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PUBLIC
HEARING

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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE DAVID IPP AO QC

PUBLIC HEARING

OPERATION SIREN

Reference: Operation E09/1228

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON THURSDAY 9 SEPTEMBER 2010

AT 2.00PM

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

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

MR PAYNE: Mr Mahmoud, I want to now ask you some questions about your interactions with the PIAS inspectors, the plumbing inspectors for smaller jobs under the New South Wales Plumbing Code. Do you understand?---Yeah.

10 You know a man Mr Fayers, F-A-Y-E-R-S?---(NO AUDIBLE REPLY)

You need to answer not just nod?---Yes.

And he is a PIAS inspector as you understand it formerly with Sydney Water and now moving across to Department of Fair Trading?---Yes.

I want to suggest to you that you have provided cash payments to Mr Fayers. Do you agree?---I might have gave him present, yeah.

20 I'm terribly sorry?---I might have gave, give him present, yeah, as cash payment.

Cash payments as presents?---Yeah.

And I want to suggest to you that the amounts would be about \$20?---Yes.

And that those payments were fairly regular. Do you agree?---No, I recall one or maybe three times at the most. I don't see Mr Fayers so often.

30 Three times. And what were the circumstances in which you made cash payments to him? Were they for favours of the kind you described before for coming early for example?---No, with PIAS there's no coming early favour, there's, it's just our generosity sometimes when we have a good run at the work and I feel like it's our generosity, yeah.

THE COMMISSIONER: I beg your pardon?---Generosity.

MR PAYNE: Generosity.

40 THE COMMISSIONER: Generosity?---Generosity.

MR PAYNE: Were you generous to other PIAS inspectors as well?---I can't remember exactly who, who or if I have. I don't usually record being generous to people.

Yes. Just so we're clear in the examination a few weeks ago you denied making cash payments to Mr Fayers didn't you?---I didn't remember.

But you now remember and you think on three or four occasions you've made payments of what, \$20 to Mr Fayers?---Correct.

I see. And having reflected on it are there any other PIAS inspectors you remember paying money to?---No, I'm, I'm not sure about names but I'm sure I might have if some PIAS inspectors some monies but I can't remember whose or names or - - -

10 See, I want to suggest to you that it was a fairly regular occurrence for you to provide cash payments to PIAS plumbing inspectors. Do you agree?
---Regular?

Yes?---No.

Well, how many inspectors do you think you made cash payments to?
---Maybe two or, two or three.

20 Well, you certainly remember Mr Fayers and making cash payments to him don't you?---I don't remember it, I just been reading through that, that, he, what he said I remember (not transcribable).

I see. So what you're referring to is you've been shown and read that Mr Fayers has admitted receiving cash payments from you?---Correct.

And he would see you every month or two months if there was an inspection in the area you were working?---Approximately.

30 And that would be many, many occasions you would meet Mr Fayers then wouldn't it?---No, I don't think so.

I see?---I, I don't do plumbing so often now as I told you.

Yes, you did me in the last three years you've scaled down the plumbing work?---Yeah.

Could you tell the Commissioner you used the word generosity, he was doing his job why were you paying Mr Fayers money?---Why was I paying him money?

40 Yes?---Just for, to get some beer or coffee or, it's something that I, I would do for my workers for - - -

Well, are you in the habit of giving money to everybody that you meet professionally?---In that job. I'm sorry, what you mean - - -

THE COMMISSIONER: In the course of your business?---Within my course of my business?

In the course, in the course of your business - - -?---Yeah.

You've been asked whether you give money to everybody who you do business with in some way?---Yeah. Not everybody, sometimes.

10 MR PAYNE: Yes, Mr Mahmoud, I want to suggest to you that you knew giving cash payments to Sydney Water employees was wrong. Do you agree with me?---Now I know but I never knew that especially after the job is done and everything was passed according to standard I didn't think that giving payment for a coffee or drink that would be wrong.

It didn't occur to you that if you paid cash to an inspector that on the next occasion he might be able to do you a favour?---I can't understand what you mean favour.

Well, with a plumbing inspector they have the ability to approve or not approve your work. Correct?---Yes, if it's wrong they cannot approve it, it's something wrong with the job.

20 And they had the ability to say I will come at a particular time and if it's not ready I'm not going to wait, I'll make, I'll come back another day and cost you money, you could do that, couldn't they?---They absolutely can.

And I suggest to you that when you made payments to Mr Fayers you were hoping that if you needed a favour like that in the future he would provide it to you?---Well, I didn't look at this way. I know if, if, that an inspector from Sydney Water hasn't been reasonable and not complying by the book or he is telling me there's something wrong with my job or not coming early for no good reason I still able to ring other inspectors or the office of the
30 inspectors to ask for somebody else to come to cover it so.

Having had a chance to reflect on this transcript when Mr Fayers admits that he took cash payments from you, can you tell me the name of any other inspector who you've made cash payments to from the PIAS department?
---I can't remember names.

Have you met Mr Vecchio?---Vecchio, yes.

40 Have you made cash payments to him?---I probably did.

When you say you probably did, do you have a recollection or is it just your usual practice you think you probably did?---I probably did, yeah, because I, I, now mentioning Mr Tony Vecchio I, yeah, I met him on more than one occasions.

Yes?---Yeah, but - - -

And it's likely therefore that you made a cash payment to him?---More than likely.

More than likely. Mr Rogers, do you know Mr Rogers, a PIAS inspector?
---Rogers, yes.

Again, did you make a cash payment to him?---I can't remember.

10 So you don't know one way or the other. You see, one of the things that the PIAS inspectors need to do is to check over the drawings of the plumbing that have been done by you, correct?---That's correct.

And so it's different to the sewerage work in this way because there's no water service coordinator who draws up the plans of plumbing is there?
---That's right, yeah.

20 And one of the things that the inspectors in the PIAS department can do is to say that the plans are inadequate, go away and do them again, correct?
---Since that rule came up I probably did about four or five so, and as you're well aware it's random audit now, they come on site or not and when they don't come I will email my drawing to, to them.

I understand. So what you're saying to the Commissioner is since the inspectors have moved across to the Department of Fair Trading they don't come every time any more?---No.

There is a random audit system - - -?---Correct.

30 - - - but during the period they were employed by Sydney Water they would come on each occasion?---Yeah.

And they'd check your drawings. And Mr Rogers I suggest, you agree with me Mr Rogers was an inspector on occasions where you performed plumbing work?---Yeah, not when those plans, well, not when we had to draw the plans.

I see?---That was recently and I haven't seen Mr Rogers since that rule.

40 And I just want to give you ever opportunity, do you tell the Commission that you did or did not Mr Rogers cash for, in relation to inspections?---I, I don't, I don't think so.

You don't think you did?---No.

Excuse me one moment. I have nothing further for Mr Mahmoud.

THE COMMISSIONER: Any questions, Mr Lee?

MR LEE: No, Commissioner.

THE COMMISSIONER: Anyone else other than Mr Stevenson?
Mr Stevenson, I just think that you have a different interest to the others,
that's why I'm suggesting that you go second last in this case.

MR STEVENSON: I'm not complaining, Commissioner.

THE COMMISSIONER: Yes.

10

MS DI GREGORIO: Yes, Commissioner, Di Gregorio, I appear for
Mr Vecchio.

THE COMMISSIONER: Yes, Ms Di Gregorio. Just announce, just explain
who you are please.

MS DI GREGORIO: Yes, thank you.

THE COMMISSIONER: Who you're representing.

20

MS DI GREGORIO: Mr Mahmoud, I appear for Tony, I represent Tony
Vecchio?---Yes.

You've just given evidence that you've met him on many occasions and it's
more than likely, sorry, Mr Mahmoud. You've just given evidence that
you've met Mr Vecchio on many occasions and it's more than likely that
you paid him some money?---Correct.

Do you remember any specific incident?---No.

30

Okay. I suggest to you that perhaps you never paid Mr Vecchio an amount
of money after he conducted an inspection on your work?---I'm very sure
that I did maybe once or twice but I'm - - -

But you can't recall?---I can't remember, no.

Okay. So it's your general practice to give a tip as you refer to it?---Yeah,
yes.

40

But you can't specifically recollect an occasion when you gave money to
Mr Vecchio?---I don't hold a (not transcribable)

I suggest to you that you're just indicating that you gave Mr Vecchio a
payment just to cover yourself in case, you know, just a blanket comment.

THE COMMISSIONER: I don't understand what that means. I don't know
how Mr Mahmoud would understand what it means.

MS DI GREGORIO: Okay. I, I withdraw that. Mr Mahmoud, if it was your general practice to pay money - - -?---Yeah.

- - - are you just indicating to the inquiry today that you think you probably gave Mr Vecchio money because it was your general practice?---Correct.

But you cannot specifically recollect giving him - - -?---I can't remember exactly.

10 No further questions.

THE COMMISSIONER: Is there anyone else other than Mr Stevenson?
Mr Stevenson.

MR STEVENSON: Mr Mahmoud, I'm the barrister for Sydney Water. As an accredited constructor you had to sign a written agreement with Sydney Water called a Developer Infrastructure Provider Agreement?
---Correct.

20 And you understood, didn't you, that one of the things that you promised to do in that agreement was to behave ethically?---Correct.

And you understood that in order to behave ethically you couldn't offer any bribes to anyone from Sydney Water?---That's correct.

Or make any gifts to them, you understood you were not to make any gifts to them?---I was never told that I am now allowed to give any gifts.

30 Could Mr Mahmoud be shown Exhibit P34. While that's coming, you understood that one of the things you promised in the Developer Infrastructure Provider Agreement was that you would comply with Sydney Water's Business Ethics Guide?---That's correct.

Have you seen this, you've seen this document before haven't you, the Business Ethics Guide?---I probably have, yeah, most of my things have been emailed to me which Sam my wife would take care of the business, the office work, I don't usually get involved in the office much.

40 Okay. Is your English good enough for you to read this document?---I, absolutely.

So you see that there's some bullet points?---Yes.

You see the fourth bullet point, it starts with "do not offer"?---Yeah.

You see what it says is "Do not offer, solicit or accept gifts, benefits or inducements"?---Yes.

You can read that. So you understood, didn't you, that part of what you promised Sydney Water when you became an accredited contractor was that you wouldn't offer gifts or bribes to Sydney Water employees?---Mmm.

You agree?---Yes but I probably haven't seen this before.

You tell us, I think, that Mr Buckley never actually asked you for money, that's correct?---That's correct, yeah.

10 Mr Fayers, did he ever ask you for money?---No.

Did Mr Vecchio ever ask you for money?---No.

So on each occasion you made payments to Sydney Water employees you did it voluntarily?---That's right, yes.

It was your idea?---Yes, it was.

20 It wasn't because of any hint - - -?---No.

- - - you got from Sydney Water employees that they wanted money?---No.

And that you were making the payments, were you, just to make sure that whoever you were making the payment to would treat you well in the future?---No, that wasn't the reason. It was just - - -

It wasn't for a bit of insurance?---It was as a treat to - - -

30 A treat?---Yeah, thank you for probably coming early or - - -

It was a bit of a sweetener, was it?---Yeah, like beer or coffee.

And when you made these payments did you think that you were doing anything wrong?---No.

40 Do you, what do you think now, do you think it was wrong?---I think yes but if you look, look at my records I only have two or maybe three non-conformance, that's when I started this job so I had no reason to bribe somebody for my work.

So you didn't think it was wrong to make the payments then?---No.

But you do think it's wrong to make the payments now?---I begin to understand, yeah, I begin to understand that it was wrong now.

Isn't that because you've been caught out?---Correct.

It's like - - -?---Well, I've been, it was explained to me that why is it wrong.

Who explained that to you?---You, you explained to me now by showing this, that you shouldn't give gifts and - - -

Are you saying that you didn't realise until you read the document Exhibit P34 that it was wrong to - - -?---To give an inspector, yeah. Yes.

Thank you?---You're welcome.

10 THE COMMISSIONER: Mr Eurell?

MR EURELL: Nothing, Commissioner.

THE COMMISSIONER: Yes, thank you. You're excused Mr Mahmoud. Thank you?---Okay.

THE WITNESS EXCUSED

[2.20pm]

20

MR PAYNE: Yes, Commissioner, if the interpreter could wait. I call Mr Khalil. A different interpreter. I'm sorry.

THE COMMISSIONER: Why is that?

MR PAYNE: I don't know, Commissioner.

THE COMMISSIONER: Is that Mr Khalil? Take a seat.

30 MR PAYNE: That's the interpreter.

THE COMMISSIONER: Where's the interpreter. You are the interpreter. Please take a seat. Is someone representing Mr Khalil?

MR PAYNE: No, your Honour. I would ask on his behalf for a Section 38 declaration.

40 THE COMMISSIONER: I'm going to make an order that applies to Mr Khalil. Would you interpret this to him as I go along, please. I think we before we do that, just would you swear the interpreter in, please.

<NAZIH RIHANI, sworn

[2.21pm]

THE COMMISSIONER: Pursuant to Section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents produced by him during the course of his

evidence at this public inquiry are to be regarded as having been given or produced on objection and accordingly there is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

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

Now do you, does the witness wish to be sworn or does he wish to affirm his, the truth of his evidence? You can swear on the Koran?---I take an oath, your Honour.

You'll take an oath or you swear?---Koran.

Koran.

THE COMMISSIONER: Mr Payne?---Commissioner, I think I don't like to answer any questions.

I'm afraid by law you have to answer the questions and you have to answer them truthfully. There is no basis on which you can claim privilege?---As we agreed outside, I'm not going to answer any questions.

10

As who agreed?---He's referring to the interpreter, I think.

The interpreter - - -?---He mentioned that to me.

All right?---To make sure that I explain clearly to the Commission.

Yes. Very well. This is what I would like you to interpret please?---All right.

20

By law you are obliged to answer all questions asked of you. And it is a serious criminal offence either to refuse to answer or to give false answers. Do you understand that?---Yes.

I emphasise that because the penalty for giving false evidence in this examination may be a gaol term of up to five years. So in your own interests I would recommend that you answer all questions and answer them truthfully. Do you understand that?---Yes.

30

Mr Payne.

MR PAYNE: Mr Khalil what is your full name?---*Joe Khalil.

And you are an accredited constructor with Sydney Water?---*Yes.

If at any time you need to ask the interpreter to interpret, please let me know?---I need interpreting.

I see. Mr Khalil, you know an inspector from Sydney Water, John Buckley don't you?---*Yes.

40

THE INTERPRETER: The answer was yes.

MR PAYNE: And I want to suggest to you that have made cash payments to Mr Buckley. Do you agree?---I cannot recall if I did anything with Mr Buckley. I can't remember.

THE COMMISSIONER: You can't remember what? What is it that you can't remember?---What did you ask me now?

MR PAYNE: I asked you whether you made cash payments to Mr Buckley at any time?---I can't remember. He's saying that I made a payment of \$50 to him. Probably I paid him, but I don't remember because I had a stroke and I have lung disease. And I was at Concord Hospital.

So you think probably you did pay Mr Buckley \$50 in August, 2009 do you?---He's saying that I paid him. He remembers more than I do. It's possibly that's a yes or a no.

10

I'll show you this document which is a transcript of your compulsory examination before this Commission?---What's this? I don't understand.

It is a transcript of the evidence you gave on 16 August, 2010. Commissioner, I tender that examination.

THE COMMISSIONER: Yes. A copy of the transcript of the examination, compulsory examination by Mr Khalil is Exhibit P66.

20

#EXHIBIT P66 - TRANSCRIPT OF COMPULSORY EXAMINATION OF JOSEPH KHALIL

MR PAYNE: Mr Khalil, please turn to page 107 pt, the numbers are on the bottom right hand corner of the page.

THE COMMISSIONER: What page were you referring to, Mr Payne?

30 MR PAYNE: 107PT, Commissioner.

THE COMMISSIONER: Thank you.

THE INTERPRETER: Commissioner, I cannot see 107, I can see up to 106.

THE COMMISSIONER: I think it must be the next page. There is no 107.

40 MR PAYNE: I apologise, Commissioner. Excuse me one moment, Commissioner.

THE COMMISSIONER: Do you have a copy of the transcript for yourself, Mr Payne?

MR PAYNE: I have a copy of a transcript, yes. If I can move on. Mr Khalil, I want to suggest to you that you made a payment to Mr Buckley in August 2009 of \$50?---I can't remember. He's saying that I paid him \$50 he remembers more than I do.

Did you ever give Mr Buckley any gift at all?---I don't see him, I don't see him frequently because probably I do a job or two jobs a year.

Do you remember ringing him and asking him to get some documents for you in August 2009?---Yes. I called him. I called him because I needed some papers to renew the main, main sewer work for contractor. When without these I cannot obtain the licence. I don't remember them, they're not with me, I lost it.

10

And those papers were obtained for you by Mr Buckley weren't they?
---Yes, he got them, he put them in the letterbox. I believe I remember that.

Yes. And you remember you paid him \$50 for that didn't you?---I can't remember. *I not remember.*

Well, can you listen to this telephone conversation please. I will give you a transcript which can be interpreted for you?---What's this?

20

This is a transcript of what you're about to hear.

TELEPHONE INTERCEPT PLAYED

[2.34pm]

THE INTERPRETER: He just said that.

MR PAYNE: Mr Khalil, that's your voice on the tape?---And my son too.

30

Your son who's present in the court?---*Yeah, yeah.*

And Mr Buckley?---*Yeah, yeah.*

Yes, I tender that recording and the transcript, Commissioner, please.

THE COMMISSIONER: The transcript of the telephone conversation between Mr Buckley and Mr Khalil and Mr Buckley and Mr Khalil's son is Exhibit P67 and the audio recording is also part of that exhibit.

40

**#EXHIBIT P67 - TRANSCRIPT OF TELEPHONE CONVERSATION
AND AUDIO RECORDING DATED 6 AUGUST 2009**

MR PAYNE: Yes, I'll hand you another transcript and please listen to this.

TELEPHONE INTERCEPT PLAYED

[2.40pm]

MR PAYNE: Mr Khalil, that's a telephone conversation, you recognise the voice of your son, Khalil Khalil on that tape?---Yes, that's my son's voice.

And Mr Buckley's voice?---And Mr Buckley.

I tender that recording and the transcription with the Commission, please.

10 THE COMMISSIONER: Transcript and the audio recording conversation between Mr Khalil, Mr Buckley and Mr Khalil's son is Exhibit P68.

#EXHIBIT P68 - TRANSCRIPT OF TELEPHONE CONVERSATION AND AUDIO RECORDING DATED 12 AUGUST 2009

MR PAYNE: In relation to P66, I apologise for the confusion created by what I handed up. And hand up a correct version of the transcript of the confidential - - -
20

THE COMMISSIONER: It's a substituted version.

MR PAYNE: A substituted version, yes.

THE COMMISSIONER: All right. The (not transcribable) will be substituted for P66.

30 **#SUBSTITUTED EXHIBIT P66 - TRANSCRIPT OF COMPULSORY EXAMINATION OF JOSEPH KHALIL**

MR PAYNE: And on that document please turn to page 107 pt in the bottom right hand corner. Do you have that document in front of you now?
---Yep.

Look at line 40, the line 39, the line numbers are on the left hand side of the page. Do you see the question, Have you ever given money to Mr
40 Buckley?---I don't remember. He is saying that I gave him \$50 because I have stroke I remained in hospital for about two weeks at Concord Hospital.

When was that Mr Khalil?---I believe it was before this date.

Before 16 October, sorry, 16 August, 2010. Is that what you're saying?
---Before 2010. I was at hospital before 2010.

In 2009?---I believe, I believe it was by the end of 2008 or beginning of 2009. But I can get the address from Concord Hospital.

I want to suggest to you that when you gave the answer at line 39 on page 107 pt of the examination, when you gave the answer, No, that was untruthful?---Because I don't remember whether I gave Buckley money or not. He remembers more then I do.

10 Please have a look at the last question and answer on that page. Have you ever, have you ever given any gift to Mr Buckley? And you said, Nothing. Nothing. He's not a friend. How would I give him a gift. Do you see that? ---I don't remember. *I don't remember at all.

I suggest to you when you gave that answer you were being untruthful to the Commission?---It was truthful but I couldn't remember if he, if he, it wasn't mentioned, if \$50 was mentioned I wouldn't remember.

20 Well, can I just ask you about the telephone call you've just heard which is Exhibit P68. Can you go to the last page of that transcript please?---P68.

The transcript we've just listened to. Go to the last page and look three, four lines down from the top your son says, Thanks John, my dad, my dad will fix you up. You know, just give him a call so you can meet him and he will fix you up. Do you see that?---Well, jus to say thank you to him because these people they help me to obtain the authority, construction authority.

30 And having read that you now remember don't you that you paid \$50 to Mr Buckley shortly after this date in August, 2009?---I have the right to obtain these things.

I'm suggesting to you though that having read that now and having your memory refreshed that you did obtain these things from Mr Buckley as your son records here, you would meet Mr Buckley and fix him up and that's what you did?---Well, to fix him up is just to tell him thank you very much because he got me the papers to obtain the authority.

40 And you paid him \$50 didn't you?---\$50, I can't remember at all, whether I paid it or not. He remembers more then I do.

THE COMMISSIONER: Are you saying that you fixed him, do you agree that you fixed him up?---What's the fixing up, just say thank you very much. I did not receive these by hand. They were left at the letterbox.

I'm not asking you, I'm asking you about how you fixed him up?---*Tell him thank you very much.* Just to tell him thank you very much, thank you.

Why didn't you say thank you very much on the phone? Why did you have to meet him to fix him up?---I didn't speak to him, my son spoke to him, my son he's just school student.

Where did he get the idea of fixing up Mr Buckley from?---I don't know what he said and he was the one who spoke over the phone.

MR PAYNE: Mr Khalil's son is here and I propose to call him after Mr Khalil. I have nothing further.

10

THE COMMISSIONER: Any questions for Mr Khalil? You may go.

THE WITNESS EXCUSED

[2.51pm]

MR PAYNE: I call Mr Khalil Khalil.

THE COMMISSIONER: Mr Khalil, you have no legal representation?

20

MR KHALIL: No.

THE COMMISSIONER: Please be seated.

MR PAYNE: I'd ask for a declaration under section 38 in relation to Mr Khalil's evidence.

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

40

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

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

MR KHALIL: I do, I give under oath.

THE COMMISSIONER: Under oath. Do you swear on the Koran?

MR KHALIL: Yep.

MR PAYNE: Mr Khalil, what's your full name?---Full name is Khalil Khalil.

And I think you're a medical student?---No, I'm not a medical student. I'm a second year mechanical engineering student.

10 Mechanical engineering, I apologise. You've been in court while the tape was played P68?---Yep.

Can the transcript be shown to Mr Khalil please. I take it you have no problems with your memory?---No, I don't have any memory problems, not that I know of anyway.

And you understand the importance of telling the truth to the Commission?
---Yes, I do.

20 Please have a look at the last page?---Yep.

I suggest to you that you had been told by your father to ring Mr Buckley in order to get some papers on 12 August, 2009. Do you agree?---Yes, I do agree.

What did he tell you?---He told me to ask John Buckley to obtain some paperwork for his annual audit so he can renew his minor sewer works contractor licence.

30 And did he tell you that if Mr Buckley could get the papers that he would provide some money for Mr Buckley for his trouble?---No, he didn't.

When you said, "My dad will fix you up, you know him, give him a call so you can meet him and he will fix you up" what did you mean?---I cannot remember what I did mean at that time but it could, it could be an infinite number of things to tell you the truth.

THE COMMISSIONER: Mention some of this infinite number?---It could be seeing him and thanking him - - -

40

Wasn't he there at the time?---What was that?

Your father was he not there when you spoke?---I'm not sure. It depends what number I gave him a call off. If you know the number then, if it was my dad's phone when my dad was probably present at the time, if not then he wasn't - - -

MR PAYNE: I ask you to assume that it was your father's phone?

---Assuming that it was my father's phone isn't being my father's phone so it's, can't really, I can't really say whether, if I assume it's my father's phone then he could be at home but if it wasn't my father's phone then I wouldn't have a clue.

I'm telling you that it's your father's phone?---Okay. Then he was probably present, maybe not in the same room but he was probably present.

10 Are you in the habit of making promises to public officials that your father will fix them up without having instructions from your father?---Can you please repeat that question?

Are you in the habit of making promises to public officials that your father will fix them up without having the authority of your father to do so?

---Well, I, I did speak with John Buckley over the phone and I did say that my dad will fix him up but I honestly don't remember how my father would fix him up.

20 THE COMMISSIONER: Did you hear me tell your father that the penalty for giving false evidence at this inquiry is, can be gaol of up to five years? ---I did hear you say that.

Are you giving your evidence with that in mind?---Yeah. And my evidence is 100% the truth and nothing but the truth.

Why was it necessary for your father to meet Mr Buckley to fix him up?---I, I wouldn't have a clue.

30 But you said those words?---I did say those words but - - -

And it wasn't long ago, it was only last year?---Well, it was last year but as you well know that over a year many things can change and many things can happen and us being humans we cannot remember every word we say.

That phrase that sinister connotations. Do you understand that??---Yes, I do.

40 It's not a phrase that one, if you understand English and I gather that you understand English pretty well and speak it pretty well?---Yep.

Were you born in Australia?---I was born in Australia.

So you know what fix it up means, fix you up means don't you?---It means, it has many meanings but there is, there is a meaning - - -

What do you (not transcribable)?---Say that again?

What other meanings then?---It, it has many meanings, you can either thank a person - - -

What are they?---You can thank a person.

Fix a person up. Do you say that thank a person is a way of fixing a person up? Are you serious?---No, no, but you do have a point there and fixing somebody up it could be inviting them over for a cup of coffee, for lunch, for dinner, you know, but by no means does my father go and - - -

10

Why would you have to meet him, why would your father have to meet him so that he can invite him for a cup of coffee?---But I'm not sure if he did meet with him.

You said to him that, you said to Mr Buckley that he Mr Buckley should just give your father a call so that they could meet and that your father would fix him up?---Yes.

20

Now, why, what does fixing up mean in that context, what do you suggest it means?---I, I, I honestly don't know to tell you the truth.

It's your words?---It is my words and I stand by my words but - - -

You stand by your words but you're not prepared to say what they mean? ---Well, I am saying what they mean and - - -

What do they mean?---?- - - I'm telling you that when I said these words that I didn't know what, how else to say it.

30

Say what?---Say, say to John Buckley that my dad will thank you at a later date but - - -

Are you seriously - - -?---But thanking - - -

You suggest that's a serious answer?---Well, I, I, I've sworn an oath so it is a truthful answer.

Yes. This is not a university - - -?---I know it's not a university.

40

- - - oral examination, this is a serious occasion?---I, I do understand that.

And - - -?---And I do trust my father that he won't resort to corruption means to, to, to thank somebody in a government job. I do trust my father and I know that my father won't resort to those measures.

MR PAYNE: Mr Khalil, I really do regret doing this but I have to put to you that what you're telling this Commission is a pack of lies?---But it's, it's, there's no lies.

You know don't you that when you promised Mr Buckley that your father would fix him up that there was going to be an exchange of value between them don't you?---Well, I, I didn't promise anyone anything, I just, I just merely said that my dad will fix you up. In saying that I don't know how my dad will fix him up but I do trust my dad and I know my dad that he won't resort to corruption means in order to do so.

I have nothing further for this witness, Commissioner.

10

THE COMMISSIONER: Does anyone wish to cross-examine Mr Khalil? You're free to go?---Thank you.

THE WITNESS EXCUSED

[3.00pm]

MR PAYNE: Commissioner, I call Mr Romanous.

20 THE COMMISSIONER: Mr Romanous, do you have legal representation?

MR THOMAS: I appear for Mr Romanous, Commissioner, Thomas.

THE COMMISSIONER: I take it you're seeking leave to appear and you wish me to make a section 38 order?

MR THOMAS: Yes, please.

30 THE COMMISSIONER: Please be seated, Mr Romanous. Pursuant to section 38 of the Independent Commission Against Corruption Act I declare that all answers given by Mr Romanous 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.

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

THE COMMISSIONER: Do you wish to give your evidence under oath or do you wish to - - -

MR ROMANOUS: Oath.

THE COMMISSIONER: You do. Would you swear Mr Romanous in please.

MR PAYNE: Mr Romanous, what's your full name?---Raymond John Romanous.

And you have a company which is an accredited constructor with Sydney Water?---Correct.

10 The name of that company?---Strathfield Plumbing Services Pty Limited.

And you have earlier given evidence before this Commission in confidential session on 17 August, 2010 and you've had a chance to look at the transcript of that evidence in recent times?---That's correct.

I'll show you the document. I tender that transcript, if the Commission please.

20 THE COMMISSIONER: Yes, the transcript of Mr Romanous' compulsory examination is Exhibit P69.

#EXHIBIT P69 - COPY OF TRANSCRIPT OF COMPULSORY EXAMINATION OF RAY ROMANOUS

MR PAYNE: By reference to that transcript I'll ask you a few questions and just to orienteer, if you look at the bottom right-hand corner there's, there's a page number - - -?---Yes.

30 - - - for all but I think the last page of the document so if you could turn in the first instance to page 128PT in the bottom right-hand corner?---Yeah.

And just to confirm a few things, Strathfield Plumbing has been in existence for about 18 years?---I think it was, yeah, it's around, roughly around that time.

40 And you perform both major sewerage works of the kind inspected by Mr Buckley and also plumbing works of the kind inspected by PIAS inspectors?---Correct.

And that you personally have involvement in both aspects of Strathfield's Plumbing's business?---That's correct, yeah. I initially was a, just a plumber, I had a big concern of about 35 employees and then I lost a fair bit of money then I just got into the Sydney Water side of things and I'm just on me own with a couple of subcontractors.

Yes. Can I ask you to turn to page 130PT in the bottom right-hand corner and just again to remind you there were some questions there asked about a Mr Kenneth John Buckley who you know as John Buckley, correct?
---Correct.

How many jobs have you been involved in to the best of your recollection where Mr Buckley has been the inspector appointed?---There was, there was six in total that I can recall.

10 And you made cash payments to Mr Buckley in respect you think of three of those jobs?---Correct.

Of I think \$200 a time?---Correct.

Can I show you Exhibits, I'll show them together and then we can examine them, 17, 18 and 19, sorry P17, P18 and P19. There's a bundle of documents I've given you but the first P17 is to do with 51 Tompson Road, Panania?---Correct.

20 That was a job in respect of which you made a cash payment of \$200 to Mr Buckley?---That's right.

Can you recall the circumstances in which that payment was made?---It was on site and I just, it was on, on the, on the final.

Yes?---Mmm.

And what caused you to make the payment, Mr Romanous?---I was just, we were just, he's just very hard to deal with and at the end of the day I just
30 wanted to get the job over the line and I just gave him money basically.

Had you heard that he was susceptible to, to taking money?---I heard that he was a very hard inspector, yeah, and he'd give you a hard time.

And the idea that if he took, if you paid him money he would back off if you like (not transcribable)?---Well, basically just get the money and get out of here, you know what I mean, like we do nothing wrong, all our jobs get tested, like I said before, and stuff like that so, you know - - -

40 Yes?--- - - - there's not much, you're picking on little things like the channels and stuff like that, if you go back and rectify them, you get to the final, here's your money, see you later.

So on the final inspection you would pay him the money - - -?---That's right.

- - - in effect so that, I'll just summarise, there was nothing in your view at all wrong with the work that you were doing but you thought that he would

find fault and cause delay, expense et cetera if you didn't pay him?---A, a100 per cent.

And that's the reason why you paid him?---That's right. I've got a family, I've got a mortgage, you know, there's money out there that we've got to invoice and if we don't a final they don't get a section 73 and we're stuck, you know.

10 Just on that, have you had any experience of, when you say don't get a final, that's the final inspection correct?---Correct.

That can be held up because a CAR, a corrective action request has been issued?---That's right.

And if that were to happen the final inspection doesn't go in and the section 73 certificate isn't issued and you don't get paid, that's, that's what you're telling me isn't it?---Yeah, that's right.

20 So at least on that occasion you paid money to ensure that he didn't create problems that delayed you?---I just wanted the job done, you know, basically here's your money, just leave me alone, I want out of here, you know.

Do you remember who told you about Mr Buckley's reputation and this possible way of dealing with him?---When I got accreditation Simon, Simon (not transcribable) he goes Buckley, you know, he's a bit of a hard man, you know what I mean and I've been, my dad's been in the industry for a long time and, you know, if someone's hard you just give them some money and see you later.

30 So your father had told you that if an inspector behaved like this this was the appropriate way to deal with them?---Oh, yeah, well, basically he told me it was like a niggling and stuff like that and you just say here's your money, see you later.

And in terms of the niggling, that's making a complaint that you regarded as unjustified about - - -?---100 per cent, I got a, I had a job in Eastbourne Street and I had a 16 metre vent shaft and he said it was five degrees out, you know, if that's not niggling I don't know what is.

40 Was that a job in which you paid money or not?---Eastbourne no, not at all, I had an argument with him on that job.

I see?---You know.

Just if we could, if we just then finish, finish our way through these documents?---Yeah.

The second, which is P18, 134 Rodd Street, Sefton, I think there's a bundle of papers in front of you?---That's correct. That was, actually when I spoke to youse earlier I didn't realise it was ten years ago, I think I said eight or something prior.

10 Yes, yeah, but you have a recollection of paying \$200 in relation to this job as well?---Yeah, I can recall the job vividly. I had, we didn't get early connection on the job, there was, it was, I think it was a Friday afternoon I got a phone call from him saying I had picket fences up with mesh around it and it was, the trench was only about 900 deep, I had to go back and backfill that job that afternoon 'cause he reckons it wasn't safe so we got a machine and backfilled the job.

And where in the chronology did you make the \$200 payment?---At the end of the job on final.

At the final inspection again?---Yeah, on the final, yeah.

20 Because you, although, although he had raised problems you were worried he would raise further problems if you didn't pay the money?---Well, correct, it was just basically give him the money to get on with your life, I've got a family, I've got a mortgage, like I said.

Can I ask you then about 12 Bertram Street at Yagoona?---Yeah.

Is that the third occasion where you paid 200?---The 200, yeah.

30 And if you just look forward in that document so we can try and get a precise date about it - - -?---Yeah.

One, two, three, four, five, six, seven, eight pages from the end there's a sewer main connection report with Mr Buckley's signature on it, I'll just give you a moment to find that?---Yeah.

You see that there?---Yes.

The payment of \$200 was made by you in relation to the final inspection here?---Correct.

40 And that would be, just in terms of dates, am I correct in thinking that that would be a part 2 connection or is it part 3 post connection which is the final inspection?---Where is that sorry, can you go through that again.

If you look at, part 1 is the pre-connection, we can put that to one side. Do you see part 2 connection and there's a series of boxes?---Part 2, yep.

Might I approach, Commissioner, just to make sure we're on the same document. Just for the transcript, it's eight pages from the end, it's the

sewer main connection report signed by Mr Buckley in three places?---Ah
hmm.

Part 2 connection is signed on 19 August, 2009?---Yes.

That's not the occasion you're talking about is it? That's not the final
inspection. That happens I take it on either 20 or 28 October, 2009, being
the signatures in the bottom right hand corner?---Yeah, it might've been.
Yep. (not transcribable)

10

So you can't be any clearer than that but it's likely to be the final inspection,
which is one of those dates?---I think so, yeah. I know I paid him.

I understand. Have you ever had occasion, and I'm just dealing with
sewerage at the moment. We'll talk about plumbing shortly?---Yep.

Have you ever had occasion to pay or make a cash payment to any other
Sydney inspector other than Mr Buckley?---Yes.

20 Who was that?---Brian Kane.

Can you tell me the circumstances where that occurred?---There was one at,
at Isabella Street.

In what suburb?---In Parramatta.

Yes. And when was that?---It was not long ago. I had a final about two
months I think.

30 Right. And the payment was of how much?---It was about \$100.

And can you explain to the Commissioner how it was that you came to \$100
to Mr Kane two months ago?---Well, (not transcribable) my dad's been in
the industry for about 50 years and, and he used to always give inspectors a
drink. And that's just built into me, basically. He's been in the game for a
long time. Dad used to do sewer works years ago and he's still (not
transcribable) oh, he's 70 now. And I've been working with him since day
dot and he used to always give the inspector on a final, give him a drink.

40 And by drink that's, that's a, would often be reflected by the payment of
cash - - -?---Yep.

- - - rather than actual alcohol?---Yep.

And so when we see in various places in this industry people talking about
giving someone a drink that can mean alcohol but it can also mean cash?
---That's right.

What was the other occasion upon which you paid Mr Kane cash?---A job out at Blacktown, Devitt Street.

How long ago was that?---I'm not too sure when the final was. It could've been three months ago maybe, four months ago.

I see. And what street did you say?---Devitt Street, Blacktown.

10 Could you spell that?---Devitt, D-E-V-I-T-T, Devitt Street, Blacktown.

I see. And how much was paid on that occasion?---\$500.

500?---500, yes.

That's quite a lot of alcohol Mr Romanous?---Yeah, it is.

Why did you pay him \$500?---The, the actual job was, was through a friend of mine, Brian O'Mara.

20 Yes. Yes?---He took the job on, I just basically like subcontracted. He was using my license, but I took the job on I had no work so I needed the money, so I took the job on. And he organised the final and stuff like that. And he organised payment.

Mr O'Mara?---Brian O'Mara, yes.

Where does, what's the name of Mr Brian O'Mara's company?---I think it's Brian O'Mara & Associates.

30 And are they accredited constructors for Sydney Water as well?---No, they're not. No, not at all.

So they were the developer on the job were they?---No. He was, he, he, Brian used to be a constructor and then I used to go to him and see if I could get work and stuff like that, so he'd pass on (not transcribable) to me.

I see?---And this one came up and that's, that's how Isabella - - -

40 I see. So this was a construction job that Brian O'Mara had - - -?---Yep.

- - - as authorised constructors?---No. But he, he authorised me. He sort of said go do the job and, you know - - -

I understand. So the sublicense wasn't that he was on the site, he just said this is a job I've got, you go and do it?---Yeah, that's correct.

I see. And when you say he organised the payments, what do you mean?
---He, he organised the money to pay this man.

He'd spoken to Mr Kane?---I'm not too sure how it was organised, that side of it. Alls I know is I went and did the construction side of it.

Yes?---And then I met him there for a final.

Met Mr O'Mara or Mr Kane?---No, Mr Kane.

10 And who told you \$500 was the going rate on this job?---No one. He just, he said to me, Here give this to Brian Kane, the 500.

So Mr O'Mara told, Mr O'Mara told you to - - -?---Yeah, give this to Brian when you get to the final day.

And he gave you the money which you paid?---Yep. Yep.

And was the money in an envelope?---Yes, it was.

20 How did you know it was 500? Did you open it up and have a look?---No, Brian told me.

Brian Kane told you?---No, Brian O'Mara.

Brian O'Mara told you. Do you remember anything else about the conversation with Mr O'Mara and the money?---Well, the conversation, no, not really. Not that I can recall.

30 THE COMMISSIONER: And so was Brian Kane surprised to get the letter?---Sorry?

Was Brian Kane surprised to get the envelope?---I'm not too sure to be honest. I just gave it to him.

You handed it to him?---Yeah, I just handed it, I just handed the envelope and then we just walked off.

What did he do with it?---I don't - - -

40 Put it in his pocket?---Yeah.

MR PAYNE: And there was no, did he open it in front of you?---No, he didn't open it in front of me.

I see. When you said Mr O'Mara organised the money, was that the only pay off on the job that he asked you to make?---Yes.

I see. Have you had dealings with other, just before leaving the \$500, were you at all surprised by the size of the payment you were being asked to

make to Mr Kane?---No, not really 'cause I think it was, what happened was an insurance job and they just had to get the job passed on, moved quickly, so that's what happened.

THE COMMISSIONER: So he had to, the inspector had to make sure that there was no delay?---Yeah, basically. They just pushed the job along.

And there were quite a few instances he had to push the job along?---Sorry?

10 In quite a few instances he had to push the job along?---This particular job?

Yes?---Yeah.

So it was worth \$500?---Yeah. Well, I don't know, that's what he gave me. He done the deals I didn't.

MR PAYNE: But to your observation did Mr Kane go out of his way on this job, above and beyond the duties of an inspector being there to help you out with the job and push things along?---Not really. The, the job, what
20 happened with the job, the, the testing came back and there was a bit of a drama with the testing. We rectified that and we got them back out there. He did a final on it and that was it.

I see. And you said an insurance job has to be done quickly?---Yeah, it was, because the developers are right at the end of the job.

I see?---And it was an insurance job and they had to get this thing done and moved on.

30 I see. So it's at the end and, and they'd be a bond involved and - - -?---
Yeah, I understand.

- - - and - - -?---And it just needed to be - - -

- - - and people would be nervous until it's finished and it's released?---Yep. It just needed to be moved.

I understand. Can we deal with some other inspectors? Have you ever dealt with an inspector, a Mr Funovski?---Yeah, I did have, I had a job out with
40 him out at Maroubra.

Yes?---It was a connection line and that was the only time I met him. And no money, no transfers of money with him.

Was there any discussion with him on that subject?---No. It was 2 o'clock in the morning. It was - - -

2 o'clock in the morning?---Yeah, we had to shut down, it was a water main.

I see. And these inspectors are on 24 hour call are they?---Yeah, on shut downs, yes. 'Cause what happens is you can only shut down a water main at a certain time for connecting.

I see. You're drawing a distinction between the water connection and the sewer connection?---That was the water main, Funovski.

10 Right. So this is a water job not a sewer job that you're talking about?---
Yeah, water, sorry, yeah. Yep.

I see. So just to summarise then what you've said about the culture as you understand it in relation to inspectors. You think, is what you're saying to the Commission that cash payments whether described as drinks or not, but cash payments to inspectors are reasonably common in your experience?---
Mate, like I said dad's been in the game a long time and he's said, you know, just give the inspectors a drink, yeah. And that's what I've done, you know. I know that - - -

20 Has it ever occurred to you that, that you might be putting your business in any sort of jeopardy by making payments to public officials like this?
---Well, after I left that other meeting, I was told that, well, I didn't know that, that transcript was, I went back and read it, yeah.

I see?---Yeah.

After, you're talking about the ICAC information (not transcribable) a few weeks ago?---Yeah. And then I went back and read it. But I've never actually read the thing.

30 So until that time it hadn't occurred to you that there was - - -?---Well, at the end of the day I wasn't, with the Buckley incidents, it was just like I've got a mortgage and I've got a mortgage up to my eyes 'cause I've lost a lot of money in plumbing and I just had to get stuff moving. I've got a job at (not transcribable) Street at the moment that's sitting there and no one at Sydney Water's even looking at it and the guy owes me 16 grand. Last night I got \$10,000 of it. You know, he's still holding \$6,000 so I get a final on the job, you know.

40 What, because you can't get an inspector to come out and inspect it?---No one will come out (not transcribable) now. It's just sitting there. And I've talked to the WSC, Peter Chand, he reckons that he's spoken to someone in Sydney Water and it's just not moving at all.

THE COMMISSIONER: Why is that?---I've got no idea. No idea. I've got a couple of Corrective Action Notices on it from Mr Buckley. And then, and it's just sitting there at the moment.

Over your period of Strathfield Plumbing's existence how many corrective actions all up do you think - - -?---A few, we're not perfect you know.

I know, I'm not being critical at all. I'm just trying to get an idea of how regular these things can be?---It, like you get, I wouldn't get that many. Like it'd be one every say four months, five months or something. I really can't recall them all.

10 MR PAYNE: So if there were three a year over - - -?---Yeah, yeah, three a year.

- - - 12 years in the thirties somewhere?---Yeah, about there. Yep.

Can I ask you then about the PIAS inspectors?---Yes.

And just perhaps before we get into - - -

THE COMMISSIONER: Mr Vecchio is he a PIAS inspector?

20 MR PAYNE: Yes. And just before we get to the detail can I ask you about the culture in plumbing if you like. As I understand it there's a New South Wales Sewerage Code and at least until recently - - -?---They've gone over now.

They've gone over to Fair Trading in the process of doing so. But the inspectors from the PIAS or used to be called the P and D section are involved with, used to be involved with all jobs now it's on an audit basis. You as the plumber have to draw up plans - - -?---I never did that, I stopped plumbing three years ago so it wasn't in my time drawing up your own - - -

30 I see?---Yeah.

So that's a reasonably new requirement about drawings?---Yeah, I never, I didn't do any of those.

I see. And so it follows I suppose you've never had to pay a P and D inspector to prepare the plans?---No, not at all. I'd pay the P and D inspector because what happens on a, I had a substantial amount of work, I used to do unit work and the P and D I'd only see them like on drainage and on final so if you're doing a block of 60 units or 80 units you'd hardly see them through the year. The development's going up, you'd see them on the drainage and you'd see them on final. On final I would, I'd give them a drink.

40 Of what sort of money?---20 bucks, 50 bucks.

And that's, you're saying that was a universal practice at the end of every - -
-?---No, at the end of the day it was for my dad, I don't know whether
everyone did it, I can honestly say I can't talk on behalf of everybody.

No, I understand that?---Yep.

10 But so far as you were concerned at the end of each plumbing job you'd pay
the P and D inspector 20 or \$50?---Yeah, whatever I had at the time, yeah,
wasn't like, didn't make a point of it going home, you know what I mean, it
was there, if sometimes it didn't happen I'd catch them on the next job,
wasn't an issue.

And your purpose in doing that was what?---Mate, the purpose was that's
(not transcribable) so I did. It's not as if I'm trying to get my job over the
line 'cause we've got to cover these jobs for seven years so it's not in my
interest to, to, you know what I mean, get a job passed for, for wrong work.

20 To put it colloquially you were just trying to keep them sweet were you?---I
don't know, I don't know how you put it, I was just told, yeah, (not
transcribable), they're good blokes, you know, they're not, they're not, good
bunch of blokes.

Did any of them ever ask you for money?---Never, no.

And on this final inspection how would you hand the money over, would
you just - -?---Just on, actually the, the final paper I'd fold it up and just
put the money in there and just hand it to him.

30 So you knew that you couldn't be seen handing the money?---No, but that's
how they did it, you know, I just - - -

Well, you kept doing it you must've thought it was being done for a
reason?---Yeah.

40 You must've then thought it was being done for a reason to think the money
- - -?---Yeah, well, you know, dad said give them a drink, they're good
blokes, you know, if there's an issue through the job I'd, I'd make a phone
call and say look, I'm stuck, is it in a (not transcribable) is there anything,
you know, how can I run this and they'd give you advice.

THE COMMISSIONER: But the day you gave him the money it was to
make sure that people wouldn't see what you were doing?---Yeah, could be,
you could say that, yep. Well, that's how, you know, the old man was doing
it and I just followed, you know, the steps.

MR PAYNE: Well, can I just ask you about some particular individuals.
Now, you remember making cash payments to Tony Vecchio?---Yes, I do.
I've known Tony for, since I was 10, he was dad's inspector.

He was an inspector of your father's was he?---I've known Tony a long time.

I see. And on how many occasions would you, I won't hold you to a precise number. How many occasions would you have made a cash payment to - - - ?---Well, Tony would have one area and if I have a job and I mightn't see him for three years, you know what I mean? So depends, everyone had different areas.

10

How many times do you recall making payments to Mr Vecchio?---Mate, I'll be honest with you, four, five, I don't know.

And again in terms of amount - - -?---It was over 20, \$50.

Twenty or \$50?---Yeah. Yeah.

Mr Fayers have you dealt with him?---Yeah, I have. Yeah, I'd had Richard, yep.

20

And you make payments to Mr Fayers?---Yep, yeah.

Again of 20 or \$50?---Yep, yeah, just on final (not transcribable) a drink.

How many occasions?---Not many, Richard's not many, I didn't have him on that many jobs.

30

Well, you tell me how many times do you think?---Mate, at the end of the day when you're doing that big amount of work like I said you don't see them that often. You know, you're doing a block of 60 units, they'll come at the drainage and that's at the end of the job and then the final. So if you're doing four or five big blocks it's, you don't see them that often 'cause they used to come out and inspect everything like water and (not transcribable) and that but they don't do that no more, they only come out for external drainage and finals. Now I don't think they come out at all.

And the final is a test that water's running through the building?---No, just to go through the whole job, make sure you've got everything in place and, yeah.

40

I see. So they wrap it all up at the end rather than - - -?---Yep, that's right.

- - - monitoring as you go along?---Yep.

And you say that your usual practice not invariable practice but your usual practice was to pay 20 or \$50 to the PIAS or P and D inspector at the end of the job?---That's correct.

Mr Rogers, do you remember him?---Yeah, I know Rob, I only had him on a couple of jobs, same thing.

And you made payments to Mr Rogers?---Yeah.

And to try and summarise in relation to each of these payments it would be looking to sure up your relationship for the future with these inspectors that - - -?---I don't think it was that, I think it was just like, you know, their work was just like us, they come out, you know, you have a drink, you know, it's
10 not as if I'm trying to bribe them or anything like that, there was none of that. 'Cause like I said you've got to, you've got to warrant your work for seven years so I'm not going to go do something that's not, and I'm, I'm the one (not transcribable) if these guys could get the, you know, they could leave, leave their job tomorrow. It's up to me to, you know.

I'm not suggesting you were covering up problems with your work, I'm not suggesting that to you, Mr Romanous?---Yeah.

But surely part at least of your motivation in giving money to these
20 inspectors was to make sure that because they were in a position if they so decided to cause you delays and cost that you wanted to keep on their good side, that's why you paid them the money?---I don't think so, no. It was just that dad said give them a drink basically, that's, that's what, that's what it's about. It's not as if (not transcribable), there's not much you can cut corners with, you know what I mean?

THE COMMISSIONER: Well, there are delays, they can - - -?---On, on, yeah, there could be, yeah, there could be.

30 MR PAYNE: And good work or not they had power to cost you real money if they were of a mind didn't they?---Yeah, of course. If they want to be, yeah, of course they could.

THE COMMISSIONER: Sometimes you were dependant on them to come quickly weren't you?---We all had occasions, yes.

And so it might make a difference - - -?---Not, not in the sense come quickly it was if there was external drainage you've have a booking at 11 o'clock, normally they're on time 'cause you're working to suit what day
40 they're coming.

Well, you explained to us you have a job now where nobody comes?---No, that's, that's, we're talking major, different type, sorry. And they're still sitting on it.

MR PAYNE: Just so we're clear, just sticking with the PIAS inspectors for a moment, let's leave Fayers out of it for a second but in terms of making sure that nothing disadvantageous happened to you that at least was part of

your motivation for making these cash payments wasn't it?---Not really. Mate, at the end of the day a lot of them were my dad's inspectors, you know what I mean and dad just said, Look after these blokes, give them a drink 'cause dad did that in the past and dad's got a great reputation so (not transcribable), I don't know, don't know.

Well, your father's got a great reputation and people I take it in the industry liked him and he wanted to keep it that way?---Yep.

10 These inspectors had a great deal of discretionary power over you as a plumber. You'd agree with me about that?---Well, I'm a very easy goin' guy but if you're an arrogant plumber they do give you a hard time and if you come across say, if they ask me to fix something and they talk to you about it and say, Look, Ray, fix that up, fix that up, and you do what they, it's not as if - - -

I understand?---Yeah.

20 But they are in a position of some power and to make sure that no, that you keep your good reputation at least in part, that's why you pay the money at the end of the job I take it?---Yeah, most probably if you put it that way.

Excuse me one second. I have nothing further for this witness.

THE COMMISSIONER: Mr Lee?

MR LEE: Yes, I do, Commissioner. Mr Romanous, I represent Mr Buckley. Do you understand that?---Yes.

30 In your evidence you mentioned a job where there was an issue with a 16 metre vent shaft being out by five degrees?---Correct. That's correct.

I just want to make sure I've heard you correctly. Did you say that that was in relation to a job at Eastbourne Street in Homebush?---That's right.

And that was one of the jobs which you were involved in with Mr Buckley?---That's correct.

40 There was another Homebush job that you were involved in - - -?---Across the road, yep.

- - - with Mr Buckley at Tavistock Street?---That's correct.

Is that correct?---Yeah, sorry, yeah, that's right. No, the Eastbourne one, no, the Tavistock one was a 16 metre vent shaft. There were two vent shafts on both jobs, there was a vent shaft on either job.

But the one where you said there was a 16 metre vent shaft five degrees out
- - -?---Yeah, that's right, that was at Tavistock Street, sorry.

So when you said in evidence that was in relation to Eastbourne Street, you
were mistaken or confused?---Yeah, sorry, yeah.

And you say that in relation to the Tavistock Street job- - -?---Yes.

- - -that- - -?---Tavistock was a sixteen and a half metre vent shaft.

10

Yeah?---Yeah.

For the Tavistock Street job- - -?---Yes.

- - -you didn't pay Mr Buckley any money?---No, not at all.

Am I right in saying that the last time you say you paid Mr Buckley money
was for the job at Panania?---Yep.

20

And that was in April 2009. Correct?---Yep.

There was also a job at Yagoona, Bertram Street. Is that right?---That's
correct.

And that job was sometime in July of 2009?---Yeah, that's right.

Sorry, when I said the job at Panania I might have said 2010. I meant April
2009.

30

MR PAYNE: No, you said 9.

MR LEE: 2009. So, sorry, just to, you said the last time you paid Mr
Buckley money was for the Panania job?---Ah, well, well, it was the last, it
was, I don't know what come first 'cause I'm not really, the, the Bertram, I
paid him on those three jobs, like I told you.

Yeah?---So I don't know what- - -

40

Well, do you agree with me that you said that the last time you paid Mr
Buckley money was for the Panania job?---Well, I, what come, what, was
the Bertram Street after Panania? I'm not too sure, mate. I don't, was the
Bertram Street after Panania?

Well, I'm just asking whether it's your recollection that the last time you
paid- - -?---My last recollection was these three jobs basically. So if you're
going to try and confuse me with the dates I don't know what's going on.

No, I'm not trying to confuse you, I'm just trying to be clear on your memory as to when you say the last time you paid Mr Buckley money was?
---Well, the last job that's out of this lot.

What, what jobs do you have in front of you there?---I have, what do I have here, Rodd Street, that was ages ago.

Sorry, Rodd?---Rodd Street, yeah.

10 What suburb is that, sorry?---That's in um, Sefton. And where else is there, I've messed all these papers up. Hang on.

MR PAYNE: Just my friend's assistance, the last job is the one P19, Bertram Street, Yagoona?---That was the last, yeah, the last one, that's the last one.

Eight pages from the end. October 2009?---Yeah. That would be the last time I paid him.

20 MR LEE: So you say that the last time you paid Mr Buckley money was for the job at Yagoona?---Yep.

And that was in about July of 2009?---Would be, yes, yep.

Do you have the transcript of your examination a few weeks ago in front of you?---Yep.

Could I ask you to turn to page 133PT?---Yep.

30 You see on the left-hand side there's some numbers, 10, 20, 30, 40?---Yeah.

And right about where the number 40 is, you're asked two questions about when was the last time you paid Mr Buckley money?---Okay. It says Panania here, hey.

And do you see that for both questions- - -?---Yeah.

- - -you've answered twice- - -?---Yeah.

40 - - - Panania?---Yeah. Well, mate, I was nervous, you know what I mean, I don't know dates.

So those two answers, they were wrong. Is that right?---Well, yeah, obviously if the dates are out. I'm not too sure. Yeah, I'm not, yeah, because that's what you asked me there.

Is it because you weren't too sure about the dates on the jobs?---Yeah, I wasn't too sure about dates and jobs, no, sorry.

So, Mr Romanous, what I want to suggest to you is that when you say that you paid Mr Buckley money in relation to the job at Bertram Street, Yagoona- -?---Yeah.

- - -you were mistaken, that didn't happen. What do you say to that?---Oh, I that didn't pay him?

Yes?---No, I did pay him at Bertram Street.

10

I'm suggesting that you're mistaken about the job at Yagoona in the same way that you were- -?---No, no, no, not- - -

Just let me, just let me finish?---Yep.

I'm suggesting that you're mistaken about paying Mr Buckley money for the job at Yagoona in the same way you were mistaken about the two Eastbourne, the two jobs at Homebush, Eastbourne Street and Tavistock Street?---Right.

20

What do you say to that?---Mate, at the end of the day, they're the jobs, they're the jobs that, I'm being honest here, the jobs that I did pay him on. If the dates are mixed up I apologise. You know, what- - -

And I might suggest to you you're mistaken about paying Mr Buckley money for the Yagoona job in the same way that you made a mistake about - - -?---No, not all. I, I, I- - -

Just let me finish?---Yep.

30

In the same way that you made a mistake about Panania being the last job in which you say you paid him?---Well, mate, at the end of the day, dates and that, it's very nerve-racking when you sit down in there so, you know, I'm not a, it's very nerve-racking. So this is, these are the facts, they're the truth and mate, if you want to, I don't know what you'd, I don't know how to answer that, I really don't.

I have nothing further, Commissioner.

40 THE COMMISSIONER: Yes, thank you. Who acts for Mr Kane?

MR HARRIS: Hi, Commissioner. My name is Harris.

THE COMMISSIONER: Yes.

MR HARRIS: I seek authorisation to represent Mr Kane's interests.

THE COMMISSIONER: Right. Do you want to ask Mr Romanous some questions?

MR HARRIS: I do, thank you.

THE COMMISSIONER: Proceed.

MR HARRIS: Mr Romanous, I'm appearing for Mr Bryan Kane?---Yes.

10 In your earlier evidence at the compulsory hearing- - -?---Yes.

- - -it's Exhibit P69, you said there, "I've given Bryan Kane 50 bucks."?
---Yeah.

You said to day that it was about a couple of months ago, about \$100 you'd paid him. That's the Isabella Street job. Do you remember saying that today?---Yeah, yeah. What did I, I can't recall everything, you know.

20 All right. My recollection is you said that here today?---Yeah.

That for the Isabella Street, about \$100?---Right.

Have you kept notes of any of these payments over the- - -?---No.

No?---No, not at all.

The money's not drawn from any source- - -?---No, not at all.

30 - - -that you could refer to and say that's the exact amount?---No, no, not at all.

Was there anything unusual about the Isabella Street, Parramatta job?---Not at all, no. He came out and inspected it, I had to fix up a few things. Ray Brown rang and said, "Look, fix these up." Then we put a final on him and Ray Brown came out, we had a final, the job was passed and I just gave (not transcribable.)

All right. Was that in an envelope too?---I can't recall.

40 All right?---I just remember giving him money.

I'm sorry?---Yeah, I remember giving him money.

Yeah. All right. Thanks. You said also here today a little while ago- - -?
---Yep.

- - -about the Blacktown job. You said, "About three or four months ago."
And this is a job you said you'd got through a friend of yours, Brian
O'Mara?---Correct.

Now, to get the job from him, do you have to pay him something?---Who's
that?

Just, why do you get the job?

10 THE COMMISSIONER: (not transcribable)

MR HARRIS: Oh, okay. Well, how does it work? Well, what, what
happened, well, what happened Brian knew the developer- - -

Yes---?- -and he goes, "Look, will you", you know, they wanted this done,
use Ray Romanous. And he basically looked after all that side of it.

All right. But you're a man with, you've said, financial obligations. You
want work?---A hundred per cent. That's right.

20

Yeah?---Yeah.

Do you have to pay some sort of spotter's fee to Brian that, did you give
him a drink in return for getting, getting a job like that one?---Yeah, yeah, of
course.

Yeah. All right. And would, would the amount you'd be expected to, or the
amount, I withdraw that. The amount you'd give as a thanks or a payment
to Brian, that's not on a strict contractual basis, is it, it's a - - ?---No, not at
all, no.

30

No?---I just said, no, I, I, actually it was a, it was done through, it was an
insurance job.

Yeah?---And I got to do that job so- - -

All right. And you get it through Brian?---Yeah.

Yeah?---Well, it was his contact, yeah.

40

But as far as, the only means you have of knowing that the amount was
apparently 500 was that that's what Brian told you?---Yep, that's right.

Yeah. And does that somehow then influence you in how much you have to
give Brian, do you think?---No, it- - -

But he's had to, he's told you he's had to eventually, basically put up \$500
of his money- - ?---Yeah.

--for a job that you've done?---Yeah.

You have to give him a tit-for-tat, don't you?---Yeah. No. It was basically let's do the job and then I did the job and I got a fee out of it and that was it.

Yeah. It wouldn't be possible that Brian might be exaggerating a little bit? ---I've got no idea.

10 You don't know. Right.---I was told it's 500, he gave me the envelope, so at the end of the day I don't know what was in there.

For example, if you thought Brian had only given Kane a \$50 (not transcribable) would that have influenced perhaps how much you gave Brian?---No, not at all, no, no. When I did the job it was, he was going to give me that much and that was it.

All right?---I was paid.

20 You said there had been a bit of a problem with testing on that job?---Yeah, that's right.

All right. So what, the job took a bit longer and there was more- -? ---Yeah.

(not transcribable)?---Yeah, it was, yeah, it took a bit longer.

All right. But 500 is a reasonably significant amount, isn't it?---It is, yeah, but that's what I was told and that was in the envelope.

30 Yeah?---I didn't open the envelope, I just handed it over.

Do you remember how much you gave Brian back for getting- -?---From that job?

Yeah. What's your- -?Brian paid me.

Brian pays you?---Yeah.

40 So you don't have to pay Brian to get a job like that?---Pardon?

I thought you said you, you, you'd give Brian a drink in return for getting a good job like that?---Yeah, that's right, yeah.

Yeah. Do you remember how much you had to give your, how much you did give Brian back?---At the end of the day I don't, is that relevant or- - -

Oh, I just thought perhaps, he's said to you, hasn't he- - -

THE COMMISSIONER: Good question.

MR HARRIS: Hey?

THE COMMISSIONER: It's a good question.

MR HARRIS: Well, it's just this- -?---(not transcribable)

10 Well, let me try and make it relevant. Mr O'Mara has told you that he's had to put \$500 of his own money up?---That's what he told me. I'm not, I'm telling you, that's what was told to me and I got the envelope and I passed it on.

Right. Yeah?---And I did the job and, and, you know- - -

Didn't you feel obliged you might have to pay Brian, you'd have to pay Brian at least that much?---(NO AUDIBLE REPLY)

20 THE COMMISSIONER: I really don't know where this is going.

MR HARRIS: Well, he's relying on someone's word and it's someone that he's paying back.

THE COMMISSIONER: Well, you've made that point.

MR HARRIS: All right. I won't pursue this any longer. Thank you.

THE COMMISSIONER: That's all right. Miss Di Gregorio?

30 MS DI GREGORIO: Yeah. Just a couple of questions. Mr Romanous, I act for Tony Vecchio?---Sorry?

I act for Tony Vecchio. Do I need to (not transcribable)

I act for Tony- - -

THE COMMISSIONER: Won't be much longer?---No, you're right.

40 MS DI GREGORIO: I act for Tony Vecchio, just a couple of questions? ---Yes.

You've mentioned in your evidence today that you've paid 20 or \$50 depending on the occasion, maybe four or five times to Tony Vecchio? ---Yeah, that's correct.

Is that in the course of 18 years of Strathfield Plumbing Pty Limited? ---Yeah, it could have been more, like, I really, I can't recall every time but I know, I know Tony was a lovely guy, I know he's a great - - -

And Tony Vecchio never asked you for money, did he?---Never, no way.

No further questions, Commissioner.

THE COMMISSIONER: Yes. Ms Hughes?

MS McGLINCHEY: I act for Mr Rogers?

10 THE COMMISSIONER: Ms Hughes, are you, sorry, don't you act for Mr Fayers?

MS McGLINCHEY: No, I don't, I act for Roger Rogers, Robert Rogers, I'm sorry, Commissioner.

THE COMMISSIONER: I just wanted to ask, find out from Ms Hughes. Have you got any questions to ask on behalf of Mr Fayers?

MS HUGHES: No, Commissioner.

20 THE COMMISSIONER: Thank you. Yes, Ms McGlinchey, you act for who?

MS McGLINCHEY: For Robert Rogers.

THE COMMISSIONER: You act for Robert Rogers.

MS McGLINCHEY: Mr Ramous, is that correct?---Romanous.

30 Right, I act for Mr Rogers?---Yes.

Mr Romanous, is it correct you've worked, you've, you've come across Mr Rogers on about two or three occasions in a work setting?---Yeah, but not even, I don't think, I don't recall him that many times on the job.

Not even that many times?---No.

Just perhaps one or two?---Yeah, could be, yeah.

40 So fairly infrequently?---Yeah, I think he, I don't know what area he was doing, yeah.

Okay. And if I suggested to you that the last occasion was 2009 would that be correct?---Yes.

All right. But Mr Romanous, you've evidence that as a normal practice you've, you've carried on the practice of your father in giving drinks where you felt that it was appropriate?---Yeah.

Now I'm going to suggest to you that you have never paid any money to Mr Rogers?---I've never paid Mr Rogers money?

Yes, that's what I suggest?---I have, I'm sure I have in the past, yes.

Okay. Well, it's, you haven't seen him since 2009?---I'm not too sure the last time I recall seeing him.

10 All right. Can you recall any specific time that you did pay him money?
---Not really, no, but I remember three, I might have seen him through the, through the plumbing, he's been around a long time I think Rob Rogers.

Okay. So you might have seen because he's been around a long time?
---Yeah.

But you can't remember any specific time that you recall giving him money?---Not really, no, I don't think so.

20 Right. Thank you, Commissioner.

THE COMMISSIONER: Mr Stevenson.

MR STEVENSON: The last one, Mr Romanous?---You're right.

I'm the barrister for Sydney Water?---Yes.

Now as an accredited constructor you have signed regularly haven't you a document called Developer Infrastructure - - -?---Yes.

30 - - - Provider Agreement?---Yes, I'm aware of that.

You've got to sign that every year I think, is that correct?---Yeah, that's correct.

And did you understand that in that agreement you have made a promise that you would act ethically in accordance with Sydney Waters Business Ethics Guide?---I'll be honest, I only read that when I left the hearing, I went and actually Googled it straightaway and I had a look at it, yes.

40 So you're saying that after the private hearing a few weeks ago - - -?---Yes, I Googled it, yeah.

Right. So were you asked some questions at the private hearing that made you want to look at what the Business Ethics Guide said?---Yeah, 100 per cent.

And you saw that one thing it said was that you weren't to offer gifts, benefits or inducements to anyone from Sydney Water?---Yeah, ah hmm.

When you were making the payments that you've described did you think you were doing anything wrong?---Mate, at the end of the day, like with, with the Buckley situation it was just like here, take your money, leave me alone, I've got to get on with me life. With the other guys no, not really, no, you know, not, not really.

10 I see?---I didn't see it as a bribe, that's how I looked at it, I didn't, I honestly didn't see it as a bribe.

But did you see the payments you were making to Mr Buckley and Kane - - -?---Mmm.

- - - as being a different category than the moneys being paid to Vecchio, Fayers and Rogers?---Yeah. Well, that, the, the Buckley situation was just to get my jobs through, you know what I mean. It was just a - - -

20 Well, I'm just, see if you can focus on the question, did you see the payments you were making to Buckley as being different in nature than the payments you were making to the others? If so, what was the difference? ---No, they're the same nature I suppose I think. I don't, I don't know how to answer it.

Well, sitting there now do you think that you were behaving ethically by making those payments?---Well, according to that, no.

30 What do you think?---Mate, at the end of the day I've got a, I got a family to feed and the Buckley thing was a situation where I just had to get stuff done so I could get my money and, you know, pay mortgages and stuff but the other stuff was just, it was, you know, it was built in me I suppose from early days working with Dad and that's how I saw it.

And so from your point of view it'd simply go without - - -?---Sorry?

40 So from your point of view it'd just simply go without saying that you would offer money to the PIAS or the P and D - - -?---Yeah, if I knew the guys, yeah, I'd said here, have a drink, yeah. But there's some inspectors I wouldn't know and I wouldn't even offer them money, no.

So you only offered money to the inspectors you knew?---Yes, so the, well, the guys that my dad knew and stuff like that, yeah, and he said he was a good bloke, give him a drink. There's a couple of inspectors that didn't take the money.

Were there?---Mmm.

Have you had occasions where you've offered money to inspectors and they - - -?---I just said have a drink, he goes no, mate, I don't want a drink, basically that's, that was it, it wasn't as if here's 50 bucks, did you want to have a drink and he goes no.

How many people were - - -?---It wouldn't have - - -

How many?---I don't know, over the years, I don't know, about three or four of them, but I can't recall their names.

10

Is this right, that Mr Buckley didn't ask you for money, you simply paid him money without asking?---No, he never directly asked me for money, no, but it was - - -

And did you understand Mr Buckley to be working in Sydney Water's inner west area?---Yes, I did and I used to hate working in the inner west.

Sorry, what did you say just then?---I used to not enjoy working in the inner west because of that.

20

Because of Buckley?---Yeah, Buckley, yeah.

And did you understand that Mr Kane was a maintenance inspector in a different area, the Hills area?---Yeah, that's right, yeah.

And you mentioned one occasion, I think in relation to Davit Street, Blacktown - - -?---Yes.

- - - where the \$500 amount was paid?---Well - - -

30

Sorry, the money that you told us \$500 was paid?---Yeah, that's right.

When you gave it to Mr Kane did he seem surprised to receive it?---Not at all, no, because at that, at the end of the day like I had gone on a prior job and I'd say here, have a drink, you know, so I don't think he was surprised, no.

He didn't say what's this?---No, not at all, no, it was just a drink.

40

He just put it in his pocket?---Yeah.

Thank you, Mr Romanous?---Thank you.

THE COMMISSIONER: You may be excused, Mr Romanous and thank you.

MR PAYNE: Perhaps just before Mr Romanous goes if I could just ask him where Brian O'Mara and Associates have their business address?

---It's at Bankstown Airport somewhere.

Next to Georges Hall?---Yeah.

Thank you.

THE COMMISSIONER: Okay, Mr Romanous?---Thank you.

10 **THE WITNESS EXCUSED**

[3.46pm]

MR PAYNE: Commissioner, I call Mr Cryan.

THE COMMISSIONER: Mr McIlwaine, do you want a section - - -

MR McILWAINE: 38, Commissioner.

20 THE COMMISSIONER: Pursuant to section 38 of the Independent
Commission Against Corruption Act I declare that all answers given by
Mr Cryan 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 **PURSUANT TO SECTION 38 OF THE INDEPENDENT
COMMISSION AGAINST CORRUPTION ACT I DECLARE THAT
ALL ANSWERS GIVEN BY MR CRYAN 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.**

40 THE COMMISSIONER: Do you wish to be, to give your evidence under
oath or to affirm the truth.

MR CRYAN: Oath please.

MR PAYNE: Mr Cryan, what's your full name?---Cyril Joseph Cryan.

You're a director of Corman, C-O-R-M-A-N, Pty Limited and the sole owner of that business?---That's correct.

10 Corman Pty Limited is an accredited constructor for sewerage work with Sydney Water?---Correct.

You originally participated in compulsory examination before this Commission on 25 August, 2010, correct?---(NO AUDIBLE REPLY)

But yesterday your legal advisers approached the Commission and said that some of the answers that you had given on that occasion were untrue and that you wished to make a statement correcting the record?---Correct.

20 I'll hand you two documents, two documents. The transcript of the examination is dated 25 August, 2010, I tender that document, Commissioner please.

THE COMMISSIONER: Sorry, the transcript?

MR PAYNE: The transcript, yes.

THE COMMISSIONER: The transcript of Mr Cryan's compulsory examination on 25 August, 2010 is Exhibit P70.

30

#EXHIBIT P70 - TRANSCRIPT OF MR CRYAN'S COMPULSORY EXAMINATION DATED 20 AUGUST 2010

MR PAYNE: Yes. Mr Cryan, if you put the transcript to one side for the moment we'll come to the detail but the statement that I've handed to you is dated yesterday, 8 September, 2010?---Yes.

40 And do you tell the Commissioner that the contents of that statement are true and correct?---Correct.

And that as a result the, a number of the answers that you gave in the compulsory examination were untrue?---Correct.

And untrue to your knowledge at that time?---Correct.

I tender the statement, Commissioner.

THE COMMISSIONER: The statement of Mr Cryan dated 8 September, 2010 is Exhibit P71.

#EXHIBIT P71 - STATEMENT OF MR CRYAN DATED 8 SEPTEMBER 2010

10 MR PAYNE: Mr Cryan, can we just look at the statement together for a moment and I'll highlight some matters for you. If you go to the second page, you point out there that Corman, your company conducts minor sewer works. Do you see that?---Correct.

And those measurements you give there up to 12 metres et cetera, that's in the Australian Sewerage Code is it as a defined term? ---Correct.

20 You undertook contracts from developers all over the Sydney metropolitan area?---Well, mostly in, on the north side and some beaches, Parramatta and that area. I don't go down the south much.

We'll come to it, but you deal with both Mr Buckley and Mr Kane, who are two inspectors, one in the inner west and one in the Hills district?---Yep.

You've dealt with other inspectors of Sydney Water of the same type I take it. And you tell the Commissioner that no cash ever was exchanged between you and those inspectors?---Which ones?

Other than Mr Kane and Mr Buckley?---Correct.

30 Did you ever meet a Mr Funovski?---No.

Can I ask you - - -?---That I'm aware of. I don't know (not transcribable)

If you don't recall meeting him, I'm not suggesting to you that you have. Can you look at paragraph 9, 2004, 2003 you first met Mr Buckley. What if anything did you know about Mr Buckley at that time?---Well he was one of the Sydney Water inspectors.

40 Did, and his reputation so far as you had heard was what?---Not really, nothing.

So he was a civil maintenance inspector, did you actually work together at that time in 2003, 2004?---I think I done a job in Breakfast Point some time for, sometime around that time.

And - - -?---That was probably the first time I met him.

Were there any difficulties in that job?---No.

And he didn't ask for money?---No.

And you didn't pay him money?---No.

Can I take you to paragraph 10. The two jobs in Guildford that you talk about there, one in Chamberlain Street and one at 15 Bolton Street, Mr Buckley was the inspector on both jobs?---Yes.

- 10 You have a clear recollection do you of those two jobs and what was involved so far as your company was concerned in performing services? ---Yes.

You say on at least one of those occasions you gave John Buckley \$50 cash. You intended to convey by that to the Commissioner that you may have paid him on both occasions and you're not sure?---I've given \$50 on -- on some of them two jobs. I'm not sure whether I gave it on both or not but I've given him one.

- 20 And do you remember, you say going down there, you were encasing the line, the existing junction had to be moved back et cetera, are you talking about Chamberlain Street, Guildford or Bolton Street?---Bolton.

In Bolton Street, I see. You put the meter half a meter in so that's the water meter we're talking about?---No, the junction.

The junction meter. I see. And he insisted it had to be - - -?---A meter.

- 30 A meter. What does that the Sewerage Code provide?---A meter.

But is there any discretion in the Code in circumstances where, as you put it here, it would be under the house?---Oh, no, well he said, he said the standard is a metre and that's where it should be. I said, well it's under the house, so, I can't put it there because the plumber won't be able to get access to it.

- 40 And in your experience inspectors typically in those circumstances would exercise a discretion and permit you to put it - - -?---Just pull it back. Yep move it back to the proper - where the plumber can get access to it.

And in the end that's what happened?---Yes.

It was 600 millimetres rather than a meter. At the conclusion of the job you gave Mr Buckley \$50?---Yeah.

How did you hand it to him?---Up at the truck I just have him \$50, have a drink.

In the truck. What you handed to him through the window when he was sitting there?---No, no. When he was up looking at the papers I gave him fifty bucks.

Was anybody else present when you passed the money over?---No.

Had you arranged it deliberately so that nobody else could see?---No, well, there was no one there only meself and him and I just gave it to him.

10 Were you worried about anybody else seeing you paying money to a Sydney Water inspector?---I mean it was behind the truck, so nobody could see me really.

And had you done it before?---No. That was the first time.

You weren't at all nervous about paying money to a public official?---A little bit.

20 And I take it that's because you knew that you shouldn't be doing it and you knew he shouldn't be taking it?---I knew he shouldn't be taking it, but I didn't know I shouldn't be doing it.

Do you remember any conversation with Mr Buckley about this payment? ---No.

Did he seem surprised when you handed him money? Did he say, what's this for, Cyril?---No.

30 Can we now look at paragraph 11. And just to be clear you had said in your compulsory examination you paid \$50 to John Buckley at Christmas four to five years ago, but the payment wasn't a Christmas payment you say, but it was referring to one of the two Guildford jobs?---Yes.

And so you just told me about one of those. Does that mean that the, it's likely is it that you made a payment in relation to both Guildford jobs?---I may have. I'm not a 100 per cent sure.

40 I see. Can I ask you about paragraph 12? This is a particular payment on 19 April, 2010 at 4/15 Blaxcell Street, South Granville?---Yes.

That was a payment I think for the record, you denied in your compulsory examination at 219 pt, line 20. You can check that if you like?---Right.

You agree with me you denied it at the time?---Yes.

And that that was a, that denial was quite false?---Correct.

And that what you, you tell the Commissioner that what is in paragraph 12 is in fact the truth, namely that you paid \$100 to Mr Buckley on that day. You placed it in a, a folder with the paperwork for the job?---Correct.

And handed it across to him?---I just said to him, and here's the paperwork. That's all I said. I didn't give him the money, I just said, there's the paperwork and if he wants to take it that's his discretion.

10 Well, I take it you lied about it to the Commission only a few weeks ago because you knew what you did was quite wrong?---By?

By paying him the \$100 on that occasion. You knew that was quite wrong didn't you?---Yeah, I knew.

You shouldn't of been paying it and he shouldn't of been taking it?---No.

And, and the \$100 that you paid was a bribe to Mr Buckley wasn't it? ---Well, it wasn't really a bribe.

20 Well how would you characterise it?---Well, he was carrying on about the step bands in the manhole and how he wanted them and 'cause I build me own manholes, the formwork is, is (not transcribable) so that the step holes are in the formwork, for the step irons. And he said he wanted them all one arm and mine was a bit apart. So through that I would've had to chop out every second, every second step iron. And then redo them back in again. It had never been an issue before for the last 17 years.

30 Yes. But you paid him the money because you wanted to keep him on side. That's what you say in paragraph 13 isn't it?---Yes.

So you wanted to avoid any unfavourable exercise of discretion by Mr Buckley as an inspector in relation with this job or the future?---Well, I wanted to get the job, get it right and then get it handed over.

And you wanted to get it completed and you feared that without the payment of money it may not be completed in time?---That's right. Correct.

40 Can I ask you about Mr Kane. You met him in the 1990's before you started Corman Pty Limited?---Correct.

And check it if you like, but in the compulsory examination transcript at 221 pt, you denied that you'd ever paid money to Mr Kane. That was untrue wasn't it?---I didn't, Mr Kane's name wasn't, I never even thought of Mr Kane.

I see?---'Cause he was (not transcribable) I didn't even - - -

And, and it occurred to you after hearing some of the evidence before this Commission that a) you had paid Mr Kane and b) you should tell the Commission about it?---Correct.

Can I ask you then about that. There are two particular instances. You say in paragraph 15 you came across Mr Kane again in 2004 and 2005 when you were working with Corman, that you only had two or three interactions with him between '04 and '09. Is that right?---Correct.

10 Paragraph 16 we're talking about a site at Meehan Street in Parramatta in 2008, a job that took two weeks. Mr Kane came a couple of times. You say you wanted to get the job handed over so he wouldn't have to come out on site again when all the concrete was poured so you left a \$50 note in the folder for Mr Kane?---Correct.

20 So I take it again, not suggesting there's anything wrong with the work but to ensure the favourable exercise of discretion by Mr Kane as the inspector and not, not holding the job up you paid him \$50?---On that job there was an 80 metre line of 225 to be encased. When we were digging down the line was blocked so we started at the (not transcribable) end and working the way to that and when we got down halfway the, the water was building up it wasn't getting away and then Bryan Kane came out at that time and I spoke to him about it and he said the line must be blocked so he got the, I rang Sydney Water and they said well, if it's not overflowing it's not an urgent matter, if it's not overflowing out onto the site it's not urgent. So they put it in as -and then Bryan Kane got onto Sydney Water with the jet thing and they come out the next morning and cleared the, cleared the manhole and cleaned it out and got the, got the flue away. So other than that we would have to stop for a day or two.

30 And that would've cost you money?---I'd be sitting there looking at it for two days.

And so you paid the \$50. Again I'm not suggesting that there was anything wrong with the work but to smooth the way to have - - -?---As, as, as a thank you to Bryan for getting, for getting that underway and getting it all done, getting the flow moving.

40 Well, you say in paragraph 16, just have a look at the fourth line, "He came out a few times, I wanted the job handed over so I would not have to come out to the site again when the concrete was poured so the payment of \$50 so that - - -?---(not transcribable).

But there would be an exercise of discretion favourable so that he would sign the paperwork without you having to go out there again. Correct? ---Not sign the paperwork but have a look at the just the manhole lid.

Yes?---And have a look at the manhole lid, make sure he was happy with it for the inspection so he doesn't, then I can put the lid on and bolt it down and not be opening it again.

And you wouldn't have to go out there again --- No.

And thus you paid the \$50?---(NO AUDIBLE REPLY)

10 Properly characterised it was nothing wrong with the work but you were asking for a favour and you paid the \$50 for that favour?---Well it probably - yeah more or less and then for getting the manhole cleared out as well.

Yes. Because he could've made you come back out again and you didn't want that so you paid him the money?---Sometimes we don't go back out, the coordinator will come out anyhow.

I see. But your words, Mr Cryan, just so I'm clear, "So I would not have to come out to the site again" that was in part why you paid the \$50?--- Correct.

20

Paragraph 17. I'll ask you about a job and this is in January this year is it, 2010?---Yeah, correct.

Cross Street at Baulkham Hills and you were diverting the sewer, the job was over a week so that's a pretty extensive job is it?---It was just awkward.

30 Fiddly then. I see. And Mr Kane came out for two inspections, one pre-connection and one final. You paid him \$50 in January and you said have a drink for the Christmas that has gone. Why did you do that?---Just to have a Christmas drink or the New Year or whatever.

Did you pay it to keep on his good side?---No, I just thought at Christmastime give him a drink.

Other than those two payments do you tell the Commission that you made no further payments to Mr Kane?---Yes.

40 Have you ever been involved with plumbing work as distinct from this sewer connection work that's inspected by the PIAS inspectors?---I'm not a licensed plumber.

Sorry?---I'm not a licensed plumber.

So the answer to my question is no?---No.

Yes. I have no further questions and I do notice the time, Commissioner.

THE COMMISSIONER: Yes. Mr Stevenson, no criticism of you but you do seem to take a bit longer than the others. How long will you be?

MR STEVENSON: No more than five minutes.

THE COMMISSIONER: And what other, anyone else want to question Mr Cryan? I think we can let Mr Cryan go to work tomorrow so we can finish him today. Mr Stevenson. You want to, will you be long, Mr Lee?

10 MR LEE: Commissioner, I was just going to ask for a brief opportunity to take some instruction.

THE COMMISSIONER: No. Really - - -

MR LEE: Well, just invited this most recent statement, Commissioner.

THE COMMISSIONER: All right.

20 MR LEE: I can do it whilst someone else is asking Mr Cryan some questions.

THE COMMISSIONER: All right. Okay. Mr Stevenson.

MR STEVENSON: Mr Cryan, I'm the barrister for Sydney Water. As part of becoming an accredited constructor you had to sign regularly documents called Developer Infrastructure Provider Agreements? You sign them every year?---Correct. (NO AUDIBLE REPLY)

30 You agree, you need to say yes or no?---Correct.

And you understood didn't you that one of the promises you made in that agreement was to act ethically in accordance with Sydney Water's Business Ethics Guide?---Correct.

And that you understood that one of the aspects of Sydney Water's Business Ethic Guides was that you were not to offer gifts, benefits or inducements to Sydney Water employees?---I didn't know.

40 Did you not know that?---(NO AUDIBLE REPLY)

It comes as news to you?---After I came in here.

Sorry?---It's not until I was (not transcribable by ICAC.

Did someone come out and draw your attention to that?---Yes.

You said in relation to I think a payment you referred to in paragraph 10 on your affidavit that you knew that Mr Buckley shouldn't be taking the payments?---Pardon?

You were asked a question by Mr Payne in regard to the payments that you describe at paragraph 10 of your statement. Do you recall that?---Yeah.

10 And you said, not in your statement but you said today in the witness box that you knew Mr Buckley shouldn't be taking those monies?---
Yeah.Correct.

You recall saying that. You then said you didn't know that you shouldn't be doing it?---Well, I wasn't 100% sure about whether, that I should be giving money to someone in, in Sydney Water.

We understand that. You knew it was wrong of Buckley to take the money. Right?---Yeah.

20 But you weren't sure that sure that it was wrong of you to give him the money?---Once you put it that way, yeah.

THE COMMISSIONER: I beg your pardon?---Correct. Yeah.

MR STEVENSON: Well, wasn't it obvious to you that if it was wrong of Mr Buckley to take the money it was just as wrong of you to offer it to him?---Well, I wanted to get the job finished and handed over and not have to go back and redo what had been done.

30 That's not quite an answer to my question is it? The question was wasn't it obvious to you that if it was wrong of Mr Buckley to take your money, it was wrong of you to offer it to him?---That's correct.

You agree with that now do you?---That's correct.

Or do you say that your state of mind when you offered the money was you didn't think there was anything wrong when you were making the payment?---Correct.

40 Okay. You can see now can't you as Mr Payne just put to you that you were offering him a bribe. Correct?---Correct.

Because you saw in paragraph, the last paragraph last sentence of your statement, look at paragraph 18. The reason I gave money to John Buckley was because he was difficult. See that?---Correct.

And that what you were seeking to establish was some kind of insurance that Mr Buckley would not be difficult in the future. Isn't that what was going on?

---Correct.

And you say you gave money to Bryan Kane because you've known him for a while. Do you see that?---Well, I've known Bryan Kane for a good few years.

You're not suggesting that the reason you gave money to Bryan Kane was simply because you've known him for a while was it?---No. No.

10 You gave money to Bryan Kane because you thought that if you did it would assist the smooth processing of your work by him in the future?---Well, it was, it was the job, it was the job in Parramatta because he got the jet out and got it cleared for me and the other reason was it was Christmas and I give it to him.

Isn't it true that these payments were payments you were happy to make - - - ?---Yes.

- - - for a quiet life. Correct?---Yes.

20

THE COMMISSIONER: Mr Lee?

MR LEE: No questions, thank you, Commissioner.

THE COMMISSIONER: You're free to go Mr Cryan. Thank you?
---Thank you.

And the Commission will adjourn until 10.00am.

30

**AT 4.09PM THE MATTER WAS ADJOURNED ACCORDINGLY
[4.09PM]**