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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 FRIDAY 15 FEBRUARY, 2019

AT 2.00PM

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

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

MS GLEESON: Please the Commission, Gleeson. I seek authorisation to appear for Liansu Dai,

THE COMMISSIONER: Yes, Ms Gleeson, you're authorised.

MR ENGLISH: Thank you. She's up the back, Commissioner. Might she make her way up to the witness box, Ms Dai, please. And while that's occurring, the compulsory examination transcript for Ms Dai was distributed over the luncheon adjournment. Might you consider,  
10 Commissioner, vacating the previous 112 and giving that an exhibit number as well, please.

THE COMMISSIONER: All right. Come forward and take a seat. The compulsory examination transcript – sorry, I'll start again. I vacate the order made under section 112 of the Independent Commission Against Corruption Act, 1988, in relation to a transcript of compulsory examination of Liansu, that's L-i-a-n-s-u, Dai, D-a-i.

20 **VARIATION OF A SUPPRESSION ORDER: COMMISSIONER VARIES THE SUPPRESSION ORDERS OVER EVIDENCE GIVEN BY LIANSU DAI AT THE COMPULSORY EXAMINATION HELD ON 26 SEPTEMBER 2018 SO AS TO PERMIT ACCESS TO THE TRANSCRIPT OF THE COMPULSORY EXAMINATION TO AFFECTED PERSONS AND THEIR LEGAL REPRESENTATIVES.**

THE COMMISSIONER: And I admit that transcript into evidence as  
30 Exhibit 79.

**#EXH-79 – TRANSCRIPT OF COMPULSORY EXAMINATION OF LIANSU DAI DATED 26 SEPTEMBER 2018**

MR ENGLISH: And, Commissioner, do you have a copy of that transcript? I can provide it if you like.

THE COMMISSIONER: I think I might actually.  
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MR ENGLISH: Just for the record it was a compulsory examination that took place on 26 September, 2018.

THE COMMISSIONER: Just bear with me for a second. Yes, I've got that.

MR ENGLISH: Thank you.



THE COMMISSIONER: Just let me explain to you, as I did last time you were here, what your rights and obligations are as a witness. As a witness, you must answer all questions truthfully and you must produce any item that I require you to produce during the course of your evidence. I propose to make a declaration pursuant to section 38 of the Independent Commission Against Corruption Act. The effect of that declaration is that although you must still answer the questions asked of you, the answers you give or any item produced by you cannot be used against you in any civil or criminal proceedings.

There is, however, an important exception. The declaration I'm about to make will not protect you if you give false or misleading evidence. If you give false or misleading evidence to this Commission, you commit a very serious offence and the court can impose a penalty of imprisonment for up to five years. Do you understand that?---I understand.

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 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 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.

MR ENGLISH: Can you please state your name for the record?---Liansu Dai.

Do you hold any qualifications, Ms Dai?---\*Qualifications?\*

Qualifications.---You mean now or - - -

Now, yes. Did you go to university?---Yeah.

What did you study?---Finance and economics.

You worked for a business S International Group Pty Ltd, did you not, at one stage?---I work there for around half a year.

When did you first commence working at S International Group?---I was doing part-time job in May, 2000, which year, sorry, '16.

10 And when did you leave S International Group?---In February, 2007.

2007 or 2017?---Oh, 2017, sorry.

You said you were working part-time. How many - - -?---(not transcribable)

Just let me finish. How many days a week?---I was doing two days at the first two months and then full-time after July.

20 How were you paid your weekly wages?---First two months were in cash and from July is three days on PAYG and two days on cash.

PAYG, you mean there was - - -?---There's a tax (not transcribable)

So the tax was meant to be deducted from your wage and withheld?---Yeah.

And what was your job at SIG, what were your responsibilities?---I was doing accounting assistance and administrator, administrator.

30 Who were you assisting?---Lynn.

Is that Ms Li, Lynn Li?---Li Qin full name.

Qin Li.---Yeah.

But more precisely what were some of the responsibilities that you had to perform? This was a security business, wasn't it, S International Group? ---Yeah. My daily duty is I was collecting the time sheet from the security guards and putting in Excel and making the summary of all hours and I  
40 creating the invoice to SNP and answering some calls too, yeah.

So you said collecting the time sheets. Was that a time sheet for what venue?---I collecting the personal time sheet from each security guard who was working in different sites including Sydney Uni, University campus.

And what about time sheets for the university? Were you collecting a site time sheet?---Yes because I have to send, forward to SNP too.

And did you perform any reconciliation duties between the site time sheets and the guards' personal time sheets?---Reconcile?

Yes.---Yep.

10 What did you do there? What were you looking for when you performed those reconciliation activities?---So basically I would generate Excel to, before sending the invoice I have to make sure all the hours will be reconciled to the security guards who are send, sign to the time sheet, they will sign on the site. So have to reconcile their personal hours to the site time sheet.

And sometimes security guards would say, would they not, that they were working under someone else's name?---Yep.

So did you have to make sure that that other name was also included in the site time sheet?---I have to check that the names was on the site time sheet.

20 And sometimes that'd be the guard's real name?---Can you specify what that mean?

So sometimes the person who provided you with the time sheet, they'd use their real name to complete a shift?---Do you mean they sign their real name on the site time sheet?

30 That's right.---Sorry, hard to remember that. From my memory, the security guard would use the false names on the site time sheet and if they forgot to use the false, sign time sheet, I will ask whoever was, I was sending the time sheet, to ask to amend it.

So is your evidence that on most occasions you recall guards signing in under a different name on the site time sheet?---Security signed the different names, yep.

40 On most occasions?---Not most occasion. So during the big events such as orientation or the graduation requires lots of security guard on-site. We (not transcribable) security guards then the people who working on the site may use the false name or other people's name to continue working there. On the normal weeks, there will be Emir or someone else using the false name to sign on the time sheet but it's not that, a lot of hours on that.

Were you sometimes asked to supply names of guards who could be used to be inserted onto the site time sheets?---Yeah. I was told by Lynn to provide the names from a database from our office to use other people's name.

What, there was a list of names at the office, was there, that could be used to be inserted falsely on to the site time sheets?---Yeah. Because we, we have the lists of the security guards' information.

Now, you spoke of spreadsheets. If Exhibit 39, page 30 can be brought up on the screen, please. You see this document in front of you, Ms Dai?  
---Yep.

It's a spreadsheet, it's called Sheet 1, it says, "SNP week ending 28 August, 2016." Do you see that?---Yep.

10 And don't worry about the first four or five tables. If you can focus on the bottom table for Sydney University.---Right.

Is this a spreadsheet for which you would have entered the data at that time?---Sorry, do you mean the other people's name were put in there or - -  
-

Yes. You see, looking at Sydney University, you can see that there's a number of names listed. There's some time on, time off information, total hours, a date and a day.---Yep.

20 Would you have entered that information into this spreadsheet?---Yeah. I did make the entry there.

And you see how there's some names that are on a yellow background and there's some names that are on an orange background?---Yep.

Do those colours signify anything?---So the orange colour will be the other people's name.

30 THE COMMISSIONER: The false name?---False name, yeah.

Thank you.

MR ENGLISH: So the false names, for example, you can see Eslam Aly. Do you see that in orange?---Yeah.

So that means Eslam Aly's name was used on the site time sheet, is that right?---Yeah.

40 But Eslam Aly did not turn up to work that day.---It was not him.

Now, can I just perhaps ask if a copy of Exhibit 39 can also be provided to the witness. I'm just going to ask you to flip across a few different documents, and you'll need to perhaps keep your finger on one of the pages. And while that's happening, if page 47 can please be brought on the screen. Now, Ms Dai, if you open up page 30 in the hard copy version that's in front of you, please, and then if you look on the screen now you can see a spreadsheet. This time it's called New. Look on the screen, can you, please. Do you see this? It's SNP week ending 28 August, 2016. So it's

the same period. Do you see that as what's on page 30?---Page 30. It was the previous week (not transcribable) yeah.

So if you look at the hard copy version you've got there at page 30, you can see that it says Sheet 1, SNP week ending 28/8/16. Do you see that?

---Yeah.

And on the screen it says SNP week ending 28/8/16. It's the same period.

---Yeah.

10

But it's called New this time. Do you see that?---Yeah.

And if you look at the bottom of page 47, which is on the screen, do you see there's the name Peter Walsh that's in orange? On the screen.---Yeah.

See that name Peter Walsh?---Yeah.

If you go back to page 30 you can see that that name Peter Walsh doesn't appear. Do you see that?---(not transcribable)

20

Are you able to tell the Commission – well, firstly, let me ask you this. Did you enter the data on the New sheet which commences from page 47 that's on the screen? Did you create those entries in this spreadsheet?---Sorry, I, I can't remember what's happening that one. It's been too long for my memory.

Are you able to assist, there seems to be a similarity at least insofar as page 30 and page 47 is concerned, save for that name Peter Walsh. They seem identical other than that. Would you agree?---Is this page 40. You're

30

saying compare - - -

Page 30 and the page on the screen, which is page 47.---Oh, you mean the (not transcribable). Sorry, I really can't tell unless I read the Excel itself. I, I knew - - -

So you need to see the Excel version of the document, do you?---Yeah, 'cause I, I knew, the thing is I, I couldn't tell which one, the Sheet 1 or the New 1, was sent to SNP. And I knew I create the one with, the reconcile one, and another sheet with people who use other people's name. That was another Excel on the second sheet. So other than that, I can't really

40

remember why is the New one the Sheet 1, number one.

Let me ask you this.---Yeah.

So you said you worked from Excel.---Yeah.

Did you have a number of different tabs of Excel open on the bottom for each week?---Yeah, in the (not transcribable) that, that is, in, in one workbook, Excel workbook, they have two or three sheets, yeah.

And one of those sheets would be used for the basis of billing SNP, is that right?---Yeah.

The final sheet that you determined was correct and accurate, is that right? ---Yeah, should be.

10

And how did you, what did you have to do to come up with that final sheet that was then used for the purposes of billing SNP?---I have to recording each, the sheet like this according to the site time sheet, yeah.

So you started with the information from the site time sheet. Is that right? ---Actually from the security guard personal time sheet.

20

You started with the personal time sheets and you entered that information into a spreadsheet. Is that right?---The process is I look at the security guard's time sheet and, and I'm matching to the site time sheet and according to the site time sheet to put into the Excel.

And when was it, what did you have to do to satisfy yourself that you had the correct data?---Like say for example James John McRae send a time sheet and I find out what he written on the paper, I mean, or email, to reconcile the site time sheet, and either I will know this is the hours he worked.

30

And sometimes that was a very difficult task, wasn't it?---Yeah.

Who was the rostering - - -

THE COMMISSIONER: Why was it difficult?---Sorry?

40

You said it was difficult. Why was it difficult?---Because security guard sometimes they forgot their names, which name they use, and typically on the orientation or the big events there's too many shifts down there and they may have meant different or they forgot the hours, exactly the hours they were there, so it's very hard and they don't really, I don't really get the time sheet usually for some people real, on time, on Monday, but I have to send the invoice at least Tuesday afternoon or Wednesday, so it's bit of a stress.

Thank you.

MR ENGLISH: Did every guard send in a personal time sheet or only the guards that were using false names?---The security guard who, who send the time sheet were working there no matter under his own name or other people's name.

So how long did this process of reconciling the personal time sheets and the site time sheets take you each week?---A day or a day and a half.

And would you as a consequence of that process then determine how much each guard was to be paid?---I show, after I, I and my colleague got all the time sheet from the security guards, we generate another Excel with all the hours been worked with each security guard and with the sum hours and - - -

10 I'll come to that document in a moment.---Okay. All right.

Can I just ask you this, the document that was just on the screen and that you've got in front of you, perhaps page 30.---Yeah.

Who taught you how to enter information into that document?---Okay. When I was, first time I was there I was trained by Summer, then when Summer left was Lynn. Under their direction.

20 If we can go to page 64, please. It's on the screen, Ms Li [sic] if it's easier. ---Yeah.

Is that a document you've seen before?---Right.

Pardon?---Yes.

And it's for 28 August, 2016 until 28 August, 2016. Do you see that? ---Yes.

30 Would you have filled the information in on this particular spreadsheet on page 64 that we see?---I can't remember if I enter these hour there but I, I did in rotation with my colleague doing that summary of hours.

So either you or one of your colleagues would have entered this information?---Right.

And you see there is some information under the heading Notes?---Yeah.

40 What does that tell you, that information that you see under that heading Notes?---It describes that security guard how many hours worked during that week at different site at different hours and different rate.

And then does that provide you with some sort of calculation as to how one reaches the amount under the heading AMT?---AMT. Yeah, that's the total wages will be paid for that person.

Now, was any tax withheld from those dollar amounts under the heading AMT?---Well, say, for some security guard, they will pay tax from certain portion of that amount.

And some weren't, is that right?---Yep.

Isn't it the case that this is a table in respect of those persons that just received the amount that you can see there under AMT?---Sorry, can you repeat?

So, for example, if you see at 11, there's an entry for Ahmed Farhmy?  
---Ahmed Farhmy, yeah.

10

So for Ahmed, he's to work 21 hours at – well can you explain what the notes mean there?---So that describe that for Ahmed Farhmy, his, his hours were, his hour rate is \$21 per hour (not transcribable) and over the 42 total hours, there will be 30 hours supposed to tax.

I see. So he's paid part in cash and part - - -?---On the books.

THE COMMISSIONER: On the books, yes.---Yep.

20 MR ENGLISH: So how would the payment amounts, to your understanding, be provided to the guards? Do you know how guards would be paid these wages?---So there was another Excel with, with everyone's bank details. So according to this Excel, the hours on book will be generate in there and Lynn will pay the wages on tax through the banking and for the rest of the cash, they will just bring from the bank to the office.

So someone would bring cash to the office, would they?---Yep.

30 Would you play any part in counting that money?---Yep. I was direct by Lynn and my colleague to (not transcribable)

And so, what, Lynn would – I mean what would you do to count the money? Was there an instructions sheet or would you work off this? Can you tell the Commission what you'd do, please?---There should be another sheet, Excel, to this one. So this one was the summary of the all hours and the other one is less than the hours on books. There would be rest of the payment in cash generate there.

40 So there's another spreadsheet that said how much each person was to receive in cash, is that your evidence?---Yep.

And otherwise there'd be, in some cases, a payment that would be made on the books and that would be a direct deposit, would it?---Right.

Now, if we can just - - -

THE COMMISSIONER: Who brought the money to the office, do you know?---I don't know really but I know we saw people coming.

Thank you.

MR ENGLISH: If we just look at entry number 42, Emir Balicevac, do you see that?---Emir, yep.

10 Can you just tell the Commissioner what the notes mean for Emir?---So for that week, Emir did not have the team leader hours. The first, it's T/L means team leader and for team leader hours, \$22 per hour and on, and he will use other, only other people's name probably. I'm not sure this one. The 280.5, it was a normal other hours, sorry, normal other shifts, not the team leader position he, he claimed and was \$400, that was the amount he generate, he usually get every week.

So that 218.5 times 20 plus 400 should get you to that figure of \$4,770, is that right?---Yeah.

20 And then if you see in the right-hand column there's something that says D. Do you see that?---Oh, yeah.

What does D mean?---Sorry, I will just (not transcribable). I, I can't really remember, but I guess if I saw the other time Excel, that would be the shortcut, when you filter all the Excels, people with the D probably have the money put into the, will be transferred by Lynn to, through the bank, yeah.

So D for deposit, perhaps?---I think, yeah, deposit, yeah. Yeah (not transcribable) deposit. Yeah.

30 Now, what about Daryl. Do you see Daryl?---Yeah.

Daryl doesn't have a D next to his name. You see that?---Yeah.

Can you tell the Commissioner how the pay for Daryl for that week is to be ascertained by reference to the notes?---So in the description it says 400 per week. Like Emir he usually get every week. And (not transcribable) I probably, I didn't enter that there, but you can see from the column to the hours he had 93 hours. So in AMT, that column he got 2,250.

40 And that amount, would that be paid, to your understanding, to Daryl in cash?---In cash I think, yeah. Yeah.

And so you said that it was your responsibility to count the cash and put it in envelopes for the guards. Do you recall - - -?---Yeah, it's one of the part of the job, yeah.

And you would always do that in accordance with another spreadsheet, would you, that identified the different denominations for each guard? ---You mean when I counting the cash I would use another Excel?

Or another list or something like that.---Another list that was, says the wages in cash, how many each guard get, yeah, yeah.

And for Daryl, for example, would you expect that other list that you just referred to - - -?---Yeah, so basically the other sheet I was talking about, just filtering this one and delete all the deposit people, and the rest of them will be in cash.

10 So you're using the same data that one can see in the amount column and you're just filtering out the people who want to deposit, is that right?---Filter out, yeah, the deposit person, yeah.

So on this occasion, for example, for Daryl, once you, you'd filtered out the other information, it'd just say that he's to be paid 2,260 in cash, is that right?---Yeah, according to the Excel, that's the figure, yeah.

And you'd just go off that figure, then, and put that into an envelope and, what, with his name on it?---Yeah.

20

And you performed tasks like that, and I'm talking about the reconciliation and the payment task, until you left in February 2017, is that right?---I can't really remember the exact date, sorry.

Well, that's what you said before. You said you started in May of 2016 and left in February of 2017.---'Cause I, I can't really remember what I said a few months ago but I certainly know it's February, but - - -

30 But whenever you were working at SIG, you were doing that, at all times, the reconciliation and the payment activities, is that right?---Yeah.

THE COMMISSIONER: Every week?---Sorry?

Every week?---Every week?

Yes.---Yeah, doing, yeah, doing this time, yeah.

The same thing that you've just been shown?---Mmm.

40 MR ENGLISH: Why did you leave SIG, Ms Dai?---This what is actually really troubles me a lot 'cause I know it's, I don't know should I say this now, but at that time I didn't know much about things but I feel lot of stress and, and usually I have to answer the calls during the weekend too sometimes to, some security guard cannot turn up for the shifts, I have to answer during the weekend too. So, and during, during the week every day, every week it will be the same thing. It just not for me.

THE COMMISSIONER: But can I just ask you this, what you were doing was dishonest, wasn't it?---What was, what I do?

What you were doing was dishonest.---Yeah, I feel like covering for people for claim the, the money they shouldn't get.

Can I ask you why you did it?---Why I - - -

10 Why you were prepared to do this.---Because I have to do that, otherwise I would just kick out of the company then.

MR DREWETT: I missed that answer.

THE WITNESS: I was only direct by Lynn to do those things, yeah. I think from - - -

THE COMMISSIONER: Was there an objection there?

20 MR ENGLISH: No, I don't think – there was some people up the back that couldn't hear.

MR DREWETT: I missed most of that answer and I know it's my fault, I'm at the back, but I wonder if anybody heard those last two answers, if they could just (not transcribable)

THE INTERPRETER: I think she said that "Otherwise I'll be kicked out of the company, and I did it as directed by Lynn."

30 MR DREWETT: Thank you.

THE COMMISSIONER: Were you studying at the time?---Study - - -

Were you studying at the time you had this job?---I didn't, I, I graduate at end of '15 and I was during the time applying for visa, so I, it's hard to get a job, a better job than this at that time, and I was, I was learning, doing the professional year and, and the other courses too, yeah.

40 So you were under a bit of pressure?---Yeah, it's hard time there, but, yeah, if I knew that's totally wrong, I know, I feel more sad about these things actually now.

Yes.---Yeah. I didn't choose wisely.

No, you didn't choose wisely.---Yeah.

But you chose in February 2017 to leave?---Yeah.

Because you were uncomfortable about what you were doing.---Yeah, I'm not comfortable. And seeing my friends who were working in the proper accounting job, I think that's where I should go into.

Yes.---Yeah.

Thank you.

10 MR ENGLISH: I've got nothing further, Commissioner.

THE COMMISSIONER: Does anyone have any questions of this witness?

MR DREWETT: Commissioner, I think I might. I've just got my solicitor on the phone just clarifying some instructions. I wonder if maybe, if nobody else has any questions if we could just (not transcribable) for about five minutes - - -

20 THE COMMISSIONER: Does anyone else have questions?

MR DREWETT: - - - whilst I just clarify some (not transcribable)

THE COMMISSIONER: That doesn't include you, Ms Gleeson. We'll just wait and see what happens. Do you need a short adjournment?

MR DREWETT: Yes, I'd be grateful.

THE COMMISSIONER: Can we keep it till about ten-to?

30 MR DREWETT: Yes.

THE COMMISSIONER: Is that fine?

MR DREWETT: Yes, that's fine.

THE COMMISSIONER: Good on you. We'll adjourn.

40 **SHORT ADJOURNMENT** **[2.43pm]**

MR DREWETT: Thank you for that, Commissioner. I might just - - -

THE COMMISSIONER: You might just identify who you appear for too.

MR DREWETT: Yes, I'll do that, Commissioner.

THE COMMISSIONER: Thank you.

MR DREWETT: Ms Dai, my name is Mr Drewett and I act for Qin Li. I understand from your evidence that the person that you would be accountable to, if I can put it in those terms, was Qin Li. You worked for SIG and Qin Li was your boss. Is that right?---Qin Li was my manager.

Yes.---So in the office we follow her direction.

Sure.---Yeah.

10

You gave some evidence literally about five minutes ago and I want to ask you a couple of questions in relation to that. Do you recall that you were asked a question by the learned Commissioner a few minutes ago as to why you carried on in this scheme, do you recall being asked that question? ---Why I carry on?

Mmm.---You mean why I didn't leave?

20

Yes. You were asked a question by the learned Commissioner a few minutes ago. Do you recall him asking that question?---Yeah.

And as I understood your answer, and please correct me if I misunderstood your answer, but you said in effect that you felt that if you didn't do it – that is, carry on – that you'd be kicked out, that you'd lose your job. Is that what you were trying to communicate to the Commission here?---Yeah. I want to explain this one because Lynn will be, it's not, let me, sorry.

30

THE COMMISSIONER: Take your time. Take your time.---The thing is Lynn or Tommy, the SIG boss, the director, they were very careful about the time sheet they sees. If anything wrong with the invoice I send to SNP and they found out there will be difference on the site time sheet and our invoice, they will come back to ask us why there will be a difference, and Lynn didn't want this happen.

40

MR DREWETT: I understand that. I'm asking you, and it might have been the way I asked the question and if it was I apologise. The answer you gave in effect that if you didn't do it you would be kicked out, do you remember saying that a few minutes ago in your evidence?---Sorry, I, my expression is maybe too strong. My personal expression may be too strong.

Sure.---But my meaning is we were very fear to make a mistake on the time sheet, I mean on the invoice and reconcile with the time sheet.

I understand that and I understand that it was a pressurised job and you felt under pressure, didn't you?---Yeah.

Do you agree with that?---Yeah, I did feel pressure about that.

Sure. But I'm going to suggest to you that Qin Li, your supervisor, never told you that if you didn't do it you would be kicked out. What do you say to that?---Yeah, Lynn didn't say this to me but I really feel the pressure because I, when I, when I told Lynn that I want to leave it's not really a pleasant experience.

I understand that. Thank you very much for your honesty there, Ms Dai. I have no further questions, Commissioner. Thank you.

10

THE COMMISSIONER: Thank you. I think that leaves you, Ms Gleeson.

MS GLEESON: Just a few questions. Ms Dai, after you finished working for SIG did you move on to another job?---Yeah.

And where was that?---Is Alan Ross & Associates.

And is that an accountancy firm?---It's accounting firm, yeah.

20 And what were your duties there?---I was a general accountant.

You gave some answers before the break about that you had had some friends who were doing proper accounting work and you thought you should get a job like that.---Yeah.

And was your work at Alan Ross & Associates proper accounting work in that sense?---Yes. My friend recommend to working there. She recommend the job to me.

30 And since you left your employment at SIG have you tried to get any further qualifications?---Yeah, I'm pursuing the chartered accountant at the moment.

And how far along are you with that?---I finished the, one of the units, management accounting, last September and I'm doing the second module now.

40 And you gave some evidence before the Commissioner that in the course of your job at SIG you felt like that you were covering for people who were getting money that they shouldn't, that's right?---Yep.

And is it the case that reflecting on that work now, the evidence you gave was that that was the wrong thing to do, that's correct?---It was wrong.

And do you regret doing that work now?---Yep.

And that's not the type of work that you would describe as proper accounting work, is that right?---No.

So it's not work that you would ever engage in again, would you?---No.

All right. I don't have further questions, Commissioner.

THE COMMISSIONER: Thank you very much. Is there any reason – I take it you've got no - - -

10 MR ENGLISH: Nothing arising.

THE COMMISSIONER: Is there any reason why this witness shouldn't be excused? I mean, I can't see - - -

MR ENGLISH: No reason from my perspective, Commissioner.

THE COMMISSIONER: Well, if anyone's got a difficulty with me excusing her, say it now. All right. Thank you very much for coming and giving your evidence and you're free to go. I discharge you from your  
20 summons.

**THE WITNESS EXCUSED**

**[2.56pm]**

MR ENGLISH: If we can continue with Mr McCreadie, then.

THE COMMISSIONER: Mr Watson's coming down. That's all right.  
Yes.

30

MR ENGLISH: And I think if Exhibit 38 can be collected and Mr McCreadie will need Exhibit 47 in hard copy, please.

MR ENGLISH: If volume 4, page 84 can please be placed on the screen and you'll find that, Mr McCreadie, behind tab 5 of that exhibit which you've got in front of you. We're just going to do some flipping between documents. That's why you've got a hard copy as well. This is a document you've entitled Our Summary. It's an email from yourself to Lynn and Emir on 27 August, 2016. Do you see that?---Yes.

10

That's the first period we were looking at. It involved the eviction, sorry, not the eviction, the protest at Rozelle and some other matters. Now, you've said, "Hi Lynn. Summary of hours this week (busy week!!!)," and I guess the question I'd ask you to focus on is this, you've seen, sitting up the back and during your evidence, examples where guards claimed specific hours for the benefit of themselves or other people?---Yes.

20

Here you're not really identifying who – you've identified 186 hours at the bottom with the post-script, "Shine it up," but you're not identifying who this is to be attributed to. So what are you trying to convey by this document when you're telling Lynn that there's 186 hours spread across these days? What's Lynn to make of this?---I'm thinking it's to be split between Emir and myself.

Well, you don't say that anywhere on the document, do you?---No.

So you would expect from your Our Summary, then, that 93 hours would go to Emir and 93 would go to you?---Yes.

30

And that it would be up to Lynn to work out however she attributes those hours across – no, let me withdraw that. It's up to Lynn to determine either yourself or Mr Balicevac should be attributed whatever combination of these hours, as long as it's 50 per cent each, is that right?---Yes.

Can you go to tab 6, that's you, please, Mr McCreadie, and if volume 4B, which is now Exhibit 75, page 15, can be brought on the screen. You'll see that appears to have occurred in that, here you've been attributed a total of 93 hours to be paid that week. Do you see that?---Yes.

40

Now, if we go back to page 12 of Exhibit 75, please. You can see that's Mr Balicevac's chronological shift for the same period and he gets 100 more hours than you, and you recall that he sent that further time sheet to Ms Li, in which you weren't copied in, do you recall that?---Yes.

So if you go back to tab 6, and you'll see that document which we saw, which was volume 4B, that's the marking, it's Exhibit 75, page 15. And then if we go to the next page, page 16, and bring that on the screen, you'll

see that this is the data from page 15 that's been transposed into this different layout?---Yes.

So here on the 24<sup>th</sup> you're getting paid for a shift relating, or that is described as A09 static. Do you see that on the left-hand column, 24 August?---Yes.

10 What's A09 static, what does that represent?---A09 would be a, would be a building number. I can't recall the name of the building off the top of my head but it's, it's A09, that would be the, the building.

And that's on the Camperdown Campus?---Yes, it would be.

And then you're getting paid at the same time to do a locking up session? ---Yes.

And then you're getting paid for three shifts at Rozelle?---Yes.

20 Now, you certainly couldn't have performed all those shifts at once, could you?---No.

Do you think you performed any of those shifts?---Not on that day, no.

So on your evidence, there's at least three guards that didn't turn up for the night shift at Rozelle on 24 August, 2016?---Yes.

Now, if you look on the 25<sup>th</sup>, you're paid for a lock-up duty and a static H70 at the same time, do you see that?---Yes.

30 Is static a static guarding position at another building?---Yes.

H70, at Camperdown again?---What's the other campus there? What do they call it? There's two, two campuses on either side of - - -

Is it Mallett Street?---No, no, no, no. Darlington, Camperdown Darlington Campus.

So near the main campus?---Yes.

40 So you're getting paid to perform a lock-up duty and a static guarding job in respect of the Darlington Campus. Do you think you completed either of those shifts?---No.

On the 27<sup>th</sup>, this records you've been paid for B19 access. What type of shift is that?---Again, B19 is a building code but I didn't, I didn't work that.

And this records you getting paid for four open day shifts at once.---Yes.

Did you turn up and perform any work at that open day on 27 August?  
---Yes, definitely.

So you would have got paid at least – sorry, I withdraw that. You would have been there for at least one of those shifts at the open day.---Yes.

But then the open day was at least down three guards on this particular day.  
---Yes.

10 You'd appreciate that not having a full guarding complement on-site in these respects presents risks to campus and student safety?---Yes, it can.

So can I ask why did you do this? Why did you agree to do this?---I, again, I, as I said before the, before the break, I, I got caught up in this and I got, I just got too greedy.

Because this is an occasion where you're involved in actually sending the time sheet through to the staff to indicate what shifts you should be paid for.---Yes.

20 And you've given evidence that in a number of respects, in particular on the 25<sup>th</sup> and the 24<sup>th</sup>, you didn't even turn up to do any of the work.---Yes.

So you'd agree that's quite dishonest.---Yes, it is.

And you'd agree when you sent your time sheet through, which we saw on page 84, which is behind tab 5.

30 THE COMMISSIONER: Can we go back to that, please.

MR ENGLISH: Sorry, that's in volume 4, which is Exhibit 38. So here, when you sent your time sheet through, you clearly did it with the expectation you'd be paid for these shifts.---Yes.

Knowing that on at least two days you hadn't turned up to do any work.  
---Yes.

40 THE COMMISSIONER: What did you mean by the words "shine it up"?  
---We, we, we used to use that as a, a saying for, for a lot of things.

What did you mean here, though?---In, in here I, I think in the, you'll find in the context of this it's, "shine it up" is referring to, you know, I guess kind of gloating about claiming the hours.

That's not particularly consistent, is it, with somebody who is being leant on to do what they're doing.---When, when this first started, I, I didn't feel that I was being leant on to have to do this.

No.---But, yeah.

Yes, thank you.

MR ENGLISH: You see, Mr McCreadie, if you look at the first entry. See Monday to Thursday, 1800 to 2200, Yahya Alabdulla, lock-up committee, 16 hours. Do you see that?---Yes.

10 If you go over the page to tab 6, which is Exhibit 39, page 15, you – sorry, Exhibit, sorry, I apologise, 4B, Exhibit 4B, page 15. Or volume 4B, rather, which is, for the record, Exhibit 75.

So you see you've only, according to SIG, been paid for one of those shifts, on the Wednesday, Yahya Alabdulla, the lock-up shift. Do you see that? ---Yes.

On Thursday as well you have. Sorry, Wednesday and Thursday. Do you see that?---Yes, I see that.

20 And then if we go through to Exhibit 39 which is volume 4A, page 75. That's the bill from S International to SNP Security for the week ending 28 August, 2016. The bill was dated 31 August, 2016. Do you see that?---Yes.

If we go to page 79 you can see at the bottom of the page there's the Yahya Alabdulla lock-up shift for Monday being charged to SNP. Do you see that, for four hours?---Yes.

30 If we go over the page to page 80 you can see the Yahya Alabdulla lock-up shift is charged on Tuesday, Wednesday and Thursday.---Yes.

So at least insofar as Wednesday and Thursday is concerned, you've been paid by SIG for those Yahya Alabdulla lock-up shifts. Would you agree? ---Yes.

And you've been paid because SNP has been deceived into believing that Yahya Alabdulla actually performed that shift?---Yes, they have.

40 Can you go, please, to Exhibit 40 which is marked volume 5, page 80, please. That's behind tab 14, Mr McCreadie. So here this is one of Mr Balicevac time sheets for this period. Do you recall there was another one that he submitted?---Sorry, what was the - - -

Tab 14.---Tab 14. I've got a different document.

Do you? Well, perhaps if we can just focus on the document on the screen, then, because that's the correct one there. I'm sorry about that. You recall this was the week where Mr Balicevac sent the two time sheets through, one

where he said he was to be paid for 505 hours and the second one where he identified both he and you were to be paid 77 hours?---Yes.

So on an occasion such as this would you have any discussions with Mr Balicevac as to what he was claiming on your behalf or would you just in effect have no knowledge what he was going to say you should be paid? ---Yes and no. My recollection is, you know, obviously something like this we would have, we would have discussed and, you know, made sure that we got the hours right, but there'd be other times where he, he'd just indicate  
10 oh, you know, there's a shift, there's a shift we're going to claim or just split it 50/50.

Well, you can see, if you turn to tab 15 which is Exhibit 76, page 17, please, which is marked volume 5B. Here SIG has determined you're to be paid for 75 hours, notwithstanding Mr Balicevac saying you should be paid for 77, and I'll track you through that if I can. If we can go to, you can go behind tab 17 and that's Exhibit 41 which is marked volume 5A, page 68. So if we go down to entry number 39, it's on page 69. So do you see for Daryl and you've been attributed 75 hours for working that week, total payment of  
20 1,900?---Yes.

So would that accord with your recollection of how much you collected in your envelope for that week? Do you have a recollection of that?---Not specifically but if, if that's what is, that's what I would have collected.

If you go back to tab 15 and if Exhibit 76, which is volume 5B, page 18, can be brought on the screen.---Sorry, was that, sorry, was that tab 15?

Tab 15, I hope, yes. Should be. Do you see, just focussing on the 29<sup>th</sup> and  
30 the 30<sup>th</sup>, you're paid for four consecutive shifts in relation to a power shutdown?---Yes, I can see that.

Do you recall attending on those days on campus for the power shutdown? ---No.

And if we go to the 28<sup>th</sup>, you're paid for your regular shift and then you also claim payment for a power shutdown shift, starting at 4 o'clock and finishing at 5.00am?---Yes, I can see that.

40 Would you have attended for the power shutdown shift on 28 October?---I don't believe so, no.

Well, if you did, it would suggest you'd worked three days straight without a break on the campus. Do you see that? If you've started at, it's not quite three days, but you've started at 9.00am with your regular shift on the 28<sup>th</sup> and, oh no, you've finished at 9.00am. So you've worked three days straight on 30 October, well, that's the 31<sup>st</sup>, you've ticked over into the next day. Do you see what I'm saying?---Yes, I see what you're saying.

That certainly couldn't have occurred, could it?---No.

Now, I just want to show you Mr Balicevac's claims for this power shutdown. If we can go to page 15, please, of Exhibit 76. Now, here you can see on the 28<sup>th</sup>, Mr Balicevac's claimed for four concurrent shifts at the power shutdown, do you see that?---Yes.

10 Starting from I think 1500, and if we go over to page 16, he's claimed another four consecutive shifts in the morning at the power shutdown and then five consecutive shifts in the evening at the power shutdown again. Do you see that?---Yes.

And then the next day, five consecutive shifts in the morning.---Yes, I see that.

And then five consecutive shifts in the evening.---Yes.

20 I should say concurrent, I said consecutive, I'm sorry, concurrent shifts. Did you have any idea that Mr Balicevac was making claims of that nature? ---No idea.

What does that say about the provision of security guards and the adequacy of the provision of security guards in relation to that activity, the power shutdown, during those three days?---It says that there's significant numbers down.

Well, it's completely fraudulent, isn't it?---Yes, it is.

30 And hopelessly inadequate to fill the request for services, would you agree? ---Yes.

Now, if we can go, please, to Exhibit 42, page 110. This is Mr Balicevac's claim in relation to the week ending 17 December, 2017, and if we go to page 112 you can see he's claimed for you 11 hours. Do you see that? ---Yes.

40 And claimed for himself 118. Would you have expected if he was claiming 11 for you he would have only claimed 11 for himself that week?---That'd be my, that'd be my expectation.

And then if you go over to tab 24 you can see, which is Exhibit 77, page 13, marked volume 8B. So there SIG has only paid you in respect of 10 hours even though there was a claim for 11.---Yes, I can see that.

And do you think you turned up to perform that info day shift on that Saturday?---Yes.

Now, in the final period in the week leading up to 15 April, 2018, it appears you didn't put in a time sheet, but if you turn to tab 32, which is Exhibit 78, marked volume 9B and page 12, please. It appears that you were paid for 10 hours in relation to what appear to be SUV tasks. Do you know what that is?---Yes, SUV is the Sydney University Village.

And it says that you're to be paid for a four-hour, followed by a four-hour and a two-hour shift. Do you think you might have performed those tasks on the Wednesday, Thursday and Friday?---No.

10

I'll just ask that Exhibit 45, which is marked 9A, page 49, be brought on the screen, and that's behind tab 34. This is this SIG payment summary. If we go down to line 65 you can see Daryl. You're allocated 10 hours and it seems by this time you're getting 500 a week. Do you see that?---Yes.

So you're getting a 700 payment. Do you see that?---Yes.

20

Now, was that sort of 11/10 mark, was that roughly what you were receiving a week by way of additional payment for guarding hours in the non-busy weeks?---I believe so.

Was it sometimes nothing or was it every week you'd be paid something even if it was just a little bit?---Sometimes it was nothing extra and sometimes it was only, you know, a couple of hours here or there.

30

If volume 1D, page 10, can be brought on the screen, please. And I should ask if Exhibit 47 can please be collected. The Commission has done an analysis of those SIG payment summaries to ascertain how much those summaries indicate you were paid from December 2015 through to April 2014. And you can see that includes the weekly retainer amount.---Yes.

And if we go to page 11, please. Perhaps to the next page. You can see that the total amount that is reached when all those smaller amounts are added up is \$68,183. See that?---Yes.

Now, I'm not asking you to verify the accuracy of the spreadsheet, but would you accept that that is a figure that you may have received in the order of between that period?---Yes, I do.

40

I just want to change topics now if I can. You put a proposal together with Emir, did you not, to have a man by the name of John Dirienzo perform line-marking duties at the university, is that right?---Yes.

Now, you did that because you realised that Mr Dirienzo could perform those duties with a better margin than the previous contractor that was subcontracting to SNP?---Yes.

So you put a proposal with Emir to SNP saying we found someone else who can do this and there'll be a better profit margin for SNP if you use this subcontractor as opposed to the incumbent subcontractor, is that right?  
---Yes.

And SNP agreed for that to occur?---Yes.

They actually congratulated you on finding more profitable business for them, is that fair?---Yes, they did.

10

I'm just going to ask if some documents from Exhibit 67 be brought on the screen. Starting at page 6, please. See at the bottom, you see there's an email between yourself and Mr Balicevac. You're drafting and composing and sending the email, and you're telling him, if we go across the page, how much it costs to paint a four-metre line.---Yes.

How was it that you started discussing with Mr Balicevac the cost of painting lines – and these are lines to be painted at the Sydney University campus, are they not?---Yes.

20

So how did that conversation come about with Mr Balicevac?---In terms of the cost price to do it or to, to get involved in the line marking?

Well, at some stage you obviously performed some analysis of what it would cost to do that work.---Yes.

And, I mean, what triggered you to do that?---I guess to see if there was money to be made in it.

30

And, well, you did the calculations and then you discussed with Emir that you thought you could do it at a better rate than the incumbent subcontractor, is that right?---Yes.

And John Dirienzo, who was he?---John was one of our parking officers.

Did you approach him to see if he could do the painting work?---I think it may have been the other way around. I think John approached us to, to flag with us that he, he was a painter by trade. But I think, I think that's how the conversation started.

40

Well, you made arrangements, did you not, for Mr Dirienzo to be accepted as a subcontractor by SNP so he could perform that work?---Yes.

Can we go to page 127, please. Here's Mr Dirienzo sending to you a certificate of currency for paving services. Do you see that?---Yes.

And if we go to page 133, you can see at the bottom of page 133, you're forwarding on Mr Dirienzo's liability insurance, do you see that?---Yes.

And Ms Willard says to you, "Hi Daryl. We see no issue as long as the point previously covered by Tammy is adhered to and," I think it's meant to say, "Michael may contact you re covering off safety. Again, this is a great initiative from you and Emir. I have included Sue in the email for documentation." Do you see that?---Yes.

10 Now, there was a previous email, which can be found on page 136, from Ms Willard to you and Mr Balicevac in which she discusses this proposal of John subcontracting to SNP as a painter but reminds you of fatigue and working hours. Do you see that?---Yes.

And it was the case, wasn't it, that it wasn't just John who did the painting work. You and Emir assisted in that process?---Yes, that's correct.

Now, do you know if Mr Dirienzo's insurances extended to you and Emir as well or just himself?---I, I can't recall.

20 You certainly didn't tell SNP, though, that you and Emir were also going to do this painting, did you?---No. Not at this stage.

And then if we go to page 212, please.

30 THE COMMISSIONER: When you say not at this stage, did you later tell them, did you?---John, John resigned and went on to do another job and I put forward a proposal to, I think it was directly to Tom Roche, saying, look, you know, this is what I'm proposing, there's even more money in it for SNP. You know, I'm willing to, you know, go and get an ABN, I'll get my, not workers' comp, my public liability insurance and, and send it all off, you know, only if, only if you allow us to do it and yeah, he, he, I can't remember whether it was Tom who directly said yes, go ahead or whether it was someone else within head office?

And you say it went ahead?---Yes, it went ahead.

Thank you.

MR ENGLISH: We might come to that, Commissioner.

40 THE COMMISSIONER: I'm sorry. Sorry, to cut you off, I just - - -

MR ENGLISH: Not at all. If we just look at page 212 down the bottom, you can see it's an email from Mr Dirienzo to yourself and Emir and he's talking about, he's received payment from SNP for the first two jobs completed.---Yes.

Total 10,354 and one the next page, 213, he's splitting the money with you and Emir, three ways, isn't he?---Yes.

So was that the deal that you had with him, that you'd get the work, you Emir and John would do the work and you'd split the profit three ways?  
---Yes.

And at this stage, that profit sharing arrangement wasn't disclosed to SNP?  
---No.

10 THE COMMISSIONER: What's JRD Painting? There seems to be a fourth party in there?

MR ENGLISH: Was that his business, do you understand, that he registered, Mr Dirienzo?---JRD Painting, yes.

So the amount that the Commissioner's highlighted, what did that amount represent, do you know?---That may have represented either money that he had to, he had to pay in tax or for, for extra equipment costs.

20 Now if we go to page 218, please.

MR GIVORSHNER: Sorry to interrupt. I didn't understand, has the previous document been identified? I mean, its contents were shown but what is it?

MR ENGLISH: It was 212 over to 213.

MR GIVORSHNER: What was (not transcribable)

30 MALE SPEAKER: Exhibit 67, I think.

MR ENGLISH: It was Exhibit - - -

MR GIVORSHNER: (not transcribable)

MR ENGLISH: It was an email. Would you like me to bring it back on the screen?

MR GIVORSHNER: Yes, please.

40 MR ENGLISH: Sorry, if page 212 can be brought back on the screen, please. There it is there. And I was referring to the email at the bottom of the page from Mr Dirienzo to Daryl and Emir, and over the page on 213.  
---No problem.

If we can go to page 218, please. You can see at the bottom of the page there's an email from you to Emir, "P-p-p-p-painting."---Yes.

“Mark just asked for a quote for 5,000 square metres of painting. 140,000. OMG.” Do you see that?---Yes.

Mark is Mark who?---Mark is Mark Moeller.

And it’s the case, isn’t it, that the university would once every three years undertake major painting works to its sort of roads and parking areas, is that right?---That was the plan, yes.

10 And for two of the three years it would just do minor upgrades.---That was, that was planned, yes.

So did you understand that this 5,000 square metres of painting, was that because the university had reached one of those years where they had to do the major upgrade to the paintings, to the road markings?---No, this was, this was something completely different. They were, Mark had, I can’t remember if he’d shown me a, a plan or whether he’d just given me the, the raw data, but they wanted to paint green space – as in just the colour green – across large sections of the main campus. So where there was maybe a car  
20 park or parking bays alongside an internal road, they wanted to go over them in, in a green colour to, I think the plan was to set up tables or, you know, turn those parking spaces into spaces where the students could, could use instead of cars.

You thought it was a potentially very profitable job, is that fair?---Yes, that’s fair.

Now, Mr Balicevac says, “Dazza, this painting, we should kick in hard. If you can Friday night plus Saturday and Sunday.” Is it the case that you  
30 were doing these painting works in addition to your – I withdraw that – outside of your rostered shifts?---Yes.

And to your understanding were you doing the painting works at times when you were also claiming for payment of security guard shifts? Or do you not know?---Look, I, I, I couldn’t recall. I certainly wasn’t painting and trying to do the function of a security guard at the same time.

So you weren’t wearing a security uniform and painting?---No, no.

40 You’d come in your spare time to do it?---Yes.

On page 220, please. There’s some further discussion about the cost of the materials and the, and the amount of margin. Was it your understanding that for this job you’d spend 30,000 and make 140,000?---No, I think spend at least 30 and make about 110, I think.

If you go to page 242, please. This email from you to Mr Balicevac on 4 April, 2017 suggests you were painting during the weeknights too.---Yes.

On page 251, please. There's an email from Mr Dirienzo to you and Mr Balicevac of 16 May, 2017 discussing the splitting of profit, is that right, for painting jobs?---Yes.

And it seems that JRD Painting was to receive 15 per cent of the profit as well, at least by reference to this email?---Yes.

10 So you were being paid by way of ABN number from Mr Dirienzo or from JRD Painting. Is that right?---Yes, I think I had, I'm sure I had an, yes, I had an ABN number at that time.

And you were declaring that money, were you, to the ATO?---Yes, I did.

Now, if we go to page 317, please. You can see there's an email from Mr Dirienzo on 29 September, 2017. He says, "Good afternoon, Cherry." Do you know who Cherry is?---Yes, Cherry was one of the accounts ladies back at SNP head office.

20 He says, "Please be advised that I have withdrawn all line marking and painting services at Sydney University effective immediately and will not be conducting any more painting. The last invoice number 166 was sent to you and payment received. Thank you. SNP Security will not receive any more invoice from JRD Painting. Please be advised that should you receive any invoice quoting my name, trading name or licence number I should be contacted immediately as this would be fraudulent activity and has not been authorised by me as director and proprietor of JRD Painting and could result in criminal charges." Do you see that?---Yes.

30 Now, it seems that you were copied into that email on page 316. If you go back a page. Because you can see that Sherry or Cherry says, "Okay, John. We noted. Regards Cherry." And you're cc'd in. Do you see that?---Yes.

40 So can you tell the Commission what was your understanding of the reason why Mr Dirienzo was suggesting that if his invoice name and trading number or licence number was quoted again it would be fraudulent and could result in criminal charges?---I, I, I don't know what he was thinking by sending that email. When, when he resigned he told us what job he was leaving to go and perform and he actually sent me a text message or an email to say thank you for being a friend, you know, I wish you all the best for the, for the future and then I got a copy of that email from, from Cherry and I was, I was surprised.

Well, there must have been something to it. One doesn't just hand in their resignation with an expectation that there'll be some sort of identity fraud committed in respect of their details. Do you know, was there any discussion around that time, was there an argument or anything that you knew of that could have led to what Mr Dirienzo has written in his email on

29 September, 2017?---I remember trying to get a hold of John after, after he had resigned because like I said, I received that email or that, that text message from John saying, you know, thanks, you know, essentially thanks for being a friend and, you know, wish you all the best. We had completed some painting which was on his final invoice to SNP and obviously I was expecting some payment from that and I didn't get anything from it, so I wanted to get in touch with him and sort of say hey, mate, you know, I don't think it's fair and he, he never returned my call.

10 THE COMMISSIONER: But that doesn't explain this email does it. It suggests as Counsel put to you that if somebody - - -?---Look - - -

Are you telling me that you don't know what that's about?---Look, I certainly didn't use - - -

Do you know what that email's about or you've got no idea?---I've got no idea. I can, I can read, I can read and see what he might be trying to allege could occur in the future, but when John left, that's when I put the proposal to, to Tom Roche, for Emir and I to, to pick up on the painting and continue.

20

MR ENGLISH: If we go back to page 316, you can see that you forwarded on Cherry's email to Mr Balicevac and you said, "I think the guy's on drugs." What does that mean? You didn't really think he was on drugs, did you?---What I'm trying to express there is, I'm, I'm, I'm stunned by the, by the email.

Well, did you do any painting work around the campus that Mr Dirienzo wasn't aware of at any time?---There were times where if John couldn't make it in to do the work, Emir and I would say, look, we'll, we'll do it but we'll still split the money.

30

So you don't think he was upset that you'd breached your agreement with him pursuant to which this proposal began?---No. We, we'd all agreed that, you know, there would be times where not all three of us would be available at the same time to, to do the work but, you know, for example, if there was a night where I couldn't make it in, you know, I would make it up another night.

If we can go to page 319, please.

40

THE COMMISSIONER: What record did you keep of that situation where – sorry, not that situation. In circumstances where you and Daryl did the work but he wasn't there, John, what record, if any, did you give him to tell him what you'd done?---I, I'd email him or I'd text him to, to let him know what it is that we had painted and I'd give him all the, all the measurements so that he could then create his invoice to send off to SNP.

MR ENGLISH: Thank you, Commissioner. You'll see on page 319 on the screen, and this is your proposal to Phillip Tansey. Was he your supervisor at the time?---Yes.

Cc'ing Mr Balicevac, and it's a proposal for you and Mr Balicevac to subcontract to SNP to perform these line-marking duties at the university yourself, is it not?---Yes, it is.

10 And towards the bottom of the page, under the heading Proposal, you outline the business case and you say, is that, "We make," SNP, "makes a five per cent margin on all CLS work." That was the previous incumbent subcontractor?---Previous and we still continued to use them for the larger jobs.

Then there was JRD Painting, you said, "Which we were marking up prices by 20 per cent, giving SNP a profit of around 17." And then under your proposal, you thought you could increase profit for SNP to 35 to 39 percent.---Yes.

20 Now, how were you going to make it so much more profitable for SNP if it was you and Emir doing the work as opposed to you, Emir and John doing the work?---I guess it was a, I guess it was a case of when, when we worked with John, we'd split the money three ways. So instead of just Emir and I going 50/50, we, we figured that if we – when, when we painted, there's always, there's always the agreement that John would get a, for want of a better term, a share of the money. So instead of Emir and I increasing what we wanted to claim, we thought if we proposed that that would be the extra profit margin for the company it would look attractive.

30 All right. And then if we go over to page 320, please, you say, "You may or may not be aware, Emir and I don't incur any overtime and often work back or early to look after the contract and the client." You see that?---Yes.

Not a true statement, was it?---No.

Because you were performing overtime and getting paid for it, or sometimes just getting paid for overtime that you didn't perform.---Yes.

40 And then at the bottom you say, you speak of compliance. So you set up an ABN for the end-of-the month invoicing. So at the end, "I look forward to any comments SNP may have regarding the proposal, and if need be to sit with yourself or Tom if needed to discuss." Is that Tom Roche?---Yes.

And did you receive a response to this proposal?---I daresay I would have.

Well, did SNP agree to take you on as a subcontractor, you and Emir, for this work?---Yes.

Did anyone raise with you the potential of a conflict of interest?---No. No, I don't believe so.

And there was that email previously from Mr Dirienzo to Cherry where Dirienzo was suggesting potentially fraudulent activity. Was that taken up with you any further?---No.

10 So if we turn to page 346, please. You and Mr Balicevac started doing this work and sending through invoices to accounts payable at SNP Security.  
---Yes.

If we go to the next page, 347, you can see that there's a remittance advice. You're identified as the credit, or McCreadie is identified as the creditor ID.---Yes.

The creditor name you can see there, and the cheque's made out to the same people.---Yes.

20 Now, did you have any qualifications to perform this work at the university?---No formal, no formal qualifications.

Is it your evidence that you needed any?---I would have to say yes.

What qualifications do you think you needed to do this work?---A trade licence.

And you didn't have that?---No.

30 But otherwise can you tell the Commissioner what was the standard type of activities you were doing when you performed these line-marking tasks?  
---We were either painting, we would paint parking bay, what do you call them, symbols to determine parking bays. We painted, repainted pedestrian crossings, stencilling or, or lettering for, for marked bays.

And for how long did you do those tasks at Sydney university?---Maybe under, as a, as my own ABN?

40 Yes, after you were approved following that email to Mr Tansey.---I think for a period of about four or five months.

And if page 385 can be brought on the screen, please. A summary's been prepared of the moneys you earned from the line marking. You can see you first earned some, you were paid some money by JRD Painting for line marking from 17 March, 2017 through to 3 August, 2017. You see that?  
---Sorry, I'm just trying to catch up on the dates. Sorry, from 17 March to -  
- -

3 August.---Yes.

Six payments from JRD Painting.---Yes.

And then a further three payments pursuant to the second arrangement, where you were subcontracting directly to SNP.---Yes.

And it seems like you've incurred some expenses at that time as well.---Um, ah - - -

- 10 Or did you have to spend money on paint and equipment and the like?---We had to, yes, we had to spend money on paint and consumables. Sorry, I don't know what those debits are.

Well, unfortunately I can't give you an answer for that right now, so perhaps if that can be taken off the screen. Commissioner, I think I've got realistically another 40 minutes with this witness. I'm moving onto another topic. I can start that topic. We can probably finish one more topic or we can come back on Monday.

- 20 THE COMMISSIONER: We'll come back on Monday. But can I just have an indication from the other parties, roughly – and I won't hold you to it – but roughly how long you think you'll take with this witness.

MR COLEMAN: Half an hour to 40 minutes.

THE COMMISSIONER: Yes.

MR BENDER: 10 to 15 minutes.

- 30 MR GIVORSHNER: It's difficult for me to know because my friend and I have, to some degree our interests are aligned, so I may have very little or I may have about half an hour.

THE COMMISSIONER: Okay, thanks.

MR RAMSEY: I'm in a similar position to Mr Givorshner. Perhaps 10 minutes. It just depends on how things develop.

- 40 MR DEAN: 10 minutes or maybe none. I'll make a decision.

MR O'BRIEN: Five minutes only.

MR DREWETT: I have no questions, Commissioner.

MALE SPEAKER: No questions.

THE COMMISSIONER: So we should finish this witness on Monday.

MR ENGLISH: We should, yes.

THE COMMISSIONER: And who's the next witness after that?

MR ENGLISH: Well, then it will be Mr Balicevac.

THE COMMISSIONER: Yes.

10 MR ENGLISH: And just thinking to Mr Coleman's difficulty, given those estimates, it's probably unlikely Mr Balicevac will finish by Tuesday, so he might be back on Wednesday, which would mean Mr Coleman can perhaps look at the transcript overnight and will be available for any questions he may have on Wednesday for Mr Balicevac.

THE COMMISSIONER: All right.

MR ENGLISH: If that assists.

20 MR COLEMAN: Of course I'll do everything I can to be in a position to ask him questions when my turn comes.

THE COMMISSIONER: All right. You might have a busy night on - - -

MR COLEMAN: Maybe. Maybe, Commissioner. Maybe all the questions will be asked for me and Counsel Assisting will get everything I need.

THE COMMISSIONER: Terrific. All right, then I'll adjourn till 10 o'clock on Monday.

30

**THE WITNESS STOOD DOWN [3.58pm]**

**AT 3.58PM THE MATTER WAS ADJOURNED ACCORDINGLY [3.58pm]**