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PUBLIC
HEARING

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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE PETER HALL QC
CHIEF COMMISSIONER

PUBLIC HEARING

OPERATION SKYLINE

Reference: Operation E17/0549

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON MONDAY 6 AUGUST, 2018

AT 2.00PM

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

BREAK IN RECORDING [2.03pm]

RECORDING RESUMED [2.04pm]

<DESPINA BAKIS, on former oath [2.04pm]

10 MR CHEN: - - - convicted of a number of offences whilst he was employed by the Australian Taxation Office.--- Yes.

And you knew, didn't you, that they were offences that involved him disclosing documents to a third party when he was not authorised to do so?
---Yes, I believe so, yes.

And also the other offence that he was – sorry, I withdraw that. And he was convicted of that offence, so far as you know, wasn't he?---Yes, he was, yes.

20

And also the other offence that he was convicted of was an offence described as corruption of a Commonwealth officer, namely that he had agreed to receive money on the understanding that the exercise of his duty would be affected. Isn't that right?---Yes, correct.

They are both offences involving significant dishonestly. Isn't that right?
---If that's how you characterise it.

30 Well, I'm asking you the questions. So do you agree with that characterisation or not?---No.

What do you regard convictions of those types of offences as?---Well, they're not dishonesty, they're, corruption is corruption, it's not dishonesty.

I see. And you don't regard disclosure of material when you are unauthorised to disclose it to be or involve any element of dishonesty. Is that - - -?---Oh, perhaps, yeah, yeah, okay.

40 Well, do you agree with that proposition or not?---Yeah.

And to receive money on the understanding that your duty would be affected surely involves, at least on your analysis, an element of dishonestly, does it not?---Perhaps, yeah.

Do you have any doubt about it or not?---Well, I followed that case closely and I actually didn't think he was guilty of what he had been ultimately found guilty of.

Well, Ms Bakis, let's respect the jury's verdict in the case - - -?---Yes.

- - - and come back to my question.---Yes.

Do you accept that the offence which I paraphrased as corruption of a Commonwealth officer involves, at least on your analysis, an element of dishonesty?---Yes.

10 Sorry, could you repeat that? I didn't hear.---Sorry, yes.

They're both of them serious dishonesty offences, Ms Bakis, aren't they?

MS NOLAN: I object. She's already answered this question, asked and answered three times now.

THE COMMISSIONER: I don't think she has answered it.

MR CHEN: I'm sorry, Commissioner?

20 THE COMMISSIONER: She didn't answer it, did she, before?

MR CHEN: Well - - -

MS NOLAN: Yes, she said yes.

MR CHEN: She's qualified it.

30 THE COMMISSIONER: You accept the proposition anyway, don't you?
---I said yes, I said yes, yes.

MR CHEN: And you didn't disclose at any stage, Ms Bakis, to the board of the Land Council that Mr Petroulias had been convicted and indeed gaoled of those offences. Isn't that right?---Richard and, Richard and Debbie knew about those offences.

I'm sorry, come back to my question, please, Ms Bakis. You did not disclose those matters to the board, did you?---Yes, I did.

40 You did. And who did you disclose it to, Ms Bakis?---To the chairman and deputy chairman of the board.

And did you do that in writing, Ms Bakis?---Yes, I - ah, no.

Right. And when do you say you told Mr Green of these matters, Ms Bakis?---Richard knew - - -

No, please, Ms Bakis, attend to my question. When did you tell him?
---I don't remember.

No. And what about Ms Dates, when did you tell her of these matters?
---She ah, it would have been around November or December '14.

Right. And where did this conversation occur?---In Newcastle.

Right. Where in Newcastle, Ms Bakis?---Ah, it was probably at Debbie's place. I don't, I - - -

10 Well, what do you mean by Debbie's place, her home?---Debbie's home.

Right. And why were you at Debbie's home?---Because when I was acting for them in late '14 I would travel up there on weekends because it's not close, so the Land Council was closed so I would see Debbie outside of the Land Council.

So in what circumstance did you disclose to Ms Dates that Mr Petroulias had been convicted and gaoled of these two offences, what did you say?
---Oh, "Nick's got a history, he's been to gaol," words to that effect.

20

Right. And what else did you say?---I don't know.

Well, presumably this was part of your role as a solicitor to make a full disclosure of such a matter. Isn't that right?---Yeah, absolutely.

Right. And what was the full disclosure that you made?---Well, I repeat again, I had, I told her that Mr Petroulias had a history, he'd been to gaol, and I may have explained that he was working at the Tax Office at the time and he'd been accused of doing various things, or convicted. I'm just
30 paraphrasing what I, what I might have said.

30

Well, there's no, you accept on your file, file note to that effect, is there?
---Sorry?

There's no file note to that effect on your file, is there?---I'm not sure.
There, there may not be.

There isn't one, is there?

40 THE COMMISSIONER: Ms Bakis, you - - -

THE WITNESS: I don't know, Mr Chen.

THE COMMISSIONER: Ms Bakis, you attended some meetings of the board from time to time. Is that right?---Yes, I did.

Did you ever disclose to the board of the Land Council anything about Mr Petroulias's criminal convictions?---Ah, the board meetings I attended were

from, would have been from March onwards and no, because they would have all known by then.

Well, but you didn't.---No, I didn't.

Well, and the correspondence in relation to the retainer of your firm by the Land Council, did you ever write to the board to advise them or the board members before the retainer was secured that Mr Petroulias had criminal convictions?---No, I didn't.

10

Well, why not?---Well, most of the board had criminal convictions as it was.

No, let's not worry about other members of the board - - -?---Well, I haven't finished, I haven't finished.

We're talking about one individual at the moment.---Okay.

Why did you not disclose at that time to the board Mr Petroulias' criminal conviction, that is before the retainer was secured?---Well, I told Debbie and Richard and I assumed that they would then go back and tell the rest of the board.

20

But why you did you not tell the board?---Because I wasn't attending the board meetings at that point.

No, but why did you not in writing advise your future client that Mr Petroulias had criminal convictions?---Because I had already dealt with it verbally.

But you hadn't addressed the board as a board.---Well, I didn't address the board at all.

30

No. Either in writing or orally as to Mr Petroulias' convictions.---No.

And why not, before you secured the retainer? Why not make full frank disclosure in that respect?---I just didn't think of it. I mean, I, I thought, you know, the way that engagement was going if I told one person, two people that was enough and they were the two most important people on the board. I perhaps, just, it was an oversight.

40

MR CHEN: An oversight that continued, though, because you never did it at any stage, did you, Ms Bakis?

MS NOLAN: I object. I mean, the questioning has really circled this issue. She told the chair and deputy chair, has said that she didn't disclose it to the board, has said it was an oversight. This question is just going over the same ground.

THE COMMISSIONER: I'll allow the question.

MR CHEN: Would you answer it, please, Ms Bakis?---Can you repeat it, please?

Well, I'll put a different question. It was an oversight that continued throughout the time that you have any association with the board of the Land Council. Isn't that right?---If you're, if what you're saying is, did I go to a board meeting - - -

10

THE COMMISSIONER: No, he's not saying that at all.---Can you repeat it again, sorry?

MR CHEN: You answered the Commissioner's question that the failure to disclose to the board was an oversight. Isn't that right?---Failure to disclose to the board in November '14. Yes.

And my question to you, Ms Bakis, was it was an oversight that continued thereafter because you did not at any stage disclose those matters to the board, did you?---Didn't I just answer that? No, that's right.

20

You're agreeing with me? You did not?---I did not do it in a board meeting.

No. At any in writing or any - - -?---Well, what is - - -

Please, Ms Bakis, allow me to ask the questions and please do not interrupt me.---Yes.

You did not in any way, shape or form disclose the matters, namely Mr Petroulias' conviction and gaoling, to the board, did you?---Can you please define board in the, in the sense that you mean it?

30

THE COMMISSIONER: Ms Bakis, are you being evasive?---No. I'm not being evasive.

Would you answer the question then?---Okay. I did tell the board.

When?---I told the board members. The board members knew.

Which board members?---Debbie and Richard. I'm sure Jaye, I'm sure I've mentioned it to Jaye.

40

MR CHEN: Well, now Jaye's involved, is she? You told Jaye Quinlan, have you?---I'm sure I did.

THE COMMISSIONER: Are you making this up as you go?---I'm under oath, Commissioner.

I'm still asking you. Are you making this up?---I am not making this up.

MR CHEN: So, is there a file note of discussions you've had with Jaye Quinlan at all about this?---No, there isn't. No, no.

No letters to Jaye Quinlan confirming that, "I have made a disclosure to you that Mr Petroulias has spent a couple of years in gaol for these offences"?
---No.

10 No. No other letter written by you sent to the board, that is, saying or setting out those matters?---No, no.

THE COMMISSIONER: Did you ever give any warning to the board or any members of the board that they should be cautious by reason of that fact that Mr Petroulias would be involved in matters concerning the Council giving his criminal background?---No.

Well, as a solicitor why not?

20 MS NOLAN: I object, Commissioner. There's no requirement on a solicitor to give a warning with respect to the future behaviour of a person based on their criminal history.

THE COMMISSIONER: Yes. I'm talking about the formation of fiduciary relationships, Ms Nolan.

MS NOLAN: There's no, I accept that.

30 THE COMMISSIONER: I'm going to ask - - -

MS NOLAN: There's no - - -

THE COMMISSIONER: Yes, thank you.

MS NOLAN: As a solicitor, the devil is in the question. As solicitor there is no requirement in my respectful submission.

MR CHEN: Well, there may well be - - -

40 THE COMMISSIONER: Could you answer the question, please, Ms Bakis.---What's the question?

Why not, why did you not - - -?---Why did I not tell?

- - - warn?---Why didn't I, why did I not caution - - -

Yes, caution.--- - - - everybody I met that Nick Petroulias was a criminal?

You know I didn't ask you that question don't you. Are you being evasive?---Oh - - -

I'll put the question again just in case you've forgotten it.---Can you please ask the question again because I've lost my thought, yeah.

Yes, I will. Why did you not at any time warn the members of the board that Mr Petroulias would be involved in matters concerning the Land Council that they should be cautious because of his criminal background?

10

MS NOLAN: I object.

THE COMMISSIONER: Ms Nolan, would you sit down, please. Stop, stop with these sort of objections.---I, it was probably an oversight. I didn't, I didn't put the importance on it that perhaps this Commission does. Perhaps I should have told everybody I came across. Perhaps I should have cautioned everyone that you're dealing with a criminal. Yes, perhaps.

20

MR CHEN: Well, of course at this time you were acting for Mr Petroulias and Gows at the same time that you were purportedly representing the Land Council. Isn't that right?---Yes.

So in that context, when you're representing your partner and at the same time purporting to represent and look after the interests of the Land Council, you didn't think it sufficiently important to disclose in writing or in any other way or warn them of who in fact they were dealing with?---They knew who they were dealing with. Perhaps my error was that I didn't put it in writing or didn't, didn't, didn't tell enough people around Newcastle. I did tell people. People knew.

30

Now, would you just have a look at this photograph. This will come up on the screen, Ms Bakis. This is Mr Petroulias is it not?---Oh, for God's sake, yes.

I'm sorry?---Yes.

And would you just look at the next photograph too, please. I'm sorry, Commissioner, could I just note that was Exhibit 42, volume 1 that photograph.

40

THE COMMISSIONER: Yes.

MR CHEN: Would you also just have a look at this photograph as well, please. Is that Mr Petroulias as well?---Yes.

All right. And we'll just have a look at this photo, please. That's you isn't it?---That's me I think.

THE COMMISSIONER: Would you identify on the record those last two photographs.

MR CHEN: I'm sorry, Commissioner. Could the second photograph of Mr Petroulias, could that just be marked for identification at this stage, namely a second photograph of Mr Petroulias.

THE COMMISSIONER: MFI 34.

10

#MFI-034 - PHOTOGRAPH OF MR NICK PETROULIAS

MR CHEN: And the photograph that Ms Bakis has identified as herself if that could be marked as well

THE COMMISSIONER: MFI 35.

20

#MFI-035 - PHOTOGRAPH OF MS DESPINA BAKIS

MR CHEN: Thank you.

THE WITNESS: It could be me. I don't know if it is me.

MR CHEN: I'm sorry?---How would I know that's me?

Just by looking at it wouldn't you?---Well, perhaps, yeah.

30

THE COMMISSIONER: You have some doubts do you?---Well, I don't know.

I'm sorry?---I'm not sure. I mean - - -

You're not sure. All right.---I don't know where that came from.

MR CHEN: I'm not asking where it came. I'm just asking if that's a photo of you or not.---It could be.

40

It certainly looks like it doesn't it?---Well, yeah.

Now, Mr Petroulias to your knowledge was also made a bankrupt wasn't he?---Yes.

And you know, don't you, that he was made bankrupt by order on 23 October, 2014?---Yeah. Okay.

You knew that though didn't you?---I did.

And he remained a bankrupt, didn't he, until discharged in March of this year?---That's right.

Now, for all of the period of the relevant dealings that you had with the Land Council, Mr Petroulias was therefore an undischarged bankrupt. Isn't that right?---Yes.

10 And that is another fact as well, Ms Bakis, that you never disclosed to the board. Isn't that right?---That's right.

Now, Mr Petroulias's birth name was Nikita Petroulias, was it not?---Yes.

And he has adopted a number of different names, hasn't he?---He has changed his name legally several times, yes.

Right. And what are the names that he's changed his name to or from?
---From, I think he's changed it from Nikitas Petroulias to Nick Petroulias to
20 [REDACTED] to Nick Peterson and then Nick, Nicholas Piers I think is his last one.

What's his current name, as you understand it, that has been registered?
---Nicholas Piers.

And so far as you know, when did he change his name to that name?
---I have no idea.

30 And are there any others, other than those, putting to one side his birth name, any other names that he has used?---I don't think so.

Well, just so this is clear, you know that he's changed his name legally on a number of occasions. Is that right?---Yes.

And they're the names that you've told the Commissioner about just a moment ago?---Yes.

40 Has he used any other names other than those that you've identified, that is, names that he may not have legally changed but simply adopted?---I don't know. I don't think so. I don't believe so.

Are you sure?---I don't know. Have I missed one?

You're giving the evidence, not me, Ms Bakis.---Yeah, I know, but I feel like I've missed one.

All right. Well, take your time and have a think about it. You've said Nick Petroulias, [REDACTED] Nick Peterson, Nicholas Piers.---Yeah, I think that's it. Yeah, they're the only names he's ever used.

And when did he change his name first?---I believe it was 2011, I'm guessing.

Is this after he's been released from gaol?---Yes.

10 And that's when he changed his name, is it, so far as you understand it, to Nick Petroulias. Is that right?---No, that happened years before.

[REDACTED]

[REDACTED]

[REDACTED]

■

[REDACTED]

[REDACTED]

[REDACTED]

■

[REDACTED]

[REDACTED]

[REDACTED]

■

[REDACTED]

[REDACTED]

MR PETROULIAS: Commissioner, can I please have, can we have a suppression order on, on this part of the evidence?

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

40

SUPPRESSION ORDER PURSUANT TO SECTION 112 OF THE ICAC ACT [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

■

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

■

[REDACTED]

[REDACTED]

THE COMMISSIONER: The last two questions and answers also will be suppressed from publication until further order of the Commission.

40 **SUPPRESSION ORDER PURSUANT TO SECTION 112 OF THE ICAC ACT RELATING TO THE LAST TWO QUESTIONS AND ANSWERS**

MR CHEN: Thank you, Commissioner. Now, Mr Petroulias was admitted at one stage as a solicitor, was he not?---Yes, he was.

And I take it, Ms Bakis, after he was convicted his name was removed from the roll, is that right?---No. He was still on the roll of solicitors in Queensland until I think the middle of last year.

Under what name?---Nick Petroulias.

All right. And where was he admitted to practice- - -?---Victoria.

10 - - - so far as you know?---Victoria but he, he actually ran during, I think between the years 2000 and 2008, he ran quite a large legal practice in Brisbane, so he was admitted in Queensland.

All right. And then was his name removed so far as you know from the roll following his conviction?---In Victoria?

Yes.---I don't think so. I think he's still on the roll.

20 And what, it was removed last year, was it, from the roll in Queensland, Ms Bakis, was it?---No. I, gosh, I, I think he's still on the roll in Victoria. I could be wrong but he was removed last year in Queensland.

On what ground?---I don't know.

You never discussed it?---How would I know these things? Oh, we discussed them but, I mean, this level of detail, I, look, I, I did see a letter last year. I think, I have a feeling what happened was, because he was removed in Victoria, he may have then subsequently been removed in Queensland.

30 All right.---I don't think he's on any roll at the moment.

All right.---If that's your question.

When was the last time, so far as you knew, Mr Petroulias held a practising certificate, Ms Bakis?---Oh, it would have been 2008. Just before he was convicted, yeah. Well, found guilty by the jury, yeah.

40 Now, Ms Bakis, I want to move to a slightly different topic. Following the arrangements between the Land Council, Gows Heat and Sunshine, substantial moneys were paid by Sunshine to Gows Heat and into your trust account. Isn't that right?---Correct.

And the moneys - - -

THE COMMISSIONER: Were you the sole person responsible for the administration of that trust account?---Absolutely, 100 per cent.

MR CHEN: And \$250,000 was paid by Sunshine directly to Gows Heat. Isn't that right?---I don't know.

MS NOLAN: Can my friend show, can my friend take - - -?---Well, I'm just, sorry, I'm not - - -

Can my friend take, I object to the question. Just before you answer it, can we taken to a document other than it being a memory test, please.

10 THE COMMISSIONER: Ms Nolan, I couldn't hear what you said.

MS NOLAN: Could the witness be taken to a document with respect to this.---I'm just, yeah. I'm just confused as to when that happened or if it happened. It may have happened.

THE COMMISSIONER: You don't dispute the amount, it was a question of when. Is that what you're saying?---Well, I, I'm just querying whether an amount's went straight from Tony Zong to Gows so I just - - -

20 Well, we'll clear it up for you.---I'm just curious. I'm not disputing that.

MR CHEN: Well, I'll take you through the detail in a moment but I'm just asking you, you know that in the basic structure that what happened is Mr Zong paid money directly to Gows Heat in late 2015?---Via my trust account?

No. I'm saying they paid directly to Gows Heat.---Oh, directly. I don't know.

30 You don't know if they paid any money?---No, I know that a large sum went through my trust account.

THE COMMISSIONER: When you say a large sum, what sort of amount? ---750,000 approximately from memory.

MR CHEN: All right. Well, that's a different amount.---No, no, sorry. I'm just - - -

40 Ms Bakis.---Sorry. I haven't slept for three days so I'm just, sorry.

Just listen to my question. I'm sorry.

THE COMMISSIONER: Look, I think you can rely on what Counsel Assisting is - - -?---Can I?

- - - putting to you in terms of the amounts of money.---So that's, that's actually what happened? If that's what's happened then that's - - -

Well, are you able to put it - - -

MR CHEN: I did put it, Commissioner, but I want to - - -

THE COMMISSIONER: Yes, I thought you did.

MR CHEN: I want to, my friend objected. I don't want to take you to the detail at the moment. I'm just asking about the general structure.

10 THE COMMISSIONER: All right.

MR CHEN: And I'll take you through your account which shows that, Ms Bakis. I'm just wanting to know what your understanding of the payment of money was at a point in time and are you not able to say now that money was paid to your client, Gows Heat, directly from Sunshine? ---Perhaps it was.

When you say perhaps, do you have recollection or not?---I don't know. It may have.

20

What was - - -

THE COMMISSIONER: You said you were solely, you were the sole person in charge of this trust account, the administration of the trust account.---We're not talking about the trust account now.

MR CHEN: It's a slightly different issue, Commissioner. Gows Heat was your client in this transaction with Sunshine wasn't it?---Yes.

30 And money was paid by Sunshine to Gows Heat wasn't it?---Yes.

Do you have any doubt about that?---No.

And it's several hundred thousand dollars isn't it?---Yeah. Okay.

Well, no, Ms Bakis, you smirk but is that right or not?---I smirk because it's not relevant to this inquiry but, yeah, we can talk about what's happening between two private parties.

40 THE COMMISSIONER: Well, Ms Bakis, I'll determine what's relevant. ---Sorry, Commissioner.

That's all right.

MR CHEN: So now that you've accepted what the Commissioner has said, that it is relevant, do you accept now that the money that went from Sunshine to Gows Heat was at the very least on your recollection a couple of hundred thousand dollars?---Yes. Is that correct? Did that actually

happen? I actually, sorry, I actually don't know. I can't answer that honestly. I don't know.

Really? So this is your client that you're representing in a transaction and you say now do you, Ms Bakis, you don't know whether it received any money. Is that right, Ms Bakis?---Yes.

Is that a serious answer to my question?---Yes.

10 You've got no recollection at all about money being paid to Gows. Is that the position?---No, money, I'm sure money was paid to Gows.

Well, let's clear up that, Ms Bakis.---Yeah, that might make things quicker, yeah.

Well, Ms Bakis, I'm grateful for your assistance so please, just attend to my question. You accept do you that money of that order was paid to your client Gows Heat by Mr Zong's company?---Yes.

20 Now, you also indicated, Ms Bakis, as well didn't you that money was paid into your trust account by Mr Zong. Isn't that so?---Yes.

And you thought that was in the order of \$750,000?---I don't know the numbers right now but, yeah.

Well, your evidence was that's what you thought it was.---Oh, yeah. Okay.

And eventually, Ms Bakis, that money has all been transferred to Gows Heat. Isn't that right?---That's right.

30 And the money that we're talking about, Ms Bakis, that eventually has gone to Gows Heat is in the order of \$1 million. Isn't that so?

MS NOLAN: Well, can't, look, can - - -

THE WITNESS: I'm sitting here like a deer in the flashlights.

40 MS NOLAN: I now object, because I have asked for my friend to put a document. He wants to explore it at a more general level, I can respect that, but at the moment his questioning is just badgering because this witness has demonstrated that she can't remember and if it's going to be fair she needs to have material put to her so that she can, her memory can be jogged and she can answer and assist.

THE COMMISSIONER: Well, Ms Nolan, the questioning firstly is not badgering, and I want to make that clear, it is not badgering. Secondly, we don't need to go to a document, we know from all the evidence to date, if we have been following it, that indeed there's an amount of almost \$1

million. We don't need a document to establish it. I thought that those who have been following the inquiry would have been aware of the fact that there's absolutely no doubt about it at all.

MS NOLAN: Well - - -

THE COMMISSIONER: It doesn't need a document.

10 MS NOLAN: That doesn't mean anything, Commissioner, with respect. This witness is entitled to have a document put to her. That's what I'm asking for. That's the basis of my objection.

THE COMMISSIONER: Yes, thank you, Ms Nolan. Yes.

MR CHEN: I can assure my friend I will take the witness to it. I'm asking about the structure of the transaction in general terms.

THE COMMISSIONER: Yes. And I'm not stopping you.

20 MR CHEN: So, Ms Bakis, do you accept that about \$1 million has been received by Gows Heat as a result of this transaction involving Mr Zong's company, Sunshine?---Sounds right.

Now, we do know that Gows Heat was your client, wasn't it?---Yes.

And that the person behind Gows Heat was in fact Mr Petroulias. Isn't that so?---Yes.

30 And you were taking instructions from him, were you not?---Yes.

And the instructions that you received were to pay money into the Gows Heat bank account. Isn't that right?---So instructions received from whom?

Well, Mr Petroulias.---No.

THE COMMISSIONER: From your client.

40 THE WITNESS: No. That was, there was a whole deed behind that, but yes. It wasn't Mr Petroulias that directed that money to be paid there, it was Mr Zong's written signed instructions.

MR CHEN: Sure. But the coordinates, the bank coordinates given to you to permit you to transact that money into that account came from Mr Petroulias. Isn't that right?---Correct.

Now, that's money that Mr Petroulias has received, isn't it?---Yes.

And this is at a time when Mr Petroulias was a bankrupt?---Hmm - - -

Well, you've accepted that, Ms Bakis.---Yes, yes, sorry, yeah.

And, Ms Bakis, what disclosure did Mr Petroulias make to your knowledge to the trustee in bankruptcy that he'd received this money?---I don't know.

MR PETROULIAS: Objection. It hasn't been established that I received that money at all.

10 MR CHEN: I thought it - - -

MR PETROULIAS: The company, Gows Heat, received the money, but not Petroulias, and in fact it wasn't even Gows Heat, it was a collection agency company, it was a collection agency trust.

THE COMMISSIONER: It will all come out, Mr Petroulias, don't worry. If it wasn't you we'll identify who received it and there's records here that establishes beyond any argument, so we'll come to that.

20 MR PETROULIAS: No, no, with respect, Commissioner, it's never been suggested that I personally in my name received the money from Mr Zong. Gows, Gows received it.

THE COMMISSIONER: Well, where do you say the money went?---To, it went to Gows Heat Collection Agency Trust. I think that was – and that's
- - -

And who, who was behind that trust?

30 MR PETROULIAS: Who was behind the trust?

THE COMMISSIONER: Were you behind the trust?

MR PETROULIAS: I was, I was the Gows representative.

THE COMMISSIONER: Yes. Were you a beneficiary of the trust?

MR PETROULIAS: No.

40 THE COMMISSIONER: Well, who was?

MR PETROULIAS: Oh, there's a trust deeds in evidence I think somewhere.

THE COMMISSIONER: No, I'm asking you, who is the beneficiary of the trust?

MR PETROULIAS: I don't recall. You tell us.

THE COMMISSIONER: All right. Thank you. Mr Petroulias, it will all become clear as crystal by the end of the investigation.

MR CHEN: Now, when was the last time – I withdraw that. Prior to 2015, when was the last time so far as you know that Mr Petroulias was in paid employment?---Oh, probably the Tax Office.

Right. And that was around, was it, 2008?---No, 1999.

10

I see. So when was the last time, so far as - - -?---No, no, sorry, that's not correct. He was a partner at Mills Oakley. I don't know if that qualifies for what you're trying to suggest here, but yeah, he was a partner at Mills Oakley in the year 2000, '99 and 2000.

And that's the last time, was it, that Mr Petroulias, so far as you knew, was in paid employment, is that right?---Yeah.

20

And has he paid – sorry, withdraw that. Has he filed, so far as you know, a tax return at any stage since 2000?---Yes, he has.

And when was the last time – I withdraw that. Did he file a tax return so far as you knew in 2014?---Yes.

Did he file one in 2015?---Yes.

Did he file one in 2016?---Yes.

30

And in 2017?---Yes.

And were you his accountant at the time?---Yes. I probably filed it as his tax agent in my recollection.

And did you disclose any of the income or the moneys that Mr Petroulias received through Gows Heat in any of those income tax returns?---So - - -

MR PETROULIAS: I object to that.

40

THE WITNESS: That's just a stupid question but I'll answer it. It's okay. It's okay.

THE COMMISSIONER: It might be in your mind a stupid question but we have an objection.

MR PETROULIAS: I didn't receive any.

THE WITNESS: It's okay.

THE COMMISSIONER: But we have an objection from Mr Petroulias. Yes, Mr Petroulias, what's your objection?

MR PETROULIAS: My objection is it's never been established that there was income according to income tax, Income Tax Assessment Act that I received at all.

THE COMMISSIONER: All right. Yes, I'll allow the question.

10 THE WITNESS: So, to answer your question, the, the income was for Gows Heat and I'm not sure if you understand how companies operate. You don't then transpose that, that income down to the individual. That's not how it works here, Mr Chen.

THE COMMISSIONER: How many shareholders of Gows Heat were there at this time?---I think there were two.

They being Mr Petroulias and who else?---I don't think Mr Petroulias was a shareholder.

20

In Gows Heat?---No.

Well, who were?---I think it changed over the years.

MR CHEN: We'll come to that, Commissioner. So, to come back to the question that I asked, none of this income or none of this money has been disclosed is a tax return. You say for proper accounting and financial reasons. Is that the answer?---Well, the money was not paid to Mr Nick Petroulias.

30

Right. And not received by him, is that right?---Well, that's a separate issue.

Well, was the money received by him or not?---Well, are you asking me that question now? Well, he - - -

Well, it sounded like it.---He probably did, he probably did receive some of the money, yes.

40 Right. So, the - - -

THE COMMISSIONER: But you say via an intermediary or an agent, a corporate agent, is that what you're saying?

MS NOLAN: Commissioner, I'm going to object because there's - - -

THE COMMISSIONER: No. Please don't interrupt at this point.

MS NOLAN: Well - - -

THE WITNESS: I, I don't think so. It's very hard without bank statements in front of me but I, the money, I don't think the money. Sorry, what was your question again? I've lost my train of thought.

MS NOLAN: Commissioner - - -

10 THE COMMISSIONER: What's your answer. You say the money went through, did not go directly to Mr Petroulias, is that the first proposition?
---Well - - -

MR CHEN: I think she said he received it.---No. The money was paid from, from Tony Zong to Gows Heat and that was the correct entity that needed to declare that income. Now, from there it was lent, it was used, it came back in, it went back out. It's been spent from what I understand.

20 THE COMMISSIONER: By whom?---It was, a lot of it was spent on United Land Councils work.

MR CHEN: I think the Commissioner's question was by whom not to whom. Who spent the money from Gows?---Well, Mr Petroulias would have spent some of it.

THE COMMISSIONER: Who else would have spent it then, if it wasn't him or apart from him?---I mean this is - - -

30 MS NOLAN: I object. I mean, this is causing this witness to speculate quite grossly.

THE WITNESS: I mean, you can't rely on anything I'm saying here without things in front of me.

THE COMMISSIONER: Well, that's your construction of what she's doing. I am wondering whether she's being direct or evasive. It's - - -?
---I'm not being evasive.

- - - not a question of speculation.

40 MS NOLAN: Well, the question's calling her to speculate, so I'm not sure how the Commission can make that assessment.

THE COMMISSIONER: And, Ms Nolan, your function as counsel is not to interrupt the cross-examination unless it's for good and proper reason. It is cross-examination, which is designed to test any witness in any forum. This is not a court, of course, but the process in that respect is the same and interruptions from counsel, unless they're very well founded, as you will know, frowned upon. Reason, it undermines the process of cross-

examination which process is designed to elicit the truth. I just ask you to abide by the normal rules that apply to cross-examination.

MS NOLAN: Commissioner, I will but - - -

THE COMMISSIONER: That question was not for her to speculate at all. I overruled your intervention, your objection. I'm going to permit the questioning to continue.

10 MR PETROULIAS: Commissioner, sorry, can we just clarify. Is counsel talking, because when he talks about receipt of money, payment of money, not a problem to discuss that, but they're not concepts of assessable income which is the concepts that he's talking – so if you could just clarify the context - - -

THE COMMISSIONER: Mr Petroulias, we don't want speechmaking, thank you very much. Your rights, your interest will be fully protected so that you can put before this investigation every piece of evidence you wish to put forward on this question of receipt or payment of moneys but I think
20 you will find that the Commission has access to all the original data or copies of the original data and it will establish the position as I said before with crystal clearness. It will be not left in any shadow of a doubt so - - -

MR PETROULIAS: Sorry, we accept, we accept that, Commissioner. Obviously you've got the information. That's not the issue. The issue is what the legal characterisation that he's asking - - -

THE COMMISSIONER: Well, we'll deal with that in submissions.

30 MR PETROULIAS: - - - that he's asking her.

THE COMMISSIONER: Yes. I'd ask you not to make speeches. You'll be given the opportunity however to make submissions at the end of the evidence.

MR CHEN: Commissioner, I did take into account Mr Petroulias's statement by asking questions which are now several questions ago about receiving money as opposed to deriving income.---No, you never said that.

40 Secondly – please, Ms Bakis.---No, you didn't.

Secondly, Commissioner, this is about United Land Councils spending money and the question which was asked by you, Commissioner, was who spent it and the witness gave evidence that United Land Councils did and I was simply taking up that issue. So, Ms Bakis, if United Land Councils was spending this money how did Mr Petroulias get it?---It was spent from Gows Heat.

And how did he get it from Gows Heat?---It was paid from various other entities that had been set up for the purposes of running United Land Councils.

What, you mean corporate entities and bank accounts associated with them?---Corporate entities, bank accounts, yeah.

And how did he get the money from Gows Heat?---There was, there was an arrangement in place to transfer the money to him.

10

And who effected that arrangement, Ms Bakis?---I'm trying, I'm trying to, I'm going through the file in my head. I'm trying to remember because we're going back, we're going back at least seven years now.

I'm not sure how that mathematics can be right but, anyway.---I don't know.

THE COMMISSIONER: Well, you're talking about transfer of money to him.---Are we talking about transfer of money, are we talking about spending money or are we talking - - -

20

Yes, the transfer of money.---The transfer of - - -

That was the expression that you used.---Well, there was no money transferred to him.

I thought you said there was.

MR CHEN: There was an arrangement.---No, you're all confused.

30

THE COMMISSIONER: You said there was an arrangement for, my note is arrangement for, there was an arrangement for transferring the money to him. Now, do you want to change that evidence?---No, that's right.

My next question is this, if it was transferred to him, bearing in mind those who were in a position to effect a transfer, besides yourself was there anyone else in a position to effect the transfer?---Oh, are you talking about me as a signatory on the bank account?

40

Well, it's either you - - -?---Is that, is that the detail - - -

- - - or somebody else who had access to the account to transfer the money. ---Oh, okay. This is where you're all coming - - -

Was there anybody else?---Okay. Yes. Well, if you're talking about the mechanics of transferring the money, I, I was able to log in and transfer money around. If that's what - - -

Was anybody else able to do it in your office?---In my office?

Well, wherever you were transferring the money from. Who had access to the account numbers and so on, was there anybody else who could have - - - ?---Oh, Mr Petroulias had, Mr Petroulias had access to it.

So he had access. He could physically transfer money?---Yes.

And you could do of course the same?---Yes.

10 Was there anybody else in the house or in the business present to do it other than one of you two?---I don't think so.

MR CHEN: Well, you were the only authorised user of that account were you not?---I was, yes.

So that involved you providing Mr Petroulias with the information to enable him to log on and - - -?---Yes.

- - - transfer money. Is that right?---Yes.

20

But otherwise you were the responsible party for that account were you not?---Yes.

THE COMMISSIONER: I'm sorry, just to be clear about it. Which account are we talking about?

MR CHEN: Gows Heat.

THE WITNESS: Who knows.

30

THE COMMISSIONER: It's the Gows heat account is it. Do you know? ---Gows Heat.

Thank you.---It's the (not transcribable) agency trust.

MR CHEN: Now, Ms Bakis, Knightsbridge North Lawyers leased premises in Burwood, didn't they?---Yes.

40 Were you hesitating on that?---Just trying to remember what name the lease was in, but yes, that's probably right.

And what was the address of the premises that were leased, Ms Bakis? ---There, Mary Street.

There were in fact two, weren't there, one of them was Mary Street? ---Yeah. I just wasn't sure if the other one was in the company name or not.

Well, the premises themselves were at number 2 Mary Street, Burwood. Isn't that right?---That's right.

And that was an apartment?---Yes.

And why was Knightsbridge North Lawyers leasing those premises, Ms Bakis?---As a, as a local office.

I see. And it required some furnishings, didn't it?---Yes, it did.

10

And you arranged for some furnishings to be purchased and delivered to that apartment. Isn't that right?---Yes.

And you, one of the things that you arranged was for example, was an ottoman to be purchased and delivered there. Isn't that right?---Yes.

And who was working in the office at Mary Street, Burwood?---It was, it, it was me and there was United Land Councils as well.

20

Right.

THE COMMISSIONER: Sorry, me and who?---United Land Councils.

MR CHEN: So who does that involve, other than Mr Peterson or Mr Petroulias?---Or Mr Piers. Um, um - - -

Which name do you prefer to use?---Petroulias. Well, at that time, actually Advantage were using it as well, Advantage Property Syndications were using it.

30

THE COMMISSIONER: Who from Advantage?---Hussein and Rose and Peter Soulios.

Hussein, Hussein Faraj, is it?---That's right.

And who are the others?---Rose Zhao.

Rose?---Zhao, Z-h-a-o. And Peter Soulios. That was, they were there occasionally. So it was me and Mr Petroulias most of the time and then we, we were leasing it out, you know, letting other people use it for offices as well to have meetings et cetera.

40

MR CHEN: And how long did you lease those premises for, Ms Bakis? ---It wasn't long, it was November, sorry, November '16 to March '17, I think, no, that's right, that's right.

In any event, this furniture that you or this ottoman that you ordered was delivered to those premises for use in those premises, was it?---Yes.

And you were there when it was delivered, weren't you?---Yes, I must have signed for it.

Yes.---I can see the thing from here.

And you also paid for it, didn't you?---I have no idea where that money came from.

10 Well, it wasn't free, let's be clear, was it?---That's not what I was suggesting, Mr Chen. I'm not stupid.

THE COMMISSIONER: Sorry, I can't hear that?

THE WITNESS: That's not what I'm suggesting, Mr Chen. I'm not stupid. It would have been put on a credit card.

MR CHEN: Now, you or your firm, Knightsbridge North Lawyers, commenced proceedings against the Land Council, did it not, in 2017?

20 ---Gosh, you just jumped a whole topic. Yes.

And you sought in those proceedings to recover outstanding fees. Isn't that right?---Yes.

And you also had instructions for and to represent Advantage or Advantage Property Expert Syndications. Isn't that right?---That's right.

And you were the solicitor on the record for not only yourself, but also for that entity.---That's right.

30

And that entity was suing on an agreement that had been apparently entered in or around June of 2016. Isn't that right?---That's right.

And that was an agreement that presumably you, as a solicitor for the Land Council, gave some advice to your clients about, is that so?---The, which agreement, sorry? The - - -

The agreement that you were suing on in these proceedings.---Oh, the Advantage syndications, yeah, with Awabakal, yes.

40

So it's clear Ms Bakis, this is an agreement or one of the suite of agreements that were signed in June of 2016, isn't that right?---That's right.

And you were the solicitor representing the Land Council at that stage, were you not?---Yes.

And you were the solicitor with the responsibility to no doubt give the board of the Land Council the advice it needed to determine whether or not it was in its interests to enter into that transaction, isn't that so?---Yes.

And notwithstanding that you were the solicitor on the record, sorry, notwithstanding that you were representing the Land Council, you saw fit, did you, to sue or represent a party to sue them under that very agreement, isn't that right?---Things don't happen in, like that, Mr Chen, so - - -

10 Well, according to this statement of claim, it does, Ms Bakis, so - - -?
---Well, it's a bit more complicated than that, so - - -

Well, let's work back and let's see whether it is complicated. You were the solicitor for the Land Council, were you not, that was responsible for - - -?
---Yes, yes.

Ms Bakis, would you be kind enough to do me the courtesy of allowing me to ask the question before interrupting me?---Yes. Yes, Mr, my apologies.

20 Now, I'll start again. Ms Bakis, you were the solicitor for the Land Council at the time the suite of Advantage agreements were entered into, apparently, in June of 2016, isn't that right?---Yes.

And one of the agreements that was entered into at that stage was apparently an agreement between the Land Council and Advantage, isn't that so?
---Yes.

And in simple terms that agreement that was entered required the Land Council to pay, upon execution of that agreement, the sum of \$300,000,
30 isn't that right?---Well, it's not that simple but, yeah.

Well, that's the effect of it that you were contending in these proceedings, isn't it, Ms Bakis?---Well, that's the effect of it but, yes, it's a bit more complicated than that.

And despite the fact that you were the solicitor for the Land Council when these agreements were signed, you didn't see it as a problem for you then to act against the Land Council in proceedings by Advantage to recover that money, is that the position?---Mr Chen, I was not acting for the Land
40 Council in March '17, when I started these proceedings.

Well, Ms Bakis - - -?---In fact, I hadn't, I wasn't solicitor for six months when I started those proceedings and, you know, I gave it a good shot at getting my money but, you know, ultimately was pressed.

THE COMMISSIONER: But, Ms Bakis, as I understand it, the agreement being sued on was drafted by you, is that right? For the Land Council.
---The cost agreement?

Well, the agreement under which this 300,000 was being sought.---Yes.
Well, that's why - - -

So you're suing, you're acting for the other party to the contract you drew up, drafted in June 2016. How could you justify and not see a self-evident conflict of interest - - -?---There is no - - -

10 Just let me finish.---No, because there's no point.

In you suing your former client on the agreement you drafted for that client in favour of the other party to the agreement.---That is such a simplified - - -

It may be simplified but it's the truth, isn't it?---No, it's, it's not the truth. I won't accept that.

Why is it not the truth?---Because it's a lot more complicated than that.

20 Why is it not the truth?---I have put reams of documents before this Commission and you should all have read them by now to know that.

Yes, well, thank you. Thank you for your advice about that.---No, but - - -

Now would you answer my question.---No, Commissioner, if Mr Chen – and sorry for using Mr Chen as an example – is not paid by ICAC in relation to his performance here, can he not sue ICAC for his fees later?

30 Now, leaving that to one side, why was there not an evident conflict of interest in you acting in these proceedings to sue your former client on behalf of your other client for \$300,000?---I don't understand. I, I - - -

You don't understand? You don't get it, is that right?---No, I just don't understand. No, I, I, I just don't - - -

40 You don't see any conflict?---No, not a conflict because it's, God, this is why, this is why this has dragged on so long. It's, I, look, the caveat was a joint caveat between – it included me and Advantage. So in order to sue, I wanted to sue the Land Council for my fees, which I am allowed to do, no conflict there. Advantage was also part of it and they just came along.

MR CHEN: And you were on the record for them, Ms Bakis.---For who?

For Advantage.---Yes, because it was just cheaper that way.

Right. So, when you said a moment ago that you weren't representing them, you were representing them, weren't you, in the proceedings.---When did I say I didn't represent them?

Ms Bakis, let me put some dates to you.

MS NOLAN: The question, she said she wasn't in conflict, with respect.

MR CHEN: No. I've moved to an entirely different topic.---Yeah, but you can't, we haven't dealt with that one.

THE COMMISSIONER: Is there something you want to add about this?
---No.

10

All right.---I don't see any point really.

MR CHEN: You see, Ms Bakis, you signed the statement of claim which was filed in the Supreme Court on 13 April, 2017, isn't that right?---That's right.

And you swore an affidavit, did you not, verifying those pleadings, isn't that so?---That's right.

20

And you were then the solicitor for not only Knightsbridge North Lawyers but representing Advantage in those proceedings, isn't that right?---Yes. That's not a dispute, that's right.

Right. Now, for you to file or to commence those proceedings, you know that you had to pay a filing fee, isn't that right?---Yes.

And you did that, didn't you?---Yes.

30

And you also applied for an order, didn't you, at the time that you filed, or at or around the time you filed those proceedings?---Order for what?

I'm asking you, did you seek an order from the court to for them to produce an order for you?---With the statement of claim?

Well, you certainly paid for the court to produce a form of order, did you not?---Oh, the, yeah. To, to make sure the caveat stays where it is until the hearings are heard, the matter progresses.

40

And so it's clear, you paid for not only the filing fee but the form of order as you described it, to maintain the caveat, is that right?---That's right.

And those fees were paid by you, were they, on or around or in and around March of 2017, is that right?---Yes.

Now, Commissioner, I may need to raise some names, so could I ask for a suppression order moving forward to this next section of the questioning of this witness?

THE COMMISSIONER: All right. In relation to the segment of evidence to follow in respect of which names are to be mentioned, I suppress until further order publication of the names.

10 **SUPPRESSION ORDER PURSUANT TO SECTION 112 OF THE ICAC ACT IN RELATION TO THE SEGMENT OF EVIDENCE TO FOLLOW IN RESPECT OF WHICH NAMES ARE TO BE MENTIONED, I SUPPRESS UNTIL FURTHER ORDER PUBLICATION OF THE NAMES.**

MR CHEN: Now, Ms Bakis, you and Mr Petroulias have two children, I think you've agreed?---Yes.

[REDACTED]

[REDACTED]

20

[REDACTED]

All right. And from time to time they have been involved in dancing lessons, have they not?---Yeah.

And one of the places that they've gone for, or that you've enrolled them to do that dancing was the [REDACTED] isn't that so? ---Probably, yeah, yep, yep.

30 Well, you're familiar with the name of that dance school, are you not? ---Yes.

And your children have attended that dance school, haven't they?---Yes.

And you've arranged for that, haven't you?---Well, we both did, yeah.

And you've paid for it of course as well, haven't you?---I don't know who paid for it but yeah.

40 All right. Now, Commissioner, could the suppression order extend to the dance school as well?

THE COMMISSIONER: Yes. The name of the dance school just mentioned?

MR CHEN: [REDACTED] Commissioner.

THE COMMISSIONER: [REDACTED] is suppressed from [REDACTED] publication until further order.

MR CHEN: Now, Ms Bakis, you have purchased furniture, haven't you, from a store called Fantastic Furniture?---Maybe, yeah.

Well, think about it. Have you purchased furniture from that store before?
---Years ago I think.

And did you buy a mattress or a double queen-size mattress and base from that store?---No.

10

You didn't?---I don't think so.

Have you in the last few years purchased a mattress and a queen-size mattress and base at all?---I don't think I have.

Not purchased any bedding at all in the last few years, Ms Bakis?---I think Mr Petroulias has, from memory.

Do you know from where?---I have no idea.

20

Do you know what sort of bedding was purchased?---I think it was a queen bed.

Have you travelled and stayed at any accommodation in the Forster-Tuncurry area, Ms Bakis?---Maybe a few years ago.

Right. And where was that?---Oh, I don't know.

Do you know the name of the place that you stayed?---No, I honestly don't.

30

Do you remember booking it?---I probably booked it.

Are you familiar with the Wallamba River Holiday Park in North Tuncurry?
---Oh, yeah, yes.

And you went there, didn't you, in June of 2016. Isn't that right?---I'm not sure. That's probably, oh, I don't know.

Well, you know you went there, you just can't be certain about the date. Is that the position?---I'm not certain about the name, I'm not certain about the, about the date.

40

Well, you know where Forster and Tuncurry are, don't you?---Yeah, we went up - - -

And you know you've been there before, don't you?---But we stayed at a motel. Mmm. Anyway, I don't know where you're going, but - - -

I'm sorry, I didn't hear that, Ms Bakis?---No, sorry, ignore that.

Well, you know you went there in that area in about June of 2016, don't you?---No. Oh, maybe.

THE COMMISSIONER: Have you been to Forster-Tuncurry in recent years?---I have. I said that. I have, yes, I have.

10 In 2016?---I thought it was earlier than that, I thought it was '15, but I could be, could be wrong.

It could be '15 or it could be '16?---Could be wrong, yeah.

Does the name Wallamba Caravan Park mean anything to you?---No.

Nothing at all. Never heard of it?---No, I'm not saying I never heard of it, I just don't remember it. We're going back three years now.

20 MR CHEN: Now, Ms Bakis, your firm, Knightsbridge North Lawyers, held obviously a trust account, did it not?---Yes.

And it held that trust account through the bank Westpac, didn't it?---Yes.

And you opened that account, didn't you, in about March of 2013?
---March? If you say so. I don't remember, but that's probably right, it's probably right.

And you're the only authorised user of that account I take it?---Yes, yes.

30 And you have been the only user of that account I take it?---Yes.

Now, Commissioner, can I tender volume 38.

THE COMMISSIONER: Volume 38. Yes, volume 38 will be admitted and become Exhibit 97.

#EXH-097 - FINANCIAL BRIEF - VOLUME 38

40

MR CHEN: Now, Ms Bakis, I'm just going to show you some of the key banking documents just to let you know the next tranche of the questions I'm going to ask you. But before I do that, Ms Bakis, I just want to ask you some introductory questions, if I might, about this deal with Sunshine. Now, you know that there was an acquisition proposal signed in the middle of 2015 involving the Land Council on the one hand and Mr Zong's company, Sunshine, on the other, isn't that right?---Yes.

Would you mind just speaking into the microphone, Ms Bakis?---Sorry, just, just seems to be on and off. Yes.

And following the execution of that agreement, an amount of \$50,000 was paid into your trust account, wasn't it?---Yes.

Now, there's been some evidence that you may or may not have been in the hearing room or you've seen on the transcript, but \$2,000 of that was paid to Mr Green.---Correct.

10

And that left a balance of, obviously, \$48,000.---That's right.

So just have a look, if you would, volume 38, page 35. And you can see around, on 13 July, 2015, Ms Bakis, that you can see there, quote, "Deposit, Sunshine," and the \$50,000. Do you see that?---Yes.

Now, if you just have a look, please, at – if you just have a look, please, now at volume 38, page 47. You can see on 26 October that there's a deposit of \$512,000 into your trust account?---Yes, yes.

20

And that's money that has been paid in or was paid into your trust account by Mr Zong, isn't that right?---That's right.

And pursuant to what agreement, Ms Bakis, was that money paid into your account?---One of the agreements, the Sunshine agreement.

Well, it was the variation agreement, wasn't it? Or you don't know?
---Okay. Variation agreement.

30 You don't know?---I don't - - -

Let's move on. It's not important.---Sorry, I just, I just don't know.

If you have a look, please, at – I'm sorry, I didn't hear that last bit, Ms Bakis.---I just don't know.

All right. If you have a look, please, at volume 38, page 55, and you can see there as well, Ms Bakis, that on 10 December there's a further deposit of \$200,000. Do you see that?---Yes.

40

And again that's money that was paid into your trust account by Mr Zong or his company, isn't that right?---That's correct.

And both those amounts were paid in following the execution of the various agreements that occurred on 23 October, 2015, isn't that so?---That's right.

So you accept that at this point there's \$712,000 that has been paid into that account by Mr Zong's company?---Yes. Yes, that's right.

On behalf of Sunshine?---Yes.

And I want you to have a look as well, please, at volume 38, page 47. And you'll see that there's an amount on 30 October, down the bottom of the page. Do you see that?---Yes.

And the sum is \$20,600.---Yes, that's right.

10 And you can see that the party who has made that deposit is described as Best Pay Custodial. It says C-u-s-t-o-d-i. Do you see that?---Yes.

Who is Best Pay Custodial, Ms Bakis?---That's a company that was set up for ULC. I think it's the company

Well, why were they paying that money into your trust account?---I don't know. I've got my trust records here. Do you want me to check?

20 THE COMMISSIONER: Who was behind this Pay Custodial?---Richard Green.

Anybody else involved?---I think he's - - -

Anybody else involved in setting up that company or involved in the company in any way?---Mr Petroulias helped set that up.

So Mr Petroulias and Mr Green you think are - - -?---Yes.

30 - - - associated with that account?---I believe so.

MR CHEN: And how did they get the bank details of your trust account, Ms Bakis?---I gave it to them.

For what purpose are they paying the money into your account?---I just told you I've got my trust records here. Do you want me to grab them so I can check?

Please do.---My memory is not that flash.

40 You just have to talk into the microphone, Ms Bakis, when you speak.

THE COMMISSIONER: Ms Bakis, just for the record you've – take a seat – you've just retrieved from your bag two bundles it looks like, or one bundle of documents. What is the bundle of documents that you've just retrieved and you now have in front of you and you're looking at?---They're my trust account records.

Trust account records.---For, for - - -

For the period that these questions have just been asked?---I believe so, yes. Yes, that's right, '15.

So they're the same as the copies in the exhibit. Is that right?---I assume so, yes.

10 Is there any purpose as to why you went down and got further copies of the same material?---Because there's 48 volumes of material and I just can't find anything in there because there's no index.

But what is it about page 47 that creates any doubt in your mind that it's not an accurate record of your trust account?---Well, the question was why was it paid.

Yes.---And I don't know. There's a reason for - - -

20 Do the documents you've retrieved throw any more light on it?---Well, I was just starting to go through them.

It's just the same copy isn't it, the same document?---No, they're trust account records so they're instructions and do you know where, why the money was paid, where it was paid.

You look up that entry and tell us.---If you're telling me there's a, there's a note in the, in the volumes that will, that would - - -

30 I'm not telling you anything. I'm asking you what - - -?---Well, that would assist me, Commissioner.

It was you who suggested you go and collect the documents from your bag which you have now done. I'm just querying what the purpose of that was and what the utility of it is. You might be able to tell me.

MS NOLAN: I think, maybe I can assist because I think it was - - -

THE COMMISSIONER: It's all right. She can answer for herself on that one.

40 MS NOLAN: These aren't the same documents as I understand it. They're just her entries as to why money was paid so - - -

THE COMMISSIONER: Firstly, could you describe what is the document you have in front of you so that we can follow what you're doing there. ---They're emails and written instructions as to what's, what the debits and credits are out of that Westpac trust account.

So these are as if were contemporaneous business records are they?---Yes.
Well, no, they're trust account records so - - -

Trust account records.

MR CHEN: Well, Ms Bakis, I don't want to take up too much of the
Commission's time. If you think it's more convenient - - -

10 THE COMMISSIONER: Those documents don't throw any light on it?
---Sorry, I'm a bit flustered.

I'll have those documents you've just retrieved from your bag marked for
identification.---Sorry? I'm not handing these over am I?

Yes, you are. Just have the documents marked for identification would you.
Just hand that to my associate if you would that bundle of documents.---Oh,
that's not relevant.

20 Madam, I'm not asking you what's relevant. I'm asking you to hand over
the bundles of documents you left the witness box and obtained from your
bag. Do you understand? The whole lot. Every one of them.---Yes,
Commissioner.

Thank you. They'll be returned to you.---Sorry, but these aren't related to
that. They've got nothing to do with that.

What do they relate to?---This is a meeting I had with the Law Society trust
investigator.

30 And the other one or other ones?---It looks like it's something else
altogether. It's another matter.

All right. Now, in future before you leave that witness box, you tell me
what you're going to leave the witness box for. Do you understand?---You
asked me to leave the witness box, Commissioner.

No, I did not. I did not.---You asked me to get those - - -

40 You perhaps had a misunderstanding. Those documents are to be marked
for identification and they'll become, what are we up to 34? 36. MFI 36.
Would you just put the binding around those and mark it Exhibit 36? Those
documents will be bound up and place in the folder marked as MFI 36.

**#MFI-036 – BUNDLE OF DOCUMENTS PRODUCED BY DESPINA
BAKIS**

MS NOLAN: Commissioner, I don't think Ms Bakis had an opportunity to locate the document she was looking for. I think there was a crossed wire.

THE COMMISSIONER: I thought she said there was nothing - - -

MS NOLAN: No, no. She was looking.

THE WITNESS: I didn't say that.

10 THE COMMISSIONER: I'll have them handed back to you in a moment.

MR CHEN: I think what I was going to say to the witness, Commissioner, was to say I didn't want to take up the Commission's time. I'm happy for her in due course to look at it or that it can be done at another more opportune moment, Commissioner. I don't know what's - - -

THE COMMISSIONER: Yes. I think that's the better course, yes.

MR CHEN: Yes.

20

THE COMMISSIONER: All right, you press on.

MR CHEN: Now, Ms Bakis, would you just have a look on the screen please. I'm just going to ask you to identify the various withdrawals that have come from this account. Now, would you have a look please at volume 38, page 43 and in particular – just pardon me for a moment. There we go. And you'll see there's an entry on 22 September, 2015 and you can see there's a withdrawal cheque, \$2,000. Can I suggest to you that that's in fact the cheque that was directed to be paid to Mr Green?---Yep. I trust you
30 on that, yep. It sounds about right.

If you have a look then, please, at volume 38, page 47, you'll see on 29 October, 2015 an entry of \$6,666 and you can see a reference, "Awabakal Fernree." Do you see that?---Yes.

And that was a payment, was it not, to Mr Sayed, do you agree?---Agree.

Now, would you have a look please at volume 38, page 48 and you'll see an entry on 30 October, 2015, \$20,000 was paid to Gows Heat. Do you see
40 that?---Yes, I do.

And on 2 November, 2015, which is volume 38, page 51, you can see that there is a payment of \$26,666 to Gows Heat?---Yes, that's right.

And would have a look then, please, at volume 38, page 55 and the entry on 3 December, 2015. Do you see that?---Sorry, what date was that?

3 December.---Yes.

And that's a payment to Gows Heat of \$400,000, isn't that right?---Yes.

And would you have a look please, just a little bit further down, 22 December, 2015, you'll see, there's a payment of \$327,268 again to Gows Heat. Do you see that?---Yes.

THE COMMISSIONER: What page is that in - - -

10 MR CHEN: 55, Commissioner.

THE COMMISSIONER: Yes. Volume 38, page 55.

MR CHEN: So, for the moment just including \$20,600 that came in from Best Pay, you would accept, would you not, Ms Bakis, having seen these various transactions, that the money that was in fact paid out from your trust account to Gows Heat was about \$770-odd thousand?---Yes.

20 And that money that Gows Heat received from your trust account was in addition to the money that Gows Heat received directly from Sunshine? ---Yes.

Which your best recollection, and I will take you in a moment to it, was at least a couple of hundred thousand dollars?---Yes.

So, the money that we're talking about that Gows Heat received from this episode involving Sunshine was around a million dollars?---Yes.

30 Now, Ms Bakis, the money that was paid into your trust account by Sunshine was money that was directed to be paid to Awabakal, isn't that right?---Can you say that again?

The money that was paid into your trust account by Sunshine, specifically the amounts of \$512,000 and \$200,000 and the \$50,000 were all moneys for the benefit of the, or paid into your account for the benefit of the Land Council. Isn't that right?---No, that is completely incorrect.

40 And why do you say that, Ms Bakis?---Money was paid into the account for the benefit of Gows Heat.

And you don't accept that at any point that any money paid into your trust account was for the benefit of the Land Council. Is that right?---Absolutely not, because if it had been, it would have been paid to them.

And so it's a bit of an oddity then, isn't it, that a certain sum of money is paid directly to Gows Heat but unconventionally I suppose, or unusually, large sums are paid into your trust account which then have to be remitted back to them. Is that what you say is the explanation for all of this?

MS NOLAN: I object to the question.

THE WITNESS: Sorry.

MS NOLAN: It doesn't make sense is the first objection.

THE WITNESS: Yeah, I don't understand that, you'll have to rephrase that, sorry, Mr Chen, I don't - - -

10

MR CHEN: All right.

THE COMMISSIONER: Yes, don't worry - - -

MS NOLAN: And the, and the second, the second - - -

THE COMMISSIONER: It's all right. No need for speeches.

MS NOLAN: No. The second basis is, and maybe it'll assist - - -

20

THE COMMISSIONER: Madam, sit down. The question's been withdrawn. Yes.

MR CHEN: As I understand what you say, Ms Bakis, is that Sunshine saw fit to at least pay some money directly to Gows Heat but the balance came in stages through your trust account. Is that right?---Yes, for the benefit of Gows, yes.

30

Right. And so at all times you saw fit to release that money to your other client, Gows Heat. Is that right?---On the instructions of Tony Zong, yes.

Right. And only Tony Zong. Isn't that right?---And only Tony Zong.

Yes. Now, in that way I take it, that explains why you didn't provide any disclosure to or trust account statement to the Land or the board of the Land Council. Is that right?

MS NOLAN: I object. I mean is it, is it at large or is it specifically in respect of the Gows money? Can we be specific, please?

40

MR CHEN: Well, it's money that's paid into the trust account, Commissioner, I - - -

THE COMMISSIONER: I'll allow the question.

THE WITNESS: The, the trust account ledger was opened in the name of Gows Heat and there was no need to report to Awabakal in relation to

money that was mean for Gows Heat. That was very clear from the documents.

MR CHEN: So the answer to my question is yes, you didn't provide a trust account statement to the Land Council because you say it was never their money. Is that right?---Yeah, and I didn't have to, yes.

10 And I take it that then explains why at no stage you've disclosed receiving – just, you don't need to flick through those documents at the moment, Ms Bakis.---Sorry, I was just, I just had a memory thing. It's okay.

And I take it that your evidence about how you understood the arrangements explains why you never disclosed at any stage to the board that money had been received into your trust account. Is that so?---The - - -

MS NOLAN: I object to the question. I mean she said that the ledger was open in respect of Gows and that explains that. Is my friend's question in respect of something else?

20 THE COMMISSIONER: I'll allow the question. Do you remember the question?---No.

Well, with all these interruptions I'm not surprised you don't remember it. Can we have the question again?

30 MR CHEN: Of course, Commissioner. I'll withdraw the question, Ms Bakis, and I'll put it so that there's no misunderstanding. Your characterisation of the arrangements therefore explain why at no stage you've disclosed to the Land Council at any time that this money had been received into your trust account?---I had told Debbie and Richard that this money had been received. They knew that this was part of the deal, that Gows would be paid first. There is no re-characterisation. Is it plain. It is black and white that that money was not for Awabakal, it was for Gows.

And Gows were being paid because they were forgoing do you say some legal interest in an agreement. Is that the position?---That's correct. Like a commission but instead it was that, yes.

40 And what they were being paid for was forgoing the legal right that you say existed in the agreement between Gows Heat and the Land Council, is that the position?---Yes.

Now - - -?---Well - - -

You also had, did you not - - -?---No. Tony Zong had signed agreements agreeing to pay that money to Gows. It goes further than that. It's not just the way I characterise things. These are legal documents.

Well, that's so, but what I'm asking you about is moneys being paid to Gows Heat because it is forgoing what you say is a legal interest in the Gows Heat agreement, isn't that right?---Yeah.

Well, what else are they being paid for, Ms Bakis? I mean, it's got to be right, hasn't it?---Well, it was in effect a commission. If it wasn't that, it would have been a commission. Money would have been paid to Gows either way.

10 Well, let's deal with what is fact, Ms Bakis. There is a Gows Heat agreement which you know about, obviously, don't you?---Absolutely.

And what you are saying to the Commission now is that the moneys that were being paid was forgoing Gows Heat's interest in the Gows Heat heads of agreement entered on 15 December, 2014, isn't that right?---That's correct.

20 And the legal interest was the option to buy these five properties that we've spent a good deal of time about over the past months, isn't that so?---That's right.

Now, you also had a K&L business or general account, did you not?---Yes.

And that operated, again, with the same financial institution, namely Westpac, isn't that so?---That's correct.

And so long as you've run your practice you've, in addition to your trust account, obviously had that business or general account, is that so?---Yes.

30 Now, if you look at volume 38, page 55, please, you'll see that on 3 December a deposit is – I withdraw that. On 10 December – I'm sorry, I'll have to come back to this. Just my cross-referencing is wrong, Ms Bakis. But do you recall that on 3 December money was actually transferred from the K&L general account into the trust account?---Let me just check this statement. One sec. Well, no. The answer is no. Oh, the 400,000?

No, I'll put it a little bit more exactly, Ms Bakis, and you can check your records.---Oh, I know what you're talking about, yeah.

40 On 3 December an amount of \$200,000 was deposited into the K&L business general account with Westpac.---That was an error. It was - - -

Yes, correct.---It was deposited into the wrong account.

Yes. And on 10 December that amount was transferred into the trust account, was it not?---That's correct, yes.

And that's what you can see on volume 38, page 55.---Yes.

Now, Ms Bakis, you also opened, did you not, another account on behalf of K&L, didn't you?---A Macquarie account.

Yes. And you opened that, did you not, in January of 2016, isn't that right?
---Yes.

Why did you open that other account, Ms Bakis?---I don't know. I must have been unhappy with Westpac. I don't know.

10

Well, the Westpac account is still open.---Yeah, not used much, though.

Right. Well, as I understood it – I'll withdraw that. You opened that account, the Macquarie account, did you not, on 10 January of 2016. Does that sound about right?---Yeah, sounds right.

And you are the only authorised user of that account, isn't that so?---Yes.

20

And so it's clear, you still have the Westpac general account open, don't you?---Yes, I do.

And when do you say that you've, in effect, stopped using that general account for your legal work?---I, I still use it but I, I'd say towards the end of '16, early – oh, early '17, perhaps.

Well, throughout 2016 your only legal client, as far as I understood your earlier evidence, was the Land Council, isn't that right?---Well, is that what I said? Yeah, okay.

30

So the accounts, in any event, really don't have much function, do they, when you actually don't have any clients.---I did have clients but they weren't paying money.

I see. But I understood your earlier evidence to be that the only client that you had in 2016 was the Land Council.---Yeah, I might have said something like, yeah, they were probably my, yeah, I, yeah, I probably did say that, yeah. But, I mean, United Land Councils was also, was also a client.

40

And what did they do in terms of - - -?---They spent money, Mr Chen.

Ms Bakis, I really must remind you.---Sorry.

Do me the courtesy of allowing - - -?---I do apologise.

THE COMMISSIONER: Just try and observe that rule from now on, will you?---Yeah, I'm sorry.

Because it keeps interrupting the flow of the proceedings.---I do it to everybody. Don't take it personally.

Yes, well, don't do it here.

MR CHEN: Now, Mr Green has given some evidence before the Commission that the United Land Council – that apparently he had some association with – never derived any income at all.---That is a hundred per cent correct. Well, apart from – no, that's right.

10

So it really doesn't have much purpose, does it, to be pushing money through your bank account. Or does it?---In terms of my earning fees?

Yes.---No, apart from the fact that I was, I was asked to pay expenses for them.

Right. Who asked you to do that?---Mr Petroulias.

I see. And what sort of expenses were you to pay from that account?

20

---From the Macquarie account or the Westpac account?

No, the Macquarie account.---Trying to memorise bank statements in my head.

I'm not asking about a bank statement, Ms Bakis. You volunteered that you had to pay expenses and we're just exploring that topic.---I don't recall.

Sorry.---Just hang on. Did you, are you asking about '16 or just generally.

30

THE COMMISSIONER: Talking about '16.---I honestly don't recall. I know that there were expenses paid through there but I – perhaps rent.

MR CHEN: Well, were you the only one operating this account, Ms Bakis?---No.

Who else was?---Mr Petroulias.

I'm sorry?---Mr Petroulias.

40

So you gave him the account user information to enable him to use it, is that so?---Yes, it made things more efficient.

And so, what, he was using it for the United Land Council work, was he?
---Oh, look, I, like I said to you, I don't know what went through there. If I see it, I can probably explain it. But the Gows Heat log-in and the Macquarie log-in, the Knightsbridge log-in are the same, one and the same for Macquarie, so, yeah.

Well, let's have a look, Ms Bakis, and perhaps you can assist the Commission. If you have a look at volume 38, page 314, you can see that this is the statement for the period 1 January '16, or actually it's from when the bank account opened until 30 June. Do you see that?---Ah hmm. Yes, yes.

And you can see straightaway that the money that's been put into this account, or funding this account, is from Best Pay Custodial. Do you see that?---Yes, I do.

10

So why were you getting that \$94,000 on 25 and 28 January, Ms Bakis?
---Because this account was like a paymaster account, so it would receive money and then it would funnel money back out.

Well, you may have to simplify that for me, Ms Bakis. Why is Best Pay Custodial paying money into your Knightsbridge North Lawyers Pty Ltd bank account?---Okay, okay. The, I had paymaster, so I had authority to pay expenses on behalf of this company. Now why it was done like that, I don't know. The money came in and it went out.

20

Well, but Ms Bakis, this is \$60,000 coming in on 25 January, 2016. Why is it paying you or your account that money? This is not paying anybody. This is you receiving the money.---Okay, so for the third time. So, I had authority, I received money and I had authority to spend the money on their behalf.

Okay, so when, when you say you had authority, from who?---Mr Petroulias, Mr Green, whoever was giving me instructions to pay for stuff.

30 THE COMMISSIONER: Well, who was giving you instructions?---Best Pay, that would have been Mr Petroulias.

Hmm?---Mr Petroulias.

MR CHEN: So he - - -

40 THE COMMISSIONER: And – sorry to interrupt. What explains the two amounts that came in large amounts? 60,000 on the 25th and three days later \$34,400 comes in to a total of \$94,400 in three days. It's a lot of money to come in, isn't it, just to pay expenses?---Pay their expenses.

Especially when you don't know what the expenses are going to be.
---Parallel universe.

You smile.---Sorry, no, I'm just - - -

Is there something amusing about - - -?---I didn't even look at this because I just don't understand how this is relevant to anything but I will answer the

question. So, again, this account was, this was not an operating account for the business. This was, this was set up exclusively to be like a paymaster account.

You've said that, yes.---Okay. So, if they wanted to transfer money in, transfer it in and then it went out and you'll see on 4 February that some of it goes back out.

10 Surely Mr Petroulias must have discussed it with you and said, "Expect \$94,000 to be coming in in the next three days"?---Yeah.

Well, why was he putting that amount of money in?---It's his money. It's Best Pay's money. He can do what he wants with it.

Yes, but why was he putting it into your company's account?---It's just a company bank account.

But why?---It's not a trust account. It's just a company bank account.

20 I think I understand that point. What I don't understand is why he would be transferring \$94,000 in two lots within three days. He must have said something to you about it, which would explain why he was about to do that.---You'd be surprised. (not transcribable) I don't remember. He probably did, he must have, he would have but I don't remember what it was.

Was it commonplace for you to receive large amounts of money like that into your account? It's not an everyday occurrence, is it? \$94,000 in three days. He must have said something to you.---He probably did.

30 And do you remember?---No.

That's your evidence is it, on your oath?---Is there something I should know about this money.

You haven't a clue? He didn't say anything to you?---No. I'm, no, this is my evidence, is he probably told me, I have no idea what it was.

40 Probably told you, that's not surprising given the amount of the money but you say you don't remember what he's told you?---I don't remember what he's told me. You know, "Look, there's, there's, I'm, transferring \$94,000 to your account, can you leave it there and spend it as I direct?" It's not my money, it's not my money. I didn't spend it.

MR CHEN: Ms Bakis, I did ask you earlier why you opened this account and what you told the Commissioner was that maybe you were unhappy with Westpac and that's why you set this up.---Well, well maybe I needed a separate account threat, promise run my paymaster part of the business.

Well, this is – the paymaster is not part of the business as I understood your evidence to the Commissioner a moment ago. It's got nothing to do with you, it's Mr Petroulias. So, what's the position?---I'm so confused. Money comes in, the money goes out.

Well, we understand that, Ms Bakis.---Well, yeah well - - -

10 And let's move on from that.--- I'm not sure what you're wanting me to say here.

Well - - -?---You obviously what me to say something, I don't know, you've got to lead me to it.

20 No, I don't, Ms Bakis, please. I asking you questions about why this account has been opened and I understood your evidence when I first asked you about this bank account to say you don't know why this account was opened, perhaps it was unhappiness with Westpac. So, now it's got some other function, does it?---I generally don't like Westpac as a banking online thing. I don't like them, they're slow, everything's clunky, you can't get good reports. I preferred Macquarie. So, the choice of having it there - - -

Well, you didn't have a Macquarie account, did you? You have another account, did you?---I had, well, I was a signatory to the Gows Heat account.

Right. Okay.---Which was run through Macquarie so this was easier that, that I segregated all this stuff into the one bank.

30 So this account, this Knightsbridge North account has no connection to your work as a lawyer during 2016. Is that the way your evidence should be understood?---No.

So it does have a connection does it?---Well, I suspect that there's expenses paid from here. I expect that there were fees paid into here.

Why then, coming back to some of the earlier questions, why is on 25 January \$60,000 coming into this account?---From Best Pay. I don't know. I've already answered this. I don't know. I don't recall.

40 Are you keeping - - -?---I don't recall. I can, I can sit here for the next three hours trying to remember. I may never remember. I don't recall.

Well, do you keep a trust account record that says why you're getting - - -?
---This is not a trust account, Mr Chen.

Ms Bakis, please. We have gone through this. It's very important that you allow me to ask a question without talking over me. Do you understand that?---Yes. My apologies.

Now, did you keep a trust account record for example for this \$60,000?

---Yes, I did.

You did, did you. So this is in the material that you've produced to the Commission is it?---No.

All right.---This isn't a trust account.

10 I thought you just said you did keep a trust account record for the \$60,000?
---It's a paymaster account - - -

Sorry?--- - - - of your paymaster records. I didn't want this to be trust account. I did not want to be doing this sort of trust accounting on a daily basis.

So this is not money you're receiving under the Uniform Law on behalf of - - -?---No.

20 Ms Bakis, please.---Sorry, sorry. I'm sorry. I'm sorry. I just - - -

This is not money you're receiving from Best Pay Custodial under the Uniform Law that requires you to keep that \$60,000 in a separate account for Best Pay is it?---No.

So you don't have a trust account record for that sum of money obviously do you?---No.

30 And it's not controlled money is it under the Uniform Law, Ms Bakis, is it?
---No. No.

So it's money that's put into your account by Mr Petroulias and you can't say where he got it from can you?---Best Bay. Oh, it would have been money from the Gows Heat transaction.

So is this the position then that all the money – I withdraw that. What other income does Best Pay derive to your knowledge, Ms Bakis?---I wouldn't have a clue, Mr Chen.

40 But you do know that this \$60,000 has come from Gows Heat?---I believe that's where the money has come from.

For all of Best Pay's transactions. Isn't that right?---Well, I'm not a director. I don't operate that company so I wouldn't know.

But you certainly know 25 January, 2016 is from Gows, do you?---Well, I'm guessing, yeah.

So what were your instructions then to do with it?---Okay. Let's go from the first to the second, transfer 5,000 to Ferntree, 400 to Taj Property Group, 600 to WebNext. Do you want me to keep going?

Well, I can read the statement. I'm asking you what your instructions were. Do you say then, Ms Bakis, because you've decided to read out part of the debits column of this bank statement that you were given instructions by Mr Petroulias thereafter to dispose of the money or disburse it in line with the debit transactions that you can see. Is that the position?---Yes. The transfer to WebNext might be slightly different but, yeah.

Well, I want you to assume for me, Ms Bakis, that the entry on 12 February, 2016 is from the United Lands Council. Do you see that, that entry \$45,700?---Yes.

Why is that money being put into your account, Ms Bakis?---Because it's a paymaster account and that's where they wanted to put the money so that they can transfer it to other places.

20 Ms Bakis, the Commission knows that it has its own bank account so why are you agreeing to be a participant in money coming in and money then being disbursed presumably to a range of other parties of which you know next to nothing about?---Well - - -

THE COMMISSIONER: I think what the question is designed to say is what's the story going on behind the operation of - - -?---I've told you.

No, just what's the real story going on behind the operation of this account, and in particular these large deposits of money into it?---I don't know. I really don't know.

Don't know. You see in addition to the last payment you've just been referred to, a deposit of 45,000 on 12 February, if you turn over the page to the next page you'll see on 12 February there's a further amount, \$11,000, it's the same day, I think it is, an then on 12 February, the net day, 60,000 comes in.

MR CHEN: Again from Gows Heat, Commissioner.

40 THE COMMISSIONER: Gows Heat. That's right. Is it coming from, is it Gows Heat money as you understand it?---Probably.

Then Best Pay Custodial on 12 February, \$35,000 going in. So you've got 100,000 coming in, in the space of about three days. This is not usual or customary, is it, these are extraordinary deposits, would you not agree, in terms of the amounts?---I would agree, yes.

MR CHEN: But, Ms Bakis, let's be clear. These credits – I withdraw that. At least until May of 2016 you did not fund any of this account, did you?
---No.

That is to say the credits are not your money, are they?---Until when, sorry?

Well, May. Well, just look at the first - - -?---Can you just scroll through quickly?

10 No. Just answer my question if you would.---Okay.

Let's have a look at 314. The credits in that account are not moneys that you've made any contribution towards. Isn't that right?---That's right.

And if you turn then to page 315 you can see for example, 12 February, there are credits of slightly over \$105,000, \$106,000. Again, that's not your money, that's somebody else's money coming into this account. Isn't that right?---Yes.

20 Gows, Mr Green, Best Pay. Isn't that right?---Yes.

This is all money that has its source, doesn't it, Ms Bakis - - -?---Yes.

- - - at Gows?---Yes.

Isn't that so?---Yes.

But it's coming into this account and being paid out.---Yes.

30 And you can see further down the page, Ms Bakis, again, 2 March, you can see that there are other credits, 25,000, 6,500, 7,600. Do you see those?
---Yes.

Again, this is not your money at all, is it?---Ah, no.

This account, on what you tell the Commissioner, has no – I withdraw that. This account is not being operated by you to operate your legal business at this stage. Isn't that right?---Not at this point.

40 And so some of the other expenses that at least have been incurred, to the extent they're not to some of these people at the direction of Mr Petroulias or you say Mr Green, are all expenses that have been disbursed by this account not funded by you. Isn't that right?---No, just, or borrowed. So if I've paid for example WebNext I would have borrowed that money.

Borrowed from who?---Whoever put the money in.

Right. So you're borrowing money, are you, just by flicking through page 314, Best Pay Custodial, Gows Heat, Mr Green for example. Is that your evidence?---Yes. If that, but I haven't analysed this account. I don't know what the net result is when we add up all the debits and the credits. I think we'd get pretty even.

10 Well, you're pretty close to that, Ms Bakis, actually, they are pretty even, because I can suggest to you that in the period of January 2016 to February 2018, there are 141 deposits totalling just over \$3.7 million.---Between what period, sorry?

January '16 and February '18.---Yes. Okay.

Where is all that money coming from if those figures are - - -?---It's probably - sorry. Are you finished, sorry?

I have, Ms Bakis.---It's the same money going round and round, I suspect.

20 THE COMMISSIONER: Could you just explain that one? We're talking about \$3 million plus. What do you mean by that last answer?---So for example, you know, if 60,000 comes in on 12 Feb, the 20,000 that goes out, oh, I don't know. I don't know. There could be a payment of 40,000 the next month which goes back to the same place, because that's what I was directed to do.

You were directed by who?---Mr Petroulias.

What was the rationale behind all of that?---I don't know.

30 MR CHEN: Well, you're an accountant. You must have a bit of an idea of why money is just being circulated through this account. Why?---I don't, I don't know why he didn't leave it in one place and just spend it from there. I don't know.

That's a simple answer, isn't it, if you - - -?---Yeah. This is another way to do it which complicates your life. I don't know why he does that.

40 Well, it might have another explanation but you say, one, it's just to complicate your life, but - - -?---I'm not suggesting that's what it is. You'll have to ask him.

Well, you certainly - one of the things you could do if this is money that you received from, say, a legitimate transaction is just leave it in a bank account and spend it as and when you need it.---That's right. That's what I would have done.

But in fact you've been - sorry, did Mr Petroulias direct you to open this account or did you offer to do it?---I think I offered to do it.

Offered him to do it?---No, I, I'm pretty sure it was my decision.

Just out of the blue on 10 January, 2016 you thought you'd open a Macquarie account?---It's getting repetitive. So I suspect what had happened was the Gows money was in Macquarie and I just preferred that platform. It was just an easier way to bank.

10 THE COMMISSIONER: You see, if these are funds being controlled by Mr Petroulias coming in from one account to another, and it's going from a company account that he's associated with but it's being transferred into a law firm's account, Knightsbridge North Lawyers Pty Ltd, is there some subterfuge involved in him wanting to, as it were, take cover under the name of a law firm?---No. That's a stupid place to hide, isn't it, in my law firm or my accounting firm? That would be the last place you'd try and hide money, as we can see here.

20 Well, we're trying to see a logical and rational explanation for these large amounts of money coming through. Are you - - -?---Well, that, that wouldn't be it. I can assure you, Commissioner, that's not it.

That's not it. All right. So - - -?---That's, that's the dumbest place to try and hide money.

Well, the explanation is yet to be found.---Right.

MR CHEN: Well, it's not hiding it. It's putting it in, taking it out, putting it back in.---That's right.

30 Isn't that what it is?---Yeah, that's right. Not hiding. That's, I, I, that's why I said to you I, that's not what I do. It's, it's complicated.

Just to complete this, that I think I put to you there was 141 deposits totalling just over 3.7 million. There are in fact 368 withdrawals in that same period, January '16 to February '18, with a similar total, \$3.716 million.---Which confirms what I was saying. Money goes in, money goes out. So nothing.

40 THE COMMISSIONER: Sounds like a washing machine to me.---Yeah, that's one way to look at it, yeah.

MR CHEN: Commissioner, I'm about to move to a new topic. Is that a convenient time?

THE COMMISSIONER: Yes, well, I think we'll take a slightly earlier mark today. Ms Bakis, you'll be required tomorrow, 10 o'clock, if you wouldn't mind. Now, as to the documents that were last marked, the bundle of documents, could I arrange for the Commission staff to look at the

documents to see if they're of any utility to our investigation? And if not then they'll be returned tomorrow morning.

MR CHEN: Yes, Commissioner.

THE COMMISSIONER: Is that satisfactory to you, Ms Bakis?---Um - - -

Do you need them overnight, in other words, for any reason?---No.

10 All right. Well, they'll be in the trusted hands of the Commission officers and they'll be returned to you in the morning. And if there's any copies taken of them, you'll be advised as to what documents have been copied. All right. I'll adjourn.

THE WITNESS STOOD DOWN

[3.59pm]

AT 3.59PM THE MATTER WAS ADJOURNED ACCORDINGLY

20

[3.59pm]