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INDEPENDENT COMMISSION AGAINST CORRUPTION

THERESA HAMILTON ASSISTANT COMMISSIONER

PUBLIC HEARING

OPERATION CORAL

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TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON WEDNESDAY 17 MARCH 2010

AT 10.00AM

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

ASSISTANT COMMISSIONER: Thank you. Please be seated. Yes, Mr Thangaraj.

MR THANGARAJ: Commissioner, just before we start, just wish to correct the record for (not transcribable) matters. Yesterday's proceedings were covered, like I say, by the media. There's an article in the Australian today that's been brought to my attention which has some serious factual errors and I think the record should be corrected for Mr Garzaniti's benefit. The article says that a former New South Wales Housing Department officer failed to disclose a conflict of interest in millions of dollars worth of Department contracts he was responsible for allocating. And then it said that after he awarded Department contracts to companies in which he and his friend, Mr Santomingo had interests. (not transcribable) it's not the position that he awarded these contracts to Crossley McLean, which then became subcontracted to various entities including Mr Santomingo's company or his own companies. That is a serious mistake. And that's the lead, that's the way the article leads off. And a less serious mistake is later in the article it suggests that G & F was later taken over by Mr Garzaniti and his brother. That's not the position.

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ASSISTANT COMMISSIONER: Yes.

MR THANGARAJ: The same error, the same first error has been picked up in The Telegraph's article of today and again Mr Garzaniti is not said to have awarded these contracts to Crossley McLean. And nor was it his responsibility to decide that Crossley McLean would obtain these multi million dollar contracts.

ASSISTANT COMMISSIONER: No, no, that's right. All right. That's noted.

30

MR THANGARAJ: I call Mr Garzaniti.

ASSISTANT COMMISSIONER: Yes, Mr Garzaniti, take a seat. You've been called here as a witness and you are required to answer all the questions put to you. You make seek a declaration under section 38 in respect of your evidence here today. Do you understand the effect of that?

MR GARZANITI: Yes.

40

ASSISTANT COMMISSIONER: Do you wish to seek such a declaration?

MR GARZANITI: Yes, I do.

ASSISTANT COMMISSIONER: Thank you. Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by this witness during the course of today's hearing are to be regarded as having been given

or produced on objection and 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 AND THINGS PRODUCED BY THIS WITNESS DURING THE COURSE OF TODAY'S HEARING ARE TO BE REGARDED AS HAVING BEEN GIVEN OR PRODUCED ON OBJECTION AND THERE IS NO NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING PRODUCED.

ASSISTANT COMMISSIONER: Mr Garzaniti, you are required to take an oath or make an affirmation.

20 MR GARZANITI: Oath, please.

ASSISTANT COMMISSIONER: Yes. Could the witness be sworn.

ASSISTANT COMMISSIONER: Yes, Mr Thangaraj.

MR THANGARAJ: Thank you, Commissioner. Mr Garzaniti, part of your job at the Department was as a senior client services officer?---Yes.

10 And then you became the acting team leader at the Macquarie Fields depot?---Mmm.

For the purpose of the recording - - -?---Yes. Yes.

Okay. Your job included contract administration?---Part of it, yes.

Another part of it was approving or recommending increases in budgets?---I recommended.

20 Did you have a threshold under which you were able to approve small increases?---I think so, but I don't know what, what it would've been.

Yes, that's what I'm saying, that you had both the recommending position and the right to approve at least small increases in budgets?---Not really, no. It still had to go to another section for final approval.

All right. Further things that you recommended were extension of casual contracts?---Yes.

30 Make progress payments?---Yes.

And acceptance of quotes?---I'm not sure about that.

Would you recommend that certain quotes be accepted?---Yes. Yes.

Ensuring tenders were accurate, was that part of your job?---No.

Do you agree that it is very important that such tenders are both honest and (not transcribable)?---Yep.

40 And as part of your job, one of your functions was to make sure that subcontractors were properly administering their contracts, at least part of it?---We had a multi-trade contractor.

Yes?---Our, our role was with the multi-trade not with the subcontractors.

Did you ever not have a multi-trade head contractor?---Yes. Probably ten years ago or something.

Yes. But from the entire time that you were there - - -?---Oh, sorry, yes.

I understand it was a newer system?---Yeah.

But part of the role at least when there was a, when there were subcontractors was that you would make sure they were doing their job properly?---Well, there weren't many subcontractors back then. They were actually the contractors.

10 Yes, the main contractors?---We had single trade contractors before the multi-trade.

And then what about when the multi-trade head contractor system began and they employed various subcontractors, would you be involved in looking after the subcontractors in any way?---No. No, we were, it was quite clear, we were only to deal with the main contractor.

20 All right. What about when you went to meetings with the head contractor and their subcontractors?---I never went to those meetings.

You never attended meetings with Crossley McLean and other subcontractors?---Crossley McLean and departmental officers, yes. But not with their subcontractors for their toolbox meetings, no.

All right. Did you ever attend toolbox meetings?---No.

And you resigned from the Department in February, 2008?---That's correct.

30 Garzaniti Excavations, you did some work for that company while you were at the Department?---Yes.

It was a company that you ran, especially the financial aspects of it?---Yeah, the administration side of it, yeah.

Yes. Leading the financial administration side of it?---Yes.

And this was despite your brother having, your brother, Tony, having the controlling interest in the company?---That's correct.

40 The directors apart from yourself and your brother were your respective wives?---Yes.

And it's a company that you say did some work for Greenfield at various times?---Yes.

Was the work only for Department of Housing or other work as well?
---What do you mean?

Was it contracts that Greenfield had with the Department of Housing that was contracted - - -?---No, it was private work that he had with landscaping jobs.

Right. Was there any Department of Housing work?---No, not, excuse me, not to my knowledge.

Crossley McLean was a multi-trade head contractor?---Yes.

10 And you knew their senior management and owners - - -?---Yes.

- - - from previous experience?---Yes.

At least some of them were former employees of the Department?---That's correct.

And we've heard they were given contracts from the Department for lawns and maintenance as well as demolition and tree lopping?---They had numerous contracts.

20

Including those?---Yes.

And just to, you heard what I heard this morning, just to confirm you were not involved in the formal, your, it was not your, part of your job to formally give the Department of Housing contracts to Crossley McLean? ---No, definitely not.

Crossley McLean then retained a number of subcontractors including Greenfield and G & F?---Yes.

30

Did they use Excavations - - -?---Yes.

- - - Garzaniti Excavations?---Yes.

And was that, and when, when you say that the subcontractors used included Greenfield, G & F and Excavations, Garzaniti Excavations, that was Department of Housing subcontract work we're talking about, isn't it? ---Some of it was, yeah.

40 Yeah. They had some other work through Crossley McLean - - -?---Yeah.

- - - but all of the, three of the companies also did Department of Housing work?---I assume so, yeah.

G & F did work for Crossley McLean for the Department over a number of year totalling about \$2.6 million?---Yes.

And do you know what the breakdown of that was with respect to demolition?---Not offhand.

Roughly?---Not offhand. I think the majority of it, I think.

All right. Can you be any more specific that over 50 per cent? Are you able to say it was around something more?---Not offhand, I wouldn't know the figures offhand.

10 All right?---I know the demolition was a large part of it.

Okay. And I think you've agreed with this before, that G & F had no real experience in demolition work prior to these contracts?---They had.

Yeah, but it was minor - - -?---Minor, yes.

- - - residential?---Yeah, yeah.

20 And nor was the company licensed to perform demolition work?---That's correct.

And yet Crossley McLean retained G & F to do, well, to be the subcontractor that was primarily responsible for the demolition work? ---Yeah.

30 Was there any reason why they did that through you, through your company?---Well, it's no different to the Department of Housing (not transcribable) the contract. Crossley McLean didn't have a demolition licence.

But they're a multi-trade head contractor, aren't they?---They are, yes.

It's their responsibility to run a number of services and a number of subcontractors?---Yeah.

So it's not, they are not expected to do the work, are they?---That's correct.

40 They are expected to supervise and manage a broad range of service provision?---But, yeah, but lots of other subbies they use also subbie their work out to other companies when they, they couldn't do it.

I'm sure but that's in a situation where subcontractors are expected to do the work but if they're overburdened or there just isn't time to do it then they will get in a further subcontractor?---Yeah.

This, however, was a different situation, wasn't it? You were retained or G & F was retained upfront to be the demolition - - -?---Because it was a joint venture with Attitude Excavation.

But it didn't have to be a joint venture with Attitude Excavations, did it?
---No, it didn't have to be, no.

They could have either tried to do it directly with Attitude or they could have gone directly to another demolition excavation company?---That's something you need to ask Crossley McLean.

10 I'm not, I'm not asking you to think about what they did, I'm just saying the factual, the factual position at that time was they could have gone directly to a contractor that had the licence?---They could have done, they could have done anything.

Yeah. Did they retain G & F for any past thank yous or any future expectations?---What, what do you mean, sir?

Was G & F retained by Crossley McLean as a thank you for past efforts on your part to help Crossley McLean?---When, sorry?

20 Well, any time?---Do you mean are we still doing work for them?

No, no?---I don't understand, sorry.

When Crossley McLean, Crossley McLean retained G & F as a subcontractor to do demolition work?---Yes, yeah.

Did they do so to thank you for help that you'd given Crossley McLean in the past?---What help could I have given them?

30 MR CANCERI: Well, I object to that. I think it should be specified what help and what thank you means in the context.

ASSISTANT COMMISSIONER: Well, I think it's a fairly simple question.

Did you understand the question?---Well, I don't understand what he's getting at. I mean obviously by now with all the research you know what my position was and you know I'm not capable of awarding any, any contracts to anybody really or of doing any performance reviews on these people or doing anything with the pricing or any of that.

40

Well, that's your answer. You obviously do understand the question and you're saying you weren't in a position to give them any help in the past through, in your position as a Departmental officer, is that what you're saying?---Well, that's what you people also know.

MR THANGARAJ: No, that's not - - -

ASSISTANT COMMISSIONER: Well, we're asking you what, what your evidence is so - - -

MR THANGARAJ: Have you helped Crossley McLean in the past in any way?---No.

Did you have any discussions with them about what you might help them with in the future?---No.

10 No. What was your fee in relation to the demolition work?---My fee?

Yeah, what was G & F's percentage?---Well, there's a joint venture with, percentage from Crossley?

Yeah?---I think, I think it's about 12, minus 12 or something, 12 per cent or something.

20 All right. You were asked at the compulsory examination whether you attended any meetings with subcontractors in your capacity as a Department of Housing employee and you said, "I never required to attend a toolbox meeting which was directed by the Department to attend which would be with the main contractor and some of their subcontractors". Did you, so did you attend some of these meetings?---Not, no, not to my knowledge.

Well, out of the evidence that you gave - - -?---Well, I may have misunderstood the question.

30 All right. Well - - -?---We did have monthly meetings with Crossley and their supervisors.

Yeah?---But I can't recall ever going to a, a Crossley McLean toolbox meeting.

40 Well, I'll just read out the questions and answers again so you can tell us how it is you're confused. You were asked, "Did you have any meetings with the subcontractors to the Department of Housing? For example, if there were a number of companies that were subcontracted to do work with the Department of Housing, would you have meetings with them?" And you said, "Sorry?" Question: "If there were subcontractors doing work for the Department of Housing, did you ever attend any meetings with the subcontractors in your capacity as a Department of Housing employee?" Answer, your answer: "Only if we were required to attend a toolbox meeting which was directed by the Department to attend which would be main contractor and some of their subcontractors." "So you did attend some meetings?" Answer: "Yes." And again, "That was on behalf of the Department of Housing?---Yes." "In the execution of your duties as an employee there?---Yes."?---Well, I may - - -

What did you misunderstand?---Well, there would be, you've obviously, you, Crossley, they would've had attendance sheets for these toolbox meetings. I'm sure, you have those you would see if you had my signature under my name. I can't recall ever going to one. I know they did talk about us possibly attending but I don't recall actually ever going to a toolbox meeting with all his contractors.

It doesn't say, you weren't asked about all his contractors?---Well, some of the subcontractors.

10

Okay. Well, why did you then say on four separate occasions, three separate occasions in this compulsory examination which was only a few weeks ago, that you did attend some of these meetings with - - -?---I don't recall saying it. If I did I did but obviously sitting here I'm very nervous. I don't know what I said but there would be attendance sheets if I attended those meetings.

Mr Garzaniti, are you telling me that when you sat here the other day, a few weeks ago, this was well into your examination, that when you were asked those very basic questions, did you attend some meetings on behalf of the Department of Housing, and you said yes - - -?---Yes.

20

- - - that that was wrong and you were confused?---No, no, I did attend on behalf of the Department of Housing but I don't recall there being subcontractors there. The only, what I recall is Crossley McLean and his supervisors being there.

But this isn't even a case of the question being put to you. This is your words. "Only if we were required to attend the toolbox meeting which was directed by the Department to attend which would be the main contractor and some of their subcontractors"?---I would be required to attend if directed to but from what I recall I haven't been directed, I was not directed to.

30

All right. Despite your being asked about those meetings and you said you did attend them?---I'm telling you what, what the truth is. I can't do any more than that. I've attended numerous meetings with Crossley McLean and his supervisors. I can't recall there being any subcontractors there and these meetings I would've attended would've been numerous other Department of Housing staff there as well.

40

There are, there is a difference between a meeting with Crossley McLean and their supervisors as opposed to a type of meeting which is a Crossley McLean with subcontractors, isn't it?---Well, as I said - - -

It's a completely separate type of meeting?--- - - -I have to, any rate, I don't recall ever attending those.

Well, just answer the question. They're completely separate - - -?---I am answering the question.

They are completely separate types of meetings, aren't they?---Yes, they are, definitely. Sorry, the only time we would have a one or possibly two subcontractor there if we were having an issue with a particular subcontractor. Because we weren't allowed to speak to subcontractor direct they would attend a meeting and we would have our grievances with that particular subcontractor with the Crossley McLean supervisors present.

10

Right. That's a meeting that arises in a specific circumstance?---That's correct.

And the Department has to be involved?---Yes.

And it's a meeting that could always arise - - -?---Yes, that's correct.

- - - between the Department on the one hand, the head contractor and one of the subcontractors?---That's correct.

20

And it would be your job to attend on behalf of the Department?---That's correct.

What if someone had a problem with G & F?---I don't know.

Well, if they did it would've been your job to go to the meeting? You would've been there as a Department of Housing employee and you would've been there as a G & F director. How would you have dealt with that situation?---I don't know. Well, obviously my brother would've went.

30

And what would you have done when he said something?---I don't know, it never came up. We never had an issue.

We know it never came up. I'm asking what would you have done in that circumstance?---I don't know.

All right. All right. That's not a toolbox meeting is it?---No.

40 No. So the answers that you gave in the compulsory examination have nothing to do with the type of meeting you've just discussed?---You're confusing me now.

When you gave those answers in the compulsory examination that I've read out, I'm not going to read them out again?---Yes.

This was in relation to a toolbox meeting?---Yes.

What you've just described about a specific grievance with a subcontractor -
- -?---That's correct.

- - - is not a toolbox meeting?---That's correct.

All right. Similarly to your demolition work, Crossley McLean gave
Greenfield tree lopping work?---Yes.

10 Greenfield was not a licensed arborist was it?---That's correct.

They had to use subcontractors?---That's correct.

And they used the subcontractor that they found through you?---One of
them.

Yes, one of them?---Yes.

20 And when Greenfield stopped that work you took that, you took over or G
& F took over?---That's correct.

When was that?---Offhand, 2005, 2006. I'm not sure.

All right. And did you tell the Department of Housing that G & F was now
one of their subcontractors?---No, I didn't.

And G & F didn't have any licence to arborists either did it?---No.

So you had to also continue to use subcontractors?---Subcontractors, yes.

30 So Crossley McLean, once Greenfield stopped started using you, your
company as the middle, middleman company rather than going directly to
the subcontractor?---Yep.

They paid you a fee to take over as the middleman?---A percentage, yes.

Right. And these Greenfield, Crossley McLean tree lopping contracts were
really Crossley McLean, G & F contracts weren't they?---Afterwards.

40 Well even, you say that's 2006?---Well, I'm guessing, I don't know
offhand.

Okay. I'm not holding you to that specific time, but you're saying it was
late in the period?---Later, yeah.

But even as early as 2004, the documentation which reflected Greenfield
having the contract was in fact work that was being undertaken by G & F
wasn't it?---I'd say, I can't remember what year it was.

All right. Well, you don't disagree with the proposition that as early as 2004 G & F was doing - - -?---It could be, I don't know offhand. As I said, I don't know offhand.

Well what was happening was that an arrangement was set up, and you heard me ask Mr Santomingo these exact same questions yesterday. The arrangement was set up so that there was no official connection between G & F, no documentary evidence to link G & F to this work was there?---Not until a later stage, no.

10

Well, and the later stage being after you resigned?---Yep.

And that was a deliberate decision wasn't it?---No, it wasn't actually.

All right. Well, we'll come to various aspects of that answer in a little while. Now these work orders were in the name of Greenfield weren't they?---The original ones, yes.

20

Well, when you say the original ones, they were in your, they were in the name of Greenfield all the way up to the time you resigned?---Yep.

And Greenfield wasn't doing that work was it?---No, G & F were.

And hadn't been before the time that you resigned, hadn't been doing it for a number of years. Correct?---G & F was doing it, yes.

Yes. And you'd seen those work orders?---Yes.

30

And you made a deliberate decision not to have them corrected?---I didn't make a deliberate decision, I just didn't correct it.

Yes, but you saw that they were wrong and you chose not to do anything about it?---That's correct.

Yes. Well, it was a deliberate decision?---No, it wasn't. I just didn't, I just let it go.

40

Why did you not let it go when you resigned?---Because I know it's a full time office person in there and I decided to go through everything.

But you already knew about this. It wasn't something that came to your attention in February, 2008?---Yeah, but once I was full time working for G & F Plant Hire, I went and tidied up a lot of things.

But you had four years to make one phone call?---Well, we may have, I don't know. I mean that's something that we also need to discuss with Crossley's.

No, no, we need to discuss it with you, Mr Garzaniti. There isn't any record of you attempting to correct that inaccurate work order?---There's also no record that I didn't try.

Mr Garzaniti, did you tell Crossley McLean that the work orders were in the wrong company name?---I don't know. I may have, I may not have. I don't know.

You didn't?---No, I said I don't know.

10

You have no recollection of telling them that the work order was wrong?
---That's correct.

And the effect of that was there was no link between your company and this work was there?---I can see that.

And similarly with the contracts. They were in Greenfield's name but there was no, there was no intention of Greenfield doing that work?---Which contracts are we talking about?

20

The late, the 2007 contracts, in April, 2007?---Well, there was no actual contracts, it was just work that was coming through. Work orders.

All right. Well, there was a contract term and condition which was tendered yesterday?---Yes.

Signed on behalf of Greenfield?---Yes.

30

Greenfield was never going to do that work?---Well, that's why he actually signed, he signed two, I'm assuming he signed two on the same day because he realised that the Greenfield one shouldn't of been signed.

Sorry, say that again?---There were two signed on the same day, that's why I'm assuming that the G & F one was the one that he really wanted. And he signed the Greenfield one in case of other work that they were going to be doing.

40

That was different to what you just said. You said it was, you almost seemed to say or suggest it was an accident?---Well, it could've been, but then also he could've been doing some other work for them.

Right. The work orders were in the name of Greenfield and had been for a number of years, but G & F was being paid by Crossley McLean wasn't it?
---Yes.

Crossley McLean knew that G & F was your company?---Yes.

And they knew that you're a Department of Housing employee?---Yes.

And they knew what your role was at the Department?---Yes.

Did you ever discuss with them this conflict between the two positions?
---Not really.

Well what does not really mean?---Well, no, because, because we were the third party all the scheduling and the prices was all set. There was no way I could influence anything.

10

Mr Garzaniti, you're not answering the question. And I don't - - -?---Well, sorry, what was the question again then?

Did you discuss this conflict of interest with Crossley McLean?---No.

Well why did you say not really when I asked you the same question a minute ago?---It's the same thing isn't it, no.

Now you said - - -

20

ASSISTANT COMMISSIONER: Excuse me, can I just ask something on that. As part of your role in contract administration, it would've been your duty wouldn't it if the head contractor or any subcontractors weren't performing well to bring it to the attention of the Department?---Mine and the whole teams, yes.

Yes. But just from the point of view of Crossley McLean, I presume their contracts with the Department, judging from the money that was flowing to other would've been worth a lot of money to them?---I don't know what their total budget was, but it would've been - - -

30

Substantial?---Yeah.

So did it ever occur to you that they might be minded to favour your company because you could start telling the Department that they weren't working properly if they didn't?---In my role as acting team leader, I really had no say whatsoever. I would go to these meetings with numerous other asset management people and all the rest of it. They would know the Department did it's own auditing of all the jobs. So they would check all the work to make sure it was done and it was done properly. So really I, even if I wanted to, there's no way I could put in a good word for them, because then it had to be backed up - - -

40

No, I'm talking about putting in a bad?---Well, that would be found out by the internal auditing. The Department has a QA system that would check, audits constantly, random audits - - -

I'm talking about what Crossley McLean might've, you know, thought?---
Well, I don't think so because even when they're going for a long time they
would realise that I couldn't do anything for them.

And you, you never thought that they might be concerned that if they didn't
do business with you you might start saying adverse things about them to
the Department?---No, because it would have to be substantiated.

Yes, thank you. Yes.

10

MR THANGARAJ: Mr Garzaniti, part of your job was to make
recommendations?---Yes.

Recommendations for contracts being renewed?---No. I don't see how I
could do that.

Well, you made, part of your job was to make recommendations on a series
of issues, including approving invoices wasn't it?---Service rendering
invoices.

20

Yes?---Yes.

And budge increases?---For?

Well, part of your job was to make recommendations for budget increases
for the type of work that Crossley McLean did?---No, definitely not.

30

Well you made a budget, you sort a budget increase for work that
Greenfield was doing?---But was that a Greenfield job that was done
directly for the Department of Housing or one for Crossley McLean?

It was Greenfield directly to the Department of Housing?---You just said
something different a minute ago.

No, no. Mr Garzaniti, you're in a position to make recommendations - - -?
---Yes.

40

- - - for budget increases for any contract that you are involved in weren't
you?---No. Definitely not. Definitely not. I have no control of Crossley
McLean whatsoever. That's done by Ashfield. I have no say, no input, no
nothing about that.

Right. Well, what contracts and the invoices, sorry, what contractors can
you seek budget increases for?---Oh, when they had casual lawns.

Yeah?---Lawns and grounds, yes, we could, we could review that.

All right?---But other than that, nothing to do with the multi-trade whatsoever.

All right. Well, you're an acting team leader in the Macquarie Fields depot?
---Yes.

Macquarie Fields is where a lot of this work that Crossley McLean have from the Department was being done?---That's correct.

10 Your voice and your opinion on their work would be a relevant consideration?---That's correct.

Well, so you were in a position to say something positive or negative about Crossley McLean as a company?---I could have, yes.

Yeah. Well, that's the point, Mr Garzaniti, isn't it, you could have?---Yeah, but I would have to substantiate - - -

20 MR CANCERI: I object. The question started off as he was able to increase a budget and it moved to something else, with respect.

ASSISTANT COMMISSIONER: Well, I think counsel assisting are entitled to move from one matter to another.

MR CANCERI: Yes, but it started off in relation to budgetary increases - - -

ASSISTANT COMMISSIONER: Yes.

30 MR CANCERI: - - - and it moved to another matter about having a voice and being able to make certain recommendations and, with respect, the witness is being confused.

ASSISTANT COMMISSIONER: I really couldn't see in his response that he was confused?---I am totally confused.

Well, could you - - -?---I'm trying to answer questions - - -

40 Yes?--- - - - but he's getting a bit - - -

Excuse me, I'm talking to your counsel.

I think his answer was quite responsive to the second issue that was put to him as to whether he could, he could say positive or negative things, that's what was put to him and he said yes, he could.

MR CANCERI: Yes, but it started off - - -

ASSISTANT COMMISSIONER: How was that confusing?

MR CANCERI: It started off as whether he was in a position to actually decide that there should be a budgetary increase - - -

ASSISTANT COMMISSIONER: Yes, and he said he couldn't for Crossley McLean, he was quite clear on that. I don't think that's being rejected.

10 MR CANCERI: Well, then it seemed to move to something else, it was watered down the proposition so it turned from being able to influence budgetary increases to look, you had a voice, you're able to make certain recommendations.

ASSISTANT COMMISSIONER: Yes, it did.

MR CANCERI: You can see they are not - - -

20 ASSISTANT COMMISSIONER: Yes, they are two separate issues. Counsel assisting had moved from the issue of whether he could approve budgetary increases to the more general proposition of whether he could make negative or positive comments which I don't see any difficulty with that and as far as I could tell the witness understood the question perfectly well. So your objection is overruled.

MR THANGARAJ: Now, Mr Garzaniti, I'm going to ask the questions again so that you will accept you were not confused. This is a new topic, different to budget increases?---Yes.

30 Do you understand that? You were the acting team leader at Macquarie Fields for a number of years?---Yes.

During that time Crossley McLean had work to perform in that area over those years?---Yes.

That work was significant work?---Yes.

You were a senior person in the Department of Housing at that time?---In that team, yes.

40 Yes. So your opinion would be an important opinion in relation to an evaluation of Crossley McLean?---I was never involved in evaluations on these contractors.

I'm not talking about formal evaluations done through the Department. I'm saying that in your role as an acting team leader your opinion was possibly something that would be canvassed?---My role was not to go out and inspect Crossley McLean or any other contractor's work.

(not transcribable) answer the question?---I'm trying to answer it.

Right?---My role was not to go out and inspect the work. I had client service officers on the team who would go out and inspect the work. I would - - -

Right. And who would they report to?---They reported to myself.

10 That's right?---And then I would pass the comment on to our asset manager. He was the one ultimately who had the discussions with the contractor regarding their performance.

Exactly?---Good or bad.

Exactly. So you're, you are the link between the people on the ground and the asset manager?---Part of the link, yes.

Part of the link?---Yes.

20 I'm not suggesting that you are the only conduit of information from the site to head office. Do you understand that?---Well, it's not the message I'm getting from you.

Okay. You are, I'm not suggesting you are the only link between the people on the ground and head office. Do you understand?---Yes.

But you are a link?---A link, yes.

30 And you are an important link because you are the acting team leader? ---That's correct.

And the team leader relies on you as well as a senior client services officer? ---That's correct.

Right. So do you accept now that given your position at the Macquarie Fields office you were in a position to have a voice in relation to Crossley McLean with head office?---No.

40 All right. Why?---Because, as I keep referring to, I was not involved in the maintenance, the senior client service officer's role was to oversee the client service officers. They were the ones who would go out, raise the orders, check the work to make sure it was done. They're the ones who had the, the input as to the performance, whether work was being done properly or not.

If a client service officer had a problem with Crossley McLean, who were they required to tell?---Myself or the team leader.

Yeah, and you were the acting team leader?---That's right.

So for a number of years if someone had a problem with Crossley McLean they would tell you?---But we also had - - -

I'm not talking about other things. I'm sure there were other (not transcribable)?---Well, why don't you listen to the whole story? I'm trying to tell you what the whole thing is.

Mr Garzaniti, answer the question then move on?---Yes.

10

Right. If someone on the ground had a problem with Crossley McLean one of their options immediately up the line was you?---Yes, one of the options.

Right. And your role, and then part of your decision making would be well, is this complaint justified, isn't it?---No, I would pass it on to the QA team.

Right. So you're saying that the link, this, that the line of reporting was the client services officers report to you - - -?---Yeah.

20

- - - and you had no role other than to transmit it?---I would, no, I would transmit it to the Q, the quality assurance team.

That's what I just said?---Yeah.

You had no role other than to further send it up the line?---That's correct, that's correct.

So why did it come through you at all?---Because I was the senior client services officer or the office manager as you want to call it.

30

But part of your job is to exercise judgement?---That's right and that's why we had a separate team to look after the maintenance.

Yeah?---I was property management side and we had a maintenance side. There were two different sections to it.

I'm not suggesting and nor have I suggested that you are the only link. What I'm saying is that when a client services officer reports a problem with Crossley McLean to you - - -?---Yes.

40

- - - there is some involvement on your, on your behalf of judgment?---Yes.

Right. You then decide what to do. You might think it's completely trivial. If you are given a completely trivial complaint by a client services officer about some other head contractor, you don't bother your superior with it, do you?---It's not my superior, it's another team.

Okay. You don't bother another team with it?---Yes, you do.

Any complaint at all?---That's correct.

Right. And do they seek, when you file, file that, do you file a report, something in writing?---No. Either the client service officer would phone the team or we'd send them off an email to look into it.

10 All right. But when you send off an email saying I've been told the following don't you ever give your opinion?---No, because I'm not there, I'm not on the job.

Don't you ever say well, reading this I think something further needs to be done or reading this nothing needs to be done but I'm just letting you know? ---No, that's not the case because we're dealing with human beings. The majority of our complaints would be with the, the clients themselves, the tenants in the houses. I wasn't there. I couldn't make that decision.

20 I'm not interested in complaints by the Department of Housing tenants? ---Well, that's what it'd be.

We're talking about, well, you're talking about the complaints by the tenants of Crossley McLean?---The way the system worked with the maintenance and everything else, 99 per cent of the time the only way we would know there's a problem is if the clients would ring up and complain to the office or if the, it was picked up in the internal audits.

30 All right. If, if someone made a complaint to you either a tenant, through a client services officer, or a client services officer themselves - - -?---Yeah. - - - about Crossley McLean - - -?---Yeah.

- - - it was a matter for you whether you passed it on or not?---I had to pass it on.

All right. I'm not saying it wasn't your responsibility but ultimately whether you did it or not was in your hands?---I had to pass it on.

Do you understand the difference of what I'm saying?---No.

40 Okay. Whether you chose to exercise your responsibility is a matter for you?---I had a role as a team leader to pass everything on.

Mr Garzaniti, you had a role to disclose your conflict of interest as a subcontractor?---Yes, that's right.

You didn't do that either, did you?---Yes, that's correct.

You didn't do that, did you?---That's right.

(not transcribable)?---Yeah.

So we know there are some things you didn't do. I'm asking what else it is, if anything, you didn't do?---Well, you'd have to, need to speak to my superiors about that.

Well, how would they know if there was a complaint if you never told them?---Why, you're trying to twist my words. I'm telling you, yes, you are, I'm telling you, I would pass my messages on.

All right?---The Department of Housing would have records of all these at our meetings we used to have with the asset managers and everything else. It's simple for you to check it up on.

Do you agree that if you failed to pass on a message that you received over the phone there would not be a record of that?---Possibly, yes.

Right. Now, getting back to the tree lopping contract, your fee was in the range of 15 to 20 per cent?---Something like that.

Do you remember what the dollar value of the or how much of the total work for Crossley McLean that G & F had was tree lopping work?---No, not offhand.

Was it a insignificant or a, just a small proportion or - - -?---I don't know to be honest. Probably about a third.

A third?---Possibly, I don't know.

I'm not suggesting that you should be specific about it - - -?---I don't know offhand.

- - - but that's a fair estimate. Now between about December 2005 and December 2007 this tree lopping contract was worth around a million dollars. Does that sound about right?---I don't know offhand.

Well, what can you say about it? Can you - - -?---I don't know. I just said, I don't have the figures so I don't know.

I'm not suggesting you have the figures but you must know whether it's a reasonable figure?---Well, you are, you're asking me is a million dollars. I don't know. It possibly could be a million, it could be 2 million, it could be 500, I don't know.

Okay. Well, it wasn't 50,000 or 100,000 was it?---I'm assuming it was more than that, yes.

And a million is possible?---Definitely, anything is possible.

Well it's not anything is possible, Mr Garzaniti. It's your company. It's from last, it's a contract that finished in December, 2007?---I don't have the figures in my head.

All right. Do you know how much Fine Cut was paid?---No idea.

10 Okay. Well, it seems that they were paid a little over \$200,000?---Yep.

Does that sound about right?---I have no idea off hand.

What other contractors were used besides Fine Cut?---What's his name? Trent Wilson. I can't remember his company name.

All right. It was Carl Flowers and Trent Wilson?---Yeah.

E & T?---E & T sorry.

20 They were the two subcontractors?---That's correct.

So is this the arrangement that whatever the contract value was from the Department of Housing, some of it went to Fine Cut, some of it went to E & T and the balance was shared between you and Crossley McLean? ---I'm sure (not transcribable) depending of who did the job.

Well, I know that. What I'm saying is, the work was done, the contract money from the Department of Housing was split up in the following way: E & T got what they did?---Yes.

30 Fine Cut got what they did?---Yes.

And the balance of the contract value was shared between you and Crossley McLean?---Crossley, yeah, Crossley McLean, yeah.

Well, G & F and Crossley McLean?---Yes.

40 ASSISTANT COMMISSIONER: Mr Garzaniti, where was this tree lopping being done?---In the Campbelltown area, whole Campbelltown area.

For, was it was for Department of Housing properties?---Yes, yes. Department of Housing, Education Department, schools and things like that.

So if someone had a complaint about how the tree lopping was being done, would that come to you?---Not if it wasn't in my area, no. It would go to whichever office it was at.

So were any of these done in your area?---Some were done, yes.

So if somebody in that area had a complaint, it would come through to you?---No, it'd go to the asset management team.

Through you?---No, they would do it directly.

Why is that?---Because they're property management, I was admin side of it. Team leader is more admin than asset management style.

10

So what are these complaints you were talking about that you'd pass onto the quality assurance team?---Well, if a client would phone up and say that the job hadn't been done properly or if the client was, the contractor was rude to them or if they hadn't turned up or if the work - - -

So would that apply to the tree lopping as well?---Definitely, yeah.

All right. So I'm saying, well, if they had a problem about that sort of issue with the tree lopping, it would've come up through you?---No, it would've been through the client service officer who deals with that particular street or that particular house.

20

And then go through you to the quality assurance - - -?---No, would go direct to the quality assurance team.

I see. I'm lost. Maybe you can some sense of it. I thought you just said before - - -?---Some of them would.

Some of them would come up - - -?---But the majority would go directly.

30

All right. So some of them would come up through you?---Yes.

All right. So some of, so you can see, some complaints about the work your own company was doing could come up through you?---Definitely.

All right, thank you. Yes, Mr Thangaraj.

MR THANGARAJ: I want to ask if these figures mean anything to you. Fine Cut between November, 2005 and December, 2007 was paid \$224,303 and E & T was between August, 2005 and July, 2007 was paid \$274,712 so about half a million dollars between them. You know, you, you wouldn't recommend, you wouldn't remember those (not transcribable) figures?--- No, no, no, I wouldn't.

40

Does that sound about right to you?---Honestly, I don't know.

All right. Well, do you agree that all the fees that they obtained were paid by G & F?---Some may have been paid by Greenfield, I'm not sure.

All right. But whether they were paid by Greenfield or G & F, no I withdraw that. G & F paid the subcontractors, you've agreed with that already. Greenfield didn't pay any subcontractors?---After which they, G & F took over the contract, yes.

No, no, even before you, even, well sorry, after you took over the contract but that's, that could be 2004?---Yeah, I don't know off, don't know off hand.

10

But the dates I'm talking about is August, 2005 onwards?---Would be G & F.

G & F was paying?---Yeah.

So the \$500,000 or so was paid by G & F and it was always paid by cheques, wasn't it?---Yes.

20

All right. So if the contract was worth \$1 million for this time period, what happened was then the Department paid out \$1 million, \$500,000 went to Fine Cut and E & T and 500,000 was shared between Crossley McLean and G & F, would that be right?---I don't think so, no way in the world, no.

Well, what's wrong with that amount?---I don't know. You tell me where you got your \$1 million from. I don't know.

30

Well, I'm asking you to assume that it was \$1 million contract for that, for that time - - - -?---Well, we won the small percentage of what we paid the, E & T and Fine Cut and then Crossley was on top of another percentage of us so that's where your figure would be.

You got 15 to 20 per cent?---Yeah.

Of what?---Off the scheduled rate that, that Crossley McLean were receiving.

Yeah, so that of the \$1 million?---Well, you're telling me it's \$1 million. I - - -

40

Yeah, I'm sorry, you're right. I'm asking you to assume if it is \$1 million? ---Well, it wouldn't be because if, if they're issuing the contracts for \$1 million and they've paid out 500,000 to tree loppers, then possibly it, definitely couldn't be \$1 million.

Mr Garzaniti, let's just go back a step. I'm asking you to assume, and if I'm wrong then all this falls away. I'm asking you to assume that the Department paid out those, in that period of time \$1 million or so for these services. Now, just assume that?---Yes.

Now, we know for a fact G & F paid the subcontractors 500,000?---Yes.

So if my assumption is correct, 500,000 was retained by, between Crossley McLean and G & F?---I don't understand this question. You know our percentage, what our percentage was. How could it possibly have been \$1 million. You're trying to get me to admit to - - -

Mr Garzaniti - - - -?---I don't - - -

10

MR CANCERI: Well, I object, I object.

ASSISTANT COMMISSIONER: Yes, Mr - - -

MR CANCERI: My friend's starting off with an assumption which is that the contract or assuming that \$1 million was paid and then he's using the fact that \$500,000 was actually paid. So he's using a fact and an assumption which, with respect, doesn't make sense. Why the, assume everything for the purposes of this line of questioning or you don't. And this is where the, this is where the witness is being confused.

20

ASSISTANT COMMISSIONER: Well, assume they're both hypothetical. Say in the arrangement you had Crossley McLean got \$1 million and subcontractors were paid 500,000, is it correct that you and Crossley McLean would share in whatever percentage - - -?---No, definitely not.

The, the remainder?---Definitely not. He, you can work it out, he knows what we've paid the subcontractors. He knows we're on 20 per cent of that. That's what we receive from Crossley McLean.

30

So you're saying you always only receive 20 per cent - - -?---Well - - -

- - - of whatever the subcontractor, whatever percentage it was - - -?---
- - - 15, 20 per cent, whatever it was, yeah, yeah, that's correct.

So if you had paid the subcontractors 500,000 for that work - - -?---That's correct.

- - - you're saying all you'd ever receive is 20 per cent of that?---Yes, 15, 20 whatever it was. That's all we would receive.

40

MR THANGARAJ: Did you understand the question I asked you?---No, I don't, you totally confused me.

Well, Mr Garzaniti, you keep saying that to the most simple questions. Now, I'll do, I'll go through it again?---Well, I may be a bit thick but, I mean, I'm trying to understand what you're saying and it doesn't make sense.

All right.. I'll go through it again. I'm asking you to make one assumption that between December, 2005 and December, 2007, the Department paid \$1 million for tree lopping contracts. All right?---Assumption, yes.

Okay. I'm asking you to assume, let's not make it 500, let's make it 600. Let's assume that \$600,000 was paid to various subcontracts?---Yes.

10 All right. The only other entities that get money out of the Department of Housing contract are the head contractor, Crossley McLean - - -?---Yep.

- - - and G & F?---That's correct.

Okay. So the answer's yes, isn't it?---That's correct.

All right. Now, that's precisely what I asked you before?---Not with the figures that you were saying, that was confusing me. You kept saying \$1 million and, and \$500,000 worth of works has been done, where's the other 500,000. That's what's confusing me.

20

That's what's confusing me, I think, Mr Garzaniti. \$1 million was paid by the Department, 600,000 to subcontractors. I'm saying that means 400,00 if my figures are correct, I'm asking you to assume (not transcribable) correct ?---(Not transcribable)

I'm not saying G & F got 400,000. That means that Crossley McLean and G & F combines - - -?---Yes.

- - - got the balance?---Yes.

30

All right. And when you say 15 to 20 per cent, it's the 15 to 20 per cent of the scheduled rate?---No, of the Crossley McLean rate.

Okay. And how much would that be? If the Department was paying \$1 million to Crossley McLean to get the work done, what would, what would 15 to 20 per cent - - -?---I have no idea what their percentage was. That was confidential between them and the Department.

So you got 15 to 20 per cent of - - -?---His reduced, well, his, his price.

40

Well, what's the standard multi head contractor rate?---There is no standard.

All right. Well, what was the average that you knew of?---We weren't privy to that information.

Mr Garzaniti, you can't possibly be telling us that you don't know what rate a multi head contractor - - -?---Excuse me. There are two Department of Housing employees here. Ask them if I was privy to that information.

You never discussed that with Crossley McLean?---Definitely not.

All right?---Why would he tell me? That was private between themselves and the Department of Housing.

All right. So your fifteen to twenty percent, what did that translate into?
---What do you mean?

10 Well, you're giving us a percentage, what was the dollar value of that?---It depended on the order, every order was different. It could be a \$100 order, it could be a \$1,000 order. Depending on the size of the tree.

Did you negotiate with the subcontractors as to what you would pay them?
---Yes, we did.

You were getting a set amount of money to pay the subcontractors, sorry, you were getting a set amount of money as your fee?---Per order.

20 Per order?---Yeah.

But you were also getting enough to cover the payment for the subcontractor weren't you?---Definitely, yes.

And so if you negotiated down what they received, you would pick up the balance?---That's correct.

30 So what you got or what G & F got might exceed the fifteen to twenty per cent. It depended on how good you negotiated with the subcontractor?
---Sorry, I don't understand.

The subcontractors were paid money?---Yes.

That didn't come out of G & F's pocket?---That's correct.

You were paid to pay them?---That's correct.

But you could negotiate what you paid them?---That's correct.

40 So if you negotiated them down, whatever you negotiated them down, you'd keep?---No, they were on a percentage of the order. If the order came through from Crossley McLean for \$100 for instance.

Yes?---They were less the percentage, whether it was fifteen or twenty per cent. They would've got the, excuse me, the balance.

Well, where's the negotiations then?---The percentage.

Yes, that's right. If you negotiate the percentage down, you pick up the balance?---That's correct, yes.

And that's on top of the scheduled fifteen to twenty per cent (not transcribable)?---No, it's not. You're missing the point here.

When you sign a contract with Crossley McLean, you organise your own rate don't you?---Well, agreed rate.

10 Yes?---Yeah.

An agreed rate?---Yes.

That doesn't, that's on the assumption that the schedule, that the, that the subcontractors are paid at a particular rate isn't it?---Sorry?

The rate that you, that you settle with Crossley McLean - - -?---Yeah.

- - - that's your fee?---That's correct.

20

Who negotiates with Crossley McLean what the subcontractors get?---Nobody. We (not transcribable) the subcontractor.

Right. So you are paid enough to cover your fee and you're paid enough to pay the subcontractor?---That's correct.

They're separate aren't they?---What do you mean separate?---Well your fee is separate to what the subcontractors are allocated?---It's all in the one. When we get an order from Crossley McLean for \$100 for instance, that would cover our percentage and to do the job.

30

Yes. All right?---It wasn't two separate amounts.

All right. And you keep whatever it is that's left over?---The agreed percentage fee, yeah, yeah. It wasn't left over, it was an agreed percentage upfront.

When you're working out an agreed percentage that means there must be an agreed percentage for the subcontractor. Of the \$100 that's coming to you - - -?---Yes.

40

- - - if you're saying there's an agreed amount for G & F that means there's an agreed amount for the subcontractor?---It's an agreement then of the percentage of the order, yeah.

Right. By April, 2007, Mr Santomingo had been terminated by you? Oh, sorry, I just want to ask something, how would, how would the public get in touch with asset management?---Oh, they could phone Ashfield.

Well, how would they know to do that?---Ring up inquiries.

Sorry, so if, if a Department of Housing tenant in the Macquarie Fields area rings the Macquarie Fields office, well, I'll go back a step. Department of Housing in Macquarie Fields looks after Macquarie Fields houses?---That's correct.

10 You're responsible for Macquarie Fields houses?---That's correct.

And other suburbs in the area?---That's correct.

So if a tenant has a problem with a subcontractor they're going to ring the Macquarie Fields office aren't they?---Initially they would. Macquarie Fields office, the local members office or Campbelltown, which is the Aboriginal office.

20 Okay. But their first port of call, what a tenant is told is if you've got a complaint ring your local office first?---That's what they're told.

Right. Okay. So what they're supposed to do is ring the local office and then someone at reception will answer the phone?---Yes.

And they'll say, I've got a complaint, the tenant will say I've got a complaint about a subcontractor?---Yep.

Are you suggesting the receptionist might send them up to asset management?---No, definitely not.

30 Right. It's dealt with at Macquarie Fields?---Their client service officer.

Yes. Who then may report it to you?---May report it to me or directly to asset management.

Okay. So the public doesn't get directly in touch with asset management do they?---Not offhand, on.

40 No. April, 2007, I'm going on a different topic. April, 2007, Mr Santomingo has been terminated from G & F as a director?---Yep.

As far as you were concerned he was a hindrance to G & F?---At the time, yes.

At the time. That's right. You paid him about \$65,000 or you paid him \$65,000 in February, 2007 as a payout?---That's correct.

Which meant that he no longer had any formal directorship or shareholding in G & F?---That's correct.

Now what you did not want at that stage was a contract for Department of Housing work that had your signature on it did you?---Well, there was never going to be a contract with my signature for Department of Housing.

Well, no, I said for Department of Housing work?---No, you said for Department of Housing.

10 All right. Well, I'm sorry. Let's, let's make it clearer. I'll be clearer. You did not want a contract for Department of Housing work with your signature on it did you?---Through Crossley McLean?

Well, through anyone?---Probably not, no.

No. And so for anything that had to be signed in relation to Department of Housing work, you made sure somebody else signed it?---Not all the time, yeah.

20 I beg your pardon?---Yes.

Yes. So in April, 2007 when these terms and conditions had to be signed for the Crossley McLean relationship for G & F you got Mr Santomingo to sign it?---Yes.

Right. And you got him to sign it because you didn't want to sign it?---And he was still doing work for me.

All right. Well, he was an available person?---Yes.

30 You got him to sign it because the last thing you wanted was your signature on it?---Yep.

And that's why you got him to at least formally - - -?---Yes.

- - - discuss the rate as well. But you'd discussed the rate with him before hadn't you?---With Mr Santomingo?

Yes?---I'm assuming I would have.

40 All right. Well, you heard his evidence about it yesterday?---Well, I'm assuming I would have. I don't remember, but I'm assuming I would have.

So what this was was, in April, 2007 Crossley wanted some official documents signed, there was a contracts term and condition with G & F? ---Yep.

And you knew it was for Department of Housing work. And because you were hiding the fact that G & F was involved in this work you got Mr Santomingo to sign off on it?---Yes.

All right. Now in the compulsory examination, sorry, I'll withdraw that. In the compulsory examination when you were asked about this you said you didn't even know there was a contract?---Well, when you showed it to me in the compulsory thing, I saw it for the first time.

10 And that triggered your memory did it?---No, no. I assumed there would've been something, but I hadn't seen it til then.

All right. But you know, but you knew it when you were being, no, I'll withdraw that. During the compulsory examination when you were asked about it, then you remembered at some point during the compulsory examination, oh, that's the contract I got him to sign?---I assumed there was one then. I hadn't seen it til then.

20 All right. So the reason you didn't remember that one was because there was a standing relationship in relation, there was a standing, there was an understanding between you and Mr Santomingo that anything that had to do with the Department of Housing and G & F he would sign?---No, not just with the Department of Housing. Lots of things.

All right. But there are different reasons why he'd sign different documents?---Because he was out there as my representative.

30 Right. You knew what your obligations were regarding a conflict of interest from at least 1994 when you were appointed as senior client services officer didn't you?---Yes.

Your reputation in the office was someone who knew the policies well?
---Fair enough. Yeah.

Well, do you agree with that?---Oh, I knew the policies (not transcribable) there's so many of them, it's very hard to keep on track of them.

I'm not suggesting that you knew everything, but - - -?---Yes.

40 Okay. And to be, to be honest about it, conflict of interests, there are some aspects of conflict of interest that are so obvious you don't need to be told. Do you agree with that?---Yes.

And part of your promotion to acting team leader in 2000 reflected amongst other things your knowledge of policies?---Yes.

And I understand that you accept now that you ought to have told the Department now of your involvement in G & F?---Yes.

And you know that if you had told the Department about your relationship with G & F and G & F's relationship with the Department that that contract would've been terminated?---Possibly.

Well, so you're disputing the evidence of Mr Miles from yesterday?
---Possibly be terminated, not, not definitely terminated.

10 So if an acting team leader has a company whether wholly owned or owned 50/50?---Yep.

And that, that company, you're saying that it's even possible that that company might get a multi million dollar contract for work, for Department of Housing work?---Not in the same area.

But this was in the same area?---But you asked me a different question. You asked me would it be automatically terminated, I'm saying possibly not. It may have been, possibly not.

20 All right. You're saying that - - -?---There's lots of difference in areas it could've happened.

All right. You're saying possibly not because G & F might have been doing a contract at Wagga?---Exactly.

Okay. Well, I'm sorry that I wasn't clear. I meant this contract. I meant the contract that G & F actually did work for?---Well, it definitely would have been looked at and reviewed anyway. What the outcome would have been I don't know but, yeah, it definitely would have been looked at.

30 Mr Garzaniti, you as an acting team leader, if you, if your company had a multi-million dollar contract with the Department of Housing for work in your area it would have been terminated?---But that's I've said to you, there would have been options. They might have moved me to another area. They may have told the contractor not to use in this area. There's lots of different scenarios.

40 Yeah, and you didn't risk any of those scenarios coming into play?---I didn't tell anyone, that's correct.

And it was, you knew that these were the risks at the time?---Yes, correct.

And that's why you took steps to conceal G & F's involvement with Department work?---I didn't tell anybody.

Yeah. But you took deliberate decisions to conceal?---I didn't tell anybody. It wasn't deliberate or not, I just didn't tell anybody.

Mr Garzaniti, all right. Well, let's go through them and you tell me at the end whether it was deliberate or not. I'll go through some examples. You wanted to keep these contracts that Crossley McLean had given to G & F and Greenfield, didn't you?---Yes.

Crossley McLean paid G & F over 2.6 million in a little over three years?
---Yes.

10 And paid Greenfield over 2.7 million in six or seven years?---No, I don't know about Greenfields.

And conflict of interest was an issue that had arisen for you in other, for other reasons, hadn't it, in your time at the Department?---No, what was that?

All right. You had a job at a, once had a job at a service station?---That's correct.

20 Yeah?---That wasn't a conflict of interest.

What's secondary employment?---But I declared that.

Mr Garzaniti, that's my point. It had arisen for you as an issue in your employment in the past, hadn't it?---No, it hadn't. I declared that voluntarily. There was no conflict of - - -

The reason you declared, you sought permission to work in the service station?---That's correct.

30 As secondary employment?---That's correct.

Part of secondary employment is conflict of interest?---Okay. Sorry, I misunderstood.

Sorry I wasn't clear. Conflict of interest and secondary employment are intertwined, aren't they, correct?---Well, yes.

40 And the reason that employees are required to declare or seek permission for second employment is so that conflicts of interest can be identified?
---Yes.

So you knew when you applied, that when you decided you wanted to work in the service station that you would have to seek permission to do so?
---Yes.

And you did?---Yes.

And the reason you did was because there was no chance of it being rejected, right?---(NO AUDIBLE REPLY)

Correct?---Yes.

And there was no chance of anything else, any other ramifications adverse to you, nothing, no contract was at stake, was there?---Yes.

10 So you knew about the conflict of interest issue and you dealt with it?
---Yes, yeah.

Similarly in 2000 you sought approval to work as a truck driver for your brother's company, didn't you?---I forgot about that one but, yeah.

Well, you did, didn't you?---Yeah, well - - -

Yeah. And I'll show you this document, it's document 20. You've got a, you'll get a hard copy but it will come up on the screen?---Yeah.

20 You sought, in 2000 you sought permission to work as a truck driver for Garzaniti Excavations?---Yes.

And you signed it?---Yeah.

And you received that approval some time later in May?---Yes.

And on the face of this document there wasn't any suggestion of any conflict, was there?---No.

30 And so you put in the application knowing it'll be successful and you commenced working under that position, didn't you?---Yeah.

So for a second time, and this time in 2000, you sought to deal with the conflict of issue, interest issue?---Yes.

40 Do you see that, in paragraph (b), about halfway down, it says, this is just above, a little bit above your signature, "I further declare that this interest, this work will not involve conflict of interest with my official duties. However, should a conflict of interest arise or become evident I will notify the Department immediately?"---Yes.

You understand that?---Yes.

Whether you read it or not you understood it?---Well, yeah, it's there.

I tender that document, Commissioner.

ASSISTANT COMMISSIONER: Yes. That will be Exhibit 11.

**#EXHIBIT 11 - APPLICATION TO ENGAGE IN PRIVATE
EMPLOYMENT BY MR GARZANITI**

MR THANGARAJ: So twice you notified the Department when there was no chance of losing contracts?---Yes.

- 10 You never notified the Department of an interest in G & F or Excavations or any involvement you had with Excavations?---No.

Correct. Nor did you notify them of any relationship you had with Greenfields?---Because there was no relationship Greenfield.

Well, you were a friend of Mr Santomingo?---Yes.

Right. That wasn't notified, was it? You didn't tell anyone about that?
---Well, I didn't know I had to disclose all my friends to everybody.

20

No, you don't but when one of them's getting a \$2.6 million contract that might be something different, mightn't it?---(NO AUDIBLE REPLY)

Are you still saying today that you had no obligation to inform the Department that Mr Santomingo was a friend of yours?---I don't know. It's a hard one to answer. I mean, yes, okay, fair enough.

Mr Santomingo at one time was your partner in G & F?---After.

- 30 Not after. He was your partner in G & F from 2004 to 2007?---Yeah, after he had obtained the work he had been doing for years.

Yeah?---Not prior.

No, I'm talking about at the time that there was a friendship and a relationship - - -?---Yeah.

- - - with Mr Santomingo?---But - - -

- 40 So you're saying that prior to any formal relationship with G & F you had no obligation to tell the Department?---I didn't think so, no.

Okay. I'm not saying whether, what you thought at the time, what do you think now?---Probably in hindsight a different story.

Occasionally you did some administration work and truck driving for G & F?---Yes.

That was secondary employment?---Yes.

And you didn't seek permission to do that, did you?---No.

That was very similar to the work that you were doing at GE that you did seek - - -?---GE?

Sorry - - -?---Garzaniti, yeah, sorry, sorry, yeah, yeah.

10 Excavations, it was very similar to the approval that you sought for Garzaniti Excavations?---Yes, the same thing.

All right. Part of your job was to approve invoices to contractors in the area?---What are we talking about now?

I'm sorry, I should have been clearer, you're right. Part of your job was to approve or recommend approval for invoices for contractors in the Macquarie Fields area?---Part of my - - -

20 Part of your job, I'll get a document up, this might make it easier.

Could we have document 17 and then 18, please. This might have been tendered.

I'll show you document, I'll show you one document and then we'll have, what's this document?---This is a lawn slip. When the contractor would do their lawns they would put this in for payment.

30 All right?---To say the work had been completed.

Okay. And someone had to sign it - - -?---Yeah.

- - - to facilitate payment?---Yes.

And in this case it was you?---Yes.

And you were signing it for Greenfield Development?---I'm, I used to sign all of them.

40 Yeah. We're talking about the document in front of you, it was for Greenfield Development?---Yes, correct, yes.

Do you think in that, did you think at the time that you signed this document well, I'm a chain the process of getting my friend paid, I should disclose this relationship?---In hindsight, yes.

Okay. So does that mean no at the time?---Well, at the time I thought the work's been done, everything was fine, there was no need to but as you said in hindsight it's easiest - - -

What was the role of your signature, what was the purpose of obtaining your signature?---My signature was to say that the work had been completed correctly.

10 That's right. So the fact is someone is signing off, attesting to their belief - -
-?---Yeah.

- - - that it had been done?---That's correct.

And that's, that's precisely a circumstance where a conflict ought to be disclosed, isn't it?---Yes.

All right. Can I just show you Exhibit, oh, sorry.

20 I tender that document.

ASSISTANT COMMISSIONER: Yes. That will be Exhibit 12.

#EXHIBIT 12 - CONTRACTOR'S CLAIM FOR PAYMENT SIGNED BY GARZANITI

30 MR THANGARAJ: Can we Exhibit 6 on the screen. And related to, and in fact it might even be the same work because they're both in February, 2006, or it may not be, but in any case this is an invoice that you're signing?---
Yes.

Again, a step in the process of having Mr Santomingo paid?---Yes.

All right. Mr Miles said yesterday that a relationship, you had a relationship with Mr Santomingo that may, and he did, I don't think he ever said that it would have but it may have jeopardised the Greenfield contract?---Possibly, yes.

40 And what certainly would have happened is that you no longer would have had any role in anything to do with approving invoices for Greenfield?
---Possibly, yes.

Well, that's not a possible, is it?---Yes, possibly yes.

No, no. If you disclosed to the Department that in 2006, the time that this document came across your desk, you were in partnership with the only (not transcribable)?---Yes, yes, I would've been taken out of the, out of it.

And similarly, you would've been taken out of any, any recommendations with respect to increasing budgets for that company?---That's correct.

All right. Now, Greenfield had, as we know, significant casual lawns and maintenance contracts with Crossley for the Department which, sorry, I withdraw that. Greenfield had significant contracts for lawns and maintenance with, directly with the Department which were rolled over? ---Yes.

10

Or casual contracts complete, often rolled over. And you heard the questions that your counsel asked yesterday about there might have been some reason - - -?---Yes.

- - - some legitimate reason why one or more of the contracts were rolled over?---Yes.

20

Because there were, there might've been problems, there might've been other policies. Now, I want you to assume that everything that he put was correct?---Yes.

I'm not saying that it is, but I want, I'm happy to assume for the purpose of these questions that that was the position. When you've got contracts of that value and one of them was for almost \$1 million, wasn't it?---I don't know offhand.

All right. When you've got contracts that have been rolled over like that for a number of years - - -?---Yep.

30

- - - wouldn't it be better for the process to go to tender or for at least quotes to make sure the Department was getting the best value for - - -?---It wasn't a decision left up to me.

I'm not, I'm not suggesting that it was your decision. Do you agree with the proposition first?---Possibly, yes.

40

Well, why, what harm could it do that in a circumstance where casual contracts are being rolled over - - -?---Because what's happened over the past, we'd, we'd tendered for casual lawns in local newspaper and things like that. We'd gotten backyard contractors who'd do one cut, throw the job in, couldn't, couldn't cope with the, the sort of work we were doing.

All right?---Three months down the track we were back to the same contractors asking to do the work again.

All right. So are you saying that there was no point putting it out to - - -? ---No, I'm not saying that. There's always a point.

All right?---There's always - - -

At the very least it'll keep the person with the contract honest, wouldn't it?
---Pretty much, yeah.

And if you say to them, well, we've been doing this for a couple of years?
---Mmm.

10 We're going to put it out to tender - - -?---Yep.

- - - it will at least stop them for artificially inflating their quotes, won't it?
---Well, the, the quote - - -

Or it may?---Well, the prices very rarely changed. It was pretty much the same price.

All right?---Unless, unless the actual site changed for some reason, the price wouldn't change.

20 Well, you've heard your counsel ask questions yesterday about there being an ongoing change in the sites. There was some dispute about where the boundaries were?---That's correct and that's why they were not put out to tender.

But the process of ongoing renewal of these casual contracts meant that Greenfield had no competition?---That's correct.

30 And it also meant by avoiding the tender process or not using the tender process, it meant that the Macquarie Fields office kept control of that contract rather than it going to the contracts manager?---But that was a direction from our contracts manager at the time.

All right?---Most of the Campbelltown area was kept under casual lawns for eight, ten years and only changed, I think, 2007, 2008.

And when they were casual, was it always the same, in those examples you've given, was it the same company that had the - - -?---99 per cent of the time.

40 All right?---You had estates in Campbelltown they were twice the size of the whole Macquarie Fields all being done on casual for about 10 years because of the type of work it is.

And is there a new system now or was there a new system before you left?
---It was all tendered I believe in 2007 I think, 2000, possibly 2007.

All right?---Because community groups were encouraged to, to take up the role as contractors.

All right?---And they were also kept on casual because the, the Department was doing extensive works down there because of all the media coverage that was happening.

10 Yep?---We were demolishing townhouses, we were making common areas smaller, some were getting larger, and that's why they didn't want to put contracts out until they'd redefined these boundaries because they didn't want to get stuck with a contractor they were overpaying because they, they'd shrunken his size.

All right. Another aspect of your involvement in these ongoing contracts was your recommendation that the contract itself be renewed with the same organisation, that is, Greenfield?---Yes, yep.

And again if, I withdraw that. This was in July, 2003, you saw this documents yesterday, I think. I'll show you?---Yeah, I did see it, yeah.

20 It was, it was an email to Mr Brown?---Yep.

That one. It's document 10. Just for the record it's Exhibit 8 but we don't need to bring it up. That was in July, 2003. It's before G & F began as a company?---Yep.

30 All right. I want to ask you about an email in February, 2005. It's document 15. I'm sorry, it's Exhibit 4. All right. You probably don't need a hard copy of this. It's self-explanatory from the screen but at the bottom it refers to a discussion that you had where you had recommended, well, it reads as a direction but let's assume it was a recommendation - - -?---Yep.

- - - that you made to increase the value of the contract?---Yep.

It's a minor increase, there's no doubt about that, but it was a time where, at a time that you and Mr Santomingo were partners in G & F and do you agree that at that time in those circumstances you should not have been involved in the decision to seek a budget increase?---In hindsight, yes.

All right. Can we just have Exhibit 5 brought up please?

40 You heard Mr Miles give some evidence about this document and he gave an opinion that from reading this document the IHC would've regarded you as the contact person in relation to invoices and contracts for Greenfield?
---HIS

IH - - -?---IHS transaction centre.

All right. It might say, if you just scroll down to the bottom of the document. Sorry, the IHS, that's right, IHS transaction centre. He gave an

opinion that he thought that the IHS transaction centre regarded you as the contact person in relation to the Greenfield contracts?---All contracts in that, my area.

All right. Including this one?---Including this one, yeah.

All right. So you agree that you were the contract, the contact person for all these contracts including the Greenfield one?---Department of Housing's representative, yeah.

10

All right?---Any contractor who didn't get paid in the office would obviously come to speak to me.

At the time that you were the acting team leader and prior to that the senior client services officer, was your performance or your work supervised? ---When I was senior client service officer, yeah.

20

Are they actually formal, obviously there's a formal superior but is there actually any ongoing supervision of what you are doing?---In which role, sorry?

Okay. Well, let's start, fair enough. Let's start with the senior client services. When you were performing that role up to 2000 - - -?---Yep.

- - - what, what sort of supervision would there be of your work?---Well, my team leader would be in the office and they'd be monitoring all my work.

30

When you say monitoring, what do they do to monitor? What does monitoring involve?---Well, I'm the, I was the link between the client services staff and the team leader. All their work would come through me. I (not transcribable) recommendations, deal with complaints, deal with any issues that clients would have. Do my thing and then forward it of to, to my superior.

40

Now, I understand that that was your role. What I'm asking is, maybe you're not in a position to answer it but were you aware of what type of supervision or monitoring there would've been of your work? Did you have meeting frequently where they'd say, well, what are you doing, how do you come to that decision, why are you allowing this?---We do have, do have monthly meetings, team meetings where you - - -

All right. They're team meetings, aren't they?---Yeah, yeah.

I'm talking about you as an individual. Was there anything ongoing that - - -?---Even formally be pretty much every day if something's wrong, call me in, sit down, we've got to work this out, you know, whatever.

All right. Were there performance evaluations, one on one with your immediate superior?---Not back then in those early days.

When did they, when did that start?---I think possibly 2005, 2006.

And how often would that be?---You got me now.

10 I'm not asking, I'm not expecting you to remember details?---I know they were supposed to be, I'm not sure if they were three monthly or six monthly but they never ended up being that. They were always sort of - - -

Delayed?---Delayed.

All right. And sometimes maybe never done?---They were done but - - -

By the time the next one - - -?---Exactly, yeah.

All right. And who would do those?---My immediate supervisor.

20 Okay. And was that also the position when you were the acting team leader?---Yes.

Is that a convenient time, Commissioner.

ASSISTANT COMMISSIONER: Yes, yes. We'll take a 15 minute adjournment.

30 SHORT ADJOURNMENT [11.22am]

ASSISTANT COMMISSIONER: Thank you. Please be seated.

MR THANGARAJ: Could we bring up on the screen, please, document 9.

Mr Garzaniti, you were shown this document during your compulsory examination?---Yes.

40 And when you were asked about it you agreed that it was money that you had received and used for personal purposes?---Yes.

Could we start with the second account. That's an account ending in the numbers 2-1-6-5?---Yes.

That a mortgage account for your current home that you and your wife took out?---Yes.

The house was purchased in April 2003 for \$937,000?---2003, was it? Oh, possible, I'm not sure, yeah, yeah.

With a mortgage of 400,000?---Yeah.

In 2003 your gross salary with the Department was \$55,914. is that, is that - - -?---I don't remember but yeah.

Around that?---Yes, I'm assuming.

10

And, and it went up a little bit each, well, a few thousand dollars each for the next couple of years and so if your after tax income in 2003 was about 35,000, 2004 about 45,000 and in 2005 about 50,000 then over that period of time between the time that you bought the house and the end of 2005 your disposable income would have been about \$130,000?---Possibly, yeah.

All right. Was there any income from your wife at that time, in those years? --- (NO AUDIBLE REPLY)

20

Was she working?---I don't think so.

Right. Besides the money on the schedule that's currently on the screen, did you have any other money coming in?---I'd sold my house.

All right. And when did you sell that?---A few months before I bought that one there.

Okay. But that was part of the way, that was part of the reason that you only needed the mortgage for 400 on it - - -?---That's correct.

30

- - - the purchase was 937?---Yeah.

So the equity that was from the sale went into the new house, didn't it? --- (NO AUDIBLE REPLY)

The profit that you made on the sale - - -?---Yes, yes.

- - - went into - - -?---Yes.

40

Okay. So that wasn't, that's not income or that's not extra money coming in on top of what I've just gone through, is it?---No.

By the end of 2005, so a little over two and a half years later, you bought a car for \$62,000 and you'd paid out the mortgage of 400,000?---Yeah.

And in that period of time, and the period of time I'm talking about is April 2003 to the end of 2005, you'd had coming into that mortgage account that's on the screen, the second one, 2-1-6-5, you'd had 99,000 come in

from G & F and the reason the numbers are different is because I'm, you'll see that the schedule on the screen is from April 2003 to March 2008 but I'm limiting it to the period between April 2003 and the end of 2005. You had 99,000 coming in from G & F, 231,000 from Greenfield plus, on top of that, the 22,000 that's in the top box on the screen and 30,000 from Garzaniti Excavations. Does that sound about right to you?---Yeah.

10 All right. So would it be fair to say that that money that I've talked about and it's on the screen, some of it, was used to pay out the mortgage and to buy that car?---Yes.

So it would, it would be fair to say, wouldn't it, that the Department of Housing contracts made a substantial contribution to paying off your mortgage?---Well, we never had Department of Housing contracts.

Well, sorry, fair enough. The work that was done for the Department of Housing through one or more entities made a substantial contribution to paying off the mortgage?---Through Crossley McLean.

20 Yeah?---Yeah.

All right. So just to be clear, the Department of Housing work that was done by one or more of the companies on the screen through Crossley McLean or directly made a substantial contribution to paying off your mortgage?---It made a contribution to it, yeah.

30 All right. So for you there was a personal benefit from the works that at least G & F was doing through Crossley McLean for the Department? ---Well, if G & F wasn't doing the Crossley McLean work it would have been doing other work.

All right. But I'm, I know it might have been doing other work but the fact was this is what happened. The fact was - - -?---Well, that's what happened but if it wasn't getting work there it would have been doing other work.

All right?---So the result may not have been different.

40 The third account, ending in 9-9-2-8, that was a joint account between yourself, your wife, your brother and his then wife?---Yes.

And that was also a mortgage account?---Yes.

And that was in relation to two properties that was purchased, that were purchased by the four of you at Sanctuary Point?---Yes.

And going into that account included \$80,000 or so from your joint mortgage account that you and your wife had?---(NO AUDIBLE REPLY)

You see the account, the second account, that's the mortgage account you and your wife had?---Yes.

2-1-6-5?---Yeah.

\$80,000 was transferred at one point from that account into the account, the account below that with the four of you?---(NO AUDIBLE REPLY)

You don't remember that?---Not offhand, no.

10

All right. Were these purchases between the two respective couples a 50/50 purchase?---Yes.

And does that mean that each of you put in, each couple that is, put in half the deposit and then made half the repayments?---Well, it's my brother. We don't have a formal agreement but 50/50, yeah.

20

All right. Well, does that mean that on some occasions if your brother couldn't afford it you'd make the payments?---Well, we make the payments, yeah, we don't really have a formal arrangement.

All right. Well, is it fair to say that in that time you paid over 50 per cent of the deposit and the repayments?---Possibly, yeah, I sort of don't know offhand but possibly, yeah.

Well, you would know whether or not your brother had, what sort of income your brother had at that time. He was, his primary income was Garzaniti Excavations?---That's right, that's correct, yeah.

30

Which was the company that you owned - - -?---Yeah.

- - - and he owned and your wives later?---Yeah.

Sorry, should I, did your wives, I see that they were directors, did they ever have any equity or was it just you and your brother that were formally the shareholders?---Of, of - - -

Garzaniti Excavations?---Just my brother and myself.

40

All right. So you, that was his, well, was that his only source of income in those years?---Yes, yes.

All right. So you knew given your knowledge of the, the money that Garzaniti Excavations was making, you knew precisely or pretty close to precisely how much he was paying you?---Yes.

So do you remember whether or no he was able to afford to make the repayments and put in half the deposit on those two properties?---Well, the money would've come out of G & F and Garzaniti for the deposit.

I beg your pardon?---The money would've come out of Garzaniti and G & F for the deposit.

Right. But G & F had nothing to do with your brother?---That's correct.

10 Right. So what I'm asking you is, is it your recollection now that you made more of a contribution than he did?---No, I wouldn't say that. We're, we're 50/50 in everything we do. He may not be a director of G & F Plant Hire, but he's still my brother.

All right. I'm not - - -?---I'm just trying to, I don't know how to answer that question.

20 Well, is this, is this a better summary? The money is just used to pay whatever bills need to be paid because you don't differentiate between you or your brother. You operate as a family?---That's correct.

All right. So the bills are paid, whether G & F has brought the money in or Garzaniti Excavations has brought the money in, as far as you're concerned, there's a familial partnership - - -?---Yep.

- - - not a formal one, but there's a relationship there that, so that you pay your brother when you need to and you pay the bills when you need to?
---That's correct.

30 All right?---He works full time for the company.

All right. Okay. So it would be fair to say wouldn't it that the Department of Housing proceeds whether through Crossley or not also made a contribution to the mortgages at Sanctuary Point?---Through Crossley?

Yes?---Yeah, possibly yes.

I tender that document.

40 ASSISTANT COMMISSIONER: Yes, well that will be Exhibit 13.

**#EXHIBIT 13 - TABLE OF PAYMENTS MADE TO NAB
ACCOUNTS OF GARZANITI FROM APRIL 2003 TO MARCH 2008**

MR THANGARAJ: Can we have Exhibit 9, sorry, Exhibit 9, please. Between April, 2003 and February, 2006, Greenfield paid into your account, and I'll come to the method in a moment about \$281,000?---Yes.

And you were responsible at this stage for running Garzaniti Excavations and in control of the financial running of it?---Yes.

So you were able to and entitled to move the money around as you thought fit?---Yes.

10

And you said at the compulsory examination that this was work that was done by Garzaniti Excavations for Greenfield?---Yes.

And you also said in your second examination that the money that you transferred to your personal benefit or had, I'll withdraw that. There were cheques that were paid by Greenfield, some of them went into your personal account, meaning you and your wife?---Yep.

20

And others went into the Garzaniti Excavations account?---That's correct.

And, and you would tell Mr Santomingo who to make the cheques out to? ---Yes.

And you said in your second examination that you were entitled to do that because they were directors fees that were owing to you?---Well, it was money that I had put into the company.

30

All right. Okay. Well you used the phrase of director's fees as well, so does that mean - - -?---I don't think I did, I think I stated it was money owed to me.

I'll just get to what you were asked. Okay, you were asked this question. This is at your, you had two examinations. There wasn't enough time on the first day and you came back the second day?---Yep.

40

And you were asked this on the second occasion. Just starting off with Garzaniti Excavations, on the last occasion you told the Commission that you were owed director's fees by this company. Do you recall that evidence? Answer, director's fees, yes. And you told the Commission that some of the payments that were made by Greenfield to yourself or some of the payments that you deposited into your personal account should really have gone to Garzaniti Excavations but you put them into your account instead of putting them into the company account of Garzaniti Excavations. Do you recall that evidence? Answer, yes. And then you were asked, now, how much director's fees were you owed? Perhaps I could start by asking you these director's fees that you refer to was that owed to you on a one off basis or was it owed to you periodically, so once or twice a year? And you said, one time, I think once a year, the accountant. And the question, it was

supposed to be paid director's once a year by Garzaniti Excavations and how much was the amount that was payable to you? And you said, it varies every year, depending on what monies have been paid. Further down, now are there any records such as agreements, contracts, accounts, ledgers and invoices relating to the director's fees that were, and you interrupted and said, no. And the question continued, payable to you by Garzaniti Excavations? No. Question, so there was nothing written down that stipulated how much you're entitled to claim for your director's fees? No.

10 So is this a fair summary, you took money out for a number of reasons or had it directed to your personal account for a number of reasons. One, you'd made a financial contribution into the company in the beginning?--- Yes.

Two, you were a director and therefore entitled to directors fees?---Yes.

And three, the reason that you took the directors fees was the method of you getting a return of profits?---Yeah, probably, yeah.

20 And that's why you say how much directors fees you took out depended on how much money the company had made?---Yeah. Yes.

So the form, the form that you took for being paid rather than dividends, or rather than formally, I know we're not doing all this in an extremely formal way, the company wasn't operating in a rigid formal way - - -?---Yep.

- - - but your way of getting out the profits, which was the whole point of being in a business, was to you, was to say, well, I'm owed those directors fees?---Well, it could've been directors fees or dividends, as you said.

30 (not transcribable) was?---Yeah, yeah.

And for the purposes of this company there's a meaningless difference, it's the same thing isn't it?---Yeah.

Whether it's, it's your returns?---That's right. Yep.

40 All right. And when you were answering those questions you were talking about the schedule that's on the screen now, the \$281,000, how much of it was and if so and what was it used for, the money that was used to set up the company? How much went into setting up the company and how much was a return to you of dividends or, or directors fees?---Well, basically the whole amount.

Sorry, the whole amount for what?---Well, I would've set up, like we'd set up Garzaniti Excavations fifteen years ago, maybe.

Right?---I can't remember offhand exactly. And I put money in back then. And yeah, we just, that's what we worked out over the period of time.

But this is money that's coming out eight years after the company has started trading?---Yeah, because the company wasn't in a situation, in a position to be able to give me back my money any quicker.

10 All right. Well how much did you put in at the beginning?---Well, that's what I'm saying, it was eight, eight, oh, ten, what did I say - - -

'95 it started?---'95, so that's fifteen years ago.

Right?---Off the top of my head I wouldn't remember how much we bought the equipment, but we bought plant equipment at the time.

Yes?---I might've put in 70, 80,000 at the time.

20 All right. And did your brother put in an equivalent amount?---No. He'd just been recently separated, divorced from his wife and he lost - - -

No. When you were starting off the company I mean?---That's correct. He'd lost everything then.

Oh, okay?---I actually set him up.

30 All right. So what happened was that you put in 70 or \$80,000 with an understanding that when the company was able to repay it, you would then take it out?---That's correct.

And whether you had those formal words or not that was the understanding with you and your brother?---Well, it's a family business.

Yes. And understandably you'd get your return - - -?---Eventually.

- - - if and when the company could pay?---That's correct.

40 And if it all was lost, well that'll be too bad, I suppose. So in this period of time, this is eight years after, but the company had been operating for eight years beforehand?---Yeah.

I'm not suggesting for one moment that in the early years it was able to provide a return, but had you taken any money to pay these things (not transcribable)?---The first three, four years we couldn't even pay my brother's wages.

All right?---He was living with my parents.

Right?---Because he'd recently been separated and lost everything.

Right?---So for the first at least three, four years, he couldn't even take a wage.

All right?---And everything we made went back into the business.

Yes. Which is how - - ?---And that was the understanding when we started. I knew I wouldn't get the money back for quite some time.

10

And that's how these sort of small businesses operate in your experience isn't it?---Yeah.

You put the money back in to keep going. All right. Well, so that's the first few years and what about the few years immediately prior to April, 2003? Was the company in a position to make any returns then in the way that it was after that time?---I wouldn't know offhand.

20

All right. Let's, let's say then that given that these are the records that this is the money that, this is the only money that you diverted into your personal account rather than going in through Garzaniti Excavations. So we know that of the 281,000, say 80,000 was your return on, sorry, returning the money that you'd initially invested. So it would be fair to say that about 200,000 then was dividends or fees?---That 80,000 was back in '95, which is a lot different with inflation and all that, so there would've been some extra return on the 80,000.

All right. That's fair enough?---Plus bits and pieces.

30

All right. So you're saying that there was an understanding that you would be paid back something for interest as well as the - - ?---I wouldn't say interest, but something equivalent. \$80,000 in 1995 is not \$80,000 today.

Right?---So, there was no really formal arrangement, just my brother, like you know, if you can't deal with your brother, your family, who can you deal with.

Right. No, no, I'm not suggesting that you - - ?---Yeah, I'm just trying to explain, that's all.

40

No, no, and I understand, I understand what the, what the relationship was. So there was some sort of unknown premium for the fact that there'd been a number of years pass. So the 80,000 wasn't 80,000 or something or some sort of number a bit higher than that, to take account of the fact that it was years ago?---Well, yeah.

All right. And whatever that number was, the balance was the dividends or the fees?---Well, yeah. Yeah.

All right. You'll see from the document that there are a number of payments that are \$10,000 plus GST. And I don't want to dwell on this in the way that I had to yesterday, but can you just tell us briefly why it was that there are so many payments as an overwhelming proportion of the payments between the respective entities that are that figure?---Well, Greenfield Development was hiring plant and equipment off us and trucks. What it was, he was waiting sometimes sixty, ninety days to get paid. Obviously we were running a business. We couldn't afford to do that, so he would pretty much rob Peter to pay Paul.

Right?---And pretty much it worked out that it was 10,000 plus one GST, and it just made it easier for a running tally.

Okay. And running tally is a phrase that you used in the compulsory examination. What do you mean by that? Did you keep records to show that, how much - - -?---Oh, probably, possibly, my brother possibly or one of us would've had some informal register or something.

20 Right. You said in your examination that there were invoices, and I'm not limiting it to this schedule any more, for the time being, but that there were invoices between the companies?---There would have been, yes.

Now you heard Mr Santomingo say where he asserts some of those invoices are, but do you know where all the invoices in relation to Garzaniti Excavations and G & F - - -?---Well, as far as I was aware they were in my office. But I've been told that you don't have any of them. So, so like I assumed all my paperwork was in the office.

30 Right. So you would have, if someone asked you before the search warrant you would have expected all the invoices to be in your office?---That's solely where all my paperwork was.

Because you understand as a director you have obligations - - -?---Yes.

- - - under various (not transcribable) of legislation - - -?---Yep. Yep.

- - - to retain records for - - -?---Yes.

40 - - - five years or seven years, depending on what they are?---Yep.

And you were seeking to comply with those - - -?---Oh, definitely.

All right. So you would have expected, you expected and I think you told the investigator on the day of the search warrant that you were expecting them to come and get your documents?---Yep.

So the documents were there, you were expecting ICAC to - - -?---I wasn't expecting them, I didn't get a phone call or anything, but, you know.

I'm not saying that you knew that there was a time appointed for that search warrant to be executed, that would be defeat the purpose. But in your own way you expected them to come. That's what you told the investigator - - -?---Yeah.

10 - - - on the day. You were waiting for - - -?---That's why everything was there. When they actually came I said, here's everything I've got.

All right. But everything wasn't there?---Well, as far as I was aware it was.

All right. So you have no explanation of where (not transcribable)?---No, I just don't. And they can see from what they took, if I wanted to get rid of some stuff I wouldn't of given them everything I had.

20 Well, what do you say was handed over that was incriminating in any way?
---Well, I thought at the time, nothing.

Well, that's right isn't it. What I'm saying is if there were invoices - - -?
---They would've, they would've benefited me now if there were invoices.

But if there weren't any invoices, if this, if the operation was because of the family relationship - - -?---Mmm.

30 - - - because of the relationship that you have with Mr Santomingo, as a good friend. Would that be a fair description of your relationship, a good friend?---Yeah.

That you would transfer money around as and when you thought appropriate and as and when the respective entities were able to do it, there'd be sort of guesstimates for the work and you'd say, oh, give me 20, 000 for that or give me 50, 000 for that. And the money would sort of flow around on that ad hoc basis and there wouldn't be any need for invoices?---Well, there would be because the accountant, we still had to provide records. We still had to have details there.

40 And the monies that you had Mr Garzaniti - sorry, I withdraw that. Mr Garzaniti, on your instruction made some cheques out to your surname rather than Garzaniti Excavations?---Yes.

How would you keep a record of what Garzaniti Excavations was making for its purposes of recordkeeping?---Probably none.

So how would Garzaniti Excavations know for tax purposes, for example, what it was that it made that year?---Well, we sort of, would've been some record passed on to the accountant.

You're not keeping a record of the cheques that are coming from Greenfield as far as which ones - because of the cheques that are there some of them - sorry, I withdraw that. All right. What records were kept for Garzaniti Excavations for tax purposes?---We would've had a ledger and as you said there would've been an informal one where he might've owed me \$50,000 for two months work and then we just put down paid 10,000, whatever else then it would be handed to the accountant.

10 But where are those records?---Well, I assumed everything was in the office.

Right. So aside from the invoices those records also were in your office at some stage?---Well, everything would've been in my office.

Right. I know you say everything and I just want to be clear about what we're talking about. The Garzaniti Excavations office was in your office wasn't it?---It's the one computer pretty much.

20 Yes. The one computer had the G & F material, the Garzaniti Excavations material and any other material for your business and necessary?---Yes.

And you also had, no doubt, hardcopies would've been kept - - -?---Well, some was hardcopy because at the time we were just on a computerised system and - - -

If your company received an invoice ..(not transcribable)..?---Yes, they should be somewhere, somewhere, yeah, yeah.

30 So at the very least you'd have to receive invoices for work done by others on your behalf there?---That's right.

So you had hardcopies available and you kept those documents and contracts and invoices from your subcontractors as part of your recordkeeping obligations?---Yeah.

And you as a director had - you knew what your obligations were in that regard?---Yes, yes.

40 And as a senior officer of the Department you knew what subcontractors were required to keep?---Yes.

Part of the reason also is that if the head contractor or the client, the ultimate client wants to see something they're entitled to see it?---Yes.

Right. Can we have exhibit 8 on the screen please? Now this is - if I could put it crudely - the other half of the previous schedule isn't it?---Yes.

You say it's work again done by Garzaniti Excavations for Greenfield?
---Yes.

All right. Is there some reason why the last entry for this schedule is the 4th of February and all the payments after that went into your account?---Not particularly.

When was it that your brother started having difficulties with his marriage?
---No, he was in '95. when we started up the business.

10

All right?---And then again in, yeah, no, '95.

All right. So you don't know why it is that - or was it just that by this stage, by February '04 the company was in a position, better position to pay?
---Coincidence, I really, I don't know, just one of those things that happened.

20

Can we have exhibit 10 on the screen please? These are the payments from G & F to Greenfield between May 2005 and May 2007. When you were asked about this you said, I think, that it was a coincidence that the round figures were used but I assume that the same, your answer you gave before applies. You said before that the, meaning the compulsory examination that it made your bookkeeping simpler and I can understand that, I'm not - but it made it easier to have these round numbers didn't it?---Definitely.

30

And do you agree that what would've happened is, or what did happen was that when work was done by one of the entities for another there would be a ballpark figure worked out and you'd pay proportions until the time that it was paid out?---Mmm.

So unlike what Mr Santomingo said yesterday and you were here for all of his evidence weren't you?---Yes.

When he would say things like, Well, you know, we'd pay 10, 20 a year and then I'd pay the three and a half or 5750 or whatever it was leftover, that really didn't happen did it?---It was sort of put together like, you know - - -

It was put together into round figures?---Yeah.

40

It wasn't based on, it was not based on \$20 an hour for this, \$80 an hour for that, \$50 an hour for that?---No, it pretty much was. You'd have the plant and equipment which is on the set hourly hire rate so you know for a day that's what it's worth, you know (not transcribable) landscaping, top soil (not transcribable), that's what it was, you put it all together and - - -

There's no doubt that that's correct but that's how things are added up but what happened between these three companies, between you, your brother and Mr Santomingo was despite all those things that do add up to funny

numbers or numbers it was rounded to something. It might've been, well, all right, give me 40,000 for that, you know, I did a bit extra on the last job, you can catch me up next time and to make your bookkeeping simpler that's what happened, these were the numbers?---Be very close but possibly, yeah.

All right. And so it just made moving money around easier as well didn't it?---Not really, if you had the money it wouldn't be a problem.

10 No, no, it's easier for your, as you say, keeping your bookkeeping simpler to just say 10 here, 20, 30, that sort of, is that right?---At the end of the day whatever was Greenfield's was his money, he wasn't going to give me extra money if I wasn't entitled to it. Whatever Garzaniti had it wanted its money as well.

Right. The invoices that you say relate to work between you and Greenfield the same answers apply do they that you believe they were in your, well, they were in your office?---Well, that's where, that was our office.

20 Okay. You said that it made the bookkeeping simpler, what bookkeeping were you talking about?---Just the day-to-day tallying of it all.

But where's the record of that?---I assume it was in there with, just like the other Attitude Excavation that was on a bit of paper as well, that was the same sort of thing we did.

All right. I can understand hardcopies maybe being misplaced but your computer was seized as well wasn't it?---That's right.

30 And that's the computer that should have according to what you're saying all of this softcopy material?---That's correct. That's right.

Could we have exhibit 5 please? These are payments from Crossley McLean into G & F from April 2005 to June 2008 with a total of 2.6 million. Do you have a hardcopy as well?---Yes, I do.

Okay. Were there any payments made from Crossley McLean to G & F after June 2008?---Not sure to be honest. Don't know.

40 Do you have any recollection of whether or not there are any payments from Crossley McLean to G & F before April, 2005?---Before?

I'm not suggesting there were any before (not transcribable) ?---I don't know, I, I, I can't, I don't know.

All right?---Too far in - - -

Remembering that G & F only started operated in August, 2004, you don't have any recollection of doing anything for them immediately?---Six years ago, I don't know.

Too long ago, all right, fair enough. All right. You can see from the schedule and you just take it from me that from April, 2005 until July, 2007, the total payments add up to 1.65 million and the total payments up to December, 2007 are a little bit under \$2.3 million. Can you assume that?
---To the end of December?

10

Yeah?---Yeah.

However, you did continue to do work for Crossley McLean to do work past July, 2007, and in fact into 2008. What sort of delay would there be in getting payment? What sort of terms was there from you putting in an invoice in to - - -?---Usually 30 days from the end of the following month.

All right. So the work up to June, 2007, should've been paid by August at the latest?---Yeah.

20

And would, did you generally get paid on time?---Yeah, no problem.

All right?---Provided the work was done properly.

Yeah. Was there any issue about the work being done - - -?---Yeah, we had quite a few non-compliance and defects.

And how often would that delay payment to you?---Until it was rectified and then if it went over the following month it delayed for another month.

30

All right. Rectifications I assume were dealt with pretty quickly?---Well, yeah.

Because it held up the entire payment, didn't it?---That's correct.

Not just that - - -?---No, the whole lot.

Do you remember putting in a tender to Rail Corp in probably June, 2007? It was June, 2007?---Yes.

40

And you said in your tender that between 1 July, sorry, I withdraw that. Part of any tender is to talk to about work that you've completed in the previous, preceding five years and work that you have on going?---Yep.

And in both the preceding work and in the ongoing work, you listed Crossley McLean work, didn't you?---Yes.

In the period that you stipulated from 1 July, 2002, which is before G & F even commenced, to 30 June, 2007, that covers what they're after, the five years immediately before the application, the tender's put in. The tender is put in in June because they want to know exactly that period that you've got stipulated and in that, in that time you said that the work completed during the five years had a contract value of \$3.5 million. Was that accurate?---No.

All right?---Everyone exaggerates to get the job.

10 All right. Did you pluck some figure out of the air or - - -?---Yeah.

All right?---There was no basis for that figure. It was just, it sounds good (not transcribable).

All right. And what about work in progress where you had, you had that you, you'd had an ongoing contract worth \$2 million with Crossley McLean. Is it the same thing there?---Well, yeah.

20 All right. And part of the, what's an e-financial assessment kit? Do you know what that is?---E-financial assessment kit?

All right, you may not know. I'll just show you this document. You may not know what it is but it includes a document that you had prepared. You go in and you'll see that there's a certification from you. I'll tab, just have a quick look through it and I'll tab to the page that relates to your name. Can I tender that document, sorry. It should be - - -

30 ASSISTANT COMMISSIONER: Yes, the schedule of Crossley McLean payments will be Exhibit 14.

#EXHIBIT 14 - TABLE OF PAYMENT – G AND F PLANT HIRE A/C TRANSACTIONS (DEPOSITS FROM CROSSLEY MCLEAN) & G&F PLANT HIRE TENDER FOR NSW RAILCORP – RAIL CORRIDOR CLEANING

MR THANGARAJ: Have you seen this document before?---Yes, I have.

40 Okay, so you see on it it's got e-financial assessment kit?---Yes.

Can you just briefly tell us what this is?---This was a, a financials done by this private company here, I think on behalf of Rail Corp when you submit a tender.

And you submit it to them?---To this, this - - -

To Kingsway Financial Assessments?---Yes, yeah, yeah, yep.

All right?---And, and they do an independent financial analysis of your business to make sure you're capable of doing the work.

All right?---And then they just forward it on, yes or no.

And part of what you do is, and what you did for G & F Plant Hire was certify that the information was true and correct for the page that I've tagged?---Yes.

10

That's in respect to the preceding nine questions?---Yep.

Which are not what I asked you about with respect to the tender (not transcribable) this is a different issue but this document incorporates material that you provided them, doesn't it?---Sorry?

Part of this Kingsway financial assessment - - -?---Yeah.

20

- - - incorporates a document that you provided them, as it has your declaration on it?---Yeah, this, this is what I did.

Yeah?---Yeah.

All right. That's the entire (not transcribable)?---That's the entire - - -

Okay?---Not the tender. That's the, the, the kit, the whole kit.

The e-kit?---Yeah.

30

Okay. But that's not the entire document (not transcribable) that's not all you give them. You give them more than that - - -?---No, that's all I gave them.

All right?---I'm just trying to remember. That's all there was.

Did you give Rail Corp something separately?---It's on that tender. No, no, because they did the assessment, independent assessment and then just - - -

40

All right. So you don't send anything to Rail Corp. You send material only to Kingsway Financial Assessments?---Yeah.

Okay. And throughout that document, if you go to the page that I've tagged, you'll see a couple of pages after that you talk about the contracts that you currently have?---Yep.

Under 14, operations and 15, company history. You say repeatedly for a number of years that "we have" or "had", that is, G & F - - -?---Yep.

- - - "had contracts with the Department of Housing - - -?---That's correct.

- - - for both demolition and tree lopping." Now, that's how you characterise the relationship you had with the Department of Housing for the purpose of this document, wasn't it?---Well, that's, it should have been Crossley McLean, not Department of Housing.

10 All right. Crossley McLean is mentioned later on with those same figures. If you go to 17, projects and contracts. It has Department of Housing maintenance and then you have client, Crossley McLean and then the same inflated figures that we were talking about before. Is that right?---What page, sorry?

It's not numbered?---17?

You'll see at the top it has (not transcribable)?---Yep, yep.

17, that's where it does say - - -?---Yep, yep.

20 - - - Crossley McLean as a client of the Department of Housing?---yes.

And again it has those figures that you provided to me - - -?---Yep.

30 - - - 3.5 million. All right. Why is it that for the section under company history you had filled in as the milestones and major events that G & F in fact had the contracts for both demolitions, excavations and tree lopping? ---I can't, I don't know. I mean, it was obviously an oversight because it's clearly Crossley McLean they put in the (not transcribable). Whoever did the form, which I'm assuming was Amanda at the time, obviously just got confused.

I better tender that, Commissioner.

ASSISTANT COMMISSIONER: Yes, that will be Exhibit 15.

40 **#EXHIBIT 15 - E-FINANCIAL ASSESSMENT KIT DECLARED BY FRANK GARZANITI FOR G&F PLANT HIRE ON 3 MARCH 2008 AND NSW RAILCORP TENDER DOCUMENT OF G&F PLANT HIRE PTY LTD**

MR THANGARAJ: I'll just show you the Rail Corp document as I referred to it. Tell us how that document came into existence?---This is a copy of a tender.

Right. But have you seen this document before?---I would if I signed it.

Okay. You prepared the document?---No, I don't.

Who prepares it?---I have a consultant that I use.

Okay. So it's the company, it's the responsibility of the entity and then they can do it whatever way they want. You chose to use a consultant?---A consultant, yeah.

All right. And then you send this document in like this?---Well, he actually does it all for me and he actually hand delivers it.

10

To who?---To Rail Corp.

Okay. So then what is required is, there is a document that goes to the client and there is a document that goes to their consultant, being Kingsway. For the Rail Corp work, you sent material both to Rail Corp through your consultant- - -?---Yeah, this goes in the tender box.

Yeah.---Yep. And that gets - - -

20

And that goes to Kingsway.---Kingsway, yeah.

All right. I tender that document Commissioner, may be it can be the same exhibit.

ASSISTANT COMMISSIONER: Yes, will be part of exhibit 15.

MR THANGARAJ: That number of \$3.5 million that number would be roughly accurate if it included the Greenfield contract to the department, wouldn't it?---We just plucked it out of the air, I don't know how we even got that, we just made it sound a bit better.

30

All right. Did you work out what the number actually should have been? ---No, no idea, no.

All right.---It's like when you do a resume, you sort of boost it up a bit to make it - - -

I understand what you're saying. I asked you earlier this morning or I suggested to you that your decision to not inform the department about your role with G & F and G & F's role with Crossley McLean was a deliberate one. Now having been through the many examples and I'll summarise them. The fact that on two occasions you did seek approval for when conflict of issues, interests arose that you did not inform the department in your role in approving invoices for Greenfield; about your understanding that the recommendation that Greenfield contracts be renewed was for someone that you knew; that you sought a budget increase for Greenfield when you had a business relationship with the principal; that you did not disclose any of the contracts that G & F had for department work; that you

40

attended meetings or could have attended meetings with the department that required a G & F representative; that you were regarded as the contact person by the HIS; that you have work orders in the name of Greenfield that G & F did; that the work orders were incorrectly in Greenfield's name for a number of years and the fact that it was only changed after, very soon after you resigned. Do you now agree that these decisions you made were deliberate decisions to avoid the department being informed of your relationship with G & F and G & F's relationship with department of work.-
--I'll say they weren't deliberate, but in hindsight I should have stood up.

10

We know that in hindsight, we what you- -?---They weren't deliberate because, call me naive whatever else, we couldn't just, we couldn't set our own price, everything was done legitimately so that's why I probably stuck my head in the sand and thought, well if everything's done a hundred per cent there shouldn't be any reason for it.

But you made deliberate decisions to seek permission for secondary employment on more than one occasion when you should have, you did that quite rightly, quite appropriately.---Yes.

20

Because you knew what the system was, but the only time you didn't, and you didn't do it on many, many occasions over many years was when there was a risk that you would loose money. Correct?---Well, if you put it that way, yes.

All right. We know that that's what happened but what I'm saying is, at the time you made these decisions not to disclose the obvious conflict – and you agree that the conflicts are greater than the ones that you in fact sought permission for.---Yes.

30

When you made those decisions at that time, it was a deliberate decision to avoid the risk of loosing the work.---When you say deliberate, I say no, just naive on my behalf.

It couldn't have been naive because you sought permission for conflicts that didn't even exist because that was the system. So it wasn't a matter of naivety you sought it when you knew there'd be no problem and you didn't see it when there could have been a problem.---Because I (not transcribable) once again, being the third party involved in there, I didn't, because we weren't dealing directly with the department of housing I neglected it.

40

No, well does that mean that it actually crossed your mind at the time, well, we don't have a contract with the department, we have a contract with Crossley therefore, I positively do not have a conflict. Is that what you're saying you thought at the time?---Partly.

How could you justify that, what would be the logic behind that?---There is no logic, I can't explain, I can't justify it.

But you're saying, that's what you thought at the time, that was - - -?---Well, you know, only because you're saying that's deliberate, I deliberately, I didn't deliberately do it, it's just the way it panned out and I accept that I should have said something.

Well, if you're saying that was part of the reason, what was the other part of the reason that you did not disclose it?---Because we were working for Crossley McLean - - -

10

You said that was part of it, what was the other part?---That was the sole part of it. It wasn't a direct contract with the Department of Housing, it was with a multi-trade contractor.

And then, as soon as you resign, a couple of days later the work orders that, for years, had been in Greenfield, nothing's changed by who's doing the work, has it?---No.

20 Same G & F, and the same sub-contractors, everything's the same but you've resigned- - -?---Mmm.

And all of a sudden the work orders are in the name of G & F.---Because I become a full-time office manager then.

Now in the same what that you're asked questions about Garzaniti Excavations, you were asked whether or not, in the compulsory examination, whether or not there were, there was documentation in relation to directors fees for G & F. When we say directors fees, let's assume that means directors fees or dividends.---Yep.

30

And you say that there wasn't any, and again, that's a company that and you, that you've had and you had that understanding with Mr Santomingo so there wasn't any need for any formal, I assume, is that right?---That's correct.

Formal documentation of on this day, I'll be paid this much and you took money out when the company could afford it when you thought it was appropriate.---That's right.

40 Right. And did you put money into G & F as well?---Well, yeah, I had, when I paid him out and I bought some equipment.

All right. When you started the company together in 2004, did you both put in some money or did you put in some money or did you lease the equipment?---The equipment was, the majority of it was Garzaniti Excavation equipment.

So you would pay Garzaniti to use the equipment?---To hire their equipment, yes.

I think, that's right, I think G & F didn't actually get any equipment until about 2007.---It was a while later, yeah.

All right. So you didn't have any real start up costs in the same way that Garzaniti Excavation (not transcribable)---?Not as in buying equipment, paying equipment, no, just every day stuff.

10

Yes. Which is really sort of small operating expenses which you build in as best you could to your contracts.---Well, you try to yeah.

And then you would, the fees that you had to pay Garzaniti Excavations would be coming out of the head contract that you had the contract that you had with the client.---That's right.

Okay. So this was 2004 that you started G & F and your first payment from Crossley McLean was in April 2005 but you also had other work, didn't you?---Work, yeah, yeah.

20

G & F had worked outside Crossley McLean and had- - -?---That's correct.

- - -other private work and not all, I'll withdraw that. Other private work as well as the Crossley McLean Department of Housing work. And so again, the purpose of starting the business was to take some profits whenever you were able to and when the company was able to you started taking some fees- - -?---Some money - - -

30 - - - or dividends out. And this unlike Garzaniti Excavations, this wasn't about in part, getting a return or returning the money you'd invested this was profit, your share of the profits.---Partly yes, because we still had to pay the Garzaniti equipment.

Oh, of course. That's an expense, that's an operating expense isn't it?---Yeah.

That's different to investing money?---Yeah.

40 Your profit is after your expenses?---That's right. Yeah.

All right. And so when you were asked about documentation for G & F you said there wasn't any for your fees or dividends. You took out what you believed was appropriate and you were entitled to. And as, as the owner you were entitled to do that. And, and that that's what happened?---Yep.

All right. It was a similar system to the Garzaniti Excavations - - -?---Very similar, yeah.

All right. All right. You'll see from this that the contributions from G & F into these accounts was about \$500,000 in that time period?---Yep.

And as you told us this was for personal use. And, well, it's self-explanatory, about 193,000 go into the joint account that you held with your wife and 300,000 or so into the account that the, the four of you had. And even though the account was with the four of you, was your ex-sister-in-law a beneficiary of that account, between April, 2003 and March, 2008?---No.
10 She's not ex.

I'm sorry, I thought your brother's also separated from his wife?---Yeah, in '95 when we started the business.

Right?---This is his second wife.

This is his second wife. All right. And so she was a beneficiary, she was married to him throughout that five year period?---Yes.

20 All right. And so, and the money that's gone into these two accounts, is that what you're talking about when you talk about dividends and fees?
---Everything, yeah.

All right. And you chose, the 300,000 that went into the joint account, you put that in there as, as part of your contribution to those expenses did you? Those Sanctuary Point mortgages and those sort of things?---Well, it was both our monies, we put them in the joint account.

30 Right. But this was money that had been earned by G & F?---Yes.

All right. There are multiple occasions as we know where G & F was performing work, where the document, excuse me, documentation described the work as having been done or contracted to Greenfield. And we know that Greenfield wasn't paid by Crossley McLean, but G & F was. And, and likewise G & F was paying the subcontractors not Greenfield. Work orders on the contracts, well, that's the sort of documents I'm talking about, can I just show you an email, this is Exhibit 1, you saw this yesterday on the screen. You heard Miss Bromley give evidence about this email. It's an email she sent to - - -?---Yes.

40 - - - Crossley McLean about the lack of interest now in the tree lopping aspect of the business?---Yes.

Which was formally at least Greenfield work?---Yes.

Did you instruct or were you part of the decision to instruct Miss Bromley to send that message?---I can't remember that far back, but possibly.

All right. Well, in fact going back a step. The fact was you and Mr Santomingo had decided to do what that email said?---Yep.

And Crossley McLean had to be informed. The person who would receive that would be coincidentally Miss Bromley's mother?---Yep.

So it stands to reason does it, that what she said yesterday that she got the instruction from one or both of you to send it was - - -?---Yes.

10 - - - what happened?---Yep.

All right. Does that email reflect you having a role with the decision making of Greenfield?---No, well that would've been myself as G & F Plant Hire and Frank as, Santomingo as Greenfield Developments.

All right?---And they're the, they're the two - - -

Because G & F was doing the work?---Neither of the two companies wanted it.

20

All right. And your, the G & F role would be and that information would be because G & F was doing the work?---Yeah.

Right. In 2006, part of the, the tree work or the lawns and ground maintenance work was being done by Fine Cut?---Yes.

And they were receiving work orders that were in the name of Greenfields and then they were being, they were invoicing G & F for payment. Would it be fair to say that the real subcontractor for Crossley McLean for all practical purposes was G & F?---After 2005, probably.

30

Yes. Possibly earlier?---Not before the creation of it.

No, of course, but G & F started in August, 2004?---Yeah, I'm not too sure how soon after everything changed.

All right. There were significant sums of monies being transferred between the accounts. I don't need to bring this back up on the screen, but you've seen them before and they've been tendered in these proceedings. A significant flow of money between accounts held in, by you or controlled by you, Garzaniti Excavations and Greenfield, et cetera. And we've, I've asked you some questions about why that was. Was there ever a, was there ever that reason to move money around to hide the fact that Greenfield was really, at some stage, a dummy company for the purpose of these contracts? ---Greenfield was never a dummy company.

40

No. Can you just listen to the question carefully, Mr Garzaniti. As I said to Mr Santomingo, at some time, I'm not suggesting that Greenfield was set up

for ulterior purposes. It undoubtedly performed legitimate work, pursuant to legitimate contracts. There's no doubt about that?---Yep.

But at various stages, it was used it seems, on the evidence, it was used as a barrier between the Department and G & F. Would that be fair to say?

---No, not really. No.

Well it was used as a front in the sense of it's name was being ascribed to contracts, the work orders - - -?---Yeah, well, they went on the work order,
10 yes, we can't deny that.

Right?---But G & F did the work and G & F got all the money from Crossley and G & F paid all the, all the subcontractors.

I agree. I completely agree with what you just said. But that raises the issue doesn't it that Greenfield, for all ostensible purposes, as far as the Department was concerned and any documentation that might be sought or received, Greenfield was doing the work?---Yes.

20 And it was being used, the practical effect of the arrangement was it was a barrier on the documents between the Department and G & F?---Yes.

Right. So if we then go to, and there's no doubt that Garzaniti Excavations and, and G & F did legitimate work, in the sense that they invoiced for work they actually did?---That's correct.

Now I'm not, I'm not suggesting that that was, I'm not suggesting or accepting whatever word you want to use, that that applies to everything that was in their name, but there's no doubt that some of the work, at least,
30 that Garzaniti Excavations did and G & F did, was legitimate work for which they had a legitimate contract or agreement, oral or otherwise and which they invoiced appropriately?---What do you mean by some of the work?

Well, I can only talk about the work that's in these proceedings. The other work that Garzaniti and G & F did, I don't know anything about that work, so I'm focusing - - -?---You're just making it sound like there was work carried out that wasn't carried out.

40 Well, I'm sorry, I'm not suggesting that. I'm limiting it to the (not transcribable)?---Well, yeah.

Okay. There's no, well, we agree that both those companies did work?---Yes.

And got paid appropriately and you were remunerated through fees or dividends yourself?---Yes.

All right. What you deny is that there were payments to individuals for favours or kickbacks or commissions or anything illegal. You deny that, don't you?---Of course.

Yeah. You deny that Crossley was paying you or that you were paying Mr Santomingo a fee for ulterior purposes?---Of course.

10 All right. So if that's the truth, and the moneys that you've withdrawn as you say for fees and dividends, then all those fees and dividends will be in your individual tax returns, won't they?---They should be.

All right. As part of your obligations as a taxpayer and to your knowledge of being a director and all your professional knowledge, you signed off on returns, didn't you?---Yes.

Now, your returns cover your Department of Housing salary?---Yes.

20 But at no stage in any of these years for moneys that we've talked about, is there no reflection in your personal tax return of any money for director's fees or dividends, is there?---That's right.

Now, you didn't pay tax on any of that money. Was that, what was the reason for that? Was it a matter of money or was it a matter of hiding the Department of Housing work or both?---No, well that had nothing to do with anyone, the Department of Housing work. It was the money. I was probably naive when I put into my account, I gave it to my accountant, said, "This is the stuff, fix it up" but at the end of the day it was, I signed the tax return.

30 All right. You signed it knowing that it was limited, that the tax return was limited to your Department of Housing salary?---And bits and pieces of other stuff.

All right. Tiny bits and pieces?---Yeah.

You knew that the vast amount of money that you'd withdrawn from G & F and GE had not been disclosed?---That's correct.

40 All right. And those same moneys that had come out of those companies were, to your knowledge and understanding, used as deductions for those companies, weren't they?---(NO AUDIBLE REPLY)

So that money that came, the moneys that came out of those companies, G & E, G & F - - - -?---Yep.

- - - and GE - - -?---Yep.

- - - were buried in expenses somewhere?---I assume so, yeah.

So the company got the benefit of the return?---Yep.

The deduction?---Yep.

And then it went, it didn't find it's way into your returns?---That's correct.

All right?---We are readdressing that at the moment.

10 All right. I didn't think I'd finish by lunch but I'm, that's the examination.

ASSISTANT COMMISSIONER: Mr Garzaniti, I'd just like to ask you, in respect of the schedules of payments you've been shown between G & F and Greenfields and your personal account, you have no invoices at all to support any of those transfers, do you?---No, no.

20 And what is your explanation for that?---Well, I, we had, well, as I said, I kept saying that everything we had was in that office. They're saying they haven't got them which I'm not doubting that but everything I had was there. I can't explain it.

So your only explanation is they've mysteriously disappeared?---Well, they're not they, they weren't there when probably - - -

And you don't have them?---No, all my, all my - - -

And you have no idea?--- - - - paperwork was there, everything.

30 Well, the fact is the Commission is left in the position that there's no records at all to say what those payments were for, what those transfers were for. One inference that's open is that all of the money that came into those companies was treated as common money and you just transferred it between yourselves as you wanted to. What do you say to that proposition?---Well, I had nothing to do with Greenfield Developments. Garzaniti and G & F both companies I'm associated with but Greenfield Developments is not, nothing to do with me at all.

40 Well, except payments were made to you by Greenfield?---For work that was done.

Which you can't produce any invoices for?---That's correct.

And finally, why didn't you declare your involvement with G & F as secondary employment?---Stupidity. I don't know.

Would you have any explanation at all?---N o, no. As I said, I, 'cause we were, G & F was a third party from the Department - - -

That didn't affect secondary employment?---I know, I know. I'm not, there's no excuse, no.

That went to conflict of interest?---Yeah, no, I'm not, have no excuse.

Well, one inference is that you didn't declare it because you knew that you might lose some money if you declared it through loss of business. Is that a fair inference?---I, I, I didn't look at it that way but you could put it that way.

10

All right. Does anybody wish to ask this witness any questions?

MR FOORD: I just have one very brief matter.

ASSISTANT COMMISSIONER: Yes, Mr Foord.

MR FOORD: It's to do with Exhibit 16, sorry, Exhibit 15, your Honour. This is the document, sir, that went to Rail Corp. Do you remember telling my learned friend about that a short time ago?---Yes.

20

Now, your qualifications and experience are described in that document under the heading Frank Garzaniti. Do you have that before you?---Yes.

Mr Garzaniti, quite the contrary to what you've suggested to the Commission about not being a sophisticated man and indeed being quite naive, this document - - -?---No, I never said that.

I beg your pardon?---I never said I wasn't a sophisticated naive person.

30

Sorry, I thought you agreed with the proposition - - -?---No, I was naive in some situation but not - - -

Well, I want to suggest to you that quite the contrary from you being naive, that document that has been crafted under the heading of Frank Garzaniti - - -?---Yep.

- - - is quite deliberately misleading?---Why is that?

40

Well, for example work experience overview, 15 years in the service industry. Where might such experience have been gained at that time, Mr Garzaniti?---In the service industry?

Yes?---Well if you look in my secondary employment thing I was working in a service station back then.

Oh, that's the service station.

ASSISTANT COMMISSIONER: Isn't that the service station industry?

---That's a service industry.

Oh, all right.

MR FOORD: My point is Mr Garzaniti, to get to the, to cut to the chase, is that there is no mention in that document of your 15 years of employment with the Department of Housing?---That's correct.

10 It's quite deliberately crafted to be misleading isn't it?---Why would RailCorp care whether I worked for Housing or not?

Well, it might set off alarm bells if you were a permanent full time employee of another government department mightn't it?---(NO AUDIBLE REPLY)

ASSISTANT COMMISSIONER: They might wonder how you found the time to run these other companies mightn't they?---Possibly.

20 MR FOORD: Thank you. That's all.

ASSISTANT COMMISSIONER: I notice this document also says 2002 to present that you were the managing director of G & F Plant Hire?---That must've been a mistake. G & F wasn't established then.

That's just a mistake is it?---Well G & F wasn't formed until 2004, I think.

30 I know, but well you've already made it clear that what's in here is not necessarily true, it's just what you wanted to convey to RailCorp?---Well, they - - -

Isn't it possible you wanted to make it look better as though you'd been running this company since 2002?---It'd be a typing mistake. I'm sure when they did the checks on the company, they would've realised it was 2004 not 2002.

Yes. All right. Yes, Mr Canceri, do you want to ask the witness anything?

40 MR CANCERI: No, I don't have any questions. But I would point out just in response to your questioning of Mr Garzaniti, I made a note that he did concede that he didn't disclose his conflict of interest because he was at a risk of losing money. I understood that was the question you were putting to him and I made a record of my friend putting that proposition which he'd previously agreed with. I'd just point that out, Commissioner.

ASSISTANT COMMISSIONER: Well, he did previously agree with it, but he seems to have gone back this morning to saying that he didn't think he had to declare a conflict of interest because he was once removed from the Department, so, yes, I'm not sure which version, do you agree that you

didn't declare a conflict of interest because you were at risk of losing the business?---Possibly.

Yes. All right.

MR THANGARAJ: Can I just tender the balance of the material, Commissioner?

ASSISTANT COMMISSIONER: Yes.

10

MR THANGARAJ: A cheque from the, well, sorry, Mr Garzaniti can be excused.

ASSISTANT COMMISSIONER: Yes, Mr Garzaniti, you are now excused. You may step down.

THE WITNESS EXCUSED

[12.59pm]

20

MR THANGARAJ: A cheque for the, for \$65,000 dated 12 February, 2007, which is the, the cheque to pay out Mr Santomingo in relation to G & F.

ASSISTANT COMMISSIONER: Yes. That will be Exhibit 16.

#EXHIBIT 16 - NAB CHEQUE FOR \$65,000 DATED 12/02/07

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MR THANGARAJ: A table of payments received by Greenfield from the Department of Housing.

ASSISTANT COMMISSIONER: Exhibit 17.

#EXHIBIT 17 - TABLE OF PAYMENTS RECEIVED BY GREENFIELD FROM DEPARTMENT OF HOUSING

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MR THANGARAJ: An ANZ cheque for \$11,000 dated 19 February, 2004 and another ANZ cheque for \$11,000 dated 16 August, 2005.

ASSISTANT COMMISSIONER: Those two cheques will be Exhibit 18.

#EXHIBIT 18 - ANZ CHEQUE FOR \$11,000 DATED 19/02/04 AND ANZ CHEQUE FOR \$11,000 DATED 16/08/05

MR THANGARAJ: A copy of a page from tax and statement books in relation to property numbers E-0-7/1-8-5-1/1-5/1 and E-0-7/1-8-5-1/1-5/2.

ASSISTANT COMMISSIONER: That will be exhibit 19.

10 **# EXHIBIT 19 - COPY OF A PAGE FROM TAX AND STATEMENT BOOKS – PROPERTY NUMBERS E07/1851/15/1 AND E07/1851/15/2**

MR THANGARAJ: The statutory declaration dated 26 June 2007.

ASSISTANT COMMISSIONER: Exhibit 20.

20 **#EXHIBIT 20 - STATUTORY DECLARATION DATED 26/06/07 OF MR GARZANITI**

MR THANGARAJ: I just want to be a bit more particular it's just so that people understand what ..(not transcribable)..

ASSISTANT COMMISSIONER: Yes. ..(not transcribable)..

30 MR THANGARAJ: It's actually a statutory declaration of Mr Garzaniti in relation to G & F. We'll give a copy to Mr Canceri because it's his client. Department of Housing approval letter for Mr Garzaniti's application to engage in private employment.

ASSISTANT COMMISSIONER: Yes. That will be exhibit 21.

#EXHIBIT 21 - DEPARTMENT OF HOUSING APPROVAL LETTER FOR GARZANITI'S APPLICATION TO ENGAGE IN PRIVATE EMPLOYMENT

40 MR THANGARAJ: Demasi Company Services response to the ICAC Section 22 notice.

ASSISTANT COMMISSIONER: Demasi?

MR THANGARAJ: Yes.

ASSISTANT COMMISSIONER: Sorry, how's that?

MR THANGARAJ: I'm sorry. D-E-M-A-S-I Company Services Section 22 response.

ASSISTANT COMMISSIONER: That will be exhibit 22.

#EXHIBIT 22 - DEMASI COMPANY SERVICES RESPONSE RE ICAC S22 NOTICE

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MR THANGARAJ: JDS Tax and Accounting Section 22 response.

ASSISTANT COMMISSIONER: Exhibit 23.

#EXHIBIT 23 - DS TAX & ACCOUNTING RESPONSE RE ICAC S22 NOTICE

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MR THANGARAJ: Housing New South Wales Section 21 response.

ASSISTANT COMMISSIONER: That will be exhibit 24.

#EXHIBIT 24 - HOUSING NSW RESPONSE TO S21 NOTICE

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MR THANGARAJ: ASIC Company Extract for Greenfield Development Pty Limited.

ASSISTANT COMMISSIONER: Exhibit 25.

#EXHIBIT 25 - ASIC COMPANY EXTRACT FOR GREENFIELD DEVELOPMENT PTY LTD

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MR THANGARAJ: ASIC Company Extract for G & F Plant Hire Pty Limited.

ASSISTANT COMMISSIONER: Exhibit 26.

#EXHIBIT 26 - ASIC COMPANY EXTRACT FOR G&F PLANT HIRE PTY LTD

MR THANGARAJ: ASIC Company Extract for Garzaniti Excavations Pty Limited.

ASSISTANT COMMISSIONER: Exhibit 27.

#EXHIBIT 27 - ASIC COMPANY EXTRACT FOR GARZANITI EXCAVATIONS PTY LTD

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MR THANGARAJ: ASIC Company Extract for Crossley McLean and Associates Pty Limited.

ASSISTANT COMMISSIONER: Exhibit 28.

#EXHIBIT 28 - ASIC COMPANY EXTRACT FOR CROSSLEY MCLEAN & ASSOCIATES PTY LTD

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MR THANGARAJ: Department of Housing Code of Conduct and Ethics 2000 to 2008.

ASSISTANT COMMISSIONER: Exhibit 29.

#EXHIBIT 29 - DEPARTMENT OF HOUSING CODE OF CONDUCT AND ETHICS 2000 – 2008

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MR THANGARAJ: G & F Plant Hire company tax return and trading accounts for 2006.

ASSISTANT COMMISSIONER: That will be exhibit 30.

#EXHIBIT 30 - G&F PLANT HIRE COMPANY TAX RETURN AND TRADING ACCOUNTS 2006

40

MR THANGARAJ: G & F Plant Hire company tax return and trading accounts for 2007.

ASSISTANT COMMISSIONER: That will be exhibit 31.

#EXHIBIT 31 - G&F PLANT HIRE COMPANY TAX RETURN AND TRADING ACCOUNTS 2007

MR THANGARAJ: Five tax returns for Mr Garzaniti between the years 2004 and 2008 inclusive.

ASSISTANT COMMISSIONER: That will be exhibit 32.

10 **#EXHIBIT 32 - FRANCESCO GARZANITI TAX RETURNS 2004;
FRANCESCO GARZANITI TAX RETURNS 2005; FRANCESCO
GARZANITI TAX RETURNS 2006; FRANCESCO GARZANITI TAX
RETURNS 2007; FRANCESCO GARZANITI TAX RETURNS 2008**

MR THANGARAJ: Tax returns for Garzaniti Excavations and trading accounts for 2004 to 2008 with the Employee Payment Declarations.

ASSISTANT COMMISSIONER: That will be exhibit 33.

20

**#EXHIBIT 33 - GARZANITI EXCAVATIONS TAX RETURNS AND
TRADING ACCOUNTS 2004 – 2008 WITH EMPLOYEE PAYMENT
DECLARATION**

MR THANGARAJ: A volume of records of interviews and statements.

ASSISTANT COMMISSIONER: That will be exhibit 34.

30

**#EXHIBIT 34 - RECORDS OF INTERVIEW AND STATEMENTS IN
STATEMENT VOLUME**

MR THANGARAJ: Work orders issued to G & F by Crossley McLean.

ASSISTANT COMMISSIONER: Exhibit 35.

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**#EXHIBIT 35 - WORK ORDERS ISSUED TO G&F BY CROSSLEY
MCLEAN**

MR THANGARAJ: And work orders issued to Greenfield by Crossley McLean.

ASSISTANT COMMISSIONER: Exhibit 36.

**#EXHIBIT 36 - WORK ORDERS ISSUED TO GREENFIELD BY
CROSSLEY MCLEAN**

MR THANGARAJ: Garzaniti Financial Relationship Chart.

ASSISTANT COMMISSIONER: Exhibit 37.

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#EXHIBIT 37 - GARZANITI FINANCIAL RELATIONSHIP CHART

MR THANGARAJ: A summary of tax returns for Mr Frank Garzaniti from 2003 to 2008 inclusive.

ASSISTANT COMMISSIONER: Exhibit 38.

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**#EXHIBIT 38 - SUMMARY OF TAX RETURNS FRANK
GARZANITI 2003 TO 2008**

MR THANGARAJ: Summary of tax returns for Mr Frank Garzaniti from 2003 to 2008 but including additional tax estimates based on the deposits into the NAB accounts.

ASSISTANT COMMISSIONER: That will be exhibit 39.

30

**#EXHIBIT 39 - SUMMARY OF TAX RETURNS FRANK
GARZANITI 2003 TO 2008 INCLUDING ADDITIONAL TAX
ESTIMATES FOR DEPOSITS INTO NAB ACCOUNTS**

MR THANGARAJ: A summary of tax returns for G & F Plant Hire from 2005 to 2007 inclusive.

ASSISTANT COMMISSIONER: Exhibit 40.

40

**#EXHIBIT 40 - SUMMARY OF TAX RETURNS G & F PLANT HIRE
2005 TO 2007**

MR THANGARAJ: Summary of tax returns from Garzaniti Excavations 2003 to 2008 inclusive.

ASSISTANT COMMISSIONER: Exhibit 41.

**#EXHIBIT 41 - SUMMARY OF TAX RETURNS GARZANITI
EXCAVATIONS 2003 TO 2008**

MR THANGARAJ: Summary of tax returns from Mr Frank Santomingo
from 2003 to 2008 inclusive.

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ASSISTANT COMMISSIONER: Exhibit 42.

**#EXHIBIT 42 - SUMMARY OF TAX RETURNS FRANK
SANTOMINGO 2003 TO 2008**

MR THANGARAJ: Summary of tax returns from Greenfield Development
from 2003 to 2008 inclusive.

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ASSISTANT COMMISSIONER: Exhibit 43.

**#EXHIBIT 43 - SUMMARY OF TAX RETURNS GREENFIELD
DEVELOPMENT 2003 TO 2008**

MR THANGARAJ: Statement of Mr John Z'Drilic from JDS Tax and
Accountants dated 10 March 2010.

30

ASSISTANT COMMISSIONER: Exhibit 44.

**#EXHIBIT 44 - STATEMENT OF JOHN Z'DRILIC, JDS TAX &
ACCOUNTANTS DATED 10/03/2010**

MR THANGARAJ: Transcript of the compulsory examination of Mr Frank
Garzaniti of 29 January 2010 and also of 16 February 2010.

40

ASSISTANT COMMISSIONER: Yes, I remove the non-publication order
in respect of those transcripts and they will be exhibit 45.

**#EXHIBIT 45 - TRANSCRIPT OF FRANK GARZANITI
COMPULSORY EXAMINATION ON 29/01/10; TRANSCRIPT OF
FRANK GARZANITI COMPULSORY EXAMINATION ON 16/02/10**

MR THANGARAJ: A transcript of Mr Frank Santomingo's compulsory examination of 29 January 2010.

ASSISTANT COMMISSIONER: Yes, I remove the non-publication order in respect of that and that will be exhibit 46.

10 **#EXHIBIT 46 - TRANSCRIPT OF FRANK SANTOMINGO
COMPULSORY EXAMINATION ON 29/01/10**

MR THANGARAJ: Transcript of the compulsory examination of Ms Bromley of 29 January 2010 but I'd ask, Commissioner, you do not release the suppression order with respect to her address only.

20 ASSISTANT COMMISSIONER: Yes, well, I vary the suppression order in that matter to release it with the exception of Ms Bromley's address and that will be exhibit 47.

**#EXHIBIT 47 - TRANSCRIPT OF AMANDA BROMLEY
COMPULSORY EXAMINATION ON 29/01/10**

ASSISTANT COMMISSIONER: That's the evidence.

30 MR FOORD: I'm sorry, Commissioner, very briefly I've heard my learned friend tender the Code of Conduct and Ethics by effect that three versions of them, I only have the originals here, your Honour. Can I put them in in a supplementary or as an annexure to my submissions in reply?

ASSISTANT COMMISSIONER: Yes, that would be welcome.

MR FOORD: And I'll make sure my learned friends have got copies of them.

ASSISTANT COMMISSIONER: Thank you very much for that, Mr Foord.

40 MR THANGARAJ: I understand that you would like written submissions, I'll get mine done by, would Friday of next week be suitable?

ASSISTANT COMMISSIONER: Yes. So what date will that be?

MR THANGARAJ: 26th.

ASSISTANT COMMISSIONER: 26th of March.

MR THANGARAJ: Friday, the 16th of April for any submissions in reply.

ASSISTANT COMMISSIONER: Yes. If that suits everybody. That will be the orders for the written submissions and if there's nothing further I will now adjourn this public inquiry. Thank you.

AT 1.07 THE MATTER WAS ADJOURNED ACCORDINGLY [1.07]