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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 TUESDAY 8 JUNE, 2021

AT 9.30AM

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, good morning. Yes.

MS SPRUCE: Good morning, Commissioner. The next witness is Mr Towfik Taha.

THE COMMISSIONER: Yes. Yes, Mr Taha. Good morning, Mr Taha. Mr Taha, to give evidence you need to take an oath or an affirmation. What do you prefer?

10 MR TAHA: Affirmation, please.

THE COMMISSIONER: Affirmation. Thank you.

THE COMMISSIONER: Yes, take a seat. Thank you. Yes. Now, I think, Ms Black, you appear for Mr Taha. Is that so?

MS BLACK: Yes, I do, Commissioner.

10 THE COMMISSIONER: Yes, I think I've granted you leave to appear.

MS BLACK: Yes.

THE COMMISSIONER: Thank you. Yes. Now, is there any application, Ms Black?

MS BLACK: Yes, Your Honour, yes, Commissioner.

THE COMMISSIONER: Could you speak into the microphone?

20 MS BLACK: Yes, Commissioner.

THE COMMISSIONER: What is the application? Do you have an application?

MS BLACK: Yes, I don't have the section in front of me, Commissioner, I apologise.

30 THE COMMISSIONER: What is it? I'm referring to the fact – yes, Ms Spruce.

MS SPRUCE: I think Ms Black might be looking for section 38, Commissioner.

MS BLACK: Yes, Commissioner, I apologise.

THE COMMISSIONER: Mr Taha, can you also just state your full name. ---Towfik Taha.

40 Thank you. Mr Taha, to give evidence you must of course answer all questions truthfully. You understand that?---Yes.

You'll have to speak up and speak loudly into the microphone, otherwise I can't hear you.---Sorry, yes.

Thank you. I understand you have had explained to you the provisions of the Act that entitles you to object to answering questions, and the purpose of that is that it provides some protection for you because the evidence then

can't be used in other proceedings in the future. You understand that?  
---Yes.

That has been explained to you.---Yes.

And it is your wish to give evidence under objection?---Yes.

10 The evidence, as I've said, once a declaration is made that you are giving  
evidence under objection, though it does protect you in the way I've just  
mentioned, if a witness however commits an offence under the Independent  
Commission Against Corruption Act such as giving wilfully false evidence,  
then the evidence can be used in a prosecution for such an offence. You  
understand that?---Yes.

20 Pursuant to section 38 of the Independent Commission Against Corruption  
Act I declare that all answers given by the witness, Mr Taha, any documents  
or things that may be 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. There is accordingly no need for Mr Taha to make objection in  
respect of any particular answer given or document or thing produced.

30 **DIRECTION AS TO OBJECTIONS BY WITNESS: PURSUANT TO  
SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST  
CORRUPTION ACT I DECLARE THAT ALL ANSWERS GIVEN  
BY THE WITNESS, MR TAHA, ANY DOCUMENTS OR THINGS  
THAT MAY BE 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. THERE IS ACCORDINGLY NO NEED FOR MR  
TAHA TO MAKE OBJECTION IN RESPECT OF ANY  
PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING  
PRODUCED.**

THE COMMISSIONER: Yes, very well. Thank you, Ms Spruce.

40 MS SPRUCE: Mr Taha, you told the Commissioner just now that your  
name is Towfik Taha.---Yes.

That was the name you were given at birth, correct?---Yes, yes, that's right.

But in 2007, you changed your name to Zac Malas.---Yes.

And Zac Malas is still legally your name?---Yes.

You haven't changed it back.---I haven't, I haven't changed it legally  
through the, that place you go to, the - - -

But I understand you have reverted to using the name Towfik Taha, is that correct?---Yes.

You understand, don't you, that the affirmation you gave this morning, even though it was not in your legal name, Zac Malas, binds you to give truthful evidence today?---Yes.

10 Now, Mr Taha, you understand why you're here this morning, don't you?  
---Yes, I do.

You understand that this inquiry is looking at things that Alex Dubois did while he was an employee of the RMS?---Yes.

And have you been following the inquiry?---Parts of it, not all of it.

I see. Did you see Mr Dubois give his evidence?---Yes.

20 So you're aware then, and we'll come to the detail later, but just in summary form, you're aware that Mr Dubois has told the inquiry that he awarded RMS contracts to family and friends in the Lebanese community?---Yes.

And you're aware that Mr Dubois has told the inquiry that he rigged the quoting process at the RMS so that he could award contracts to friends and family?---Yes.

30 And you're aware that Mr Dubois has told the inquiry that he, that is Mr Dubois, told his friends and family how much they could charge for a contract?---Yes.

And you're also aware, I take it, that Mr Dubois has told the inquiry that the amount he told the contractors they could charge was an inflated amount.  
---Not with my jobs, but with other people, yes, I heard that.

Well, you're aware that the evidence Mr Dubois has given is that he had a scheme he was operating.---Yes.

40 And that part of that scheme was to tell contractors who were his friends and family the amount they could charge for a contract.---Yes.

And Mr Dubois says, and I'm asking you whether you're aware of Mr Dubois's evidence in this respect.---Oh, am I aware of that, yes, sorry.

Mr Dubois has told the inquiry that those amounts were inflated amounts.  
---Yes.

That is, they included an extra amount built in beyond the actual cost, and beyond a reasonable profit, that was not related to the actual work done.  
---Yes.

You understand that?---Yes.

And you're aware that Mr Dubois has told the inquiry that some or all of that extra amount was paid by the contractors to him as a kickback, in return for him giving them the RMS work.---Yes.

10

And I take it you're also aware that Mr Dubois says that you were one of the contractors who paid kickbacks to him in the manner I've just outlined.  
---Yes.

And so what do you say about the truth of that?---No, that's right, it's correct. I just, it's, form - - -

THE COMMISSIONER: I can't hear you.---Sorry, I said that's – sorry, Commissioner. I said, yeah, that's correct.

20

MS SPRUCE: That's correct, you paid kickbacks to Mr Dubois?---Yes.

I see. And if I can just ask you about the manner in which you paid kickbacks to him, did you pay kickbacks to him in cash?---I, I think in the beginning there was small amounts of cash, yes.

And again, we will come to the details later, I just want to put some broad propositions to you.---Yes.

30

And did you pay him kickbacks by electronic transfer?---I think cheques or electronic transfer, I'm not sure.

By cheques, I see. And do you recall whether you paid cheques or electronic transfers into a bank account of MWK Pty Ltd?---Yes.

And do you recall whether you paid money to Mr Dubois by cheque or electronic transfer into a bank account for Australian Technology Group Pty Ltd?---No, I, not Australian I think just MWK.

40

I see, and did you pay kickbacks to Mr Dubois by otherwise buying things for him?---No.

Did you ever pay a kickback to Mr Dubois by contributing to some or all of the purchase price of a car?---No. Whatever I gave him through the account, whatever he done with it, I don't know.

Now, I'm going to ask you about the circumstances in which you came to pay kickbacks to Mr Dubois, but before I do that, I'll just ask you a few

matters about your background in order to set the context in which you came to pay kickbacks to Mr Dubois. You understand?---Yes.

All right. So, Mr Taha, you were born in Sydney?---Yes.

And you've already given evidence that you changed your name to Zac Malas in 2007.---Yes.

10 What were the reasons for changing your name?---I wanted to use my mum's, follow my mum's maiden name.

I see. And so that explains changing your surname to Malas.---Ah hmm.

And what was the reason for changing your given name to Zac?---My given name, it was just too hard, so I thought if I'm going to change it, I'll change both. People, explaining to people my name and, that's all. And it was easier just to start clean, 'cause I had a fallout with my dad so I wanted a, a new start.

20 You wanted to disassociate yourself from your birth name, is that correct? ---Yes. Yes.

And, Mr Taha, you've given evidence this morning that you no longer use the name Zac Malas, so was there a period after you changed your name in 2007 when you did use that name?---Yes.

And was there a period when you used that name exclusively?---Sorry?

30 Did you stop calling yourself Towfik Taha and only call yourself Zac Malas for all purposes for a period?---Pretty sure, yes, I think so.

So did you change all of your identity documents?---No.

You didn't?---No.

So you referred to yourself for a period as Zac Malas?---Yes.

40 But is it the case that you still had some identity documents in the name of Towfik Taha?---Yes.

And are you able to say when it was that you reverted to using the name Towfik Taha?---I can't remember. A few years after, maybe, actually till – I can't give you a date, sorry, the exact date of when I stopped using that.

Well, do you recall whether you used Zac Malas for a lengthy period, over a number of years?---Yeah, number of years.

And was there a particular event that caused you to revert to using Towfik Taha?---No. Just stopped using it and just went back to my original name.

And, Mr Taha, you attended the [REDACTED] School in Sydney.---  
Yes.

And you completed year 12 there?---Yes, I did.

And you have a brother, John Goldberg?---Yes.

10

Now, Mr Goldberg's name at birth has Hussein Taha, is that correct?---Yes.

But he changed his name to John Goldberg?---Yes.

And he was also at the [REDACTED] School with you?---Yes.

And he was how many years younger than you?---I don't know. How old is he now? Sorry. He's, he's younger but I don't know how many years.

20

You don't know how many years below you he was at school?---No.

Is he significantly younger than you?---Yeah, I think he's maybe eight or nine years younger.

I see.---Something like that. I don't know.

And, Mr Taha, at the [REDACTED] School, you became friends with Hussein Alameddine?---Yes.

30

Hassan. I withdraw that. I beg your pardon. Hassan Alameddine.---Yes.

And was Hassan Alameddine a good friend of yours at school?---Yes.

And did you remain good friends once you left school?---Yes.

And are you still good friends today?---I wouldn't say good friends.

You're still friends today?---Not even friends.

40

Have you had some sort of a falling out with Mr Alameddine?---No. Just drifted apart.

And are you able to say when you drifted apart from Mr Alameddine?  
---Probably after this, the work, the fallout that I had with Mr Dubois.

After you ceased doing work for the RMS.---Yes.

And we'll come to the detail of that later, but it's correct, isn't it, that you had a falling-out with Mr Dubois and Mr Alameddine, which led to you ceasing do RMS work?---Yes.

All right. Now, when you finished school, you commenced an industrial design degree at the University of [REDACTED].---Yes.

But you didn't complete that degree, is that correct?---No. That's right.

10 You dropped out after the first or second year?---Yes.

And have you done any other, have you obtained any other formal qualifications since you finished school?---No.

You haven't done any sort of apprenticeship?---No.

So once you left university, it's correct, is it, that you started operating a tree-logging and landscaping business?---Yes.

20 And did you do that through, did you do that by working for someone else or did you operate your own business?---I operated my own business.

And it's correct, isn't it, that initially you did that as a sole trader?---Yes.

Under the name Pro Tech Tree Services?---Yes.

And then subsequently you registered a company called TTS Group Investments Pty Ltd.---Yes.

30 And do you recall when you registered that company?---No.

Well, if I can assist your memory by having Mr Taha shown, please, page 3 of volume 5. Now, Mr Taha, this is the ASIC search which shows that you registered TTS Group Investments Pty Ltd on 2 July, 2009.---Okay.

Now, it's correct, isn't it, that this is the first time you'd ever registered a company?---Yes.

40 And did you have any advice or assistance from anyone in setting this company up?---The accountant done it for me.

Who was the accountant?---I don't know his name. He's in Lakemba.

And did you have any assistance from your brother, Mr Goldberg, in setting this company up?---No.

Did Mr Goldberg recommend that you go to the accountant that you used?---No.

And if you go, please, to page 2 – I’m sorry, sorry, page 4, you see towards the bottom of the page, Mr Taha, it says, “Previous Directors,” and you’re listed?---Yes.

Under your name, Zac Malas?---Yes.

So I take it you were using the name Zac Malas in 2009?---Yes.

10 Is that correct?---That’s correct.

And does that mean that you weren’t using the name Towfik Taha in 2009?  
---Oh, I probably was using it. I’m not sure.

There was a period, was there, when you were using both names?---Yes.

So you’re listed, and then the address, do you see there’s an address in [REDACTED]?---Yes.

20 Do you recognise that address?---Yes, I do.

And what is that address?---It’s my address.

That was your residential address where you were living at the time?---Yes.

And were you living there with your family?---Yes.

And was Mr Goldberg living at the same address?---Yes.

30 And then if you see just at the very bottom of the page there’s the name of a previous director, Marea Ellen Howe?---Yes.

And if you could then go to page 5, please, do you see that she was a director just for the day on 2 July, 2009, being the day the company was registered?---Yes.

And beneath that, Maurice James Howe, again a director just for a day on the day the company was registered.---Yes.

40 Are you able to tell us anything about why those two people were directors for only a day?---I don’t know.

And you’ve never heard of either of those people?---Never heard of them.

And you don’t know who they are?---No.

And you’re not familiar with the address that’s listed there in Drummoyne?  
---No.

Now, you mentioned just a moment ago that the [REDACTED] address was your family where you were living.---Yes.

Now, it's correct, isn't it, that your parents were separated at this time?  
---Yes.

And so was the Greenacre address the address of your mother or your father?---It was the address of my father.

10

So you and Mr Goldberg were both living at your father's address?---Yes.

Now, what was your purpose in setting up TTS?---For work, like for working, whatever work I could get.

Well, you already had an ABN and you were already operating Pro Tech Tree Services as a business, so why was it that you set up TTS?---Can't remember at the time the reason.

20

And what was the sort of work that you were hoping to get into, was this TTS set up with an intention of doing more tree lopping and landscaping work?---No, just whatever work I could get, different contracting, 'cause I was doing different work at the time.

Well, what sort of work were you doing at the time?---Getting to excavation, concreting, gardening, landscaping, tree lopping, various jobs, whatever I could get my hands on, a bit of rendering, small jobs like including the landscaping.

30

But you didn't have any formal training in any of those trades that you've mentioned?---No.

And so were you obtaining work through friends?---People I knew, yes. Oh, sorry, and advertising.

And you were advertising.---Yes.

Now, Mr Taha, you mentioned an accountant that helped you set up TTS Group Investments. Is it possible that accountant was Omar Metlag?---No.

40

Are you familiar with Omar Metlag?---I know who he is, yes.

Is he an accountant that you've used the services of on other occasions?---I think afterwards, yeah, he done some taxes for me.

Taxes in relation to TTS?---Yes.

Now, after you set up TTS Group Investments, you also established a bank account for TTS, is that correct?---Yes.

And do you recall when it was that you established the bank account?---No.

Would it have been around the same time that you set up TTS?---Yes.

Now, if Mr Taha could please be shown page 1 of volume 2.2, sorry, 5.2, page 1 of 5.2.

10

THE COMMISSIONER: 5.2, is it?

MS SPRUCE: Yes. Now, you see here that this is a bank statement for an account in the name of TTS Group Investments Pty Ltd from the ANZ bank. ---Yes.

And do you recall that that was the bank that you set up a TTS bank account with?---Yes.

20

And if you could just scroll down, please, to the bottom of the page, you'll see here that this bank statement has been sent to The Manager of TTS Group Investments Pty Ltd. Now, I take it that was you?---Yes.

There wasn't anyone else - - -?---No.

- - - who was employed by TTS Group Investments?---No.

And you see there that it's got a PO Box 7078 Mount Lewis, New South Wales address.---Yes.

30

So are you able to assist me by telling me what that address is?---That's my PO Box address.

And when did you set up that PO Box address?---Can't remember.

Well, did you set it up before or after you established TTS?---Before, otherwise how am I going to send it to that address?

40

This is the bank account that - - -?---Yeah, so it would have been before.

But is it your recollection that setting up that PO Box was something to do with you setting up TTS? Did it happen at around the same time?---No.

That was a PO Box - - -?---Oh, probably, I don't know, I can't remember when exactly I set up this PO Box address.

Well, what was your intention in setting it up?---So that my mail goes to one place.

And was that your business mail, or - - -?---Everything, all, that's - - -

Everything, so all of your business mail and your personal mail would go to this place.---Yes.

And is there a reason why you wouldn't just have your mail sent to your residential address, where you were living with your father?---Sometimes I'd lose mail, so, it was easier just to have it all in one place.

10

And why would you lose mail?---The neighbours are 43A, I'm 43, so we've had mail going to and from, and it's just easier for me to go to one place and get all my mail, instead of at home where there's too many people.

I was about to say, were there a number of people living at your home address?---Yes.

How many people were living at your home address?---Maybe five or six.

20

So you set this up, but this wasn't set up for any particular business purpose, this was just for you to have a designated place where you knew that your mail would be.---Yes.

And did anyone else have access to that PO Box?---No.

No-one else had keys to it?---No.

And on this TTS account, were you the sole signatory for that account?  
---Yes.

30

Now, I want to ask you about how it was that you came to know Mr Dubois.  
---I met him through Mr Alameddine.

So you've already given evidence that you and Mr Alameddine remained friends after school.---Yes.

And is it the case that Mr Alameddine introduced you to Mr Dubois?---Yes.

40

And did you then become friends with Mr Dubois?---Yes.

And was that a friendship that operated independently of Mr Alameddine?  
---Yes.

And so did you become close friends with Mr Dubois?---Yes.

And did you become aware that Mr Dubois was working at the RMS?  
---Yes.

And do you recall when it was that you first met Mr Dubois?---No.

Do you recall whether it was after you established TTS?---No, it would have been before, I think, yeah, before.

And do you recall whether Mr Dubois was already working at the RMS when you first met him?---No, he wasn't.

10 He wasn't. He was in some previous job.---No, I think he was still at uni.

Oh, you met him when he was still at uni? I see.---Yes.

And so at some point you became aware that Mr Dubois had commenced work at the RMS?---Yes.

And did you then approach him and ask him to give you RMS work?---Yes. Yes.

20 And what was Mr Dubois' response to that?---Initially no. And then afterwards I asked him again and I got some work from him.

Did you have to persuade him to give you work?---No, just asked him as a, for a, as a favour to give me some work.

And what sort of work were you asking for?---Just whatever I could get.

30 Well, did Mr Dubois express any concerns to you about whether you were appropriately qualified to do RMS work?---Probably at the time, but I don't recall exactly.

And did you have any concerns about whether you were appropriately qualified to do RMS work?---I could get subcontractors in to do the work and I'll just overlook it.

And how many times do you think you asked Mr Dubois for work before he agreed to give you RMS work?---Not sure.

40 Now, do you recall what the first job was that you did for Mr Dubois? ---Landscaping job.

And do you recall where that landscaping job was?---Galston Gorge.

Galston Gorge. All right. Now, if I could just show you, please, volume 18.5, page 3. Now, you see that this is a request for quote for landscaping at Galston Gorge, sent from Mr Dubois to an address, info@ttsgroup.com.au? ---Yes.

So do you recall setting up that email address?---Yes.

Now, Mr Taha, is it the case that this is the first job you did for the RMS, in February 2011.---Yes.

And you set up TTS in 2009.---Yes.

So is it the case that in the period from 2009 until February 2011 you were doing work through TTS for other people?---Yes.

10 And in respect of the work that you did through TTS for other people, did you issue them with formal quotes, written quotes?---Yes.

You did?---Yeah.

And did you issue them with formal written invoices?---Yes.

So you already had TTS quoting and invoicing templates set up which you could use?---Yeah, oh, a lot of times it was the book, just a - - -

20 It was just a handwritten invoice?---Handwritten. Yes.

And was it the same with a quote? You were doing handwritten quotes? ---Handwritten quotes, handwritten invoices. And I think at the time I, not, maybe 2010, when I set up email, set up a website, I think I must have had some sort of template or something for quoting and invoicing.

All right. Sorry, if we could just bring that document back up. All right. And then if we could just go to the next page, page 4. You see this is the actual request for quote. And then on page 5, the scope of the works which  
30 you're being asked to perform is laid out there.---Yes.

Now, prior to receiving this email and this document, did you have a conversation with Mr Dubois where he mentioned to you that this job was available?---Yes.

And did he tell you that he would send you the information to prepare a quote?---Yes.

40 And did he say anything to you about how the quoting process worked at the RMS?---No.

He didn't tell you whether he needed to obtain one quote or more than one quote?---No. Not in the beginning.

Was that something that he mentioned to you later?---Yes.

And so at some later point you came to understand how the quoting process worked at the RMS, is that correct?---Yes.

And what was your understanding of how it worked?---You needed three quotes to apply for a job. Like, you would have to get three quotes.

And did Mr Dubois say anything to you about there being a different process for jobs that were above a certain value or below a certain value?  
---Can't remember.

10 So it was your understanding that Mr Dubois needed three quotes.---Yes.

But at this point, at the Galston Gorge stage, you didn't know anything about that?---No.

And all you knew was that Mr Dubois had mentioned that this job was coming up and that he would ask you to quote for it.---Yes.

Did Mr Dubois say anything to you that gave you an expectation that you would be awarded this job?---Can't remember.

20 Now, if we could please go to page 31 of the same volume. You see here this is the quotation that you provided to Mr Dubois.---Yes.

Do you recall providing this quotation?---Yes.

And is that your phone number that's in the top right-hand corner?---Yes, it is.

30 And then there's again the same email address. Now, I take it that you were the person who was looking after that email address?---Yes.

Did anyone else have access to that email address?---No.

Nobody else had the password?---No, not that I can - - -

And nobody else received or responded to mail from that email address?  
---No.

40 Now, you've said that you previously were giving quotations using pen and paper, so I take it this would have been the first formal quotation - - -?---No.

- - - that you'd ever produced for TTS?---I'm pretty sure I've done some other electronic quoting and invoicing.

All right. So is it your recollection that this template is a template that you would have set up?---Can't remember.

Well, do you - - -?---I'm assuming that is something I would have set up.

And do you recall whether it was you that created the TTS Group logo at the top left-hand corner?---Oh, no, I had someone do that for me.

I see.---They set up my website.

And that was all you think done before you started doing work for the RMS?---Yes.

10 And then looking at this invoice, you had the template, but you can see that it's been populated with a detailed description of the scope of works.---Yes.

And is that something that you would have done or is that something Mr Dubois would have assisted you with?---Mr Dubois would have assisted me with that.

And when you say Mr Dubois would have assisted you with it, do you think that Mr Dubois would have created it, populated it in its entirety, or do you think you would have had a go and - - -?---I would have had a go and - - -

20 - - - then Mr Dubois would have checked your work?---That's, yes.

And so is it the case that you would have sent Mr Dubois this quotation as a Word document so that he could make changes if necessary?---See, no, I didn't understand that kind of stuff, Word and PDF and all that, so whichever way I would have sent it, not knowing that you could do that.

But did Mr Dubois tell you that he was going to look at your quote - - -? ---Of course.

30 - - - and make sure that it looked okay?---Yes. Oh, he didn't say look okay, he just said, "Send me the quote," and then go over it and it's not to his standards then he would either fix it or get me to redo it.

And do you recall whether Mr Dubois did come back to you and say that the quote you'd prepared wasn't to his standards, do you have any memory about this particular quote?---This particular one, no, but this isn't something I would have put together.

40 It's not something you would have put together.---No.

So looking at it, and at the level of detail, you're able to say that this is not something you would have written.---No.

Now, if we could just go to the next page, please, you'll see there that there's a subtotal of \$47,000 plus GST.---Yes.

And you see that it's just a lump sum. So after that detailed description of the scope of works, which includes the provision of various materials such

as the supply of sandstone et cetera, and then various works that have to be done such as asphaltting, various machinery that has to be used, et cetera, there's no breakdown at all, there's just one lump sum.---That's right.

Now, can you give us any explanation as to why there's a lump sum with no breakdown of particular line items?---That's how he, we work out what the cost is and put together a lump sum. That's how he would tell me to do it.

10 Well, when you say "we" would work out what the cost is, who are you referring to?---Mr Dubois. So I would tell him the job's going to cost me X amount and then he would tell me, okay, you can write down total is going to be, put down a figure, he'd tell me the figure and I'd put it in.

Well, just help me to understand this. If you are telling Mr Dubois that your costs are going to be X amount - - -?---Yes.

- - - then why wouldn't X be the amount that you put in the quote? Why would you need Mr Dubois to then tell you that you should put down Y amount?---That's how he wanted it done.

20

Well, what would the difference be between your amount, which you've described as X, and his amount, which you've described as Y? Was it an increased amount?---Yes. That way, see, I'd give him the costing and then he would add his margin on top of. So if I say the job's going to cost me 30,000, he would say, okay, then quote, let's say, 40,000.

Now, when you talk about your costing, I take it that when you work out how much the job is going to cost you, you allow for a reasonable profit margin for yourself?---Yes.

30

And are you able to say what sort of profit margin you would allow for yourself?---Between 20 and 30 per cent.

Between 20 and 30 per cent. I see. So you come up with a price which involves your material and labour costs plus a profit of 20 to 30 per cent? ---Yes.

And then Mr Dubois would tell you that you should add an extra amount on for his cut, is that correct?---Yes

40

Now, this is the very first job that you ever did for the RMS. The very first quote.---Yes.

So are you able to recall whether the process you've just described about Mr Dubois telling you how much you should quote and increasing the amount from your actual costs is something that occurred in relation to this quote? ---I don't believe in the first one or two jobs, no.

So you don't have any recollection of Mr Dubois asking for a cut in relation to this job?---I can't remember but I don't think so. Like I said, in the first or second job, no.

So is your best recollection that that lump sum of \$47,000 actually reflects your cost?---Yeah.

Or do you believe that to be an inflated amount?---It's not an inflated amount, no.

10

You believe that was - - -?---That was, yeah.

- - - an accurate reflection of your actual costs?---Yes.

Plus your profit margin.---Plus, plus margin, yeah.

THE COMMISSIONER: As I understood what you said a moment ago was that you'd work out your costs, you'd work out what margin - - -?---Yes.

20

- - - 20 or 30 per cent you would add to the costs.---Yes.

And come up with your quoted figure.---Yes. Yes.

Then you'd discuss that figure with Mr Dubois.---Yes.

Well, you did discuss that figure with Mr Dubois.---Yes.

And he added to that what was his margin.---Yes.

30

His cut.---Yes.

So those three components, the costs, your properly assessed margin for profit - - -?---Ah hmm.

- - - plus his margin, that is Mr Dubois' own margin, which would represent a cut to him - - -?---Yes.

40

- - - those three components would go together and be incorporated into that figure we saw on the screen a moment ago, the lump sum of \$47,000.---Yes. I don't believe it was the first job I done. I think it might have been the - - -

Well, let's not worry about whether it was the first or the second. Is what I just put to you an accurate summary?---Accurate.

So the \$47,000 lump sum quote was an overall figure for those three components I mentioned, costs, your profit margin and his margin or cut. ---Yes.

That's Mr Dubois' margin or cut. Is that right?---Yes. Yes. Sometimes it would be that I would have to take less profit so that he'd always try to keep the, the quote to be less. So like say the job is worth, for example, generally across the board 50,000. I would have to try and come in a little bit under. So then I would have to take a cut in my profits for him to make his cut as well.

10 For him to get his margin.---Yeah, because then he couldn't – so if it was worth 50,000, he couldn't put 60. He'd still have to put below that figure.

Well, to keep it within a range that wouldn't attract attention.---Yes. Correct.

Then once you worked out the, once the amount of \$47,000 was settled on, then that would be incorporated into your quote, which we saw a moment ago on the screen - - -?---Yes.

- - - under the name of TT Group, is that right?---Yes, that's right.

20 Now, did it occur to you at that time that by him adding in his quote to your quote - - -?---Yes.

Sorry, I'll start again. You appreciated that, by him adding in his margin on top of your assessed costs and profit margin, would then go out to RTA, or RMS as it was, for acceptance or rejection.---Yes.

And in this particular case, the \$47,000 quote was accepted.---Yes.

30 And you did the work under the contract.---That's right.

In due course you were paid in accordance with the quote, which we'll probably come to the detail of at the moment.---Yes, I did.

Well, did this immediately occur to you was of some concern, that the figure that was being quoted by your company, at \$47,000, was not a true figure, not a true figure in the sense that it merely represented costs and your profit, but it also represented something else.---Yes.

40 Did that cause you some concern that you were being asked to put in the name of your company a quote which contained a cut for him?---Yes, it did.

And what did you understand he was in effect doing?---Taking a kickback, but initially he explained that the, it was his, his, that money was taken was for his time to help me do all the paperwork because I couldn't do the paperwork, so he wanted an amount for his time spending doing all the paperwork that I couldn't do, and it made it out like there was hours and hours of work.

The concern you no doubt had was that your company's name was being put forward as giving a quote when it was not your company's true quote.  
---Yes.

It included your cost and margin, but it also included what you would have understood to have been an unlawful cut for him. Is that right?---Yes. Was pretty naïve at the time.

10 MS SPRUCE: Mr Taha, the Commissioner has just asked you some questions about the way in which the process generally worked with Mr Dubois asking you to increase amounts in your quotes. But just in fairness to you, I just want to confirm that you say that this first quote for Galston Gorge wasn't inflated in that way?---Yeah, I don't believe so. From memory.

Now, if you could just please have a look at page 38 of the same volume, you see here that this is an email from you to Mr Dubois, and just pausing there, you'll see that you've sent this email from Toffey T,  
20 toff\_959@[REDACTED]?---Yes.

Was that a personal email address that you used?---Yes.

And so is there a reason why you didn't send this from your TTS Group address?---I'm not great with computers, so, I would have just used whatever email – because I've got two or three emails that I used, so I could have been by mistake, but on other occasions there was time I used a personal email so that he could check it, and then I would send it through TTS.

30 I see, so there were occasions when you would send him a quote or an invoice to be checked using your personal email address?---Yes.

And when you say to be checked, I take it you mean by that for Mr Dubois to tell you whether or not the amount you were proposing to charge - - -?  
---Yes.

- - - was appropriate, or whether you should charge more?---No, not so much the amount, just everything, like - - -

40 Whether the paperwork looked appropriate.---Yes, yeah.

I see, and then you would send the formal quote from the formal TTS Group address.---I, I think so.

So on this occasion, this is now, your quote was dated 24 February, 2011, and so this is now 28 February, 2011, and you've – sending a revised quote for landscaping at Galston Gorge.---Yes.

And then if you go to the next page, please, you'll see that this is the same as the previous quote, except that on page 40, which is the next page again, the amount has been adjusted. It's actually \$1,000 less than the previous quote.---Okay.

So do you have any recollection on this first job about, accepting the evidence you gave a moment ago, that to the best your recollection the \$47,000 in the first quote was a true reflection of your costs and profit?  
---Yes.

10

Do you have any recollection of Mr Dubois then coming back to you and telling you that that was too much and you needed to charge less?---I can't remember.

And then on page 50 of the same volume, this is a letter from Mr Dubois on 28 February, 2011, so that is the day of the revised quote where he accepts the lump sum set out in your offer, although the letter doesn't state what that lump sum is.---Yes.

20

And then if Mr Taha could please be shown page 48 of the same volume. This is an EFT authorisation form that you filled out for the RMS in order to be paid. Do you recall doing that?---Yes, that's my writing.

And so you've put in your PO Box 7078 Mount Lewis address.---Yes.

And you've put in your toff\_959@[REDACTED] personal address.---Yeah, I  
---

30

Do you think that was just an oversight on your part?---Yes.

And you've signed it as Zac Malas.---Yes.

So again that was the name you were using here on 2 March, 2011.---Yes.

And that's your phone number listed there.---Yes.

Now, could we then go, please, to page 45 of the same volume. You'll see that this is an email sent from your personal address to Mr Dubois on 6 March, and that the attachment is an invoice.---Okay.

40

Do you see that? And then if we go to the next page, please, you'll see that this is the invoice, or rather an invoice that you've submitted in relation to Galston Gorge.---Yes.

So it's called Tax Invoice Number 1.---Ah hmm.

So does that accord with your recollection, that you've never issued a formal invoice like this from TTS Group before?---No, I think I have, but I think that number 1 meant for RTA.

I see, changed that, that was for a new client.---Yes.

I understand. And do you see that the date of this invoice is 11 February, 2011?---Yes.

10 Now, do you recall that the date of your quotation was 24 February, 2011?  
---Okay.

So this is an invoice seeking a progress payment which is dated prior to the date of your original quote.---Yes.

So are you able to assist us with what was going on there?---I think there was two parts to that job, the initial job I done and then the second job. I can't remember. But something along those lines.

20 But you don't have any recollection about why it is that the date - - -?---No. Could be my mistake.

- - - of an invoice seeking progress payment predates the date of the formal quote that you gave Mr Dubois?---Like I said, I - - -

And the formal request for quote.---Yeah, so - - -

And the letter of acceptance accepting your quote.---Yeah. Don't know.

30 Now, do you recall that in relation to these first jobs there were a number of difficulties with the paperwork that you submitted?---Yes.

So the first difficulty was that this invoice that you submitted couldn't be paid by Finance, and if we go, please, to page 71 of volume 18.5, you'll see this is an email from Mr Dubois to info@ttsgroup and it's forwarding an email that he's received from the Finance and Contracts Group within the RTA.---Yes.

40 And it says, "This invoice cannot be paid because the vendor cannot claim GST on the invoice."---Yes.

And if you just go back to the invoice itself, which is on page 46, do you recall that the problem with this invoice is that the ABN that you'd listed was not in fact referable to the TTS Group, but was in fact the ABN for Pro Tech Tree Services?---Yes.

And so that invoice couldn't be paid.---Yes.

And you then submitted a further invoice, which is at page 75. And so now in an attempt to fix that problem, you've issued a new invoice under the name of Pro Tech Tree Services.---Yes.

Do you recall doing that?---I think so.

And you still used the ABN that's referrable. So now the ABN matches the name of the business.---Yes.

10 But the difficulty still remained that Pro Tech Tree Service wasn't registered for GST.---Okay.

Do you recall that?---I think so.

20 And so then there was a further email, which is at page 80, where the Contracts and Finance Group at the RTA now writes to you directly and says that they've received the invoice but the link in the ABN website still shows that you cannot claim GST and you're asked to amend your invoice again. You recall that?---No, but, but it would have happened. I'm pretty, I remember the, the issue with the ABN.

All right. Now, if you could then be shown, please, page 90 of the same volume. This is now invoice number 2 in relation to Galston Gorge. So you recall that invoice number 1 was a request for a progress payment.---Yes.

And this is now invoice number 2, which if you scroll down to the next page, seeks the remaining outstanding amount.---Yes.

30 And both of these invoices, if you could please show Mr Taha volume 5.2, page 217. Mr Taha, this document is a summary of information provided to the Commission by the RMS in relation to their payment records.---Okay.

And you can see on the top row that there's a job in relation to Galston Gorge.---Yes.

And it's invoice number 1.---Okay.

And that was your invoice number 1 for \$18,700.---Yes.

40 And you can see that that has been paid on 13 April, 2011, according to the RMS records.---Okay.

And do you recall being paid for that amount?---Yes.

And then two lines down you'll see invoice number 2.---Yes.

Which also relates to Galston Gorge.---Yes.

And you were paid the remaining 33,000 for that amount, on 10 May, 2011.---Yes.

Now, was Mr Dubois upset about all of the problems with the paperwork in relation to Galston Gorge?---Yes.

And did he say something to you about that?---Oh, yeah, that I couldn't do the paperwork right.

10 Did he suggest to you that with all the mishaps in the paperwork that he wasn't inclined to give you further work?---I can't remember that.

Do you recall whether you had to convince Mr Dubois to give you a second chance?---No, I don't. Well, probably just I said to him maybe across the lines of "We'll do better the next job. I'll get it sorted out. This is my first job so I don't know how the whole process works." Possible. I can't really recollect exact.

20 And do you recall whether it might have been at this point that Mr Dubois said something along the lines of him taking a cut if he was going to have to assist you in this way?---No, don't recall.

You think that came later?---Yeah, I think so. I think this just, okay, this is my, okay, write this amount and this will be my cut.

All right, well, Mr Taha, let's then look at the next job that you did. Do you recall what the next job you did was?---No.

30 Well, does it prompt your memory if I tell you that it was a job at Kankool in relation to the exit lane?---Yes.

So if Mr Taha could please be shown volume 5, page 14, and this is a request for quote document sent to your info@ttsgroup address on 21 March, 2011.---Yes.

So shortly after the Galston Gorge job.---Yes.

40 Now, do you recall that there were two aspects to the work at Kankool that you did through TTS?---I think so, yes.

So there was an exit lane expansion, which is the request for quote we're looking at now.---Yes.

And there was also a renovation aspect to the Kankool work.---Yes.

So the renovation aspect came later, the second job you did was the widening of the exit lane. So this is the request for quote with tender documents attached. And then if we just go down, please, if you could just

scroll through the next few documents, you'll see that attached to the request for quote are very detailed specification drawings of what's required.---Yes.

Do you recall receiving those?---Oh, I would have had to.

Mr Taha, the first job you did at Galston Gorge was landscaping.---Yes.

And that was something that was within your experience.---Yes.

10

You had some ability to perform that work.---Yes.

But now you've received a request for quote in relation to the expansion of the exit lane at Kankool with these very detailed construction drawings attached.---Yes.

This was not something that you had any capacity to perform, was it?---No.

There was no way that you had the ability to do this work.---No.

20

You had no experience in doing work of this kind?---No. Oh, some, in, not everything like this, but in certain areas.

So did Mr Dubois tell you that he was proposing to send you a request for quote for this job?---Yes.

And did he discuss with you how it was that TTS was going to perform this work?---Yes.

30

And what was that discussion?---I'll get subcontractors in to do the work.

Who would get subcontractors in?---Me.

That you would get subcontractors in.---Yes.

And did Mr Dubois tell you what subcontractors you might use? Did he suggest names to you?---For, for this job, no.

40

And so how did you go about finding appropriate subcontractors to do this work?---I knew people in various different fields, so - - -

All right, now if we could then go, please, to page 98 of the same volume. So this is the quote that you provided in response to that request for quote, and it's dated 1 April, 2011. And then you can see there on the first page, it commences with "Methodology of the tasks involved in the upgrade of the carriageway." Now, is that something that you would have written?---No.

Is that something Mr Dubois would have written for you?---Yes.

And if you go down then to the next page, please, you'll see there's a description of the works, and then on page 100, there's a detailed scope of works.---Yes.

You see in the last bullet point there, it talks about various standards that the work must adhere to.---Yes.

Were you familiar with any of those standards?---No.

10

So again, this isn't something that you could have written.---No.

So do you recall whether you had any involvement in drafting this quote?  
---No involvement.

THE COMMISSIONER: Who drafted it?---Don't know. I've never seen this before.

20

Well, where did you get it from? Who sent it to you?---It would have been Mr Dubois.

When you say "it would have been" - - -?---There's no other - - -

- - - are you saying that's your best recollection?---Yes. There's no other way I could have done something like that.

Thank you.

30

MS SPRUCE: Mr Taha, you just said a moment ago that you've never seen this quote before, is that correct?---That's right.

You've never seen this document.---I don't believe so.

If we could please go to page 102, this is the last page of the quote.---Yes.

And you see there that it says the total quoted amount is \$155,000 excluding GST.---Yes.

40

And then it's signed Terry Taha.---Yes.

Do you recall discussing with Mr Dubois using the name Terry Taha?---No, but I've used Terry before.

You've used that name before?---Yes.

And so looking at that last page and seeing Terry Taha there, does that prompt you to remember seeing this document or thinking that's something you might have put there?---I can't remember.

Your best recollection is - - -?---Yes.

- - - you've never seen this document before?---That's right, that's my best recollection.

Do you have any recollection of Mr Dubois telling you that he'd sent you a request for quote but that he was going to create the quote?---Yeah, well, he must have created this, because I couldn't have done that.

10

And do you recall having any idea what the quoted figure was going to be, accepting you hadn't seen the actual document, do you recall Mr Dubois telling you what the quoted figure would be?---I don't recall what the quoted figure was going to be, no.

Do you recall Mr Dubois though telling you what the amount of the quoted figure would be?---Yeah, I don't remember but he would have told me what to quote.

20 You have no recollection about that occurring?---No.

But you think you must have found out.---He would have, he would have for this job, I'm pretty sure.

We'll come to that. Now, just in respect of the use of the name Terry Taha, this is a time when you were using the name Zac Malas.---Yes.

Correct?---Yes.

30 You remember I showed you the EFT authorisation form for the RMS and it's in the name Zac Malas?---That's right, yes.

So do you have any idea why you would have thought it was a good idea to use Terry Taha in respect of those documents?---No.

Do you think that that was your idea or Mr Dubois' idea to use that name? ---It would have been Mr Dubois, 'cause he knows me as Terry, he knows my surname, so - - -

40 Now, if we could just have a look, please, at Exhibit 174. Mr Taha, you see this is a quote from Galaxy Trading Pty Ltd.---Yes.

And it's in respect of the Kankool civil works exit lane.---Yes.

So it's in respect of the same work as the quote from TTS Group that we've just looked at.---Yes.

And it's dated 1 April, 2011.---Yes.

Whereas the quote from TTS – I withdraw that – the quote from TTS was also dated 1 April, 2011.---Yes.

So same date. And then similarly it includes the same methodology of the tasks involved in the upgrade of the carriageway.---Yes.

And if we could just scroll down, please, to the last page. You see there that there's a quoted amount of 205,000 excluding GST.---Yes.

10

And it's signed Michael Radwan, Director.---Yes.

Do you know who Michael Radwan is?---No. Never seen this document before.

You've never seen this document before.---No.

Go back to the first page of that document, please. You see again it's from Terry Taha.---Yeah, that's - - -

20

Never seen that document?---No.

Were you aware that your brother, John Goldberg, had a company of which he was the director, called Galaxy Trading Australia Pty Ltd?---I didn't know.

You didn't know that.---No.

Never seen this document before and have never heard of Galaxy Trading. ---No.

30

Is it your mobile number on - - -?---That's right, and my address.

And your address.---Yes.

And you don't recall Mr Dubois saying anything to you about using your name, address or mobile number - - -?---No.

- - - in relation to another quote.---No.

40

Now, if we could then go, please, to volume 5, page 86. Mr Taha, this is a tender evaluation report in relation to the Kankool HVCS exit lane expansion works. Do you see that?---Yes.

And if you look at the bottom of that first page you'll see that it suggests that, "Three tenderers were issued with the tender documents as detailed below. TTS Group," so that's a reference to the quote from the TTS Group

that I showed you, and then Complete Building Fitouts and Peregrine Corp Australia.---Yes.

So notwithstanding the Galaxy quote I showed you a moment ago, that doesn't end up being listed on the tender evaluation report.---Okay.

Now, were you familiar with the company Complete Building Fitouts Pty Ltd?---Not at the time, no.

10 Not at the time?---No.

Is that something you became familiar with later?---Through hearing the, through this hearing I knew who Complete Building Fitouts was.

You say that you've never heard of Complete Building Fitouts until this inquiry?---Yes.

Were you familiar with Barrak Hadid - - -?---Yes.

20 - - - or Chahid Chahine?---I've, I've heard, but I knew Barrak, I think I met him once with Mr Dubois.

You met Barrak Hadid through Mr Dubois?---Yes.

After you started doing RMS work?---Yes.

And have you ever met Mr Chahid Chahine?---I don't believe so.

30 Have you ever met someone called Hoody?---I remember the name Hoody. I think that was his partner that, Barrak's partner I think.

You think Hoody was Barrak's partner?---I think so.

But to the best of your recollection, you never met Hoody?---I can't recall meeting Hoody.

Could we just show Mr Taha a photo. I'll just get the reference for the photo. Exhibit 103. So, Mr Taha, just looking at the photo at the bottom. ---Yes.

40

Do you recognise the first person on the left?---Yes.

Who's that?---Mr Dubois.

And then do you recognise the person next to him?---No.

And do you recognise the third person along?---No.

And do you recognise the last person?---Yeah, that's Barrak.

I see. So you don't think you've ever seen Mr Chahine, who's sitting to the left of Mr Hadid, ever before?---I can't remember, no.

All right. And Mr Taha, going back then to the tender evaluation report, which is volume 5, page 86. And you see there there's a third company listed, Peregrine Corp Australia.---Yes.

10 Have you ever heard of that company?---No.

And have you ever heard of Chahid Chahine?---No.

All right. Now, if we could go to the next page, please, of the tender report. You see there at point 6 that it suggests that there was a pre-tender meeting held at 10.30am on Tuesday, 1 April, at the RTA offices?---Yes.

And you see that the people said to have been present are Mr Dubois, yourself, Chahid Chahine and Michael Radwan?---Yes.

20

I take it, given your evidence, that you've never met Mr Chahine or Mr Radwan, that you didn't attend any such meeting?---No, I didn't.

And then if we could please go to page 89 of the tender report. And you'll see there at paragraph 9.4 it says, "As part of the review process, only TTS Group was found to have the capability to complete the work within the contract period based on similar work successfully completed for the RTA." Now, you'd never successfully completed any works of this kind for the RTA prior to this, correct?---That's right.

30

And have you ever seen this tender report, tender evaluation report before? ---No.

You didn't know of its existence?---No.

Now, if I could then show you, please, volume 5, page 133. Just before we go to this document, the Kankool civil works expansion job was awarded to TTS Group. You recall that?---Sorry?

40 You recall that the job was in fact awarded to TTS?---Yes. Yes.

And you performed that work through subcontractors?---Yes.

And then if you look at the document that's on the screen, you'll see that this is an email from TTS Group to Mr Dubois.---Yes.

With your invoice number 3. So you recall invoices 1 and 2 both related to Galston Gorge.---Ah hmm.

And this is now the 3<sup>rd</sup> invoice that you're submitting to the RMS, or the RTA as it was then.---Yes.

And it says, "Can you please put in 25 per cent for my progress payment."  
---Yes.

Do you recall sending this invoice?---No.

10 All right, well, perhaps - - -?---I would have had to. I would have had to, but I don't remember.

I understand. Well, let's have a look and see if your memory is prompted by then looking at what's attached to it. If we could go to the next page, please. See this is invoice number 3 from the TTS Group.---Yes.

In respect of Kankool trucking station, widening of road.---Ah hmm.

20 And you see there you're seeking a progress payment in relation to having supplied certain materials.---Yes.

And then you see down in the total?---Yes.

It's just been left blank.---Yes.

So are you able to give any explanation about why it is that that has just been left blank?---Don't know.

30 Well, were you just expecting Mr Dubois to fill that in for you?---Probably.

You say that you'd never seen the quote that I showed you a moment ago.  
---No.

Did you have any idea of how much the quoted amount was for this job?  
---Yes, I would have, yes, I would have have to known the quoted amount, otherwise how am I going to do the job?

40 Well, I don't know. That's what I'm asking you. How were you going to do this job when you're putting in an invoice which has a blank amount?  
---Yeah. I can't remember why I would have done that.

Yes, and if you look at the first line of the invoice in the description.---Yes.

It says, "For supply and materials required for road widening, such as."  
---Yes.

Doesn't make sense, does it? It's just - - -?---I know. No, it doesn't.

So this is an invoice you would have prepared?---Yes.

And do you recall whether Mr Dubois then spoke to you about the amount that would be put into the invoice?---Yeah, probably. I don't remember.

You say probably but you don't have a recollection?---No, I don't.

10 Well, if I could just take you back, then, to volume 5.2, page 217. And this is a document I took you to previously, which is a summary of the payments from the RMS to you.---Yes.

From RMS records. And you'll see there in relation to the third invoice. ---Yes.

That you ended up being paid – this is the blank invoice – you've been paid \$56,375.---Yes.

Do you recall receiving that money?---Yes.

20 But you don't have any recollection of Mr Dubois ever telling you that he was going to fill in the amount on the invoice?---No.

And you don't have any recollection of filling in the amount on the invoice yourself?---No.

So is your only explanation for how it is you came to be paid that sum that Mr Dubois must have filled it in for you?---Yes.

30 You didn't fill it in.---No.

All right. And then if we could please go to invoice – or I withdraw that. If we could go to volume 5, page 135. You'll see that this is now on 30 May, 2011. Invoice number 4.---Yes.

Sent from you to Mr Dubois.---Yes.

40 And then if we go to the next page, please. This is now the final invoice for the widening of the road at Kankool. And you see the description is "For completion of all work at the Kankool inspection station."---Yes.

And once again completely blank.---That's right.

No amount.---No.

And so do you recall whether this is an arrangement you had with Mr Dubois, that you would leave the invoice blank and he would just fill in the amount?---No, it wasn't an arrangement like that. I would, I would have known the amount before.

THE COMMISSIONER: But why would it be blank if you knew what the amount was before?---Not sure. I'm really bad with this kind of stuff.

Well, you'd agree it's highly unusual for you to have sent on that date this invoice in blank.---Yes.

Hmm?---Yes.

10 Because an invoice is, the very purpose of it is to convey the amount claimed for work.---Yes.

Well, you must have some idea as to why you'd go to all the trouble of drafting this up, sending it in blank.---I mean, unless he put it in.

Sorry?---Unless Mr Dubois put in that figure. 'Cause a lot of the times, the stuff that I would put in the description, he didn't like, so he would fix that.

20 Well, you're assuming or surmising that it was sent so that he could fill it in.---Yes.

Can you think of any other possible reason why you might have sent it to him than that?---No.

All right. Yes.

MS SPRUCE: Mr Taha, you've said that you used subcontractors to do the work at Kankool inspection station.---Yes.

30 Do you have any recollection of who the subcontractors were that you used?---Some I do, some I don't. Some I used, some local people from Tamworth.

Do you recall what the name of the subcontracting company was?---No. I remember one company was Independent something, I think Asphaltting or something like that, that was - - -

40 Do you recall how many different subcontracting companies you needed to use to get the job done?---Yeah, there was a few. There was maybe four or five in total, because I had to do the renovation work, so we use a few local people there as well to do bricklaying, to do plastering, I think painting as well.

Was it Country Pavement Services, do you recall?---No, I think the ones that done the asphaltting were Independent, I think they're called Independent - - -

You think their name was called Independent?---Yes.

And do you have any recollection about how much you paid those subcontractors?---No.

Mr Taha, you've given evidence that the first job you did in relation to Galston Gorge, to the best of your recollection, was above board.---Yes.

You worked out your costs and your reasonable profit and you put in a quote and you got paid that amount.---Yes.

10

And you've also given invoice that at some – given evidence rather, that at some point Mr Dubois commenced asking you for a cut and inflating the price of your quotes and invoices - - -?---Yes.

- - - and receiving kickbacks from you.---Yes.

So looking at these blank invoices, do you suspect it might have been the very second job that you did where that started to occur?---Yes, I believe so.

20

Well, it must have been, mustn't it, because why else would you leave the description blank? If you were working out an accurate estimate of your costs plus your appropriate profit margin, you would have put the amount in the invoice. Correct?---Correct.

So the only reason for you to have left it blank is because you've had some sort of conversation with Mr Dubois in which he's asked for a cut.---Yes.

30

And do you have any recollection now about what was said in that conversation where he first asked for a kickback?---Can't really. The only from memory is that he wanted some money for his time and efforts, that's all I can remember.

Well, and in terms of his time and efforts, you've already said that he must have been the one who drafted the whole quote.---Yes.

So is that your understanding of what he meant by his time and efforts, was the drafting of the quote?---Yes.

40

And in terms of what you'd contributed to this job, you've already said that you didn't have the skills to do it yourself.---Yes.

How did you have the skills or training to supervise subcontractors?---I've done work before with subcontractors.

But not work - - -?---Not this type of work, but - - -

Not this type of work, correct?---No. I've done excavation, I've done concreting, I've done renovations.

So what were you actually bringing to the table in terms of this job, in terms of your skill set?---My skills? Nothing.

THE COMMISSIONER: I'm sorry, what was your answer?---Nothing. I'm just bringing, just managing.

MS SPRUCE: Managing.---Project managing.

10 THE COMMISSIONER: But you were going into an area which required specialised or specialist subcontractors.---Yes.

And what were the components of the job that the subcontractors did on Kankool?---So someone doing the excavation and laying the road base, someone doing the drainage, one company came in and done the asphaltting, I think another company done the barriers, and with the building different people done bricklaying, plastering, painting.

20 But in order to ensure that those components were being done properly, for example drainage, that they weren't draining uphill, that they should be draining downhill or whatever, levels had to be taken. You didn't have the skills, or as you've said, to know whether they were doing the job effectively, properly or not.---No.

So when you said you would oversight them, you weren't really exercising any form of checking on their work in terms of quality, whether they were doing it according to standard et cetera.---Yes, you're right.

30 You're agreeing with me?---Yes, I am.

Was there any quality assurance system that after the work was done, somebody would come and inspect it to see if it looked okay and had been done properly or not?---Not that I can remember.

So you're really in the hands of the subcontractors, you're just hoping that they knew what they're doing and that they did in fact do it according to the scope of works.---Yes.

40 MS SPRUCE: So Mr Taha, when you say that you were project managing the job, as you've just said in your discussion with the Commissioner, you weren't bringing any skill to bear in terms of oversight of the actual works being done other than being present on the sight.---Yes.

So you were present on the site.---Yes.

And I take it you coordinated the various subcontractors.---Yes.

But there's no reason, is there, why the RMS couldn't have contracted with those subcontractors directly to do these works?---Yes.

'Yes' as in you agree, there's no reason?---You're right, I agree with you, yes.

The RMS could have gone directly to the subcontractors.---Of course.

But you, I take it, charged a profit margin.---Yes.

10 In relation, you charged for your time.---Yes.

And then you charged a profit margin of around 20 to 30 per cent, is that correct?---From memory, yes.

And did you have a view as to whether that was an honest thing to do?  
---Don't know if it's honest. I didn't get there on my own merits, as in, getting the work on my own merits, so – I did the work honestly. Whether I had the skill set, no, I didn't.

20 But did it occur to you that by having you engage subcontractors through TTS - - -?---Yes.

- - - and then charge the RMS for your time in doing that, that the RMS was ultimately paying more for the work than was necessary? You could have just been cut out of the equation, correct?---Yes, I could of, yes.

And then the RMS could have had the same work done for less.---Yes.

30 And so did it occur to you that it was not an honest thing to do?---No, because the RMS would have had to engage every single contractor separately, and I could overlook all of them or coordinate with all of them to get the job done through one contractor dealing with one person, rather than dealing individually.

40 Now, Mr Taha, we've just looked at the final invoice with the blank amount, and I'll just refresh your memory that you sent that to Mr Dubois on 10 May at 1.46pm, 10 May, 2011. And then if we could please go to page 135 of the same volume. Oh, I withdraw that, if we could go please to page 137. Sorry, Mr Taha, I withdraw what I said a moment ago – your blank invoice was sent to Mr Dubois on 30 May, 2011, at 11.46.---Yes.

And then what we see on page 137 is that Mr Dubois sends to the Contract and Finance Section at the RTA on the same day, 30 May, 2011, at 12.41, an attachment invoice RTA4.---Yes.

And then if we could go to the next page, please, you see that what Mr Dubois has done is forwarded your invoice number 4 to the Finance Department.---Yes.

Except that he's inserted a price.---And he's changed description, and he's put in purchase order. I don't think that was on the first - - -

Correct, he's put in the purchase order number.---Yeah.

And he's changed the description. And do you see in the description, he's said now "For the completion of all work at the Kankool inspection station 75 per cent remaining."---Yes.

10

And do you understand that to be a reference to the renovation works that were also to take place at Kankool?---I think so. Can't tell you.

Do you recall ever seeing this completed invoice?---No. Don't recall it.

No, he didn't send it back to you. You sent him the blank, and then he filled it in and sent it straight to the Finance Department. Is that your understanding of what happened?---I think so, yes.

20

And so did you have any idea how much you were going to be paid?---Yes, I had to have known the price.

Well, when you say you "had to have known," you have no recollection. ---But I can't remember any of the pricing of any of the jobs. Like, from memory, unless you, like you're showing me now, then I'm agreeing with you.

Well, if we could just go back then to volume 5.2, page 217. This is again the payment schedule from the RMS.---Yes.

30

And you'll see that in respect of invoice number 4 you've been paid \$169,125 on 14 June, 2011.---Yes. Yes.

Now, is it your recollection that when these sums of money hit your account, that that was when you found out how much you'd been paid? ---No.

Or was it your recollection that there was a discussion with Mr Dubois prior to that?---There was a discussion prior.

40

Now, I take it you don't recall a discussion about this particular invoice but you do recall that the way it generally worked was that Mr Dubois would speak to you about the price.---Yes.

All right. And, Mr Taha, these are vast sums of money for you, aren't they?---Yes, they are.

\$169,125.---Yes.

It's nowhere near the amount that you were earning for Pro Tech Tree Services when you were doing tree-logging work, correct?---No, that's right.

This is extremely lucrative work for you.---Yes.

Now, do you have a recollection about whether for this Kankool job you then paid a kickback to Mr Dubois?---I think I did.

10

Well, it would seem likely, wouldn't it?---Yes.

Because it's hard to understand why Mr Dubois, of his own largesse, would be filling in the blank so that \$169,125 ends up in your account.---Yes.

Without him asking for a cut.---Yes.

20 And in fact, if we go back to your original quote – well, when I say your quote, I appreciate your evidence is that you've never seen it before. But if we go back to page 102 of volume 5, you'll recall that the original quote was for \$155,000 excluding GST.---Yes.

So I hope my maths is correct when I say that would be \$170,000 with GST.---Yes.

And then you recall that you've – if we go back then to page 217 of volume 5.2, which is the payment schedule, you see that invoice 3 and invoice 4, one of which purported to be a progress payment for Kankool.---Yes.

30 And one of which purported to be the final payment.---Yes.

Between those two invoices you've been paid \$169,125 plus \$56,375. ---Yes.

So from a quoted amount of 170,000 including GST – 175,500, thank you. 175,500, excuse my maths. 175,500 including GST, you've ended up being paid a total of \$211,375 for that job.---Yes.

40 So this is just a windfall that's not referrable to any work that you did. ---Sorry, I didn't understand.

There's a windfall that's landed in your bank account.---Oh, a lot of money, yes.

Yes, a lot of money. But it's not referrable to the quote that you gave the RMS.---Yes.

And it's an amount that you say has been filled in on blank invoices by Mr Dubois in respect of two different invoices.---Yes.

So it seems likely, doesn't it, that this would have been the first occasion on which Mr Dubois asked for a cut.---Yes.

And just looking at that schedule, you'll see that the 169,125 gets paid on the 14<sup>th</sup> – I withdraw that. It gets paid on the 20 June, 2011.---Yes.

10 You see the yellow line?---Yes.

Now, do you have any recollection about whether you then made a payment to Mr Dubois shortly after that?---Can't remember but I'm sure the records will show if I did or didn't.

Well, you recall, Mr Taha, do you, setting up a company called MWK Pty Ltd?---Yes.

20 MWK Developments Pty Ltd.---Yes.

You do recall setting that up?---Yes.

And if we could go, please, to volume 1.1, page 73. You recall that you set this company up, you can see here this is the ASIC document that records it was set up on 30 May, 2011.---Yes.

30 Now, can you tell me why it was that you set this company up?---Set this up so that we could do some renovation, home renovation or developing of homes.

When you say "we", who are you referring to?---I'm referring to Mr Dubois. We'd spoken about, 'cause he wanted to do some work, he said he needed to make like, another business. I said, okay. Well, at the time there was a lot of money in renovating, selling homes, developing, that was one of the reasons why I registered MWK Developments.

Mr Taha, you don't have a builder's licence, do you?---No, I don't.

40 And Mr Dubois doesn't have a builder's licence?---Not that I know of.

And you didn't have any experience in property development.---No. I had experience in renovating.

You had experience in renovating.---Yes. I'd done - - -

What did you, what was your renovating experience?---I've done jobs, small renovations and I done one large renovation job on a, on a factory.

But when you say you've done renovation jobs, you're not a builder, so what is it that you had done?---I done changing walls, painting, concreting, excavation, landscaping.

Is this work that you'd done as a labourer on a building site under the supervision - - -?---No.

- - - of a licensed builder?---No. This was work that I'd taken on.

10 This was work you say that you'd done the entirety of these renovations on your own?---Not, like, getting subcontractors in so yes.

So how many properties do you say you'd renovated?---Maybe three or four, and I done one big factory in the city.

And where did the properties come from, who owned the properties?---Stuff I'd advertised for, for like concreting, and when I'd go, or landscaping, I would get other work from people, so I'd say, "Okay, I can do concreting, I can do painting work for you, I can do," that's how I would get - - -

20

Is this through your Pro Tech Tree Services company?---Yes, yes.

So, Mr Taha, just to be clear, you'd never done any sort of property development previously.---No.

Right. You'd never bought and renovated and sold a property?---Never.

And you say that you'd done some work through Pro Tech Tree Services, doing bits and pieces of renovation work.---Yes, that's right.

30

You'd never been responsible, had you, for the entire project management of the full renovation of a residential property?---No.

Or a commercial property?---Commercial, yes.

Commercial, yes.---Yeah. Or commercial being a factory. I was in charge of all, everything.

40

Right. And you did that work through subcontractors.---Yes.

And you've just arrived at the RMS, as it were, where your friend, Mr Dubois, is giving you work, and you've just told me that the work you were getting through the RMS was extremely lucrative.---Yes.

Right. And very large sums of money are being paid into your bank account.---Yes.

So are you able to explain why it was that you suddenly wanted to branch out into property development, which was something you'd never done before?---Because I knew at the time it makes a lot of money, from other people that I knew.

Well, were you - - -?---That were in the industry.

- - - proposing to contribute any money to this project with Mr Dubois?  
---No. I didn't have any money.

10

You didn't have any money. And I take it the reason you didn't have any money was because the work you'd been doing prior to the RMS was not very lucrative.---That's right.

And so where did you understand the money was going to come from?

---I, I didn't know but I'm assuming through this type of work that he was doing.

20

When you say through this type of work that he was doing, do you mean work that Mr Dubois was doing?---Yes.

And are you referring to Mr Dubois taking a cut of contract work at the RMS?---Well, there's no other explanation that I know of.

Sorry, I just want to be clear about this.---Sorry.

You say that you and Mr Dubois had conversations about going into a property development company together.---Yes.

30

And was that something that you say was going to occur simultaneously while he was working as an employee of the RMS?---Yes.

And were you proposing that the way the two of you would carry out property development was through the use of subcontractors?---Yes.

And is it correct that your understanding was that this property development partnership would be funded through kickbacks that Mr Dubois was receiving from the RMS?---I didn't know at the time what kickbacks he was getting from other contractors.

40

Well, you knew that he was a government employee of the RMS.---Yes.

And what sort of salary did you think that Mr Dubois would be on?---Don't know.

Well, did you think that on his RMS salary he would have sufficient funds to be going into a property development business on the side?---Didn't think so, but he said he's going to get some money together.

He said he was going to get some money together.---Yes.

Who proposed the idea of doing this?---Might have been him.

It might have been.---Yes.

Do you have a recollection about whether it was him?---Pretty sure it was him.

10

And - - ?---Sorry, we're going back so long ago. Like, particular conversations I can't really remember. But overall I do clearly remember it was him that said to me, "Let's get into something else," as in property development or renovation, where we could, he could make some more money on the side.

Where he could make some more money on the side?---Yes.

20

So was it your understanding that Mr Dubois had money readily available that he wanted to invest?---No, he said he didn't have any money at the time.

He said he didn't have any money?---Yep. But he said he was going to get some money together.

And so was this conversation in the context of him asking you to set up MWK Developments?---Yes.

30

Was it Mr Dubois' idea that you should set this company up?---Yes.

Do you recall whether, at the time Mr Dubois asked you to set this company up, Mr Dubois had already started asking you for kickbacks from RMS work?---Sorry, repeat that.

You see MWK Developments was registered on 30<sup>th</sup> of May, 2011.---Yes.

And you say that you set the company up because Mr Dubois asked you to.---Yes.

40

Do you recall whether, at the time Mr Dubois asked you to register this company, he had already commenced asking you for kickbacks in relation to RMS work?---I think so.

You think so?---Yeah.

Well, in order to assist your memory, Mr Taha, do you recall that the day after you registered MWK Developments that you also opened two bank accounts in the name of MWK?---Yes.

All right, then if we could go, please, to page 1 of volume 5.1. You'll see that this is the first of the MWK bank accounts that was opened with the ANZ bank.---Yes.

And it has an account number of 4-5-6-9.---Yes.

And as I said, it's opened on 31 May, 2011, so one day after the company was registered.---Yes.

10

And it's opened at a Westfield Centre Court branch of the ANZ bank.---Yes.

And do you have a recollection of where that was?---Is it Parramatta? Is it Parramatta?

In Parramatta, close to where Mr Dubois' RMS offices were.---Yes.

And you see there that underneath that it says that anyone can sign.---Yes.

20

And then if you go down, please, to page 3. You'll see that there's two authorised signatories.---Yes.

One is Towfik Taha.---Yes.

That's you.---Yes.

The director. And the other is Hassan Habbouche.---Yes.

30

Now just starting with Towfik Taha, this is a time, isn't it, at which you were using the name Zac Malas?---Yes.

And in fact MWK is registered in the name of Zac Malas, is that correct? Just check. I withdraw that. MWK was registered in the name of Towfik Taha.---Oh, okay. Didn't know you could change that.

Now, TTS was registered in the name of Zac Malas.---Okay.

40

And your RMS EFT authorisation documents, et cetera, were in the name of Zac Malas. You recall that?---Okay. Yes.

And so now you're setting up a separate company, MWK Developments, where you're using the name Towfik Taha - - -?---Yes.

- - - on the ASIC registration documents and on the bank documents.---Yes.

Now, do you recall why it was that you weren't using the name Zac Malas on these documents?---No.

Well, was it in order to disguise the fact that it was in fact the same person who was operating MWK Developments and TTS?---Possible, yes.

Do you recall whose idea it was to put it in the name of Towfik Taha?---No.

And then you see there Hassan Habbouche. Do you recognise that name?  
---Yes.

10 And who does that name refer to?---Mr Dubois.

So did you understand that that was Mr Dubois' name that he'd been given at birth?---Yes.

And did you have any understanding of why it was that Mr Dubois was using that name on this bank document?---No.

Now, you've said that you and Mr Dubois were going to go into a partnership.---Yes.

20

And I take it that would be an equal partnership.---Yes.

Well, how was it proposed to work? You've said that Mr Dubois was going to be the one who would provide the funds.---And I'd do the work.

And you would do the work?---Yes.

So Mr Dubois would be like a silent partner?---Yes.

30 And then what would happen to the profits?---Obviously split fifty-fifty.

Split fifty-fifty. But would Mr Dubois be reimbursed for his initial investment?---Of course.

Right. And having regard to the fact that it was going to be a partnership, why is it that Mr Dubois's name wasn't on the ASIC documents?---Don't know.

40 Did Mr Dubois say anything to you at the time that this MWK account was set up about him wanting to have a non-contractor company – that is a company that wasn't a contractor for the RMS – into which he could receive payments from other contractors?---No.

You don't have any recollection of him saying anything to you about that?  
---Never. No.

You held a genuine belief that this was a company that you and he were going to operate to do a property development business?---Yes.

All right. And then if we could please go to page 92 of volume 5.1. You'll see this is now a second MWK Developments account at the ANZ bank.  
---Yes.

Opened on the same day 31 May, 2011.---Yes.

This time it's got an account number of 4-5-7-7.---Yes.

10 And again it's opened at Westfield Centre Court branch.---Yes.

Anyone to sign. And then you see on page 94 that again the authorised signatories are you and Mr Dubois.---Yes.

Now, did you have any understanding of why it was that you were opening up two bank accounts?---Don't know. I didn't even know - - -

Was it your idea?---No.

20 Was it Mr Dubois's idea?---Must have been. I don't know why he'd open up two accounts.

Now, Mr Taha, I just want to take you back to volume 5.2, page 217. This is once again the document which shows the dates on which you received payments from the RMS.---Yes.

And if you just recall that you established MWK Developments on 30 May, 2011.---Yes.

30 And you set up the bank accounts on 31 May, 2011.---Yes.

And if you just look then at the sequence of events, you did the first two jobs at Galston Gorge and you received payment from those ultimately on 12 May, 2011.---Yes.

And then you started doing the work for Kankool and you received the Kankool payments on 6 June, 2011 and 20 June, 2011.---Yes.

40 So somewhere between the Galston Gorge job and you being paid for Kankool, MWK Developments were set up.---That's right.

Right. And you say that the reason it was set up was so that you could do property development work, correct?---Yes.

And you recall in respect of that payment for invoice number 4 in relation to Kankool that I took you to - - -?---Yes.

- - - that that was an amount not referable to the quote from TTS.---Yes.

It was an inflated amount that you were ultimately paid.---Yes.

Now, you were paid that inflated amount on 20 June, 2011.---Yes.

And you then transferred \$52,000 from TTS to MWK on 21 June, 2011, the next day.---Yes.

10 So if we could go please to volume 5.2, page 2. Sorry, I withdraw that, it's not a transfer, it's a cheque. So, sorry, 5.1, page 4. And Mr Taha, this is the MWK Developments bank account statement.---Yes.

You'll see that it starts on 31 May, 2011.---Yes.

And you'll recall that's the date you opened the account.---Yes.

You see there on that date the balance brought forward is zero.---Ah hmm.

20 And then on 1 June, there's a deposit of \$500.---Yes.

And then on 21 June, which is the day after you were paid by the RMS for the Kankool invoice number 4, there's a payment of \$52,000.---Yes.

And then if we go, please, to page 7, this is a tracing document from the bank, which shows that that \$52,000 amount was paid by cheque.---Yes.

30 And then if we go to page 5, you'll see that this is again a tracing document from the bank, and on the first line, you'll see the number that ends 4-5-6-9. Do you see that?---Oh, yeah, there, yeah.

That's the MWK account number.---Yes.

And that's the \$52,000 cheque that goes in for credit. Do you see that? ---Yes.

And then if you have a look on the bottom line, you see that that cheque has come out of an account which is 5-6-5-4.---Yes.

40 And if we go back please to volume 5.2, page 2, you see that this is a TTS Group Investments bank statement.---Yes.

And you see at the top there that the account number ends in the last four digits 5-6-5-4.---Yes.

So it's the case, isn't it, that the day after you received the payment from the RMS in relation to invoice number 4 - - -?---Yes.

And you received a payment on that day of over \$169,000.---Yes.

And the following day, you have transferred \$52,000 – deposited, I’m sorry, I withdraw that – deposited a cheque for \$52,000 into MWK Developments.  
---Yes.

Now, do you recall doing that?---I don’t, but if – the records show it’s me, so, it’s me.

10 Do you recall whether you handed a cheque, physically handed a cheque to Mr Dubois?---It’s possible, yes.

Well, Mr Taha, you were the only signatory to the TTS account.---Yes.

And you were the only person with access to that account.---Yes.

So the RMS had paid a significant sum of money into that account.---Yes.

And that account, that money was yours to use?---Yes.

20 And you used your TTS account as a general bank account for living expenses. Is that correct?---Yes.

It wasn’t just a specific business account?---No, I used it for whatever.

And so – sorry?---I used it like, for whatever, just depending.

You used it for all purposes.---Yeah.

30 And so having received the payment from the RMS into the TTS account, that was your money to use?---Yes.

And then the next day you’ve transferred 56 – sorry, I withdraw that. You’ve drawn a cheque for \$52,000 in favour of MWK Developments.  
---Yes.

Which is then deposited into the MWK Developments bank account.---Yes.

And that’s an account that Mr Dubois has access to in addition to yourself.  
---Yes.

40 So are you able to say whether that was a kickback that you paid to Mr Dubois?---Pretty sure it was.

Well, have you got any other explanation of what it could have been?---No.

It must have been a kickback.---That’s right.

So you've said that when MWK Developments was first set up on 30 May, 2011, that you understood it was for the purpose of a property development partnership that you and Mr Dubois were going to go into.---Yes.

But sometime between that date and the date of this kickback, there must have been a discussion where Mr Dubois asked you to start paying kickbacks.---Yes.

10 Do you recall that?---No, but I remember him telling me that he wanted the money going into that account and he just wanted to put some savings in there. He wanted to use that account.

So just break it down. Mr Dubois told you that he wanted you to pay a kickback.---Yes.

And he told you he wanted you to pay it into the MWK Developments account.---Yes.

20 And did you understand that the money that was going to go into the MWK Developments account was going to be put towards the property development scheme that you had with Mr Dubois?---No, that was his money.

He made it clear that that was to be his money.---Yes. He - - -

And so he said something to the effect that he wanted to use that bank account as a savings account.---Yes, just until he had enough money to start the work.

30 Until he had enough money to start the property development work with you.---The property development, yes.

And so did you understand from that point that the way in which he intended to fund the property development company was through kickbacks?---No, I didn't know how exactly, but I'm assuming it was. I would have assumed it was.

40 Did Mr Dubois make it clear to you at that point – I withdraw that. Did you understand at this point that the payment of a kickback to Mr Dubois was to be a one-off event?---I don't think so.

Did Mr Dubois say something to you to give you the impression that this was now to be an ongoing arrangement going forward?---No, I can't remember that.

Do you recall whether in respect of each subsequent contract that you did after this one, whether you paid Mr Dubois a kickback?---Yes, pretty sure I did.

That is you accept, looking at the documents, that this must have been the first occasion on which you paid a kickback?---Yes.

And you don't recall, do you, there ever being an occasion after the first occasion when you didn't pay a kickback to Mr Dubois in respect of RMS work?---No.

10 Did you become aware at that time whether any other contractors for the RMS were paying kickbacks to Mr Dubois?---I didn't know. I assumed it, because they were his friends.

And how did you feel about – I withdraw that. The first kickback, as we've seen, was a payment by cheque for \$52,000.---Yes.

I take it that Mr Dubois would have told you the amount of the kickback that he was to be paid?---Yes.

20 And were you surprised by the size of it?---Of course.

And how did you feel about being asked to make a payment of that size to Mr Dubois?---I wasn't happy about it at all.

Did you say anything to Mr Dubois to suggest you weren't happy about it? ---Yes.

30 What did you say, to the best of your recollection?---From memory it's like, "That's a lot of money," and I think he said something along the lines, like, without him I couldn't, couldn't have got the job regardless. So it didn't leave me with a lot of profit at all.

It didn't leave you with much profit at all.---No.

THE COMMISSIONER: Ms Spruce, I was going to take a short break for morning tea. Is this a convenient time?

MS SPRUCE: Yes, it is, Commissioner.

40 THE COMMISSIONER: Very well. I'll adjourn.

**SHORT ADJOURNMENT**

**[11.30am]**

THE COMMISSIONER: Yes, take a seat. Thank you. Yes, Ms Spruce.

MS SPRUCE: Mr Taha, before the break I was asking you some questions about the first kickback that you paid to Mr Dubois, which was into the,

which was by cheque to MWK Developments. Now, do you recall that first cheque was deposited into the MWK bank account on 21 June, 2011?---Yes.

And do you have any recollection that you gave Mr Dubois a second cheque from TTS in favour of MWK Developments which was deposited into the other MWK bank account - - -?---I can't remember, no.

- - - the following day, that is on 22 June?---I can't remember.

10 All right, well, I'll take you to the documents to see if that assists to refresh your memory. So if we could go, please, to volume 5.1, page 95. You see, Mr Taha, that this is the MWK bank statement in respect of account number 4-5-7-7.---Yes.

So you recall the first bank statement that we looked at that the cheque for \$52,000 was deposited into was 4-5-6-9?---Yes.

So this is 4-5-7-7.---Yes.

20 And you see there that on 22 June, there's a credit for \$5,200.---Yes.

Which is listed as a card entry at Westfield Centre Court.---Yes.

And that's the branch right next to Mr Dubois' work, correct?---Yes, correct.

And then if we have a look at page 99 of the same volume. You see there on the tracing document that that \$5,200 amount was paid by cheque.---Yes.

30 And then if we go, please, to page 96 of the same volume, you see down the bottom there that on the first line, account 4-5-7-7.---Yes.

You see that? Has received a credit of \$5,200.---Yes.

And then on the bottom line that that money has been debited from account 5-6-5-4.---Yes.

And you recall that was the last four digits of the TTS bank account. ---That's right.

40

So does that assist you to recall that on 20 June, 2011, you were paid a large sum of money from the RMS in relation to Kankool?---Yes.

And then on 21 June, TTS wrote a cheque for \$52,000 to MWK Developments?---Yes.

And then the next day on 22 June, wrote a further cheque for \$5,200 in favour of MWK Developments.---Yes.

Do you recall doing that now?---I don't recall doing it, but it's there so I must have. There's no other reason why.

And is it the case that that second cheque for \$5,200 would also have been a kickback to Mr Dubois?---I'm assuming.

Well, is there any other - - ?---There's no other reason.

10 - - - circumstance in which TTS would have paid money into one of the two MWK bank accounts - - ?---No.

- - - other than as a kickback to Mr Dubois?---There's, there's either a kickback or unless I transferred it into there to use the money myself.

Well, were you using the MWK bank account?---From time to time I would use it.

20 Did you have some sort of agreement with Mr Dubois about the use of that bank account?---Not that I can remember.

Well, if we can just go back a step, you said that your initial understanding was that MWK Developments was being established for you to go into property development with Mr Dubois.---That's right.

But then you gave evidence that at the time of the payment of the first kickback by cheque to Mr Dubois he said words to you to the effect that he was going to use the MWK bank account as a savings account.---Yes.

30 Until he had enough money.---Yes.

And that you were to pay kickbacks into that account.---Yes.

And now you're suggesting that you also, from time to time, used one of the MWK bank accounts yourself?---Yes.

40 Now, are you able to draw a distinction between the two accounts? Do you know whether you used both of them or just one of them?---I think it was just one of them. I didn't know about a second account.

Well - - ?---I only assumed that there was one account.

Well, you recall that you were the signatory to both accounts.---Yes, I know.

So you must have known.---I'm telling you I, I can't remember so - I'm not denying it. I'm just saying I can't remember that there was two accounts.

I understand. I understand you don't recall, sitting here today, that you opened two accounts.---Yes.

But you must have known at the time that you'd opened two accounts because you were the person who was present signing the documents to open the accounts.---Of course I must have. Yes.

10 So up until this point am I correct in thinking that you've been using your TTS bank account for living expenses, et cetera?---Yes. Yes.

Did you have any other bank account that you used?---I think a St George account as well.

You might have had a personal St George account?---I think so.

And if we could go back to volume 5.1, page 65. You see that this is the bank statement for MWK Developments account 4-5-6-9.---Yes.

20 And if you scroll down to the bottom, please, you'll see that these statements are addressed to The Manager, MWK Developments Pty Ltd. ---Yes.

And then there's your PO Box.---That's right.

So it's the case, isn't it, that into your PO Box you were receiving the bank statements for TTS?---Yes.

30 And you were also now receiving the bank statements for MWK account ending in 4-5-6-9?---Yes.

And do you recall that you were also receiving the bank statements for MWK account ending in 4-5-7-7?---Yes.

They were all coming to that PO Box, correct?---Yes, correct.

So, did you have internet banking access in relation to these accounts, do you recall?---I think so. Don't recall.

40 You don't have any recollection about who had access to the accounts via internet banking?---No.

But is your evidence that you don't have any recollection of coming to some agreement or arrangement with Mr Dubois about who could use the money that was deposited into these two MWK Development accounts?---Yeah, well, the money that I'd given him for his kickback was his. Yes.

Can I ask you this question?---Yes.

Is it the case that the cheque for \$56,000, although you don't specifically recall giving it to him - - -?---Yes.

- - - is it the case that it's obvious to you that that must have been a kickback because of the size of the cheque?---Absolutely.

And is it the case in respect of the subsequent cheque for \$5,200 that you think that might have been money you transferred to use yourself?---Or it could have been part of the kickback.

10

Or it could have been part of the kickback.---Yes.

Was it usual though, over the course of time that you dealt with Mr Dubois and he requested kickbacks from you, that you would pay a cheque in a smaller amount?---No.

Comparatively speaking, like 5,200?---I can't remember that, no, it was just always the large sum one, one sum or large sum of money.

20

But can you give us any explanation as to why you think it might be that you would have been transferring \$5,200 into an MWK bank account so that you could use it? What was the point? It was already in the TTS account. You could access the funds there.---Yeah, I, the accountant, I remember accountant once telling me that if you use different, a company uses a different, like, if you transfer money saying that that company did work for this company, that you get, you pay less tax, from memory. That's the only other thing. Otherwise, it would have been part of his kickback. So it's, it's very hard for me to remember at the exact - - -

30

All right. I want to take you now, please, to a job that you did at Marulan. Do you recall doing work at Marulan?---Yes.

So this is now, you did Galston Gorge, then you did Kankool, and now Marulan is the next in time.---Yes.

And if we could go, please, to volume 5, page 76, you'll see that this is a quote from the TTS Group for some signage work at Marulan.---Yes.

40

Now, this was the first time that you were quoting in respect of signage work, is that correct?---Yes.

And again, you didn't have any skills or experience in doing signage work?---No.

And you didn't have any capacity to do that work yourself?---I think I did the, most of the signs myself.

Did you have subcontractors to assist you with it?---Absolutely, yes.

I see. So when you say you think you did most of the work yourself - - -?  
---Oh, meaning the signage, installing the sign.

Right.---Yeah. But, like, the steel, I, I had subcontractors, with the concrete, with the electrical work – sorry, I thought you were saying, referring to, like, actually physically putting the sign up.

10 I understand. Now, looking at this invoice, you see there the description, there's a relatively detailed description of the work that needs to be done.  
---Yes.

Does that look to you like something that you would have written?---No.

So, would it be correct to assume that Mr Dubois must have populated this quote for you?---Yes.

20 And was that something that Mr Dubois did routinely from this point on, do you recall?---Pretty much every time. From memory.

Pretty much every time Mr Dubois would fill out the body of the quote.  
---From memory, yes. Yes. Well, you could clearly, you, you've clearly noticed the difference between the detail, and the, if the quote was undetailed and very short, that would have been mine. And if it's like this, then that's not mine.

So it's the case, isn't it, that where you've written the description in a quote, it's very short and there's frequently spelling or grammar mistakes?---Yes.

30 And sentences are incomplete.---Yes.

And when Mr Dubois has written them, then there's correct grammar, correct sentences.---Looks professional.

It looks professional.---Yes.

So you can - - -

40 THE COMMISSIONER: You just didn't have the knowledge to itemise in a quote like this, is that - - -?---No, I didn't. No, Commissioner.

MS SPRUCE: And you see there that the total amount is \$30,800 including GST.---Yes.

Now, is that an amount that Mr Dubois would have put in there?---Yes.

And I take it that, based on the evidence you've given so far, there would have been some sort of conversation between you and Mr Dubois where you would tell him what your costs and reasonable profit would be?---Yes.

And for the purpose of telling Mr Dubois that, would you make inquiries of subcontractors?---Yes.

So before actually a written quote being created, there's a process whereby you contact subcontractors?---Yes.

10

Find out what their costs will be?---Yes.

Work out what your costs will be?---Yes.

Add on your profit margin?---Yes.

And then you relay that information to Mr Dubois?---Yes.

And then Mr Dubois inserts an amount into the quote.---Yes.

20

Which is higher than the amount you've told him it will cost you to do the job?---Yes.

And do you get told at this stage, at the stage of quotation, what the amount of Mr Dubois' kickback will be?---I'm pretty sure I would have.

Is it simply the case that Mr Dubois' kickback is whatever the extra amount is that he's added onto the invoice?---No, sometimes, like, if I say to him, like, say, between 20 to 30 per cent would be my profit margin, he would sometimes knock that back and say 10 per cent and his margin. So it wasn't always the case where I set a price for me and that's it. He would always negotiate that and say, "Okay, you're not doing much on this job, you get 5,000, I get 10,000, or vice versa, you get 10,000 and I want 10,000," for example. There was never a clear-cut line as to - - -

30

I understand. So it wasn't the case that you would necessarily get 30 per cent profit.---No.

You could get anywhere between 10 and 30 per cent.---Yes.

40

Did it ever fall below 10 per cent?---Don't think so, but it's hard to tell. I can't remember.

Now, if we could then go, please, to page 70 of the same volume. You'll see that this is a quote for the same job.---Yes.

But it's from MWK Developments Pty Ltd.---Yes.

Now, have you seen that letterhead before?---Yeah, I think I seen it last time I was here. But no, before that, never.

Other than in the context of this inquiry - - ?---No.

- - - have you seen this before?---Never.

This is not a template that you set up?---No.

10 Did you have anything to do with creating the slogan, “Tomorrow’s future today?”---I think I did.

Is that something you might have discussed with Mr Dubois?---No, I think that’s something I came up in the beginning, like, when I wanted to, for the development, that would have been something I would have came up with.

So “Tomorrow’s future today,” was a slogan you came up with when you thought that MWK Developments was going to be used for property development.---That’s right.

20

And did you have any idea that MWK Developments was going to start quoting for RMS work?---No, not until he told me about it.

And do you recall when he told you about it?---Yes. So when this job came up, I recall him saying that he can’t give it to me in TTS, “But how about we use MWK and then you could get the job.” So I agreed.

30 And did he say why he couldn’t give it to you as TTS?---I, I think he said he’s already given me a big job, he can’t give me another big job with the same company, from memory.

And did you have any understanding of why it was that he couldn’t do that, what was the problem with TTS having two big jobs?---So he doesn’t get any attention, doesn’t attract any attention.

From supervisors at the RMS?---Yes.

40 And so you can see here that again this quote is using the PO Box at Mount Lewis.---Yes.

And is that your phone number?---Yes.

And then it’s using your personal email address.---Yes.

So did Mr Dubois tell you or ask you if he could use all of those details in relation to this quote?---No.

And you see that this quote, if we go to page 73, is in your name, Towfik Taha.---Yes.

And then it's for the same amount as the TTS quote.---Yes.

And if we go back to the first page at page 70, you'll see that this quote is on 6 June, 2011.---Yes.

And the TTS quote was on 7 June, 2011.---Yes.

10

And then if we could go, please, to volume 5, page 81. You'll see that this is an email from info@ttsgroup to Mr Dubois on 14 June.---Yes.

Where there's three attachments. One is a quote for the Kankool renovation.---Yes.

One is a quote from Marulan.---Yes.

20

And one is a quote for Bell.---Okay, so that's probably why he didn't want me to do TTS do the Marulan job 'cause I think we had the job coming up, the renovation job.

All right.---Is that what you're saying?

No, well, I just - - -?---Oh, okay, sorry.

That's all right. I'll show you the documents in fairness - - -?---I shouldn't have interrupted, sorry.

30

- - - to just refresh your memory. So if we go to page 82.---Yes.

You'll see this is now the quote for the Kankool renovation.---Okay, yep.

Do you recall that?---Yes.

And I take it, yes, I take it, looking at this quote, are you able to say, looking at the description, whether this is a quote that you would have written yourself?---Yes, I, I, I've done that and, yeah, there's a lot of mistakes, I know.

40

There's a lot of mistakes. There's, in the fourth bullet point, it says "To supply our materials re."---Yes.

And then you see that the subtotal and the GST don't add up.---Yes.

So you've physically created this quote.---Yes.

But is it correct to assume that the total amount in the quote is an amount that Mr Dubois has told you to put in there?---Yes.

So you've incorrectly added up the GST but Mr Dubois' told you to put in the \$155,000 subtotal.---Yes.

All right. And then on the next page is the MWK Developments quote.---Yes.

10 That we looked at a moment ago. Now, you gave evidence just a moment ago that, prior to this inquiry, you'd never seen this quote before.---Yes.

But now here is an email from the TTS Group formally sending this quote, amongst others, to Mr Dubois.---Yes.

So does that refresh your memory that in fact you have seen this quote before?---Yeah. I would have. No, I haven't seen the other one before it.

20 Oh, I see.---You know, so this one, would have sent it to me, sent it back. But I never created – see all that detail there?

Yes.---That wouldn't have been there.

I understand. And then on the next page there's a quote.---Yes.

In relation to Bell TIRTL work.---Yes.

And I take it that you wouldn't have written that description.---No.

30 And you had no skills to do the TIRTL work, is that correct?---No.

And you wouldn't have decided the amount - - -?---No.

- - - to put in there?---No.

That would have all been done by Mr Dubois.---Yes.

40 Yes, if you look up to the job at the top of the quotation, you'll see that TIRTL is misspelt.---Yes, that's, I would have filled that bit. The first, I would have done it like that, sent it to him. Or I would have had some sort of description and then he resent it to me to resend back.

So it's likely, is it, that you sent him a quote where you'd had a go.---Yes.

At - - -?---That's generally what - - -

- - - writing the description. And then he's fixed it.---Yes.

But he's missed the mistake in the job description and he's sent it back to you, as you described earlier, for you to then formally send it through the TTS Group email.---Yes.

All right. And then if we can then go, please, to volume 5, page 143. You see there that this is a tax invoice, number 5. So this is now the next invoice sequentially that you submitted to the RMS.---Yes.

From TTS Group in relation to the signage at Marulan.---Yes.

10

So I think you gave evidence a moment ago that you thought that perhaps that job had been awarded to MWK Developments.---Yes.

But in fact that job was awarded to TTS.---Okay.

And so there's an invoice there for the quoted amount. And then if we could go, please, to page 152 of volume 5. This is invoice number 6.---Yes.

20

So again the next in sequence after number 5. And this is in relation to the TIRTL work at Bell.---Yes.

And then if we could go, please, to invoice number 7. Sorry, at page 147 of the same volume. This is invoice number 7 in respect of the renovation work at Kankool.---Yes.

And you see that the error in relation to the GST is still there.---Yes.

30

And then if we go, please, to page 156 of the same volume, you see that this is an email from TTS Group to Mr Dubois on 20 June, 2011, in relation to invoice number 7?---Yes.

And then on the next page, please, you see that this is a revised version of invoice number 7, where the error with the GST has been corrected.---Yes.

And so is it correct that that correction in relation to the GST is something Mr Dubois would have asked you to do?---Yes.

And then you've sent this revised invoice.---Yes.

40

And then if we could go, please, to volume 5.2, page 217, this is again the RMS schedule of payments into the TTS bank account.---Yes.

And you recall that the three invoices we've just looked at in relation to Marulan, Kankool, and Bell were invoices 5, 6, and 7.---Yes.

And can you see there that those three invoices were all paid in one lump sum on 21 July, 2011?---Yes.

And if you go right across to the Payment column, you see that in respect of those three invoices, you were paid \$236,500.---Yes.

Now, that was on 21 July, 2011 that you received that payment, thereabouts.---Yes.

And then, a couple of days later, on 25 July, you wrote another cheque from TTS to MWK Developments.---Yes.

10 So I'll take you to that now. If we could go, please, to page 25 of volume 5.1. I withdraw that, sorry. If we could go, please, to page 4 of volume 5.1. Do you see there that on 25 July – this is the bank account statement for MWK Developments account ending 4-5-6-9.---Yes.

And you see there that on 25 July, there's a deposit for \$62,700?---Yes.

And then if we could go, please, to page 25 of the same volume, you can see there that that \$62,700 amount was paid by cheque.---Yes.

20 And then if we could go, please, to page 23 of the same volume, you see there in the tracing document that in the top line – that's account 4-5-6-9 – there's a credit for \$62,700.---Yes.

And if you go down to the bottom two lines, you'll see that it's comprised of two separate amounts, one for \$13,200 and on the bottom line, \$49,500, referable to account number 5-6-5-4, which is the last four digits of the TTS account.---Yes.

30 So does that assist you to recall that on 25 July or thereabouts you gave Mr Dubois a cheque for \$49,500?---Yes.

Do you recall whether you deposited the cheque into the MWK Developments account, or you generally handed the cheque to Mr Dubois? ---Generally I gave it to him.

And I take it that that payment of \$49,500 would have been a kickback? ---Yes.

40 In respect of those three jobs that we've just looked at, Marulan, Kankool, and Bell.---Yes.

And so was it your understanding that Mr Dubois was calculating the amount of the kickback that he wanted to be paid in respect of each job, or was it the case that after you received a payment from the RMS, he would take a proportion of the amount that you'd been paid?---I think he knew what he wanted before.

So you understood he was in effect keeping a running tally of what he was owed?---Yes.

And then when you were paid a lump sum by the RMS, whether it be in respect of one or multiple jobs, that he would then ask for what he had calculated he was owed out of all of those jobs that had been done.---Yes.

And if we could then please go to page 228 of volume 5. You'll see that this is quote number 9 from the TTS Group.---Yes.

10

And this is for a job at, forgive me if I pronounce this incorrectly, Kundabung.---Yes.

And it's to do with again widening the road and asphaltting.---Yes.

And again that's work you would have required subcontractors to carry out. ---Yes.

20 Do you recall what subcontractors you used for that job?---I think it was Country Pavement.

Country Pavement Services.---I think so. Something like that. It would have been someone he recommended, Mr Dubois.

Mr Taha, you see that this is quote number 9.---Yes.

And it's in 16 August, 2012.---Yes.

30 And the other jobs that we've been looking at as we've been going through them in sequence were in mid-2011.---Yes.

Do you recall whether there was a period where there was a lull in work coming to you from the RMS?---Can't remember. I think so. Can't remember exactly. 'Cause I was doing other work at the time as well, so - - -

40 I see. What other work were you doing?---Same what I was doing before, so a bit of tree, a bit of - whatever I could get, wherever I could get work from.

But it's the case, isn't it, the work you were doing for the RMS was significantly more lucrative - - -?---Yes, of course.

- - - than the work you were doing elsewhere?---Yes, absolutely.

Now, having a look at this quote number 9 in respect of Kundabung.---Yes.

Looking at that on its face, are you able to say whether you would have drafted that quote or Mr Dubois?---I don't think I would have done that, no.

You don't think you would have done that because of the professionalism of the quote and the detail included?---Yes.

So it must have been Mr Dubois. Is that - - -?---Mr Dubois.

10 And you see there again there's a price, we're on page 229 now, of 149,000 plus GST.---Yes.

And I take it from the evidence you've given so far that that is a price that would have been set by Mr Dubois.---Yes.

And did you understand that that price would have included an amount that was to be paid to Mr Dubois as a kickback?---Yes.

20 Now, if we could go, please, to volume 5, page 249. You said a moment ago that you thought that you'd used Country Pavement Services as the subcontractor to do the job at Kundabung.---Yes.

And so this is in fact an invoice from Country Pavement Services to the TTS Group on 15 October, 2012, in respect of truck bays at Kundabung. ---Yes.

So you were correct, weren't you, in thinking that it was Country Pavement Services that you subcontracted the work to.---Sorry, I didn't - - -

30 You were correct a moment ago - - -?---Yeah, okay.

- - - in recalling that it was Country Pavement Services that you subcontracted the work to.---Okay.

And can you see there that the amount of the Country Pavement Services invoice is 35,500, including GST?---Yes.

And you recall that the invoice, the quote, rather, from TTS that I showed you a moment ago was for \$149,000?---Yes.

40 So there's a very significant difference, isn't there - - -?---Yes.

- - - between the amount that Country Pavement Services is charging and the amount that the TTS group is charging.---Yes.

Now, subject to the evidence you've given earlier about the project management type role that you performed in respect of these works, that is where you were present onsite and you were the one who actually contracted with Country Pavement Services - - -?---Yes.

- - - putting to one side your contribution in that respect, is it the case that Country Pavement Services otherwise did all of the actual work of widening the road?---Yes.

And do you see there someone has handwritten a series of dates and \$5,000 amounts?---Yes.

10 Do you recognise that handwriting?---No.

It's not your handwriting?---No.

Do you recall whether you were the person who dealt with Country Pavement Services in terms of contracting them to do this work and paying them?---I might have paid them or something like that, but Mr Dubois was the one that told me to use them or he'd already engaged them. I think he already did. I'm not sure. I can't recall.

20 So there were some circumstances – sorry?---I can't recall exactly.

I see. So you can't recall in relation to this job specifically, but is it correct that there were some circumstances where Mr Dubois would actually engage the subcontractors himself and then - - -?---Yes, because I never knew these people. He was the one that told me about them.

I see. And in respect of the significant discrepancy between the amount of the Country Pavement Services invoice to you and the TTS quoted amount to the RMS - - -?---Yes.

30 - - - is it the case – I withdraw that. I take it that some of that discrepancy is accounted for by you allocating a profit margin to yourself?---Yes.

And is it your evidence that that profit margin would have been between 10 and 30 per cent?---Yes.

Your profit margin didn't increase over time?---No.

40 And the rest of the discrepancy would be accounted for by kickbacks that were to be paid to Mr Dubois?---Yes.

All right. And then if we could go again to volume 5.2, page 217. I'm sorry – I withdraw that. If we could go first, please, to volume 5, page 251. This is the actual tax invoice that TTS submits to the RMS for payment in relation to this work.---Yes.

And that's dated 5 September, 2012.---Yes.

And then if we could go, please, to volume 5.2, page 217. And you see now if you move past the highlighted section, about six rows from the bottom, you'll see invoice number 23.---Yes.

Which is the invoice in relation to the Kundabung Road parking bays.  
---Yep.

You'll see that you were paid \$163,900.---Yes.

10 On 4 October, 2012.---Yes.

And do you recall that you then, on 10 October, 2012, so several days later -  
- -?---Yes.

- - - wrote a cheque for \$77,000 - - -?---Yes.

- - - to MWK Developments.---Yes.

20 And I'll take you to the documents in relation to that. If we could go,  
please, to volume 5.1, page 65. You see there that on 10 October, this is a  
bank statement for MWK Developments for the account number ending in  
4-5-6-9.---Yes.

And on 10 October there's a deposit of \$121,000.---Yes.

And then if we go, please, to page 74 of the same volume, you'll see there  
that that amount was paid by cheque.---Yes.

30 And then if we go, please, to page 72, you'll see on the tracing document  
that the amount of \$121,000 goes into account 4-5-6-9 - - -?---Yes.

- - - which is the MK Developments, MWK Developments account. And  
then on the bottom two lines you'll see it was made up of two cheques, one  
for \$77,000 and one for \$44,000.---Yes.

And if you have a look at the \$77,000, that's come from account number  
ending 5-6-5-4 - - -?---Yes.

40 - - - which you'll recall is the TTS bank account number.---Yes.

And so that \$77,000 cheque would again have been a kickback payable to  
Mr Dubois.---Yes.

And then if we go to page 77, you'll see on this occasion we actually have a  
cheque, and is that your signature on the cheque?---Yes, it is.

Signing as Zac Malas.---Yes.

And it's your recollection that you handed this cheque to Mr Dubois.---Yes.

Now, Mr Taha, you said at the beginning of your evidence that you saw Mr Dubois give his evidence.---Yes, some of it, not all of it.

Some of it. Well, do you recall seeing Mr Dubois giving evidence about his recollection of the first occasion on which an arrangement was arrived at between you and he as to the payment of a kickback?---No.

10 You didn't see that evidence?---I didn't hear that, no.

Well, it's at transcript page 1068. If I can summarise the effect of it for you, Mr Dubois told the inquiry that at the time that you were initially doing RMS work, that Mr Alameddine was also trying to do RMS work and was asking Mr Dubois to provide RMS work to him.---Yes.

Do you agree with that?---Yes.

20 You recall that occurring?---Yes.

So Mr Alameddine was your school friend?---Yes.

And he knew that you had started doing RMS work.---Yes.

And did Mr Alameddine say something to you about wanting to do RMS work himself?---Yes.

30 Do you recall what he said to you?---No, but just off the top of my head from memory, that he wanted to do, wanted to work as well, because I think at the time he wasn't working.

And do you recall what Mr Dubois' attitude was, or did you know at the time what Mr Dubois' attitude was to Mr Alameddine doing RMS work? ---Not – I think initially he didn't want him to do it but then, I don't know, they must have agreed to do some work together.

So your recollection is that there was an initial period where Mr Dubois didn't want Mr Alameddine to do RMS work?---Yes.

40 And did you have any understanding of why that was?---No.

And then it's your understanding that eventually Mr Dubois relented and Mr Alameddine did start doing RMS work?---Yes.

Is that correct?---That's right.

And do you have any idea why it was that Mr Dubois changed his mind about Mr Alameddine doing work?---No.

Mr Dubois gave evidence to the inquiry that Mr Alameddine offered to give Mr Dubois a percentage of the profits to try and incentivise Mr Dubois to give Mr Alameddine work.---Okay.

Do you recall hearing that evidence?---Yes.

10 And Mr Dubois also told the inquiry that he then relayed Mr Alameddine's offer to you. Do you recall hearing that evidence?---No. Yeah, I heard the evidence, sorry, but that, that's not true.

That's not true.---No.

You have no recollection of Mr Dubois ever saying to you that Mr Alameddine had offered to pay him a percentage of the profits?---Yeah, no, that never happened.

20 So, it's your evidence, is it, that Mr Dubois asked you to start paying kickbacks in the circumstances you've already given evidence about? ---Yeah, well, he, he was already receiving kickbacks before that.

He was already receiving kickbacks from you?---From me, like, yeah.

Before Mr Alameddine started doing the work?---Yes.

30 Mr Taha, did you subsequently become aware at some stage that Mr Alameddine was paying kickbacks to Mr Dubois?---Yes, I think so. But I never knew what it was or what their agreement was or anything like that. And that was the case with all the other contractors. I just assumed that they were paying. But I never knew what it was or how it was or anything like that.

So you assumed other contractors were paying Mr Dubois kickbacks.---Yes.

And what was the basis of that assumption?---Oh, just because they're all his friends. And so he would have been doing the same what, what he's been doing with me.

40 So you assumed that anyone who was doing contract work for Mr Dubois who was a friend of Mr Dubois' was doing it on the same basis as you? ---Yes.

That is, that a kickback was required to be paid to Mr Dubois.---Yes.

But you say, do you, that you had no knowledge of how much any particular contractor was paying to Mr Dubois?---No. No knowledge.

And that it was just an assumption on your part that they were paying kickbacks.---Yes.

Mr Taha, you gave evidence earlier in respect of the MWK bank accounts, bank statements rather, that in respect of both MWK accounts the bank statements were being delivered to your PO Box.---Yes.

So you were the person receiving those bank statements?---Yes.

10 And how often did you go to your PO Box to clear the mail?---Don't know, once every few weeks. Two weeks, three weeks, maybe, depends.

So once every few weeks, you'd go to the PO Box to clear the mail.---Yes.

And it would be the case, wouldn't it, that approximately every month or so there would be a statement in there from the bank, from the ANZ bank - - -? ---Yes, yes.

20 - - - addressed to you, containing bank statements for the two MWK bank accounts?---Yes, yes.

And did you open those letters?---I think I opened them maybe twice, once or twice.

Well, as I understand your evidence, you set up MWK with Mr Dubois because you thought that you and Mr Dubois were going to go into a property development business.---Yes.

30 And subsequent to doing that, Mr Dubois started asking you to pay him kickbacks, correct?---Yes.

But notwithstanding that, it was still your understanding that you and Mr Dubois would ultimately begin your property development business. Is that correct?---Yes.

And have I understood your evidence correctly in thinking that you understood that Mr Dubois was getting sufficient funds together - - -?---Yes.

40 - - - in order to be able to invest in properties with you?---Yes.

And that the source of the funds that he was getting together were kickbacks.---Yeah, I, I assumed that - - -

Or at least one of the sources was kickbacks from you.---Yes, well, from me. Yes.

And you assumed that another source of funds he might be getting together was kickbacks from other contractors. Is that correct?---Yes.

Well, didn't you have a curiosity about how much money was going into the account?---Yes.

I mean, you must have.---Yes.

You knew that you were being asked to pay exorbitant amounts to Mr Dubois.---Yes.

10 And you've given evidence that you felt surprised and upset about the amounts you were being asked to pay.---Yes.

Didn't you have a curiosity about whether other contractors were paying amounts, if so how much they were paying, whether they were paying as much as you?---Oh, yeah, I, I had a curiosity, yes.

Right, and so you opened the MWK bank statements on at least one or two occasions, correct?---Yes.

20 If we could go, please, to volume 5.1, page 4. Mr Taha, this is the MWK bank statement for 4-5-6-9.---Yes.

And I've taken you to this earlier. This is the bank statement from 31 May, 2011. That is the day the account was opened.---Yes.

And do you recall that there's a balance of zero brought forward? And then on 21 June there's the deposit of \$52,000, which we know is a cheque from TTS to MWK.---Yes.

30 It was a kickback paid by you to Mr Dubois.---Yes.

Now, this is the very first statement that you would ever have received.---Yes.

From MWK.---Ah hmm.

And it's likely, isn't it, that you would have opened this one.---No.

40 You wouldn't have opened this one?---No. Because out of respect for him I, I wouldn't 'cause he said that he wanted to use it for his savings. So out of respect I never checked it.

Well, you gave evidence a moment ago that you did check it on one or two occasions.---Yes, one or two occasions I did.

So - - -?---Because if I'd seen a sum like that, I would have questioned him.

A sum like what?---It says 300,000. 306,000 and whatever, \$957.40.

And so when you say you would have questioned him, what do you mean by that?---Oh, I would have said to him you've got 300,000-plus sitting in the account.

In other words, you would have asked him why it was that you couldn't start the property development business, is that what you're suggesting?---Yes.

10 You wouldn't have thought to ask him where the 306-odd-thousand dollars had come from?---Of course. Yes.

THE COMMISSIONER: If you were genuinely of the view that this was going to be the means for entering the property development area, well, wouldn't you be examining this account from time to time to see how far away that plan might be before you could implement it?---Yes, but he said to me he wants to put some, some of his money in there for the time being.

20 Yeah.---And so out of respect for him, I never checked it 'cause I didn't want to be nosy.

But you and he, as it were, went into the opening of this account - - -?  
---Yes.

- - - for your, you're both signatories to it, you both could operate it, right?  
---Yes.

And this account was going to eventually provide the wherewithal for both of you to go ahead with a property development plan.---Yes.

30 Well, wouldn't you be looking at it to see, from time to time, whether it's reaching a stage where that plan could be realised?---Yes, I should have, but I got used. I got, I was like his guinea pig, using me.

But I thought if you and he were genuinely interested and perhaps keen to get going with property development, that you'd be watching this account like a hawk, wouldn't you, to see whether it was getting to a point where you'd be able to say, "Let's press the go button"?---Yes, you're correct, Commissioner.

40 Well, are you saying - - -?---But I didn't.

- - - but you did not do that?---But I didn't do that because I trusted him and I just assumed that he would tell me when it's ready and I just, I was a fool for not checking it.

Well, you say you trusted him, but you knew that throughout this episode and the time, well, soon after the time you commenced working for RMS or RTA, that he was dishonest.---Yes, Commissioner.

Well, how can you trust a dishonest man?---I didn't think he'd do that to me. Being his friend.

MS SPRUCE: Mr Taha, when you say you didn't think he would do that to you, being his friend, it's the case, wasn't it, that he was asking you to pay him corrupt payments in the form of kickbacks.---Yes.

Notwithstanding that you were his friend.---Yes.

10

So you knew that the friendship between the two of you was no bar to Mr Dubois using you as part of a dishonest enterprise.---Yes, I should have known that. But I, I didn't think – I was, I was used, so I just trusted him, I believed him and that was it.

THE COMMISSIONER: You knew you were part of the dishonest enterprise.---Yes, I was part of it. Yes.

From the very first kickback - - -?---Yes.

20

- - - that you arranged. Is that right?---Yes, Commissioner.

And you stayed with him in this illegal enterprise - - -?---Yes.

- - - partly, at least partly because you were getting a good return out of it. ---Yes.

MS SPRUCE: And, Mr Taha, you've said that you had suspicions that other contractors were paying kickbacks.---Yes.

30

It would have been a very simple matter to confirm your suspicions, wouldn't it, just by looking at these bank statements.---Yes.

And so is it the case that you preferred to remain ignorant of whether other contractors were in fact being paid kickbacks?---I wasn't preferring to be ignorant. It wasn't my business whether they, like, I never questioned him as in is this person or that person paying you kickbacks, I assumed it, so it just went unsaid.

40

Well, you've given evidence that Mr Dubois often negotiated with you about the amount that you could take from a paid invoice, and that you sometimes didn't get the 30 per cent profit that you had forecast for. ---Yes.

And your amount would be reduced so that Mr Dubois could have a bigger kickback.---Yes.

And did you feel that that was unfair?---Of course.

And so didn't you have a curiosity about the amount of kickbacks that you suspected other contractors were paying?---Yes, I did have a curiosity.

And yet despite your curiosity your evidence is you didn't open these bank statements.---No, out of respect to him.

Out of respect for Mr Dubois.---Yeah, so I'm not being nosy with his business.

10

Now, out of respect for Mr Dubois, did you give him the bank statements?--  
-No, I don't believe.

What did you do with them?---Most of the times I threw them out.

You threw them out.---Yes.

20

Well, if you were motivated by respect for Mr Dubois, then why would you throw the bank statements out?---Well, he could tell how much money in there, he knew what was going in there, he was using it, so - - -

THE COMMISSIONER: And did you not want to keep a record of what was happening with this account?---Yeah, I didn't know about the accounting stuff.

I don't understand that if you're being sent bank account statements, you normally keep them as a record, don't you?---Yes, as a record for tax.

30

A record for tax or - - -?---Yes.

- - - or for other reasons too. So why would you go throwing out the bank statements for these accounts?---Not just them, I done that generally with all my accounts. I never really understood the process of accounting and keeping the books and stuff like that.

40

What would you say that it became apparent that you and he were not going to go into property development, but this scheme that was being operated by you and him was so good in terms of its return that you were going to stay with that arrangement involving RMS work, rather than branch out into property development. What would you say if that's put?---I'm sorry, can you - I didn't understand.

You say that you and Mr Dubois went into this arrangement with a view to becoming involved in property development, so you could build up an amount of money to be able to go ahead with that venture. Is that right?---  
Yes.

It became obvious, it might be said against you, that your dream of, plan of property development certainly went out the window pretty early when you realised how much money you could make through this scheme doing RMS work.---Yeah, well, at the time we were just going to continue to work and make money as much as we can before we moved onto the next project.

What I'm saying is, the idea of the property development just fell away and you're more than happy to continue this very lucrative scheme working with Mr Dubois. ---Yes, Commissioner.

10

MS SPRUCE: Mr Taha, by this time you'd already been running a business through TTS for some time.---Yes.

And you understood that as the director of a corporation you had obligations.---What type of obligations?

Well, for example, not to trade while insolvent.---I don't know what that means.

20

You didn't have any understanding of your obligations as a director of a company?---I don't know what you just said in regards to not trading in - - -

Well, it means that you have, the company has money to be able to pay its bills as and when they fall due.---Yes.

And you knew that that was your responsibility if you were the director of a company?---Yes.

30

So you knew that you were the director of MWK Developments.---Yes.

And you knew that Mr Dubois was running a dishonest scheme - - -?  
---Yes.

- - - involving MWK Developments.---I didn't know he was involving – in what regards do you mean involving MWK?

Well, you knew that you were being asked to pay kickbacks into the MWK Developments bank account.---Yes.

40

So you knew, didn't you, that Mr Dubois first of all was not an honest man, you knew that.---Yes.

And second of all, you knew that at least in respect of you, he was using the MWK Developments account as a tool in his dishonest scheme.---Yeah, I didn't know at the time.

You must have known it at the time, because you were paying kickbacks into that account.---That's right, but that was because it was his money. So,

he said, "Let me put it in this account to use it." But I never thought of it, of him using the company to have, to, to put all his kickbacks into it.

Mr Taha, you've given evidence that you didn't open the bank statements out of respect for Mr Dubois. But you've also said that there was one or two occasions when you did open the bank statements.---Yes.

So what changed that caused you to open the bank statements on those occasions?---I don't know.

10

Well, what was your motivation for opening them?---I can't remember. I just remember opening and looking at them once or twice, two letters I think it was, and that was it.

Did Mr Dubois ever ask you to give him the bank statements?---No.

Did Mr Dubois ever ask you whether you'd looked at the bank statements? ---No.

20

Did Mr Dubois ever ask you not to look at the bank statements?---No, not that I can remember.

Well, I don't understand your evidence that you didn't look out of respect for Mr Dubois, because you were a partner in this property development enterprise, weren't you?---Yes.

And you were a director of MWK Developments.---Yes.

30

And you were a signatory on the bank account.---Yes.

You were the sole director of MWK Developments.---Yes.

So, this was your business.---Yes.

What was going on in this bank account was entirely your business.---Yes.

It just defies belief that you didn't look at the bank statements.---Yes. I know, but that's the truth.

40

THE COMMISSIONER: Well, when you did look at the bank statements, did you notice that moneys were coming in, not just from you, but from other sources?---No, I never really rushed through it exactly. I remember looking at once at the total. I think once it said 3,000 and once it said 7,000, from what I can remember.

Well, there must have been a reason why you opened the account.---Can't remember at the time why I opened it, Commissioner.

Ms Spruce, I see the time. How much longer do you think you might be?  
In other words, whether Mr Taha comes back tomorrow.

MS SPRUCE: Yes, he does need to come back tomorrow, Commissioner.

THE COMMISSIONER: Yes. How much longer do you think? Just to  
give him some idea as to how long he might be kept tomorrow.

10 MS SPRUCE: Yes, Commissioner, I'd be hopeful we can finish in half a  
day. I can't make any promises, but - - -

THE COMMISSIONER: Yes, all right. Well, Mr Taha, we're going to  
adjourn now, and the hearing will resume tomorrow. So if you could be  
here ready for a 10 o'clock start tomorrow, that's Wednesday tomorrow.  
---Yes, Commissioner.

Thank you. Is there anything else, Ms Spruce?

20 MS SPRUCE: No, that's all, Commissioner, thank you.

THE COMMISSIONER: Very well, then I'll adjourn.

**THE WITNESS STOOD DOWN [12.48pm]**

**AT 12.48PM THE MATTER WAS ADJOURNED ACCORDINGLY [12.48pm]**