

PARAGONPUB01700
07/06/2021

PARAGON
pp 01700-01713

PUBLIC
HEARING

COPYRIGHT

INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE PETER M. HALL QC
CHIEF COMMISSIONER

PUBLIC HEARING

OPERATION PARAGON

Reference: Operation E18/0736

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON MONDAY 7 JUNE, 2021

AT 2.15PM

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: Yes, Mr Downing.

MR DOWNING: Thank you, Commissioner. Mr Chahine, you gave some evidence before lunch that there'd been a point at which you'd put up a whiteboard in the office in Hephher Road.---Yes.

10 And you have written things up on the board, and that Mr Dubois would often speak to you about putting up details so that he could look at what was on it and take photographs.---He, he had written. Not we, he - - -

Sorry?---He had written.

He'd written on it?---Yes.

Can I show you a photograph, please, and this is a photograph that was taken in the office on 18 June, 2019 when the search warrant was executed.
20 Now, first of all, that was the whiteboard that you had, that you showed me in the earlier photograph was still on the floor.---Correct.

And it was ultimately put up.---Yes.

Now, do you recognise the writing on that as being Mr Dubois' or yours or Mr Hadid's?---Mr Dubois'.

So that's stuff he's written on it?---Yes.

30 Just trying to – if we can go through it in order, so first of all, at the top, under STC, you see “Albury civil works structure install, start and end.”
---Yes.

So I take it that was an Albury job that was coming up for one of your companies.---Correct, yes.

And the start and end dates are the start date of the works and end date of the works.---Yes.

40 It's not specific as to which company got that job, but is it – would he come in and talk to you about the dates coming up and then perhaps at a later point in time quotes put in, et cetera?---Yes.

So did he like to have on the board at least a calendar showing what was coming up and when you would have to get your resources ready?---Yes, correct.

Well, then the next one you'll see underneath is Nyngan, and it's a footing install times two.---Yes.

So start date 17 September, end date 21 September.---Yes.

Then it looks like there's a second limb to the Nyngan job, civil structure.---Yes.

10 And a start date 15 October, end 26 October.---Correct.

Although it's got a note, "Or Nov."---November, yes.

So there were two limbs to the Nyngan works.---Yes.

And have you watched much of the evidence via live stream before you actually came and gave evidence?---Yes.

20 Do you recall there was some evidence of a meeting that involved you, Mr Hadid, Mr Alameddine, and Mr Dubois initially at his home and then going to a hobby shop and then to the Jasmin Restaurant.---Yes, yes.

That was 2 October, 2018.---Yes.

And the evidence suggests that literally on that day, at a time when you were all at Mr Dubois' house, some documents, or I withdraw that, an email setting out some detail in respect of the Nyngan job was actually sent from Mr Dubois to each of the quoting contractors, or sorry, each of the contractors asked to quote on it.---Yeah.

30 So do you recall that with Nyngan that parts of the job went to one of your companies and parts of the job went to another one of your companies?---Yes.

Then down below you'll see there's Belford?---Yes.

And again it looks like with that there were proposed to be two elements to the job.---Yes.

40 So footing install times one with a start date 24 September and end day of 26 September.---Correct.

And then some civil structural work where it looked like at that point it was still only a vague idea that it would be done in November.---Yes.

Do you remember where – is Belford a location with a, is it a Safe-T-Cam site or do you recall a heavy vehicle checking station?---It would be Safe-T-Cam. It's written on the top, STC, so Safe-T-Cam site.

And with that, because there were two elements to the work, is it the case that it was to be split with one company doing one part, presumably the footing install, and another to do civil and structural?---Yes.

But with each of those jobs, they were all slated to be done as at 18 June, 2019 and then no doubt didn't happen after the search warrants were executed.---Yeah, most likely, yes.

10 This is a photograph taken when the search warrant was executed on 18 June, twenty - - -?---Yeah, that was written way before that, so yeah.

How often – I withdraw that. Typically how long in advance would Mr Dubois come and put things up on the note board, could it be months and months?---Oh, look, sometimes it would be months and months he'll say the job's going on, we'll talk about it and then you won't hear for, for, about it for a couple of months and then, and then it'll eventually just pop back up, so - - -

20 What, so that in terms of order though, would he often put the dates up even before you'd talked to him about your quote and him suggesting what he wanted you to quote it at?---Yes.

So he would at least let you know sometime in advance that this is coming up on your calendar?---Correct. But, see, before this it's all been rubbed out. We would have done the breakdown of the costs of the travel, the accommodation, what he – 'cause we'll give him costs and then he would ask for a breakdown of why it was so much, so then we had to take it through detail. Usually done three, but it's all been, yeah, it's - - -

30 Sorry, is that what you say he took photographs of, that breakdown part of it?---Yes, and he said he had to show it to his boss, I think Samer, to show him how, why the cost of the jobs was so much.

Well, then, sorry, take me through in order. So as far as what's on the whiteboard, is the first thing that's written up there is he talks to you about the job and you give him some breakdown of the likely costs?---Correct.

40 Does he tell you at that point what to quote at or is that later?---That's later, yeah.

But he then takes a photograph.---Yes.

And he says so that he can show it to his superior.---Yes.

You then rub that off and you put up – I withdraw that. He then writes on the board the dates that he wants the various works done.---Yes.

And you then have a discussion where he indicates the price that you're to quote at.---Yes.

That is not the actual quote reflecting your - - -?---Correct.

- - - genuine costs, but presumably he's taken into account all of the figures you'd put up initially and then come in with a higher price.---Yes.

10 Then across to the right-hand side of the whiteboard you'll see on the far right there's, "ECM TIRTL 161,500" and it looks like, "Plus 10."---Yes.

Now, again, is that all Mr Dubois' writing?---I can't be sure, hey. I, I can't be sure.

Was it normally him that wrote on the board?---Yes, normally him that wrote on the board, yeah.

20 Did you or Mr Hadid sometimes write things up there?---Oh, on occasions, but I don't remember us writing that.

So do we draw from that section that's in the little box that there was to be a job that Euro Civil was to get involving TIRTL installation and that the price that it was to be quoted at was 161,500 perhaps plus 10 for some other element?---Yes.

Then below that, "CBF HV 225,000."---Yes.

30 So would that reflect a job that Mr Dubois had told you about that was going to go to CBF?---Yes.

It's going to involve some form of heavy vehicle-related work.---Yes, correct.

And that the price was to be 225.---Yes.

And then below that, "OzCorp STC."---Correct.

40 Does that indicate that he'd said to you and Mr Hadid that there was to be a job involving Safe-T-Cams?---Yes.

That OzCorp was to get?---Correct.

And the price of that would be \$195,000.---Yes.

So each of those boxes reflects a job that one of your companies would get?---Yes.

And he's told you who's to get it on that particular job?---Yes.

So that I take it you would understand that then there would need to be dummy quotes perhaps for one of your companies or perhaps two of the companies, depending on whether Mr Alameddine's company might put one of the quotes in.---Yes.

And that that figure, is it your understanding that that reflected what you were ultimately to bill at, so that it builds in his margin?---Yes.

10 Then on the, just to the left, next to "CBF HV", you'll see "21 sites, southern HV, 219,000."---Yep, yes.

Now, there's no reference to any one of your companies with that one. ---It'll be southern region, so who done the southern region? OzCorp?

Well, according to the documents I took you to earlier, if I can take you back, please, to page 92 of volume 2.7. You'll see that was the OzCorp quote for the west, south-west and south. So it seemed that OzCorp got the southern region. Whereas if you go to page 93, Euro Civil got the north and north-west and Hunter.---That's right.

So looking at what we see back at the photograph, please, of the whiteboard.---Most likely OzCorp.

So that - - -?---Oh, I don't know if we had actually done the job yet, so - - -

So that isn't it the case that these seem to reflect, given that the search warrant's executed 18 June, these are all, all of the jobs seem to relate to dates into the future in 2019.---Yes.

30 So it was forward planning.---Yes.

And do you think it's likely that that reference to the 21 sites, southern HV, is a reference to a job that likely OzCorp would get because it had done the other southern region job?---Yes.

And it was a job that was to come up perhaps later in the year, but there's no dates around it.---Yep.

40 Would he sometimes give you not only the dates with start dates and end dates, but other jobs that were to come up further into the future?---Not on all occasions, but, yeah.

But as best you can ascertain now, looking at that, it reflects a job in the southern region to go to OzCorp, where he's told you what the price is to be, again \$219,000, but that would reflect his - - -?---This would have been like months prior to that, yeah.

All right. Sorry, months?---Would have been months prior to - - -

The actual date they did the search warrant?---Yeah, correct, yes.

Where he'd come in and spoken to you about that and written things on the whiteboard?---Yes.

10 All right. And then finally, in the bottom right-hand corner, there's a reference to Port Macquarie, Telegraph Point, but no further detail. Are you able to say whether that reflects discussions about a job that might be coming up at some point into the future but no more - - -?---We done, we done that job. We already done it.

Well, it may be that you know with some of the sites, whether it's Mount White or Daroobalgie, that some of them involve multiple work on the one location?---Yes.

20 Is it possible that that was to reflect, well, first of all, it's possible it could be a reflection of a job you've already done.---Yeah, most likely, yeah.

Could it also reflect another job that was at some point off into the future that you were going to get further details on later?---Oh, I can't recall that far back, yeah, I just.

Commissioner, can I just at this point tender some items, please? First of all, there were the three emails with either quotes or invitation - - -

THE COMMISSIONER: The email of 23 May, 2017?

30 MR DOWNING: Yes, so the first one is an email from Mr Dubois – sorry, Euro Civil to Mr Dubois with quote 217 of 23 May, 2017.

THE COMMISSIONER: Yes, that'll become Exhibit 179.

#EXH-179 – EMAIL DATED 23 MAY 2017 FROM ECM TO DUBOIS RELATING TO ECM QUOTE 217

40 MR DOWNING: Then secondly an email from Mr Dubois to OzCorp requesting – sorry, with a request for quote for the south, south-west, dated 15 May, 2017.

THE COMMISSIONER: Yes. To be admitted, becoming Exhibit 180.

#EXH-180 – EMAIL DATED 15 MAY 2017 DUBOIS TO OZCORP RELATING TO REQUEST FOR QUOTE

MR DOWNING: And then the email from OzCorp to Mr Dubois providing the quote dated 23 May, 2017.

THE COMMISSIONER: Becomes Exhibit 181.

10 **#EXH-181 – EMAIL DATED 23 MAY 2017 OZCORP TO DUBOIS
RELATING TO OZCORP 23 MAY 2017**

MR DOWNING: Can I then tender the photograph of the whiteboard, which I've just asked Mr Chahine some questions in respect of.

THE COMMISSIONER: That'll become Exhibit 182.

20 **#EXH-182 – PHOTO OF THE WHITEBOARD**

MR DOWNING: And then finally, volume 2.7 of the brief.

THE COMMISSIONER: 2.7, becomes Exhibit 183.

#EXH-183 – VOLUME 2.7

30 MR DOWNING: Thank you, Commissioner.

THE COMMISSIONER: Thank you.

MR DOWNING: Can I then take you, please, to volume 2.7, page 45. Now, this is again a page of writing in that notebook that I took you to before I think with your son's writing on the front page.---Yes.

40 You'll see that there is a, at the top, it's under – first of all, is that your writing?---Yes.

So it's written "quote".---Yes.

And you'll see, it seems at the bottom it's, "OzCorp \$140,000".---Yes.

And then below that you'll see "Euro 162" and "CBF 155".---Yes.

And do we see that within the boxed section with OzCorp, it's got "15,000 spray seal"?---Yes.

“15,000 line-marking,” it looks like “Marulan”.---Yes.

“1,500 vege,” is that short for vegetation?---Yes.

So sometimes there was vegetation control or clearing that was required.
---Yes.

Then “\$6,000 speed humps,” is it?---Yes.

10

And then “\$40,000” to the right. Looking at that now, can you recall what this job involved?---I just scribbled, so I just, yeah, oh, it would make sense at the time when I done it, but not now, no.

That’s all right. But do we deduce from what’s recorded there that they are elements of the job, that is, of the \$140,000, which presumably was OzCorp’s quote, that there was elements of the work that were required and you were trying to do some costings on it?---Yes.

20 So \$15,000 for a spray seal, \$15,000 for line-marking at Marulan.---Yes.

And with those elements, it looks like it would involve some form of asphaltting presumably.---Yes.

Perhaps also with – then completing the works, line-marking and installing some speed humps.---Yes.

Is it also written there, is it “1,500 Peter”?---Yeah.

30 Is the figure 1,500?---Yes.

Now, let me take you to documents in respect of the job. Can I take you, please, to volume 3.6, page 347. First of all, you see that’s an OzCorp quote, and that it’s in the sum of \$140,000, which was the sum written on that piece of paper in the notebook.---Yes.

You’ll also see that within it, there is reference to Halfway Creek, Grafton, and some work there.---Yep.

40 Some Roseland pavement works.---Yes.

Sydney heavy vehicle inspection station gates.---Yep.

Rose Hill vegetation control.---Yep.

Some works at the Colebee yard.---Yep.

And Marulan north and south line-marking.---Yes.

Looking at what makes up that quote, it's likely, isn't it, that that reflects the quote that ultimately came out of the notes and the rough calculations in your notebook?---Most likely, yes.

And bearing in mind that it's 23 May, 2018, and in the sum \$140,000, can I take you, please, to the same volume, page 345, and you'll see that's a Euro Civil quote also dated 23 May, 2018. Tell us if you need it made a little larger.---Yes, please, yes.

10

And if you look down below in terms of the detail, would you agree that it's relating to the same job?---Yes.

Or, sorry, it's a series of jobs in the one quote, isn't it? Different locations, different tasks.---Yes.

But you'll see that the sum is \$162,000.---Correct.

20 And if you go back for a moment, please, to volume 2.7, page 45. You'll see that that sum, 162,000, corresponds with what was recorded next to Euro on that page.---Yes.

And just take note again, if you could, please, that the CBF figure is 155.---Yes.

Can we go, please, then to volume 3.6, page 343. And you'll see this is a CBF Projects quote, also dated 23 May, 2018, and you'll see when you look at the description of the works, it's relating to the same - - -?---Correct.

30 - - - tasks as the other two, both the OzCorp and the Euro Civil quote I took you to, and that when you look at the price, the price is the \$155,000 plus GST.---Yes.

So corresponding with the sum that was written in the notebook.---Yes.

So if we go back to the notebook, please, so volume 2.7, page 45, it's likely, isn't it, that this records first of all the price that Mr Dubois told you that OzCorp should quote at?---Yes.

40 That is, the price that was going to win the job.---Yes.

And after he had taken your original price and increased it to reflect his margin.---Correct.

And then below that they're figures that reflect the prices that you'd determined would be quoted by the other two companies that wouldn't get the job.---Yeah, he would have told me to put those prices in, yes.

So that is that he would have specified the prices that were the higher prices for the dummy bidders.---Correct.

And thinking about what's inside the box at OzCorp, do you think that's a reference to you giving him a breakdown of what was actually involved in the price?---I can't recall at the time, no.

Do you know what - - -?---It would have been a lot more than that though.

10 I understand, but do you know what the \$40,000 relates to that's written across to the right next to 1,500 vege?---Oh, no.

You just can't - - -?---Yeah, I can't recall, yeah.

Now, in respect of the 1,500 Peter, can you ever recall either Mr Dubois or Mr Steyn speaking to you about Mr Steyn's father-in-law, Peter Manuel, having some role or some work he was to do on one of the jobs?---Yes.

20 What can you recall about that?---I think it was allow 1,500 for him coming out and inspecting the, the welding of the hinges.

And so in effect you were to build the 1,500 into your price.---Correct.

Did you understand who was ultimately actually paying Mr Manuel?
---Oh, I don't know who was ultimately paying him, no.

30 Did you understand that he was there on his own account or working for some other company or - - -?---He was there with Ashley and his workers. Not Ashley, Ashley's workers, the steel - - -

That is AA Steel.---Yeah, correct.

But that note reflects Mr Dubois giving you a direction that you were to build into your price something to allow for Peter's work.---Yes.

And given the various locations, if we go back to the OzCorp quote, please, at volume 3.6, page 347, are you able to say which of the locations it was that Peter was working at or - - -?---Yeah, just the Sydney HVIS gates.

40 So that was one where AA Steel was doing some work.---Yes.

And Mr Manuel was present and Mr Dubois asked you to make some allowance for him.---Yes.

Now, finally, can I – finally in respect of volume 2.7, can I take you back, please, to volume 2.7, page 99. And this is part of that WhatsApp exchange I took you to earlier. Now, do you see the first of the blue messages on that page, and that's one, I'm going to suggest, from Mr Dubois to you?---Yes.

But you'll see it's got a thumbnail attached to it.---So it's from Mr Dubois to me.

It's only small, this is Mr Dubois to you, and you'll see the date is 30 August, 2017.---Yes.

Can you go, please, to the next page and you'll see this is the attached JPEG.---Yes.

10

It's a photograph of a CBF quote for Victoria Pass point-to-point.---Yes. Correct.

And do you see on it, unfortunately it's been photographed in a way – and no criticism of Mr Dubois's photography – but it's been photographed in a way where you lose a little bit of the right-hand margin.---Yes.

But you can see there's some red handwriting on it.---Yes.

20

Do you recall that from time to time that you would send him a JPEG of a particular quote that was for a job that was coming up?---Yes.

And that he would sometimes literally handwrite changes onto it and send it back to you?---Correct.

And would you then make those changes to reflect what he wanted?---Yes.

Now, it's the case, isn't it, that you and Mr Hadid bought a property down at Erowal Bay, down in the Shoalhaven area?---Correct.

30

And you bought it in your names jointly? That is you both were down as owners of it?---Yes, right, we bought it through the equity off our mortgage.

And what was the purpose of buying that? What was it to be used for?---To build. To build.

To build as a holiday house or build to then - -?---To build as a holiday house but then to sell it and start getting into property development ourselves, and a way to get out of this really, yeah. But every time we took one step forward, it was two steps back for us.

40

Sorry, what do you mean by that?---Well, we purchased the property, you know, 2013 or '14, and in 2014 I acquired a builder's licence. I studied to get my builder's. That was a two-year long process. So by 2016 I got my licence. Like I said, it just – so till we got on our licence then we said we got ourselves on our foot. And then we put an application in for DA, that took another two years. So every time we thought we were one step ahead,

it was just two steps back, so we just put it – every time we wanted to get out, it just somehow it just got pushed back.

All right. But was it purchased from the outset with a view that you would do some work to, what, build something on it?---Build duplexes, yes.

And sell them off?---Correct.

10 And was the intention that then you and Mr Hadid would try and then acquire other properties and do similar developments?---Correct.

With a view to doing it separate to, so at the same time as doing Mr Dubois' work?---No, separate, just to get, to get away from it. We were tired.

But ultimately, because of issues with the council – and there was also an issue later on, wasn't there, with an NBN box?---That's my point. One step forward, two steps back, yeah.

20 So that nothing had come of it in terms of developing it by the time of the search warrant being executed.--I'm still having issues with it now.

All right. Commissioner, thank you, they are the questions that I have for Mr Chahine. I'm not sure whether any of the parties wish to seek leave to cross-examine.

THE COMMISSIONER: Does anybody want to seek leave today to cross-examine Mr Chahine?

30 MR CLARK: No.

THE COMMISSIONER: No application? Very well. Mr Chahine, that will complete your examination today. It's unlikely, but if there is a need for you to return, the summons that brings you here today will still operate until I discharge it in the future, and I'll attend to that once we know whether you might be required or not.---Okay.

Understand?---Yes.

40 Thank you for your attendance. You may step down.---Thank you.

THE WITNESS WITHDREW

[2.44pm]

THE COMMISSIONER: Nothing else for today?

MR DOWNING: No, Commissioner, and I think that we then resume at 9.30 tomorrow morning with Mr Towfik Taha.

THE COMMISSIONER: Very good. Thank you. I'll adjourn.

**AT 2.44PM THE MATTER WAS ADJOURNED ACCORDINGLY
[2.44pm]**