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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE REGINALD BLANCH AM QC

PUBLIC HEARING

OPERATION TARLO

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TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON FRIDAY 16 JUNE, 2017

AT 2.00PM

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

<AUDREY LAI, on former oath

[2.08pm]

THE COMMISSIONER: You're still on the same oath to tell the truth, Ms Lai. Thank you.---Yes. Thank you.

Yes, Mr Rajalingam.

10 MR RAJALINGAM: Thank you, Commissioner. Ms Lai, I'm going to show you another agreement. This one is in relation to FACS and the NESH funding.---Right.

Earlier you referred to FaCSIA. When you said FaCSIA you were talking about FACS weren't you?---Yes.

You said FaCSIA.---Yeah.

20 It's FACS, F-A-C-S?---Yes. Yes, it was – they added Housing, Indigenous Affairs to it for a short while.

Oh, I see.---I don't know, has it changed back to FACS?

But it's the same organisation isn't it?---Yeah. Yes. I mean I believe that it's now called FaCSIA but, yeah, anyway, yeah.

Oh. Yes. Okay.---So because they added Housing and Indigenous Affairs or something.

30 Is it, is possible that FaCSIA is the Commonwealth version of FACS - - -?
---I don't - - -

- - - as opposed to the state version?---Is it?

That's the information I'm being told.---Oh, okay.

But do you understand that NESH - - -?---Yeah, yeah. It's the same organisation, yeah, yeah.

40 NESH was being funded by - - -.---By FACS.

- - - Family and Community Services. Correct?---Yes. Yes.

All right.---Correct.

I'm going to show you another agreement at volume 12, page 278 and this one is the 2012 - - -.---Ah hmm.

I'll just show you – I'll take you to – that's the first page and I'll take you to the second page, page 279 and the third page as well. Just by looking at that – the first page essentially of the substantive agreement, do you recognise this document as a FACS funding agreement with – that NESH would have signed? Just flick through.---Yeah, yeah.

Look familiar?---Yeah.

10 Can I take you to page 303 and, Ms Lai, we looked for your signature on all the other agreements. This is the only other agreement we could come across with your signature on it or your name at least.---Right.

Can you see there - - -?---Yeah.

Do you identify that as your signature on page 303?---Yes, that is my signature.

And why - - -?---You can see - - -

20 - - - do you say that?--- - - - it's quite different from the other one.

Okay. Can I quickly show you volume - - -?---Yeah. So that was – what year was this one?

I'll show you the other one.---Yeah.

Volume 11, page 175.---Ah hmm.

30 You'll just have to go to the end of that. Earlier in your evidence you said that the E was missing.---Mmm.

When you said that the E was missing from your signature are you talking about the E between L [sic] and Y in your first name?---No. A-u-d-r-e-y.

Yeah.

THE COMMISSIONER: Between the R and the Y not the L and the Y. ---You can see the spelling of my name on the other document that you said was a NESH, A-u-d-r-e-y.

40

MR RAJALINGAM: Oh, you said - - -?---This is A-u-d-r-y which is incorrect spelling of Audrey.

Right. So you're saying the E is missing?---Yes.

Yes, yes.---Yes, I, I, definitely you can see the difference in the signature as well from my real one and this one.

Prior to the lunch break I was asking you some questions about the property that Ms Sharobeem purchased, the 92 Smart Street property.---Right. In 2011, yeah.

And I was going to read to you what Ms Sharobeem said in her evidence at the inquiry and I'll do that.---Okay. Ah hmm.

10 She said – I asked her, “It’s clear from your evidence that you never had a discussion amongst board members about you purchasing a property.” She said, “I don't know why not Audrey didn't tell them”.---Mmm. Okay.

I want to ask you a question about that.---Yeah.

When Ms Sharobeem had these conversations with you about purchasing the property, did you think you were expected to tell the board about it?---I thought it was more like a personal opinion that she wanted from me.

20 Did she ever ask you to talk to the board about her intention to purchase the property?---No. She didn't tell the other board members and I didn't either so, mmm.

She later said, and it's, it's a bit - - -.---Because I thought it was more like a personal discussion that she wanted, you know.

And is it the case that you feel upset that you hadn't actually spoken to the board about it now in hindsight?---In hindsight, yes.

Okay.---Mmm.

30 I'll, I'll just read to you - - -.---Because - - -

- - - what else she said.---Yeah.

“If it took place” – that is a discussion with the board - - -.---Mmm.

40 - - - “or not I can't remember but at least I discussed it thoroughly with the chairperson over a period of time before when I was looking for a solution until I went to the bank and she has been processing everything with me so definitely it was discussed among the organisation.” Is that accurate or in accurate?---Among the organisation of, of what, of - - -

IWHS.---No, because my understanding was that she wanted to keep that like a secret so it was just between her and me as – like a discussion point because at that time she hadn't decided or she didn't know if she had the funds to buy it so she was just throwing that to me as one of the ideas.

And how many discussions did you have with Ms Sharobeem about her intention to purchase the property?---As far as I know it was just that one discussion that we had.

Where were you when you had the discussion with her?---At her office in Immigrant Women's Health and she - - -

10 Was there anyone else there with you?--- - - - she was telling me that the, the owner wanted to sell. No, I think it was like, I don't know, if could have been after hours or something, like, you know, 4.30 or 5 o'clock or something like that. I don't think there was any staff I mean of the IWHS. They would all have gone home already so I think it was just me and her in the room where – at that time she wasn't confirmed that that was her decision. She was just throwing ideas like, you know, could she get, you know, other people to pool their resources to buy the place. You know, people that were amenable to the ideals of IWHS and she hadn't told me that she was definitely going to buy it. She was just throwing ideas and saying that maybe she could buy it or – if she had the money, you know. 20 She had to check with the bank because she already has a mortgage and whatever and I, I remember she, she didn't like say definitely at that meeting that she was going to buy it. It was just getting my idea whether she thought, you know.

Do you know when, if she went to the auction to purchase it?---I don't really - - -

Yes or no?---No, no, I don't, yeah.

30 After she had purchased it, did Ms Sharobeem say anything to you to confirm that she had?---Yeah, I think she did tell me that she did buy it.

All right. When you said in your evidence that you were having this conversation with Ms Sharobeem after hours, how often would you have conversations with Ms Sharobeem after hours, just a number if you can, per year, per year?---A lot, like, you know, could be like, you know, once every couple of weeks or something we would talk to each other on the phone, yeah, or see each other.

40 Yeah. If you saw each other after hours at around about that time, after 5.00pm, would there be programs being conducted at the IWHS?---No, no, they all finish at 3.00 - - -

I see?--- - - - because - - -

And what days would you see Ms Sharobeem after hours, on what day of the week?---Usually the board meeting were on the Wednesday afternoon, so - - -

I'm not talking about board meetings - - -?---Oh, right.

- - - I'm talking about discussions with her, not part of board meetings, if you go to the office after hours to have a chat with her for example?---Not very often, no.

Okay?---I mean we would communicate more by the telephone, mmm.

10 All right. Did you know that after Ms Sharobeem purchased the property that she was doing repairs to it and using IWHS funds to pay for the repairs?---I know that she applied for, for grants from the Fairfield Council.

No, just, we'll get to that point?---Oh, okay.

We'll get to that point later, but just in terms of repairs being conducted on the property, did you know after she had purchased it she was using IWHS funds to pay for the repairs. Did you know that? Yes or no?---No, I - - -

20 Similarly, after she had purchased the property, did you know that she had conducted renovations to the property?---I know she put a new porch at the back, so when that was completed we saw it.

Did you know where the funds came for that work?---I don't know, yeah, mmm.

Did you know she was using IWHS funds to do renovations to the property?---I didn't know, but I saw that there were renovations done, like a porch and the stairs.

30 Who do you think had paid for those renovations?---I, I thought, I mean I could be wrong, but I thought that the Health funding would have allowed some infrastructure payments, I mean - - -

I'm only asking if you were aware, first of all, if she was using the funds to pay for the renovations. Did you know that she was using those funds?---I'm, I knew the renovations were done but I had, was not sure where the funding was coming from.

40 Was that because there was never a discussion at the board meetings about the renovations and funds for the renovations?---(No Audible Reply)

I'll ask that question a different way?---Yeah.

Was there ever a discussion at board meetings about Ms Sharobeem using IWHS funds to pay for renovations?---I, I think there was, because she did say that some of the activities were held outside and, and the women with the children, like, you know, would be having to sit in the sun, so I

remember something like that, so she decided to have the porch built at the back, mmm.

How many of those conversations do you recall where Ms Sharobeem raised the prospect of doing some renovations to the property at a board meeting? How many times?---Maybe, maybe four or five times in the year, yeah.

10 On those occasions when she would talk about renovations to the property after she had purchased it, did you disclose the fact that she had purchased it to the other board members? It seems that you hadn't.---No, I, I didn't because I thought she wanted to keep it a secret and, and I thought, well, that the service was running so I didn't want to, you know, disrupt the service being run at that place.

20 So there was never a discussion about a conflict of interest amongst the board members with respect to renovations being conducted?---No, because the other board members didn't know until the auditor incident. So, really, I mean, I, I'm the one that, you know, is, is at fault for not telling them. But, like, I didn't I suppose fully realise my responsibilities in that respect.

Just nearly finishing this topic, Ms Lai, but when do you think you became aware that Ms Sharobeem had purchased the property? If she purchased it in July 2011, do you know how many months after she told you that she actually purchased it? Think about it, Ms Lai.---Yeah. I know we had a discussion before so I don't know if that was - - -

I'm asking about her confirming that she actually purchased it.---Yeah, but after - - -

30 Settled the property - - -?---Maybe at the next, next time I saw her. So it could have been in August or something, I, I, I'm not sure.

So it could have been fairly soon after the purchase?---Yeah, yeah.

There wouldn't have been a real need, a real – sorry, withdraw that. She'd already confided with you about purchasing it, correct?---Yes, because, I mean we had gone through possible options of how to save the property.

40 Okay. But we've been through that.---Yeah, so I, I didn't know that she had definitely reconfirmed it until after the purchase, that - - -

I'm going to show you just an example of a cheque that was made out. Volume 10, page 14. Ms Lai, do you know that some concreting work was done at the Immigrant Women's Health Service?---Yes, in the front, where the entranceway, yeah, ah hmm.

Do you know how much that work cost the service?---I'm - - -

Was it a lot of money or a little?---I'm not sure I know, mmm.

The Commission has evidence of this cheque that was signed by yourself and I believe Ms Sharobeem.---Mmm.

Firstly I want to confirm with you that it's your signature.---Mmm. Okay. Is it going to come up?

10 It'll come up soon. Firstly, that's page 15 of volume 10.---Mmm.

Do you see that that's a cheque on 5 August, 2011 to W Concrete for 13,500? Do you see that?---Mmm. Yes.

Is that your signature on the left-hand side?---Yes, it's my signature.

Do you recall signing a cheque for \$13,500 to pay W Concrete?---I don't recall that particular company, so, yeah.

20 All right.---Yeah.

You gave evidence at the – you provided a statement to the Commission, you agree with that?---Yes.

And in that statement you did refer to the fact that sometimes, on some occasions, you would sign some blank cheques.---Yes.

Is that fair?---That, that could have been one of them, yeah.

30 All right. Okay.---Because usually during the, like, you know, school holiday or January, like, December when, when there's long holiday, I would sign some blank cheques if I knew that I was going to be away or whatever.

Ms Lai, on those occasions, how many blank cheques would you sign?--- Hmm, um, I would say about 20.

All right. And when did this practice of signing blank cheques start? ---I mean it has been, I mean all the time when, when I was - - -

40 Since you started?---Yeah, 10 years ago, I mean I - - -

When you say since you started, at the IWHS?---Yeah. Ah hmm.

Did anyone have a discussion with you about signing blank cheques? ---Um, no.

Did anyone ask you to do it?---Well, Eman would ask me to sign some cheques if I was, yeah.

I need you to be clear about this, it's pretty important?---Yes, she would, she would ask me to sign the cheques, the blank cheques.

And how often would she ask you to sign blank cheques?---Maybe every six months, I mean whenever, yeah, yeah.

10 When she asked you to sign blank cheques, did she provide you with the blank cheques or did you just go off and do that yourself?---No, no, she would give me the cheque book.

And what did she say?---And sometimes it would be like, you know, after our board meeting and she would say, "Oh, can you stay back a little bit and um, sign some cheques?"

Was there anyone else around when you would sign blank cheques?---Well, I think the treasurer and Nada knew, yeah.

20 Okay?---I'm not sure about the ordinary board members but the core board members knew that I signed blank cheques, mmm.

Did IWHS have a credit card?---IWHS, I believe, yes, IWHS has a credit card.

At the time you were a board member did you know IWHS had a credit card?---Yes, I did, but she would often say that the credit limit was too low, so I, so she had to use her private credit card sometimes. I'm not sure but I think there could be a - - -

30 Did you know that she had a - - -?--- - - - 5,000 credit limit or something from the bank, the credit card, yeah. I'm not absolutely sure of the credit limit but I know that that was the reason she had to use her own credit card she said at times.

Were you always aware that IWHS had a credit card, a business credit card? ---Um, not always, no, yeah.

40 When did you first find out that IWHS had a credit card?---Maybe, I don't know, five years ago, I'm not sure, yeah, mmm. I know that NESH didn't have a credit card, yeah.

Ms Sharobeem oh, Ms Lai - - -?---Yeah, don't call me that.

No, sorry?---Please.

I do apologise?---Please, yeah.

At your evidence last year - - -?---Yes, in December, yeah.

And I wonder if I could seek leave to refer to some of that evidence?

THE WITNESS: 7 December, I believe, yeah, mmm.

10 **VARIATION OF A SUPPRESSION ORDER: COMMISSIONER
VARIES THE SUPPRESSION ORDER OVER EVIDENCE GIVEN
BY AUDREY LAI AT A COMPULSORY EXAMINATION HELD ON
7 DECEMBER 2016**

MR RAJALINGAM: When Ms Lee was asking you some questions, and I go to page 181, line 40, a question was asked, "Was there an IWHS credit card that was available for use?" And you said, "No, not for IWHS." And then when you – and then the question again was, the next question was, "When you say not by IWHS, do you mean there was one for NESH but not IWHS?" You said, "No, not as far as I know, neither of them had a credit card."---Oh.

20

So I'm asking you about when you were a board member - - -?---Yeah.

- - - did you know that there was an IWHS credit card floating around somewhere for use?---Well - - -

I'm not talking about what you know now?---Yeah, I know now, but yeah.

I'm talking about what you knew before?---All right. I mean I will, I will go back to the December, so I will say no, I didn't know.

30

Are you sure about that?---Until Nathan Boyd has brought it up, mmm.

Well, think about it this way. Were you ever asked to monitor a credit card account online as your duties as a board member?---No, I didn't.

Did you ever hold an IWHS credit card in your hand?---No, I didn't.

Did you ever use it?---No.

40

Did you know what colour it was?---I, I don't know but I guess a lot of credit cards are silver. I don't, I don't know.

No, no, I'm asking you specific – I'm asking you to think, that's all.---I never actually, I never actually, you know - - -

Saw it?--- - - - saw it, yeah.

Had you ever seen a credit card account statement from IWHS?---Um - - -

Had any of the board – sorry, is your answer yes or no to that?---No, no, I didn't see, yeah.

At any of the board meetings, was there ever a discussion about the credit card account?---I don't remember that it was discussed.

Ms Sharobeem said at this inquiry, at transcript reference 736, that you went with her to St George Bank on one occasion to try to increase the limit on the St George IWHS credit card. Does that ring a bell for you?---(No Audible Reply)

You're nodding your head.---Yeah, yeah, yeah, yeah.

Yeah?---Yeah. That's what I'm saying - - -

But was that in relation to a personal or work credit card?---No, no, it must have been the work one. I don't know what the year, though. But - - -

20 Did you know that she was using the IWHS credit card to pay for Foxtel ongoing payments?---No, I didn't know.

Was that ever discussed by the board, that she should be allowed to use - - - ?---Foxtel?

Yes.---No, no, of course not. We would never approve that.

This is something that she has said at this inquiry, and I'll just tell you what she said. She said at page 890 that she believed the IWHS board was aware she was using the IWHS credit card to pay for ongoing Foxtel payments for a service connected at her home address. That's not the quote but that's the effect of what she said.---No, we didn't know because we wouldn't have approved it.

Why not?---The same as, like, when Nathan Boyd told us that she was using IWHS funds to pay for her fines that she received when she went through the red light or she parked illegally or whatever, I mean, like, we were shocked. We had no idea that she was using the IWHS funds for that, you know. But I must have known about the credit card but I just can't remember when exactly it was.

How did Mr Boyd become involved in the audit of IWHS?---Before Mr Boyd became the IWHS auditor, we had a long-term auditor called Sandra Grollmus, G-r-o-l-l-m-u-s-s.

G-r-o - - -?---L-l-m-u-s. I think you say it Grollmus.

Yeah. Yeah.---Is that how, yeah. Anyway, she had been doing the books for, like, you know, so long, ever since I became the, you know, board member. And Sandra had never raised any issues, you know, when she did the audit. But - - -

10 And how did Nathan - - -?--- - - - I think it was two years ago or three years ago, her husband passed away, Sandra's husband, so she couldn't do the audit for us. So at that time Nathan Boyd was the auditor for NESH. So we thought, oh, rather than try and find a completely new one, when Sandra's husband died of course we can't expect her to, like, you know, the audit.

No, no. No need to go into that.---But anyway, so that's how he became involved.

Yes.---So we just said, oh, would you mind? Because it's in a very, like, August or something. We need to have the audit done. And would you mind to do the audit for IWHS as well?

20 All right. You said, "we" approached Nathan. When you say we, who is we?---Well, I think it was Eman initially but she did run it, you know, by the board.

Did you know in 2013 say that Mr Boyd was doing the audit then, in 2013? ---Was he? Because - - -

He did the audit for, pardon me – I withdraw that?---I thought it was only the last two years.

30 Yes, yes. You're aware aren't you that he did the audit for NESH for 2013-2014?---For NESH, yeah.

Yes?---Ah hmm, ah hmm.

Do you know that he conducted the audit for IWHS for 2013-2014? ---Um - - -

Do you know if that happened?---Was it, was it 14-15? I thought it was.

40 Pardon me for a moment?---Yeah, I know he did it for two years, mmm. Hang on, because it could have been 13-14 and then 14-15.

Yes, yes, yes, it was?---Because I know he did it for two years.

Yes?---Because the first year he didn't, she didn't show us the, the conclusions that he wanted us to improve these things.

And are you referring to a letter in September 2014 that you hadn't been shown in 2014?---That's correct, yeah.

We'll get to that, we'll get to that?---Mmm, so I know that he did it for the two years, then the second year he told us the ah, the shocking news, yeah.

We'll get to that?---Mmm.

10 During that audit, 2013-2014 of IWHS, was the board in 2014, so just forgetting about 2013, was the board provided any financial information in that year about IWHS, in 2014, by Ms Sharobeem?---It would be only what went into the AGM report, which was the final figures for the income and expenditure.

Was all that you were shown a profit and loss statement? Do you know what that is?---Yes, yes, because - - -

And you're sure about that?--- - - - we didn't drill down.

20 It was a profit and loss statement?---Whatever it is that the, we usually have to present at the AGM meeting, so that's would be the profit and loss statement, yeah.

In 2014 can you remember if Ms Sharobeem said anything to the board about the financial affairs of IWHS, how it was going?---(No Audible Reply)

This is the year before everything comes up?---Yeah, yeah, yeah.

30 Okay?---Yeah, she said everything is going well and, you know, we, we are a little bit, maybe a little bit negative, which is good.

Okay. But there was no further - - -?---So we spent the money.

- - - conversation?---Yeah, so like, we were spending within the budget or a little bit over budget. That's basically it, because we didn't actually sight the individual invoices and things like that, you know, like, yeah, mmm.

In 2014 did you have any direct contact with Mr Boyd, 2014?---No, I didn't, yeah, yeah.

40 Did you know if any other board members had any direct contact with Mr Boyd?---No, we didn't really have a reason.

Now, you know that he did the audit for 2014-2015, don't you?---Yes, yeah.

Now, let's move to that?---Ah hmm.

Did there come a time where he did contact you directly in that year?
---Yes, yes, ah hmm.

Can you tell the Commission about the first time you had contact with Mr Boyd?---I think it would be about August, I think, of the - - -

And was it a phone call? Face to face?--- - - - of 2015. Initially he send an email asking us to clarify certain things. For example, like, duplicate invoices to facilitators, missing ABN numbers and all that sort of thing. We had to answer, like, I don't know, it was like a five-page question thing and then we had to answer, you know, his concerns. And so we got Ms
10 Sharobeem to actually go through each of the queries and provide more answers, you know, that we could put.

Okay.---Yeah.

Just stopping you there. You're talking about a response document to Mr Boyd, aren't you?---Yes, like a summary thing, yeah.

Before that was sent to Mr Boyd, do you know if you had a meeting with him in about August of 2015 in relation to what was going on, excluding Ms
20 Sharobeem? So she wasn't there. Was there a meeting with Mr Boyd in August with the other board members?---Was it August? Yeah, around about that time. I think it was, could have been August so, or it could have been later.

Do you recall the meeting at his office?---Yes. We, we, he called a meeting with Julie, myself and Nada, the core members.

Ah hmm.---Because he said he had some very important confidential
30 information to discuss with us.

Did he show you anything at that meeting?---He showed us the invoices and I, I have provided some, the copies to my lawyer of the actual discrepancies in the invoices.

Yes.---In a blue folder. And he gave a copy to, to the treasurer, Julie, and Nada, the secretary, and myself to have. And, like, we were, we were shocked because, like, like, she said she purchased chairs for \$6,000 for 12 chairs, for example, and we knew that those chairs that she was supposed to have purchased was no way you would pay 6,000 for those, like, you know,
40 blue office chairs. And, like, there's no way. I mean, then he, you know, later found out it was a massage chair. Things like - - -

Okay. Hold on. We're still talking about the meeting. We're still talking -
- -?---But anyway, yeah, at that meeting he showed us the invoices that he thought had been doctored. Okay, I'll put it that way.

Yeah.---Now, yeah - - -

Did he also show you a letter that he had sent to Ms Sharobeem the previous year?---He did, yes.

And can you tell the Commission more about that?---And Julie Watton and Nada Damcevaska and myself, we all said, oh, this is the first time we've seen it.

Yeah.---She never showed us this document, otherwise we would have acted to correct some of the things that he put in his recommendations.

10

I'm going to find that letter and show you a copy of it.---Yeah. I remember the letter because I saw it in December as well.

I'll ask you just to simply confirm that this is the one. But after that meeting with Mr Boyd, did you go and speak to Ms Sharobeem?---Yes, we went there immediately.

All board members went to see?---Not all, just three of us.

20 Three of us, okay.---The core. That mean - - -

Julie, Nada and yourself.---Julie, Nada and myself went to the office to see Ms Sharobeem because she was still working or so there. And we confronted her with the evidence. And - - -

When you say the evidence, did you have the - - -?---The blue folder, yeah, with the, all the duplicate invoices and, you know, discrepancies. And we showed her, yeah. And she said, "Oh, no, I, I couldn't do that. Like, someone is trying to frame me." And if I was going to, you know, doctor
30 invoices I would be more clever and not have a spelling mistake or whatever.

Did she mention anyone when she said she was being essentially framed?---Yes, it is in the evidence that she thought it was Nevine Ghaly, the coordinator of NESH at that time, who was working closely with her.

What did you think about that suggestion, that it was Nevine Ghaly who had framed Ms Sharobeem?---It was plausible, it was plausible because like, on one of the invoices it had like a definite spelling error with Immigrant
40 Women's Health Service and we thought, oh, yeah, it's possible, because maybe the person wanted the evidence to be found by the auditor.

No. What I'm asking is, did you think it was possible that Nevine Ghaly herself was framing Ms Sharobeem?---It just, we thought it was possible. I mean that's in our opinion, okay, yeah, because, oh, should I tell this, but she, she, she had - - -

Yes, please give your evidence, Ms Lai?---No, I don't want to, like, Nevine to know that I said these things. I mean, like - - -

Well, it's a public inquiry?---Yes, I know it is, but I will give the - - -

10 You're obliged to give your evidence?--- - - - reason why Eman thought that Nevine did it. All right. Because she had been like mentoring Nevine in her role and she had, and Nevine did have access to the accounting, I mean the computer system where all the accounts were kept, right, so she did have the opportunity to access those records. The other thing is Eman showed us evidence that Nevine had been blackening her name in the community - - -

In what sense?--- - - - to various organisations.

20 In what sense?---For example she sent an anonymous letter to Health saying that, you know, did you know that Eman is not a real psychologist and she's defrauding the department, or something like that. And then she also produced an email from an organisation where she was going to give a talk at and Nevine had rang up the organisation and told them that, did you know that Eman Sharobeem is not a reputable person and you shouldn't have her as a guest speaker.

Okay?---So she showed us the, the, the email from that, from that organisation that didn't believe the caller.

I see?---Yeah.

30 Had you met Ms Ghaly, Nevine Ghaly?---Oh, yes, because I was the chairperson for the last year at NESH.

For how long had you known her?---Hmm, because she was working before with MTC which is one of the English providers, I knew her in her other role, maybe at least maybe seven years I think, yeah, when she was the MTC, you know, manager.

40 But apart from the fact that you were aware that, well, made aware that Ms Ghaly had made some complaint about Ms Sharobeem, was there anything else that you could think about that would suggest that she would be framing Ms Sharobeem?---No, I mean apart from these, you know, ah, phone messages or emails that she showed us from the organisations that had traced the phone number to the NESH phone number, so previous to that, you know, I didn't know that Nevine had been saying bad things about Eman.

At the time you thought it was possible that Ms Ghaly was framing Ms Sharobeem, wasn't it the case that you'd only been told that Ms Sharobeem - there were issues with the 2014-2015 financial year only?---Mmm.

When you didn't know that these issues had gone back much further than that had you – did you?---Only when we had – after we had the meeting with the auditor.

Yeah.---Yeah. Then we knew, yeah.

10 But you only knew that there were issues for one financial year didn't you, or one or two financial years?---Yes, only those two when – financial years when Nathan Boyd was the auditor. Previous to that we were never contacted by Sandra Grollmus regarding any issues.

I'm just going to show you the 2014 Boyd letter.---Yeah, okay. Yeah.

Is that a letter dated 22 September, 2014, do you see that?---Yeah, the nature of the audit, yeah.

By Mr Boyd. I'll get - - -.---Yeah.

20 Boyd & Associates.---Yeah. Ah hmm. Yeah.

I'll turn to the next page. Was this – do you recall if this was the letter that you were shown in August of 2015 by Mr Boyd?---Yes.

And I'll go through that. Just go to the next page 100 as well.---Yeah. Yeah, facilitators and things like that. Yeah. Home care reimbursements. Yes.

All right.---That was the letter.

30 By September of 2015 Mr Boyd was emailing board members and Ms Sharobeem about what, what he'd discovered. Correct?---Yes.

Now, you gave some evidence about a massage chair in the invoices. I'm going to show you an email from Mr Boyd on 10 September, 2015. That's in your statement. In relation to the Inada chairs issue, Ms Lai, you agree that there were two invoices, correct, that have been shown to you?---Yes. Ah hmm.

40 The first invoice, was that an invoice which related to 12 chairs?---That's correct.

When did you first see that invoice?---When Mr Boyd showed it to us.

That was the August, 2015 meeting. Correct?---Mmm, mmm. Yeah.

Did you later see another invoice for a massage chair for the exact same amount?---Yes, because we – Mr Boyd asked her to provide the, you know, original invoice without the attachments on the top.

I'm going to show you the, the first invoice.---Yeah. Ah hmm. Yeah.

When you first saw this invoice did you – what did you think of it?---Well, we, we thought it was a bit expensive 6,900 for 12 chairs. They must have been like very luxurious which I, I don't see any such expensive chairs in, in the office at Immigrant Women's Health.

10 Would it have been appropriate to purchase chairs at that price for IWHS?
---No. Yeah.

Did you think this invoice was fake when you first saw it?---Yes, because when Mr Boyd showed us he said like usually with the company they would have, you know a better logo or something like that, you know. This looks as though it's not a proper logo and, and it had the, a photocopy of the, the credit card, you know.

I'll turn the page.---Yeah, ah hmm.

20 This was located in amongst – sorry, go back one page.---Mmm.

This writing, did you see that note when you were first shown this invoice?
---Page 3. Invoice.

Do you recall seeing that note when you first saw the invoice in August 2015?---I don't recall that handwritten part, no.

30 But do you know whose handwriting that looks like?---Yes, it looks like Eman Sharobeem's handwriting.

All right. Next page. Were they the credit card receipts that you saw which had been – did you see those credit card receipts in August 2015?---They were all a photocopy of the top one. We didn't actually see the real, I mean
- - -

So you saw a photocopy of all five receipts?---No, no, no, no. How can I explain? They were all on top of each other and only the first, the 1,500, was showing.

40 So they were stapled together in the top left-hand corner?---Yes, yes.

All right.---That's what I meant.

Yes, that's all right.---I didn't see all six of them.

No. Okay.---Or whatever, five of them, separately like you've got here.

Separately. But you did – did you flick through those receipts?---But we just saw the, you know, the 1,500.

But did you flick through the receipts when you first saw it in August 2015 to see all five of them?---I don't think he showed us - - -

Okay.--- - - - the actual thing. He only showed us the photocopy.

I'll show you the next page.---Yeah.

10

Have you seen that document before?---Yes.

And - - -?---That's the one that she produced when we queried it, mmm.

And when do you say you queried it with her?---Yeah.

When did that happen, when you queried it? Was that straight after the meeting in August 2015?---Yes.

20

Did she show you the real invoice immediately when you confronted her with the fake invoice?---No, I didn't. This is very hard to say because when we confronted her on that day in August, she burst out into tears, crying and, you know, in denial. And then she went on sick leave, okay? So we never actually got to see her in person again after that, sort of thing and - - -

Was it the case that Mr Boyd showed you the real invoice?---Yes.

30

Did he say anything to you when he showed it to you?---Well, he queried that it was delivered to her home address, which as you see is [REDACTED] [REDACTED] It's not the IWHS, which should be 92 Smart Street, Fairfield. So, like, why would the massage chair go to her home address and not to the IWHS address if it was for IWHS use?

Now, after this initial meeting with Mr Boyd in August 2015, do you recall the next month Mr Boyd sending an email to the management committee about a number of concerns that he had?---Ah hmm. Yeah.

40

Do you recall sending an email to Mr Boyd with IWHS's response to his concerns?---Yes.

All right. I'm going to go straight to that email.---Yeah, because that one the board members did consult with each other before sending the response.

Okay. Pardon me, Commissioner.---Yeah. We did look at that in the December evidence as well.

Yes, yes, of course.---Yeah, ah hmm.

Your email, I think it's – you email him and attach the document, don't you?---Yes.

And that's that email on 29 December, 2015, correct?---Ah hmm.

And see it's got attachments "Responses to Q from auditor 2015.pdf". Is that fair?---Yes, yes, I remember that.

10 That's your email, isn't it?---It was at that time, yes.

And the next page, is this the attachment?---Yes.

And keep - - -?---It looks like the document.

Yes. Just turn through those pages. You see all that?---Mmm.

20 Next page and the next page and the next page and son on. Keep going. All right. If we go back to the first page, Ms Lai, you've sent this attachment to Mr Boyd. Correct?---Yes ah, we did, after the board meeting.

No, no, no, hold on. Ms Lai, just let's be precise about it?---Yes, I did sent it.

You sent it, yeah?---Yeah.

You attached a document, didn't you?---Yes, I did.

30 So you must have had a soft copy document on your computer to attach. Correct?---Yes.

All right. Now, where did you get that soft copy document from?---Ah, Eman Sharobeem sent it to me because - - -

40 How did she sent it to you?---By, by the email, because the board asked her to provide the answers because we didn't know all the answers to the questions, so at the board members all got a, like a draft copy, yeah, before we went through it and then when they all agreed that it sounded okay, then we went it, but you can see the words, they are not our words, a lot of it is like from her words you can see, you know.

Yes. I'm just asking you specific questions about this?---Yeah, okay.

So you've talked about having a meeting with other board members where a draft copy was provided. Correct?---Mmm.

Now, Ms Lai, just look at me, don't worry about this document for a moment?---Oh, okay, yeah.

Just focus on the question, it's much more important?---Ah hmm.

This draft copy you discussed with the other board members about the response to the auditor, who gave you the draft copy?---Eman Sharobeem.

All right. Just thinking about that, had the board done anything in relation to responding to Mr Boyd, created any document by that stage, the board members?---Hmm, ah, no, no.

10 I'm just talking about when Ms Sharobeem gave you the draft?---Yeah.

Were there any other drafts prior to that?---No.

Okay?---Yeah.

Now, that draft document, did it look like this document in its form, the one that I've just shown you?---Nada, the secretary, changed a couple of things.

20 And when you say a couple of things, are you talking about the substance of the response or the form of it?---Um - - -

The design, the layout?---There, there was something about the facilitators having, needing to have an ABN number, so she, she changed, she added that we also have a special form for facilitators without ABN.

Yeah, that's on the, that's on the first page, isn't it?---Mmm.

Yes?---That is approved by ATO.

30 Yeah?---So she, she added that bit.

Yeah. What else did other board members add to the draft copy? Do you know what I'm asking you now?---Yeah, yeah, yeah, yeah.

Okay. Let's do that?---Yeah, yeah.

So for the next point, 2, and I'm only asking you about the third column, do you understand?---Yes, yes.

40 All right?---I mean, I, I, I think that the second one we didn't add anything.

It continues on to the next page, so could you keep reading? Have a look at that and just make sure, Ms Lai?---Mmm.

I take it you're reading through the whole document, aren't you?---Yeah.

Thank you?---Yeah.

Sorry, the third column only?---Yeah, yeah, yeah. Yes.

Anything added by the board members in relation to points 2 or 3?

---No, I don't think so.

Okay. And 3 continues, so we'll go to the next page?---Yeah. Ah hmm.

Have you finished on that page?---Yeah, yeah.

10 Yeah. Okay.---Yeah. I think we did add that thing about the CEO attended a work conference in New Zealand and um - - -

Where is that, sorry? That's on the page, yeah.---On this page that we're reading at the bottom.

Oh, yeah. All right.---MC is aware that the CEO attended at work conference. I mean that's what she told us in New Zealand.

Okay. So she told you that?---Yes.

20

All right.---And it is not a personal response – expense, sorry.

Yeah.---The other bit is okay. We didn't change anything. No, there's no changes in that.

Yeah, next page.---Yeah, there is nothing.

All right. Next page.---Yeah, there is no changes there. We agreed with that.

30

Do you know whose handwriting that is on the, on that page? If you don't, don't worry. No, no, go back, go back. Just that handwriting there?---From discussion (not transcribable)

It's essentially saying I think that - - -.---Yeah. Yeah.

- - - the token system is not - - -.---That there wasn't - - -

- - - for IWHS and NESH.---Yeah. NESH had the - - -

40

Yeah, don't worry about that. I'm just asking you about the handwriting. Do you know whose - - -?---It's probably, it's probably Eman Sharobeem's writing.

Okay. But no changes to that by the board?---No.

The content of the response column?---No.

All right.---Yeah. Ah hmm.

And the last page.---Yeah.

Any change to the third column?---No.

Have a look.---No. Yeah, that was – we, we agreed with that, yeah.

10 Would you agree that the board members did not have or were not involved in the day-to-day running of the organisation, IWHS?---Yes, I would agree.

So essentially you needed a manager or someone who was involved in the organisation to prepare these responses. Correct?---That's correct.

And who was the best person for that, to prepare the responses?---Would have been the CEO, Eman Sharobeem.

20 Now at transcript reference 650, Ms Sharobeem said in relation to this topic about the response to the audit, her evidence was that all members of the board were trying to prepare responses to the issues raised by the auditor. Now, fair to say from what you've told the inquiry, the only involvement of the board members was these amendments that you've referred to so far. Was there anything else?---No, I mean, we accepted that her responses were very plausible, her explanations, yeah.

Did Mr Boyd, well, firstly did – you sent that email to Mr Boyd on 29 September, 2015 and I think he emailed back on 9 October, 2015.---Mmm.

30 Do you recall that? Where he sought clarification of some points?---Yes. Yes.

I'm going to take you to that email. There it is. Is that the email that he sent to the board members and cc'd Ms Sharobeem?---“Confirming the outstanding items”. Yes.

Now, do you agree that he's raised eight points and also included a schedule of reimbursements? Do you agree with that?---Yes.

40 Was that an Excel spreadsheet essentially?---Yes.

At point eight Mr Boyd's asked for confirmation of which projects the listed reimbursements relate to, “refer to attached”. In terms of responding to the reimbursements or the schedule, who was responsible for that? If you turn to the next page I'll show you the attachment. Sorry. Sorry, we'll show you the attachment in a moment.---Ah hmm. Yeah. I remember seeing that schedule.

That's all right, Ms Lai. I just want to make sure you've got the right document in front of you.---Yeah. Because we asked Ms Sharobeem to go through and mark which ones were personal and which ones were work-related.

Is this the - - -?---So she had to go through them and put whether they were work or whether they were personal.

Do you see the document in front of you?---Yeah.

10

It's a reimbursements, "clothing and accessories" is the title of the document.---Ah hmm, ah hmm.

Aside from what's contained on the right-hand side, the comments, is that similar to the document Mr Boyd sent you in that attachment of his email? An Excel spreadsheet with a number of different expenses raised?---Yeah. Yes. So we sent it to Ms Sharobeem to go through it, yeah.

20

And how – did she provide it to you at some stage, or the board members, after she completed it?---Yeah, she provided it to me.

How?---Yeah.

How was it provided?---I think she put it into an envelope, a white envelope. And I delivered it in person to Mr Boyd.

30

Is there any reason for that, that it was not communicated over email?---I don't know if it was to see maybe there was more confidentiality that way, in case people can access your email.

I'll just take you through some of the schedules. Go to the next page. That's for clothing and accessories, isn't it, the first one?---Ah hmm.

And the next page. And the next page. That's for hair and beauty on that page.---Yeah. Yeah, I'm shocked that she claimed hair and beauty and things like that.

40

That's for medical expenses.---And medical, yeah, especially the operation for her son at the Westmead Private Hospital. I mean, that is so ridiculous.

Did you know she was being reimbursed for these expenses when you were a board member?---No, I didn't. We were like all, Julie, Nada and myself were like, completely shocked when we saw the response.

Did you know she was also claiming facilitator fees in addition to her salary?---We found out from Mr Boyd, yeah.

But prior to that did you know?---No, no, because she used a different name

which apparently was a maiden name or something, I don't know, so we had no way of knowing that that was her, even if we saw Adly, you know, on the - - -

So you didn't know who Adly was prior to the investigation?---No, we had no idea.

2014, did you know who Adly was?---No, no, that's right, mmm.

10 Do you know if, do you know who Emy Adel was in 2014 for example?
---Sorry, which?

Do you know who Emy Adel was - - -?---No, I didn't.

- - - in 2014 for example?---No, I didn't know.

Had you ever heard of facilitators by the name of Rachie Kakel prior to the investigation?---No, I, I had no idea who she is, yeah.

20 And had you heard of facilitators by the name of Rachel Kamol, Charlie Gamal and Charlie G in 2014 for example when you were a board member?
---No.

Did you know if any of these people were related to Ms Sharobeem, did you think they might have been?---As I said, we didn't - - -

Didn't even know them?--- - - - go and - yeah, into that much detail in the invoices so, yeah.

30 Did you know Ms Sharobeem's children, Richard and Charlie, when you were a board member in 2014?---I knew their first names, yes, because she would often talk about, you know, her children and how proud she was of them.

Did you know whether any of them were claiming facilitator fees from IWHS?---No, no, yeah.

At any time?---No, I didn't know, yeah.

40 Did Ms Sharobeem ever speak to the board about her sons doing work as facilitators?---No, she never told us.

At page 896 of the transcript, I'm going to take you to another portion of Ms Sharobeem's evidence?---Yeah, ah hmm.

She said she told you about various things Richard did with IWHS as an employee. Is that true?---I mean, I - - -

Sorry, I'll say that, I'll repeat that?---Yeah, yeah.

She said that she told you about things that her son Richard had done at IWHS as an employee, facilitator or not?---No, she didn't. I know that he was employed without our knowledge at NESH, to be an employee of NESH, without our approval of the board but we didn't know that he worked for IWHS which definitely wouldn't, you know, would have been a conflict of interest employing your own son.

- 10 Do you know how Richard's employment with NESH came about?
---Basically I think he was taking pictures or something at, could have been one of the events, whether it's 16 Days of Action Against Violence or something, one of the events, I can't remember exactly which one, and he was, he often come to take photos of the event - - -

Yeah?--- - - - like whether it's, you know, International Woman Day or whatever, so we thought that, you know, he was just coming to help to take the photos, and it came out somehow in the conversation that oh, he was employed by NESH, 'cause - - -

- 20 And when was this conversation?---At the event, 'cause I think Nevine, Nevine might have mentioned that - - -

It would have been 2015 then?---Yeah, yeah, I think so, yeah, that he was employed, and like, you know, I said, "Oh, how come they didn't advertise and they didn't go through the normal interview procedure?" And usually with the interview procedure, one of the board members should be on the interviewing panel.

- 30 Mmm?---So she said, "Oh, no, we were in a rush to get someone and, you know, and I know that my son is good, he's doing, he's done a welfare certificate" or something. So I mean we found out in hindsight that he was employed.

Did you ask to look at his CV, the board members?---Not at that stage, no.

Okay. If we just – going to NESH, do you agree that there was a memorandum of understanding in December of 2013, I think. Is that right?
---Yeah.

- 40 Yeah.---Ah hmm.

Was payment to Ms Sharbeem for her work for the consortium also discussed at the board meetings, at the joint board meetings?---As far as the board knew, she, she was only getting her wage as the CEO of IWHS, and that she was not getting any money for the NESH role. It was like a token role. I mean, that was our understanding, yeah.

Did the board ever authorise \$1,500 fortnightly payments to Ms Sharobeem's account, in addition to her salary, for her work - - -?---What?

- - - for the consortium between IWHS and NESH?---No. This is the first, like, I, I didn't know. We wouldn't have authorised that because she was supposed to be, you know, just taking the responsibility until we found the new coordinator.

10 So she wasn't meant to be paid through NESH for her work?---No. I'm surprised. I'm sorry, I mean, like, I really didn't know she was getting paid, yeah.

There's no need to apologise, Ms Lai.---Mmm.

Ms Watton gave some evidence at this inquiry.---Ah hmm.

20 She seemed to think that there might have been a discussion about a \$1,500 payment. Do you recall one?---I, I don't. I definitely, if there was a payment, I mean, I'm sure I would have said no. But, mmm.

Okay.---So I don't know if Ms Watton has, like, you know, did she definitely recall that? I - - -

No. It's not something that she was completely clear about.---Yeah, because I, I really, if, if that had been brought up at a board meeting I'm sure I would have remembered and I would have voted no. You're not allowed to, to have a wage for NESH and IWHS because we're already paying you 80,000 and that's more than enough, you know.

30 Was the point of the MOU to essentially reduce costs between the services? ---In some ways, yes, because we would use the same bookkeeper, for example, and we would have, like, you know, the office administration or something, you know, would be reduced. And I think mainly it was because we thought we'd have a better chance of getting the funding application if it was in three organisations as a consortium rather than just one organisation applying for the new funding from FACS. So I think that was the main reason for joining the consortium.

40 Did you know in December of 2014, when Ms Sharobeem was – she may have already resigned at that stage, probably did in that Christmas period – that she was going to spend money on a vehicle for NESH, a Honda City sedan?---No, she didn't discuss that. And I know my signature is on that blank cheque, but she didn't discuss it and I only found out in that email that you showed me from Nathan Boyd to ask me to query the 18,000 cheque payment and where it went to. So then I went in St George Bank and I said I'm the chairperson and can you trace for me where those cheques went. And that's the only time when I found out that she had made two car purchases during I think it was Boxing Day, 26 December. Like, you know,

who is working at that time? I was on holiday. I was off. Yeah. I mean, like, yeah, I know it's - - -

Why did Ms Sharobeem resign from her CEO role in late 2014? This might have been just around about the time this car was purchased in 2014. I can show you the minutes but you probably remember.---Ah hmm.

Why did she resign from CEO and chairperson?---Because FACS was conducting investigation.

10

No, no, no. No, no, sorry.---Oh.

In 2014 didn't she resign from her position as the – didn't she resign from her position as CEO and chairperson of NESH?---Yes.

Didn't she say she was - - -?---Yeah.

- - - exhausted?---Oh, yes, yes.

20

And she didn't want to take on the responsibility anymore. Do you remember that?---Yes. She was exhausted, yeah, and she felt that, yeah, she, she couldn't look after two organisations and she wanted to concentrate on Immigrant Women's Health which was her main position. Mmm.

She was – she remained as an adviser to the board didn't she?---Yeah. That was on her, yeah, suggestion that, that she remain as an adviser. Ah hmm.

30

And in 2015, the following year, was she still regarded as the boss of both of the organisations by staff members even though she had formally resigned from NESH?---I think that Nevine was aware that I, I became the new chairperson and I don't think we had many staff at that time.

But in terms – I understand that you were the chairperson in 2015.---Mmm.

But was it the case that even though she'd resigned as the CEO - - -Mmm, mmm.

- - - she was still carrying on as the boss of the service and NESH?---Mmm. She may have, you know, because she still felt responsible I suppose.

40

Mmm.

In your time at NESH did you ever use the banking token to process or authorise a transfer for \$3,000 to the Westmead Hospital?---No, because even though the, there were two tokens issued to NESH - - -

Sorry, I withdraw, I'm going to withdraw the question. I'm going to ask it again.---Oh, okay.

Sorry, and I think – I know you know what I’m talking about - - ----So, yeah.

- - - but I’m going to ask questions.---Yeah.

Did you ever in your time as a board member authorise the use of the banking token to process a transfer for \$3,000 to Ms Sharobeem for an expense she had made at Westmead Hospital?---No, I didn’t use the token.

10 Do you recall Family and Community Services contacting NESH in about March of 2015?---Yes.

And is it the case that Family and Community Services raised a number of issues with respect to the service?---Yes.

NESH, NESH, I’m talking about NESH.---That’s right, NESH and as I said that they received a complaint to the ICAC from an anonymous person and - - -

20 Well, don’t worry about that. Don't worry about that.--- - - - it was passed on to be investigated, yeah. Ah hmm.

I’ll just – I’ll show you volume 19, page 299.---This is very good actually. It can show up on everyone’s screen. It’s very good. I like it.

If you - - -.---Yeah, Helen. Okay.

30 Yeah. Ms Sharobeem said in relation to this document that you and Ms Ghaly prepared it. What’s your response to that? Have a read.---Yeah.

If you – when you want me to turn the page - - -.---Yeah. The first bit was cut and pasted because she, she provided that interest - - -

So did Ms Sharobeem provide the first response under interested received and the auditor’s response was the following?---Yeah.

40 So she provided that information?---Yeah, the first response. Ah hmm. Must record it as income (not transcribable). Record it as income with the rental account. Okay. Ah hmm. Yeah. So, yeah, that was the cut and paste from Nathan’s response.

Yes. You asked Mr Boyd – did the board ask Mr Boyd for his advice about the FACS letter?---Yes.

All right.---Yes. Because basically they wanted – I mean, the FACS auditor wanted to, you know, check all the records for the NESH. So we thought that the best person to talk to a FACS auditor was the NESH auditor, because they would understand all that financial things. So we did involve

Mr Boyd in helping us to provide some of the answers. But I think the other ones that were in a different typing, that is – I typed that, that with NESH.

Which one? Which one did you type, Ms Lai?---Well, those are two, three and four.

Yeah?---Yeah. I typed it.

10 And next page?---I mean, with some input from Nevine, but I typed it and then she, she complained that my font was different from the auditor's one. But, you know, I'm not real techno so - - -

Yeah.---Yeah.

And what about the second page? Did you also type that?---Yes, I typed, I typed that document, yeah.

Okay. Next page.---I think the balance sheet was provided by Nathan Boyd.

20 Yes.---Because I wouldn't know all that balance sheet and the interior works and whatever, yeah.

Do you know if Ms Sharobeem had any involvement in this document?
---No, because she was under investigation as the ICAC complaint was about her as the chairperson.

No, no, hold on. Ms Lai, I think you might - - -?---Mmm.

30 This document is from March.---Yeah.

2015.---Oh, yeah. Oh, sorry, yeah.

Okay? And it's in relation to NESH.---Yeah.

Sorry, May 2015.---May, yeah, May. Yeah, ah hmm.

40 Yeah.---The auditor. Oh, yeah, we did say the auditor, Boyd & Associates, has assisted in providing the detailed information for the response to the department. Yeah, ah hmm.

Did you send it like that to the department with it unsigned?---I must have, yeah. Because did I also have a schedule? I don't remember, yeah.

Just go back to the first page.---Yeah.

Where did you get the information for community development? The new cost of \$55,612.50 relates to a partnership between Immigrant Women's Health Service and NESH.---Mmm.

Do you see that?---Yes, yes, yes. Ah hmm.

Well, where did you get that information from to write it into that document?---That's probably from Eman Sharobeem because I wouldn't know the cost, you know.

10 Was it the case that you were liaising with Ms Sharobeem to provide these responses to the auditor, sorry, to FACS?---For some of the responses, yeah. But mainly with Nathan Boyd.

All right. Do you know if when you were a board member if Ms Sharobeem's sons – I know I've asked you about facilitator fees.---Ah hmm.

But do you know if her sons were employed in any way by the IWHS? ---No. I thought they were doing voluntary work by taking photos and whatever of the events. I didn't know they were being paid for it.

20 I'm going to take you to volume 21, page 135. Do you remember sending this email to members of the board about a NESH vehicle in August of 2015?---I finally got a chance to – NESH always had two cars, yeah. Hmm. Mmm.

You know where you say there that Eman asked a staff member (Richard) to drive the car and keep it on the road - - -?---Mmm.

30 - - - do I take it from this email that at that stage in August 2015 you still thought that Richard was not related to Ms Sharobeem?---No, I knew by then that Richard was related, yes.

Why then do you refer to Richard as a staff member instead of Eman's son, for example?---Um, because um, the query was um, about the NESH car so I thought it's more appropriate to respond that he was a staff member because I can't say, oh, Richard, her son, is to drive the car, because that would be a more personal use rather than a work use or, yeah.

When did you come to know that Richard who was working at NESH was actually Ms Sharobeem's son?---(No Audible Reply)

40 In relation to this email, I know you said it was at a 16 Days protest against violence against women?---Yeah, it could have been - - -

But this is in August?---It's in August. Oh, no, it must have been – it probably was not that one, it probably I would say more the International Woman Day, that would be on usually 8 March, because usually the 16 Days of Action is in December, so I think I must have known in March.

In March. Okay?---Yeah, yeah, 'cause now you remind me of the date, yeah.

In relation to – just moving back, I'm nearly finished, Ms Lai?---Yeah, that's fine, yeah.

In relation to Immigrant Women's Health Service and the board meetings, who prepared the agendas?---For the meetings?

- 10 Yes?---When I was the chairperson I would, I would do the agendas, but when I was just the board member, then the other chairperson would do it, yeah, mmm.

You were the chairperson for quite a while so I take it that you were responsible for some time for creating the agendas. Correct?---Yes. Ah hmm.

Did you send out those agendas prior to the meeting?---Yes.

- 20 Via email?---Usually like a couple of weeks before. I mean like I must say when Mira Mitrovic was the manager she was very efficient and she would do most of the sending.

Yes, but I'm asking about IWHS?---Yeah, yeah, but now - - -

I understand NESH?---Yeah, but now the IWHS, yeah, I would be the one to send the reminder, usually a week or before the board meeting on the first Wednesday of the month.

- 30 The Women's Network Program, have you ever heard of it in that, in that way?---Is that the Immigrant Refugee Women's Network, IRWN?

I don't know, I'm asking you has it ever been referred to as the Woman's Network or was it always referred - - -?---We usually called it IRWN, which is Immigrant Refugee Women's Network. It could have been shortened I suppose, but we usually called it IRWN in full, which is, it used to be Fairfield, it used to be FIRWN, Fairfield Immigrant Refugee Woman's Network when it started in 1987, but they dropped the Fairfield - - -

- 40 When was that?--- - - - to widen it to other areas.

When was that?---Oh - - -

It doesn't matter?---Yeah, mmm.

Was IRWN a part of Immigrant Women's Health Service?---It wasn't. It was an unincorporated association that was formed by a group of women who wanted to advocate for CALD women's issues, so it wasn't, it's

independent, but it just happened that Eman Sharobeem and myself were the co-convenors, but it is an independent organisation.

Now that you have served on the IWHS board and the NESH board for some time, and this investigation has come to light, in hindsight I suppose what do you think the board members needed throughout those years to properly govern the organisation? It's an open-ended question?---A lot of things.

- 10 You tell the inquiry?---Mainly we needed to have more of those financial reports, you know, at each board meeting instead of just at the end of the financial year, like, so that we could keep track of the actual expenditures and then we would have a better idea if it was like, you know, being misused. So I would like, I mean if, if I ever join any board, after this I'm scared to join any other boards, I would definitely insist on having the financial reports each, each meeting that we have, each board meeting, and I would also perhaps have more to do with the bookkeeper so that we could actually have a more relations I suppose with the bookkeeper so we know actually what's happening on a more detailed, you know, like, because we
- 20 never actually like, you know, sighted all the thing, invoices and all until after the event, you know. The other thing that the board members need is also I suppose with more involvement in the reporting back to the funding bodies, whether it's Health, whether it's Smith Family or whether it's the FACS, you know, we need to have more involvement in actually writing or whatever, producing the reports rather than relying on the manager or the CEO to do it.

- And to do that would you accept that it was important for board members to actually go out into the field and see what the organisation was actually doing, is that fair?---Ah - - -
- 30

- Get a hands-on experience?---Plus or minus, let me put it this way, we're all in paid jobs so we have full-time jobs, both Nada, Julie and myself, so it is difficult for us to come out, unless like for example, I'm invited as a Centrelink speaker to Immigrant Women's Health to give a talk or something, it was kind of hard for us to get out in work hours to, to observe day-to-day, you know, what was happening, and I guess a lot of boards that are reliant on volunteers, we are all volunteers, you know, like, our first priority is still to our paid jobs and we do this out of our passion or whatever
- 40 for helping CALD women, you know. So yeah, I think you'll find in a lot of NGO sector that the board members are not as able to go every day to check up on the day-to-day running of the things, you know, yeah.

In terms – I've asked you about funding and expenditure but in terms about – of the conduct of the manager for example - - -?---Mmm. Mmm.

- - - do you have any suggestions in relation to how that could be better monitored or could there be any other checks and balances placed on that

for an NGO like the IWHS and NESH with little resources, how would you go about making sure a manager was - - -?---Yeah.

- - - placed in check for example?---Yeah, yeah. I think that as I mentioned we, we trusted Eman Sharobeem very much, you know, and we thought she has such a good reputation and high profile in the community that we didn't check so whenever we did the performance appraisal it was very, like a cursory thing oh, yes, yes, yes, you know, you're, you're doing well and things like that. So I suppose in future that we need to have proper
10 performance appraisals and document, like similar to what my manager at Centrelink would do for me. It would be quite a formal document that is required every six months so in hindsight, yes, we should have had a more formal performance appraisal for the manager rather than just oh, yeah, everything is good and everything is going well and well done, Eman, you know. But - - -

Would it have, sorry.---Yeah. It's very wise in hindsight but unfortunately we were I guess to some degree very is the word gullible because we
20 believed in her, yeah. Mmm.

Just one final question, Ms Lai - - ----Mmm.

- - - in relation to those names Emy, Emma Adly and Emy Adel.---Mmm.

Do you know if Ms Sharobeem was receiving any money under those names irrespective of whether or not it was facilitator fees or not, was she paid a salary under the name Emy Adel, do you know that when you were a board member?---I, I don't know because only when Mr Boyd queried, you know, the facilitator invoices and duplicate payments that that's - well, he
30 was the one that kind of altered us that she might have been the one, you know, taking the duplicate payments, you know. Mmm.

All right. Pardon my back, Commissioner. That's the evidence, Commissioner.

THE COMMISSIONER: Yes. Thank you. Mr Chhabra, do you have any questions?

MR CHHABRA: If I could just have a moment, Commissioner. No
40 questions for this witness.

THE WITNESS: Yeah.

THE COMMISSIONER: Ms Hughes, do you have any questions?

MS HUGHES: No questions, Commissioner.

THE COMMISSIONER: There's no reason that Ms Lai can't be excused is there?

MR RAJALINGAM: No, no reason.

THE WITNESS: Are they, are they the lawyers for the other side or - - -

MR RAJALINGAM: Yes, yes.---Oh, okay. Sorry, I was not formally introduced so - - -

10

No.---I'm sorry, because I, I didn't meet you before, yeah.

That's Ms Sharobeem's lawyer.---Okay.

Legal team.---All right.

MR CHHABRA: Please to meet you, ma'am.---Okay. Nice to meet you in these circumstances. Mmm. Yeah. Okay.

20 MR RAJALINGAM: Thank you.

THE COMMISSIONER: Thank you, Ms Lai.---Thank you.

Thank you very much for coming.---Yeah.

You're excused if you'd like to leave.---That's all right. Thank you so much for having me again and I hope I don't have to come back again.

30 We'll now adjourn.---Do you think I don't need to come back on Monday or anything?

No, you don't need to, no.---That's good. Yeah.

MR RAJALINGAM: Oh, Commissioner. Sorry. I just needed to put on the record that the next adjourn date was going to be 12 July, 13 July, 18 and 19 July for further hearing.

THE COMMISSIONER: Okay. Thank you.

40 MR RAJALINGAM: If it please the Commission.

MR CHHABRA: Commissioner, if I may.

THE WITNESS: Commissioner, yes.

MR CHHABRA: Appreciating that the witness list may still be somewhat malleable for the month of July, is it the Commission's requirement that Ms Sharobeem attend on 12 July?

MR RAJALINGAM: Commissioner, 12 July will be Ms Ghaly's evidence. In my submission it would be appropriate for her to attend to hear the evidence at least in terms of what Ms Ghaly says in response to some of the things that have been raised quite pointedly against her. It's a matter for the Commission of course.

THE COMMISSIONER: What are the dates? The dates are the - - -

10 MR RAJALINGAM: 12, 13.

THE COMMISSIONER: So the 12th. 12 July. Wasn't that the day that you wanted Ms Sharobeem to come back in any event?

MR RAJALINGAM: No, we essentially need her to give evidence in July but at least after Ms Ghaly has given her evidence.

THE COMMISSIONER: Oh, okay.

20 MR RAJALINGAM: Because Ms Lai has given her evidence now and there might have been one or two issues that came up. Ms Ghaly will give some evidence then. Because that was the first time she's available to give evidence at the inquiry, noting that she was overseas previously.

THE COMMISSIONER: Oh.

MR RAJALINGAM: So it would have been my intention to call her and then call Ms Sharobeem, but that was simply not possible.

30 THE COMMISSIONER: Right. And why do you want Ms Sharobeem here while she's giving evidence?

MR RAJALINGAM: To simply hear Ms Ghaly's response to the assertions made by Ms Sharobeem, which I'll put to her.

THE COMMISSIONER: How long is the evidence of Ms Ghaly going to be?

40 MR RAJALINGAM: Probably the same as Ms Lai.

THE COMMISSIONER: So it won't be the full day?

MR RAJALINGAM: Won't be the full day.

THE COMMISSIONER: And then you're proposing to call Ms Sharobeem after that?

MR RAJALINGAM: The family. It was the family after Ms Ghaly, and then Ms Sharobeem at the end.

THE WITNESS: Apologies, Commissioner, but do you think Ms Ghaly might be intimidated by having Ms Sharobeem here and - - -

MR RAJALINGAM: Oh, no, don't worry.

THE WITNESS: Okay. Oh, okay.

10

MR RAJALINGAM: She'll be in a different room.

THE WITNESS: Well, anyway. Yeah, yeah, yeah.

MR RAJALINGAM: Yes. That's the only thing I wish to say about that issue.

20

MR CHHABRA: Might I suggest this, and I appreciate Mr Rajalingam's suggestion as to the prudence of having Ms Sharobeem around to hear the evidence, but that is a very different matter to that which I am inquiring about, whether she's required to attend the Commission. Having now heard the proposed order that the witnesses will be heard, or their evidence would be heard, perhaps the requirement for her to attend can be deferred to the 13th if not the 18th. She may well attend in any event for different reasons, to provide instructions.

THE COMMISSIONER: Yes.

30

MR CHHABRA: But it's more about when she's required.

MR RAJALINGAM: Commissioner, I don't understand a legal obligation for her to attend unless her evidence has been adjourned to a specific day.

THE COMMISSIONER: Yes, okay. All right.

MR RAJALINGAM: I'm only suggesting that it would be appropriate and expedient for her to listen to that evidence as well so I can ask her questions about it in an expeditious way.

40

THE COMMISSIONER: Yes. Well, we'll leave it up to you, Mr Chhabra.

MR CHHABRA: May it please.

MR RAJALINGAM: Please the Commission.

THE WITNESS EXCUSED

[3.53pm]

AT 3.53PM, THE MATTER WAS ADJOURNED ACCORDINGLY
[3.53pm]