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INDEPENDENT COMMISSION AGAINST CORRUPTION

STEPHEN RUSHTON SC
COMMISSIONER

PUBLIC HEARING

OPERATION GERDA

Reference: Operation E17/0445

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON MONDAY 11 FEBRUARY, 2019

AT 10.00AM

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

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

THE COMMISSIONER: This public inquiry is being conducted for the purpose of an investigation of allegations or complaints of the following nature. First, whether from January 2009 to the present staff of Sydney Night Patrol & Inquiry Company Pty Ltd, otherwise known as SNP Security, and/or SNP's subcontractor, S International Group Pty Ltd, otherwise known as SIG, have dishonestly obtained a financial benefit from the University of Sydney – a public authority with which SNP Security had a contract to provide security services – by creating false entries on daily time sheets and submitting these for payment to the University of Sydney.

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Second, whether any employee of the University of Sydney dishonestly obtained a financial benefit from or acted partially in exercising their public official functions for the benefit of SNP Security and/or SIG and/or any of their employees.

Third, whether SNP Security and/or SIG and/or any of their employees engaged in conduct that adversely affected or could have adversely affected the exercise of official functions by the University of Sydney and/or any employee of the University of Sydney in the exercise of their official functions and which could have involved bribery and/or fraud.

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And finally, whether any employee of the University of Sydney and/or SNP Security and/or SIG engaged in conduct that impaired or could impair public confidence in public administration in that it involved dishonestly obtaining or assisting in obtaining or dishonestly benefiting from the payment or application of public funds for private advantage.

The Commission is publicly live streaming this public inquiry. The live stream is provided on the condition that it is not recorded, published or shared in any form, and I so direct. This includes video and audio recordings and still images from the live stream. However, media representatives may publish live-streamed material on the condition that it is not used or permitted to be used for any purpose other than public reporting of the proceedings of the Commission. Failure to abide by these terms and conditions may result in the live streaming being discontinued. The live stream may be muted or suspended at any time, including when the Commission has exercised its power to exclude the public from any part of the hearing and/or where a relevant non-publication order is in place. Any person who wishes to make any application for a non-publication order under section 112 of the Act should indicate that intention in general terms. The live streaming will then be suspended pending the making of the application and its determination. There's a 30-second delay in the live streaming. Any application for a non-publication order in relation to evidence being given by a witness must be made within that 30-second period so that the live stream can be suspended before the relevant evidence has been streamed.

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Now, Mr English, you appear to assist the Commission in relation to this inquiry?

MR ENGLISH: I do, Commissioner.

THE COMMISSIONER: We'll hear from Mr English in a moment and then I'll adjourn for about 15 minutes, and then I'll say a few words concerning how this public inquiry will proceed. I'll then take applications for authorisation to appear. Yes, Mr English.

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MR ENGLISH: May it please the Commission. The supply of security guard services to the University of Sydney pursuant to a contract between the university and Sydney Night Patrol & Inquiry Co Pty Ltd, which I'll refer to as SNP, and further pursuant to a subcontracting arrangement between SNP and S International Group Pty Ltd, which I'll refer to as SIG or "sig", is of interest to this investigation. More precisely the investigation is focused on the payment of public funds under the contract in circumstances where subcontracted guarding services purportedly provided and billed by SNP to the university were either not performed or

20 purportedly performed by guards whilst also undertaking their rostered shifts or in circumstances where fatigue management requirements under the Security Services Industry Award 2010 were routinely breached.

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The affected persons for the purposes of this public inquiry are principally as follows. Daryl McCreadie, who was the SNP site manager stationed at the University of Sydney's Camperdown Campus. Emir Balicevac, who was second-in-charge to Mr McCreadie at the university. Frank Lu, who was an SNP team leader stationed at the university and was also made responsible by SIG for managing its roster of security guards. For the purposes of his SNP position, Mr Lu reported to Mr McCreadie. Dennis Smith, who was the security operations manager at the University of Sydney, to whom Mr McCreadie reported. Taher Sirour, otherwise known as Tommy Sirour, who was the director and CEO of SIG. Mr Sirour is presently overseas but was offered the opportunity of participating in this investigation. He has declined to do so. Lynn Li, who was the chief financial officer, or CFO, at SIG.

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The types of misconduct under investigation principally concern fraud, the giving and receiving of corrupt commissions or awards, and offences under the Security Industry Regulation. The fraud aspect relates to financial benefits dishonestly obtained in connection with shifts which were either not performed or purportedly performed using another guard's name and security licence number. The fraud occurred by security guards creating false entries on daily site time sheets, which were later used for the basis for rendering invoices. This type of behaviour involving false entries on daily site time sheets – which may separately amount to breaches of security class 1 and master licence conditions and/or an offence of impersonating or

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falsely representing that a person is a licensee under the Security Industry Act – is known in the industry as ghosting or passing off.

Other team leaders and control room operators, including George Boutros and Mina Boutros, who each would routinely claim hours using other ghost guards' details, are affected persons insofar as concerns the time sheet fraud and such potential contraventions of the Security Industry Act and the Security Industry Regulation.

10 The evidence suggests this type of misconduct manifested itself in the following forms. First, occasions when additional or ad hoc shift work was purportedly performed using a SIG ghost guard's details and payment claim for the shift by a security guard but in circumstances where the work was never performed. This includes on occasions where Messrs Balicevac, Lu and McCreadie claimed payment for shifts using ghost guards' names when they were on leave and, in Mr Balicevac and Mr McCreadie's respects, absent from Sydney.

20 Secondly, occasions where a guard who was rostered on duty purported to undertake further chargeable security tasks using a SIG ghost guard's details while still performing their primary shift.

Thirdly, occasions where guards would perform additional shifts outside of their rostered work period using a SIG ghost guard's details as a means of circumventing fatigue-prevention limits under the Security Services Industry Award.

30 Whether it be because a shift was never performed, was not adequately performed or was performed by a guard while fatigued, these three forms of misconduct each had the capacity to create appreciable security risks at the university in terms of student and campus safety.

40 The evidence suggests that those principally responsible for the time sheet fraud were Messrs Balicevac and Lu, and to a lesser degree Mr McCreadie. When the personal time sheets of the affected persons are examined, the following pattern of behaviour is apparent. Mr Balicevac would fraudulently claim hours using ghost guards' details for both himself and Mr McCreadie, but principally for the benefit of himself. Mr Balicevac would also share hours fraudulently claimed for the benefit of Mr Lu and occasionally other team leaders. On occasion, Mr Balicevac would also claim payment for himself in respect of ad hoc tasks performed by other guards. Mr Lu would share hours fraudulently claimed using ghost guards' details for the benefit of himself and George Boutros, and occasionally for the benefit of other team leaders. And to facilitate the payment of overtime, team leaders and control room operators would claim hours using ghost guards' details for the benefit of themselves, but would not typically share hours amongst each other.

The corrupt commissions or awards aspect of this investigation relates to regular cash payments that were certainly made by SIG on Mr Sirour's instruction to each of Messrs McCreadie, Balicevac and Lu. A further issue relates to gifts and benefits seemingly advanced by Mr Sirour and Mr Balicevac to Mr Smith of the university.

10 By way of background, from 2009, the University of Sydney has contracted with SNP in relation to the provision of security services on its various campuses in New South Wales. On December 2015, the university signed a fresh five-year contract with SNP, with a further two-year option period, for the exclusive supply of all security guard and patrol functions. The value of this contract across its life is in excess of \$26 million exclusive of GST.

20 Under the contract, SNP provides the following services to the university: security guarding; cash-in-transit services for the clearance of parking machines on campuses; repairs and ongoing maintenance to electronic security equipment; and line marking for pedestrian crossings and parking bays, which tasks the evidence shows were at certain times performed out of ordinary shift hours at the Camperdown Campus by Messrs Balicevac and McCreadie.

Pursuant to clause 4.5 of the contract, SNP was required to obtain the university's prior written consent if it wished to subcontract any of its obligations under the contract. The evidence suggests SNP did not do this, and until recently the university has not enforced this requirement.

30 SNP was required to fill certain positions under the contract. This included one qualified team leader, one qualified control room operator, and three patrol officers, each of whom were required to be on campus 24 hours a day for 52 weeks of the year. This was achieved by rostering persons to fill these particular positions on a 12-hour day shift, from 6.00am to 6.00pm, followed by a 12-hour night shift, from 6.00pm to 6.00am. When SNP guards were unavailable or there was a request from the university to perform additional or ad hoc tasks, SNP would tend to rely on subcontractors, and from around 2013 SIG was the sole subcontractor to SNP in relation to its contract with the university.

40 As a consequence of a direction by SNP to its staff that it would not pay any overtime in connection with the Sydney University contract, almost all ad hoc security services that were requested by the university in the years post 2015 were performed by guards provided by SIG, or by SNP guards ghosting as SIG employees. This direction encouraged some SNP guards to perform additional shifts at the university through SIG either under their own names or using ghost guards' details so as to maximise their overtime earnings.

Fluctuations in demand for ad hoc security services ordinarily depended on factors including whether the university was in semester or whether there

was an event or emergency occurring on campus, such as a protest or a power shut down. Given the varying and unpredictable nature of the university's requests, the volume of ad hoc tasks performed by SIG guards fluctuated on a weekly basis. It is for this reason that the evidence in this public inquiry will focus principally on four distinct weeks during which a significant amount of ad hoc guarding work was requested to be performed by the university.

10 These four periods are as follows. First, the week ending 28 August, 2016, during which there was an occupation protest taking place at the university's College of the Arts at its Rozelle Campus, otherwise known as Kirkbride, and an open day occurring at the main Camperdown Campus. During this period, Messrs McCreadie, Balicevac and Lu were paid for the purported performance of, respectively, 93, 218.5, and 206 hours of ad hoc work in addition to their standard weekly equivalent of 40 hours. By way of reference, Commissioner, there are 168 hours in a seven-day week.

20 The second period is the week ending 30 October, 2016. With the assistance of the NSW Police, this week saw the eviction of the protestors from the Kirkbride Campus after 62 days of occupation. A power shutdown on the university's main campus also took place over the course of this week. During this period, Messrs McCreadie, Balicevac and Lu were paid for the purported performance of respectively 75, 503 and 161 hours of ad hoc work in addition to their standard weekly equivalent of 40 hours. In particular, Mr Balicevac claimed payment for multiple shifts in connection with eviction activities at Kirkbride that were not performed.

30 The third period is the week ending 17 December, 2017, during which there was, amongst other events, an open day and graduation ceremonies. During this period, Messrs McCreadie, Balicevac and Lu claimed payment for the purported performance of respectively 10, 123.25 and 246.25 hours of ad hoc work in addition to their standard weekly equivalent of 40 hours.

Final period is the week ending 15 April, 2018. During this period, Messrs McCreadie, Balicevac and Lu were paid for the purported performance of respectively 10, 53 and 147 hours of ad hoc work in addition to their standard weekly equivalent of 40 hours.

40 The evidence suggests the time sheet fraud was originally conceived by Mr Balicevac prior to August 2016. To execute the fraud, the following modus operandi was employed when a request for ad hoc security services was received from the university. Requests for ad hoc work would come through the university's online system named ARCHIBUS. When these requests arrived, they would be reviewed by Messrs McCreadie and/or Balicevac. If factors such as the time, location or complexity of the service request were suitable, Mr McCreadie, Mr Balicevac or another team leader – for example, Mr Lu – would purport to cover the job using a SIG ghost guard's name and licence details.

To enable this to occur, Messrs McCreadie and/or Balicevac would contact SIG office staff or Mr Lu to obtain the details of ghost security guards who worked on other sites where SIG was the subcontractor or who had ceased working at the university, were on leave or a rostered day off, or whose details were otherwise available to be fraudulently used. Mr Lu or a SIG office staff member would then provide details of names and security licences to be used to cover the hours and shifts required by the university. On occasion legitimate security guards, sometimes referred to in
10 correspondence as real players, would be assigned to cover the work. Messrs Balicevac and/or Lu would then allocate certain hours and shifts to themselves and/or to other team leaders or control room operators. Sometimes they performed the work using the illegitimate ghost names. On some occasions they claimed payment when other guards purported to fill the shift and at other times they simply got paid for a shift which no guard performed.

Guards who used a ghost name would notify SIG by email or SMS of the
20 illegitimate name they had used either for themselves or the benefit of another guard. SIG recorded this information for the purposes of its payment system and also to ensure that the same name was not being used by two people at the same time thereby causing a rostering clash. SIG would also check that use of the ghost name did not cause a breach of fatigue shift duration requirements. If there was such a clash or breach, Messrs Balicevac and/or Lu would amend the site time sheet by inserting another ghost guard's name and licence number. Once Messrs Balicevac or LU had completed the site time sheets, including ghost guards' details, they would be scanned and forwarded to SNP. SIG would then issue SNP with a
30 weekly invoice inclusive of all hours claimed and unit prices which SNP would then rely on for the purposes of invoicing the university in respect of security services purportedly provided.

A further unusual practice revealed by this investigation concerns the arrangements which SIG put in place to pay its guards' weekly wages. The evidence shows that Mr Sirour encouraged a gentleman by the name of Taymour Elredi to set up a company named Pharaohs Group Pty Ltd on the expectation that it would be used to supply security services to SIG. This appears not in fact to have occurred. Instead Pharaohs Group would issues
40 invoices to SIG or a related company of which Mr Sirour was a director called Australian United Security Professional Group Pty Ltd in an amount equivalent or closely equivalent to SIG's weekly wage bill in respect of its workforce who was to be paid off the books.

The evidence suggests most unusually that it was not Mr Elredi who prepared these Pharaohs Group invoices but rather a SIG office staff member who would create the invoice and then email from a Pharaohs Group email account to SIG or Australian United Security Professional Group. Once payment was made via EFT by the relevant company to

Pharaohs Group under these invoices a SIG staff member would provide instructions to Mr Elredi as to the various individual guard payments that were to be made, most of which were in cash. In accordance with those instructions, after the EFT funds had cleared Mr Elredi would withdraw cheques and cash in the order of tens of thousands of dollars each week and either pay it into those guards' bank accounts who chose to be paid by way of direct deposit or deliver cash to SIG's Mascot or Rockdale offices so that it could be counted by SIG staff and placed into envelopes for the remaining weekly guard wage payments.

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A factual question which may arise for your determination, Commissioner, concerns the reason why SIG put in place these arrangements with Pharaohs Group to make its weekly guard payments. A fair inference which may arise on the evidence is that the purpose of this system of invoicing was so that SIG could avoid paying payroll tax, employee entitlements and workers compensation premiums while also accruing the benefit of illegitimate GST input tax credits.

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This investigation began in 2017. A very large amount of documentary evidence has been gathered including emails, time sheets, internal workings in the form of spreadsheets and invoices. A number of persons have been examined or have provided statements. Many significant admissions have been made, perhaps unsurprisingly given the weight and probative value of the documentary evidence. While it is difficult to estimate the true value of the fraud perpetrated against the university, the following figures can be provided for the four weeks, the focus of this investigation.

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In the first period involving the week ending 28 August, 2016 the university paid SNP \$31,512 for shifts claimed using ghost guards' licence details. This equates to 854 hours or 32.7 per cent of the total invoice in respect of ad hoc hours claimed for that period. Of this amount \$12,454 was paid by the university to SNP in respect of hours claimed using ghost guards' details while the person paid for those hours by SIG purportedly performed one or more concurrence security guard shifts. This equates to 337.5 hours or 12.9 per cent of the total invoice for ad hoc work for that week.

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In the second period involving the week ending 30 October, 2016 the university paid SNP \$31,918 for shifts claimed using ghost guards' licence details. This equates to 1,136 hours or 33.8 per cent of the total invoice in respect of ad hoc hours claimed for that period. Of this amount \$19,040 was paid by the university to SNP in respect of hours claimed using ghost guards' details while the person paid for those hours by SIG purportedly performed one or more concurrent security guard shifts. This equates to 516 hours or 15.3 per cent of the total invoice for ad hoc work for that week.

In the third period involving the week ending 15 December, 2017 the university paid SNP \$27,360 for shifts claimed using ghost guards' licence details. This equates to 720 hours or 35.9 per cent of the total invoice in

respect of ad hoc hours claimed for that period. Of this amount \$9,747 was paid by the university to SNP in respect of hours claimed using ghost guards' details while the person paid for those hours by SIG purportedly performed one or more concurrent security guard shifts. This equates to 256.5 hours or 12.7 per cent of the total invoice for ad hoc work for that week.

10 In the fourth period involving the week ending 15 April, 2018 the university paid SNP \$20,449 for shifts claimed using ghost guards' licence details. This equates to 523 hours or 35.4 per cent of the total invoice in respect of ad hoc hours claimed for that period. Of this amount \$5,924 was paid by the university to SNP in respect of hours claimed using ghost guards' details while the person paid for those hours by SIG purportedly performed one or more concurrent security guard shifts. This equates to 151.5 hours or 10.2 per cent of the total invoice for ad hoc work for that week.

20 The amount of public money paid by the university to SNP for ad hoc shifts claimed using ghost guards' licence details over these four weeks alone totals \$121,239. While the percentages just referred to for the four weekly periods, the focus of this investigation, cannot necessarily be applied across a broader period, the evidence shows that the fraud was perpetrated opportunistically on a weekly basis from at least August, 2016 to April, 2018. During this period the university paid over \$2.9 million to SNP in connection with invoices for non-standard guarding services the majority of which related to requests for the provision of ad hoc security services. Of this amount a significant portion in the order of many hundreds of thousands of dollars must have been paid by the university unwittingly in connection with hours fraudulently claimed using ghost guards' details for the purported performance of ad hoc security requests.

30 As to the value of the payments from SNP to SIG and SIG and Australian United Security Professional Group to Pharaohs Group, for the period between 7 December 2015 to 17 April, 2018 SNP paid to SIG a total of \$7,101,209, SIG paid to Pharaohs Group a total of \$9,281,469 and Australian United Professional Group paid to Pharaohs Group a total of \$2,653,005. The reason why the value of the payments to Pharaohs Group exceeds that which SIG received from SNP is because SIG was also using Pharaohs Group to pay its guards' weekly wages for sites in addition to those where there was a subcontracting arrangement with SNP.

40 The second form of misconduct revealed by this investigation relates to the making of payments or providing of benefits by SIG to employees of SNP and the University of Sydney. The evidence will reveal that SNP employees McCreddie, Balicevac and Lu were each paid weekly amounts in cash from SIG. This amount increased in time, starting from roughly \$300 each per week to around \$500 by the time of the execution of search warrants in April 2018.

The evidence shows that from December 2015 to April 2018, Mr McCreadie was paid some \$68,000 by SIG, comprising both his weekly cash commission and payment for additional security shifts. Over the same period, Mr Balicevac was paid by SIG an amount in the order of \$266,000 and Mr Lu, \$281,000, in both cases comprising both their weekly cash commissions and payments for additional security shifts. The total of these three amounts is \$615,000.

10 By their own admissions, Messrs McCreadie and Balicevac were aware that the purpose of these payments was to ensure that they would look after and advance SIG's commercial interests as the subcontracting security guard supplier at the University of Sydney. In addition to these weekly cash payments, these SNP employees often received benefits from SIG in the form of gift cards and, insofar as concerns Mr McCreadie, free flights and accommodation.

20 The evidence also suggests that various benefits – mainly in the areas of travel and entertainment – were, if not accepted by, at least offered to Dennis Smith by both Mr Sirour and Mr Balicevac. The university has an external interest policy. Notwithstanding the requirements under this policy to declare in writing any external interests, including any potential or perceived material conflict of interest, Mr Smith did not between 2015 to present sign any external interest declaration disclosing any conflict of interest, nor did he complete an ad hoc declaration about any gift or benefit he may have received. Whether Mr Smith did in fact receive a gift or benefit from any person from SIG or SNP, and whether he was under a duty to declare such, is a matter which may arise on the evidence for your consideration, Commissioner.

30 A further factual issue related to this aspect of the investigation that will also arise for your consideration, Commissioner, is the purpose intended to be served by these payments and benefits. An available inference, at least insofar as concerns Mr Sirour, is that these payments were intended as a corrupt means of having persons closely connected to the security services contract between the University of Sydney and SNP further SIG's commercial interests.

40 Whether SIG's commercial imperatives were advanced at the expense of the best interests of the receivers of the benefit's employers is a further factual question that is likely to arise during this inquiry. In this regard, the evidence suggests that Messrs McCreadie, Balicevac and Smith went to various lengths to guarantee SIG's continuing involvement as a subcontractor to the security services contract between SNP and the university. This extended to Mr McCreadie, Mr Balicevac and Mr Smith, combining in April 2018 to ensure that a decision was not made within SNP to have SIG removed as the subcontracting party at the university. The evidence even suggests that Mr Balicevac went so far as to take active steps

to have SIG installed as the primary security services contractor at the university at the expense of SNP.

10 The final aspect of this investigation concerns corruption prevention. Evidence will be adduced which is capable of showing that the time sheet fraud was able to occur because of an absence of rigour and probity by the university, both during the procurement process in late 2014 and in relation to ongoing contract management. This was despite a warning in a KPMG report to the university in July 2016 of the risks associated with inaccuracies in rosters and the existence of practices to circumvent payment of overtime allowances to SNP staff, resulting in noncompliance with the relevant enterprise agreement.

20 The deficiencies in relation to the procurement process extended to a failure to include provision for a subcontracting assurance framework in the contract between the university and SNP and, despite KPMG's warnings, a failure by the university to enquire into the legality of the chargeable hourly security rate offered by SNP. The procurement process also encountered a probity breach, with Mr Smith discussing his review of competing tenders with another member of the tender evaluation committee, despite the requirement for each committee member to review the submissions independently.

30 In relation to the university's day-to-day management of the contract, no records have been produced to confirm or corroborate its contention that any kind of daily headcount or dip sampling of security guards ever took place. Further, the evidence suggests that university staff perceived it as SNP's responsibility to ensure that delivery of ad hoc guarding services was occurring in an honest and reliable manner. This lack of oversight in the management of the contract contributed to an environment in which weaknesses in the system were able to be exploited.

It is intended that this particular class of evidence will be used to make recommendations that will significantly reduce corruption risks, not only at the University of Sydney but generally for the improvement of the security industry throughout the state. Thank you, Commissioner.

40 THE COMMISSIONER: Thank you, Mr English. Well adjourn for about 15 minutes and then come back. Thank you.

SHORT ADJOURNMENT

[10.46am]

THE COMMISSIONER: Before we proceed, can I just raise a few matters. We have time constraints in relation to this aspect of the investigation and we must finish in no more than three weeks. Sitting times will be between 10.00 and 4.00, with a break between 11.30 and 11.45, and lunch will be

between 1.00 and 2.00. If it appears to me that there is a risk of not finishing within the three weeks, then the sitting hours may be extended.

I'll assume that all legal representatives who are granted authorisation to appear will be familiar with the Commission's standard practice directions, and in particular paragraphs 12 to 15. I'll also assume familiarity with the procedural guidelines published pursuant to section 33B of the Act. Now, they're both available on the Commission's website.

- 10 As Counsel Assisting noted, the investigation has been proceeding for some time now and, as he said, during the course of the investigation a number of potential witnesses have provided statements or have participated in compulsory examinations. This public inquiry is an important part of the Commission's investigation.

- I'm very keen if I can to avoid repetitive evidence on matters that are not seriously in dispute. I'll be guided by Counsel Assisting but I anticipate that as the matter proceeds I may decide to receive the evidence of certain witnesses by statement or by way of the transcript of a witness's
20 compulsory examination. I raise that now as I anticipate that as we proceed it will become apparent that certain matters may not be controversial. I'm understandably keen to focus on matters that are genuinely in dispute. I will of course consider very carefully any application for cross-examination of any witness, including those whose evidence is by way of statement or transcript. I ask, however, that those making applications to cross-examine give very careful consideration to the Commission's standard directions for public inquiries and, once again, in particular paragraphs 12 to 15. I now propose to take applications for authorisation to appear.

- 30 MR BENDER: May it please the Commission, Bender is my name. I seek to be authorised to appear on behalf of the University of Sydney.

THE COMMISSIONER: Thank you. Thank you, Mr Bender. You are authorised to appear on behalf of the University of Sydney.

MR BENDER: May it please the Commission.

- MR COLEMAN: May it please the Commission, Coleman is my name. I seek for authorisation to appear on behalf of Sydney Night Patrol & Inquiry
40 Co Pty Ltd, SNP Security. I'm instructed by Mr Whittaker of Corrs Chambers Westgarth.

THE COMMISSIONER: Thank you. Thank you, Mr Coleman. You're authorised to appear on behalf of Sydney Night Patrol & Inquiry Co Pty Ltd.

MR GIVORSHNER: May it please the Commissioner. My name is Givorshner, G-i-v-o-r-s-h-n-e-r, and I seek authorisation to appear for Mr

Tom Roche, who is the managing director of SNP. Instructed by Manion McCosker.

THE COMMISSIONER: Yes, Mr Givorshner. I authorise you to appear on behalf of Mr Tom Roche.

MR WATSON: Please the Commissioner, my name is Watson. I seek leave to appear for Mr Daryl McCreadie.

10 THE COMMISSIONER: Thank you, Mr Watson. You're authorised to appear for Mr Daryl McCreadie.

MR DEAN: May it please, my name is Dean. I seek authorisation to appear for Mr Taher Sirour.

THE COMMISSIONER: Yes, thank you, Mr Dean. You're authorised to appear for Mr Taher Sirour.

20 MR MACKAY: Commissioner, my name is Mackay. I seek authorisation to appear with Ms Scott, a reader, for Mr Dennis Smith, instructed by Mr Breene, Tim Breene, of Breene & Breene.

THE COMMISSIONER: Yes, Mr Mackay. You're authorised to appear on behalf of Mr Dennis Smith. Thank you.

30 MR C. WATSON: Commissioner, my name is Watson, initials CJ. I seek authorisation to appear on behalf of Linda Willard, who was the national scheduling manager (protective services) with SNP, and I'm instructed by Mr Simon Mitchell with Mitchell Lawyers.

THE COMMISSIONER: Thank you very much. Mr Watson, you're authorised to appear for Linda Willard.

MR C. WATSON: Thank you.

MR O'BRIEN: Commissioner, my name is O'Brien. I seek leave to appear for Mr Emir Balicevac.

40 THE COMMISSIONER: Yes, Mr O'Brien. You're authorised to appear for Mr Emir Balicevac.

MR HAMMOND: May it please the Commission, my name's Hammond, H-a-m-m-o-n-d. I seek authorisation to appear for Morgan Andrews, former manager of security at Sydney Uni.

THE COMMISSIONER: Thank you, Mr Hammond. You're authorised to appear for Mr Morgan Andrews. Thank you.

MR RAMRAKHA: Commissioner, Ramrakha. I seek authorisation to appear on behalf of Lincoln Nock.

THE COMMISSIONER: Thank you, Mr Ramrakha. You're authorised to appear on behalf of Lincoln Nock.

MR RAMRAKHA: Thank you, Commissioner.

10 MR DREWETT: Commissioner, I seek leave to appear for Qin Li. Drewett, D-r-e-w-e-t-t, instructed by Dr Accoto who sits next to me.

THE COMMISSIONER: Thank you, Mr Drewett. You're authorised to appear for Qin Li and that's it. All right. Yes, thank you. Mr English.

MR ENGLISH: Commissioner, before calling the first witness, there's some materials to tender, which I should say will then be made available on the public website. Might I run through a list with you, Commissioner?

20 THE COMMISSIONER: Are you proposing to tender this material now?

MR ENGLISH: Not in hard copy form, just so the tender be noted, I think formally for the record, before the evidence is called orally.

THE COMMISSIONER: And do you want me to mark these as we go?

MR ENGLISH: Yes, please. The first volume I wish to tender is identified 1.1 General. It's a folder named 1.1 General.

30 THE COMMISSIONER: The folder marked 1.1 General will be marked as Exhibit 35.

#EXH-35 – PUBLIC INQUIRY BRIEF FOLDER 1.1 – GENERAL

MR ENGLISH: The next folder is 1.2 General.

40 THE COMMISSIONER: The folder marked 1.2 General will be marked as Exhibit 36.

#EXH-36 – PUBLIC INQUIRY BRIEF FOLDER 1.2 – GENERAL

MR ENGLISH: The next folder is marked 1.3 General.

THE COMMISSIONER: The folder marked 1.3 General will be marked Exhibit 37.

#EXH-37 – PUBLIC INQUIRY BRIEF FOLDER 1.3 – GENERAL

MR ENGLISH: The next folder is marked 4 Peak Period, 28 August, 2016.

THE COMMISSIONER: Thank you. The folder marked 4 Peak Period, 28 August, 2016 will be marked Exhibit 38.

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#EXH-38 – PUBLIC INQUIRY BRIEF FOLDER 4 – PEAK PERIOD – 28 AUGUST 2016

MR ENGLISH: The next folder is marked 4A Financial.

THE COMMISSIONER: The folder marked 4A Financial will be marked Exhibit 39.

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#EXH-39 – PUBLIC INQUIRY BRIEF FOLDER 4A – FINANCIAL

MR ENGLISH: The next folder is marked 5 Peak Period, 30 October, 2016.

THE COMMISSIONER: Thank you. The folder marked 5 Peak Period, 30 October, 2016 will be marked Exhibit 40.

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#EXH-40 – PUBLIC INQUIRY BRIEF FOLDER 5 – PEAK PERIOD – 30 OCTOBER 2016

MR ENGLISH: The next folder is marked 5A Financial.

THE COMMISSIONER: The folder marked 5A financial will be marked as Exhibit 41.

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#EXH-41 – PUBLIC INQUIRY BRIEF FOLDER 5A FINANCIAL

MR ENGLISH: Next folder is marked 8 Peak Period, 17 December, 2017.

THE COMMISSIONER: The folder marked 8 Peak Period, 17 December, 2017 will be marked Exhibit 42.

**#EXH-42 – PUBLIC INQUIRY BRIEF FOLDER 8 – PEAK PERIOD –
17 DECEMBER 2017**

MR ENGLISH: The next folder is marked 8A Financial.

THE COMMISSIONER: The folder marked 8A Financial will be marked
as Exhibit 43.

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#EXH-43 – PUBLIC INQUIRY BRIEF FOLDER 8A – FINANCIAL

MR ENGLISH: The next folder is marked 9 Peak Period, 15 April, 2018.

THE COMMISSIONER: The folder marked 9 Peak Period, 15 April, 2018
will be marked Exhibit 44.

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**#EXH-44 – PUBLIC INQUIRY BRIEF FOLDER 9 – PEAK PERIOD –
15 APRIL 2018**

MR ENGLISH: The next folder is marked 9A Financial.

THE COMMISSIONER: The folder marked 9A Financial will be marked
Exhibit 45.

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#EXH-45 – PUBLIC INQUIRY BRIEF FOLDER 9A – FINANCIAL

MR ENGLISH: And the final folder is marked 13 Hours Claimed During
Leave.

THE COMMISSIONER: The folder marked 13 Hours Claimed During
Leave will be marked Exhibit 46.

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**#EXH-46 – PUBLIC INQUIRY BRIEF FOLDER 13 – HOURS
CLAIMED DURING LEAVE**

MR ENGLISH: Thank you, Commissioner. I should indicate that
redactions have been made in the ordinary course to those volumes in
respect of materials relating to personal information such as dates of birth,
residential addresses, bank accounts and private phone numbers. I'd ask,

Commissioner, that you make a suppression order in respect of material of that nature within those volumes.

10 THE COMMISSIONER: Certainly. I think that's uncontroversial. Being satisfied that it is necessary and desirable in the public interest to do so, I direct pursuant to section 112 of the Independent Commission Against Corruption Act 1988, that the personal information of any witness or person otherwise referred to in the evidence or any exhibit – including dates of birth, residential addresses, bank account details, private phone numbers and private emails – shall not be published or otherwise communicated to anyone except by Commission officers for statutory purposes or pursuant to further order of the Commission.

20 **SUPPRESSION ORDER: SUPPRESS EVIDENCE GIVEN WITH RESPECT TO THE PERSONAL INFORMATION OF ANY WITNESS OR ANY PERSON OTHERWISE REFERRED TO INCLUDING DATE OF BIRTH, PRIVATE PHONE NUMBERS, PRIVATE EMAIL ADDRESSES AND RESIDENTIAL ADDRESSES WHICH WILL NOT BE PUBLISHED OR OTHERWISE COMMUNICATED TO ANYONE EXCEPT FOR COMMISSION OFFICERS FOR STATUTORY PURPOSES OR BY FURTHER ORDER MADE BY THE COMMISSION.**

30 THE COMMISSIONER: Can I just say that there's a large amount of paper in this matter and it may be through inadvertence that a redaction's been missed, so I'd just ask everyone present here today to be conscious of that, and if an error is noted by any of you, you can just draw it to the attention of Counsel Assisting so it can be rectified. Thank you.

MR ENGLISH: Thank you, Commissioner. The first witness is Qin Li. I'd ask that she be called.

THE COMMISSIONER: Thank you. Ms Li. Mr Drewett, will your client take an oath or affirmation?

MR DREWETT: It's an affirmation, Commissioner.

40 THE COMMISSIONER: We'll have that administered now.

THE COMMISSIONER: Sit down, please.

MR DREWETT: Commissioner, my client wished the direction under section 38 in relation to her evidence and I'll ask that you make that direction.

10 THE COMMISSIONER: Thank you. Ms Li, let me just explain to you your obligations and rights as a witness before this Commission. As a witness, you must answer all questions truthfully and you must produce any item described in your summons or required by me to be produced during the course of your evidence. You counsel has asked me to make a section 38 declaration. The effect of such a declaration is that although you must still answer the questions put to you or produce any item that I require you to produce, your evidence can't be used in any civil proceedings or criminal
20 proceedings, subject to one very important exception in your case, that is that the declaration I'm about to make does not prevent your evidence from being used against you in a prosecution for an offence under the ICAC Act, most importantly, an offence of giving false or misleading evidence. To give false or misleading evidence to this Commission is a very serious matter. It, it is a serious criminal offence and it can lead to a penalty of imprisonment for up to five years. Do you understand that?---Yes, I do.

All right. I'll make that declaration now. Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by her during the course of her evidence at this public inquiry are to be regarded as having
30 been given or produced on objection and there is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

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

THE COMMISSIONER: Thank you.

MR ENGLISH: Can you please state your full name for the record, please?
---My name is Qin Li. Q-i-n L-i.

And do you go by the name Lynn Li as well, L-y-n?---L-y-n-n.

L-y-n-n.---Yes.

You have some qualifications?---Yes, I do.

10 What are they?---A CPA.

And you obtained a degree first at university, did you?---Yes. Bachelor of Business and, Finance and Business and a Master of Accounting.

And what university was that at?---University of Western Sydney.

And you've practiced as an accountant, have you?---Not really. Like, as a bookkeeper.

20 As a bookkeeper.---Yeah.

Have you practiced as a tax agent previously?---I worked in tax agent before, yeah.

And did you meet Mr Taher Sirour when you were working as a tax agent?
---Yes, I do, yeah, did, yeah.

30 Can you tell the Commission how you met him, please.---I worked as a walk-in tax agent, and Tommy Sirour, he's a client of the agent then. His work, my boss instruct me to do his work and he, he said, told my boss, saying can I let your worker works for me for a few days, one or two days in his office. Then I started one or two days, started with Tommy. Then after that start, later started full-time when Tommy's business grows up.

When you say Tommy asked if you could come and work in his office, what office was that?---In Rockdale.

And what is the business?---Security business.

40 Do you know, was it a company? Do you know the name of the company if it was?---Australian United Security Professionals.

And when did you start working for Australian United Security Professionals?---I can't exactly remember the date. Probably around 2009 or 2010, this period, yeah.

And when you say Tommy, that's Mr Sirour, isn't it?---That's correct.

Mr Sirour was a director of that company, was he?---Yes.

And eventually you moved to work for S International Group?---Yes. I'm not sure exactly which year, but was the period probably when Australian United Security closing down.

Do you recall when that was?---Maybe 2016 when, when Australian closing down, yeah.

10 So that's when you moved to, if I call it SIG - - -?---That's right.

- - - you'll know what I'm talking about if I say SIG?---Yes.

And what was your role at SIG?---Admin and account manager.

Mr Sirour thought of you as the CFO, did he not?---He saw it, he want me to be, but I don't think I qualified for that because we have external accountant and I just do the bookkeeping there in SIG.

20 You say you were just doing the bookkeeping job. There were staff underneath you there, weren't there?---Yes.

And you trained those staff?---I trained beginning, at the very beginning, but later on was the girl trained by the girls.

So there was a system of numerous staff beneath you at SIG, is that right?
---Yes.

30 Can I ask you, when you were employed by SIG, how much were you paid a week?---It depends. Around 1,000 to 1,500. It depends the days I worked.

And was all of that money paid to you through a bank account or was some paid by way of cash?---Part by bank account and another part by cash.

So just take the example of \$1,500 per week. How much were you paid by direct deposit into your bank account and how much in cash?---The net from the bank account, net I get 400, then the rest 1,000 by cash.

40 And why was it that you were paid partly by way of bank transfer and partly by way of cash?---Because if put everything on the book it's going to be a lot of tax and superannuation for the company, and Tommy doesn't really like to put everything on the book.

So did Tommy suggest to you that you should be paid in that manner?
---Yes.

And so were you paid in that manner when you were also at, I'll call it AUSP, Australian United Security Professional Group. Were you paid in that manner there as well?---I think so too, yeah.

And the cash payments you received, did you – I'll withdraw that. The cash payments that you received, was income tax deducted from those?---You mean declared?

10 Well, firstly, do you know whether the company paid tax in relation to the cash payments you received?---The company?

Whether SIG withheld any tax in relation to those payments?---No, no (not transcribable) no.

And did you declare those payments for the purposes of your income tax? ---For the previous, I didn't.

20 Did Mr Sirour pay you any other amounts in cash from time to time? ---Recently he was, until his business grow up he said he want to pay me 20,000 cash, but was just start a few weeks but stopped, yeah.

So he wanted to pay you 20,000 not in a - - -?---Yeah. For as a, as a, as a bonus, yeah.

And you said it just started but it stopped.---Yeah.

Did he make some contributions towards that amount and then stop? Is that what your evidence is?---Yes.

30 So how much do you think you paid towards that amount of 20,000?---I think probably 2,000 to 3,000. Every week 500. So I'm not sure how many weeks.

THE COMMISSIONER: When did that start?---Before the ICAC thing happened, few weeks before, yes.

MR ENGLISH: And Mr Sirour didn't withhold any tax to pay to the government in respect of those amounts to your knowledge?---No.

40 He also paid for you to go overseas, did he not?---He, yeah, he pay me all the ticket for the overseas.

How often would he do that?---Every year.

For how many years?---Until his business was getting bad. It's at least a few years, but can't remember exactly when he started paying the ticket, yeah.

Just returning to the manner by which Mr Sirour paid your wage, are you familiar with whether or not he paid the other staff members in the SIG office in the same way, that is partly in cash and partly declared? I withdraw that. Partly through deposit and partly in cash.---Yeah. Yeah, he did the same.

Was that for everyone else who worked in the SIG office?---That's right. Yeah. Some of them is all cash.

10 Do you remember who received all cash?---The, the girl work only one or two days, all in cash. The girls work probably five days, they're going to be four to five, three to five days, they're getting part of cash and part of deposit.

You understand, Ms Li, the Commission is investigating an alleged security services time sheet fraud at the University of Sydney, particularly involving SIG? You know that?---Yes.

20 Can you tell the Commission what knowledge you have of that allegation? ---For the time sheets?

Yes. What was implemented, to your knowledge, in respect of a time sheet fraud concerning university security guard services?---What I know is we get the time sheets from university or from, yeah, from the control room. We request them to send us the time sheets, but the time sheets didn't match with the guards send us the personal time sheets. They are have a bigger difference. Then we, the girls in the office call Emir or Frank or Daryl, like, to double check whether it's different. Yeah, if there's difference. And, yeah - - -

30 Sorry, go on. I didn't mean to cut you off.---Oh, sorry.

There's a bit more to it than that, isn't there, Ms Li, that there was an attempt – I withdraw that. Not an attempt, there was a plan whereby guards' names would be used on site time sheets who didn't perform the work even though they were allocated to certain tasks on those sheets, is that right?---Yes.

40 And it's the case, isn't it, that you on occasion would be asked to provide names of guards who could be used for that purpose?---Yes, but we always ask, when they ask us, we always ask Tommy, say, "Do you want us to give them the names, their names?" And Tommy said yes.

So when you say "they asked us", who do you mean "they"?---Emir, Frank. I can't remember Daryl or not but, yeah. Because the job did all the girls done most of it, yeah.

When did you first start receiving requests for names that could be used on site time sheets?---Can't remember the year. Probably 2016 or 2015.

THE COMMISSIONER: Just remind me, when did you start?---2010 probably, yeah. '10.

How long after you started did you get requests to deal with the accounts in this way?---Which year started with the SIG with - - -

10 MR ENGLISH: I think your evidence was 2016 when you started at SIG. ---No. The SIG with SNP the year, probably after few years or two years, probably, two or three years.

So are you able to put a year on that?---Either 2009, probably 2012, probably.

20 So do you say, and I appreciate you're just making your best estimation, but is that when you first received requests to provide names that could be used on time sheets at the university?---No, I estimate it based on after SIG engages work at the Sydney University the year start after probably a few years or, or maybe start Emir as team leader or that, that time probably.

So you just said Emir as team leader. He became a team leader before, well, do you know whether he became a team leader before Frank Lu did at the university?---Probably Frank Lu is team leader before Emir.

But you recall receiving this request to be, to provide names from when Emir became a team leader?---I think more at that time.

30 And when you received such a request and you then sought to find names that could be used for the time sheet, did you have to ensure that those names weren't being used on any other sites at the same time?---Yeah. Because otherwise going to be the same name on the same site. Yeah, there going to be a problem.

So there would be a problem if there was a rostering clash?---Yes.

40 What about things like ensuring that the names that you provided didn't appear to work too many hours on an invoice or a site time sheet, did you take that into consideration?---Can you repeat it.

Did you take into consideration whether or not the names you provided could only work a certain hour so it didn't look like they'd breached - - -? ---Oh, yeah.

- - - certain limits in terms of working hours?---Tommy, and for this is about the rostering, similar like Tommy didn't pay attention to us and he didn't

tell us as well. We don't have this knowledge say he can't work seven days, this knowledge at the beginning.

So when you were first requested names it's the case, is it, that guards whose names you provided might at least on the time sheet look as though they worked for example seven days straight?---Is it happened or - - -

10 I'm asking you. Is that something that happened early on before Tommy realised that there was a, before Tommy realised there was a restriction on time limits?---Yeah.

THE COMMISSIONER: I'm not sure the witness is understanding that.

MR ENGLISH: I think you might be right, Commissioner.

THE COMMISSIONER: Perhaps start again.

20 MR ENGLISH: So you said that at the start Tommy didn't realise that there were limits to the amount of days or hours a guard could work in a row?---I don't know he has this knowledge or not but he doesn't care for seven days work. He's thinking short of guards. If this guard doesn't work then no one to work.

And you say Tommy didn't care about that. Did he care if the services were actually provided to the university?---He, he knows.

30 Well, did he have an interest or did he say to you whether he had an interest in ensuring that the guard actually turned up whose name you found or did he not care about that either?---Oh, he, he might, he might know, he, he cares about this one. If the guards have been on the site he would be very angry with us like provided the names or, or there's no communication with the university managers, yes.

So you're expected to find names that can be used to go onto the time sheet.---Yes.

Those people don't actually turn up on site do they?---No.

40 So what's your understanding of how the shift gets filled if those people don't turn up on site?---I'm not sure. It's mostly Tommy dealing with this. He will give Emir or Frank a call and they will fix on the site and at the end the time sheets on the, on the time sheets there's names there.

You would receive a guard's personal time sheet each week. Is that right? ---Yes.

It'd be forwarded through to you by SMS or email?---Yes.

And you'd then share it with other office staff members at SIG?---That's right.

You must have seen in respect of particularly Mr Lu and Mr Balicevac, Emir and Frank - - -?---Yes.

- - - that on some weeks very large amounts of hours were being claimed?
---That's right.

10 So sometimes in excess of 200 hours a week. Do you recall that?---To be honest I noticed but the 200 something probably, I'm not dealing with Sydney Uni that much at that time any more so, but I noticed when the girl tell me and I mentioned to Tommy, yes.

So what did you mention to Tommy?---I said there can't be that much hours.

And when was that that you raised that concern with Tommy?---When they claim that many hours.

20

Can you give us a year that you first saw that concern?---For my, for my memories when the things happen like they're a big amount I mention to Tommy all the time.

And what did Tommy say to you when you mentioned those big amounts to him?---At the beginning he give them a call and try to argue with them but at the end he said all fixed. I don't know how he fixed.

30 So what was the circumstances by which the weekly guard hours would be reconciled, I mean you'd receive a site time sheet?---Yeah.

And you'd receive personal time sheets from the guards, yes?---Yes.

40 What would the office staff then do with those documents to work out the names and licence details of guards that could be included on the invoices for billing purposes?---First they put, according to the site time sheets to put the names on first then, then according to the personal time sheets to compare whether they work really that shift and then the personal time sheet if the guards didn't work that shift and basically you will find most of them because Emir, Frank or, or other, all guards they will write their names who covered the shift.

So is it the case you'd take the site time sheet, you'd look at the personal time sheet and see if they matched?---Yes.

What if there was a discrepancy between those two documents, what would happen then?---Um - - -

What if for example someone claimed to have worked under a particular name on one day and that name couldn't be worked in the site time sheet?
---Will communicate with Emir straight away.

And what would follow, what action would follow a communication like that?---First of all we will ask Emir whether the shift, did this officer work on the shift or not and Emir say yes and maybe they forgot to sign on. Now he will sign on for them.

10 Now, when you say he would sign on for them, that's, that's Emir would sign on for that guard. Is that what you're saying?---I guess but at the end they send us the time sheets the name's there already.

Is your understanding that Emir would – I withdraw that. Now, what about Daryl. I think you mentioned his name early on.---Yeah.

20 What process or what – I withdraw that. What part did he play, if any, in the scheme you've just discussed about placing names onto the site time sheet?---He, for, for what I remember he didn't, he didn't correct many for the time sheets. He mainly about the problems, incident the guards worked on the site. Dealing with this more with the guards' problem.

How frequently were SIG guards paid?---Weekly.

And who was responsible for payroll at SIG?---Should say me.

And did Tommy give you certain instructions as to how guards should be paid each week?---Yes.

30 What did he say to you?---For example, a new guard's coming. He will say this guard how much he getting paid, on book or not on book.

And when you say on book or not on book, were most of the guards paid not on book?---Yeah, not, not on the book most of them.

And that'd be an instruction that Tommy gave to you each time a new employee came on board, is that right?---Yes, that's right.

40 So what was done to ensure that those guards who were to be paid not on the books were paid?---He founded another company called Pharaohs company and go through that subcontractor.

And who was the person that was linked to the company you've spoken of, Pharaohs?---Taymour.

Is that Mr Elredi?---Yes.

And you said Tommy would find a subcontractor. What subcontracting services was Mr Elredi's company offering to SIG?---Security service.

Was he providing any guards, though?---He, he, he did.

How many guards was he supplying?---Can't remember. It depends. If we have a job, we will ask him if he has guards.

10 So when capacity was reached at SIG, he might supply guards, is that right?---Yes, that's right.

He performed another function for SIG, did he not?---Another function?

In relation to its payroll of guards?---Oh, yeah. Like for the cash payment.

So what would Mr Elredi or what would he be asked to do to ensure that guards were paid their weekly wage?---To get the cash from the bank and give to them.

20 But he must, firstly he would have to have money in his account - - -?---Oh, yeah.

- - - to withdraw.---That's right.

So did he render invoices to SIG?---He didn't send us invoice. We transfer to him first.

30 But you said he didn't send invoices. Were invoices sent to SIG on a Pharaohs invoice template?---Sorry, again?

Invoices were sent to SIG on a Pharaohs invoice template, were they not? Each week. So payments could be made from SIG to Pharaohs.---No, the invoice prepared in the office and - - -

THE COMMISSIONER: In your office?---Yes, yeah. And we just send how much the amount he need to get from the bank, and he get the payment, money.

40 MR ENGLISH: So if I understand your evidence, invoices on a Pharaohs invoice template would be prepared by staff at SIG's office?---That's correct.

Would those invoices then be sent to Mr Elredi or to - I withdraw that. Would those invoices then be sent to SIG?---Yeah, lately. Before didn't.

How were they sent?---Before just stay in the office. Lately one, the recent one is sent from his office by his email, I guess.

So SIG office staff had access to Taymour's office, did they?---Yeah, because Tommy would like someone to count the money with Taymour in his office.

So SIG and Pharaohs shared an office, did they?---Yes, because Tommy paying part of the rent for Taymour as well.

And then in doing so, the SIG office staff had access to that other office that Pharaohs also used?---Yes.

10

Where was that located?---Rockdale.

And did they have access to the Pharaohs email account?---I believe probably he didn't put a password. I'm not sure exactly, yeah.

THE COMMISSIONER: So SIG employees were sending these invoices to themselves?---Yeah, basically, yes.

20 Using his computer.---Because we, we mentioned to Tommy already these, like, we shouldn't prepare the invoice and, like, and Taymour should send his invoice to us. But it looks like Taymour doesn't want to do this, and Tommy just say you guys just prepare, that's it. Don't worry. Yeah.

So the system starts with the SIG staff preparing a Pharaohs invoice. ---Yeah.

Putting an amount in and then putting it in a file somewhere.---Yes.

30 And then you spoke to Tommy about this?---Yes, I did.

That the invoice should come from - - -?---Taymour.

Taymour.---Yeah.

And Taymour, as you understood it, didn't agree.---Yeah.

And so Tommy told the staff to access his computer and send it to SIG? ---Yes.

40 But again the, the invoices were prepared by - - -?---It's us, yeah.

Us, yeah. Thank you.

MR ENGLISH: And that system that you've just spoken of, did that apply to Pharaohs invoices to other companies? For example, Australian United Security Professional Group?---Yeah.

That'd be the same process, wouldn't it? That SIG office staff would create the Pharaohs invoice - - -?---That's right.

- - - at the relevant time, use the Pharaohs email account and email it to AUSP, is that right?---Yes.

Now, I take it SIG would pay moneys in accordance with those invoices?
---Yeah.

10 And so would AUSP?---Yes.

And what days did, was there a particular day by which those invoices would be sent to SIG and to AUSP?---After the payroll finish.

So what's that? On a Monday or a Tuesday or something?---Tuesday the payroll finish and probably the Wednesday or Thursday, yeah.

And for how many years did this practice go on for?---When Pharaohs started, I guess. Yeah.

20

And can you put an estimate on that in terms of years?---I can't remember which year Pharaohs set up, yeah.

Now, so when SIG or AUSP received those invoices, it would pay money in accordance with the values contained on the invoice, is that right?---Yeah.

So it would do an EFT over to Pharaohs bank account?---Yes.

30 And would instructions be provided to Taymour as to how he was to withdraw money once that had been paid in accordance with those invoices?---Of course, yes.

So what were the nature of those instructions?---Nature?

40 So did it say, did it give amounts that should be withdrawn? Did it give examples of whether it should be withdrawn in cash or via cheque? Can you please help the Commission that way?---Okay. At the beginning he send a text message to Taymour, so how much cheque amount he need to withdraw from the bank account. Yeah. And how much the, how much coins, \$5, \$10, \$100 notes as well. And deposit list, send it to him as well, yeah, so he can deposit.

THE COMMISSIONER: So some guards wanted their money deposited?
---Yes, that's right.

And others weren't on the books and wanted it in cash.---Yes.

Thank you.

MR ENGLISH: Well, can I just ask something on that. The guards that wanted their money deposited, were they on the books or were they also off the books?---Off the book.

So this, this payment system involving Mr Elredi was in respect of only guards that were to be paid off the books, is that right?---Yes.

10 And so Mr Elredi would make deposits into certain guards' accounts and he'd withdraw cash, is that right?---Yes.

What would he do with the cash?---He'd take the cash to the office, then put them in envelope.

Would he put it in envelopes?---He would help.

He'd help, would he?---Yeah, if he has time he will help most of the time with the girl in the office, yeah.

20 And then, what, it'd be available for collection by the security guard staff, would it?---Yes.

Now, do you know why Mr Sirour instructed his guards to be paid in that manner?---The same thing, to avoid the high tax, superannuation and workers' compensation and the payroll tax.

30 I just want to show you some examples of some email correspondence between yourself and those at the Sydney University office. Perhaps if you just, now that we've got a new exhibit number, it's Exhibit 38 which is volume 4. Can page 24 please be put on the screen.

THE COMMISSIONER: Sorry, Mr English, what page was that?

MR ENGLISH: That was page 24, Commissioner.

THE COMMISSIONER: Thank you.

40 MR ENGLISH: You can see here, this is an email from Mr Lu to Mr Balicevac, and is that your email address, lynn@sigservices.com.au?
---That's correct.

Did you have access to that on a computer or a phone, can you tell the Commission, please?---Yes. I can access from the computer and from my phone as well.

And you'll see the subject is, "Kirky and Main Quad." Did you understand that to relate to a protest that was going on at certain areas of the university?---From the email, yes.

And it says, "Hi all, names for Kirky protest, 0700 to 1700," and then it lists some names with a slash and then another name that follows.---Yes.

What do you understand that first list of names to identify? So you've got Lina Chami slash Oliviera Bejatovic. What does that mean?---If this one is a time sheet, might be it's a name they use but I'm not sure this is a request saying he, he covered the shifts or not.

10 So just taking that example, Lina Chami slash Oliviera Bejatovic, does that not suggest that one name's being used on the time sheet and another person is to fill the shift themselves? Do you understand to mean that?---As I said, from my understanding, if it is a request, they need Frank to cover the shifts, then he might be put the names but if it's, is a time, if it is a time sheet, then should be the name is covered, Lina Chami, yeah. They used the names after the (not transcribable)

20 So, just so I understand, what do you expect would be the name, out of Lina Chami and Oliviera Bejatovic, that would appear in the time sheet? Do you know, or if you don't know that's okay.---I don't know, yeah.

THE COMMISSIONER: I don't quite follow, Mr English.

MR ENGLISH: We might have to come back to this particular one with the time sheet, Commissioner.

THE COMMISSIONER: Sure.

30 MR ENGLISH: If we can please go to document 27, page 27, thanks. Do you see here it's for the Wednesday, 24 August, 2016, an email from Mr Balicevac to you cc'ing Mr McCreadie.---Yep.

And if we just go the next page, you can see that there's a request for services attached, do you see that?---Yes.

It says, "USU, University of Sydney Union at footbridge lecture theatre event."---Yep.

40 If we just go back to page 27. It says, "Please send us the names for the attached RFS." Do you recall this request for names?---I can't, I don't know, yeah, I can't recall it, yeah.

And if you were asked to supply names, would they be names of assumed guards that could be used for the purposes of this shift?---Yeah.

So they're not going to be guards that actually turn up at that shift, are they?---No.

And it goes on to say, "Myself and Daryl will cover attached." So you see that?---Yep.

What does that mean? That Mr Balicevac and Mr McCreadie will cover the shift themselves?---From my understanding, yes.

So, you supply names in respect of people that don't turn up, that's right?
---Yeah, the office, yes.

- 10 The office does and on this occasion, Mr Balicevac or Mr McCreadie say that they'll cover the shift. Do you know whether, personally yourself, whether they actually do it, whether they turn up themselves to cover it?
---We don't know.

If we can go to page 31, please. Here is an email from Mr McCreadie to Tommy and yourself, amongst others. The subject is, "Rozelle." That's in relation to a protest that was occurring at the Rozelle Campus, is that right?
---Yeah.

- 20 It says, "We are all working on coverage. Total guards on order for tonight at Rozelle, nine, day shift tomorrow, four. Emir, Frank and I are working on names and numbers." Do you understand that email to be referring to coverage in respect of assumed names or persons who actually turned up to perform the shift themselves?---Basically, the, this email we, if nothing to do with us, we just ignore basically.

So if it's not a specific request directed to you, you just take no action in relation to the email?---That's right.

- 30 Can we go to page 42, please. See, again, there's an email from Mr Lu to Mr Balicevac, copying you in. It's talking again, Kirky, you understand that to be the protest at Rozelle, do you?---It's, yeah, the name, the yeah.

It speaks of nine guards and identifies some names and then Mr Lu says, "I've checked it but make sure they do not clash with another site." Do you see that?---Yeah.

- 40 Now is that something that you'd do, make sure that these names that Mr Lu's identified don't clash with another site? Or you or someone from the office, I should say?---Yeah, someone in the office.

And if they did clash, the names couldn't be put in the site time sheet but if they didn't they were available to be used. Is that right?---That's right.

And if we go to page 48, please. See, this is about Wednesday's time sheet and you're a recipient of Mr Lu's email. Again, he talks about four guards for Kirkbride protest. It goes down and says, in the third or the fourth line, "Yes, Gol stayed back and Dazza told him to sign off at 2000." Do you

understand what's being said there?---I guess but I, I never see this but I'm think it's Gol Amiri finish patrol shift probably 1800 then he stayed back from 1800 to 2000.

You'll see twice on the page, firstly just beneath the line I just drew your attention to, there's a reference to real players but you can also see it at about point six of the page, "Yes, the real players were," do you see that reference or those references?---Yeah, I saw on the paper, yeah.

10 Do you know what a reference to real players is?---Probably he actually attend.

So these are names that are provided to cover a shift in respect of persons who actually attend the site that day?---Probably, yes.

And were real players always identified that way?---I don't know. Because I'm not dealing with these time sheets that much. I, sorry, can you repeat again?

20 Well, here real players are identified twice.---Yes. Okay.

And if you go to the bottom email, at 3.15pm.---Yeah.

You can see that there's two sets of four guards identified. The first set of four guards is identified as real players. The second set is not so identified. Do you see that?---Yeah.

30 So the second set of four guards, Ahmed, Amiri, Md. Assad, Raed and Ali Nayeff, does that suggest to you that those persons didn't turn up for the protest at the main quad from 1100 to 1500 hours?---I'm not sure. Because, but from the, from the first email it's saying the real player already. Frank answered, "Yes, real player."

So he's confirming there that they're real players, is he?---Yeah.

Thank you.

40 THE COMMISSIONER: The second email has the name Sue at the bottom.---Yeah.

Who's Sue?---That's the girl work in the office who dealing with the time sheets more. And there's a contact with her more, actually, yeah.

And was it you who told her how the time sheets had to be dealt with? Did you instruct her, teach her how to do it?---I helped but later on I didn't do the time sheets. Another girl teach her, then she left and she teaching Maggie stuff, other girls, yeah. But if they have a question, like they'll say,

for example, (not transcribable) person claim this four hours, they will ask me. Now I will ask Tommy and then Tommy say, yeah, like that.

MR ENGLISH: Go to page 51, please. See down the bottom of this email chain there's an email from Mr Balicevac to you, saying, "Please have a look. I will put Ihab in the third line just to check signature." See that?
---Yeah.

10 And then you've said, "Hi, Emir," you've responded to that email and said, "Hi, Emir. I saw Eslam Aly on the time sheet so still need one more guard, right?" And you've identified the name Lincoln Nock probably can. See that?---Yeah.

That's you identifying a guard who's not going to turn up that day but whose name can be used, is that right?---I believe yes.

20 And then Mr Balicevac confirms that he'll put him on the list. If we go to the next page, we can see that there's a space. Can that just be increased in size, please. See the third row? There's a free space. Do you see that?
---Yeah.

And if we can please go to page 57. You can see there in the third line, if you compare page 52 and page 57, you can see that the name I. Barghachoun – sorry, if my pronunciation is no good – Barghachoun has been inserted into the third line. Do you see that?---Yes.

Is that the same Ihab that Mr Balicevac was referring to in his email to you on page 51?---I believe so, yes.

30 So he's inserted that name, has he?---Yes.

And then you can see the final entry on the page is Lincoln Nock.---Yes.

And that's consistent with the details you provided in your email to Mr Balicevac at 11.18 on page 51.---Yes.

So he's inserted those details there.---I believe, yes.

40 Again page 61, please. This again relates to the protest at Kirkbride concerning the day shift on 26 August. This time Mr Lu's emailed Mr Balicevac and yourself and he's identified some names, but there's two names in brackets. Do you see that?---Yes.

Are they names of persons who attended on that day to perform the shift or are they cover names that could be used for that, for the purpose of that job?---I think cover names.

And if we go to page 69, please. We see here that Mr Balicevac is sending you a time sheet for this particular week up until Thursday, he says, in the subject heading. Do you see that?---Yeah.

10 He says he's tried to call you several times. "Please have a look at the attached time sheet for Monday to Thursday." He's included, he says, "From me, Frank, Daryl and Ben." He says that Frank's time sheet is not complete. "Frank has some cover in his team, I believe extra couple of shift," and he asks you to keep this email between "me, you and Frank" and he'll be sending a new time sheet including Daryl. If we go across to the next page, page 70, we'll see a time sheet there. Is this similar to the, or is this the type of format of the time sheets that Mr Balicevac would ordinarily send through in this column format?---I believe.

It looks familiar to you?---I saw sometimes, yeah.

20 So you can see there he identifies his totals. He says that he is claiming 100.5 hours. Daryl is to claim 52.5 hours, Frank 50 hours and Ben 10 hours. Now, that's in respect of shifts where their names don't appear on the site time sheet, is that right? They're claiming under other people's names?---Yes.

Now, if we go to page 71, we can see there's another email from Mr Balicevac to yourself, copying in Mr McCreadie this time, and it says, "Please find attached site time sheet Monday to Thursday." You see that? ---Yes.

30 If we go to page 72, you can see this time Mr Balicevac is saying that he's going to claim 52.5 hours, Mr McCreadie should claim 52.5 hours and Frank 10. Do you see that?---Yes.

Now, do you know why, just going back to the earlier time sheet on page 69, why were you asked to keep that between you, Frank and only Mr Balicevac?---He's (not transcribable) office not always, because I'm not dealing with the time sheet. But I believe he want to say, doesn't want Daryl to know about this.

40 So he's trying to claim additional hours without the knowledge of Mr McCreadie.---Yes.

And that's notwithstanding the fact that Mr McCreadie himself is claiming hours in respect of other people's names for this week as well.---I think he doesn't want to let Daryl to think he claim more than him.

Why is that? Might he have to share hours with Mr McCreadie if he knows how many is actually being claimed?---Maybe, I don't know the reason.

THE COMMISSIONER: Did he ever speak to you about why he didn't want anyone else to know? Did he ever tell you? That is, Emir. Did Emir ever tell you?---He mentioned. Probably just, probably he think it's too big amount as well, yeah.

MR ENGLISH: If we can just go to page 109, you can see there's another email from Mr Balicevac to you down the bottom. Do you see that, on 29 August and subject time sheet?---Yes. Yes.

10 Now if we go over the page we can see that now Mr Balicevac is claiming 216.5 hours for that week by Saturday.---Yes.

Now you forwarded this particular time sheet onto info@australianunitedsecurity.com.au, do you see that?---Yes.

20 What's that email, who owns that email address?---It's time sheets basically, all the time sheets goes to info@ sig or australiunitedsecurity, both email. But because, I mean, they're always sending to my email address that's why, because I, I'm not dealing with the time sheets I always put, I didn't even check the time sheets, I just forward to the time sheets email basically.

This time sheet that follows where Mr Balicevac claims 216.5 hours---Yes.

Is this something you would have raised with Tommy as a concern?---Yes.

You know that he couldn't have worked that many hours per week, don't you?---That's right.

30 And so is it your evidence that Tommy, well, what did Tommy say when you raised an instance such as this with him?---He's very surprised that much hours they claimed and I mentioned to him it's very serious, you know, that's, then he called them, give them a call.

Why was it so serious to you, Ms Li?---Because if they not so many guards on the site but I don't know how they covered the shift if they claimed that many hours.

40 So you're concerned from a business perspective, were you, that SIG might get in trouble if it's found out that these hours aren't actually being performed?---Why is this even for university not good too if no, no one protect.

You've got concerns about campus and student safety as well do you? ---Yes.

Did you raise that with Tommy?---I did and I even ask him to ask advice.

Ask advice?---Yeah, from lawyers.

And what did Tommy say when you raised that issue with him? Did he have concerns?---He did, he did talk to lawyers.

But you're aware, aren't you, that claims of this nature, particularly by Mr Balicevac and Mr Lu, continued in time, they didn't seem to stop?---They didn't. That's why I did, I'm not involving in Sydney Uni that much anymore.

10

Well, you were, at least insofar as this email concerns, the primary position or the primary recipient of Mr Balicevac's time sheets.---Ah hmm.

And he obviously had the confidence in you to provide you with information that he wasn't sharing with Mr McCreadie, and you say that you weren't particularly involved in the Sydney University time sheets, is that right?---He always talking, they always talking to me but I'm not touching now Sydney Uni since Frank take over the roster, everything, yeah.

20

THE COMMISSIONER: Before we move on, can we just have a look at page 110 again. I wonder whether you can help me in relation to your understanding of this document.---Yes.

If you see for example on Monday, 1700 hours through to 0200.---Yes.

It says Lincoln, is that Lincoln Nock?---I believe, yes.

30

And then it goes, "Nine hours total. Me, 4.5 hours. Darryl, 4.5 hours." What do you understand that to mean?---I believe Lincoln Nock didn't attend that shift.

Right. And so on that basis is it your understanding that Mr, sorry, that Emir would be receiving 4.5 hours' worth of money.---Yes.

And that Darryl would be getting 4.5 hours.---That's right.

40

And if we would go through all the entries on this page it represented examples of where Emir and Darryl were using the names of other guards to get money.---Yes.

Thank you.

MR ENGLISH: Commissioner, perhaps if that volume can be returned and there was another volume. I've just got another volume for the witness. It's marked MFI B. I might ask if that be tendered. Commissioner, do you have a copy of that?

THE COMMISSIONER: I might, well, I do now.

MR ENGLISH: There's a copy for the witness.

THE COMMISSIONER: The index for this suggests that the records within it are available within other volumes, is that right?

MR ENGLISH: I'm just, they are, the records can be found in what is now Exhibit 38, Exhibit 39, Exhibit - - -

10

THE COMMISSIONER: I think what we should do, I mean, these documents are going to go up on screen aren't they?

MR ENGLISH: They are.

THE COMMISSIONER: As you go through and you draw this witness's attention to whatever documents you propose, it might be just an idea to identify for the record where they come from.

20

MR ENGLISH: I'll do that Commissioner, certainly. If the first document which is from volume 38, which was previously volume 4, can be brought on the screen. That's page 85.

THE COMMISSIONER: Sorry, I should have marked this.

MR ENGLISH: Perhaps I can ask you to do that, Commissioner. I think we're up to 47 would be the next exhibit number.

30

THE COMMISSIONER: The folder marked Operation Gerda E17 I believe 0445 MFI B will be admitted into evidence and be marked Exhibit 47.

**#EXH-47 – EXCERPTS FORM PUBLIC INQUIRY BRIEF
(MARKED FOR IDENTIFICATION B)**

MR ENGLISH: Now this is for the same week that we were just looking at Ms Li. You see there, this is originally an email from Mr Lu to yourself where Mr Lu's claiming 210 hours.---Yes.

40

You see that he's providing some instructions, he says that Ben P is a team leader so I get 23 an hour.---Yes.

What's your understanding of what he's saying there?---If he work that on Ben shift, Ben didn't attend, then he should get the team leader rate.

So he's signing as Ben for that particular shift is he and wants to be paid the higher rate, does he?---That's right.

Now, if we go over to the next page which is page 86 you can see here Mr Lu identifies the shifts he wishes to be paid for, is that right?---Yes.

And on most occasions he identifies another name on the shift, you can see Ben Pfitzner, Isaac Yanni, do you see that?---Yes.

Now they're all the names that he is signing in under, is that right?---Yes.

10 Now he's claimed on page 85 to be paid for 210 hours. I can draw your attention please to, it's Exhibit 39 which was previously Volume 4A page 64.

THE COMMISSIONER: What tab number's this, Mr English?

MR ENGLISH: That is tab 8, Commissioner.

THE COMMISSIONER: Thanks.

20 MR ENGLISH: What's that document here, Ms Li? Do you recognise it?
---Sorry, do you know what - - -

The document on the screen, it's behind tab 8.---Tab 8, okay.

Do you recognise that document?---Yes.

What is that?---That's the payroll for all the guards.

30 It says SIG Schedule After Tax. Is that a document created by someone in the office at SIG?---Yes.

Did you create the document?---I set up at the beginning.

So you created the template?---Yes.

Provided instructions to other office staff as to how to complete it?---Yes.

40 So just looking at it, you can see it covers the period 22 August, 2016 to 28 August, 2016.---Yes.

It says after tax. What exactly does after tax mean?---Take the on-book guards.

On-book guards, does it?---Yeah.

But this includes payments for people who were being paid off the books and on the books, doesn't it?---The name list, yes.

Well, it says after tax. In respect of the people who are being paid off the books – and that’s most of them, I suggest to you – there’s no tax being paid at all in respect of their hours, is there?---That’s right.

Now, if we go down to row 47, perhaps that can be slightly increased in size, you can see an entry for Mr Lu.---Yes.

Now, there it identifies that his total hours are 206.---Yes.

10 But you recall just a moment ago in his personal time sheet he claimed 210 hours.---Yes.

Now, is he paid here for 206? Is that what this document indicates that’s on the screen?---Should be, yes.

And then what’s the, it says there’s an adjournment. It says 600. What does that mean?---I think every week pay him 300. From the notes, 300, so for two weeks 600.

20 So you’re saying the notes. Is that the wider column towards the right? ---Yes.

So can you just explain to the Commission what that means and how that translates to the figures that can be found to the left?---12 hours on team leader rate at \$23 per hour, plus 194 hours times \$21 per hour, and plus the adjournment 300 per week at, probably last week he didn’t get paid, then that’s why this week got paid.

30 THE COMMISSIONER: Did he get paid 300 every week?---For, yes, he - -

And what was that for, as you understand?---For my understanding, for paying him to do the roster.

Why is SIG paying him to do the roster?---Because we don’t have operational manager in the office. He, Tommy did have a few one before but they left and Tommy had too many other sides. He can’t control by this big side for SNP, yeah, so didn’t - - -

40 Mr Lu, as you understood it, was employed by who?---SNP.

So he’s paying an employee of SNP \$300 a week to do the roster?---Yeah. Yeah, he’s more familiar with the site as well.

Yes, thank you.

MR ENGLISH: Thank you, Commissioner. So there's a payment identified in the column that reads "AMT" and it says \$4,950. Do you see that?---Yes.

So is that how much SIG paid to Mr Liu in respect of this particular period?
---Yes, I believe.

Do you know if that was in cash or was it a deposit?---Cash.

10 And this is an off-the-books payment?---Yes.

That Mr Elredi would have withdrawn the cash in respect of, Taymour?
---Yes.

And so there was that discrepancy alluded to earlier between 206 hours and 210 hours. Did Mr Lu ever say, "I've been short-changed four hours. You should be paying me more?"---I heard from the girls he does communicate with them.

20 And say what?---Say why it's short four hours.

And why would it be short four hours? Was there a process of reconciliation that had to go on in the SIG office before payments could be made?---That's right.

And so what would that process involve?---The, maybe Frank he made a mistake.

30 So in his personal time sheet he's made a mistake?---Might be.

And what, when the office staff look at the site time sheet and they do a comparison, they realise there has to be an adjournment?---That's right.

And does payment then, do I take from your evidence that the payment is made according to the site time sheet?---That's right.

We can see also, just staying with page 64, there's a payment or there's an entry, rather, at line 42 for Mr Balicevac. Do you see that?---Yes.

40 So he's to be paid 218.5 hours. Do you see that?---Yes.

You might recall his claim was 216.5 hours by Saturday. Do you recall that?---Yeah.

So he's this time being paid more hours than he actually claimed by two. Do you see that?---Yeah.

Is that as a consequence of that reconciling process you just spoke of?
---Yes.

And can you assist the Commission with translating what's identified in the notes for Mr Balicevac?---There's zero hours at a team leader rate, 22, plus 218.5 hours at \$20 per hours, at, plus \$400 per week.

And what was the \$400 a week for?---I believe it's a commission from Tommy to them.

10

For what? Commission for what?---To let him look after SIG on the site.

But he's an SNP employee, Mr Balicevac.---At the very beginning he, he is with SIG for a period of time. Later he is SNP employee.

Well, as at the 28th of August, 2016, he's an SNP employee?---I'm not sure.

THE COMMISSIONER: Did the payments, the \$400 a week, did they continue whilst he was an SNP employee?---Yes.

20

Thank you.

MR ENGLISH: And just if you can say again, what was it that you were understanding that Tommy was hoping to receive in return for these payments?---Let them, let him to hope he can look after SIG on the site if one the guards made a mistake, so he can cover for him or if the guards arrive late or, so he can cover for him as well, or other, any other incident.

So he'd look after minor incidents - - -?---Yeah.

30

- - - for SIG that arose on the site.---Yes.

What about trying to increase the level of business that SIG was obtaining from the university?---Yeah, I believe (not transcribable) as well.

MR O'BRIEN: Commissioner, can I just take an objection.

THE COMMISSIONER: Yes.

40

MR O'BRIEN: The witness's answers at the outset in relation to the understanding of why these payments were made was fairly ambiguous, or at least vague, in my respectful submission. It was, I believe it was a commission for Tommy. There's been a drilling down, for obvious reasons, into that, but we're still looking to what we don't know, and that is whether there had been discussions between Tommy and this witness as to these payments. And I think with respect to Counsel Assisting, that needs to be discovered before we know what this witness knows of what that witness had to think about these payments.

MR ENGLISH: I'm indebted. I'll do it.

THE COMMISSIONER: Thank you.

MR ENGLISH: What did Tommy tell you was the reason why he was making these payments to Mr Balicevac?---The 400?

10 Yeah, the 400.---What Tommy tell us?

Tell you. Did he tell you a reason why he wanted those payments to be made?---He mentioned before, like, so they can look after us on the site, but why it's 400, it's the discussion between he and Emir.

THE COMMISSIONER: Did Tommy use the word "commission"?---Yes.

Thank you.

20 MR ENGLISH: Was it always 400, the payment to Mr Balicevac?
---Increase later.

So what did it start at, to your knowledge?---How much?

How much, yes.---Probably 300. The same like Daryl at the beginning.

THE COMMISSIONER: Daryl?---Yeah.

30 MR ENGLISH: We'll come to him in just a moment. And you said it increased. Do you know what it increased to?---I think they requested to increase the payment.

They, who, Mr Balicevac?---I guess, yes.

Mr McCreadie?---Maybe, I'm not sure, but Tommy told us to increase them, yeah.

Just sticking with page 64, please. There is the entry there for Daryl. Do you see that? He's to be paid 93 hours?---Yes.

40 And so he there is identified as being paid \$400 a week?---Yes.

Did Tommy tell you why those payments, a payment of that amount was being made to Mr McCreadie?---The same reason like Emir to look after SIG and, yeah.

Now, you can - - -

THE COMMISSIONER: One moment. On that, and I think this applies to all of them, just remind me, Mr English, if you can what was Mr McCreadie's position within SNP? Roughly.

MR ENGLISH: The site manager, I'm assisted.

THE COMMISSIONER: But the rates that are in there say \$20 per hours. ---Yeah.

10 That's a rate that's paid to guards isn't it?---Yes.

And as you understand it, why was Mr McCreadie who was the site manager being paid hours for guarding duties?---Because either Tommy want to get the benefit so if the rate higher so the benefit will be less if the rate. For example SNP pay us 25 so if Daryl get 20 so \$5 difference if the rate goes higher.

I think you might have misunderstood what I was asking. Mr McCreadie is a site manager.---Yeah.

20 He's being paid by SNP.---Yeah.

Why is he getting \$20 per hour as a site manager?---That \$20 per hour is according to the guard's name he used to claim.

So falsely claiming for work that he didn't do as you understood it?---That's right.

Thank you.

30 MR ENGLISH: Mr McCreadie wouldn't often send through a personal time sheet would he?---I believe he does send.

Was it every week, as frequently as other guards would send them through? ---I think he less.

Was it on occasion that another guard might, or not a guard – I withdraw that – another person, either Mr Lu or Mr Balicevac would identify how many hours should be assigned to Mr McCreadie?---Might be, yes.

40 Now, if we can go, please, to page 84 of Exhibit 38 which is behind tab 5. That's volume 4. Now, this is an email from Mr McCreadie to you and Mr Balicevac. You'll see a summary of hours this week (busy week)!!!? ---Yeah.

And Mr McCreadie doesn't seem to be identifying hours that should necessarily be assigned to himself. He's referring to different days of the week with different names. You can see Yahya Alabdulla on Monday to

Thursday, Lina Chami, et cetera, et cetera. Those names that he's identifying in this email do you understand that they're names, assumed names, i.e. not the people that turned up for the shift?---That's right.

And he writes at the bottom "186 hours. Shine it up!!". Do you know, well, have you seen him use that phrase "shine it up" before?---Maybe but I can't remember, yeah.

10 Now, you might just recall that Mr McCreadie was ultimately paid for 93 hours yet here he is saying 186 hours. How was it that the 93 hour payment amount was reached when one looks at this document on page 84. It seems like a difficult task.---Yeah.

So whose job was it to find out how much Mr McCreadie should be paid for the week?---One the girl just doing this job.

There was one girl just doing this and who was that?---I believe the one said before Sue.

20 THE COMMISSIONER: Sue?---Yeah.

MR ENGLISH: So it was her responsibility to reconcile personal and site time sheets?---Yeah.

How many days a week did that take her?---Two days plus, two days the main days but every day we receive the time sheets from the site.

30 So every day you'd receive a site time sheet or personal time sheet?---Site time sheet to do, to prepare first.

Now, sticking with this period. If I can ask you some questions in relation to Exhibit 39 and if page 30 of Exhibit 39 which was previously volume 4A can be brought on the screen, please. Do you recognise this particular document, Ms Li?---Yeah.

You've got a hard copy there as well, do you?---39?

THE COMMISSIONER: What tab is it behind, Mr English?

40 MR ENGLISH: Page 30. It's behind tab 2.

THE COMMISSIONER: Thank you.---Yes.

MR ENGLISH: So it says "Sheet 1 SNP week ending 28 August, 2016". ---Yeah.

Perhaps if we can just go to the next page so you can see it properly. This is a spreadsheet. Did you make the template for this spreadsheet?---Yeah.

So have you provided training to the other staff members at SIG as to how this spreadsheet should be completed?---I did at the very beginning. Later on they trained by themselves, yes.

And what information is contained on this spreadsheet?

THE COMMISSIONER: I don't think the witness has got a hard copy yet. Did you say behind tab 2?

10

MR ENGLISH: Tab 2, yes. You might be looking, I'm sorry, Commissioner. That might be the wrong bundle you're looking at. This is - -

THE COMMISSIONER: Behind 2 of 39 was it? Sorry, what volume is that?

MR ENGLISH: It's now Exhibit 39. It was 4A.

20 THE COMMISSIONER: Thank you.

MR ENGLISH: Have you got that there, Ms Li?---Yes.

So - - -?---Oh, there's site name. This is for SNP the work SIG did.

So this is all the work that SIG does pursuant to a subcontracting arrangement with SNP?---SNP. Yes.

30 So you can see in the top left-hand corner there's something "AFTRS".
---Yeah.

What's that?---One of the site called AFTRS, Australian Filming Television Radio School I think.

So that's one of the sites that SIG provided guards was it?---Yes.

Pursuant to an arrangement with SNP?---That's right.

40 And we go down. At the bottom of page 30 you can see the table Sydney University.---Yes.

And Sydney University continues over the next page but you can see there's two colours used there.---Yes.

There's a yellow which is predominant there and there's also an orange coding, do you see that?---Yep.

Does that identify anything to you, the use of those two different colours?
---I didn't prepare exactly the time but I believe that those names are not attend.

So they're the assumed names that have been used for the purposes of that shift but they didn't show up that day?---Maybe, yes.

Now, if we go to page 33. You can see that there's more colour coding there.---Yes.

10

And then if we turn to page 37, please, you'll see this is identified as sheet two. Is this another document, the template from which you created?---No.

You didn't create this one?---For the next one.

On page 37?---No.

Okay. Hopefully you can assist in interpreting it - - -

20 THE COMMISSIONER: Do you know who did create it?---The girls.

One of the girls?---Yeah, because too much job for them I think they try to reconcile by ways.

There's a lot of names weren't there, okay.

MR ENGLISH: Thank you, Commissioner. There's, on page 37 you can see there's a column where all the names or there's two sets of names identified and they are all in orange. Do you see that?---Yes.

30

For example, the first entry is Emir and it says Yahya Alabdulla in brackets?---Yes.

Does that suggest that Emir is to be paid for a shift where Yahya Alabdulla's name was used?---Yes.

And it says four. Is that how many hours he's to be paid for in respect of that shift?---Yes.

40 Now you can see Mr McCreadie is claiming to be paid in respect of the name used Yahya Alabdulla.---Yes.

And so this is a sheet that is used, is it, by SIG staff to reconcile the staff members who are to be paid versus the name they used at least on the time sheet to perform the shift?---Yes.

THE COMMISSIONER: You've seen this form/document whilst you've been at SIG?---Am I seeing it, yes.

Okay, thank you.

MR ENGLISH: Is this the document that you said Sue before, she was responsible for reconciling?---For that period time, yes.

So this is a document that Sue would have worked on?---Yes.

10 Now, if we can then turn to page 40, please. This is identified as Sheet 3. Again, it's for the same week. Do you see that?---Yes.

Is this a document that you created the template for?---Not by colouring, it's just name date, but not by colouring like.

So when you, you did create the template for this but without the colour coding, is that right?---Yes.

20 This identifies, does it not, the names claimed by certain people and the assumed name next to them. Do you see that?---Yes.

Now you see on page 40 it starts with a series of names claimed by Emir, do you see that?---Yes.

Then if you go over the page to 41, down the bottom you can see there's another series of names claimed by Emir.---Yes.

Is there any reason as to why Emir's names aren't all in one list, why they're broken up in this way?---I'm sorry, I don't know.

30 You're not sure?---Yeah.

Could I ask you about the document on page 47, please. You'll see this titled New and it's for the same week, and please feel free to flick if you need to, but it's quite similar to the document I first took your attention to in this exhibit on page 30.---Yes.

You might see that the name Peter Walsh on page 47 down the bottom doesn't appear on page 30.---Yes.

40 So, this version, which is called New - - -?---Yes.

- - - do you know how this differs from the first document I took you to which was Sheet 1 the one that's similar?---Yes.

What's the difference between the two, that's Sheet 1 and New, sheet New? ---Probably at beginning was, did the sheets 31, the last sheet, then they find out probably there's a few shifts missing, then they, after they fix the time sheet matching, so the girl put in the few, the shifts (not transcribable)

So the first version of this which was Sheet 1.---Yes.

What document was relied on to create the entries in Sheet 1?---On site's time sheet.

So we get to the document which is New, which is on page 47.---Yes.

10 Are there further documents relied to create additional entries in the new version?---I believe probably according to the personal time sheets if they appear in their personal time sheets, yes.

Now, can I just ask, please, that page 75 of Exhibit 39 be brought on the screen. This is an invoice from S International Group to SNP Security, do you see that?---Yes.

It identifies the various locations at which security guarding services were provided by way of a subcontracting arrangement with SNP?---Yes.

20 If I can just ask you to turn to page 76, please. You'll see at the bottom there, there is an entry for Sydney University. I'm sorry it's hard to read. ---Yes.

And then if we go over the next page, you can see there's a list of entries and this time it includes that name I drew your attention to earlier, which is Peter Walsh.---Yes.

30 Do you just want to, by reference to page 47, answer this question, is it the case that once the new spreadsheet was settled, that would then be used for the purposes of invoicing SNP in the form that we can see, it's behind Tab 5, but running from pages 75 through to 84?---Yes.

THE COMMISSIONER: Those details were provided to SNP were they? ---Yes.

Thank you.

MR ENGLISH: Is that an appropriate time Commissioner.

40 THE COMMISSIONER: Certainly. Now, we'll adjourn till 2.00.

LUNCHEON ADJOURNMENT

[1.00pm]