

GERDAPVT00039
26/04/2018

GERDA
pp 00039-00066

COMPULSORY
EXAMINATION

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INDEPENDENT COMMISSION AGAINST CORRUPTION

STEPHEN RUSHTON SC
COMMISSIONER

COMPULSORY EXAMINATION

OPERATION GERDA

Reference: Operation Gerda E17/0445

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON THURSDAY 26 APRIL, 2018

AT 4.30PM

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

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

THE COMMISSIONER: I'll just read onto the record the scope and purpose of the Commissioner investigation then I'll invite appearances.

10 The Commission is investigating allegations that from 2014, staff of S International Group, Sydney Night Patrol & Inquiry Company Pty Limited and/or the University of Sydney have made false entries on daily time sheets claiming for staff who did not actually work or who no longer worked at University of Sydney and/or who were overseas or otherwise unavailable to work at the times claimed. The Commission is also investigating whether
10 from 2014 S International Group, Sydney Night Patrol & Inquiry Company Pty Limited and/or University of Sydney staff edited daily time sheets to include staff that did not actually work and/or replaced names with other staff members' names, regardless of the associated signature.

Mr McCreadie, come forward, please. Take a seat. Mr Watson, you seek leave to appear?

20 MR WATSON: I seek leave to appear for the matter, thank you, and I would also seek at an appropriate time a declaration.

THE COMMISSIONER: Certainly. There are some directions I propose to make. The first is that I direct that the following persons may be present at this compulsory examination, Commission officers including transcription staff, the witness and Mr Watson.

30 I also propose to make a direction under section 112 of the Independent Commission Against Corruption Act 1988 restricting the publication of information with respect to this compulsory examination. The direction will prevent those present today, other than Commission officers, from publishing or communicating information relevant to this compulsory examination. It will permit Commission officers to publish or communicate information for statutory purposes or pursuant to any further order made by the Commission. The direction may be varied or lifted by the Commission without notification if the Commission is satisfied that it is necessary or desirable to do so in the public interest. It is a criminal offence for any person to contravene a section 112 direction.

40 That means in short form, Mr McCreadie, that what happens here, stays here. Do you understand that?

MR McCREADIE: Yes.

THE COMMISSIONER: And it also means that you're not at liberty to tell anyone else that you have been here. Do you understand that?

MR McCREADIE: Yes.

THE COMMISSIONER: Being satisfied that it is necessary and desirable in the public interest to do so, I direct pursuant to section 112 of the Independent Commission Against Corruption Act, that the evidence given by this witness, the contents of any exhibits tendered, the contents of any documents shown to the witness, any information that might enable the witness to be identified and the fact that the witness has given evidence today shall not be published or otherwise communicated to anyone except by Commission officers for statutory purposes or pursuant to further order of the Commission.

10

BEING SATISFIED THAT IT IS NECESSARY AND DESIRABLE IN THE PUBLIC INTEREST TO DO SO, I DIRECT PURSUANT TO SECTION 112 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, THAT THE EVIDENCE GIVEN BY THIS WITNESS, THE CONTENTS OF ANY EXHIBITS TENDERED, THE CONTENTS OF ANY DOCUMENTS SHOWN TO THE WITNESS, ANY INFORMATION THAT MIGHT ENABLE THE WITNESS TO BE IDENTIFIED AND THE FACT THAT THE WITNESS HAS GIVEN EVIDENCE TODAY SHALL NOT BE PUBLISHED OR OTHERWISE COMMUNICATED TO ANYONE EXCEPT BY COMMISSION OFFICERS FOR STATUTORY PURPOSES OR PURSUANT TO FURTHER ORDER OF THE COMMISSION.

20

THE COMMISSIONER: And, Mr Watson, Mr McCreadie seeks a section 38 declaration, does he?

MR WATSON: He does, please, Commissioner.

30

THE COMMISSIONER: Before I make that declaration, and I'm probably repeating matters that Mr Watson has already informed you of, but I should point out what your rights and obligations as a witness are. As a witness you must answer all questions truthfully and you also must produce any item described in your summons, and I'm not sure whether there were any, and you must also produce any item that I require you to produce as a consequence of your evidence today. You may object to answering a question or producing an item, but your solicitor has indicated you want a section 38 declaration which will prevent, sorry, which will mean that you don't have to keep objecting every time a question has been asked. The effect of that declaration is that you still have to answer the question or produce the item or document, but your answer or the item produced can't be used against you in any civil or criminal proceedings. Do you understand that?

40

MR McCREADIE: Yes.

THE COMMISSIONER: But there's one very important exception, and that is that the protection that you will be given by me making that declaration does not prevent your evidence from being used against you in a prosecution for an offence against the ICAC Act, most importantly an offence of giving false or misleading evidence, for which the penalty can be imprisonment for up to five years. Do you understand that?

MR McCREADIE: Yes, sir.

- 10 THE COMMISSIONER: Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by you and all documents and things produced by you during the course of your evidence at this compulsory examination are to be regarded as having been given or produced on objection and there is no need for you to make objection in respect to any particular answer given or document or thing produced.

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

- 30 THE COMMISSIONER: Now, Mr McCreadie, you've been required to attend to give evidence today because the Commission considers it likely, indeed in your case, very likely, that you can provide it with assistance in its investigation into the matters that I flagged when I started. I think you were present, weren't you, when a search warrant was executed by Commission officers at the Campus Security Unit last week?

MR McCREADIE: Yes.

- 40 THE COMMISSIONER: And I think that was on 18 April.

MR McCREADIE: Yes.

THE COMMISSIONER: I'm sure it will come as no surprise to you that the Commission's investigation had uncovered sufficient evidence to satisfy the magistrate who issued the search warrant that it was appropriate to issue it, and I can tell you that the Commission's investigation has been going on for some time. Now, I raise these matters in fairness to you. It really is not in your interests to give untruthful evidence because it's likely that you'll be

caught out if you do so, and if you're caught out giving untruthful evidence the consequences to you can be very serious, as I've already indicated. As I've indicated, to give untruthful evidence is a very serious criminal offence which can lead to significant gaol time. So I suggest that for your own sake you cooperate fully and answer each question truthfully. If you do, you will have the protection afforded to you by the declaration that I just made and that your solicitor requested. Do you understand that?

MR McCREADIE: Yes.

10

THE COMMISSIONER: Thank you.

MS HOOK: Thank you, Commissioner. May the witness be sworn.

THE COMMISSIONER: Yes. I'm sorry, I almost forgot that. Do you take an oath or affirmation?

MR McCREADIE: Oath.

20

THE COMMISSIONER: Thank you.

<DARYL SCOTT McCREADIE, sworn

[4.46pm]

THE COMMISSIONER: Thanks, Ms Hook.

MS HOOK: Thank you. Mr McCreadie, can you state your full name for the record, please.---Yes. It's Daryl Scott McCreadie.

10 And where are you currently employed?---I'm currently employed with Sydney Night Patrol & Inquiry Company or SNP Security and I'm currently based at the University of Sydney.

And your current employer, is it Sydney Night Patrol?---Yes.

SNP for short?---Yes.

Is that the organisation that pays you a salary or is it Sydney University?
---No, it's SNP that pays me a salary.

20 And you draw a salary from SNP that's paid regularly into your bank account. Is that right?---Yes.

Do you receive an income from any other source?---Yes.

Can you tell us who you receive an income from?---I receive an income from Security International Group.

SIG?---SIG.

30 And what is that for?---That's for helping them with getting extra work. I've done quotations for them, I've helped them with tender work when they've gone out to look for, for other business, and I've also done work for them at the University of Sydney of which I've been paid.

The work that you do for SIG, is that set out in contractual terms anywhere?
---No.

40 So how do you get the work that you do for SIG?---The managing director for SIG will call me, and he might say, oh, look, I need you to have a look at a quote for me, can you help me with this. I've done some risk assessments for them for their clients and I've been paid for those.

And the managing director is who?---A gentleman by the name of Taher Sirour. We, we all know him as Tommy.

And how long have you known Tommy for?---Since our organisation signed him up, oh, jeez, at about 2014 I think.

Your organisation, SNP, signed Tommy Sirour up?---Yes.

For what?---To be a subcontractor to supply security guards.

And in what circumstances does Tommy Sirour's company supply security guards for your business?---He supplies, well, used to supply security guards for me at the University of Sydney.

10 When you say used to, when did that stop?---Monday morning just gone.

And when did it start, can you tell us again roughly?---He started working for SNP in about 2014 but I think he started supplying guards at University of Sydney either late 2014 or early 2015.

20 And is his supply of guards something that you organise with him directly, how does it work?---Oh, jeez, where to begin. We would ask him to, to supply us a guard to work on a roster. So you know, I'd ring him up or I'd email his office and say, you know, I need to induct, you know, a couple of guards, I've got these rosters, can you please supply me some staff.

How regularly would that happen?---Look, we would have, we would have almost daily need to, to ask SIG to supply staff because of the nature of the work at the University of Sydney.

30 So, can you just briefly outline for us why you need to go to a subcontractor and you don't have sufficient guards with SNP to cover the work that you needed at the University of Sydney?---The hours at the University of Sydney fluctuate so, some hours are present during semester, some of the hours increase or decrease when it goes out of semester and we also get a lot of ad hoc guarding thrown at us last minute. Some of it's event based. You know, the events team will ask for guards to, to help supervise film shoots. We get last minute protests where the customer will say, "I need," you know, "four or five guards for a protest at," you know, such and such a building and we email SIG to, to provide those guards.

40 How many guards does SNP employ for the, the basic work that's done around University of Sydney?---We, we would employ about, we would employ about 20. Sorry, I'm just trying to think of the, the shifts and the, and the roster. But again, that, that fluctuates as, as people come and, come and go from site.

So, in a nutshell, you use SIG guards for anything above and beyond what your SNP guards can handle? Is that right?---That's correct.

Right. What is the title of your current role?---Site manager.

Site, s-i-t-e?---Yes.

And what does that position entail?---So, I look after the University of Sydney contract. I'm based at the University of Sydney but I also look after the University of Wollongong security contract as well.

And when you say, "Look after the contract," what does that mean? The contract between who?---The contract between the University of Wollongong and SNP Security.

10 And similarly, the contract between University of Sydney - - -?---SNP Security and University of Sydney.

And does that mean that you have responsibility for subcontracting under the contract?---No. The company has the responsibility for subcontracting. SNP has the responsibility for subcontracting. So, there's an agreement between SNP Security and SIG.

THE COMMISSIONER: At Wollongong?---No.

20 What, what's the position at Wollongong?---At Wollongong, SIG don't supply any staff to Wollongong University.

MS HOOK: So, it's purely SNP staff at Wollongong Campus?---All except for one security officer.

And where is that person from?---They're from a company called Sydney SOS.

Back at University of Sydney --- Yes.

30 Are there also University of Sydney security staff on campus?---There are people that are employed by the University of Sydney that work there in the campus security unit.

40 Can you name then for us?---Yep. So, there's Simon Hardman, he's the, the head of security and emergency management. There's Dennis Smith, he's the security operations manager. There's Duane Ledford, he's the security risk coordinator. There's a lady by the name of Connie McGarry, she, she's in an admin role but she looks after, she looks after the, the cash in transit and parking, parking matters for the, for the security unit. There's a gentleman by the name of Brett Tameselskis, he's the security, security systems manager and he has a, he has a 2IC, Helen James, who's in a, she's in a technical/admin support role.

So, do you work with anybody from SNP at the university?---Yes.

Who are those people?---I work with, I have a 2IC, a gentleman by the name of Emir Balicevac.

You call him your 2IC. What does his role involve?---So, he's there to help run the guarding side of the contract.

And who do you report to in your role?---In my role, I report to Dennis Smith.

And he's a University of Sydney employee?---Yes.

10 And who reports to you?---So, Emir reports to me.

And anyone else?---There's also four team leaders that work on the, on the rotating roster, on the guarding roster. And ---

Who are they?---So at the moment, I've got Amyna Huda, Frank Lu, Gol Mohammed Amiri and there's a vacant position that's being filled with overtime between the three team leaders and a security guard by the name of Salam Al Zayadi.

20 Now, is there a standard roster at the University of Sydney that needs to be filled regardless?---Yes. The, the core, the core roster or the, the, the main patrol roster comprises of 12 hour shifts and the guys do two days, two nights, four off.

Two days, two nights, four off?---Yes.

And when you say, "The guys"?---The security officers. So, we, we've got, on that roster, there's five positions.

30 And are they spread around main campus or are they at different campuses? Where are they located?---They're on the main campus. There, there are some campuses that are offsite where we have services such as Cumberland, which is East Street at Lidcombe. There's Camden campus, which is located on Werombi Road, comes under Camden or Cobbitty. And then there's also Rozelle campus, which is College of the Arts.

And you're responsible for the contract management for all of those offsite campuses as well?---Yes.

40 And are SIG guards used for extra services for those campuses also? ---Some. Some, not all. We use them at Camden and also Rozelle.

But not at Cumberland?---Not at Cumberland.

Who's used at Cumberland?---The four guards that work at Cumberland are SNP employees and we, we would backfill them with either overtime or with a security supplier called Manpower.

And you said that the relationship with SIG as a subcontractor ended Monday just gone or last Monday?---Monday just gone.

Can you tell us the circumstances in which that subcontract was terminated or finished?---That was a decision at head office level. I was just told that there were plans, there were plans before to, to move SIG out of Sydney Uni and, and other work with SNP and I voiced concerns about the, the time frame in which they wanted to do that. Our company was, was wanting to do it within a week but I sort of warned them and said, “Look, I understand you want to do that, but if any of their guards don’t come across to SNP and sign up with SNP as employees, it takes us two weeks to train a security guard to use them on the, on the contract.” So the company had initially given them a month’s notice.

THE COMMISSIONER: Do you know why that happened?---Sorry?

Do you know why they got notice?---There were a couple of breaches of fatigue where guards had worked too many shifts in a row and there was also on another contract I was told that they were asked to produce training records and they couldn’t produce those records, so the business had made a decision it was too much of a risk to, to continue to trade with them.

Who informed you of that?---My manger from head office, Philip Tansey, and I don’t know the other person’s official title but he works in our risk and safety, risk and safety management group, a gentleman by the name of Awad Wallizada.

MS HOOK: So Dennis Smith is your direct report. Is he the person you deal with mostly at University of Sydney?---I deal with Dennis, Connie and, or Dennis, Connie, Simon and Brett more or less equally. I answer to them for, for different aspects of our contract.

And the contract between SNP and the University of Sydney, can you tell us the duration of that contract?---It’s an initial term of five years with a two-year extension option.

And it was signed when?---2015.

So it’s to run until 2020 with a two-year after that, an option?---With an option to extend, yes.

So potentially to 2022?---Yes.

And can you tell us what the contract actually covers?---So there’s four areas of the contract. There’s security guarding, there’s cash in transit for the, the clearance of the parking machines that are on campus, there’s line marking for the pedestrian crossings and the parking bays across the university campuses and there’s an electronics technical component where

we supply three technicians on a full-time basis to do reactive repairs and ongoing maintenance.

And on a day-to-day level, Mr McCreadie, what is it, what is your role, what, what does it entail?---Whatever they dish up to me at times. I'm trying to do customer service for, obviously to represent SNP to the university, I'm, I'm liaising with the, with the security electronics technicians and also the systems manager, Brett, I've been working with, with Simon Hardman on proposals or options to get rid of the current
10 parking meters because they're, they're breaking down quite a lot, so we've been exploring how to get them upgraded to, to nurse it through until the university can gain a better understanding of what parking should look like on campus, what are, you know, what are the options out there in terms of, you know, managing parking permits and, and casual parking, pay and display parking, Dennis involves me in helping him to answer complaints against security staff or writing up statements for our traffic, we've got two
20 traffic officers, helping to write statements to, for them to be presented to, to court for um, people that want to object to being issued a parking fine, so yeah, there's quite a lot of, you know, day-to-day operational items that I help with.

The relationship between SNP and SIG, the subcontracting relationship which ended very recently - - -?---Yes.

- - - was that governed by a document contract or was it a verbal contract, what was the arrangement?---There should have been a, what we call a service level agreement.

And was there?---There was. Again that's above my level of the business.
30

Whose level of the business is it to organise that?---It would be, at the time it would have been our Sydney branch manager and our general manager.

And who are they?---At the time it was, our general manager was a person by the name of Kevin Peters and the Sydney branch manager was Laurie Bewes.

And do they still work with your organisation?---No.

40 Do you know when they left?---Kevin left, Kevin left about February 2016, Laurie left, I think he left mid-2015.

And since those people have left has it fallen to you to manage that service level agreement with SIG?---No.

So who does manage it?---At the moment that would lie with, look, I'm, I'm guessing, I'm not trying to, you know, invent an answer, but it would be either our, what we call our reduce the risk team, our national compliance

manager, Tamara Bailey, and, and Phil Tansey. That's, that's where I believe the responsibility for that contract document is.

And how did you come to know Tommy Sirour?---He was introduced to me by our branch manager at the time, Laurie Bewes.

Introduced to you as, as who, as what?---As a subcontractor to be used by SNP Security.

10 And do you recall when that happened?---I can't recall exact dates but it would have been 2014/2015.

Okay. And how regularly would you have dealings with Mr Sirour?
---Sometimes, sometimes daily, depending on, on what was happening, other times I'd go for, for weeks on end not, not having anything to do with him.

20 Is he the main person you dealt with at SIG?---I dealt with a, a number of people. So he has an office manager called Lyn, I think her surname is Li, L-I, Lyn, Lyn Li I think she is, there's another office worker, I only know her as Maggie, I don't know her by any other name, and, and Frank Lu.

So how do you have contact with the office manager, Lyn Li, is that in person, by email, by phone?---By phone or email.

30 And what's the nature of your contact with Lyn Li?---Sometimes it's to order security guards, sometimes it's to talk about, you know, the services of the guards, how well they're performing, and at other times it's to do with, it's to do with some of the quotes and things like that that I've done for Tommy.

And Maggie?---Maggie, I, I've picked up money on a regular basis from Maggie.

And when you say, "Picked up money on a regular basis," where from?---It used to be at their head officer in Mascot and they opened up another office in Rockdale.

40 And what is this money you're picking up from Maggie?---So, this money is for work that I've done for SIG.

So, it's your pay from SIG?---Yes. It is a form of pay.

THE COMMISSIONER: What do you mean, "A form of pay"?---It's for, it's a, I guess you would say it's a, it's a commission for work that they've obtained. It's for work that I've helped them to, to get that's away from SNP Security. Part of, part of what SIG wants to do is, not only have its work with SNP Security, but it also wants to grow its business by going out and

get, getting direct contracts. So, I've assisted them to, to get direct contracts and I've also done risk assessments for their, security risk assessments for their customers.

How many direct contracts have you been able to obtain for them?---Two, and I've also helped, I also helped to draft like, a letter applying for a contract extension for a third customer.

10 Right, and the two contracts that you assisted them in obtaining, who, who were they with?---They're with owner's corporations for two properties, two different properties in Chatswood.

And when were those contracts entered into?---I'm guessing about a year and a half to two years.

Ago?---Ago.

20 Right. and you were paid, no doubt, two years or so ago in relation to that? ---Ongoing.

What do you mean, "Ongoing"?---Every week, I get at least \$500 from, I pick that up from Maggie.

What, even recently, you've been picking up \$500 a week for contracts that were negotiated two years ago?---Yes.

Is that what you're telling us?---Yes.

30 And what was the fee that you negotiated with SIG for obtaining these two contracts?---I've negotiated no fee.

Well, on what basis are you being paid \$500 per week in respect of these two contracts?---Look, I've, I've had a, an ongoing arrangement with SIG. They've paid me weekly. It used to only be about \$300 a week but as their business grew, they increased the, the amount paid to me.

But this is, this is in respect of an activity that you say you performed on their behalf some two years ago.---Yes.

40 You, you do understand your obligations to tell the truth, don't you?---Yes. So, so what, what I'm saying is, I've, I've helped, yes, I have helped Tommy to, to get other contracts. He had paid me money to help look after his hours at University of Sydney. It has been an ongoing arrangement, sometimes I get some extra, some, sometimes it's just the, the normal \$500.

And the normal \$500 is for what, these two contracts at Chatswood? Think very carefully before you answer. I said to you before we started that you've been summonsed her because we think you can assist.---Yes, sir.

And the last thing I want to see is for you to get yourself into trouble.
---Trust me, I don't want to be in any more trouble than I currently am.

Well, you tell us how it was that you were getting \$500 a week. Think very carefully before you answer and I think you said more recently, more than that.---Yes.

10 What was that for?---So, so the, the, the weekly, can I, can I start with that?

Take your time. There's no need to, to, just take your time and think about what it is you're saying.---Yep. So, the, the, the, I guess I'd call it the weekly payments, initially started as a, as a much lesser amount, wasn't that frequent. And it was Tommy, I guess his way of saying, look, thank you for, for giving me some work even though it wasn't me that signed him on. It was another manager within our business that, that signed SIG up to SNP.

20 Mr McCreadie, what was the money for?---The money was for giving him hours at Sydney Uni and it was also for helping him whenever he called me for, for help. He would ask me, he would ask me for, for help with HR matters. He would ask for you know, help to write letters to customers, which I did. So, and I would also, I would also cover shifts at the University of Sydney and get paid for those.

How would you cover them?---By working them.

30 Is there anything else you want to say in relation to that?---Yes. I believe, and I don't know to the extent, the exact dollar amount, but I do believe that you know, part of those payments I had received have been because he's received a lot of work in a short period of time. So things like open days, protests and things like that. But I'm also scared that some, some of that money has been due to shifts that haven't been filled.

And how, how did you become aware of that?---Apart from the officers raiding last week, I had heard rumours. A security guard came up to me on Friday night just gone and he told me what he felt was going on behind the scenes.

40 And are you telling me that that's the first time you had an inkling that that might be going on?---Look, I couldn't prove that they were or were not covering shifts. I would, can I give some examples?

Yes. Certainly.---Yep. For example, the university might ask us to supply some guards for a film shoot. You know, they might say, "Okay, I need two guards. I want them," you know, "Friday morning, 11.00am to 3.00pm." I would, I'd fill out the job details and I would email that to SIG rostering, which was being managed by Frank Lu and Lyn. So, I would email them and ask them to supply me guards to cover those shifts.

Yes. --- So, I would, obviously I would, I would see guards turn up. So you know, on the surface, I'd be thinking that everything was being covered correctly. I am aware that some of our staff have worked additional shifts to, to get more overtime and that they've signed in under, under false names.

What do you say to the suggestion that the moneys, or at least part of the moneys you received were moneys, represented moneys received by SIG in respect of payments that had been made for staff that just did not work?

10 ---Look, there would be a possibility that that's, that's formed part of it.

You know that, don't you?---Yes.

Yes. Would you like to explain that to us?---There has been, there has been on a couple of occasions where I've, I've covered a shift, I've signed on as someone else's name, I've covered the work, but then part of the shift that wasn't required I had, I had claimed for those hours as well.

20 But you knew that don't you that SIG were claiming for moneys, they were claiming for employees that didn't work at all and that you received some of the money that they got?---Only for - - -

Come on, that's what you understand, isn't it?---Not to the extent that was set out in the, in the summons.

All right. To what extent?---Again I can't, I can't put a dollar figure on it, but when I saw, when I saw that amount of money, I'm, I'm really stressing out, I really - - -

30 I can understand why you are, but it is so important you tell us the truth, and the truth isn't half the truth, it's all the truth.---Yes, sir. To, to the extent of, of what's being alleged that isn't being covered and they're claiming payment for, definitely, definitely not to that extent, no.

Well, let's look at your position. How, how often do you think you were receiving payments of in effect their savings, or part of their savings. They were getting money they weren't entitled to and it was the case, wasn't it, that you were receiving some of that money regularly?---Yes.

40 Yes. Can you, can you tell us how much you think you've received over say the last six months?---Me personally?

You personally.---I would say, I would say maybe, maybe five to \$6,000.

All right. And how was that money paid to you?---In cash.

And that was in respect of moneys received as you understood it by SIG for work that hadn't been performed?---Some of it, yes.

Yes. All of it, can I suggest?---Not all of it.

How much of the five to \$6,000?---Probably a large, probably a large amount of that. The, in, within that extra money there were shifts such as bus runs and other things that I had actually worked and, and provided.

Yeah.---But at the same time there was also, there was also money paid to me for shifts that weren't supplied.

10

Thank you. Thank you for that. To your knowledge were there other people within SIG or elsewhere that were doing the same thing?

---I had an inkling that – what I thought was, was going on was that a lot of our staff to beat fatigue, fatigue management or fatigue rostering were working extra shifts, signing on under different names so that they could claim, they could claim money for working.

But did, did you think that some of them were doing what you were doing, and that is taking money for shifts that weren't worked?---I had suspicions but I had no proof.

20

Right. When I say taking money for shifts that weren't worked, I include in that taking money as in respect of employees who just didn't turn up. You might have, you might have had a, a, a plan where five people would be doing a job and you could charge for five people but only one would turn up?---No.

No?---No.

30 Did you really carry out risk assessments for SIG?---Yes, I did.

How long ago?---Jeez, I'm trying to think when, when they picked up the contract for, for the Epica Apartments in Chatswood. That would have been, that would have been a year, a year and a half ago.

I think you told me two a little earlier, two years ago, or is there more than two properties at Chatswood?---There's three buildings. Two of them are on one contract and one of them is on a, on a different contract.

40 Yes. I think you told me that about two years ago you assisted in negotiating the two contracts in Chatswood. Is that right?---Yeah, one, sorry, can I – sorry to interrupt, sorry.

You go ahead.---One, one group of apartments came online first and I'd helped to, to put together his business proposal or, you know, tender or quotation or whatever you want to say.

Yes.---I'd, I'd worked on that document and helped them to, to get that work, and then after, as, as that was coming online I'd done a risk, security risk assessment on that property, some months later, possibly, probably six, four or six months later, another group of buildings or another building in the same area, Tommy started providing services for that as well.

Were those risk assessments provided for the purpose of giving, for the purpose of them being given to the parties who had entered into this contract or these contracts?---Um - - -

10

That is, were they going to be provided to the building owner?---Yes.

So they were in writing?---Yes.

And so you did two of those?---I did a, I did a quote, I did a risk assessment on the, on the, I don't know what the other building's called, I, I can't remember what the other building's called, I know it's Epica and it might be Epica and/or Altura or Altura.

20 Well, you've mentioned that you helped to put together proposals for the two contracts in Chatswood.---Yes.

And you've done, is it one or two risk assessments in respect of the same properties?---One risk assessment for two properties.

All right. And are they the only risk assessments that you've prepared for, for SIG?---That I can recall, yes.

30 All right. And - - -?---Unless they've, unless they've taken my word document and used it somewhere else.

Okay. No, I accept that. And how much were you being paid in cash each week? You've mentioned various amounts, you said at one stage you were getting paid \$500 a week in cash?---Yes.

And over what period of time?---That's been for the last maybe four or five months.

40 Yes.---Before that, before that for, for two years it's, it's about 400, it was 400 a week.

So we've got, for the last four or five months we've got 500 a week?---Yes.

And there was a period of time before that you were getting 400 a week? ---Yes.

Over what period of time were you getting 400?---I would say about two and a half years.

Right. And what did you do with that cash?---I, I used that to, to pay for my fuel and my car repayments.

Did you bank any of it?---I would only bank so that I could pay off my, my loan and my phone.

Oh, I see. So you put the cash into your account and then do a transfer - - - ?---Yes.

10

- - - to a loan account or - - -?---Macquarie, Macquarie Lease Financing I think they're called.

That was for your car?---That was for my car.

And what were the repayments on that each month?---Car repayments were, well are \$740.

Yes. And I think you mentioned your phone. --- Yep.

20

So, you'd put cash in and you'd pay your phone, you'd pay your car?---Yes.

What else would you pay?---Out of, out of that account, I would also pay for line marking materials. So, it's, it's known to SNP Security and to the University of Sydney that Emir and myself have been doing some line marking as well. I've put together a business proposal to my manager and out managing director back in either November or, about November last year to, to say look, some of the non, some of the nontechnical work, you know, we can do this and we can do a quick turnaround to, to make the customer happy and make SNP look good. For anything largescale or you know, needing specialist equipment or you know, work beyond my skill level, we would continue to use Complete Linemarking Services, which have been used by the university for a number of years.

30

Just come, come back to the payments. I'm sorry, Ms Hook.

MS HOOK: That's all right --- Sorry, I'm ---

THE COMMISSIONER: Okay, I'll keep going for a little while. Just come back to these weekly payments and I think you said when you were getting the \$500 per week and you think it was between, I can't remember now, whether you said \$4000 or \$5000 or \$6000 for the last six months. I can't quite remember what you said. I think you said there would be a significant part of those amounts concerned, in effect your cut for shifts where certain employees have not worked.---No. Can I, can I, can I explain?

40

Yes, please.---Thank you. That \$500 per week was a, was a regular payment. If, if there was something that, that I worked, or if Tommy got a

lot of additional hours, I would sometimes receive extra. I'd receive maybe \$100 or, or you know, depending, depending on volume of work could be you know, upwards of about \$300 or \$400 extra.

So you might get up to about \$900?---Yes. Easy.

10 Yeah. Okay, but put that to one side, the extra work. As I understand your evidence that you gave a little earlier, a significant proportion of the \$500 concerned, in effect your cut of money he was receiving in respect of employees who had not worked.---No. Sorry, can I, can I go back and explain?

Yes.---The \$500 was just a regular, a regular amount. Anything additional was either work that I had done or work that, that had not been done but invoiced.

Because I'm really interested in the work that hadn't been done but had been invoiced. --- Yeah.

20 Are you telling me --- Yes.

On your oath, that none of the \$500, the regular \$500 consisted of those amounts?---No.

None of it?---No.

When you say, "No," you're disagreeing with me or you're agreeing?---That \$500, that regular payment was nothing to do with shifts not being covered.

30 I'm just, well I'm having great difficulty, I must say, Mr McCreadie, working out what it was for.---I, I said a little bit earlier that those regular payments were to help look after his hours, the amount of hours that he was supplying to SNP and - - -

40 Just, just, pause pausing there. Just explain that to me again.---Okay. So, SIG had a certain, certain number of hours, certain number of guards that they would supply to, to Sydney Uni and a couple of other, a couple of other contracts. So, as a way of saying, you know, thank you for the work, I would get that as a, as a regular income. But I would also, if Tommy asked for some assistance in a, in an HR matter or something like that, I would help him with that as well.

As I understand arrangement, I think you described it as a, is it a service delivery contract between SIG and SNP?---There was a service level agreement between SIG and SNP.

What was it that you were providing to get this \$500 a week?---By ensuring that, that SIG got good hours.

But why wouldn't they get good hours? What, what was your alternative? If you didn't use SIG, who were you going to use?---Well, the company could have chosen any number of subcontractors.

And they never did, did they?---No. I mean, we - - -

And stay with me. --- Yep.

- 10 And that had nothing to do with anything you did, surely. I mean, they had a subcontract with SIG, SIG got the work.---Yep.

Well, how could it be that your \$500 a week had anything to do with that? ---He, I never, I never asked for you know, I never approached Tommy and said, you know, "I want this every week." He, he came to me and, and he said, "Look you, you do a lot of work for us. You look after our guards at the University of Sydney." And, and he started to, to pay me money on a weekly basis.

- 20 I'm just, I'm just having difficulty understanding the rationale, why he would do that when you had to take these people on anyway?---I guess he wanted me to protect their jobs.

By doing what?---Just by making sure that they you know, were doing the right thing. If anyone back at SNP asked how they were performing, that I would say that you know, they were generally doing a good job and he, he said that he you know, he wanted to share some of that profit with me.

- 30 Very generous man, do you think?---Yes. But please, that, that weekly, that weekly amount wouldn't, wouldn't be anything to do with, with them not filling shifts.

But you knew in, on certain occasions that they weren't filling shifts? You knew that?---Yes.

And you knew they were claiming for those shifts as if they'd been worked, didn't you?---Not to, not to the extent of \$27,000 a month.

- 40 But you knew, you knew that on certain occasions that was happening?---I knew on some, some occasions that it did happen but - - -

And you, sorry, you go on.---But to the extent of, to the extent or how frequent it was happening, I had no idea.

At all?---No.

But am I right in putting this to you, that certainly on some occasions, you were aware that shifts weren't being worked? Sorry that, that, that they were overcharging?---Yes. On some occasions, yes.

You, you were aware of that?---Yes.

And, and you, you shared in that, did you not?---Yes.

10 Yes. Did you, at any time disclose to SNP that you had been doing other work for SIG?---Yes. I, I declared to my managing director and to, to my branch manager or my direct manager, Phil Tansey. I declared to them last week that I had been doing work for SIG.

But last week was the week in which the search, search warrant was executed. Correct?---Correct.

I take it that you, to the extent that you provided them with that information, that was after the search warrant had been executed?---That's correct.

20 Right. So they didn't know until then?---They didn't know until then.

Why did you tell them?---I guess, how do I put it, after the search warrant was executed – I've, I've been thinking about leaving the university or leaving SNP for a while, you know, the events of last week have really brought it into focus, and I have been looking to, to move on.

Why would that have driven you to tell them, why, why did you tell them at that point?---I'm just feeling so ashamed

30 Right. --- of, of what's happened.

Okay.---I'm, I'm scared.

What are you scared of?---The day after, the day after the, the, the raid by the officers, someone keyed my car. It's not a, it's not a scratch by a, by a tree branch or anything like that - - -

No, it's a real keying, is it?---It's a, it's a keying.

40 Yes.---Just too coincidental that the officers came in on the Wednesday, Thursday afternoon I was an absolute mess and I went home early because I couldn't sleep and when I was getting some clothes out of the car I noticed on the passenger side of my car it had been keyed. I don't know who would have done it, but I - - -

Do you need a moment?---Yeah.

Mr Watson, we might just adjourn for a short period of time if that's okay. There's no problem with you, you talking to your client.

SHORT ADJOURNMENT

[5.42pm]

THE COMMISSIONER: Are you okay now?---Thank you.

10 I'm going to hand over to Ms Hook now and she'll ask you some further questions.---Yep.

MS HOOK: Mr McCreadie, when you started talking to us this evening you said you were quite scared when you saw the sum of money involved in the allegation on the summons or with the summons.---Yes.

20 Which was 27,500 a month since July 2016, an average of. Other than the sum of the money, do you agree with the terms of the allegation, that the conduct as described was in fact occurring?---Sorry, could you, could you – I'm a bit confused.

You seemed to take issue with the amount of money on the face of the allegation.---Yes.

And you said you weren't aware that it was to that extent.---That's correct.

Other than the sum of money, were you aware that the conduct alleged was in fact occurring?---Yes.

30 All right. Do you want to tell us a bit more about that?---As, as I had been explaining that there had been on occasions where names had been put on shifts and claimed for that the person wasn't there, but I'm also aware that a lot of our staff at the university have been signing onto the, to the time sheets under different names so that they could actually work. Our rostering system at SNP head office has certain limits of hours that somebody can work within a set period, so to, to beat that the guys had signed on as different people to, to work and earn the money, but as, as for the, for the level of people not turning up to, to fill shifts, I can't, I don't know how it's been done.

40 So how regular would this be happening, how regularly?---That people would be signing on to - - -

Under names that weren't theirs.---Weekly.

And how many people would this involve?---It could, it, it could involve up to about 15 staff.

And how many of those 15 staff were doing it to beat the health and safety requirements, if you like?---Probably a, a majority of them.

And how many would be doing it so that they could actually claim for work that they hadn't done?---That I don't know.

10 THE COMMISSIONER: But you knew it was happening.---I was, I was aware that it could be happening. I, I never, please, how do I explain it? Do, do I believe it happens? Yes. Do I know when and how often? No, I don't.

Okay. Okay. Sorry.---I don't know how, how else I can explain it.

I'll just ask you this. Do you think that you were being paid the money you were paid each week just to turn a blind eye to it?---No. No. I, I believe the money that I was getting paid each week was to, you know, to, to help, to help look after Tommy's hours at the University of Sydney, you know, to make sure that the guys were, that the entire group of guards were well thought of, you know, if there were issues with performance, not to, not to sweep it under the rug, but to, you know, manage, manage those people if they weren't performing, you know, to an acceptable standard, you know, we would, if a guard wasn't performing we would, you know, say to Tommy, look, this person isn't, isn't doing their job, can you replace them with someone else. But I wouldn't be, you know, running to our head office to, to say hey, these guys are doing a bad job.

30 MS HOOK: Can Mr McCreadie be shown a document. It's an email from Emir Balicevac to him, dated 26 August, sorry, to Lyn at SIG International Group, dated 26 August, 2016, and Mr McCreadie's cc'd into that email. It's titled Time Sheet. Do you recall seeing this before, Mr McCreadie?
---Yes.

I want you to, to go to the time sheet attached to the email and explain to us what we read underneath "Monday, 1700 to 0200 hours." Can you just talk us through what's written there and what it means?---Okay. So that's a, that's a shift, protest nine hours, so yes, that is a, that is an example of a shift that was claimed but not worked.

Claimed by who, Mr McCreadie?---Myself and Emir Balicevac.

40 THE COMMISSIONER: Thank you.

MR HOOK: And the next day on the Tuesday, 1800 hours to 2200 hours.
---Yes.

Again?---Yes.

And the next day, on Wednesday, 10 o'clock to 2 o'clock, again?---Again.

And the next day, on the Thursday, 6 o'clock to 10 o'clock in the evening?
---Yes.

Again?---Yes.

So in that four-day period you and Mr Balicevac have claimed for hours you did not work on four occasions?---Yes, that's correct.

10 THE COMMISSIONER: And presumably you got paid for it?---Yes.

MS HOOK: On the Wednesday, if we look down, halfway down that column there's also a notation of five times 12 hours, total 60 hours, and a division there, me 30, Daryl 30, Frank 12. Can you explain that to us?
---I, I can't recall what those hours are.

Are the shifts you didn't work but are claiming for?---Yes.

20 And again underneath there there's another shift, 1800 to 2200 hours?
---Yes.

That's another shift you're claiming for you didn't work?---Yep.

And over on the Thursday underneath the shift we just looked at before, we have 2359 to 0600 hours, me three, Daryl three.---Yes.

THE COMMISSIONER: I think there's one under Monday too, a second entry.

30 MS HOOK: Yes, you're right, Commissioner.

THE COMMISSIONER: See the one 1800 to 2200 on Monday?---(No Audible Reply)

MS HOOK: It's not just one shift that's claimed by you and Mr Balicevac, it's the one afterwards as well, or no, sorry, it's concurrent, 1800 to 2200 hours.---Yes.

40 THE COMMISSIONER: And that's the same again, claims with the shift not been worked?---Yep.

All right. Who, who's "me?" I take it that's Mr Balicevac, is it?---Ah, yes, it is.

And who's Frank?---Frank Lu is our, one of our team leaders, but he does all the rostering for, for SIG.

Okay.

MS HOOK: So, Mr McCreadie, if you look at the total by Thursday at the bottom or outside of the time sheet columns, you see Emir is claiming 52 and a half hours, Daryl, 52 and a half hours, Frank, 10 hours?---Yes.

Do you recall this week in particular?---I don't recall the week specifically, no.

10 Is there something unusual about this week or is this a fairly standard usual practice by you, Mr Balicevac and Frank Lu?---No, that would have been, that would have been, that would have been a busy, a busy week.

THE COMMISSIONER: I don't understand that. What, a busy week in respect of shifts you didn't work?---Yes.

MS HOOK: You're also working your normal SNP shifts that week?---Yes.

THE COMMISSIONER: And, and those shifts are what, they come up to about 40, 40 hours, don't they?---I do a minimum of, of 40 hours a week.

20 Right. So this week you get paid in effect for 92 hours, 92.5 hours.---Yes.

MS HOOK: I tender that document, Commissioner.

THE COMMISSIONER: I think that's Exhibit 1.

#EXH-001 – EMAIL FROM EMIR BALICEVAC TO LYN AT SIG INTERNATIONAL GROUP, DATED 26 AUGUST, 2016, CC'ING DARYL MCCREADIE, WITH ATTACHED TIME SHEET

30

MS HOOK: Can the witness be shown a further document, and that is an email from Daryl McCreadie to Lyn at SIG Services and Emir Balicevac, dated 27 August, 2016. It's titled Our Summary. Have you seen this before, Mr McCreadie?---Yes.

So having a look at it, is it true that his reflects what we've just gone through in the email we were just looking at in terms of the times claimed, the shifts claimed?---Yes.

40

Can you talk us through what's written here, what you're informing Lyn of? ---Yeah, I'm informing, I'm informing Lyn of, of hours that, that have been put on a time sheet, hours that have been put on a time sheet for, for myself, Emir and Frank to be paid.

THE COMMISSIONER: That weren't worked?---I believe, I believe those hours not to have been worked.

Thank you.---I, I'm just having a look.

No, that's okay, you take your time.---Yep, I believe, I believe those hours not to have been worked.

10 MS HOOK: Can you tell us what "shine it up" means?---It's a, it's an in, in-house joke. We had a, we used to have a site manager working for us at University of Sydney and every, every second comment that he had against somebody he would say, you know, I'm going to shine my boots, as in, you know, I'm going to give them an arse-kicking, so it's just been a, it's been an on, ongoing joke that, you know, we've, we've made it into a saying just for anything. I mean, I've you know, I've bought Emir lunch and, and you know, he's bought me lunch and, you know, we've said here, shine that up, you know, here, have that. So yeah, that's, that's what it is.

20 And what would Lyn do with the information once you'd sent it to her, what was he next step in this process?---So I believe, I believe that Lyn would, Lyn would take the, Lyn would take the, the summary of hours and I believe either her or Frank would, would fix up the time sheets.

When you say fix up the time sheets, what do you mean?---What I mean by that is they would work out what names to put on the time sheets and then from that she would form the basis of her, SIG's invoice to SNP Security.

And from, how would she go about working out what names to put on the time sheets, she wouldn't be putting the genuine guards' names?---No, no, she'd be, she'd be putting, putting names down to, to, to enable either Emir or myself or Frank to be paid for those shifts.

30 So she was involved in this as well?---Yes.

And how regularly did you do something like this?---Me, me personally, not, not as frequent as what it looks.

How regularly would you do this?---That I would - - -

Claim for hours you hadn't worked.---Maybe once a, once a fortnight.

40 THE COMMISSIONER: Just, just, just think about that answer carefully. --- The.

You can assume that we have, you know, bits of paper.---Yeah.

Okay. So I don't want you to – in fact we're not going to go on for too much longer because I know you're slightly distressed and, or very distressed and we're going to have to get you back, but we do obviously have a lot of paper.---Yeah.

So just have a think about it and answer the question again, if you don't mind. Do you want to ask the question again, Ms Hook?

MS HOOK: How regularly would you claim for shifts you hadn't worked?
---Look, I'd have to say weekly.

THE COMMISSIONER: Thank you.

10 MS HOOK: I might leave it there, Commissioner, and tender the document being the email from Daryl McCreadie to Lyn and Emir Balicevac.

THE COMMISSIONER: Yeah. That will be, that will be Exhibit 2.

#EXH-002 – EMAIL FROM DARYL MCCREADIE TO LYN AT SIG INTERNATIONAL GROUP AND EMIR BALICEVAC

20 THE COMMISSIONER: Mr Watson, we're going to have to get your client back, and I mean I've endeavoured to explain to him, I think he understands, but if you could as well, we know he can assist and it's certainly better for him the more he does. So, so what I'll do is I'll adjourn his summons and he'll get proper notice to come back, as will you.

MR WATSON: Okay.

THE COMMISSIONER: Is there anything you wanted to raise at this point?

30 MR WATSON: No. I would be grateful for some consultation as to the return date because I - - -

THE COMMISSIONER: Certainly, yeah, there will be no problem with that at all.

MR WATSON: - - - I do have other commitments in courts and so on.

THE COMMISSIONER: Yes, certainly.

40 MR WATSON: But other than that, can I inquire perhaps just for my housekeeping purposes whether what is in contemplation is within the next week or - - -

THE COMMISSIONER: It won't, won't be within the next week, no.

MR WATSON: I see.

THE COMMISSIONER: We'll give you plenty of notice. I understand your professional commitments, and just bear in mind, thank you for coming in and thank you for telling us what you have, you are going to have to come back.---Yes.

But do keep in mind that you, there's a non-publication order made which is as much in your interest as ours. Don't go talking to people about having come down here and what you've said.---No, no, no, I just want this to be over with.

10

All right.---I just want to, as, as I've said to, to, to Mr Watson, I just want to, I want to get away from the university, I want to get away from the security industry. I just, I want out.

Okay.---I want out. I'm scared, I'm stressed.

Okay.---I'm not, I'm not, I'm not bullshitting about that.

20 No, no, I accept that, I accept that and I, I, I can see it. So, I accept that. And I think we'll leave that there. I'll adjourn. I should say before I do, if there's anything further that you can think of that you want to convey to Mr Watson to be conveyed to us, feel free to do so.---Yep.

I don't want you sitting around stewing for the next few weeks and thinking, oh, jeez, I should have told them that or I should have told them this. Do you understand?---Yep.

30 And it can be, if there's any such information conveyed, it can be, you can assume that the declaration that I've already made will extend to that and I've got to vary your order slightly to accommodate. Thank you.

THE WITNESS STOOD DOWN

[6.11pm]

AT 6.11PM THE MATTER WAS ADJOURNED ACCORDINGLY

[6.11pm]