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INDEPENDENT COMMISSION AGAINST CORRUPTION

STEPHEN RUSHTON SC
COMMISSIONER

PUBLIC HEARING

OPERATION GERDA

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TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON MONDAY 25 FEBRUARY, 2019

AT 9.30AM

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

THE COMMISSIONER: Come forward. Thank you.

MR ENGLISH: While Ms Willard's coming up - - -

THE COMMISSIONER: Take a seat.

MR ENGLISH: - - - there's three statements of Greg Robinson dated the 29th of January, 2019, and the 31st of January, 2019 and the 22nd of February, 2019.

10

THE COMMISSIONER: Yes.

MR ENGLISH: I'd like to tender those if I may, please, Commissioner, as separate exhibits.

THE COMMISSIONER: Thank you. The statement of Greg Robinson of 29 January, 2019, will be admitted into evidence and marked Exhibit 105. Sorry, 104.

20

#EXH-104 – STATEMENT OF GREG ROBINSON DATED 29 JANUARY 2019

THE COMMISSIONER: The statement of Greg Robinson of 31 January, 2019, will be admitted into evidence and marked Exhibit 105.

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#EXH-105 – STATEMENT OF GREG ROBINSON DATED 31 JANUARY 2019

THE COMMISSIONER: And the statement of Greg Robinson of 22 February, 2019, will be admitted into evidence and marked Exhibit 106.

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#EXH-106 – STATEMENT OF GREG ROBINSON DATED 22 FEBRUARY 2019

MR ENGLISH: Thank you. Do you want the witness resworn, Commissioner, or - - -

THE COMMISSIONER: Yes, please. Yes.

THE COMMISSIONER: The section 38 declaration that I made the other day continues.---Yes.

10 **COMMISSIONER'S DECLARATION PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT CONTINUES**

THE COMMISSIONER: Thank you.

MR ENGLISH: Ms Willard, I was asking you some questions yesterday in relation to page 2 of your first statement, which is Exhibit 59. Perhaps if that can be brought on the screen now. But if I can just remind you of some evidence you gave, and just for everyone's benefit, it's from transcript page 954. I was asking you about the Microster system, and I said, "If you've got
20 a staff with two numbers in the system, what checks and balances is there in the system to make sure that staff don't work more than, well, don't work a total number of hours in excess of fatigue limit requirements by breaking those shifts up between SNP and whoever the subcontractor might be?" Remember I asked you a question about that?---Yes.

And you said, "Okay, in that scenario you can only eyeball it because unfortunately because, as I said, the only one that I was aware was at Sydney University of that happening. The only way that you could tell is making sure that you look for the names, but it had a flaw in it, a substantial
30 flaw." Then the Commissioner asked you a question, you spoke again about the flaw, and I don't think I asked you what you meant about the flaw. Can you tell the Commissioner what's the flaw you're referring to in the system?---Yes, yes. Not a flaw in the system. The system has got rule breaks around fatigue management, but obviously with two employee numbers the rule breaks won't work because you have two different people in the system. So I would say it's, when you enter the time sheet in, the person doing it wouldn't, can see the names but it's two different systems, so the system, two different people, so the system will not actually stop the rostering officer, so they can actually see the limit, although they know the
40 limits and they know to apply it, so that's what I mean, that's the flaw.

Oh, I see. So correct me if I'm wrong, so you can do a report manually and have, say, Frank Lu 1 and Frank Lu 2's hours come up on the screen, but there won't be an automatic prompt dealing with both Frank Lus because they're set up separately in the system, is that right?---Correct. Correct.

Thank you. You might recall I asked you some questions on Friday afternoon about paragraph 4 and your responsibilities in ensuring the contracts are still profitable.---Yes.

Now, is one way that you'd do that by analysing overtime payments?
---Correct.

10 And if overtime payments were higher at a particular site, might it be discussed from time to time amongst SNP management that perhaps overtime should be performed through a subcontractor?---No. That's not, that doesn't happen normally (not transcribable)

So how did you manage overtime when you saw that as an issue when you were performing your role of ensuring that contracts are still profitable?
---Okay, so when I look at sites where there is overtime, what I would do is, there's a couple of things you analyse. You analyse sick leave, you need to, you need to find out why the overtime is so, so high, and also analyse whether we have enough people on the site that are actually trained on the site. That's, that's a big factor because if you don't have enough backfill,
20 people work, well, they work overtime hours. Then if the, the client allows a subcontractor model, because not all clients allow that, then we would actually use a, a subcontractor to work the additional hours rather than our direct employee.

So the subcontractor would use its own guard force to work - - -?---Own guard force, yeah.

- - - those hours instead of an SNP employee working longer hours and accruing overtime payments?---Yes, correct. Or we could use a casual as
30 well if we had the casual employees.

THE COMMISSIONER: Just explain to me how that makes it more profitable.---Because if a permanent person has got their full-time roster, if they do any shift outside of their roster, it becomes overtime. First two hours, time and a half, double thereafter. Now, in many cases a subcontractor would actually be cheaper than overtime, not necessarily the base hour, but definitely cheaper in overtime, so we rely on that kind of to, to just curb the price on the, yeah.

40 MR ENGLISH: Now, can you just assume this from me, between the period from August 2016 to April 2018, SIG appears to have charged SNP a flat rate of between \$24.80 per hour and \$28 even for guards working at the university.---Yes. Ah hmm.

Now, you just mentioned pay increases by reference to I think you said time and a half or something along those lines.---Ah hmm.

Do you know in respect of those charge-out rates by SNP – sorry, I withdraw that – by SIG, do you know whether SNP ever performed an analysis of whether those rates were legal in accordance with the awards?
---Not that I'm aware of, no.

Obviously there's different legal requirements as to pay each year when the Security Services Award is refreshed, right?--- Yes.

10 Looking back in 2016, and I'm just asking you in relation to your knowledge of that award, but would a flat rate of \$24.80 at all times in respect of a site such as Sydney University, which was 24/7, seven days a week, does that raise any concerns in your mind as to whether the payment of guards in accordance with that rate would be legal at all times?

MR COLEMAN: I object to that. Firstly it's a question of this witness's ability to answer that question. Secondly, it's a legal construction of the award. Thirdly, I'm not quite sure where Counsel Assisting is going with this in terms of the matters that we understood you were inquiring into, Commissioner.

20

THE COMMISSIONER: I suppose he's saying that it would be an important matter and it may have been one matter that may have led to inquiry which may have suggested that what was being claimed shouldn't have been claimed. That's as I understand it. What do you say, Mr English?

MR ENGLISH: Well, firstly I think three issues were raised with the question. The first was whether this witness has any knowledge or expertise. She referred in a previous question, it might not have been specifically to the award, but I think I drew the, I drew the witness's attention to the fact that those payment increases were by reference to the award. I forget what the second objection is, but the third issue - - -

30

MR COLEMAN: Legal conclusion.

MR ENGLISH: A legal conclusion. Well, this witness can provide her evidence as to her understanding as to whether that rate was in accordance with, as she understood it, or could have been charged at all times in accordance with the award as she understood it.

40

THE COMMISSIONER: Yes, you go on.

MR ENGLISH: So if I can just draw you back to, say, August 2016, when a flat rate was charged of \$24.80 by SIG to SNP. Now, just in the context of your understanding of the award, the Security Services Industry Award, would a figure, a 24/7 figure such as that, have raised any concerns in your mind as to whether it conformed with the award?---The base rate of the award is definitely lower than that, right? So it's around, 2016 I would

estimate the base rate of the award to be around 20, \$21 for maybe a level 2 guard. I can't remember the exact figures. So it is below that rate. But if you're going to have to add on costs onto it and you're following the award, then it is a bit low, yes.

10 Sorry, what was your last answer?---I said if you have to add on, if they're paying according to the award, I don't know if our subcontractors have got their own EBA, but if they're paying according to the award and you add oncosts onto it – oncosts being payroll tax, superannuation, et cetera – then it is probably a little bit low.

And oncosts would include you would expect a margin by the subcontractor on top of the hourly rate?---Should do. Should do, yeah.

So the process of determining – I withdraw that. The process that you've just spoken of, assessing oncosts and a potential rate by a subcontractor that provides services to SNP, was that ever done to your understanding at SNP, that the rate was looked at and analysed by reference to those factors?
20 ---Yes. Well, I know that we, in my time there, it was 24.80 as you say, that wasn't, when I started in August 2016, I don't think it was 24.80 for long. I believe SNP increased it to 26, and then not long, that long after, maybe a year or so after, we increased it to 28. So anybody that was on a low rate, we, we actually told them it has to increase. It's too low.

THE COMMISSIONER: Why did you tell them that?---Well, as a company I think we were looking at it and thinking, well, this is a bit low. It must be, it was a, a director from, you know, from the top, from finance.

30 Thank you.

MR ENGLISH: Were any assurances sought, to your understanding, from SIG as to whether it was complying with industrial obligations in respect of its guard forces?---All I know is that it's a standard form that they sign, that they, when they pay their invoices. I believe there's, may have been - - -

Is this the subcontractor statement you're referring to?---That's it, yeah, yeah. That's all I'm aware of.

40 All right. We'll come back to that shortly.---Okay.

So if I can just draw your attention to paragraph 7 of your statement.
---Okay.

You talk about McCreadie and his team having full control there of rostering, including organising guards and backfilling sick and other leave. What supervision, if any, was there of the operations at Sydney University, led principally by McCreadie?---What supervision? Can you clarify?

Yes, by SNP was there.---By SNP other than Mr Creadie, Mr McCreadie?

Yes.---There's, the only things I can think of, other than Mr McCreadie being on-site and looking after the operations for us, we do have night shift managers that work in my NOC centre. They, they audit the site, so they would go and I, they would actually go out at night, drop off uniforms, make contact with the team leaders, and also the purpose of their audit is basically to check that whoever they can see has got a security licence and is in uniform, and also just to touch base, make sure there's anything they need from the office. Then Mr McCreadie himself would have his own boss, or branch manager, but there was quite a staff turnover for that one, and there was a period of time that we had no branch manager. So the branch manager, like Phil Tansey at the end, he would obviously go and visit Mr McCreadie, yeah, I'd, I'd say so.

So the branch manager was responsible for overseeing McCreadie's operations?---Yes.

20 What about a physical inspection of the site time sheets at Sydney University? Do you know if that ever occurred by a branch manager or someone else from head office?---Not to my knowledge, no.

Is that something you think should have been done from time to time?---In hindsight now, yes. Obviously at the time we, we trusted Mr McCreadie was there and everything was running smooth. And in fact, if there was any query on a time sheet, it would always go back to Daryl McCreadie, so we always ask him to clarify something.

30 The evidence suggests that the time sheets were scanned in at Sydney University and then emailed across I think to the national operations centre. ---That's correct, yeah.

Do you know if that scanning is in colour or in black and white?---Black and white (not transcribable) yeah, I'm sure it's black and white, yeah.

Are you aware of Liquid Paper ever being visible on the site time sheets that were scanned and sent through from Sydney University to SNP?---No.

40 What would you say if you saw evidence of Liquid Paper on those time sheets? Would that raise any concern in your mind?---Yes, it would. Definitely.

Why is that?---Because it's, well, you're changing, you're changing a legal document. So, but it was never raised with me personally. My team never raised it that they thought there was Liquid Paper on the time sheets.

THE COMMISSIONER: Did they raise the concerns with you that there were gaps, missing licence numbers, missing signatures?---No.

No?---It was never raised with me either, no.

MR ENGLISH: Now, you spoke about some supervision from I think night shift operators from the national operations centre, is that right?---Correct, yes.

10 Would those persons be responsible for ensuring that guards who are rostered on had actually turned up for shifts?---They would. On the smaller sites it's very, and this is part of their job, would specifically go into a lot of smaller sites where there's a guard by himself, because it's also a welfare check. However, Sydney University is quite a big, it's a large site, so I don't believe they were expected to ever patrol the whole site and, and count the number of guards. It was more a, you know, touching base, dropping off uniforms, touching base with the team leader, see if there's anything they need from head office, et cetera.

20 If we can go over to page 3 of Exhibit 59, please. You see paragraph 8, you say, "My area would receive these horrible handwritten time sheets on a weekly basis."---Yes, mmm.

There's been some evidence about SNP holding a capability to record staffs' sign-in and sign-out times by way of fingerprint scanning.---Yes.

To your understanding, was that trialled at Sydney University?---Yes.

And the evidence suggests that there might have been an issue with Microster.---There was no issue with Microster.

30 Can you tell the Commission – that trial ended, correct?---It did, yeah.

40 What was the reason for the trial of the fingerprint scanning device ending at Sydney University to your understanding?---To my understanding, look, I'm going to go a step back so make sure you understand where I'm coming from. At the time I was working in the IT division and I was rolling out Microster as a system. So I know that we definitely sent out a biometrics clock to Sydney University, but that's driven by the account site manager to oversee that, as well as I believe the national operations centre, which I didn't actually, didn't report to me. I believe from what I, from memory, it wasn't actually used properly. Not everybody was scanning on. The problem with that is that it raises continuous exceptions in the rostering room, and then your exceptions become out of control and our rostering officers would spend a lot of time trying to rectify exceptions. So it's one of those where the trial didn't work. And when I listened to Frank Lu's testimony, he said something about, he talked about a different start and end time. Now, that's referred to as a gentleman's agreement. That's, and we don't accept that at all. I don't know if that was happening at Sydney University. In other words, if you have a six o'clock start, six to 1800, but

you agree with somebody else that's doing the alternative shift that you come in at 5.30 and finish, 1730, the clocks won't, won't allow for that because you have to work your rostered time. So basically if that was happening, then that would be another reason why it wasn't accepted on the site. So, so I know that these clocks eventually came back. They probably sat there for quite a long time not being used, but it, you know, again it is the site manager, account manager that needs to drive it through, make sure that people are held accountable on-site to use it. There was no problem with Microster.

10

Whose decision was it to end the trial of the fingerprint scanner at the university?---I don't, I'm not sure. I'm really not sure exactly whose decision it was.

Did you - - -?---It may have been just sitting there. I know that the, the exceptions would have come through to the roster office. An exception is where your clock and time doesn't match your roster time, all right? So if those exceptions are out of control, then the rostering staff can't really, you know, tend to it. So I would imagine that somehow it was just pulled back. It wasn't used properly and it was pulled back into the, because I also know that it definitely was working and not, there wasn't a problem with Microster because it would have been reported back to me, because at that time I was liaising with the supplier a lot on, on everything.

20

And just tell me this, does it use a thumbprint?---It's a thumbprint. It's any finger, any finger. Yeah.

And that, does it avoid the need for a guard to enter their name?---Yes.

30 It avoids the need for a guard to enter their licence number?---Yeah, you've got an employee number, so once you - - -

Employee number.---Yeah. Your, enter your employee number.

I mean, it does everything. All you have to do is put your finger at a, you put your finger on the device and that will record all the relevant information for the purposes of the site time sheet, is that right?---Correct. So you need to know your employee number, which is on your payslip. So you basically need to put your employee number in and then it matches your employee number and you can identify it to your, your fingerprint, yeah.

40

I see.

THE COMMISSIONER: I think what you're saying is inflexible.---It's inflexible, yeah, it is.

Yes. So as soon as somebody didn't turn up on time, although they might have done the work and finished later.

MR COLEMAN: I can't hear you, Commissioner. Sorry.

THE COMMISSIONER: It would create problems.---Yeah.

Is that right?---Yeah, absolutely.

10 So you would have ended up with a mess and you'd have some people reporting via time sheets and some people reporting via the thumb device. ---Yeah, yeah.

MR ENGLISH: And so it'd be the case that subcontractors would have to require their employees to sign in using the fingerprint scanner as well, if it was - - -?---We would have to do both, yeah.

Yes. I mean, it would have to cover both.---Yes.

20 You wouldn't have half the workforce using a sign-on sheet and half using a fingerprint, would you?---Correct, no (not transcribable)

THE COMMISSIONER: Do you know whether any steps were taken to raise the matter with Mr McCreadie and instruct him that it had to be, there were no gentlemen's agreements, there were just - - -?---I'm sure there would have been. I don't personally know of it, but I'm sure it would have been raised. It had to be raised with the, the NOC manager at the time because he, we would get what we, in the NOC centre they would get all the exceptions and - - -

30 Yes. Yes, thank you.

MR ENGLISH: You go on in paragraph 8 of Exhibit 59. You continue about the time sheets. "My preference would have been to have them submitted on a daily basis, but that didn't normally happen. It was generally weekly."---It was weekly, yeah.

40 Why did you have that preference to have the time sheets submitted on a daily basis?---I know Domenic asked Daryl McCreadie if it can be daily. The reason why is it takes about four hours to process them. They, it's a lot of time sheets for a week. You have to decipher it, the handwriting, well, the roster officer, and you spend, get it on a Monday and would be chasing (not transcribable) and then there's a tight deadline to get it in by payroll cut-off. So if it comes through daily it would be much easier, so maybe you spend 20 minutes a day or something on it or, you know, 15, 20 minutes, and then when payroll comes you don't have to have a roster officer occupy it for four hours trying to get them in.

And you say then "One of our team members that was au fait with trying to decipher the time sheets would update the system."---It was Troy Swadling

for years because Troy has been there for many years. He, au fait meaning you knew the names, so you can actually say, you can look at it and work out. If I had to do one of these time sheets, I think I'd probably take a day to do them. But he left I think in 2018, beginning of 2018, and then Shane Moxham took over the time sheets, yeah.

So when did Mr Swadling commence with the responsibilities of interpreting and deciphering the time sheets?---This, I can't say the exact date but I would say maybe 2014 or so, around about there.

10

And did he then have to enter the time sheet data into Microster.---Yes, he would have to. He had to marry it up if it does, yeah, anything that's unallocated.

If I can just ask for Exhibit 58 to be brought on the screen. This is the statement of Mr Giardini, Domenic.---Yes.

20

He just outlines some of the processes for rostering and analysing the time sheets, so I just want to make sure whether you agree or disagree with some of the matters that he says.---Okay. Yeah.

30

So page 4, please, and paragraph 14. Can we just go through that paragraph if you can just see there. Mr Giardini says, "When we receive a time sheet, my operator would go through the time sheet. The operations team would go through and check who is on-site. The operations room is set-up per state, so I would have a couple of people working on Sydney contracts. In relation to a site, all me and my team see is a name, a licence number, a start time, a finish time and a signature. I would not know if the person who signed on and off the time sheet worked at the site or not, other than going off a signature and a name that is on a piece of paper."---Yeah, I agree.

You agree with that?---Yes, I do, yeah.

40

And then over the page if we can, please. Paragraph 15. Just read that. "The person allocated on the operations team receiving the site time sheet, check off the hours worked, security numbers and names. If there is an issue, and depending on the issue, we generally go back to the actual site manager with a list of questions. Therefore an issue could be that a person has not signed on or there is a gap in information or what does that ad hoc job relate to this. Alternatively, there is something different on the time sheet to what their details were and it could be simply a guard just writing, you know, a building name. I do not know what the building name is, nor would my operator, but the job might be for a certain event so the inquiry is clarifying some of those bits and pieces." Do you see that?---Yeah.

So I think you've said from time to time there'd be queries raised around the site time sheets, about the adequacy of the information on the site time sheets.---Yes, I believe there would be, yeah, ah hmm.

And to your understanding McCreadie would be then contacted?---Always, yeah.

I just want to go through some of these site time sheets with you if I can, please. If we can start with Exhibit 39, page 24. You see this is a site time sheet for Tuesday, the 23rd of August, 2016.---Yeah.

10 See that control room shift, Eslam Aly?---Whereabouts?

It's towards the top of the page, in the first section, last entry.---Yes.

Do you see there seems to be Liquid Paper that's been applied to the sheet there?---Oh, yeah.

Yes.---So there's a line, yeah, the line's missing, right. Okay.

20 Yes, and the signatures look, the name and the signature looks pretty similar, would you agree?---Mmm, correct, yeah.

I just want to have Exhibit 102 brought on the screen, please. If that can be just increased in size a little bit, please. These are the original site time sheets that were seized. In respect of the small pile, that was seized from Emir's drawer, Emir Balicevac's drawer.---Right.

And the larger two piles were seized I think from the shelving behind where Mr McCreadie sat.---Yeah.

30 So do you see those tags in the bundle to the left?---Yes.

So that's a bundle that was chosen and it forms part of the bundle on the right. That's the main bundle that was behind Mr McCreadie's desk.---Yes.

And then so an exercise was done where, in respect of that bundle on the left, every time Liquid Paper was observable on the sheet, a tag was put on. ---Right.

I see your eyes opened up there.---There's a lot of Liquid Paper.

40 Yes.---Wow. Okay.

Yes. Yes. And that was then shown to Dennis Smith. Do you know who Dennis Smith is?---Yes, yeah.

In the witness box, he didn't go through every one, he just went through a sample of those tags and said, look, to the best of his ability he was able to agree that, at least from the sample, he's sure there was Liquid Paper on those pages.---Mmm. Yes.

So just having been informed of that, and I know you're assuming it from me that there is Liquid Paper at least on those pages where you can see a tag, does that raise concerns in your mind as to the practices going on at Sydney University?

MR COLEMAN: I object.

THE COMMISSIONER: Why?

10

MR COLEMAN: Can my learned friend please identify at least for my sake the evidence which indicates that the time sheets were received in this form by SNP?

MR ENGLISH: Yes. It was taken from McCreadie.

20

MR COLEMAN: No, that's not what he said. He said he faxed time sheets to SNP, scanned them. The premise of my learned friend's question is that every one of the time sheets with the Liquid Paper on it was received by my client in that form. Now, if he can remind me of that evidence, then I'd be grateful.

THE COMMISSIONER: Are you saying that they weren't.

MR COLEMAN: I don't know.

THE COMMISSIONER: Well, I don't want to waste time because if it - - -

30

MR COLEMAN: Well, I'm not wasting - - -

THE COMMISSIONER: No, if it's SNP's position that they weren't received, tell me.

MR COLEMAN: The answer is I don't know.

THE COMMISSIONER: Well, find out, please.

MR COLEMAN: I will do.

40

THE COMMISSIONER: Thank you.

MR ENGLISH: I'll come back to my friend with the page number as well, in due course.

THE COMMISSIONER: Thank you.

MR ENGLISH: So if I can ask you again, just in light of what I just showed you by reference to Exhibit 102, and assuming from me that at least in

relation to the bundle on the left there was Liquid Paper on each of those pages of the time sheets which were seized from Sydney University, does that raise a concern in your mind as to the practices that were going on at the university in relation to these time sheets?---Yes. If there was Liquid Paper on so many time sheets that we were able to identify or if I knew about that, it would definitely raise a concern. But it was never raised with me.

And I'm not suggesting for a minute it was, Ms Willard.---Yes. Okay.

10

There is, and I'll take you through some of it, but there is, as I just showed you in relation to the Eslam Aly entry, there is some evidence that suggests that SNP was on notice – at least in relation to some of the time sheets where the scanned version showed evidence of Liquid Paper – that this practice was going on. Would you have expected if it was Mr Swadling, who was au fait with these time sheets, to have raised this issue with Mr McCreadie?---Yes. Yes. I think he would raise it with Mr McCreadie and he would also raise it with the NOC manager. As the first port of call, he should have done that, yeah.

20

And so it should have been raised at the site level and then it should have been raised as an issue that went up higher, beyond Mr Swadling, is that your evidence?---Well, that's what I would expect, yes.

THE COMMISSIONER: We have seen evidence from time to time of SNP raising concerns about missing information and the like. Was there any audit process whereby – and I'm not suggesting all the records should have been reviewed – but spot-checking of the originals?---No, there wasn't.

30 MR ENGLISH: If we can go back to Exhibit 39, please. Page 21. You can see the entry for Mina Azer there.---Yes.

So that's identified as additional services taking place at Kirkbride, which is not on the main campus.---Yeah.

So you can see there's no sign-in or sign-off signature for Mr Azer.---Yeah.

Now, Kirkbride is in Rozelle and the main campus is in Camperdown, and the time sheets are kept in Camperdown.---Yeah.

40

Is it your expectation that a guard should have signed in onto the site time sheets irrespective of which campus they were performing duties?---I would expect them to, yes.

THE COMMISSIONER: These were, I mean, the template for this was an SNP document.---Yes, it's been used, I think it is, yeah.

Thank you. There's a comments section and sometimes it's filled out in detail but most, more often than not it's not. Do you know what was intended to be included in there?---I would say it'll be information on the additional services because we don't always, this is the RFS, request for service. This is more information that they can take a request for service that's sent through and they can marry it up with a time sheet.

Right.---Right.

10 Thank you.

MR ENGLISH: Can we go to page 11, please. This is the site time sheet for Saturday, the 22nd of the 8th. Do you see the name Malenka Docmenavic and then there's a Mostafa Elkholy and an Anthony Chan? Do you see that?---Yes.

20 There seems to be Liquid Paper that's been applied to Malenka and Mostafa's entries, particularly the licence number and the name for Mostafa.---Hard to tell but, yeah, I can see maybe if you look at the lines missing, yes. Yeah, yeah, okay.

Yes. And then in the comments as well, do you see in the comments there appears to have been some Liquid Paper applied which blocks out the line? ---Yeah.

And then have a look at the signatures for those three people if you can. ---Yeah.

30 Do you see any similarity in those signatures.---It's hard to tell. They're not exactly, I don't think they're exactly the same but I, I think the one for Malenka could be similar to Mostafa, but I'm not sure about the Anthony Chan. It's, yeah.

Now, here these three entries – I withdraw that. Before I get to that, if we go to the bottom of the page, you can see Affan Javaid.---Yeah.

And Isaac Yanni and Ehab. There's no licence number for them and there appears to be Liquid Paper for Affan Javaid.---Yeah.

40 And then there's no signature for Ehab.---Yeah.

And again there seems to be some Liquid Paper that's been applied to the signature of Ehab and maybe even below that as well, at Mohammad Kashif and the Badham Library.---Yeah.

Now, if you saw this time sheet that had come into the national operations centre in this form, what would you have done about it?---Probably would

have asked Daryl about it. I would ask him why is Liquid Paper used. Go back to Daryl, yeah.

And would you - - -?---And I'd tell him not to use it, cannot be used, yeah.

And would you have expected Troy to do something similar?---Yes.

10 THE COMMISSIONER: You'll see the comments, that's a fairly full list, but are they all ad hoc services, do you know? You may not know.---I don't know. But I'd expect it is, it's additional services, and then they've got an explanation "open day", "open day", so they've got to marry that to an RFS.

Thank you.

MR ENGLISH: If we can go to Exhibit 41, please, page 27. You can see the entries for Bishoy and Yahya are missing sign-in and sign-out signatures.---Yes.

20 And there appears to be Liquid Paper for Bishoy that's been applied.---Yes.

If we go to page 20, please. You can see here that there's no signature for Lincoln Nock not for Oliveria Bejatovic. Do you see that?---Yeah.

And I think it's an Atif Ali, there's no signature and it appears that the white-out's been applied as well.---Yeah.

If we go to page 16.

30 THE COMMISSIONER: Mr English, it's probably not necessary to take the witness through all of them, to the extent that they have a common theme.

MR ENGLISH: Well, maybe I can just pick a couple more, Commissioner.

THE COMMISSIONER: Yes, sure. There's no problem with that.

40 MR ENGLISH: Perhaps if we can go to Exhibit 43, page 15. So this is for Wednesday the 13th of December, 2017 and you can see there's only one signature out of five people for the Fisher Library extension and one licence number there, and then for campus lock-up there's only one licence number out of four people there. Do you see that?---Yes.

So Mr Lu and Mr Smith were taken through all of these time sheets where there's issues like this, and it's a time consuming process so I won't repeat it with you, but if I can just ask that another part of Mr Giardini's statement come up, that's Exhibit 58, this time from paragraph 27. You can see in paragraph 27 Mr Giardini talks about the same thing that you talked about,

that time sheets didn't come daily but usually weekly and the time that that would take to enter the details.---Yes.

And then he says at 28, "My team did report to me that the quality of filling out the time sheets was not always good and that that was flagged to me by my team who reported missing information. My team would follow up and ask for the information or confirm what was happening. I think this occurred under Daryl and Aaron Lucas but I remember the more recent things that have been happening since I have been in my new role." And then he says, this is Mr Giardini, "The issues included time sheets not filled out properly, work orders not sent to us or sent after. Requested the site rosters from Daryl a few times on my end in order to republish our main roster. My team are trying to plug in the pieces and if the roster is wrong and did not match up all the time, the time sheets would be, would be jigsaw puzzle. Therefore, I recall sending emails saying can I have a site roster or an updated one to match up what I should have in my system. From memory, I do not recall getting any or anything come back on that." So there's a couple of issues there. It suggests that SNP was aware that the time sheets were not always in a good form and had missing information.
10
20 Do you accept that?---Yep. I accept that.

And from time to time requests were made for that missing information to be supplied.---Yes.

Now, just pausing there. If, for example, a signature's missing on a time sheet that's been scanned into SNP, what would be the expectation, that it would be sent back to McCreadie and he would have the guard who performed that shift re-sign it retrospectively?---I would say so, yes, but it will go, it would have to go back to Daryl or Emir but we normally dealt with Daryl more, but retrospective signing the time sheet, yeah, we would probably expect Daryl to just double check and make sure that the person was at site. You know, verified from his side.
30

THE COMMISSIONER: But if the time sheets were sent back, wouldn't that create payroll problems?---Yes, it would because we have a very limited time to get those time sheets in the system for payroll, and sometimes they were sending them through late and we had to chase them to send it through, yeah.

40 MR ENGLISH: So just in light of the time sheets that I've shown you and Mr Giardini's explanation there as to what his team would do when there was missing information, do you say that SNP took reasonable steps to ensure that the time sheets that existed at the university were adequately filled out?

MR COLEMAN: I object to that. My learned friend can make the submission on the evidence, really, whether this witness thinks it or not.

THE COMMISSIONER: Sorry, what was the question? I was making notes.

MR ENGLISH: Whether this witness thinks that SNP took reasonable steps to ensure that the time sheets were adequately filled out.

THE COMMISSIONER: No, I'll allow that. I'll allow it.

10 MR ENGLISH: Do you want me to ask the question again or - - -?---Yes, ask it again. I want to have a good think about it, that before I answer it.

20 Sure. Take your time. So in light of the evidence I took you to in relation to the time sheets themselves, so that's the Liquid Paper and the missing information and Mr Giardini's evidence as to what his team observed in time sheets and the queries that they'd made from time to time of McCreddie, do you say that SNP took reasonable steps to ensure that the information that was required to be in those time sheets was adequately entered into them at Sydney University?---I'd like to answer it this way, SNP in general as a company, I – the thing is the rostering officer is the person dealing with the time sheets. So they'll print it out, they'll scan it then print it out and they'll, they'll settle that time sheet with a, with a strict deadline. So the rostering officer should have told the NOC manager or myself, if he, if he observed no signatures or no licence number. So over all, I think the process there is flawed. I believe our rostering officers need to be, or should be more aware of compliance and ensure that it's raised up the chain. There was times that we did raise the queries, but overall, you know, SNP as a company, I'm not sure but, yeah, the rostering officers should have escalated this and it wasn't done.

30 THE COMMISSIONER: Have any steps been taken or any steps planned by SNP to reduce the risk of, I'll use the term loosely, ghosting happening in the future?---Yes, definitely.

40 Can you just tell us what they are?---Okay, so there's a couple of steps. One thing is we, we've been bought over by Certis, Singaporean company, and we're going to roll out BOSS, which is an applicant with a GPS tracker, right through all our sites. So that's on the agenda. The other things that's happened is some services taken over. What we've done, which I thought it a brilliant idea, it's a whistle-blower policy. They've put posters out on on-sites to say please phone this number, it's an independent law firm. So if you, or if you see anything that's illegal, fraud, something, or mismanagement on-site, to anonymously phone through to this number and it's dealt with very confidentially and I think that would have been a big thing because how can this have gone on for so many years but nobody spoke up? So that is obviously a big thing and I'm sure we're going to do more but waiting for recommendations after ICAC but definitely - - -

Thank you.

MR ENGLISH: Ms Willard, do you accept that a fingerprint scanner at Sydney University would have reduced or eliminated the risk of the time sheet fraud having occurred?---Yes, I do.

Now, you spoke earlier about – sorry, I might just come back to that. I just want to show you, before, while we’re on the issue of time sheet fraud, if I can just have - - -

10 THE COMMISSIONER: Are these posters on-site, are they meant for staff or are they meant for - - -?---Meant for staff.

They’re meant for staff.---Yes, absolutely.

MR ENGLISH: And just on that, do you know, is that initiative, has it been well taken up by staff?---Very well. We get, I believe it’s too well in terms of not, not actually, it’ll just be “I don’t like my supervisor” type of thing, not – well, it was meant for, to a degree where I think it’s been flooded when it first was launched, that’s what I heard anyway, where it was all
20 kinds of stuff coming through, which is weird. The target for that is if you see illegal activity. And then we tried, I think on the, on the poster they say, well, if it’s a human resource issue, to call Human Resources. So it’s a different channel for that one, yeah.

So, Commissioner, there was an email that was referred to in the evidence that was produced by SNP in the bundle. It was referred to as the ghosting or the Liquid Papering email. I might ask if that be brought on the screen and tendered. It doesn’t have a reference to Liquid Papering but it does to ghosting. This is it here. It’s an email, I mean, the relevant part is the
30 emails from the national operations centre to accounts and Daryl McCreadie on Friday, 24 November, 2017, and Mr McCreadie’s response on the same day at 10.51. If I can tender that, please, Commissioner.

THE COMMISSIONER: Yes, that will be admitted into evidence and marked 107.

40 **#EXH-107 – EMAIL CHAIN FROM NATIONAL OPERATIONS CENTRE TO ACCOUNTS PAYABLE AND DARRYL MCCREADIE ON 19 NOVEMBER 2017**

MR ENGLISH: So if we go, just so you understand the context, Ms Willard, if we go over the page, there’s an issue about the entry on the site time sheet for someone by the name of John Adam.---Ah hmm. Yes.

You see that? This is an email from the national operations centre. “Had John Adam written within the comments, 18 to 19 report writing, then I

could have assigned that hour under USYD additional. I've spoken with Daryl, who will look into it, and once he advises I will update Microster." Do you see that?---Yes.

And if we go over to the, back to the first page, sorry. You can see, I think this is an email from Mr Swadling, Troy, is that right?---Yes.

10 "All, Daryl has confirmed that this one hour is not payable. Please remove from invoice. It would also be greatly appreciated if site time sheets are not amended and then re-sent, as some would see this as ghosting shifts or fraud. Regards, Troy."---Yes.

Have you seen this email before?---No, I don't believe I've seen the email. I somehow remember something about him, maybe talking about it, but I can't remember that I've seen the email, no.

Now, it seems like Mr Swadling was aware from this email that time sheets were being amended at Sydney University.---Yes.

20 Have you got any view on whether his response to accounts and Mr McCreadie in relation to that issue was adequate?---I would say it's not but then I would say that he probably trusted, we all trusted Daryl and so he, if there was any discrepancies on this, on this time sheet, it would just go back to Daryl. So it's not sufficient, looking at it in hindsight, but I think he was doing it from a place of trust that Daryl was on the site and overseeing everything. So in his mind I don't believe he thought there was ghosting shifts. He's just saying it looks like it (not transcribable) would see it as ghosting shift, yeah.

30 Sure. Well, then you can see Daryl's response where he says in the second paragraph, "True what Troy's saying. Don't attempt to alter time sheets. If there are discrepancies, I'd rather see the mistake to investigate and confirm, rather than having anyone trying alter for the sake of passing through an invoice. Looks bad and sloppy practice." Do you see that?---Yes, that's a good response.

Well, it's a response that he's only sent to Accounts and National Operations.---Yes.

40 I mean, shouldn't that have been a response that was sent to the staff at Sydney University?---Yes, should have been.

I don't know, it says Accounts, oh, it's accounts@sinternationalgroup. "Hi, all. Please find attached." So it's difficult to tell. I don't know if we might be able to assist whether it was further disseminated beyond accounts@sinternationalgroup, but as the evidence has shown, accounts@sinternationalgroup was probably aware of the time sheet fraud practices that were occurring at Sydney University.---Yes.

At paragraph 13 of Exhibit 59, which is your statement. 13, page 4. You see Ms Cooper raised concerns as to SIG's operations.---Yes.

So this was in 2017 and Ms Cooper made you aware, did she, that husband and wife working for SIG were allegedly signing on as each other.---Yes.

10 And then guards in unkempt uniforms was raised, or not in uniform, and fatigue breach issues. And then you arranged a performance meeting in September 2017.---I did, mmm.

These concerns raised by Ms Cooper didn't prompt a review of any of the documentation kept at Sydney University, the time sheets in particular?
---No, because Daryl had no complaints. He, he was on-site and he had no complaints. So it was only Lisa that had complaints on her sites.

THE COMMISSIONER: Is she in the same sort of role?---She's in the same, yeah, she's an account manager, yeah.

20 At other sites?---At other sites, yeah.

MR ENGLISH: So you held the meeting and Mr, what did Mr McCreadie say that you recall in that meeting?---He had no complaints. In actual fact he complained about SNP. He said that we weren't getting them uniforms, I think, on a timely basis or didn't provide uniforms. But, I mean, that's something he can take up with the admin lady. He had absolutely nothing to say in terms of their performance or whether they even had a, which, going thinking back now, it's quite unusual. You have so many of those guards, and Lisa only had two, three, three small sites where they were and she had
30 all these complaints. There were more complaints than what's on my statement, but, and, but Mr McCreadie had no complaints.

So you go on to say in paragraph 14 that, you send an email to Ms Bayly and Mr Walizada, copying in Mr McCreadie and Lisa Cooper. And then you say, "Lisa would have had quite a bit to discuss and I don't believe we have met with them in years. It's probably long overdue as they provide services in excess of 2,000 hours per week to SNP, yet we have not really managed them as a supplier." What does that mean, you haven't really managed them as a supplier?---Well, Lisa said to me that she's actually
40 never met up with them. So we normally do meet up with our subcontractors, and normally it is more, more often than, so, you know, it will be because of some kind of performance issue. It could be their guards not being in uniform. It could be a client complaining. We just have never, you know, Lisa said since she's taken over the accounts we've actually never met up with S International. I can't vouch for that exactly. Actually, when I say we haven't met with them for years, it was Lisa telling me we haven't met with them. We should be catching up with them.

Do you know how S International came to be a subcontractor to SNP?---I investigated that after the fact, once ICAC started the investigation. I think there's somebody called Laurie Bewes that brought them into the company. That's my understanding from hearsay.

And did Laurie Bewes have any responsibilities in relation to the University of Sydney?---He was the branch manager, I believe, at the time. So we, in that respect that's, I think Daryl was the account manager and he was the branch manager.

10

So he was Daryl's supervisor?---Yes, yes, I believe he was, yes.

Do you know when that was that Mr Bewes introduced S International Group to SNP?---Can't remember, well, I looked it up, it could be 2012 or before. I'm not sure of exact dates, so, sorry. Before, maybe.

Sorry, in paragraph 17 you talk about difficulty in obtaining compliance information from SIG as they were notorious for not sending these through. ---Yes.

20

What type of compliance information are you referring to?---The guards' licence numbers, first aid, you know, certificates and expiry dates et cetera, um, because I, contractors are expected to give that to us on a monthly basis and they often had to be prompted.

What about certificates of currency for workers' compensation?---Yes, that's not my area, that's compliance, as in, that's Tamara Bayly, she's our head of compliance, so that would be sent to her, but compliance information what I meant there was basically we need to make sure that we've got a guard with a valid security licence in the system and a valid first aid, that's in New South Wales.

30

So if the security licence number was, say, missing from the site time sheets but there was a name - - -?---Yes.

Would you expect that Mr Swadling would have entered the name, and the licence number would be populated through Microster, is that right, automatically?---Yes, because the licence number is our, if the name is in our system it means the licence number is in our system. We've got a compliance system and all the guards are entered by the compliance department in there with their security licence and that syncs into Microster.

40

But does Microster contain details as to when the licence expires?---Yes, yes.

Okay. So notwithstanding that that should be included in Microster, there's still an ongoing requirement for that to be provided by the subcontractor on a monthly, is there?---Yes, any new employees that they have.

For new employees, thank you.---Yes.

I just want to ask you, I appreciate that you say that it's not your area of responsibility, I just want to show you, if I can, one of the workers' comp certificates of currency for SIG that was sent into SNP operations. If Exhibit 37, page 21, can be brought on the screen, please. Here's an email from Miss Lynn Li at SIG services and she's emailing the, it says SNP operations which is SN, SIG PS - - -?---Yes, that would be the rostering, before it was called national ops, it would be the same people, the rostering people.

Who at that time, do you expect would have received that email?---The team, they would forward it straight through to Tamara Bayly.

Would that be Mr Swadling?---Probably, yes.

Okay. So it says, "Hi, please find the GIO Workers' Comp Certificate of Currency for 2015/2016." If we go over the page to page 22. You can see, this is a certificate of currency issued to S International Group valid for the period 31 August, 2015 to 31 August, 2106. Do you see that?---Yes.

And it identifies that it has coverage for 25 security guards.---Correct, that doesn't look right, does it?

If I can then ask that Exhibit 39, page 75, be brought on the screen. So this is the bill for, it's just vanished here, here it comes hopefully. Exhibit 39, page 75. This is the bill for 31 August, 2016 from SIG to SNP and you can see it's not just for Sydney University it's for all the sites. Do you see that? ---Yes.

If we just click through please to page 76, so you can see there's this schedule SNP week ending 28 August, 2016 and the different sites and the names of the guards.---Yes.

Now that extends over to page 84. So from 76 to 84, some eight or so pages of guard names and shift details. I can tell you, an exercise has been done to add that up and it identifies 80 individual names on that schedule. Your eyes are opening up again.---80 doesn't tally to 25, does it?

Yes. So would it have been someone's responsibility at SNP to ensure that there was sufficient workers' compensation insurance coverage for SIG's guards?---I'm not too sure like that would go to our compliance department, so I would have thought that they would, if they had a problem with it, they would query it, yes.

Would you expect that it would just go onto a file, the certificate of currency, or there would be some analysis to see whether the coverage was sufficient?---I would expect there would be some analysis.

If we go back to your statement which is Exhibit 59, page 5, we're at paragraph 17, so we're talking about obtaining information from SIG. At 18 you say, "I recall that an email was sent to SIG requesting compliance information and a response was received from Frank instead of Tommy." ---Yes.

10

You say, "I know Frank Lu to be a permanent employee of SNP whose role is a team leader at the university. However, at the time I can recall that Fawad, Domenic and I were surprised that someone other than Tommy was replying. Initially the emails would be signed off just with Frank." You go on to say, "We specifically asked who he was and his position and title, but all the information they got back was that he was a person doing rostering. I think it said that he's the casual rostering clerk, the email said."---Yes.

20

Now, if I suggested to you that you were receiving at least as early as February 2018 from rosters being signed off as Frank, would that come as a surprise? I mean, I don't want to trick you, I can bring it on the screen if you like.---No, that's, no, that's no surprise, no. There was Frank, yeah.

30

So, what, in your head you hadn't made a connection between Frank Lu the SNP employee and the person signing off as Frank - - - ?---No, you need to remember I don't deal with the rostering. I'm on a higher level so I'm not, I'm not actually, I don't even go into the shared inbox very much. So I, I, I was starting to look at this when we were having problems and Frank was replying. So obviously there was a lot more emails before that time to my team, but when I saw that – and Domenic as well said he wasn't sure if it was Frank, Frank Lu – I definitely didn't know, yeah, so.

All right. You go on at paragraph 20 to say that you felt that Frank Lu's role as rostering officer for SIG was a clear conflict of interest with SNP role.---Yes.

40

I recall asking the question, "Why didn't anybody highlight this? It's a clear conflict of interest?" The evidence of Lu and McCreadie is that Lu raised it with McCreadie and Lu said that he thought McCreadie raised it with someone called Neil Fields and McCreadie said he might have also done that.---Yep, maybe.

Who was Neil Fields?---I think, well Neil Fields, he's left since, but he was an account manager, I think they promoted him to branch manager, I don't know if he was acting or not but he was, I think, I'm pretty sure that Daryl reported to Neil Fields for a while, yeah.

And assuming that occurred – that is, Frank raised it with Daryl for approval and Daryl then went to Neil Fields – what would you have expected Mr Fields to have told Daryl?---Well, no, this is not allowed. You can't have our own direct employees, a team leader, roster for the subcontractor. It's a conflict of interest.

And were you aware that Mr Lu – I withdraw that – that the evidence shows that Mr Lu was paid to perform that task for SIG? Were you aware of that? ---No. I wasn't aware. No.

10

And that – I withdraw that. Just excuse me one moment, Commissioner. You go on at 20 and 21, in 20 you say, “The reason why I believe it's a conflict of interest was that Frank was working for SNP but doing rosters for SIG. As far as I'm aware, it is a condition of the employment contract that you cannot work for another security company.” And then you go on at 21 to say, “In relation to SNP employees working additional hours with SIG, that was a practice that had been in place for a long time.” There seems to be a conflict between what you're saying there, do you accept that?---I accept that, yes.

20

So do you know how it was that there was that practice? Do you know how that was first introduced that SNP employees could do additional hours with SIG with Sydney University?---No, I don't.

And you say that you think it was put in place because it was cost-effective?---It's the only logical reason.

Do you have anything to do with, or any awareness of, SNP roles in tendering for jobs?---In what capacity?

30

Well, tendering for security services.---No, no.

I mean, for example, in relation to Sydney University, the evidence shows that the other tenderers said that surge or ad hoc work would be charged at a grading scale, depending on when it was performed but at Sydney University – I withdraw that. SNP provided a flat hourly rate irrespective of what time the work was performed. Do you know if that's something that's done regularly in contracting for SNP?---I've heard of, yeah, look, I, I, I'm not a hundred per cent aware but I, I think they call it a, a composite rate.

40

Well, if they look at, if there is a certain roster, unless that's probably not ad hoc work but I know that they work out a roster and they work out on an average, an average rate the that's what they would quote as a flat rate but it needs to be high enough to, to - - -

So some consideration is given to coming up with a number that is still profitable but doesn't involve price increases depending on what time of the day or week it is, is that right?---I would assume so, yeah, but again, not my area but, yeah.

At 22 you talk about Kerem Akkan. Now, you say that he told you that “He was not allowed to do overtime unless it was with SIG and this surprised me as this is not in place anywhere else expect the university.” Can I just ask that email 1 from the bundle be brought on the screen. Commissioner, this is another email that was produced by SNP. It’s identified as an email, I think, from lynn@sigservices.com to a Matthew on 11 October, 2016 at 10.51. Can I tender that, please?

10 THE COMMISSIONER: Yes. That’ll be admitted in to evidence and marked Exhibit 108.

#EXH-108 – EMAIL FROM LYNN LI TO ‘MATTHEW’ PRODUCED BY SNP DATED 11 OCTOBER 2016

MR ENGLISH: So unfortunately there’s not a lot of information in terms of the sender or receiver details. This was produced by SNP. It appears to be
20 an email from Ms Lynn Li at SIG Services who writes to a Matthew. Do you know who that might be? Do you have any idea?---It could be Matthew in our rostering office. I can't remember his surname now. He also, he would still have been there in October 2016, yeah. I think he - - -

It says, “I received a call from Kerem Akkan this morning and from his saying, SIG needs to pay Kerem any hours that’s beyond 96 hours per week. For last week he worked 100 hours, which means SIG need to pay four hours to him. However, we didn’t include that is last week invoice. Would you please advise that.” Can you see that?---Yes.
30

It seems to be that a suggestion in that email that he's working, Mr Kerem Akkan’s working 100 hours a week. We’ll start with that proposition. Do you accept that?---Yeah. It says that.

To your understanding, is that legal within the award?---No. Shouldn’t be a hundred hours a week. Is that a week? Wow, no.

And that SNP appears to be paying him for 96 of those hours and four hours are to be paid for by SIG.---Wow, okay.
40

To your understanding is that possible on Microster?---It was possible, this is October 2016?

Yes.---Yes, because we had what we call soft rule breaks and hard rule breaks. The rostering operator would have had a rule break come up, there’s definitely a rule break in the system but it will be a warning message but I have, since that time, put hard rule breaks and that they can’t do that.

So maybe in October 2016, it could have done that and ignored the rule break.

Just bear with me one moment, please. Can Exhibit 36, page 261 please be brought on the screen. This is an email from you to Mr McCreadie and Mr Balicevac on 1 February, 2018, and I think you're confirming that an offer has been made for Kerem Akkan to become the national duty shift manager.---Yes.

- 10 So you say, "He's verbally accepted. I'm sending his LOO this afternoon." What's that?---Letter of offer.

Letter of offer, thanks. "Please proceed to find his replacement. Daryl, I know you'll be sorry to lose him. However, this will be a good career opportunity for him. Please note, I did ask Kerem to resign from S International as I cannot allow him on our systems if he subcontracts out to another provider." What did you mean by that?---Well, as I said to you, I became aware in 2017 that as Sydney University, we had some of our direct employees which Kerem was one of them, also being the Kerem number 2, 20 the 55 number under S International, so I became aware of it and of course, I, we can't have, if, if he's an employee of S International, he can't work in the roster office. So I wanted to make sure that he's, he resigned from S International as such.

So is that because the new position he was taking at SNP was such that you thought was it, what, for reasons of conflict or something like that?---Yeah, absolutely.

30 That he couldn't maintain an SNP - - -?---S International.

Sorry, he couldn't remain as an SIG employee.---Correct.

But that's a different distinction to if he was a guard for SNP working at the university, is that right?---Yes, yes.

So it's only due to the promotion that he can no longer hold the position as a dual SIG employee, is that right?---Yes, that's the way I saw it because he's going to be working on our system.

- 40 At paragraph 24 of Exhibit 59, you talk about training in the code of conduct, conflict of interest and hospitality in interaction with clients policies. You say, "Due to this, I believe that all staff would know it's a big no-no to accept anything that could be perceived as a gift or a benefit from a subcontractor, including things like flights, accommodation and meals. The onus is on the staff member to report it." And it says, "SNP as an organisation is aware that account managers can have a too-close relationship with subcontractors, and as such in 2017 Tom Roche sent an email to all staff that there were to be no meetings between account

managers and subcontractors without a member of the Risk Board present.”
See that?---Correct, yes.

10 The evidence here shows that McCreadie, Balicevac and Lu were being paid weekly cash amounts from Mr Sirour, from SIG, and received other gifts and benefits from him from time to time. You say that the onus is on staff to report it. They clearly weren't in that case. What, if anything, does that say about the effectiveness in your mind of the training by SNP in relation to the code of conduct and conflict of interest and hospitality interaction with clients policies?---Well, I don't think there was a problem with the training. I think they did the wrong thing. They just, they knew, they knew the code of conduct. Daryl would have known a hundred per cent not to accept anything.

Another thing that's arisen on the evidence is that SNP was providing NRL tickets to university staff members.---Right.

20 Now, is that a practice that you're aware of is common at SNP?---I've got no idea.

You've got no knowledge of marketing practices such as that occurring?
---Correct? I, I don't know.

It's beyond your role, is that right?---Yes, exactly. That's what I'm trying to say.

30 If we go over to page 8 of your statement, you start talking about the line-marking issue whereby McCreadie and Balicevac were doing line-marking tasks at the university.---Yes.

40 And you speak about the WHS issues that that raised and fatigue management issues at paragraph 26. And at 28 you say that “At no time was I aware that McCreadie and Balicevac were carrying out the line marking themselves. If I had become aware of this, I would have reported it straight away. I found out recently and I was flabbergasted.” And it seems like, well, you said, “I cannot recall if it was Phil Tansey or the previous branch manager or someone else who came to me and said, oh, Emir or somebody was doing a line marking.” And you said, “Well, no, this is another, it's another employee called John somebody.”---Yes.

So was your understanding that SNP was subcontracting to someone called John, who was then performing the line-marking tasks?---Correct. John Dirienzo, yeah.

Yes. And you said, “I cannot recall if it was Phil Tansey or the previous branch manager.” Do you have any better recollection than that?---Look, I think it was, I believe it was Phil Tansey that, that mentioned that they were doing the line marking. This is when, I think this is after ICAC has raided

the offices there, because he came, I can't remember the context of it but he came back to say that, that Emir, Emir wanted to know whether he can continue the line marking. And I said, why is he doing, basically, why is he doing the line marking? In my mind I still thought it was John Dirienzo. I had no idea. I learnt I think on 15 February when I was watching the live stream. It's the first time I heard that Daryl actually signed up with his own ABN. In my mind I still thought up to that Friday, the 15th, when, at the ICAC hearing, that John Dirienzo was employed to do small parts of the line marking for SNP.

10

Yes, look, come back to that. If I can just first draw your attention to – just bear with me, please. Exhibit 67, page 314. You can see, if we could just go up a bit, Mr Dirienzo sends an email on 29 September, 2017, to a Cherry. Do you know who Cherry is?---Yeah, Cherry's in accounts payable at SNP.

20

So here Mr Dirienzo says, "Please be advised. I've 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." And it goes on, "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."---Yeah.

30

Now, that seems to be a resignation email from Mr Dirienzo, where he then provides that further bit of advice. Is that something, that further bit of advice about potential fraud activity, well, firstly, did you see this email ever?---No, I didn't.

And would it be common that you would receive resignation letters to your understanding at SNP that included a warning about future fraud?---No, definitely not.

All right. Now, you can, if we go up a bit, you can see that this was copied in to McCreadie and then Cherry says, "Okay, John. Noted. Regards, Cherry."---Yes.

40

So that's received on 29 September, and then if we go to page 319, Balicevac and McCreadie provide an email to Philip Tansey containing a proposal to be considered as an in-house resource for small line-marking jobs at the University of Sydney.---Yes.

Were you aware of this proposal by McCreadie and Balicevac?---No, definitely not.

And they go on, if we just go down the page, please. In the paragraph, that's it, above the heading proposal, they refer to "We did have in-house

capability through Dirienzo, one of our parking officers, who has since left SNP. We have lost the ability to quickly react to the high-priority work requests.” And then there’s a business case made in the paragraphs under the subheading. Do you see that?---Yes.

10 And then over the page you can see above Compliance, it says, “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. It is after all what we are paid to do and we enjoy where we work. We’re asking for an opportunity to be able to do some additional work on weekends or evenings.” Now, if you had received this proposal, what would your response have been? What would have your response been to it?---No. They’re not professional painters. And – no, they’re management. They, oh, I would reject it, a hundred per cent. I would, I would say this is laughable. You can’t do this.

20 And then if we go to page 346, you can see McCreadie starts emailing Accounts with invoices. You’re shaking your head.---No, I’m just saying it’s, obviously saw an opportunity.

And then if we go over the page to 347, you can see that he, there is a creditor ID set up as McCreadie.---Yes.

30 And this is a remittance advice, so his invoices are being paid, it would seem, by SNP Security. And can I just say this, McCreadie’s evidence was that he had no trade licence to do this.---Well, I didn’t think he, I don’t know if he does, but surely he should have produced that when he was – but I, it’s, anyway, it’s not something that management should be doing. It’s, it’s a conflict.

So just if we go back to Exhibit 59, paragraph 28 and 29, on page 9. So it seems like you were unaware, reading those paragraphs, that McCreadie and Balicevac were approved to do this work themselves by SNP.---I was unaware.

Does that come as a surprise to you that they were?---Yes.

40 Commissioner, I’m close to finishing, but I’d be grateful if we could take a, with your indulgence, an early morning tea and I can just try and make sure I can wrap everything up shortly thereafter.

THE COMMISSIONER: We’ll adjourn till 11.15.

SHORT ADJOURNMENT

[11.03am]

THE COMMISSIONER: Mr English.

MR ENGLISH: Sorry for that extended time, Commissioner.

THE COMMISSIONER: That's okay.

MR ENGLISH: Just in answer to Mr Coleman's query, I just direct him to transcript page 346 - - -

MR COLEMAN: Sorry, I missed that.

10

MR ENGLISH: Transcript page 345, line 42 to 347.4, that was Mr McCreadie's evidence as to his understanding of the fact that the time sheets that were seized from the office in Emir's drawer and behind his desk were the ones that were forwarded to SNP.

MR COLEMAN: I'm grateful for that.

20

MR ENGLISH: Not at all. Commissioner, I just need to tender some further emails through, or some further material through this witness. If I can firstly have a further document brought on the screen. This is another document that SNP produced and I'm, I'll just show it to you briefly, Ms Willard. This is the certificate of currency which SNP held relating to S International Group. This time from 31 August, 2016 to 31 August, 2017 and you can see that at least insofar as this document's concerned, SIG has increased its coverage for security services by five guards. You can see that?---I can see that.

If I can tender that, please, Commissioner,

30

THE COMMISSIONER: Thank you. That will be marked Exhibit 109.

**#EXH-109 – CERTIFICATE OF CURRENCY HELD BY SNP
RELATING TO S INTERNATIONAL GROUP DATED 31 AUGUST
2016 TO 31 AUGUST 2017**

40

MR ENGLISH: I mentioned to you previously that you may have received emails as early as February, 2018, from roster@sinternationalgroup with a sign-off as Frank. Do you recall that?---Yes.

If we can have another document brought on the screen. It's a document or it's an email chain that ends with Mr Giardini's email to Mr McCreadie on 13 February, 2018 at 10.02.03. If we just go backwards in time one page and if we just go up a bit, please. Yes, that's it there. You can see there that you're copied in, and I'm not suggesting anything adverse to you by this, Ms Willard, but you can see you're copied into the rosters email and you can see it's signed off by Frank and the date there is 12 February, 2018.---Yes.

I tender that, Commissioner.

THE COMMISSIONER: Thank you. That email will be admitted into evidence and marked Exhibit 110.

10 **#EXH-110 – EMAIL CHAIN FROM DOMENIC GIARDINI TO DARYL MCCREADIE TITLED ‘RE: SHIFTS NEEDED TO BE COVERED AT SYDNEY UNI CUMBERLAND’ DATED 13 FEBRUARY 2018**

MR ENGLISH: And then if we can just have another email brought on the screen. It’s from Mr Balicevac, we’ll just wait for it to come up, on 17 May, 2018 to Joe (Multiworks), Fawad Walizada, yourself and someone. thonas@snpsecurity.com.au Do you know who that is?---Yes, Tanya.

20 And Mr Balicevac says, “Good afternoon, Joe. Please find attached University of Sydney governance memo attached. Please share to your guards. I printed multiple copies in control room as well.” And then if we go to the attachment, you can see that Mr Balicevac has written a memo to all staff and in that he’s providing some information about shift reporting. Do you see that?---Yes.

30 “When you start your shift you must sign on to the time sheet using your full legal name as shown on your security licence, no nicknames or preferred names. You must ensure that you record your New South Wales security licence number on the time sheet. The time sheet must be clearly legible. Keep handwriting clear and easy to read. When you finish your shift, you must record your accurate finish time. If I can tender that email and its attachment, Commissioner.

THE COMMISSIONER: As one?

MR ENGLISH: Yes, please.

40 THE COMMISSIONER: That will be admitted into evidence and marked Exhibit 111.

#EXH-111 – EMAIL CHAIN FROM EMIR BALICEVAC TO JOE (MULTI WORKS), FAWAD WALIZADA, LINDA WILLARD AND ‘THONESS’ TITLED ‘UNIVERSITY OF SYDNEY GOVERNANCE MEMO (002)’ WITH ATTACHMENT TITLED ‘SNP PROTECTIVE SERVICES MEMORANDUM’ DATED 17 MAY 2018

MR ENGLISH: Now, at the time when Mr Balicevac prepared this memo, governance memo, that's on 17 May, 2018, were you aware at all that he was implicated or alleged to be implicated in the time sheet fraud at Sydney University?---No. I, there was rumours he could have been but I, we had no evidence. We, that's why he was still employed by us, so no.

Now, I just want to show you a further document, please. If Exhibit 40, page 78 can be brought on the screen, please. This is Mr Balicevac's personal time sheet that he's submitted to S International Group for the week ending Sunday 30 October, 2016. Now, if we just go down a little bit, you can see there that he's, if we go down a bit further. He says that he's to be paid for this week for 505 hours and Daryl's to be paid 77 hours.---Right, is that for one week?

That's for one week, yes. So this is, in fairness, the most egregious example of the time sheet fraud I think the Commission has been able to uncover. It's not a document which is suggested ever made its way to SNP but - - -? ---I've never seen it.

20 Your evidence is, as I understand it, the practice of SNP guards doing extra shifts through a subcontractor is now finished, is that right, or does it still occur from time to time?---It's finished.

Okay. Now, I know this question in those circumstances is with hindsight, but do you think it might have been prudent, in terms of governance practice with the knowledge that SNP guards were doing work through SIG to require those SNP guards to provide their personal time sheets that were sent to SIG also to SNP?---Just phrase that again just so - - -

30 So this is a document that Mr Balicevac sending to SIG.---Yes.

SNP has no vision of it.---No vision, no.

So do you accept that it would have been prudent from a governance perspective, given that arrangement, that these personal time sheets that SNP guards sent to SIG should have been copied into the SNP rosters as well?---For the hours they worked for SIG.

Yes.---Yes, probably.

40 Just so you understand the schemes that unfolded, if we can go to Exhibit 76, please, page 13. This is a document which was originally created by SIG but it's been filtered in a chronological fashion. So what would happen is, from that time sheet I just showed you SIG would then enter the data into a spreadsheet for the purposes of making its own payment.---Yes.

So you can see Emir's to be paid in respect of all the shifts, you can see in the rows on that page. If we go over to the next page, you can see it there

and they've identified that he's to be paid for 503 hours, not 505. Just so you're aware, if we can go to page 15, please, of Exhibit 76. The Commission's gone through an exercise of determining in 24 hour period which shifts were being claimed and paid for by SIG and whether there were concurrent or overlapping shifts. So you see there's 24 October, which is a Monday, and Balicevac does his blue shift, which is his SNP rostered shift. Do you see that?---No, just point that out.

10 At the top, can the cursor go onto the top blue, just the blue - - -?---Oh, the blue, yes.

So that's his rostered shift and then he's paid for a shift for, under the name Bishoy Girgis which is 14 hours, you can see total hours in the right hand column.---Right, yes.

And at then at the same time he's paid for a shift for Yahya Alabdulla - - -?--Yes.

20 - - - for four hours and you can see how he's accruing time on a number of occasions working or at least being paid for more than one shift concurrently. Do you see that?---Yes, I do.

If we go over the page you can see that a number of shifts were claimed on 29 October and 30 and it seems that for this week Mr Balicevac was paid for working seven days straight with a six-hour break across 48 different shifts. ---Right.

30 Does that cause you some surprise?---I was here on Monday, so my shock, my shock was on the first day that I was here because I sat at the back, I, the extent of this is horrific.

That's the examination, Commissioner.

THE COMMISSIONER: Thank you, Mr English. Mr Coleman?

40 MR COLEMAN: Thank you, Commissioner. My name's Coleman and I appear for SNP Security. Very early on in your evidence, Ms Willard, you gave some evidence to a question in answer to a question from Counsel Assisting and it was about the subcontractor statement. Do you remember that?---Yes.

It's right that with each invoice from SIG to SNP there was a subcontractor statement provided, to your knowledge?---Correct, yes.

And to your knowledge, that certified, didn't it, that the workers' compensation was current and had been paid for SIG?---Yes.

And it certified that payroll tax had been paid by SIG?---Correct.

And it certified that all payments which were required to be made to employees relevant to that invoice had been made. Correct?---Yes.

Thank you. Now, I just want to ask you some questions about the process, insofar as you know, as to what happened at SNP when it received time sheets from SIG. All right.---Yes.

10 So assuming time sheets were sent from – I withdraw that. Time sheets were sent from Mr McCreadie to where at SNP, where were they sent to?
---To the national operations centre, to my team, the rostering.

Would there be other people from SNP who would send time sheets to operations centre?---Yes, of course.

Who would that be?---You mean from Sydney University?

20 Yes.---There would be the, either be a team leader, it could be Emir or it could be Daryl.

So all of those are senior trusted employees?---Yes, they are.

Now, the operations centre dealt with other clients of SNP, did it?---Yes.

And it received time sheets from those clients as well?---Yes.

And it received time sheets from other sites that SIG provided security services to SNP as well, is that right?---Yes.

30 For the Sydney University time sheets, excuse me, being scanned and emailed in on the assumption that's what happens, then would they go to the same person each time at the operation centre or would they go to - - - ?
---No, they go to a central email address. We have a shared inbox for the whole team. Obviously, the person that's tasked to process the time sheets would print it out and then take the three to four hours to process it.

40 Well, was the same person allocated to the process the time sheets for Sydney University each time or was there different or whoever was available?---It's mostly the same person because it's pretty hard, hard to read and yes, you have to be au fait with the time sheets.

Do you know how many time sheets would arrive at a time? And if you don't know just say I don't know.---From all clients or from - - -

No, from Sydney University.---From Sydney University I don't know exactly, but they'll be at least from all the campuses maybe six/seven pages maybe more, I don't know.

And I think you said to your knowledge if queries, if there were queries to be raised with respect to matters on the time sheets, those queries would be directed to Mr McCreadie?---Yes.

You said, and it's right, isn't it, that Mr McCreadie was a senior trusted employee of SNP?---Yes, he was.

10 And in fact he was the most senior SNP employee at the university, that's right, isn't it?---Correct.

I want to suggest that the SNP officer making the enquiry of Mr McCreadie would trust the information that was provided by Mr McCreadie to the officer?---They would, definitely.

And for example, if information was provided by Emir as well, that information would be accepted as being correct too?---Correct, he's 2IC.

20 Now, you may have given an answer to this question to the Commissioner already, so forgive me and just tell me if you have. You mentioned that night shift managers would sometimes go out and do an audit of the site. ---Correct.

Can you tell me how often that was?---I'm not sure exactly, I didn't check the records, but it will be probably, if I'm going to put a rough guess, two or three times a month may be. It also depends if they had to drop off uniforms or it depends on that as well.

30 And the branch manager visits to the sits, can you tell the Commissioner - - - ?---I don't know the exact number, no.

Thank you. You gave some evidence about changes to the Microster system I think with respect to soft breaks and hard rule breaks. When was that change made?---I sent a memo out in December 2017, so the change would have been made before that. I'd say somewhere between maybe August or, no, no, August, October and December. We were really honing in on fatigue, I was working very close to the safety team and I sent a memo out to all the branch managers cc Tom Roche and Darlene basically telling them the escalation process, and it was at that time that I, that I had a good look at
40 the system and decided to figure out how to put these hard rule breaks in.

MR COLEMAN: Right. Thank you. Yes, thank you, Commissioner.

THE COMMISSIONER: Thanks, Mr Coleman. Thanks, Mr Bender.

MR BENDER: Ms Willard, my name is Bender. I appear for the University of Sydney. I think your evidence was that Microster will trigger

some kind of alarm if a fatigue limit is breached. Is that right?---There will be warning message on the shift, yeah, this little dot, yeah.

But that doesn't work when one employee is employed by both SIG and SNP. Correct?---Correct.

That's a pretty serious problem with the process. Would you agree?---Well, it's because obviously there's, they're seen as two different people in the system where it's the same person, yes.

10

And the result of that is that the system won't be able to tell SNP if the fatigue limit has been breached.---Correct, but the roster officer can see it though visually.

Well - - ?---Can see a person's name. If it's Frank Lu with two different numbers you should be able to eyeball it, but it's not, like, I said, there's a flaw in it because it's open to human error.

And it's quite a serious flaw, I must suggest.---Mmm.

20

Do you agree?---I agree.

MR COLEMAN: I think this has been covered, Commissioner.

THE COMMISSIONER: Sorry?

MR COLEMAN: I think this has been covered by Mr English.

30

MR BENDER: I won't take long. I've only got about three questions on the topic.

THE COMMISSIONER: Yes, no, go ahead, go ahead.

MR BENDER: Just to be clear, I think you agreed it was a serious flaw?
---Yes, it is, was.

You said that you raised the fact with the fact that there were SIG and SNP employees having the same name - - ?---Mmm.

40

- - - with the NOC manager in about 2017.---2017, yes.

Did you also raise the fact that that meant that Microster wouldn't trigger the rule break for fatigue limits?---We did discuss it because he, I know the rostering people said it was, it was hard to measure it or hard to keep track of it, they were trying to manually keep track of it, yes.

Was anything ever done to rectify that issue within SNP to your knowledge?
---No.

You also gave some evidence about Microster and the way it worked with the fingerprint scanners.---Yes.

You said the two issues were that the guards weren't actually scanning on and the second was something you described as a gentleman's agreement. Do you remember that?---Yeah, and I did say that that was my, my recollection.

10 Yes.---But I wasn't dealing exactly with the rollout but I believe something when I, Frank Lu said something about a gentleman's agreement, it sparked a memory that I had, but I can't be a 100 per cent sure.

But you have a lot of familiarity with the Microster system.---Yes, I do.

And does that extend to the way in which it would interact with the fingerprint scanners, your familiarity?---Yes, yes.

20 And is it your understanding that were guards to scan on properly at the correct time, it would function as intended?---Yes.

After the fingerprint scanners ceased to be used with Microster, your evidence was that the night shift managers and the branch managers were attending on occasion. Did you understand that to be occurring in order that they might personally verify that the guards were turning up at the shifts on the right time?---No. We trusted in Daryl McCreadie, he was on-site.

30 So was the position at SNP that the information coming from Daryl McCreadie would be relied upon?---100 per cent, yes.

And it wasn't verified in any other way?---Well, we relied on Daryl McCreadie.

Yes. Now, part of that information was the time sheets that were being received that you've been asked about.---Yes.

In fact probably the most important piece of information were those time sheets. Would you agree?---Correct, mmm.

40 And I think at some point you became aware that those time sheets or the rostering, I withdraw that, the rostering was being organised by Frank Lu who you understood to have a conflict.---Yeah. This was, oh, this was 2018 which realised, yeah, only became aware just before we tried to remove SIG out, not long before.

And I think you say in your statement that you raised that conflict issue with somebody at SNP?---I did, yeah. Well, my NOC manager did. He cc'd me in it. Domenic Giardini raised it with Fawad Walizada.

And do you recall approximately when that was?---It wouldn't have been, I can't recall exactly when but it would have, would have been around the time we were having meetings in terms of trying to performance manage S International, because all the fatigue breaches, what led to it, the fatigue breaches occurred, there was at least three and one very serious one, 15 days straight that we picked up, and I think just after – and then Frank would be replying, making all these excuses on behalf of S International and Fawad said, “Well, who's this Frank?” And Domenic and I said, “We're not sure.”
10 And then Fawad asked the question to Tommy, I think Lynn replied, could have been Lynn, just to say it's their casual rostering clerk. So this was all in the time frame when we're just about to move them on, yes.

Thank you, Ms Willard. Thank you, Commissioner.

THE COMMISSIONER: Thank you.

MR GIVORSHNER: Ms Willard, my name is Givorshner and I act for Mr Tom Roche. You've given evidence of the procedures for the receipt of the
20 time sheets from the university, and I think a fair summary of your evidence is that the time sheets that were shown to you by Counsel Assisting which had a lot of misinformation never were escalated up to you. That's a fair summary. Is that right?---No, never escalated to me, no.

All right. Now, you've seen them today. Is that right?---Yes.

And many of them have an enormous amount of misinformation, missing licence numbers, missing, nothing in the sign-on or sign-off. It's not as
30 though there's an odd omission here and there, there are multiple omissions on a lot of the time sheets. You now know that. Is that right?---Yeah, I can see that.

And would you agree that they spoke on their face to people doing something very sloppy, rather than something fraudulent. Do you agree with that? That's how they looked, just by the fact that so much had been left off and, and would require people to come back and get the additional information. Is that right?---Yeah, we would, I think probably I would
40 assume, I can't speak for other people, but I assume that the roster people processing probably thought it was very sloppy, but instead they probably should have reported this upwards, yeah.

But they on their face looked sloppy rather than fraudulent. You agree with that?---Yes, yes.

And in fact even though what we now appear to know is the truth, that a fraudulent scheme was afoot, the sheets still disclosed fatigue breaches, didn't they?---Disclosed fatigue - - -

The fatigue breaches are something that became aware to SNP as a result of time sheets coming in and detecting workers working double shifts or more shifts than they were allowed to in a given time.---Yes. I don't understand the question really, yeah, but obviously when the time sheets come in, anything that's unallocated or it could be ad hoc shifts that they have to create from scratch, that'll be filled out from the time sheet and then by doing that it will expose a fatigue breach, yes.

10 All right. Thank you. That's all.

THE COMMISSIONER: Before I ask Mr C. J. Watson whether he's got any questions, is there anyone else? No?

MR C. J. WATSON: I have no questions, Commissioner.

THE COMMISSIONER: No questions. Is there any reason why this witness shouldn't be excused?

20 MR ENGLISH: I have a question first before she can, Commissioner. You just were asked some questions, Ms Willard, by my learned friend, Mr Givorshner. I think it was put to you that the time sheets had missing information in them and you agreed that it looked sloppy rather than fraudulent.---Well, I, you recall I said - - -

Well, I haven't asked you a question yet.---Okay, yes, yes, but I, you're right, yes.

30 I was just reciting what I think was the effect of Mr Givorshner's questioning.---Right. Okay. Right, right.

He didn't ask you to take into consideration as well the Liquid Paper that was evident on the sheets?

40 MR GIVORSHNER: Well, I object to that, Commissioner. I mean the evidence on the Liquid Paper has been a bit iffy and in fact the evidence is that the sheets were scanned in from the university in black and white, there appeared to be some irregularities, but nothing on the face of the time sheets ever made to clear to anybody that Liquid Paper was being used. Even when the witness was having her attention directed to the time sheets it wasn't, well see here the Liquid Paper. The way that Counsel Assisting kept putting the questions were assume that and then we'll go forth from there.

THE COMMISSIONER: No, I don't think he said assume it, he drew attention to it, I don't think there's any great dispute.

MR GIVORSHNER: There's no, there's no dispute about Liquid Paper being used, it's a question of - - -

THE COMMISSIONER: No, I understand what you're saying.

MR GIVORSHNER: My friend's present question is whether this would have been apparent to those who were receiving scanned black and white copies. That's the sort of underlying premise.

10

MR ENGLISH: That wasn't the question either, Commissioner, it was - - -

THE COMMISSIONER: Well, ask it again. Ask again.

MR ENGLISH: Perhaps if Exhibit 45, page 2 can be brought on the screen, please. Page 2. See that Fisher Library extension there for Sunday, 15 April, 2018?---Yeah.

20

Does that look sloppy?---Well, that particular one doesn't but there's others that certainly do.

Well, that just looks like there's information missing, correct?---Yeah.

Now, can we go to, please, Exhibit 43, page 1. See the entries for Mina Boutros and Claudio Cismas?---Yes.

30

Does it look like there's Liquid Paper that's been applied to the lines above and below the entry for Claudio Cismas?---No, yeah, if I look at that, yes, but, yeah.

Well, there's no signature for Mr Cismas. Indeed it seems that Liquid Paper's been applied across a previous signature. Do you see that?---Yeah, looks like some, yeah.

Does that look sloppy or fraudulent to you?---Well, this one is, yeah, this is, if I look at this – but then it's my interpretation, I'm not the one processing the time sheets – that to me looks like something's wrong with it. It's got Liquid Paper on it because the line is - - -

40

THE COMMISSIONER: Irregular.---Irregular. That's a good word. Thanks, Commissioner.

Just one thing I wanted to clarify in that. I take it that whoever was, whoever within SNP used these sheets to prepare the payroll, they would have had to look at the individual entries.---Yes.

It wasn't just a global approach. They'd have to go one by one by one. ---Yes, there would be a roster officer taking around four hours at least to sit

there and try and marry it all up, and then try and marry it up with RFSs as well, because we have to print out all the RFSs that are sent, trying to marry up the shifts, et cetera, yeah.

Well, if there were missing licence numbers and missing signatures, for example, that's likely something that was noticed or should have been noticed.---Should have been noticed, yeah.

10 Yes.---But we would raise it, no, they would have raised some concerns at some point with Daryl, but I would say not all the time, probably should raise it more, but, you know, it goes to Daryl and where does it go from there as well?

Yes, sure. Thank you.

MR ENGLISH: If Exhibit 40, page 69 can be brought on the screen, please. You can see there that there's a cross-out of the name I think Affan Javaid. See that?---Yeah.

20 Yes. And then you can see Ali Syed's been, it appears, introduced onto the sheet over someone else's name who's been Liquid Papered. Do you see that?---Yeah.

Is that sloppy or evidence of fraud in your mind?

30 MR COLEMAN: I object to that, Your Honour, Commissioner. The advice in the question – in this line of questioning, indeed – is that you have a witness sitting in the witness box now who understands what's happened, and she's being asked to analyse it when she said she's not the one who would have analysed it at the time.

THE COMMISSIONER: I think at the end of the day it's a matter of submission, Mr English.

MR ENGLISH: I can withdraw the question. Nothing further, Commissioner.

40 THE COMMISSIONER: Thank you. Thank you very much for your assistance, and I'm discharging you from your summons and you're free to go.---Thanks, Commissioner.

THE WITNESS EXCUSED

[12.04pm]

THE COMMISSIONER: Mr English?

MR ENGLISH: Our next witness is Duane Ledford. If he can come up, please, to the witness box.

THE COMMISSIONER: Mr Ledford, will you take an oath or an affirmation?

MR LEDFORD: Affirmation, please.

THE COMMISSIONER: Thank you.

THE COMMISSIONER: Can you tell me your full name?---Duane Keith Ledford.

Thank you. And I think you're not represented here today.---No, sir, I'm not.

10 Let me just explain a few things about your rights and obligations as a witness before the Commission. As a witness you must answer all questions truthfully and must produce any item that I require you to produce during the course of your evidence. Now, you can object to answering a question or producing an item but, sorry, the effect of such an objection is that although you must still answer the question or produce the item, your answer or the item produced cannot be used against you in any civil proceedings or, subject to an important exception, any disciplinary proceedings.

20 The exception is that the protection you get from objecting does not prevent your evidence from being used against you in a prosecution for an offence against the ICAC Act, and most importantly an offence of giving false or misleading evidence. If you give false or misleading evidence to this Commission, you commit a very serious offence for which the penalty can be imprisonment for up to five years.

Now, rather than you taking objection to every question and then having to answer it, I can make a declaration that all questions will be regarded as having been given on objection, and therefore you get the protection if I
30 just make that order.---Yes, please.

You're happy for me to do that?---Yes, sir.

Thank you. Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by him during the course of his 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.
40

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 HIM DURING THE COURSE OF HIS 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: Mr English.

MR ENGLISH: Thank you. Mr Ledford, I want to ask you some questions about your role in relation to assessing whether the KPIs specified in the contract between Sydney University and SNP were met. Do you know what I'm talking about?---I'm familiar with the KPIs, yes.

So what I might do is ask if the work order can be brought on the screen, which is Exhibit 71, page 42. So you're familiar with this document here, sir?---No, no, really I'm not.

Well, we might go over. If we go to the next page, you can see that it bears signatures of Greg Robinson and Tom Roche. Do you know he's a director of SNP or at least was at 8 December, 2015?---Yes, I am.

20 So if we then go, please, to page 44. Are you familiar with this part of the work order that identifies services, the service period, deliverables and, over the other page, monthly KPIs?---No, sir, this scope of works is not something I've ever really been involved with. I'm not familiar with it at all.

All right. If we go to page 45, please. You see the monthly KPIs?---Yes.

30 These are the KPIs that relate to the master services agreement signed between SNP and the university in 2015.---So if you see the first KPI it says that "Appropriate officers as required by the university will be made available to fulfil the requirements of the statement of works." Do you see that?---Yes.

And it says, "Measured by hours required to hours delivered, not to be below 99 per cent achievement."---Yes, I see that.

40 And if I can draw your attention to KPIs 5 and 6, 5 dealing with "All university buildings are to be patrolled at least once in each 12-hour period."---Yes.

And it's to be measured by "Building attendance reports not to be below 85 per cent achievement." You see that?---Yes.

And then 6, "All 24 hour spaces within the university are to be patrolled two times each night, measured by building attendance reports. Not to be below 95 per cent achievement." Do you see that?---Yes.

Are you familiar with those three KPIs I just read to you?---Yes, I am.

Now, is it the case - - -

MR COLEMAN: Sorry, Commissioner. I'm sorry to interrupt my learned friend. I don't know what position Mr Ledford formally had.

MR ENGLISH: Oh, I'm sorry. I should have done that. No, I'm sorry. When you were working at the University of Sydney, what was your position, Mr Ledford?---The security risk coordinator.

10

Who did you report to ?---Morgan Andrews, the security manager for most of the time was Morgan Andrews.

And in around July of 2016, Mr Andrews left, didn't he?---Yes. I'm not sure of the time frame but yes.

And who did you report to in his absence?---Dennis Smith.

20 I'm indebted to Mr Coleman. Now, just focussing back on page 45. You said you're not familiar with this document. How was it that you were familiar with the KPIs that I just read to you?---I had reviewed the actual, Dennis Smith a copy of a contract behind his desk and there was occasions when the issues of the KPIs would come up and I would refer to the actual contract which stated some of this in there.

And is it the case there was monthly management meetings between members of the university security team and SNP that occurred?---During what time period?

30 Well, looking principally from, well, from when the contract began in 2015 until, when did you leave the university?---I still, I'm still employed by the university.

You're still there. Until April 2018?---In 2016, now, rephrase who, who would have been at these meetings, what meetings are you referring to?

40 So members of the university's security team, so perhaps yourself, Mr Smith, Mr Andrews, if he was around, and members from SNP, Mr McCreadie would be one of those.---I never attended those meetings. That would have been Mr Tamasauskas, Mr Smith and Mr Andrews who would have attended those with SNP, the three managers.

Were you ever asked to prepare reports for the purposes of measuring KPIs that were to be, top your understanding, discussed at those meetings?
---Okay, I think we've got – if I could explain?

Sure.---With the KPIs, yes, I was asked to produce statistics. Those were for monthly staff meetings with the CSU staff, the staff members that early

on did not, SNP was not involved in those meetings. When you're referring to the SNP staff, I was thinking of the separate meeting. The monthly university staff meetings, I was asked to provide statistics for reports that had to be send on up the chain, they comprised one part of a larger report.

Focussing on KPI number 5, did you provide statistics so that KPI could be measured?---There was difficulty around that one. I did provide some statistics. There was difficulty around that - - -

10 Who did you provide them to?---Oh, that would have been, each month I would do the report. I believe I emailed them to Dennis Smith, who included them in his portion of the report, which was further up sent to Morgan Andrews to include in the larger report.

You said there was a difficulty.---Yes. Just the math, it doesn't really work. I think the last count that I did, the number of buildings that SNP would be responsible to check across all campuses was 506. So really, if each building is to be patrolled in a 12 hour period, there's a, obviously a problem there. So I addressed that to management and it's how do you want
20 to do this, how do you want this reported because in my opinion, it wasn't really possible for them to meet that KPI with the staffing that they had.

THE COMMISSIONER: When you say refer it to management, who are you - - -?---It would be Dennis and Morgan.

Thank you.

MR ENGLISH: So did you say how do you want to deal with this?---How
30 do you want it reported.

How do you want it reported and so what was the response to that?---There was discussion around it and they came to a conclusion to do to sampling on it, to do sampled of buildings and see if they identified any shortcomings.

And did you start collecting statistics for the purposes of that sample analysis?---Yes, yes.

And how often did you do that?---In preparation for this monthly report.

40 So every month you would do a sample analysis, would you?---Yes.

And you said there's 506 buildings, how many buildings were included in your sample analysis?---I don't recall. I, I couldn't give you a number, I don't recall.

Can you say percentage wise?---It was low. It was, it was dictated by Dennis and Morgan, I basically asked them how many buildings do you want me to report on and it was a low number.

Well, what, are we talking 10 per cent, 30 per cent, 40 per cent?---Below 10 per cent.

Below 10 per cent.---I, I can't say that for sure though.

So if the Commission to understand that having received those instructions, was it from Mr Smith?---It would have been Mr Mirth and/or Mr Andrews, I can't say specifically which one.

10

To report on only a low percentage of buildings or compile statistics for that purpose, is that what you did going on, on monthly basis?---Yes.

So at least insofar as that below 10 per cent of buildings was concerned, did your statistics reveal whether the KPI had been met, for number 5, I'm talking about?---For number 5, using that sampling, I didn't identify any breaches at that time, no.

20

And the numbers that – I withdraw that. The buildings that you sampled, were they chosen by you?---Yes. They were chosen, yeah, just random, just random buildings.

So each month it'd be a different building or would it be the same buildings each month?---Not the same buildings, different buildings every month, just random sampling of them.

30

And so in respect of the 90 per cent or above number of buildings that you didn't sample, are you able to say whether or not any assessment was made as to whether the KPI was met in relation to that larger section of buildings?---Outside of the sampling that was done, I'm not aware of any.

What about number 6, "All 24 hour spaces within the university are to be patrolled two times each night." Were you responsible for doing anything to assist with the determination of whether that KPI was met?---Yes. That was part of the same report.

As part of the?---As part of the same reporting process.

40

What did you do there?---That one is just a straight up report. It's a very small number of facilities, so that one's very easy to report on. It's a yes or no.

And did you prepare a report in relation to 24 spaces each month?---Yes, as part of the same reports, it's number 5. It had separate categories in it for these specific KPIs. I would put the numbers in, yeah.

And was it the case that you recall any breaches in relation to KPI 6?
---There may have been once bit I, I, I wouldn't be able to pin it down but

there may have been once where I identified that they didn't, that they missed a couple checks.

And who did you report that to?---That would have been submitted with the statistics and then that would have been discussed at the meeting.

What about KPI 1, if you see that, "That appropriate officers, as required by University, will be made available to fulfil the requirements of the statement of works."---I was never asked to report on that, no.

10

Do you know if anyone else in your absence assisted with assessing that KPI?---Not to my knowledge. It's not a process I would have been involved in.

Now, what about KPIs 3 and 4, did you play any role in accessing statistics and/or providing reports in relation to that?---Not on a regular basis. There, there were instances where I was requested to but not on a, on a recurring or regular basis until recently.

20

Well, when was it that you were recently requested to do that on a regular basis?---The new divisional manager came in, Ben Hoyle, and initiated a whole metrics regime to review all these processes and then we were asked to drill down in the detail of this and I did one or two initial reports and then Mr Hoyle determined that it was really too big a job for me to just do as, as an additional duty and they actually brought in specific data analysts to do this. So my responsibility shifted to I would just download a bulk unedited report, send it straight to them and then they would do their data analysis on it.

30

In the period from 1 September, 2015 to 18 April, 2018, are you aware if anyone other than yourself generated any statistics or reports to assess whether KPIs three and four were met each month?---Three and four, not that I am aware of. There were several people that could, had access to the system to do it, but I'm not specifically aware of any instance of them doing it.

40

And who were those people that had direct access to generate those reports?---Myself and Brett Tamasauskas, who's the technical services manager, he's an administrator of the system so he would have the access, and Dennis Smith and Morgan Andrews.

What about 7, "All non-urgent matters to be responded within 2.5 hours of notification to the control room." Did you have any responsibility for generating statistics or a report in relation to that?---I don't think I was ever asked to generate any statistics around that, no.

I just want to ask you some questions about the time required to adequately induct a person into the role, firstly, of patrol guard. So if you had a new –

would you have any knowledge about this aspect of the CSU's work, that if a new guard was to come on campus how long it would take to induct and train them before they could perform patrol duties unsupervised?---I have a general knowledge of some of the processes but it's not something I'm involved in.

Were you the person who determined which guards worked in the control room?---No I was not.

10 You had no involvement in that?---I didn't say I had no involvement, I said I wasn't a person that determined that.

Who, to your understanding, determined which guards - - - ?---The SNP site manager.

SNP site – Mr McCreadie.---Yes.

20 Do you have any understanding of how long it may take to induct or train a guard before they can work in the control room? Do you have any understanding of that?---Generally, yes. In detail, no. I think the general practice was when guards came on, they had to do first a CIS contractor induction which was an online thing that they had to do. Then they had a certain amount of on-site training they had to do to be a security guard. Then to move from a security guard into the control room position, my understanding is they had to be on-site I think it was three months before they were considered to be able to work in the control room, to train the control room.

30 It's the case, isn't it, that you from time to time received NRL tickets that were provided by SNP Security.---That's true, correct, yes.

And you've been, have you been disciplined in relation to that?---I've been notified from the university and I submitted my response to that on Friday but I haven't heard back from them, I haven't been disciplined, no.

Okay. To your understanding, was Dennis Smith aware that you were receiving those tickets?---Yes.

40 What role, if any, did he play or – I withdraw that. Can you tell the Commissioner your understanding of Dennis Smith's involvement in how those tickets may be distributed and given to staff?---I don't believe he had any involvement in the process. Would you like me to explain how this came about?

Sure.---Daryl McCreadie openly offered to all of the staff in the Campus Security Unit that SNP had tickets at ANZ that sometimes went unused, and that if the tickets were unused they were on offer to SNP staff and he said others I think at the time. He asked if we were interested in any, if we

would like them. This was to all staff, not to me in particular or not to anyone. This was an open discussion amongst the staff.

That was something from time to time you, you took advantage of?---Yes, I did. Yes, I did.

That's the examination, Commissioner.

10 THE COMMISSIONER: Thank you. Mr Coleman.

MR COLEMAN: Thank you, Commissioner.

THE COMMISSIONER: Anyone else?

MR BENDER: Yes, Commissioner. Mr Ledford, my name is Bender. I appear for the University of Sydney.

20 I think it's the case, isn't it, that currently you're suspended from duties at the university?---Yes.

That's in connection with the ongoing investigation into the receipt of gifts?---Yes.

Were you aware at the time that you accepted the football tickets you've referred to that doing so would be a contravention of the university's gifts policy?---No, it was looked at at the time and I believe it was checked and that it was believed at the time to be within the guidelines of the university.

30 Who looked at it and checked - - -

THE COMMISSIONER: Just a moment, I've just realised I've made an error. I didn't realise you were still employed by the university, in which case there's a second exception to the protection I've given him. I don't think we've got ourselves into difficulty yet but we might in a moment. I said there was an exception to the protection you get from the section 38 declaration, and I referred to the fact that it could be used against you in any criminal or civil proceedings subject to one exception. Because you are an employee at the University of Sydney you're also a public official, and that means that evidence given by you here today can be used in disciplinary proceedings against you.---I understand.

40 If the Commission makes a finding that you'd engaged in corrupt conduct. So I'll just remind you of that.---I understand that.

Thanks so much.

MR BENDER: You just gave some evidence before that the issue of the football tickets was looked at and checked by somebody, was that Dennis

Smith?---I don't know that looked at and checked by Dennis would be the appropriate term. He was aware of it, Morgan Andrews was aware of it, the divisional manager at that time was aware of it, along with virtually all staff within the security unit.

Who was the divisional director at the time?---Steve Sullivan.

10 Can Exhibit 100 please be brought up. Can you see that's an email from Kevin Duffy from an email address from CIS All Staff dated 7 December, 2015?---Yes I do.

I take it that you receive emails that are address to CIS All Staff. Is that right?---Yes, I would have.

So do you agree that you received this email in about December 2015?---I agree that I would have received it, yes.

20 Do you remember if you read it at the time, would that have been your practice?---I don't specifically recall reading this email four years ago, no, I don't.

But it would have been your practice to read an email to all staff from Mr Duffy, wouldn't it?---Generally, yes.

Can you see in the email it says that, as a reminder, CIS has a policy of not accepting any invitations to corporate events?---Invitations to corporate events, yes.

30 Did you not understand from that, that the policy of CIS that you should not accept gifts like football tickets?---I believe that's 2015 and I believe the ticket issue came up in 2014.

Can Exhibit 99 please be brought up. Before I ask you about that, is your evidence that there was some change, was there, in 2015 about the approach taken by CIS to things like gifts of tickets?---Not that I'm aware of.

40 Right. So the position expressed in Christmas 2015 that invitations to corporate events shouldn't be accepted, that was nothing new to you, was it?---I'm not aware of this email, no, I wouldn't - - -

There wasn't a change in policy saying now corporate events are a no-no, whereas before it was okay to go to the football?---Sir, that's the problem, is there wasn't a change in policy, is that I would have, this being an All Staff email – if I could explain, sir?

Sure.---We get a hundred emails a day, we get a lot of All Staff emails. The first thing we look at is, is it applicable to me, and I would have looked at this, a university policy, yes, it's applicable to me. I would have read (not

transcribable) a reminder of university policy. I'm aware of the university policy and I doubt if I would have read it any further because if there is any request to change to university policy even at a local level, it has to be listed in the policy register, which this is not. There's a process for that. Directors cannot invent policy by email.

10 So are you suggesting that you stopped reading this when you saw it was a reminder on the basis you already had a clear understanding of what the policy was?---I'm stating that I don't have a specific recollection of this email that far back, but if I would have read it, I would have read the first couple of lines, I'm familiar with the university policy, and I probably wouldn't have read the rest of that.

Is it possible you're giving that answer because you want to avoid the consequences of knowingly having received an email that prohibits accepting corporate events invitations?---No, that's not true.

20 Can you please have a look at the exhibit on the screen. That is a similar email from the year before. Please take the time to read it to yourself. Do you accept you received that email?---Is this the same email or is it a different one?

No, it's from the year before.---From December 2014.

Yes.---If it's an All Staff email, yes, I accept I would have received that email.

Did you read it?---Specifically recall reading that email, no, I did not.

30 Sorry, you specifically say you didn't read it or you don't recall whether you read it.---I, I don't recall if I read that specific email.

But I think your evidence was you get All Staff emails, you check whether they apply to you, and if they do, you read them.---Generally, yes.

And that is an email that would apply to you, do you agree?---Yes, yes.

40 So I suggest you would have read it.---I would have read, "A staff member or affiliate who is in a position in the course of their university work to confer a benefit must not accept a gift from that party," which I'm not in a position to do so. So, yes, I would have said, well, I understand the policy and that really would have been - - -

Oh, I see. So your position is, having received this, because you don't regard your position as giving you the ability to confer a benefit, it was okay for you to accept a gift.---That's what was discussed when the tickets were first brought up. The determination was made in discussion with Dennis and Morgan, and I believe Brett Tamasauskas, that myself and the other

junior staff this wasn't a problem, but that with Dennis, Morgan and Brett, because they were in a position to confer, that they could not accept those tickets.

Did you form the view you should declare it in the gifts register?---No, I didn't. I didn't consider the value of it to be significant enough to, to warrant that. I believe there's a threshold.

10 Did you consider what the value of the tickets were at all or did you not turn your mind to it?---Generally, yes. Yes, generally.

And what were the value of the tickets?---Well, I'm going off memory here, sir, so if, if I'm wrong I stand to be corrected. I believe that the, I think we looked at it at the time and the value of the tickets was \$4,000 and that the tickets were valid for 50-odd events, sporting events, and 20 other odd events, which basically brought the value of each ticket to around 50, 60 bucks.

20 And how many did you accept?---At one time, in one instant, there were several times through the course of a year or two that this occurred. At one time, I believe four tickets, I believe.

And so was it your approach to say on each occasion that I accepted a bundle of tickets to a game I would form the view whether it crossed the threshold for reporting, and if it didn't, I wouldn't report it? Is that an accurate summary?---No, it wasn't that clinical, sir. It was when it was initially discussed, when Daryl first broached the issue that that's the conclusion that we came to that that was the position. My intention was never to, to subvert or do anything. It was an open thing within the office.
30 It wasn't a secret.

And having had time now to reflect on accepting the gifts and its consequences, do you still maintain the position that you acted within the university's policies?---I can tell you I wouldn't do it again, but at that time I thought we acted reasonably with what we understood to be the situation.

Thank you, Mr Ledford. Thank you, Commissioner.

40 THE COMMISSIONER: Mr English, have you got any - - -

MR ENGLISH: Nothing arising, Commissioner.

THE COMMISSIONER: Is there any reason why the witness can't be excused?

MR ENGLISH: No.

THE COMMISSIONER: Thank you very much for your assistance and I'm discharging you from your summons and you're free to go.---Okay. Thank you, sir.

THE WITNESS EXCUSED

[12.34pm]

10

THE COMMISSIONER: Yes.

MR ENGLISH: If Mr McCreadie can please be recalled.

THE COMMISSIONER: Thank you. Mr McCreadie, come forward. I can't remember, Mr McCreadie, whether you took an oath or an affirmation.

MR McCREADIE: Oath.

THE COMMISSIONER: Oath. Thank you.

THE COMMISSIONER: Thank you. I propose to make the section 38 declaration again. 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 him during the course of his 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
10 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 HIM DURING THE COURSE OF HIS EVIDENCE AT THIS PUBLIC INQUIRY ARE TO BE REGARDED AS HAVING BEEN GIVEN OR PRODUCED ON
20 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: Keep in mind that the protection granted by that does not prevent reliance on your evidence for an offence against the ICAC Act, most importantly if you give false or misleading evidence. Do you understand that?---Yes, Commissioner.

30 Thank you.

MR ENGLISH: Mr McCreadie, you might recall last time you were giving evidence before the Commission I asked you some questions about the KPMG report and that audit process. Do you recall?---Yes.

Your evidence at transcript page 423.28 was that you didn't think you got a copy of that report when it was completed. Do you recall that?---Yes.

40 As you sit there in the witness box today, is that still your recollection, that you didn't get a copy of the report or any part of it?---To, to my recollection, I can't remember getting a copy of the report, no.

Do you recall performing any tasks in relation to a review that was conducted of any part of that report internally at SNP?---A task? I think, from memory, it was to get payroll information and have it sent across to KPMG.

That was so that KPMG could use that information for the purposes of its report. But after the report had been handed down, do you recall playing

any role in relation to an evaluation of the report for the benefit of SNP?
---Sorry, I can't recall.

If Exhibit 91 can be brought on the screen, please. If we can just go to, if that can be increased and just focus in on the bottom. Do you see there that's an email from Dennis Smith to you and Neil Fields?---Yes.

And see "University of Sydney KPMG audit of SNP contract." See that?
---Yes.

10

That's the subject heading. And then it goes on to say, "Dear Neil and Daryl, the University of Sydney recently engaged KPMG audit group to conduct a number of audits within the Campus Infrastructure Services Department. To this end, one of the contracts reviewed was an internal audit of contract compliance between SNP and the university." Then if we go over the page we can see Mr Smith says he's "Read the report in full and extracted relevant sections for SNP senior management to review and implement immediate corrective action. Key observations are," and then he's put a series of bullet points. You see that?---Yes, I can see that.

20

And then he signs off by saying, "I now request that SNP senior managers review the findings/recommendations presented by KPMG audit group and formally respond to the university in writing by COB Friday, 19 August."
---Yes, I can see that.

And if we go down, you can see what the attachment is. Do you see here what he's done is copy out the key observations from the KPMG report, if we can go to the next page.---(No Audible Reply)

30 Okay. So if you see that – or I withdraw that. Having seen that email, does that jog your memory as to whether you performed any tasks for SNP's benefit as to the review of the findings in the KPMG report?---I, I honestly can't recall. I'm trying to read through what the, what the recommendations are.

Okay. Well, if we just go back one page you can see that the significant issue is identified as, "Practices existing to circumvent payment of overtime allowance to SNP staff resulting in non-compliance to the EBA." Do you see that?---Yes.

40

And then there's some matters highlights, A, B and C. "Overtime not paid to staff." See that?---Yes, I can see that.

And, "Working beyond hours/days specified in the EBA." See that?---Yes.

And if we go to the next page, "And inaccurate/out of date rosters." Do you see that?---Yes, I can see that.

Okay. And there's an issue of concern which is, "Instances were noted where contract between university and SNP terms and conditions have not been adequately implemented." Now, does that jog your memory at all as to what if anything you may have done to review these observations and respond on SNP's behalf?---I can, I can recall something about the question over the, over the overtime, but I'm thinking that relates to the SNP staff working as SIG to, to get additional work and not get paid their full, their full entitlement of, of, you know, the overtime rate.

- 10 Okay. Well, maybe if we can go to Exhibit 90 now, please. If we go to the second-last page, if we start with the email, please. I'm sorry, it's – do we have the second-last page of the email, which is Exhibit 90 as well? If we can go to the second-last page, please. So you can see there, that's Mr Smith's email to you where he identifies those three bullet points which were observations and findings from the report. Do you see that?---Yes.

- 20 Okay. And then if we can go back one page, please, you can see Mr Fields forwards this on to Mr Roche, copying in yourself, Ms Mately and Ms Islet, or Iselt, rather, saying, "Hi, Tom. Dennis from the university wanted me to forward to you." Do you recall having any discussions with Dennis or Neil Fields about that?---I, I can't recall specifically, no.

Okay. And then you responded 14.06 on 8 August, 2016. You say, "Hi, Neil and Tom. There are some comments that the auditors have flagged as significant issues that I think they have overinflated. I'll put some notes together for tomorrow after I have a bit of time to read through again. Dennis had a read of the report and said that he had no major issues regarding what the auditors had highlighted." Do you see that?---Yes.

- 30 Does this jog your memory at all as to the role you might have played in reviewing this report and preparing a response for the benefit of SNP? ---Obviously there would have been some dialogue between Dennis and I as to what KPMG put forward as either a recommendation or a finding, and you know, reading this it's, you know, I've, I've done a review and sent it to, to Tom and Neil.

- 40 Right. So when you say that there must have been some discussion between Dennis and yourself, why do you say that, have you got a direct recollection, are you reconstructing it from reading the email, can you assist the Commission, please?---I can remember, I can remember after the report had been given to the university, I remember Dennis asking me some, some things about the report and, and he said from where, from where he and Steve Sullivan sat that they didn't have any significant problem with SNP, but they just, I think they just wanted SNP just to, to come back to the university on a, on a couple of points with a, with an action plan or something.

All right. So would that discussion that you've just given evidence about where Dennis Smith said that he and Sullivan had no problem with SNP and he just wanted SNP to come back with an action plan, would that have been before or after you received Mr Smith's email which is on the second-last page at 10.06? If you can just go back to that, please. I think we've got to go the other way. That's the email that attached the key observations and findings and listed the three bullet points. Hopefully it will come back on the screen in a moment.

- 10 That's the one there. So did you have that discussion with Mr Smith before or after he sent that email to you?---I don't know if, I mean maybe Dennis would have said, look, I'm going to send you an email, tell, tell SNP or tell Tom not to worry too much, but I'm pretty sure he, he probably would have given me the heads-up that he was going to send it.

- So if you just look at the last paragraph, "I now request that SNP senior managers review the findings/recommendations presented by KPMG audit group and formally respond to the university in writing by COB Friday, 19 August, 2016. The response should indicate how these practices came to be in the first place and remedial actions to be undertaken to prevent any further occurrence." Is your evidence that around this time that he wrote this email containing that paragraph he'd told you to tell Tom that he doesn't have to worry too much and that he and Sullivan saw that there was no significant problem for SNP?---That's my understanding, yes.
- 20

- And did you report that to Mr Roche yourself?---I would have either, I could have phoned Tom or I could have phoned Neil Fields to say, like obviously that we've got something to respond to, but you know, as far as the university were concerned that SNP was okay and it was just a, just a process to go through.
- 30

Well, if we go back to your email from 14.06, you say, "There are some comments that the auditors had flagged as significant issues that I think they have overinflated. I'll put some notes together for tomorrow after I have time to read through again." Was that your view at the time, that these issues were overinflated?---From what I can remember of the audit there were a few things that they'd asked me questions about that I, you know, I thought would have, would have stood to reason.

- 40 So you thought they were legitimate issues that were raised by the auditors or they weren't?---No, I felt that they, they sort of didn't take enough time to, to understand some of the things that they'd flagged.

What were those things that you thought that the auditors hadn't taken enough time to understand?---One of them, and I think it was, Kerem had a, had a sick day because they, they asked me something, something about Kerem's, it was something about his pay sheet or his, his payslip. They asked me why he still got paid for a shift. He, he still seems to have been

paid, like, his full complement of, of work for that fortnight and when we looked into it, he'd actually taken one shift off as sick leave or something. So then I'd explained it to them that, you know, yes, of course he still got paid, he's a full-time employee, he gets paid sick leave if he takes a, a day off work but then they, they'd said that, you know, in the, in the monthly roster that we had displayed, that we, we hadn't put, we hadn't put someone's name or we hadn't advised the university who was backfilling the shift, which, you know, was something that we didn't really do.

10 Well, if we go up another page, you can see that Ms Mately says, on Tuesday 9 August, at 12.38pm, "Daryl, Tammy will prepare a formal response for the client signed off Sue." And then you say, at 12.50, "Before you do, can I please send you some notes. I've been working on some notes with Dennis Smith that I can send through in response to KPMG's audit." See that?---Yes, I can see that.

Tell the Commissioner, can you please, about your recollection of working on notes with Dennis Smith, which you could send through in response to KPMG's audit.---The only, the only thing I can, I, I can think about is
20 maybe Dennis giving me the, well, giving his side of whatever the, the point was and, you know, helping me to, to put some notes together so that I could send that back to SNP.

Well, Dennis giving you, what, his side of what the point was and then helping you compile notes which you could send to SNP?---Yes.

So is the Commission to understand from that response that every point that was raised in the KPMG report you discussed with Dennis before expressing your views back to someone at SNP?---I don't know that I, I got
30 every single point out of the KPMG report. I'm thinking it was just the ones that Dennis had written.

Yes, so Dennis attached a document to you, which I showed you, which was the key recommendations and observations. Did you go through each of the points in Dennis's attachments with him and obtain his view before you responded to SNP?---Yes. It would appear that way.

And how did you do that? Do you recall sitting down with him, for example, in the office at the university and discussing the observations and
40 recommendations?---It could have been either in the, in the meeting room, just near where we sat or it could have been up at the, up at the aquatic café.

So at either of those venues you've got a recollection of sitting down with Dennis Smith and discussing the observations and findings which he'd forwarded to you, I think the say prior?---Look, I, I, I don't know exactly what, I can't recall exactly what I, I would have written to each point but certainly Dennis would have helped me to, helped me to put together the points to send back to SNP.

And so this is the university that's commissioned an external auditor to come in and review the security services operations at Sydney University?
---Yes.

It's written a report, the report is critical in some respects of the contractor, SNP, yes?---Yes.

10 And you've been asked, that is SNP, the contractor, to provide a response to come of those criticisms, yes?---Yes.

And you've sat down with the client, Dennis, representing the university, to prepare SNP's response?---To give them notes so that they can, they can prepare a response.

20 Do you see anything improper in that?---I don't know. I mean, we tried to have good working relationships with all our customers. You know, perhaps as a university employee, Dennis should have just left it up to, he should have just sent it and said SNP, you go away and, and respond back to us without any input.

Who suggested that you two should sit down to prepare those notes? Was it Mr Smith or was it you?---Well, Dennis came and asked me, he would have asked me to, to come and have a look at it with him.

Well, come and have a look at what, because as I understand – I withdraw that. Come and have a look at what?---Whatever, whatever points he wanted to raise.

30 But he sent you the key observations and provided an instruction to respond and provided an instruction for SNP senior managers to review the findings and recommendations and provide a response as to how these practices came to be in the first place and remedial actions to be undertaken to prevent any further occurrence. So that's his email, right?---Yes.

And he's suggested to you that he wants to meet with you to formulate SNP's response to that instruction, is that right?---Yes.

40 And you thought that was proper?---I thought it was Dennis being a, a good customer and wanting to help us out.

Did Dennis do this on a regular basis? That is, if an issue arose, discuss it with you first and make sure that the two of you provided an answer that was harmonious?---Yes. It would depend on what the issue was.

Well, we've seen the telephone intercept that was played, where you can Mr McCreddie were discussing, I'm sorry, you and Mr Smith, were discussing a response that would be given to the line if any question was raised following

Mr Smith's email to Mr Roche on 12 April, 2018. Do you remember that phone call? There was only one that we've played.---Yes.

And in that, I think Mr Smith said to you, that's our line.---Yes, something like that.

Well, is that something that Mr Smith, to your understanding, had a practice of, that is coming together and discussing a line that could be reported to other if any question arose?---Yes, he would from time to time.

10

And you were asked some questions by the Commissioner about the phrase scrum down, do you remember that?---Yes. I remember being asked that.

That was in your email, scrum down.---Yes.

I think your evidence was I think you might have heard it from Dennis. ---Yes, that's correct.

20

That phrase, is that a phrase – do you have a proper recollection of that or do you have a proper recollection of hearing it for the first time from Dennis?---It, it would have been. You know, I've, obviously, you know, Dennis has said, you know, we'll get together and scrum down to look at this and then I've sent it on an email.

30

So if we can go to the attachment, please, to Exhibit 90. Can you just see here, so this is the document, the notes that you've sent back to Ms Islet and on the first page of the email it says, "I've inserted notes to explain the auditor's comments, drafting a response now to look at before we respond," and ultimately this repose was sent. Do you see?---Sorry, I'm just reading.

Sure. I'm going to take you through some pieces one by one but perhaps if you can just have a look, if we can slowly scroll down through the document, you can see, it appears to be copying and pasting the KPMG report, each issue raised and then in blue, you're providing your response. ---Yes, that's correct.

40

And in accordance with your evidence given earlier today, you would have, would you not, have discussed your response to each of these points with Dennis Smith before you put in the words, "Following DM," which I understand stands for you?---Yeah, the DM would have been me trying to distinguish my notes, as opposed to the, the, I, I guess the, the text from, that I would have copied and pasted from the KPMG, those recommendations that we were given.

And you discussed your response in relation to each of these issues with Mr Smith before you provided it in a document, is that a fair reflection of your evidence?---Yeah, that seems fair.

Commissioner, I note the time.

THE COMMISSIONER: Have you got much further to go?

MR ENGLISH: There's a little bit more to go, yes.

THE COMMISSIONER: We'll adjourn until 2.00.

10 **LUNCHEON ADJOURNMENT**

[1.01pm]