm showing your sister, Michelle, the document that I've just shown you, which is Exhibit 35?---Okay.

20 And do you see I put this question: "Wish Consulting is the company of which you have been the sole director and shareholder established. Is that so?" Answer, "Yes." Do you see that?---Yes.

And then you see the next question: "And at no time did your company employ your younger sister, Jessica, either in clinical research or in any other capacity, did it?" Do you see that question?---Yes.

30 And do you see the reference to clinical research on Exhibit 35, two lines below your name?---Yes.

And you can see that that's what the question was directing attention to?  
---Yes.

And do you see your sister's answer, "No?"---Yes.

40 And, and can I ask you to look at the next question. "Now, this document therefore may I suggest falsely represents your younger sister as an employee of the company in clinical research earning a salary of 87 thousand. Is that so?" Do you see her answer, "Yes?"---Yes.

So your sister, Michelle, has accepted from me that this document, Exhibit 35, which we've just been- - -?---Yes.

- - -dealing with, falsely represents your employment situation with that company. Now, I draw attention to her evidence on this subject. Does that cause you to reconsider the evidence that you've given me about this document?---No, because I really was working for Wish Consulting and I was getting paid.

So you adhere to the evidence that you've given that this document accurately reflects your employment relationship with Wish Consulting, despite the fact the director of that company and its sole shareholder has agreed with the proposition that it falsely represents that position?---Well, that was my understand, like, I knew I was getting paid for the work that I was doing and at the time, like, I didn't even know what company it was, like, even, even the details of this slip.

10 Yes, that's a convenient time, Commissioner.

THE COMMISSIONER: We'll adjourn till 2.00pm.

**LUNCHEON ADJOURNMENT**

**[1.05PM]**