

SIRENPUB00099DOC  
07/09/2010

SIREN  
pp 00099-000163

PUBLIC  
HEARING

COPYRIGHT

INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE DAVID IPP AO QC

PUBLIC HEARING

OPERATION SIREN

Reference: Operation E09/1228

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON TUESDAY 7 SEPTEMBER 2010

AT 10.10AM

Any person who publishes any part of this transcript in any way and to any person contrary to a Commission direction against publication commits an offence against section 112(2) of the Independent Commission Against Corruption Act 1988.

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

THE COMMISSIONER: Yes. There are announcements of representation first, Mr Payne.

MR McILWAINE: Commissioner, my name is McIlwaine.

THE COMMISSIONER: Yes, Mr McIlwaine.

MR McILWAINE: I have a number of appearances I'd seek to mention.

10 THE COMMISSIONER: Yes.

MR McILWAINE: One is for Mr Edward Harvey who's in the next bracket, I previously had authority for Mr Harvey and if I would be able to continue.

THE COMMISSIONER: Yes.

MR McILWAINE: In regard to this bracket, Commissioner, I act for Mr Khare Aoun.

20

THE COMMISSIONER: Yes.

MR McILWAINE: If you recall (not transcribable) for Ms Odelia Potts who is Mr Aoun's wife.

THE COMMISSIONER: Yes.

MR McILWAINE: Mr William O'Donnell.

30 THE COMMISSIONER: Yes.

MR McILWAINE: And Mr Cyril Cryan.

THE COMMISSIONER: Mr?

MR McILWAINE: Mr Cyril Cryan, C-R-Y-A-N who is - - -

THE COMMISSIONER: Yes, I know.

40 MR McILWAINE: In relation to cross-examination, Commissioner, I don't propose to ask any questions of Mr Buckley other than for Mr Aoun and whether I have questions will depend on what falls from (not transcribable).

THE COMMISSIONER: I understand.

MR McILWAINE: He may well cover the matters I would want to cover.

THE COMMISSIONER: Thank you, Mr McIlwaine, you have leave. Is there anyone else?

MR LEWIS: Yes, Commissioner, I seek your authorisation to represent Khaled Mahmoud.

THE COMMISSIONER: Yes, Mr Lewis, I beg your pardon? I'm sorry, Mr Lewis, I can't hear you, I'm sorry.

10 MR LEWIS: I seek your authorisation, Commissioner, to represent Khaled Mahmoud.

THE COMMISSIONER: Yes.

MR LEWIS: He was mentioned yesterday in evidence. I don't know if he's an affected person at this stage, Commissioner, can it be indicated?

MR PAYNE: Yes, he's a constructor who has - - -

20 THE COMMISSIONER: Yes, he is an affected person.

MR LEWIS: Yes, thank you, Commissioner.

THE COMMISSIONER: You have leave, Mr Lewis.

MR GORCZYCA: Commissioner, I seek leave to appear for Mr Gerry Ryan. My name is Mr Gorczyca, G-O-R-C-Z-Y-C-A.

30 THE COMMISSIONER: Yes, Mr Gorczyca, you have leave.

MR GORCZYCA: In relation to Mr Buckley I will have no questions.

THE COMMISSIONER: Yes, thank you. Is that all? Yes, Mr Payne.

MR PAYNE: Thank you, Commissioner.

MR PAYNE: Mr Buckley, I want to ask you some questions about Mr Khare Aoun, A-O-U-N, who has the company Aoun Constructions Pty Limited, an authorised constructor of Sydney Water?---Yes.

You know Mr Aoun?---Yes.

10 You've accepted cash payments from Mr Aoun over some period?---A long time ago, yes.

Well, when do you remember receiving cash payments from Mr Aoun?---A couple of years ago or more, I'm not sure.

So you're talking about 2007 or 2008?---Possibly, I'm not sure.

20 And what jobs do you remember receiving cash payments from Mr Aoun in relation to?---I think there was one at Burwood somewhere, I'm not too sure.

All right. Well, we'll come to it. How much money do you recall Mr Aoun paid you?---I think it could have been a couple of hundred dollars.

And what were the circumstances in which he paid you that money?---I can't recall.

30 I see. All right. Well, I'll ask you about some specific matters. I suggest to you that you first met Mr Aoun in person in about 2005, do you agree?---I honestly can't recall. I met him a long time ago when he used to work with his brother I think.

Who was also an authorised constructor?---I think so, yeah.

And who has left the industry?---I think so.

And you're aware that he left the industry amongst other things because he no longer wished to pay you money?---No, I didn't know that.

40 In relation to Mr Khare Aoun, after you met him in 2005 you were the inspector and he was the authorised constructor in relation to a large residential sewer connection at 20 Nicholas Avenue, Concord. Do you remember that?---Yes.

That job took place in 2006. In relation to that job were you paid money by Mr Aoun?---I believe so.

And the circumstance of that weren't they that you attended the first inspection on about 1 September, 2006 and you issued a CAR to Mr Aoun, didn't you?---I did issue a corrective action on the job, yes.

And then, having done that, you returned about a week later, on 9 September and you had a conversation to this effect with Mr Aoun. You said, Sydney Water is cracking down on everyone and no more Mr Nice Guy?---I can't recall.

10 You could have said it?---I, honestly I can't recall.

Mr Aoun said to you, Okay. And you replied, Give me \$500 and this will finish the job. That happened, didn't it?---No, no, I've never done that.

Well, you agree that you accepted money from Mr Aoun in, in relation to this job?---I believe I did. I'm not a hundred per cent sure, I believe I did.

Well, what conversation do you remember about receiving that money from Mr Aoun in relation to this job?---I can't remember much about the money.  
20 I can remember a bit about the job where I think he'd gone overseas or something and left his blokes there to finish it all or something and I went back to inspect the job and they'd constructed the manhole over the wrong line and they had to remove the manhole and rebuild a new one.

I suggest to you that that was after this occasion, that was in early 2007, the job dragged on for quite a time after you'd issued the CAR. Do you agree?--It was a while but I can't remember how long.

And I put it squarely to you that on 9 September, 2006, you said to Mr  
30 Aoun, "Give me \$500 and this will finish the job." And Mr Aoun paid you that money?---I cannot recall that. I don't think I said that, no.

But you did receive money from him?---I did receive a couple of hundred I believe.

And it's likely isn't it that it happened on that occasion, 9 September, 2006?---I honestly don't know. I can't remember.

Do you deny it?---I, I - - -  
40

THE COMMISSIONER: He just can't remember, he can't remember, Mr -  
- -

MR PAYNE: Commissioner, please. As you were just saying to the Commission a moment ago, I suggest to you that after you received money, nevertheless there were further Corrective Action Request issued in relation to the job at Concord?---There could've been.

And that had the effect that the job was dragged out until August, 2007. Do you agree?---It could've been, but I had no control over that. All the constructor had to do was rectify the defects and, and the job gets passed.

We discussed yesterday Corrective Action Requests and their affect on a constructor?---Yes.

10 And we discussed in particular the damaging financial affects of a constructor, upon a constructor of the issue of a CAR. You agree with me that that can have damaging financial consequences for the constructor?---It could if he doesn't comply to the Corrective Action, yes.

And the other way that it can damage a constructor, and I suggest to you is that it damages the reputation of that constructor with Sydney Water who after all accredit the constructor. Do you agree?---It could, yes.

20 And so that if you issue a number of Corrective Action Requests as you did in relation to Mr Aoun, in relation to this job, there are two effects. One is the financial affect up on him and the second is his reputation within Sydney Water is damaged as a result. Do you agree?---It could be, yes.

THE COMMISSIONER: And it could also be, his reputation with the main contractor could also damaged could it not?---It could be, yes.

And he may find it difficult to get work from that main contractor again?---I was trying to do my job. I'm supposed to issue Corrective Actions if the repeated things keep coming up.

30 MR PAYNE: You were accepting cash payments from Mr Aoun at the same time, Mr Buckley. How do you explain that?---I did on one occasion, I believe out there, yes. But I just, if the faults kept coming up and they didn't get fixed the way, I had to explain why I kept going back to the job, so I had to issue a Corrective Action.

I suggest to you that what was going on here is that you were grooming Mr Aoun to make him believe that he had to pay you money or a Corrective Action Report would be issued?---No, I was not. I did not intentionally, I did not groom anybody.

40 Can I ask you then about the next job you worked with Mr Aoun on relating to Avanti Constructions, Merton Street, Silverwater in September, 2006. Do you remember that job?---Vaguely.

And I suggest to you that you said to Mr Aoun at the first inspection at that site, "I want \$300 for this job. That is getting out of it cheaply as the pipe is flat." Do you agree?---No.

He did pay you money in relation to this job though didn't he?---I think so, yes.

And he did so and you didn't issue a CAR on this job did you?---No, because the job was all right.

Well, Mr Buckley, I suggest to you that you reflect carefully on that answer?---As far as I can remember, unless I see paperwork I honestly can't recall.

10

Well, you agree with me that you accepted money from him in relation to this job do you?---Yes.

And you agree with me that you said to him prior to accepting the money, "I want \$300 for this job. That's getting out of it cheaply as the pipe is flat." Now you said that didn't you?---I don't, I don't recall. I don't believe I said that. I cannot recall.

20

Well, the fact is you didn't issue a CAR on this job. Correct?---I cannot remember. I don't think I did.

And I suggest to you the reason for that was that you did not seek to impose an unfavourable CAR on Mr Aoun because you had sought and been paid \$300. That's right isn't it?---I cannot, I don't remember, I can't recall that.

Well, it's likely isn't it?---I don't, I have not, I don't think so, no.

30

Can I then ask you about a development at 56-58 Powell Street, Homebush when Mr Aoun was the authorised constructor and you were the inspector? ---Yes.

You remember that job?---Yes.

And it took place throughout 2008?---Possibly.

Well, I'll show you a document which might orient you. You recognise that document as a Sewer Project Validation Certificate in relation to the 56-58 Powell Street, Homebush job?---That's correct.

40

And it's your signature in the centre of section 2?---Yes.

I tender that document, Commissioner.

THE COMMISSIONER: Exhibit C27 is a Sewer Project Validation Certificate for 56-58 Powell Street, Homebush/

**#EXHIBIT C27 - SEWER PROJECT VALIDATION CERTIFICATE  
FOR POWELL ST, HOMEBUSH**

MR PAYNE: And in relation to this job you've signed, you've approved a temporary diversion in October 2008. Correct?---Correct, yes.

I suggest to you that in relation to this job you accepted a cash payment from Mr Aoun. Do you agree?---No.

10

You're quite sure about that?---Yes.

How can you be so sure?---I'm sure, I remember that job - - -

THE COMMISSIONER: Did you say I'm not sure?---No, I'm sure I did not for that job, no.

MR PAYNE: And - - -

20

THE COMMISSIONER: How can you be so sure?---'Cause I remember the job fairly well because it was a stuffed up job where when I got there there was a bodgey bypass line been put in, the sewer had been pulled out.

MR PAYNE: And that assists you to recollect that you didn't receive any money for this job does it?---That's correct, yes.

I suggest to you that to the contrary in about July 2009 you were paid \$500 in cash by Mr Aoun. Do you agree?---For that job, no.

30

And I suggest to you that after that time you nevertheless raised CARs and Mr Aoun came and spoke to you and said, John, I've already paid you for this job. And you said, Whoa, whoa, whoa, we will talk later, Sydney Water is cracking down, it's not me. Do you agree?---No, I didn't say that.

This is about the time that you became aware of the complaint in relation to the job we discussed yesterday at Revesby in August 2009, I'm asking you about that period?---No, I didn't say that, no.

40

Do you deny that you had a conversation with Mr Aoun in which you said, Whoa, whoa, whoa, we will talk later, Sydney Water is cracking down, it's not me?---I can't remember saying, I don't think I did say anything like that, no.

I suggest to you that after having been paid \$500 in relation to this job you nevertheless issued three CAR notices on 16 September, 2009?---I remember issuing Corrective Actions, I don't remember the dates but I don't, did not receive money, no.

Well, I suggest to you that those Corrective Actions you issued in September were because of what you've identified as a problem within Sydney Water cracking down?---That was for the work that was done there. I can't remember what was on the Corrective Actions. It was for the work that was done there.

10 After this time you had issued a number of CARs to Mr Aoun's company Aoun Constructions. Were you involved in any way with any discussion within Sydney Water about Mr Aoun's continued suitability to be an accredited constructor?---Not that I can think, no.

You accept though don't you that one of the matters as you understand it that Sydney Water takes into account in deciding whether or not somebody should remain an accredited constructor is how many CARs have been issued in relation to them?---I don't know because I don't know of any constructors that have been taken off the list.

You don't know any have been taken off?---I don't know of any.

20 So if it was the case that any move was underway to remove Mr Aoun and Aoun Constructions from the list you say that would be the first ever in the history of Sydney Water do you?---I don't know, I said I don't know of any myself.

Is it likely if a constructor were removed from the list that that's something that would come to your attention in the course of your day to day duties? ---I think so.

30 Because you deal with these people all day everyday don't you and it's a reasonably small industry where people gossip and everyone knows everyone else's business?---Yes, but I can't, I cannot recall anybody off the list.

I accept that, Mr Buckley. What I'm suggesting to you is if there had been an authorised constructor removed by Sydney Water that would've got around like wildfire and you would've known about it?---I think so, yes.

And it never happened?---No, not that I can recall.

40 Excuse me one second. Mr Buckley, you participated in a compulsory examination with the Commission in April this year?---Yes.

I'm going to show you a document. Take you to a few things in that. Do you recognise that as a transcript of your compulsory examination before the Commission?---I think so.

Yes, I tender that document, Commissioner, please.

THE COMMISSIONER: Yes. This is an extract is it? Is it the entire transcript or an extract?

MR PAYNE: This is the entire transcript of Mr Buckley, I'm tendering just that part.

THE COMMISSIONER: The transcript of proceedings of Mr Buckley's evidence at the compulsory examination on 28 April, 2010 is Exhibit P28.

10

**#EXHIBIT P28 - TRANSCRIPT OF MR BUCKLEY'S EVIDENCE  
GIVEN IN COMPULSORY EXAMINATION ON 28 APRIL 2010**

MR PAYNE: Can I clear up just a few things with you about that, Mr Buckley. Can you turn to page 14? The page numbers are on the bottom right-hand corner?---Yes.

It says 14PT, do you see that?---Yes.

20

You were asked this question by council then assisting the Commission and the line numbers are on the left just to orient you so 10, 20, 30 down the page?---Yes.

So at about line 18 you say, "By who?" "Just the odd constructor now and then." "What are their names?" You say, "There have been different ones over the year." Line 20. "Who was the last one who gave you money?" "I recall his name, it was a chap called Cyril Cryan I think." You see that? ---Yes.

30

That answer was correct and you say you gave him, he gave you \$100. That's at line 30. Just so we're completely clear about it can I show you this document? Do you recognise your signature on a Sewer Main Construction Audit Report?---Yes, that's correct.

Mr Cryan's company is Corman Pty Limited, they are the authorised constructors on that job?---yes.

Dated 19 April, 2010?---Think so, yeah.

40

And the payment you received from Mr Cryan was received at about that time in 2010?---I think so.

And that payment was made to you to procure an outcome that there would be no problems with the job. Correct?---I don't think so. I just thought it was, I just thought it was a gift he'd given me, that was all.

What were the circumstances in which he gave it to you?---I think he said check on his paperwork and the CAR I think was in there on the seat.

And the money was there left once he had checked with the paperwork?  
---Yes.

10 And in terms of checking with the paperwork it was clear to you wasn't it that he was saying here is some money, Mr Buckley, so that you will pass my paperwork. I don't want any problems with this job?---No, I checked his paperwork, said it was all right and the job was O.K.

Had he not paid there was a risk that you might've found a problem with the paperwork wasn't there?---No, because I found he's a very good constructor. His paperwork has always been good. His work's always been good.

And has he paid you money before?---On the odd occasion (not transcribable)

20 And were the circumstances much the same, that it was he'd pay you whilst you were checking his paperwork?---I can't recall. It's been a long time since I've seen him.

Well, this is April, 2010 and you said that you were paid some, some weeks. If you look down to line 32, I turned up at the job. When was that? A week or two ago. So we're talking about April this year?---Yes.

30 Well you have seen him this year haven't you? It's not a long time ago?  
---No, I said, previous to that I can't recall how long ago I've seen him, since I seen him.

I see. So he paid you money in the past but you can't remember the circumstances?---No. No.

Commissioner, I'm totally sorry, I'm not sure if I tendered, tendered the sewer main - - -

THE COMMISSIONER: No.

40 MR PAYNE: Well, if I haven't I do.

THE COMMISSIONER: The sewer main construction audit report for 415 Maxwell Street, South Granville is Exhibit P29.

**#EXHIBIT P29 - SEWER MAIN CONSTRUCTION AUDIT REPORT  
FOR PROPERTY AT BLAXCELL ST, SOUTH GRANVILLE**

MR PAYNE: I want to ask you about another matter in this, in this transcript, if I could. You remember we discussed yesterday the subject of when it is you found out about the complaint made about you within Sydney Water?---Yes.

And you remember that I put to you that you knew some weeks immediately after, so that's in August, 2009, you knew that a complaint had been made about the bribe you'd solicited from Mr Joseph Nasrallah?

10

MRLEE: Well, I object, Commissioner. I think Mr Buckley's evidence yesterday that he recalled a complaint being made, but didn't know that it was in relation to a bribe being offered or accepted.

THE COMMISSIONER: Yes, I can't recall the exact evidence at the moment. Perhaps you can rephrase that.

MR PAYNE: Yes. Yes. Just so that there's no misunderstanding, Mr Buckley. What I, what I put to you was that on 24 August, 2009 at a final inspection for the site at 42 Sherwood Street, Revesby, you said to Mr Yousef Nasrallah words to the effect, "Keep away from me. You've accused me of taking bribes. I know it was you that complained about me to Sydney Water." Now you said that didn't you?---I think so, yes.

20

Yes. So it's clear that you knew on 24 August, 2009 that a complaint had been made about you taking bribes. Do you agree?---Yes.

Can we go back to the confidential examination and can you please look at the bottom of page 24?---Yes.

30

You'll see there at the bottom of the page at about line 44 Ms Colquhoun asks you, You said you were made aware of allegations by a Danny from Sydney Water. Do you see that?---Yes.

And if you see up above that what you were suggesting was the first time you became aware of bribery allegations against you was when you were told by Mr Gantuse in Christmas, 2009. Do you see that?---Yes.

I want to suggest to you that that was untrue and that you knew back in August, you just agreed with me that a complaint about bribery had been made to you?---I, I didn't know a complaint had been made about bribery. I've said that before. Someone, a water servicing coordinator or someone said, "Have you heard there was a complaint or something been lodged?" I think that's when I, when I first heard it. And then later on the year I think Danny mentioned something about a complaint. I'm not sure. But nobody mentioned anything about bribery, that I can recall.

40

Mr Buckley, do you remember I asked you a question not five minutes ago when I read to you what Mr Yousef Nasrallah records you had said to him and you agreed with me that he had said it and you knew about the bribery allegation at that time, do you remember that?---I didn't know about the bribery, I get confused, you confused me a bit. All I knew early on and later on they said that a complaint had been. I didn't know about bribery.

Well, do you know a Mr Joel Edwards?---I can't - - -

10 A Sydney Water accredited water coordinator?---I, I, I think I met him once, yes.

And I suggest to you on 25 August, 2009 you were with him and Mr Nasrallah on the site at 40-42 Sherwood Street, Revesby. Do you recall that?---I could have been.

And I suggest to you that on that day you took Mr Joel Edwards aside and said to him these words, Bob is treading on thin ice and he, the things he was saying were bordering on slander. Now, the Bob you were talking, you  
20 remember saying that, don't you?---I don't, no, I don't recall it.

Well, I suggest to you you did say it?---I don't recall, sorry, I honestly don't recall it.

Mr Pascoe was known as Bob, correct?---Yes.

I suggest to you in August 2009 you thought that what he was saying about you was bordering on slander?---I can't, I cannot honestly recall saying anything like that, I don't know. I could have. I can't recall.  
30

Sitting here now do you tell the Commission that the first time you were told of a bribery allegation was by a Mr Danny Gantuse some months later in Christmas 2009 or could that evidence be quite wrong?---He never told me about bribery, he said an allegation had been made.

Mr Gantuse never told you about bribery?---Not that I can recall.

I see?---All I, all I can recall is something about taking money or something but I can't remember bribery being mentioned.  
40

And you adhere to the evidence that he invited you to his home for him to tell you that, do you?---Yes.

Well, Mr Buckley, I regret I have to suggest to you that that evidence is untrue?---What's, what's that, sorry?

I suggest to you that you knew in August 2009 and you said to Mr Nasrallah words to the effect that, Keep away from me. I know that you have accused

me of bribery?---I honestly cannot recall saying bribery. I don't remember anybody mentioning bribery then.

Yes. Can I ask you about some cash statements. Can you have a look at this document please. Mr Buckley, this is an extract from your bank account. Do you recognise it as such?---Yes.

And you were paid into this bank account your Sydney Water salary?  
---That's correct.

10

And living expenses would come out?---Yes.

In the period in 2007 to 2009 did you come into any large cash inheritances or payments other than those you received from constructors?---I don't recall.

Well, can we flip over in that document to the second last page. This is a page from your bank account with a post it description. Do you see 14 November, 2007 which is highlighted in yellow?---Yes.

20

A cash deposit of \$2,000?---Yes.

Can you explain the source that cash deposit?---No, I can't.

It's likely, isn't it, Mr Buckley, that that was the proceeds of cash you'd been paid by constructors, isn't it?---I don't know, I don't, I can't recall.

Can you suggest any other source for a cash deposit of that size to your account in November 2007?---I don't know, no.

30

So you can't, you can't think of anything that it could be at all?---No.

To be fair to you I'm suggesting to you that you've, the evidence that you've given you were accepting cash payments regularly from constructors right through this period, I suggest to you that this is an accumulation of some such payments, you paid it into your account, do you agree?---I, I don't know.

Well, do you agree it's likely that you didn't have a source that would amount to cash of \$2,000 in November 2007 except the money that you'd been paid by accredited constructors of Sydney Water?---I, I cannot recall. I don't know whether it was, somebody gave us some money, I don't know.

40

Well, other than these constructors giving you cash do you remember anybody else giving you cash in 2007?---No, I can't recall.

Well, look over the page. 5 June, 2009, there's another cash deposit, do you see that highlighted in yellow for \$3,000?--- Yes, yes.

Other than these constructors who were paying you cash throughout 2009 is there any other source of \$3,000 in cash that you can identify?---I, I, I don't know. I don't know whether money was given to us or not, I cannot recall.

You see, Mr Buckley, it's the case isn't it that you were being paid cash on a very regular basis by authorised constructors of Sydney Water right through this period, we've been through this, you agree with that, don't you?---Yes, I did accept money, yes.

10

And isn't it the overwhelming likelihood that these cash deposits that you're making to this account are the source of them is payments made by constructors?---Some of it could have been but I don't know.

Well, surely you remember making a cash deposit in June 2009, you would remember if you had inherited \$3,000 for example?---I don't, I honestly don't know.

20 If you had gambling winnings of \$3,000 you'd remember that, surely?---I had a couple of small wins but I honestly, I can't say.

Look back in the document then to the third last page and it's the 2006 year that I'm asking you about here, 22 June cash deposit of \$2,000. Do you see that?---Yes.

And you can see it's 30 June, 2006 if you look at the date in the middle at the top. It says date 30 June, '06?---Yeah, yeah.

30 It's the statement as at that date. Can you identify for the Commission any source of a cash deposit made on 22 June, 2006 other than these cash payments being made to you by constructors during this period?---On the 22<sup>nd</sup> you said?

Yes?---No, that's the only one there.

I'm sorry?---You said 22 June, there's only one there.

Yeah, of \$2,000, do you see that?---Yes.

40 I'm suggesting to you that the source of that deposit were cash payments made to you by constructors. Do you agree?---I don't know, I can't recall.

Is it likely that that was the source of the payment?---I, I don't know. It could be but I don't know.

Well, you certainly can't suggest any other possible source of cash in that sum, in that year other than payments by constructors, can you?---Not at this time unless my wife received money, I don't know.

And then go back to the second page from the front, we're going back in time, this is as at 31 August, 2005 and you get that from the top of the page there?---Yes.

A cash deposit of \$2,000 on 4 August, 2005?---Yes.

10 I suggest to you again that the source of funds to make that cash deposit to your account was moneys paid to you by constructors, do you agree?---I, I cannot recall.

And again can you think of any source for that cash payment other than money you accept you were being paid by constructors during that year?---I, I don't know what it is.

Yes, I tender that statement, Commissioner, please.

20 THE COMMISSIONER: Bundle of bank statements of Mr Buckley commencing 1 August, 2005 is Exhibit P31. Sorry, P30.

**#EXHIBIT P30 - BUNDLE OF BANK STATEMENTS OF MR BUCKLEY COMMENCING 31 AUGUST 2005**

30 MR PAYNE: Mr Buckley, a final matter I want to address with you is the culture within Sydney Water which we've discussed in part yesterday but I'd like to understand your position. I think the told the Commissioner that you never had any training in relation to the Code of Conduct of Sydney Water?---I can't recall any actual, we had some, some sort of stuff but I can't remember what it was.

You knew, however, that Sydney Water's relevant policies forbade you to accept cash payments from constructors?---Yes.

You knew that throughout?---Yes.

40 And I think you told the Commissioner yesterday that it's likely you accepted cash payments from constructors from the time you started at Sydney Water in the inspector role?---Yes.

I want to ask you were there ever any discussions about the culture of the construction industry in gifts or payments that might be available for inspectors that you ever had?

Not that I can recall.

You never had a discussion with anyone in Sydney Water about constructors and their proclivities whether they were likely to make gifts or cash payments?---Not, not that I can recall, no.

Do you ever meet other inspectors, a Mr Funovski?---Someone said he came to our depot once but I didn't meet him as a, he was an acting supervisor I think, I'm not sure.

10 Someone said he came, when did you have that discussion?---The other week, I think it was, my last day at work when they said that three people had been named and they mentioned him and another chap.

I see. Who did you have this discussion with?---I can't remember now.

And what were you told about Mr Funovski by this other Sydney Water employee?---They said, all they said they'd read it in a paper, Sydney, public notices of the newspaper, Telegraph.

20 What about Mr Kane, have you ever met Mr Kane?---Yes.

You had dealings with him over some years?---I worked with him a long, long time ago.

Did you discuss what one should do as a Sydney Water inspector with Mr Kane?---No. No.

Never had any discussion whatever with him about that?---No.

30 Did you ever discuss payments which had been made to you?---No.

Did you ever discuss what it is he should say or you should say if these payments you'd been receiving were ever uncovered?---No.

I suggest to you, Mr Buckley, that the culture that you engendered at least in the Inner West area where you were working with inspections was that you let it be known to constructors that for cash payments you could cut corners or not insist on the strict letter of Sydney Water's policies. Do you agree? ---I didn't set out to do that, no.

40 But that's certainly the effect of, as your career developed that's certainly the effect of the reputation you developed. Do you agree?---It appears so, yes.

And certainly you did accept cash payments from constructors on many, many occasions to cut corners?---(not transcribable).

And with new constructors in your area I want to suggest to you that you were particularly strict in the application of Sydney Water policies until they

understood that what they had to do was to pay you money?---I believe I treated them all the same.

To your knowledge, Mr Buckley, who within Sydney Water has responsibility for monitoring or policing corruption issues including the payment of money by constructors to inspectors?---I don't know. I think an internal audit team or somebody.

10 Have you in the entire time you've worked with Sydney Water when was the first occasion that you had any dealings with Internal Audit?---I don't think I have.

To this day you haven't had any dealings with the Internal Audit team?---I don't think so.

Have you ever met anyone from Internal Audit?---Not that I can recall.

20 To your knowledge is there anyone else within Sydney Water who has any responsibility for corruption issues?---Not that I can think of.

So as far as you know in your chain of command in the maintenance department is there anybody whose job it is to look out for corruption issues?---Not that I can think of, no.

Did you ever have a discussion with anybody within Sydney Water about corruption issues including the payment of cash by constructors to inspectors?---Not that I can remember.

30 Not even any idle gossip with another Sydney Water officer?---Can't think, no.

Was the subject of cash payments from constructors to inspectors ever raised by you, with you by anyone in authority within Sydney Water?---Not that I recall.

40 Excuse one moment, Commissioner. The Urban Growth Department we discussed yesterday the department within Sydney Water ultimately responsible for issuing the section 73 certificate which is the source if I can put it that way of your power to conduct inspections and require rectifications. Do you agree?---I don't have the power over the section 73 certificates, they can issue them whenever, as far as I know, I believe they have issued them while CARs have still been outstanding.

I see. What interactions have you had with the Urban Growth Department about your role as an inspector? Do they have any supervisory functions over you?---I don't believe so.

Do they, have you had occasion to discuss your role as an inspector with anybody from Urban Growth?---I don't think so, not as such.

So they've never told you how to go about performing your role?---No.

And you've never reported to them about what it is that you're doing?---No.

10 Did you report to anybody about what you were doing, Mr Buckley?---Only by way of the E-development process by the paperwork went through the system.

So the electronic documents that we've seen in what you call the e-Developer process by the paperwork went through the system.

So the electronic documents that we've seen in what you call the e-Developer system that's the internal Sydney Water lodgement process in relation to sewerage developments?---Yeah.

20 Other than that do you ever discuss with your field supervisor what it is that you were doing all day everyday?---Not that I can recall, no.

Not in the entire time you were at Sydney Water?---Not that I recall.

So, so, so at least so far as you're concerned the title Field Supervisor is a mis-description, they didn't supervise you about anything?---I'm not sure, I suppose it is, yes.

Commissioner, they're the questions I have for Mr Buckley.

30 THE COMMISSIONER: Yes, thank you. Can I just have an indication as to who other than Mr Stevenson wishes to cross-examine Mr Buckley? Mr McIlwaine?

MR McILWAINE: I have some short questions (not transcribable).

THE COMMISSIONER: Please proceed. Proceed.

40 MR McILWAINE: Thank you. Mr Buckley, I represent the interests of Mr Khare Aoun. You were asked this morning about Mr Aoun?---Yes.

And I think your response when asked whether you'd ever received any money from him your initial response was "On one occasion." Do you remember saying that this morning?---I can't, I could've said it. A couple of occasions I have received money from, yes.

Sorry?---A couple, a few times I have, a long time ago, yes.

Right. Whether one or a couple of occasions you were immediately able to tell the Commissioner that there was at least one occasion on which you'd accepted money from Mr Aoun. Correct?---Yes.

And you remember that. Correct?---Yes. I'm pretty sure it was.

10 All right. Now I want to put to you, Mr Buckley, that what you were doing in regard to Mr Aoun was not assisting them but in fact extorting money from them for your benefit. That's the situation isn't it?---No, that's not true.

You see, at the private hearing at page 14 you were asked about, you were asked this question, O.K. , in what circumstances have you been given money?

THE COMMISSIONER: I think Mr Buckley should just have that in front of him and he can look at the question. Do you have that document?

20 MR McILWAINE: The transcript of your private hearing, I think it was shown to you earlier this morning. If you turn to page 14.

MR PAYNE: It's Exhibit P28, I think, Commissioner.

MR McILWAINE: P28.

THE COMMISSIONER: Yes.

30 MR McILWAINE: And about line 16. I'll read to you what's there. O.K. In what circumstances have you been given money? Just as a good will gesture?---What, sorry, what page is it on?

Sorry?

THE COMMISSIONER: Page 14.

MR McILWAINE: Page 14.

40 THE COMMISSIONER: You see the 14 on the bottom right hand side, Mr Buckley?---Yes.

Line 16, you're being asked about. You've been asked about this before?---Thank you.

MR McILWAINE: O.K. In what circumstances have you been given monies? Just as a goodwill gesture, I think for turning up and helping them out sometimes?---Yes.

You were saying that in the compulsory examination?---Yes.

That was not true was it?---Yes, it was. At times it was.

Sorry?---Yes, it was at times, yes.

At times, but not at all times was it?---They started giving me money, I didn't ask for it to start, I didn't ask for it, they just gave me the money. I used to turn up to try and help them out when things went wrong.

10 Mr Buckley, there may have been some contractors who simply gave you money for whatever reason, but there were other contractors, including Mr Aoun who you demanded money from or you would make trouble on their jobs. That's true isn't it?---That is not true. I did not demand money of Mr Aoun.

Sorry?---I did not demand money off Mr Aoun.

Well, do you say he offered it to you?---Yes.

20 That's, you remember that do you?---As far as I can recall, yes.

But you remember it?---Yes, I did not demand money off Mr Aoun.

All right. But you remember him offering you money? You say he offered you money?---He gave me money, yes.

He gave you money, there's no question about that?---Yes.

30 But you now say that he offered you money?---Yes, he gave me money. I didn't demand money.

Please just answer my question?---Sorry.

There's no dispute that he gave you money?---Yes.

I'm suggesting to you you demanded money from him. Do you say he offered it to you without it being demanded?---Yes.

40 And you remember that?---Yes.

When you gave evidence at the private hearing you made no mention of Mr Aoun at all did you?

THE COMMISSIONER: But he wasn't asked, Mr McIlwaine.

MR McILWAINE: He wasn't asked, it was one of the general questions?  
---It was a long time ago.

THE COMMISSIONER: Just, just put the specific, I disallow that question, I regard it as (not transcribable)

MR McILWAINE: I'll put a specific question. Page 17, if you turn to page 17, the last question. You were asked this question. So, on what other occasions have you accepted money from constructors? Your answer was, I can't recall. If you turn to the next page. You were asked again, Have you ever asked for money from constructors? And you spoke about Mr Nasrallah?---Yes.

10

And you said, There's only one?---Yes.

Remember saying that?---Yes.

And then further down the Commissioner asks you a question after line 20. Mr Buckley, is it your evidence that you never asked for any money on any job? Your response, No, not really.

20 He then asked you, Well, what does that mean? Your answer was, No, I haven't. Question, You've never asked a contractor to pay you money? The only one I ever did was the one I just mentioned, was Joseph. Those answers were not true were they?---That's correct.

THE COMMISSIONER: Sorry, are you agreeing that the answers aren't true?---No, no, the answers I gave back then were correct.

Well, there's no mention of Mr Aoun in all that is there?

30 MR LEE: Well, I object, Commissioner. The two propositions don't - - -

THE COMMISSIONER: Yes. Mr McIlwaine, just put your questions so, isolate the issue that you want to put. Much of this ground has been travelled over before.

MR McILWAINE: I appreciate that, Commissioner. (not transcribable) only a question of how one client paid the money, that may be of some significance.

40 THE COMMISSIONER: Well, put it in - - -

MR McILWAINE: I'll put it in - - -

THE COMMISSIONER: - - - you weren't here yesterday and much of this ground was travelled over yesterday. I'm not going to allow repetitive questioning. If you want to put some specific proposition about how Mr Aoun gave money, you're free to do so.

MR McILWAINE: I think that's to be put by counsel assisting, Commissioner, in those circumstances.

THE COMMISSIONER: Very well.

MR McILWAINE: I don't have anything further.

THE COMMISSIONER: Is there anyone else other than Mr Stevenson who wishes to question Mr Buckley? Mr Stevenson, the field is yours.

10

MR STEVENSON: Mr Buckley, you understand that I'm the barrister for Sydney Water?---I believe so, yes.

Towards the end of his examination Mr Payne asked you about whether you'd received any guidance. I'm not sure that's the exact word he used, but any guidance from Sydney Water as to how you should perform your duties as a maintenance employee. Do you recall him asking you that?  
---No. I thought he was asking me about - - -

20

No, no. I just asked you do you recall Mr Payne asking you questions about that matter?---Not in them words, no.

Well, don't you recall about ten minutes ago Mr Payne asked you whether you'd received any guidance from Sydney Water - - -?---Yes.

- - - about how you should conduct your affairs as a, as a maintenance employee?---Not as a maintenance employee. I thought he was referring had I been trained in, as doing inspection audits and things like that.

30

THE COMMISSIONER: I think Mr Payne did say as an inspector, Mr Stevenson.

MR STEVENSON: Your formal title at the moment is maintenance employee is it?---Production employee, yes.

But for practical purposes what you do or what you did until a short time ago was to carry out inspection of various sites?---That's correct.

40

To ensure, is this right, that the work being done by the external constructors was to Sydney Water standards?---That's correct.

And, and are you saying to the Commissioner that you got no training as to how you should perform that maintenance work?---Not in that actual audit work, no, not really. Not that I can recall.

Isn't it the case that you regularly engage in what are called performance and development discussions with superior people from Sydney Water?

---They have a few briefings or whatever they were called. I can't recall what they're called now.

Can you recall within the last year or so participating in a performance and development discussion with - - -?---There could've been a couple.

Well, don't you remember?---There were a couple, but I can't recall what they were.

- 10 Well, don't you remember that for example, in June of last year, June, 2009, around the time of some of the events that Mr Payne has been asking you about, you had to make an assessment of how you were performing in relation to various categories of work, including customer service?---Oh, yeah, the tick thing, yes, yeah.

You recall there was a form you had to fill out and give yourself a mark A, B or C about things about whether you set business directions, whether you were honest and all that?---I think so, yes.

- 20 And after you'd, the way it worked was you would go through the various questions that Sydney Water asked you about aspects of your work and give yourself a mark A, B or C?---I think so, yes.

And then did you, is it the case that after you did that you were interviewed by someone from Sydney Water to discuss the assessments you'd made of yourself?---I can't recall.

This was just a year ago?---That's correct.

- 30 You can't recall - - -?---I think we done it with the first supervisor, maybe. I can't recall. Or he might've just said fill out the sheet.

Well, can you recall as at June last year your field supervisor was Saso Vasilevski, V-A-S-I-L-E-V-S-K-I?---That's correct, yes.

Can you recall sitting down with Mr Vasilevski to engage in this sort of exercise?---I can't remember.

- 40 Well, do you recall being asked at around that time to write out your personal development objectives within Sydney Water?---No.

You have no recollection of that?---Well, we sat down with a couple of times but I, I can't recall what they wrote down.

I am going to show you a document. Can you please ignore the writing at the top which is mine, the highlighter, and just tell me whether you recognise that as being a document which you completed and signed on 29 June, 2009?---I believe so, yes.

You can see on the second page there are other signatures besides yours there aren't there?---Yes.

I think Mr Vasilevski's signature is there?---Yes.

And there's one other, what is it?---Yes.

10 There's another signature there I think, can you just tell us who it is?  
---there's my signature there.

Are there not three signatures there?---There's another signature down the bottom, yes.

Do you know whose that is?---That was an acting team manager I believe.

20 Could I have that back. Commissioner, I'll tender a clean copy?---I vaguely remember we sat down and we'd just mark them and sign them and they'd just take them away.

I tender the clean copy and could I have the marked copy back please.  
Sorry, I do tender the clean copy.

THE COMMISSIONER: The performance and development discussion record relating to Mr Buckley of 29 June, 2009 is Exhibit P31.

**#EXHIBIT P31 - COPY OF PERFORMANCE & DEVELOPMENT DISCUSSION RECORD DATED 29 JUNE 2009**

30

MR STEVENSON: And doesn't this remind you that you have participated as recently as June last year in a process whereby your performance as an employee of Sydney Water was assessed first of all by yourself and then by your superiors?---From what I remember they just give us the form, they say fill it out and just give it to us and then we just, we sign it and just give it back to them, that's it.

40 So one thing you've got to do, looking at, one thing you had to do, can't you recall, is to set out what your personal development objectives were?---I think so but most of them treat it sort of as a bit of a joke at work.

A bit of a joke?---Yes.

Is that how you regarded this process, a bit of a joke?---No.

So what your point in just adding then that other people regard it as a bit of a joke if you don't have that view?---We were just giving it to them, we weren't sort of, we just sort of ticked them off and passed them back.

Just do it as a rote exercise, is that how you approached it?---Yes, as most of the chaps did I believe.

10 THE COMMISSIONER: How long, how long did the supervisor spend with you in this process, Mr Buckley?---Sometimes they just gave us the form and we filled them out, other times did sit down and just five minutes.

MR STEVENSON: I'll just give you another copy of this document. I'll show you another copy of Exhibit P31. Do you see on the front page there's a left-hand column which has the heading Key Behaviour?---Yes.

One of the things is honesty?---Yes.

20 You see there's three criteria for honesty which are mentioned and you've given yourself a mark of A, B and A for honesty?---Yes.

In light of the evidence you've given yesterday, don't you agree that the mark you should have given yourself for honesty was Z?---Yes.

Now you were first employed by the Water Board, weren't you, back in December 1964?---That's correct.

I think you'd just turned 15 - - -?---That's correct.

30 - - - then had you? And your job at the Water Board was your first job, was it?---That's correct.

So your first and only job has been at the Water Board and then Sydney Water when it took over the Water Board's functions?---That's correct.

Correct. And you've been involved in the inspection of work of the kind that Mr Payne's being asking you about for how long?---Approximately ten years I think, on and off.

40 And before that you were a, I think, a motor lorry driver in the 70's?---Yes.

And you, what was the position you had after you were a motor lorry driver?---Machine operator.

I think at one point in the early 80's you were appointed to the position of nucleus class hydraulic sewer cleaning machine operator?---That's correct, yes.

And you held that position for quite a few years?---Yes.

And in the mid '90's approximately the mid '90's, you became a project officer class 7.1, do you recall that?---Yes, I was seconded to the job, yes.

And is this right, it wasn't until you started engaging in the inspection activities that you started taking money from third parties or was it earlier? ---No, that's correct.

10 So you weren't taking money before you became an inspector, is that the (not transcribable)?---I was at, I've never been classified as such an inspector it was just like field representative for Sydney Water, we're just still production employees.

It wasn't until you started engaging in inspection work - - -?---Yes.

- - - that you starting taking money. Is that what you tell the Commissioner? ---That's correct, at first they used to just offer us a carton of beer or \$50 and then we accepted.

20 When, when was that, what you're talking about now?---Oh, that's in the early, that's how it started off on jobs, it just seemed to be common practice back then.

So are you saying that before you started doing inspection work on - - -? ---No, around the inspections, at the inspections, yes.

What you're saying is that once you started doing the inspection work Mr Payne's being asking you about - - -?---Yes, I accepted money, I accepted money, yes.

30 I will come back to that. Now, throughout your period as an employee of the Water Board and Sydney Water you've been paid a salary, haven't you? ---That's correct.

And you understood, didn't you, at all times that the Water Board and Sydney Water regarded the salary that it was paying you as being your complete reward for the work - - -?---Yeah.

40 - - - that you were supposed to do for the Water Board?---Yes, yes.

You understood that your employer did not intend that in addition to receiving a salary you'd help yourself to money being offered to you by third parties?---That's correct.

You understood that. And you've agreed I think many times over the last day or so that you understood fully that to take the bribes that you have taken was wrong?---Yes, I agree, yes.

But you knew, didn't you, for every single day that you were an employee of the Water Board and Sydney Water that it was quite wrong for any employee including you to take bribes?---Yes, I realised it was, yes.

It was obviously wrong, correct?---It was, yes, it was but I just believed it was common practice at the start, that was all.

I'll come back to that?---I'm sorry.

10 And you didn't need any code of conduct or lecture from anyone at the Water Board or Sydney Water to tell you that it was wrong to take bribes?  
---No.

You learnt that at Sunday School, didn't you?---Yes.

And what's your current salary?---60-something thousand a year I think.

And you get paid monthly?---(NO AUDIBLE REPLY)

20 You get paid monthly do you?---Fortnightly, \$31 an hour, something and one.

Well, is your pay paid straight into your bank account?---That's correct, yes.

Now, at the time you've been inspecting work you've been located at a particular depot have you?---Yes.

And just remind me, I think you said this yesterday, where's that depot?  
---Potts Hill, Birrong.

30 That's one place is it?---Yes.

And how many Sydney Water employees work there?---I'm not sure, could be 80 or 90. I'm not sure, there's a main office, I don't know how many people are in the whole complex. Over 400 I think.

At the depot?---No, no, in the whole complex.

40 There's a Sydney Water complex out there is there?---Yes.

Now, you regard yourself don't you as a competent, diligent inspector of constructor's work?---Yes.

Do you regard yourself as being pedantic about ensuring that the work that you look at complies with Sydney Water standards?---At times I have been told that, yes.

Is that how you see yourself?---I'm not sure.

You say do you, you tell the Commissioner that you take seriously your responsibility to ensure that the work you inspect complies with Sydney Water standard?---I believe I always have tried to do that, yes.

And have you ever passed work as being satisfactory which wasn't satisfactory?---Not to my knowledge.

10 You've never do you say passed work as being satisfactory which wasn't satisfactory after receiving a payment from someone?---Not to my knowledge, no.

So what's the value do you say that people pay you money got for the money they paid you?---Sometimes the process might've been shortcutted a bit, that's about all.

Smoothing the way?---Sorry?

20 Smoothing the way?---Yes, I suppose so.

Cutting corners?---With the process, yes, a bit.

And making the process go more quickly. Is that the idea?---Yeah.

Was that your main means of persuading people to give you money that you would suggest to them that if they gave you money the process of approving their work would be quicker?---No, I didn't intentionally do that, no.

30 You know that's what happened from time to time don't you?---It appears like that, yes.

You can see clearly can't you from examples Mr Payne's given you that's what happened most of the time. Is that right?---I think so.

And you say sometimes when you received money you in fact gave nothing back to the constructor who gave you - - -

THE COMMISSIONER: In return.

40 MR STEVENSON: Sorry, nothing in return, thank you, Commissioner. I'll start that question again. Do you say that there were occasions where you were paid money by a constructor and you gave nothing in return?---I think that's right, yes.

And did you ever wonder why constructors in those circumstances were giving you money if they were getting nothing in return?---I just thought it was something that happened in the construction industry.

Well, I want you to take yourself back to when you were first an inspector and when you were first offered money?---Yes.

That was what, around ten years ago you say?---Possibly, yes.

Do you remember that occasion?---No.

10 It came as a shock to you to be offered money?---I had heard things like plumbing inspectors used to get things. You hear things at different times in different industries but I think they gave me a bottle of scotch or a carton of beer first.

You misheard. You heard that plumbing inspectors were given things?  
---Yes.

You mean plumbers within the Water Board or - - -?---Yes, within the Water Board, yes.

20 Who had you heard that from?---I can't recall now, that's a long time ago.  
(not transcribable) - - -?---It was just industry - - -  
- - - was it?---Yeah.

Well, did it come as a pleasant surprise to you to be given a bottle of scotch for nothing?---Yes.

30 And you thought nothing of putting it in your pocket or your car and taking it home?---That's correct, yes.

When was the first time you were actually offered money?---I can't recall, a long time ago.

And you say that also came as a pleasant surprise?---Yes.

And you told the Commissioner that you knew that you shouldn't take it?---That's correct, yes.

40 Why did you?---I don't know, we just didn't, nothing was reinforced, I mean it's my fault, maybe the Board should've had training in what to do if you're offered bribes out in that sort of thing when you're working alone, I don't know.

You just agreed with me you didn't need anyone to teach you - - -?---Sorry?

You've just agreed with me you didn't need anyone from Sydney Water or anyone else to teach you - - -?---I know that.

- - - you shouldn't take bribes?---I know that.

So the fact that you put the first bribe in your pocket had nothing to do did it with any wont of teaching from the Water Board?---No. It's my responsibility, I accept that.

But I just want to, tell the Commissioner if you can precisely what was it about the environment in which you worked when you took this first bribe that made you think that you could do the wrong thing and take the money?  
10 ---I don't know, it just happened, I don't know.

THE COMMISSIONER: Was it the idea that you wouldn't be caught?---I think so, it was just, at first honestly I thought it's just probably gift thank you or something like that then it just sort of slowly I think over the years grew bigger.

But was the idea that you wouldn't be caught a factor in your continuing to do this?---I didn't, to be honest I didn't think about it.

20 You just acted automatically?---Yes.

MR STEVENSON: Isn't the fact that you took great care to ensure that you weren't detected taking bribes?---What do you mean?

You took great care didn't you to ensure that when bribes were handed to you or you asked for bribes it wasn't done in the open?---When they gave me money they either put it in the car or put it in my pocket or put it in an envelope.

30 When no one else was there?---That's correct.

You - - -?---They did that, I didn't, I didn't say come over there we'll do, go up behind a tree or something like that.

Was it the case that it was clear to you when money was given to you that whoever was giving it to you had made an assessment that there was no one else looking?---That's correct, yes.

40 And as time went by in fact you adopted procedures didn't you to ensure that when you asked for money it was given to you on occasions where there would be no one seeing what you were doing?---No. No.

And did you feel proud of what you were doing taking bribes?---I, I don't recall, I don't now, I don't remember.

And of course taking bribes added considerably didn't it to your income?  
---A bit.

I don't suppose you've included the bribes you've taken as a part of your assessable income for tax purposes have you?---No, the money I got it wasn't, wasn't a lot all the time it was just now and again, on and off.

But the fact is isn't it that there have been occasions when you've deposited into your bank account \$1,000, \$2,000 from a bribe?---I can't recall whether that's money from that or not.

10 You know, you know it's from the bribes don't you?---I do not know, I honestly cannot remember.

You are saying that now aren't you to try to persuade the Commissioner that there might be some other explanation for the deposit of \$3,000, \$2,000, \$1,000 to your bank account?---I'm not saying that, all I'm saying is I cannot honestly remember. Maybe one of them was to, I don't know.

20 Well, you made a bit of a blue putting it into your bank account didn't you, you should've just put it in your pocket or under the mattress. Don't you agree?---I didn't intentionally try to hide anything.

But you've created a paper trail you now see can't you of where you've put some of this bribe money?

MR LEE: Well, I object to the Commission - - -

THE WITNESS: Money (not transcribable).

MR LEE: - - - (not transcribable) proposition is that - - -

30 THE COMMISSIONER: Mr Stevenson, I think the point is made. The point is made.

MR STEVENSON: Can I just ask you one question about that point? Can Mr Buckley be shown Exhibit P30? Can you look at the last page of that exhibit. Mr Payne took you to the credit of \$3,000 on 5 June, 2009. You see that?---Yes.

40 You see the next entry is a transfer of \$10,000. See an account called 10361613. See that?---Yes.

That's another of your accounts is it?---Yes.

And in whose name is that account?---In the same name as on the form.

Your account?---Joint one, me and my wife, my wife and I.

So this is to, the debit of 5 June, 2009 for \$10,000 is a transfer of that amount to another account in the joint names of you and your wife?---Yeah.

As another saving account?---It's a deposit.

A term deposit?---Yes.

Didn't you tell the Commissioner you have no recollection of the source of the funds of that term deposit on 5 June, 2009?---Sorry?

10 What was the source of the money that went into your term deposit?---Just money that had accumulated in my account over a period of time. Just our savings and we just put it into the term deposit.

Now did you, I asked you whether you were proud of taking the bribes, did you boast to your mates at Sydney Water about taking bribes?---No. No.

On the contrary you were very careful to say nothing to your co-workers about this matter weren't you?---I didn't, I didn't go around broadcasting, boasting, no.

20 Did you ever discuss with any of your mates at Sydney Water (not transcribable)?---Not that I can recall, no.

You don't recall or you didn't do it?---I didn't do it as far as I can recall, no.

Well, you'd be worried wouldn't you if you told someone, they might report you. Was that the idea?---I just didn't go and tell people, no.

Sorry?---Because it was wrong I didn't tell people.

30 And that's right, because you knew what you were doing was wrong, you didn't ask anyone else whether they were engaging in the same kind of conduct?---I, I didn't speak to people in other areas.

THE COMMISSIONER: I think Mr Buckley's evidence was that where he worked he was the only person in the organisation who did the kind of work he was doing.

40 MR STEVENSON: Well, I'll take up that point the Commissioner has made. I think you gave evidence yesterday that in the inner west area you were the only person doing inspection work?---On the sewerage system, yes.

And you had a supervisor, but I think you said he didn't actually ever come out to the site and look at what you were doing on site?---Not that I can recall, no.

Well, you went on leave didn't you from time to time?---Yes.

Well, did you, did you take steps to make sure that no one offered a bribe to your replacement while you were away and spill the beans?---No.

But you went on leave didn't you?---I went, when we had leave I just went on leave.

You didn't feel the need to tell the people who were paying you money that they should keep their money in their pocket whilst you were on leave?  
---No.

10

You were taking a bit of a chance weren't you?---No. I don't know.

You say that never occurred to you?---No.

Now yesterday I think the Commissioner asked you whether you had had any training in respect of the taking of corrupt money. And I think you said yesterday you couldn't recall. Remember that?---It was only in the process, what was that?

20

The Commissioner asked you yesterday whether you had had any training or had been given any Code of Conduct about the rights and wrongs of taking bribes. Remember that?---Yeah.

And I think you said yesterday you couldn't recall?---I couldn't no.

And today you said you you had had sort of stuff?---Yeah. That tick box thing.

30

All right. The some sort of stuff you're referring to is that process that we find in Exhibit P31?---Yes. Correct.

Just to clarify one thing, in the inner west area the inspections you did were inspect waste water matters?---That's correct.

There was another person wasn't there in the inner west doing water?  
---Does water, yes.

So there's two of you?---Yes.

40

All right. Did you both work from that depot you just mentioned?---Yes.

Did you ever speak to your colleague, your fresh water colleague and ask him whether he was being offered money?---No.

You never spoke or he or she never spoke to you about that?---No.

Now regularly you attend courses within Sydney Water to learn more about particular aspects of the work you have to do?---Occasionally, yes.

Is that when you've had to have a confined space reassessment?---Yes.

A contractor safety management course or, or lecture?---I can't recall that one, sorry.

A course or a lecture on working at heights?---Yes.

Security awareness training?---A long time ago.

10 Hot work permits and asbestos awareness?---Yeah.

Remember that?---A long time ago, yes.

And one course you went to, can I suggest on 17 July, 2001, was one called Values in Action, Ethics at Work. Remember that one?---When was that?

2001?---No, I don't, sorry.

You don't recall?---No.

20

And I want to suggest to you that at that session you received a document like this.

THE COMMISSIONER: That is not this document but a document like this.

MR STEVENSON: No, I'll clarify that. Commissioner, you'll see on the second page that the print date on this document is SW9/01 of '07, which I suggest it was created on January, '07.

30

THE COMMISSIONER: It's a similar document.

MR STEVENSON: What I want to suggest to you is that at this Values in Action seminar you went to, you were given a document, a colour document, a brochure like this?---I can't remember back then. I don't remember the thing at all.

THE COMMISSIONER: Have you ever seen a document like this?---Not that I can recall, no.

40

MR STEVENSON: If you turn to the third page of the document, see half way down the page there's a heading Can I Accept Money or Gifts?---Yes.

Do you see that? You see it says, staff may sometimes accept token gifts but they should consider how it may look to others. If the staff member is unsure they should ask their manager for advice. Now you recall getting those instructions don't you?---I can't recall back then, no.

And, and it says, Staff must never accept money or gifts if such acceptances could possibly compromise Sydney Water. Do you see that?---I see that.

Now you understood didn't you that the taking of the sort of bribes by you compromised your position?---I realise that now, yes. But I don't remember anything of this document.

We'll go step by step. You realised also that taking bribes as you did compromised or could compromise Sydney Water's position?---Yes.

10

And I want to suggest to you that you must recall receiving instructions that you must never accept money or gifts in those circumstances?---I honestly can't remember back to 2001, 2002.

In any event you knew full well in your heart of hearts that you shouldn't - - -?---It was wrong, yes.

- - - take money or gifts at all?---That's correct.

20 I tender that document.

THE COMMISSIONER: Yes. The Values at Work Ethics and Action document is Exhibit P32.

**#EXHIBIT P32 - COPY OF VALUES AT WORK - ETHICS IN ACTION**

30 MR STEVENSON: I also tender an extract from Sydney Water's business records in respect of Mr Buckley which makes reference to his attendance at the Values in Action Ethics at Work.

THE COMMISSIONER: I think you'd better show it to him, Mr Stevenson.

MR STEVENSON: I doubt the witness (not transcribable) Can I show you a document, Mr Buckley?---Yes.

40 THE COMMISSIONER: Can you just give that to Mr Buckley.

MR STEVENSON: I want to suggest to you that this is an extract from Sydney Water Services business records setting out the training courses that you have attended?---Yeah.

Now you haven't seen this document before?---No.

Do you recognise however that the list of training courses is a list of the training courses you have attended or some of them?---I don't know. They're just training course, I don't know whether I have attended or have not.

I tender that. I tender the document, Commissioner. My instructions are that under the word, under the heading status F stands for finished rather than failed.

10 Can you just explain to me where that is please, that status F?

MR STEVENSON: The relevant entry, Commissioner, is the 5<sup>th</sup> on the top values and actions, ethics at work (not transcribable).

THE COMMISSIONER: Right.

MR STEVENSON: 31 October.

20 THE COMMISSIONER: Mr Stevenson, it might be helpful to know how this is compiled. I assume that there must be some basic record from which this is derived.

MR STEVENSON: We'll introduce some evidence on that.

THE COMMISSIONER: But the, what do I call this?

MR STEVENSON: Training courses summary.

30 THE COMMISSIONER: Training course?

MR STEVENSON: Training courses.

THE COMMISSIONER: Training courses, what was the last word, please?

MR STEVENSON: Summary.

THE COMMISSIONER: Summary. P33 is the training courses summary relating to Mr Buckley.

40

**#EXHIBIT P33 - SUMMARY RELATING TO MR BUCKLEY'S TRAINING COURSES**

MR STEVENSON: Mr Buckley, on 27 February, 2007 you attended an appropriate workplace behaviour seminar, didn't you?---I can't recall. What was it sorry?

Appropriate workplace behaviour?---I could have, I can't recall.

And as you recall the matters which were dealt with at the appropriate workplace behaviour seminar including bullying the workplace?---I, I think there was one like that, yes.

So you've got a recollection, do you, of attending a seminar where bullying was mentioned?---I think so, yes, in the depot, yes.

10 And I want to suggest to you that at that seminar there was also discussed the question of the taking of corrupt payments?---I can't remember.

As part of Sydney Water's position about what was appropriate workplace behaviour?---It could have been, I'm not sure.

And I want to suggest to you that one of the documents that was handed out at that appropriate workplace behaviour seminar was this document called Business Ethics Guide, evidently published in January '07, a month before? ---Was that this year, was it?

20

No, I'm suggesting to you that you attended this course and were marked successful on 27 February, 2007?---'07. I'm not sure, I can't remember.

Well, do you see on this document I've given you called Business Ethics Guide - - -?---Yes.

- - - there are a number of bullet points?---Yes.

30 You see that the second bullet point is Behave honestly, safely and in an environmentally responsible manner, do you see that?---Yes.

And down the bottom, Do not offer, solicit or accept gifts, benefits or inducements?---Yes.

I'm suggesting to you that you've seen this document at that seminar?---I do not recall it. I don't remember the seminar.

40 And that in any event it was obvious to you that you should not offer, solicit or accept gifts, benefits or inducements, you agree with that?---I just said, I don't remember the seminar or seeing the paperwork.

THE COMMISSIONER: He's actually said, yes (not transcribable) questions, Mr Stevenson.

MR STEVENSON: I tender the document.

THE COMMISSIONER: Yes, P34 is the Business Ethics Guide.

**#EXHIBIT P34 - COPY OF BUSINESS ETHICS GUIDE**

MR STEVENSON: Have you been to any training sessions during 2010, this year?---I think so. I think so, I'm not a hundred per cent sure. I usually refer to me diary.

10 Well, wasn't one of the sessions you attended this year also about appropriate workplace behaviour?---It could have been, I'm not sure. If I had my diary I could have a look in there.

So is your position that you think so or you thought so little of taking corrupt payments that you can't recall attending a seminar this year - - -? ---That's not the reason I, I just, my, my head's going round a little bit. I just, I have attended a couple of lectures or whatever they call them in the depot this year but I'm not sure what they were.

20 And haven't you there or on some other occasion seen this document called Working At Sydney Water, What You Need to Know?---(NO AUDIBLE REPLY)

You've sent his, haven't you?---I, I don't believe so, no. I can't recall it.

You see on page 5 there's a heading, Can I accept money or gifts?---(NO AUDIBLE REPLY)

30 THE COMMISSIONER: Mr Stevenson, I accept that this is a relevant document and should be put in but I don't see the point of asking Mr Buckley about it when he says he doesn't remember having received it.

MR STEVENSON: I tender it.

THE COMMISSIONER: Exhibit P35 is the Working At Sydney Water document.

**#EXHIBIT P35 - WORKING AT SYDNEY WATER DOCUMENT**

40 MR STEVENSON: And I tender a business record and, Commissioner, I'm quite sure Mr Buckley has not seen this and again it will prove its provenance in due course.

THE COMMISSIONER: Yes. What is it?

MR STEVENSON: It's an extract from Sydney Water's computer records setting out the courses that Mr Buckley has engaged in between 4 August,

2004 and 18 July, 2010. Perhaps I will show him and ask him one question about it?---Thank you.

Mr Buckley, I'm showing you a document which I'm sure you've not seen before, it's an extract from Sydney Water's business records. Could you look down the left-hand column under the heading Title and tell me whether you agree that you recognise those words there as descriptions of courses that you've attended between 4 August, 2004 and 8 July, sorry, 18 July, 2010?---Yes, I've been to most of them, I think so.

10

All right. So you recognise most of those as being courses that you have attended?---I think I have.

And you see that, sorry?---Over a period of time, yes.

And you see that about halfway down is the course that I've mentioned, Appropriate Workplace Behaviour?---Yes.

And according to this document you completed that course successfully?  
20 ---That's what it says, yes.

I tender that document.

THE COMMISSIONER: Yes. Exhibit P36 is an extract from Sydney Water's computer records setting out the courses Mr Buckley engaged in between 4 August, 2004 and 18 July, 2010.

30 **#EXHIBIT P36 - EXTRACT FROM SYDNEY WATER'S RECORDS  
REGARDING MR BUCKLEY'S TRAINING ATTENDANCE**

MR STEVENSON: Mr Buckley, I just want to clarify something arising from the evidence you gave yesterday and perhaps I'll just reintroduce you to it so you can be reminded of what it was. Now, you recall Mr Payne asking you questions yesterday about your dealings with Mr Yousef Nasrallah?---Yes.

40 And do you recall that Mr Payne suggested to you that you had sought bribes or payments from Mr Nasrallah?---Yes.

And initially you denied soliciting bribes but agreed you'd received money from him, do you remember that?---Yes.

And you at one point said, this is transcript page 20, line 22, you said, "I can remember him mentioning," sorry, "At the time I can remember him mentioning money was when Joseph offered me \$400 to pass a job and

jokingly I said, no, 500 and then at the end of it I said, Joseph it's not about the money, it's about the process of doing the job properly"?---Yes.

Do you recall giving that evidence?---Yes.

And I think you ultimately agreed that you had not said \$500 jokingly?  
---That's correct.

10 You agree you had said \$500?---In the end, yes, I had said \$500.

But you agreed ultimately that you weren't joking?---In the end, no.

Do you recall that you were played a tape of what you had said in a conversation with Mr Nasrallah?---Yes.

And you recall this is Exhibit P6 that according to that tape at one point you'd said to Mr Nasrallah, "It will cost you \$500." Do you remember hearing yourself say that?---Yes. Yes.

20 And after you heard the tape you said this, "The next time I went there I said, No, no, I'm only (not transcribable)" Remember saying that?---Yes.

And you tried to convey to the Commissioner then weren't you that although you mentioned \$500 on the occasion of the tape next time you saw Mr Nasrallah you had said to him, "No, don't pay me any money."?---I think that's right.

Well, the next time you saw Mr Nasrallah was, and tell me if you remember this date, 8 August?---I can't recall, no.  
30

2009. And you recall there was a tape played of a telephone conversation you had with Mr Nasrallah on that day?---Yes.

Remember the first tape was at the workplace, the second tape was phone call? Remember that?---(NO AUDIBLE REPLY)

Do you remember that?---Not, not fully.

40 Well, let me remind you. The occasion which I'm suggesting as the next time is the occasion of the telephone call on 4 August, 2009 where you said to Mr Nasrallah, "We'll make it up on another job, mate,". I'll start again I've misled you. Can I suggest that the next time that you were referring to when you gave that evidence was 4 August, 2009 when you were recorded as saying to Mr Nasrallah, "We'll make it up on another job, mate, but this job someone's put a complaint in to somebody."?---Yes, that's what I said.

Do you remember Mr Payne was asking you other questions about you saying to Mr Nasrallah, "Someone's put a complaint in."?---Yes.

Now, what I want to suggest to you is that if that conversation or that occasion which was next after that in which you mentioned \$500 and you didn't say a thing to Mr Nasrallah in that conversation about it being O.K., don't pay me any money?---What do you say about that?---Sorry?

10 Take it step by step. You told the Commissioner yesterday that on the occasion where you mentioned \$500 you then said to Joseph, on the next time you saw Joseph after the \$500 occasion you said to him, "No, don't worry about it, don't pay me anything." Remember saying that yesterday?  
---Yes.

What I'm suggesting to you is that the next occasion was that occasion when you said to Mr Nasrallah that someone had made a complaint about you and you didn't say anything to him about not worrying about the \$500?  
---That was on that occasion I think was on the tape.

20 On the contrary what you said to him was, "We'll make it up on another job." By which you meant you can pay me more later?---I can't remember what I meant about that, I honestly can't. What was on the tape was on the tape.

Yes, thank you.

30 MR PAYNE: Before Mr Buckley leaves there is one matter I need to correct. I tendered P30 inadvertently with the home address of Mr Buckley, I shouldn't have done that. I withdraw that tender and replace it with a document with the address blacked out so that it's clear for all present that that's the version that should be used.

THE COMMISSIONER: Blacked out? The version of P30 with the blacked out address will be the exhibit and the other document will be withdrawn.

MR PAYNE: Yes, thank you, Commissioner. I have no further questions for Mr Buckley.

40 THE COMMISSIONER: Mr Buckley, you've said as I understand your evidence that generally speaking the contractors offered you the money that you received as it were spontaneously without you making any request for them?---That's correct.

We've heard from the tape that there was at least one occasion when you did ask for money?---That's correct.

Mr Buckley, this is the last question that you will be asked in this inquiry I think. It's an important question and it's really important that you tell the truth?---Yes.

Important to you. Do you maintain your evidence that there is only one time that you actually asked for money?---I asked for money like that, yes, on, on other occasions I might've said that will cost you a beer or something like that, I can't recall ever doing that before like that. And with the money in the bank account I can remember a couple of times when my mother gave me some money to bank over, over the years, a couple of times.

10 So you maintain that other than the one occasion with Mr Nasrallah you never asked a contractor for money?---To the best of my knowledge, I might've asked for a beer maybe, I honestly can't remember saying pay me \$100 or pay me \$200, no.

And you never threatened to issue a CARs or make any other threat if you didn't get money?---No, I never used that as a threat, no.

20 So anybody who says to the contrary is lying?---Yes. I did tell them CARs were issued and that and if they didn't agree with them they could go higher.

Yes, Mr Buckley, you're excused now?---Thank you.

**THE WITNESS WITHDREW**

**[11.47am]**

MR PAYNE: If the Commissioner pleases the next witness is Yousef Nasrallah. I call Yousef Nasrallah.

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

MR NASRALLAH: Under oath.

THE COMMISSIONER: Yes, Mr Payne.

MR PAYNE: As Mr Nasrallah has no legal representative I think it appropriate that a declaration under section 38 be made by the Commission.

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

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

30 MR PAYNE: Thank you, Commissioner. Mr Nasrallah, you have made a statement about your dealings with Mr Buckley. I'll show you that document. Distribute copies to those at the bar table. Subject to two matters of correction that I'll ask you about are the contents of that statement true and correct?---(NO AUDIBLE REPLY)

For the purposes, it's being recorded, Mr Nasrallah, you'll need to answer rather than nod?---Yep.

And if you could speak up?---Okay.

40 Thank you. So I think, I've just asked you other than the two corrections which I'll take you to in a moment are the contents of this statement true and correct?---True. There's a couple of arrows I read, yes, there's a couple of arrows in - - -

Can we deal with those directly? The first one I wanted to take you to was in paragraph 20. Can you look at that? You're referring to a job in Mr Buckley's area, you say there 2 Gorman Avenue, Panania but after signing the statement you told investigators from the Commission that the correct

address is 36 Victor Avenue, Panania?---Yeah, because they're just around the corner from each other and I mixed them up.

I understand that. So we should strike out 2 Gorman Avenue and insert 36 Victor Avenue, Panania?---Okay.

10 And then the next thing I wanted to take you to in paragraph 22 and paragraph 23, you described something that happened on 10 and 11 June, 2009, but I think you've been shown some documents and that was an error, it should be 10 and 11 July, 2009?---Yes.

Subject to those corrections are there any other matters of correction that you've noticed in reading the statement that you want to correct?---No. Everything is correct.

And the remainder of the statement is true and correct to the best of your knowledge and belief?---Yes.

20 Commissioner, I tender that statement and I should note for the record that the recording described as Exhibit 1 on page 14 of the statement is already Exhibit P10 in this inquiry.

THE COMMISSIONER: Did you say page 14?

MR PAYNE: Yes. You'll see the reference there to Exhibit 1.

30 THE COMMISSIONER: Exhibit 1 that is now Exhibit 14 is it? Sorry, did you say? Yes, P14. P10 is it. Thank you. The statement of Mr Yousef Nasrallah dated 9 October, 2009 is Exhibit P37.

**#EXHIBIT P37 - STATEMENT OF YOUSEF NASRALLAH**

THE COMMISSIONER: Have counsel for the other parties seen this statement before?

MR PAYNE: I don't believe so. Copies have now been distributed.

40 THE COMMISSIONER: All right.

MR PAYNE: I was going to take Mr Nasrallah through it I think, rather than simply rely on the statement as the reason.

THE COMMISSIONER: Yes, but you'll be questioning Mr Nasrallah until at least 1.00pm?

MR PAYNE: We may finish a little before then, but - - -

THE COMMISSIONER: Well, I won't, if any counsel wishes to read the statement over lunch time before cross examining, you will have that opportunity.

MR PAYNE: Mr Nasrallah, what's your full name?---Yousef Nasrallah.

And your age?---I'm 50 years old.

And you are a qualified, an accredited constructor?---Yes.

10

What's the company name?---Joseph Plumbing.

And that's a proprietary limited company?---Yes.

For how long have you been an accredited constructor with Sydney Water?  
---About 12 years.

In that time have you had occasion to work in the inner west of Sydney?  
---Yes, a lot of occasions.

20

And when was the first occasion that you met Mr John Buckley?---I think just before the year 2000. I can't, I got a lot of files at home, but at least 10, 11 years.

Yes. Perhaps just have a look at your statement in front of you, at paragraph 14?---Yeah.

Where you say you commenced work for Sydney Water in '97, '98. That's correct isn't it?---Yes.

30

And then shortly after that time you met Mr Buckley?---Yes.

In paragraph 16 you refer to a conversation you had with another person in the area. Do you remember, having reflected on it, who that person is?  
---Which year?

This is, we're talking about '98. Just have a look at the conversation you recalled in paragraph - - -

40

THE COMMISSIONER: Just read, read paragraph 16.

MR PAYNE: 16 to yourself?---Yep. We done a, I done a job, I used to be partner with First Plumbing.

THE COMMISSIONER: What was his name, Mr Nasrallah?---Sorry.

Just, do you know his name? The name of the person who's mentioned in paragraph 16?---The one I spoke to?

Yes?---Yep. Do I mention the name or don't I mention - - -

Yes, please?---I was partner with Khaled Mahmoud which is he's known as First Plumbing. And we done a job in Guildford and he told me that they, we can't get jobs through until we, you know, pay money. That, I think that was the first job I met - - -

10 Pay money to who?---To the inspector to pass the job. Otherwise we'd get a Corrective Action and it will delay, it will delay the process and as you know, like Section 73 is very important to the builder for him to, to continue with his work. And if won't be able to finish on time, we're liable for it. So we have to do something to get the things through.

Were you talking about a particular inspector or you talking about inspectors in general?---No, a particular inspector.

Which?---Yeah, John Buckley.

20 John.

MR PAYNE: Did you have conversations with any other constructors or people in the industry at about this time about what you needed to do to get work through Mr Buckley?---I spoke to other coordinators and constructors. They said there's no way out, you know, made a complaint. I spoke to Ben, which is, he used to be Pharaoh Design, I spoke to him, I told him that that's the situation and he said, well, nothing, he made a complaint on my behalf a while back and nothing get done. And last job I done at Revesby and I had me and my two sons working with me, and, and when he demand \$500, I  
30 rang the coordinator and I told him, which his name is Bob Pascoe. And he said to me, don't do it. If you want to, if you want guidance I'll tell you which way to go. I said, Please tell me. He said, Ring Sydney Water. He rung Sydney Water for me and he made the complaint. And they took it from there.

That's jumping ahead to last year you're talking about when you had the recording on the telephone you're talking about?---That's right.

40 I'm directing your attention back to 1997, 1998 - - -?---Yes.

- - - when you started out?---Yep.

Were there any other conversations you had then about the culture if you like of Sydney Water inspectors and what you needed to do to get jobs through?---All the constructors told me the same thing. You have to deal with them, you have to give them money to get things through.

Do you remember any other constructors that you had a conversation with

when you were starting out in your own business, Joseph Plumbing?---I can't remember that far back.

Okay. You'll see in paragraph 17 of your statement. I'm just directing your attention, so this is the first year that you worked for Joseph Construction, so we're talking about '98, 1999?---Yes.

10 And you say that you paid Mr Buckley money. Why did you do that?---To get my, because if I don't do that I can lose a lot of money if I don't do that. Because he can stop my work and I've got people with me I have to pay them wages. And even deliveries, if I've got a concrete truck coming over or whatever, he can stop the work. He doesn't care about concrete coming, he'll just send it back. So I'll lose a lot of money if I don't follow the process.

20 Before you paid him, he said to you, "Are you going to look after me", did he?---On many occasions he'll say, well, he goes to the site and if he see something like, he look for, he look for the trouble. And because if inspector walk through the site, let's say he saw something wrong he should guide you, do it this way, so you go ahead and do it. So he looks for the trouble to give you a Corrective Action and the only way out is to pay the money otherwise you're stuck there forever.

And with Mr Buckley, do you remember the first time that he asked you for money?---It's been going on for about 10 years at least.

Since that first occasion that you paid him the money in about '98 or 1999 - - ?---Yeah.

30 You've paid money to Mr Buckley you think on about 30 occasions. Is that right?---That's right.

Did you keep any record of those payments?---I didn't keep records, like, I usually gave him \$50 or \$100. If he comes back again I give him \$50, I tried to finish my job as quick as possible so I can avoid paying him every time he comes and yeah, I don't keep records for that.

40 Were there some jobs where he would ask for payment more than once when he visited?---Every time he comes to the job he, he expect to get money.

And would he say anything to you to let you know that he expected money? ---Like, I know how he start to put the difficulties in your way and to make it hard, he said even if you go to the site and you see a bit of dirt here and there, he said the site is not safe, I can't go in, I have do this and that, then you, you get the message he needs something.

And you would pay him money?---Yeah.

How ordinarily would you pay him money, what would you do? Would you put it in his pocket or his car?---No, just put it in the A4 paper, put it in my diary and, like me and him alone and I just give to him.

And hand it to him?---Yeah.

When he's checking paperwork?---That's right.

10 You'd include it as part of the paperwork?---Yes.

And do you think that every time he would attend the site there would be a payment made, made by you to him?---That's right.

20 What effect did these payments that you made to Mr Buckley have on your business? Did you start to avoid the inner west area?---I start avoiding working in there because even if I, if I'm making like a quote on the job I put the quote high so I don't get the job because it puts a lot of pressure on me working on that condition so I avoid doing it so, when my kids grow up and they come with me to work they ask me what's going on because my kid's now 23, when they were young it's all right but now my kids start to ask me why are you doing that and this and I said I'm going to put an end to this so, so I met Bob Pascoe and he helped me through this.

Can you have a look at paragraph 19 of your statement which is on page 7. Just read that to yourself for a moment?---Yeah.

30 So we're talking about a job four or five years ago, so that's 2005 or 2005, is it?---Yes.

At Revesby, do you remember the address?---144 Bransgrove Road. I've got the folder with me.

Which road?---144 Bransgrove Road.

Can you spell Bruns Road?---B-R-A-N-S-G-R-O, G-R-O-V-E.

40 Bransgrove Road. Okay. When you say you've got the folder with you, you've got a record of your - - -?---Yeah.

Perhaps if that could be passed down. That was a two day job?---That was a two day job.

And Mr Buckley turned up on the first day of work?---Yes.

And you paid him \$100?---Yes.

You did it in the way that you described before, you put it in - - -?---A4 and then I gave it to him.

With some paperwork?---Yeah.

You made an appointment for Mr Buckley to attend the next day at 12.00?  
---Yeah.

10 Can you describe for the Commission what happened then on that day?  
---Yeah. Like I ordered, John Buckley came to the job, he was happy with the work and he told me to order the concrete - - -

20 Yes?--- - - - for that certain time. I did and he said to me the concrete hasn't arrived. I said, John, you know, like he's coming from Lidcombe and there's traffic on the road and they don't give, they don't give you like a certain time, they give you 12 o'clock or around it, he said I've got another booking at Concord, I have to leave and I said you can't, the concrete's on the way, he said cancel it. I said if I cancel I have to pay for the concrete and for the disposal of it. He said, that's not my business. Then I got the message, I have to pay him otherwise I can lose a lot of money so I had, I had no choice.

And you paid him \$100?---\$100, yeah.

And what happened, did he stay?---He stayed.

And signed the work off?---And signed the work off so I can pour the concrete.

30 And he said to you it's going to cost you if I'm going to stay?---Yes.

Can I ask you about the Victor Avenue, Panania job. Was that one where Mr Buckley attended three or four times?---Yes.

Do you remember which it is, was it three or four times, do, do these records - - -?---About four times.

And did you pay him on each occasion that he arrived?---On each occasion.

40 You've got a clear recollection of, of the job and Mr Buckley coming, do you?---Like, that job done on stages, we have pre-connection inspection, connection inspection, sealing off an existing junction so he has to come on every different occasion.

Yes?---So every time he has to get his share.

And do you remember any conversation with Mr Buckley on any of these occasions when he attended at 36 Victor Avenue in Panania?---Yeah, when

he does an inspection on a access chamber he can pick up any fault and he say that is wrong, you have to do it and he will call it off, then we have to come back another time so, so he called the shots so if you don't follow his process he'll keep putting it back and back and back then the, then the water service coordinator, the WSC, he has to come more times and if I'm doing a job under the WSC and I cause a lot of trouble like this coming back to the jobs then I don't get much work from the WSC because they don't want to give us work.

10 I see?---So the more the WSC comes to the job and the more I waste his time so I don't look good in front of him.

Can I ask about the corrective action - - -

THE COMMISSIONER: WSC, is that Sydney Water?---No, it's a water service coordinator.

Oh, I see, I'm sorry?---Yeah.

20 MR PAYNE: And just to stand back for a moment, the water service coordinator has a contract with Sydney Water, they're a listed accredited water service coordinator?---This, accredited, they, customers approach them to get section 73 and they are the one who send us the plans to tender.

Yes?---So if we, if we don't, if we don't do the job properly then if we waste his time then he look for other constructors to put them on his list.

So if Mr Buckley's causing you problems with CARs for example - - -?  
---Yeah, if - - -

30 - - - with a bad reputation with the water service coordinators which costs you money in the future is what you're saying?---Yeah, that's right.

And what about with Sydney Water itself? Does your reputation with Sydney Water depend in part on how many CARs have been issued?

40 ---Well, if you get too many corrective actions when you want to do your every year audit you're going to tell them how many CARs you got and they say what's the reason, you have to go through it and then they'll think about it, whether they're going to relist, relist you or not because they decide whether it's major or a minor or so you have to tell them all that.

So it's the problem with the water service coordinator, the problem with Sydney Water and the other problem is it's costing you money if there are delays?---That's right.

THE COMMISSIONER: Are you a subcontractor on these jobs usually?  
---I'm a subcontractor.

So there's a main contractor?---No, no, I'm the main contractor.

You are the main contractor?--- - - - -I'm the main contractor.

MR PAYNE: So the developer has the site and the developer finds the water service coordinator to, to design the sewerage connection and then you're contracted to the developer - - - -?---Yeah.

- - - to complete the work?---That's right.

10

And you're inspected in that by, in the inner west, Mr Buckley?  
---Mr Buckley.

Can I ask you about the job in May 2009 at Sherwood Street at Revesby, the water services coordinator was Mr Bob Pascoe?---Bob Pascoe.

Had you worked with him before?---I think this is the first time I've seen him there in person and then I met him on other job in Panania just a few weeks after that where John Buckley was the inspector there as well.

20

For the first inspection on 10 July, 2009 Mr Buckley arrived and you gave him some money?---In Sherwood Street?

Yes?---The first day I gave him money.

Yes. And can you tell the Commission why that was?---He, when you start on a job he expected to give them money so for you to start.

30

Had you heard of occasions where any accredited constructor had refused to pay Mr Buckley?---Very rare.

Was that something you discussed with other constructors when you would meet?---I discussed with the constructors and coordinators.

Can you tell the Commission who you remember discussing that matter with amongst the Water Service Coordinators and the constructors?---I discuss it with Jim Bates and inward and I discussed that with Farrell, Phil Farrell from BMD and I discuss it with Bob Pascoe as well.

40

They're all Water Service Coordinators you've just identified?---Yes. Yep.

What about other constructors? You mentioned Mr Mahmoud back in the early days, anyone else?---Ebrahim Ferris. There's a guy called Ebrahim Ferris. I got on a job in Bankstown, in Waterloo Road, Greenacre and then they want me to start straightaway and I told them look, I'm too busy for two weeks, if you're in a hurry get someone else because I want to avoid taking that job to there because I don't like to have too many jobs there because it put a lot of stress on myself. So this guy took the job and he rung

me halfway through, he said, I'm having difficulty finishing the job, what can I do? I said, What you want to do? I just avoid taking that job so he ring me back, he said, Can you please help me out? I sent my son and other boys to help him out and he even gave Buckley money, told me to finish that job on Waterloo Road, Greenacre.

And how much was that did he tell you?---He didn't tell me but it's, I didn't go in details with him about that.

10 Taking you back to 10 July and this first visit to the Revesby site. After you'd given Mr Buckley some money there was a general discussion because you thought there might be a problem with the existing pipes?---On the first day when we work he said this was not line properly it needs redesign. And I rung Bob Pascoe who came to the job.

That's the next day he came to the job?---Yeah, next day.

Yes?---And then he agree, he agreed to design, we stopped work for about three days till he redesign it and then we start back again.

20

What did the redesign involve, he draws up new plans does he?---New plans.

And what happens to you and your workforce while that's happening?---We had to go some other jobs.

I see. And the problem was that the pipes weren't where they were supposed to be in the plan. Was that the problem?---The pipes, the sewer main itself wasn't straight and we need a little (not transcribable) shaft to make it straight so we had to order it and, and they had to redesign the plan to put the new variation on the plan. So this took a bit of time and when the design is finished I came back to the job.

30

And when the Water Services Coordinator redesigns the plan that goes back to Sydney Water and the process starts again does it?---That's right.

And if I can take you to 27 July so that's the day before you make the recording?---Yes.

40 At 7 o'clock in the morning you went to the site to start work under the new plans?---That's right.

Mr Pascoe came and told you that Mr Buckley was on a rostered day off?  
---Yes.

You then got a telephone call from Mr Buckley later that day?---That's right.

Do you remember that call?---Yeah, I told him I'm starting a new job. He said, It's my day off and I'll come, come in the afternoon. I said to him, I'll have something done you can look at. So he came in the afternoon that day.

Did you form the view for his reason for attending on his rostered day off at the site?---He usually does it if he got nothing to do because it's his, it's his area and he doesn't like other inspectors to take his jobs on his day off because Sydney Water should allocate other inspector to. So he does it so nobody takes over when he's off.

10

I see. And he did arrive that afternoon?---He did arrive.

Do you remember the conversation?---No, he look at the new design and he, and I continue working.

There was a debate you were having with him because he said, Why have you started pulling out the pipe with me being here?---He, he told me just in case I do one section of that work and I said to him, I can do the whole lot. He said, No, you do that section. And I said, All right. Once he left I rang the WSC and I told them the story, he said, No, we have a commencement notice, we got the right to start and do the whole thing at once. I carried on that day, I done the whole thing, when he came next day - - -

20

Before we do that can you have a look at paragraph 28 of your statement? So this is before you rang Mr Pascoe. Just have a look at that and tell me when you're finished reading that paragraph?---When John saw me I done so much work and he said to me, You done an illegal connection, like you done the whole thing, that's illegal because I didn't tell you to do it. He got upset and he demanded some money from me. And I said to him, I haven't got it on me, I'll have it with me tomorrow. And that was in the afternoon - - -

30

Do you remember the amount of money that he asked for?---He asked for \$500. He said, It's going to cost you 500-plus. I didn't ask him what's plus mean but, and once he left I rang Bob Pascoe straightaway.

Yes?---And I told him the situation, I said, I can't carry on like this with this guy. And he said to me, carry on with the work and I'll come and tell you what to do. And I carried on with the work and when John came the next day I had, I had my telephone with me in the truck and it's ready like to put on recording. So when John Buckley came I told him just give me a few minutes until I finish what I'm doing. And I'll come and see you outside. So I finished what I'm doing and then I went back to the truck, put my, my phone on recording and put it on, next to me and then I asked John how much he wants, he said, 500. And I, I start negotiating with him.

40

You were present in court yesterday when the tape that you made was played?---That's right.

And do you identify the voices that you heard then - - -?---Yes.

- - - as your voice and Mr Buckley's voice?---Yes, sir.

And just for the transcript that was Exhibit P10. You saw the transcript, I'll get you a copy, it's part of P10. I'll just hand you that. And if you just read that to yourself?---Yep.

10 You see in this statement, but you've listen carefully to the tape, you've listened carefully to the tape a number of times?---Yes.

And the transcript that I've given you is a correct recording of what you said and what Mr Buckley said on that day to the best of your knowledge?---Yes.

Thank you. After you had made the recording, Mr Stevenson draws my attention to the fact that, I've mislead you Commissioner, it's actually P6, 28 July, rather than P10, which (not transcribable)

20 THE COMMISSIONER: Yes. Correct.

MR PAYNE: After you took that recording, Mr Nasrallah, what did you then, what did Mr Buckley then do?---He left the site and he issued the WSC with a Corrective Action, because I told John, Bob Pascoe told me to carry on the work and I'm working under his instructions, so he issued the WSC with Corrective Action.

So the CAR can be issued both to you and the water services coordinator?  
---That's right.

30

And on this occasion he issued it to - - -?---Yeah, I took it off my back because I told him WSC told me to carry on, so I'm working under his umbrella.

Yes. You then had a conversation with Mr Pascoe?---I did.

And he took, as you understand it, he took the complaint you'd made about Mr Buckley up- - -?---To Sydney Water.

40 - - -up with Sydney Water. And shortly there afterwards, as you say in paragraph 34 of your statement, you then had a conversation with some investigators from the Commission, the ICAC?---Yes.

You were present in court yesterday I think when the surveillance footage was played of the conversation between you and Mr Buckley on 4 August. Do you remember that, when, when he said to you that he'll make it up on the next job? Do you remember that?---Yes. Yeah, I remember that.

What did you understand him to be conveying to you when he said that?  
---I thought, like, he thought the complaint wasn't from me, it was from the WSC.

I see?---So I said, which is good. And ah, he said to me, "Someone watching us so we'll make it up on another job."

THE COMMISSIONER: Meaning what?---Like ah, in money-wise.

10 I don't understand?---Like, don't, yeah, he means like, like it means, like, don't give, don't offer him money because he'll make it up on another job.

Meaning you'd have to pay him on some other job?---Yeah.

He'll do you favour on some other job. Is that what he was saying?---He- -

That you will have to pay him on another job?---Pay him on another job.

20 Anyway, that was, that was your understanding of it?---That's right.

But he didn't make that clearer than what we see on the recording?  
---He said to me, "We'll make it up on other, on another job." But that's what my understanding, like, I'll have to give him on another job. Because my, my work is, gets inspected from WSC and gets tested by an independent tester, so my work, there's no shortcuts in my work.

MR PAYNE: But you understood the payments you were making were made so that he wouldn't find fault when there was none there or issue  
30 CARs to you and slow the process down?---That's right.

On 24 August at the final inspection of the job, can you just look at paragraph 39 of your statement and tell me when you finish reading that?  
---The last page?

The last page, yeah?---24 August. Yes.

Mr Buckley said to you on that occasion, didn't he, that, "You've accused me of taking bribes. I know it was you who complained about me to  
40 Sydney Water?"---Yeah. Then he realised I did it.

Yes. Did he say anything more that you can remember?---He said, "Get away." I said, "That's fine." So I kept away. I walked away and I left him with the coordinator.

Did he mention anything about the tape recording?---He said to me, "I know it's you, just keep away from me." And I just walked away.

It is very important, Mr Nasrallah, do you remember him saying anything about taking bribes or not?---I can't recall.

Did, was your recollection of the conversation clearer at the end of 2009 when you made this statement?---Like, on that occasion there, like, he knew as well as me that the complaint had been lodged and he's not going to accept it and I'm not going to offer it.

10 You've got in the statement, "Keep away from me, you've accused me of taking bribes"?---Yep.

That was your recollection obviously in- - -?---Yeah.

- - -October 2009?---Mmm.

As you sit here today, do you know one way or the other whether he said words to that effect or you're not sure?---Come again?

20 In 2009 when you made the statement in October- - -?---Yeah.

- - -the words you remembered were something like, "Keep away from me. You've accused me of taking bribes. I know it was you that complained about me to Sydney Water."---Mmm.

But what I'm asking you is, do you remember that being said?---Yes, I said that. He said that.

30 I see. Can I ask you about, you've mentioned that one of Mr Buckley's concerns to your understanding was that other inspectors would be inspecting the work if he wasn't there on a rostered day off. Have you worked in other areas of Sydney involving sewage inspections?---Yes, I work all over Sydney.

And have you met a Mr Funovski?---Funovski. No.

Have you met a Mr Kane, another Sydney Water- - -?---Yes, yep.

And has Mr Kane ever asked you for money?---Never.

40 And have you ever paid Mr Kane money?---Never.

What about other areas of Sydney Water, do you ever work with the PIAS? ---In the St George area.

In the St George area?---Yes. The inspector there is a Mick Georgsiki.

Yes. And any money ever changed hands with you- -?---Never.

- - -in relation to him?---Never.

Do you have any experience other than Mr Buckley of Sydney Water employees asking for money or- -?---No.

- - -you paying money?---No.

10 I have nothing further for Mr Nasrallah.

THE COMMISSIONER: Yes. I'd first like to ask which counsel wish to question Mr Nasrallah.

MR LEE: I would briefly, Commissioner.

THE COMMISSIONER: Yes, Mr Lee.

20 MR GORCZYCA: Commissioner, without being able to take instructions I can't say at this stage.

MR LEE: Yes, Commissioner (not transcribable)

THE COMMISSIONER: Can you do it now?

MR GORCZYCA: No, Commissioner, I need access to documents that I don't have.

30 THE COMMISSIONER: Anyone else? Mr Stevenson, do you want to wait till after lunch?

MR STEVENSON: I can do it now.

THE COMMISSIONER: Yes. Thank you.

MR STEVENSON: Mr Nasrallah, I'm the barrister for Sydney Water?  
---Yeah, yeah.

40 I'll see if I've got this right. You first met Mr Buckley about ten years ago?---Yeah.

Very early on he started asking you for money?---That's right.

And I think you said over the ten years he asked you for money on about thirty occasions?---That's right.

And it was 50 or \$100?---Yes, sir.

And after a while, is this right, you knew how much money he'd want?  
---Yes.

So you'd put 50 or \$100- - -?---Yeah.

- - -in his car or whatever?---Mmm.

And throughout that ten years until July 2009, until the, the Revesby episode- - -?---Yes.

10

- - -he didn't complain about the amount of money you were giving him?  
---No.

50 or 100 seemed okay so far as you could see?---Mmm.

Is this right? That all changed in July 2009 when for the first time he asked you for \$500?---That's right.

20

Now, throughout the ten years, the payments that Mr Buckley was asking you caused you the problem you describe in your statement?---Yes.

30

And is this right? The straw that broke the camel's back was when he asked you for \$500 in July last year?---He asked one previous occasion \$300. In Silverwater, I was doing a sewer diversion and the builder wanted his bond back from Sydney Water and he couldn't get his bond back till the job has been passed and that bond was close to \$100,000. And, and the builder said, "What's stopping the job?" I said to him, "You have to bury around the access chamber." But he said to me, "I can't bury around the access chamber till I do the first floor slab and then there's a lot of things other involved, it's a long way away. But the job was done, still exposed from the access chamber, it's not going to hurt nobody." And I said, "Well, Sydney Water will not pass it." And I said to John, "Why are you not passing that job?" He said, "Because you have to bury around the access chamber otherwise I need \$300." And I told the builder that and the builder came up with \$300 and I gave it to John.

All right. So there's one occasion when - - -?---One occasion.

40

One occasion when you thought the \$300 was paid to Mr Buckley but it wasn't paid by you it was paid by the builder?---Yep.

Otherwise until July last year - - -?---That's right.

- - - as far as you could see Mr Buckley was happy to take 50 or \$100?  
---That's right.

Now, throughout that ten year period you didn't complain to Sydney Water?---I, I - - -

Is that right you didn't complain to Sydney Water?---I complained to WSC. WSCs made a complaint on my behalf, I'm not sure on which occasion but nothing, nothing was done.

So you told us that in last July Mr Pascoe WSC on your behalf made a complaint about the (not transcribable)?---That's right because I told Pascoe I have to do something about it I can't carry on like this and he told me which way to go.

10

On that occasion was there some reason why you didn't want to make a complaint to Sydney Water yourself?---I didn't know which way to go, the right department in Sydney Water because I tell the WSCs and they feed me back on the information they get.

So do you think Mr Pascoe was likely to know where to go in Sydney Water to make - - -?---Because Bob Pascoe works most of his work in Buckley's area in Inner West and he was most interested to help me out in my situation so - - -

20

He was happy to - - -?---He was happy to help me out.

And you know don't you that within a day or two of Mr Pascoe making a complaint on your behalf to Sydney Water the ICAC investigators contacted you?---Okay.

So as far as you could see Mr Pascoe had made a complaint to Sydney Water, Sydney Water have passed it on to ICAC and ICAC have got straight back to you?---That's right.

30

Now, I think you mentioned that earlier there were occasions where you had spoken to Water Service Coordinators to ask them to complain to Sydney Water for you. Is that what you're saying?---Yeah, I've spoken to BMD, Phil Farrell, I've spoken to him about this and he lodge a complaint on my behalf, I'm not sure on my behalf or general but he said he done a few complaints and nothing was done.

We want to track that down so can you recall about when that occurred?---I can't give you dates, it was normal conversation on the jobs where I meet the WSCs.

40

THE COMMISSIONER: What year, Mr Nasrallah?---Sorry?

In what year?---That was done about a year ago, more than a year ago, about a year and a half I spoke to Phil Farrell.

And what did he tell you?---Because every now and then they have committee meetings with Sydney Water.

Who, the WSC people?---WSC people, they have meeting with Sydney Water and he lodged the complaint then.

Is that what he told you?---He told me he lodge a complaint.

And?---And nothing was done.

10 Did you ask him about that?---I ask him, said there's not, like there's not enough evidence and - - -

That's what he told you?---Like he said he, he discussed it with everybody, there's not enough evidence or nobody investigate this matter that far.

That's what he reported back to you is it?---No, I'm just saying nobody investigate this matter but he, he, he replied to me, I lodged a complaint but nothing I can do more than that.

20 But when nothing was done did you ask him to go back to Sydney Water and find out what was happening?---I really can't tell (not transcribable) because I work under him, he gives me work. I really can't put pressure on WSCs unless they're willing to go with me all the way.

But did you ask him what had happened to the complaint?---He put it forward to the committee but nothing was done.

How do you know that he put it forward to the committee?---'Cause when I met him next occasion he said, Nothing I can do.

30 How do you know he had reported it, did he tell you?---He told me.

MR STEVENSON: What do you understand is the committee that he was talking about?---Like WSCs they usually meet, I'm not sure whether every six month or every year with Sydney Water and they discuss all their issues.

So Mr Farrell told you he had taken your complaint about Mr Buckley to that committee?---Yes.

40 And Mr Farrell told you that there was nothing he thought could be done about it?---That's right.

And that's about a year or a year and a half ago?---Yeah.

MR LEWIS: Commissioner, I'm in a position to ask a few questions.

THE COMMISSIONER: Yes. Thank you, Mr Lewis.

MR LEWIS: Yes, thank you. You've given evidence today - - -

THE COMMISSIONER: Just explain to Mr Nasrallah who you represent.

MR LEWIS: Yes, certainly, Commissioner, I represent Khaled Mahmoud. Do you recall mentioning Mr Mahmoud's name earlier?---I have mentioned, I mentioned his name earlier on one occasion when I used to be partners with him.

10

You were partners with him?---I was partners with him about maybe 12 years ago.

Was that with Pherous Plumbing?---Pherous Plumbing.

So you and Mr Mahmoud were partners?---Were partners.

All right. And did partnership end?---Yes, we end, we went separate ways.

20

And was it amicable?---Yeah, yeah.

Yes?---No, it was nice and peaceful, we're still friends.

All right. Now, you were asked by the investigators to make a statement in 2009?---Yes.

Do you remember that?---Yes.

30

Do you remember making that statement?---Yeah, I made that statement.

And have you been shown a copy today?---Yes, I've got a copy in front of me.

You've got a copy there now?---Yeah.

Okay. Good. So you were asked earlier by Mr Payne about paragraph 14 and the following paragraphs, do you see those? I'll take you up to paragraph 16?---Yeah.

40

From 14 up to 16?---Yeah.

Yeah?---Yeah.

So you say that you started working as a sewer constructor 1997, '98? ---Yes.

Yeah. And there was, you had no trouble at all completing work at the beginning of your career?---That's right.

Yeah. But then when you started working in John's area at paragraph 15 - -  
- - -?---Yes.

- - - you started to find that there were difficulties?---That's right.

Yeah. And when was that?---I start from day 1 working in John's area, not  
just John's, all over Sydney, I worked even in, in Wollongong, all the way  
down there.

10

Yeah?---I had no problems doing my job.

Can you answer my question?---Yes.

When was it that you started working in - - -

THE COMMISSIONER: He did answer it.

MR LEWIS: - - - his area?

20

THE COMMISSIONER: He said from the beginning?---From the  
beginning I worked all over Sydney.

MR LEWIS: Well, you've said here at paragraph 14 - - - -?---Yeah.

- - - that you commenced working in 1997, '98 - - - -?---Yes.

- - - you had no problems. Is that right?---Yeah, look, I had no problem  
with my work, that's what I mean.

30

Yeah?---But when I work under, in John's area I have the problem.

Okay. So that was 1997, '98 was it?---Mmm.

And wasn't it around that time that you had a conversation with my client,  
Mr Mahmoud?---Yes.

So it was 1997 or 1998?---Yeah, we done a job together in Guildford, I'm  
not sure of the year and he told me the story, you have to, that's what we  
have to do. He done it first when he, he gave him the \$100 then and then I  
learnt how to do it after that.

40

Okay. So have a look at paragraph 16 of your statement?---Yeah.

See there you say, I spoke with other sewer constructors - - -?---Yep.

- - - regarding the problems I was having with John?---That's right.

I can't remember the persons name?---Yep.

But I remember this person telling me and then there's a quote of what you were told?---Yes.

10 Are you saying that that person was Mr Mahmoud?---I didn't want to mention constructors name, I don't want to involve people in here, but because Mahmoud is already, you just mentioned a while ago, so I just told you like my first experience with Mahmoud, that was my partner, we started together and I mentioned his name. And earlier on I mentioned other constructor, his name is Ibrahim Pherous, Pherous, Ibrahim, on that job I done me and him in (not transcribable) by himself in Greenacre. That was my job, I gave that away because I don't want to do under John Buckley. So I left it and he took it over.

Well, the person that you say gave you this information in paragraph 16?---Yes.

20 Now was that Mr Pherous?---On the first day, yes. On the first day.

Was it Mr Mahmoud?---Yeah, he told me, that's the only way out.

Well which one of them told you or both of them?---No, no. Ferris, I only met him not long ago, Ibrahim Ferris. But Mahmoud, I met him on my first day when we done sewer together, we were partners, he told me that's the only way out.

30 Well, Mr Nasrallah, how is it that you couldn't recall the name of the person when you made this statement to Commission investigators?---Well, I told them but I didn't mention names in here. I didn't mention a lot of names, I can - - -

Just have a look at what you've said here. I can't remember the persons name?---Yes.

Was that true?---That's right. I can't remember, but Mahmoud was my partner, so I can remember his name. Because I don't want to drag him into court but because he's already here - - -

40 Just listen to my question?---Yes.

When you said, I can't remember the persons name?---Yes.

Could you remember it or not?---A lot of constructors told me, I can't remember all their names. I can't remember all their names. But I can remember a few names.

The name of the person that told you this information could you remember the name or not?---Not all of them, no.

This one? Could you remember his name?---On the statement?

Yes?---On paragraph 16?

Yes?---I can't remember the names for that one, no.

10 You can't remember them?---No. No.

So was it Mr Mahmoud that told you that or not?---No.

It wasn't. Thank you.

THE COMMISSIONER: Anyone else who wishes to cross examine now? Who else remains to cross examine? Mr Reed, you may I take it.

MR REED: Yes, Commissioner.

20

THE COMMISSIONER: All right. We'll adjourn until 2.00pm.

**LUNCHEON ADJOURNMENT**

**[12.41pm]**