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PUBLIC
HEARING

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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE PETER HALL QC
CHIEF COMMISSIONER

PUBLIC HEARING

OPERATION PARAGON

Reference: Operation E18/0736

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON MONDAY 10 MAY, 2021

AT 10.30AM

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.

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THE COMMISSIONER: The scope and purpose of this public inquiry is to gather evidence relevant to the allegations being investigated by the Commission for the purpose of determining the matters referred to in section 13(2) of the Independent Commission Against Corruption Act 1988. Specifically, it is intended that the Commission look at the alleged conduct of Mr Dubois and Mr Steyn and other RMS contractors and vendors. Additionally, the Commission will examine the extent to which there were weaknesses in the RMS systems to allow any of the alleged conduct to occur.

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The Commission has appointed as Counsel Assisting Mr Jason Downing of Senior Counsel and Caroline Spruce of Counsel. During the course of the public inquiry, there will be a number of documents tendered. They will become exhibits and form part of the evidence in the public inquiry. The Commission, in accordance with its conventional procedure, protects from publication personal and other identifying information it considers should be suppressed.

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To that end, I make a direction pursuant to the provisions of section 112 of the Independent Commission Against Corruption Act protecting against publication to any person outside the Commission any private email addresses, private residential addresses, private phone numbers, bank account numbers, and tax file numbers contained in any exhibits to be tendered in the inquiry, and/or other documents shown during this inquiry to witnesses or otherwise deployed in the course of the public inquiry, with the exception of Commission officers for statutory purposes and between witnesses in the inquiry and their legal representatives, subject to any further order of the Commission. Accordingly, a direction in those terms continues to apply from the commencement until the finish of this public inquiry, unless varied.

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SUPPRESSION ORDER: I MAKE A DIRECTION PURSUANT TO THE PROVISIONS OF SECTION 112 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT PROTECTING AGAINST PUBLICATION TO ANY PERSON OUTSIDE THE COMMISSION ANY PRIVATE EMAIL ADDRESSES, PRIVATE RESIDENTIAL ADDRESSES, PRIVATE PHONE NUMBERS, BANK ACCOUNT NUMBERS, AND TAX FILE NUMBERS CONTAINED IN ANY EXHIBITS TO BE TENDERED IN THE INQUIRY, AND/OR OTHER DOCUMENTS SHOWN DURING THIS INQUIRY TO WITNESSES OR OTHERWISE DEPLOYED IN THE COURSE OF THE PUBLIC INQUIRY, WITH THE EXCEPTION OF COMMISSION OFFICERS FOR STATUTORY PURPOSES AND BETWEEN WITNESSES IN THE INQUIRY AND THEIR LEGAL REPRESENTATIVES, SUBJECT TO ANY FURTHER ORDER OF THE COMMISSION. ACCORDINGLY, A DIRECTION IN THOSE TERMS CONTINUES TO APPLY FROM THE COMMENCEMENT

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**UNTIL THE FINISH OF THIS PUBLIC INQUIRY, UNLESS
VARIED.**

THE COMMISSIONER: Leave or authorisation has been granted to a number of persons to appear and to be legally represented at this public inquiry. Such authorisations have been granted by email correspondence. In the vent that any other person seeks authorisation to appear and be legally represented in this public inquiry, then such applications for such
10 authorisation can be made following the completion of the opening address by Counsel Assisting.

In relation to a further procedural matter, I anticipate that there will be a significant volume of documents tendered throughout the public inquiry, and to avoid confusion, I note that the first exhibit will become Exhibit 66. The explanation for that being that the public inquiry is but part of what has been an ongoing investigation. As to the witness timetable and the order of witnesses, Counsel Assisting in due course will provide information as to
20 the witnesses to be called and the order in which they're to be called, and will as far as possible keep members of the legal profession or parties advised and updated as the public inquiry progresses.

As to the length of this public inquiry, subject to the usual vagaries and uncertainties of making estimates, the preliminary estimate is that this public inquiry will last between four to six weeks.

Yes, Mr Downing.

MR DOWNING: Thank you, Commissioner. Commissioner, this opening
30 is not evidence of the facts concerning the allegations. The opening is intended to provide a context or structure for the public inquiry, so that those interested in it can better understand the evidence that will be called to substantiate the allegations.

The scope and purpose of this inquiry includes the conduct of a number of persons, in particular former employees of a significant government agency and a large number of contractors and corporate entities associated with them.

40 The factual matrix in which those persons were involved is intricate and extensive. Operation Paragon ranks as one of the most complex investigations undertaken by the Commission, involving a number of joint enterprises and schemes. On any view, the RMS, an important agency of government, suffered enormous losses, being amounts of money estimated to have been many millions of dollars of public moneys. The Commission in this public inquiry will examine the extent to which this alarming outcome resulted from the conduct of particular individuals and how it occurred.

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Commissioner, this public inquiry is being conducted for the purposes of an investigation into certain allegations concerning the conduct of two former employees of Roads & Maritime Services, the RMS, a NSW statutory authority. The two employees are Mr Alexandre Dubois and Mr Craig Steyn.

10 More particularly, the Commission has been undertaking investigation pursuant to Part 4 Division 2 of the ICAC Act into allegations that RMS employees Alexandre Dubois and Craig Steyn partially and/or dishonestly exercised their official functions by awarding contracts to companies with whom they were associated between 2009 and June 2019. The public inquiry forms part of that investigation.

20 I anticipate that the evidence will be called during this public inquiry and it will demonstrate that over almost 10 years, Mr Dubois and Mr Steyn engaged in large-scale, systemic conduct which involved them taking steps to ensure that RMS contracts were awarded to companies controlled by friends and associates, and in some cases, family members, in return for very substantial kickbacks.

Their conduct continued for close to a decade. The evidence will, I anticipate, reveal that they received kickbacks worth millions of dollars in return for ensuring that RMS contracts worth in excess of \$40 million were awarded to companies controlled by their friends, associates, and family members.

30 Commissioner, on the screens in the hearing room at present is a graphic now displayed which identifies the individual contractors and the value of the RTA and later RMS contracts that they obtained. I will deal with each of the contractor companies individually at a later point.

The Commission will hear some at times concerning evidence as to how Mr Dubois and Mr Steyn in effect orchestrated the RMS quoting system to ensure that their preferred contractors were awarded particular jobs, and even more so, how they received their kickbacks, which were at times very substantial.

40 I expect the evidence to indicate that in Mr Dubois' case, he organised for a very substantial volume of RTA and then RMS work to be awarded to companies controlled by his friends and associates, and also certain family members. The evidence will show that a number of those companies were registered at almost the precise time they were first put forward by Mr Dubois as contractors for the RTA or RMS and thus created as "vendors" on the RMS contracts system, known as CM21 for most of the relevant period. It might be thought that the fact of companies being set up and immediately being put forward as vendors may have been a red flag to the organisation that some due diligence was required. It seemingly was not.

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Further, the evidence will indicate that those companies then submitted quotes for work very soon after being created and began receiving contract work for which Mr Dubois was responsible. In many instances, the persons behind the relevant companies had a limited background in that relevant field of work, if any background at all. Again, some due diligence or a process of actually vetting new vendors in some way may have detected that there were connections between Mr Dubois and those controlling the companies.

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The evidence will demonstrate that not only did Mr Dubois arrange for work to be allocated to companies controlled by friends, associates, and family members without disclosing the fact of his relationship to those at the RMS, but he also received substantial kickbacks from those companies. I'll say more later in the opening about Mr Dubois' modus operandi when it came to seeking and receiving kickbacks, but the evidence will demonstrate that over the course of a decade, he received substantial sums of cash from contractors.

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The contractors also arranged for monies to be paid into a company, MWK Developments Pty Ltd, which I'll refer to as "MWK Developments" from this point onwards, which was nominally controlled by Mr Dubois' friend Towfik Taha, but which was effectively a vehicle set up to receive payments in the form of kickbacks from various contractors who Mr Dubois was securing work for. The evidence will indicate that the various contractors paid over \$1.3 million into MWK bank accounts, and I expect the evidence to further demonstrate that those sums represented kickbacks paid in return for Mr Dubois providing work.

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Beyond the cash and payments to MWK Developments, the evidence will indicate that Mr Dubois received benefits in other ways. With certain contractors with whom he had a particularly close relationship, he was provided with debit cards on bank accounts run by the contractor companies or other companies associated with them, and he used those cards to either withdraw cash or make EFTPOS purchases. At times, Mr Dubois used the cards to meet his day-to-day living expenses, and at other times he purchased luxury items on the cards, including, on one occasion, a Rolex watch.

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In addition, Mr Dubois also organised for a number of luxury cars to be bought for his use. In some instances, the purchases were made by contractor companies or companies associated with them and in other instances, Mr Dubois organised for payments to be made with funds paid into bank accounts held by MWK Developments. The evidence will demonstrate that over the relevant period, Mr Dubois used these methods to acquire a number of Porsche 911 variants, including a 997 GT2 RS, a 996 GT2, a 997 GT2, and a 993 RS. In addition, he used this method to acquire

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a Ferrari F40, which was purchased for \$1,586,500, a Ferrari 360, and a Ferrari 599 GTB. There were also other cars.

10 In the case of Mr Steyn, the evidence will demonstrate that he similarly organised for RMS contracts to be awarded to companies controlled by family members, friends, and associates, including certain of the contractors who were friends of Mr Dubois and who Mr Steyn met through Mr Dubois. The evidence will demonstrate that in return for so awarding those contracts Mr Steyn received substantial kickbacks, though less substantial than those received by Mr Dubois.

20 The evidence will demonstrate that the predominant method by which Mr Steyn received his kickbacks was through others performing work on a knock down and substantial rebuild of his house or meeting the cost of such work. The evidence will indicate that Mr Steyn received other forms of kickbacks, including some cash payments, contractors meeting his family's living and travel expenses, including certain school fees and through the provision of certain goods, including, it will be suggested, one car, a Mercedes C63. The evidence will demonstrate that on a number of occasions, Mr Steyn wanted Apple phones or other Apple devices for himself or his family members, and when he did so, he turned to contractors to purchase them for him.

30 The evidence will demonstrate that with one particular contractor, Lancomm Pty Ltd, Mr Steyn organised for the principal, Joseph Rahme, to set up a company, J&C Maintenance Pty Ltd. I expect the evidence to demonstrate that Mr Steyn organised for the company to be set up so that it could be used to funnel kickbacks to him and with a view to disguising them. I also expect the evidence to demonstrate that Mr Steyn received cheques from Lancomm and had it pay certain invoices to a company, Peter Manuel Services Pty Ltd, which was again a means of trying to disguise what were in effect kickbacks being paid to Mr Steyn.

40 Ultimately, the evidence that will be called during this public inquiry will deal with large-scale, systemic conduct involving awarding contracts in return for substantial kickbacks, and it will suggest that that conduct was engaged in by Mr Dubois and Mr Steyn. As already stated, I expect the evidence will ultimately demonstrate that contracts worth in excess of \$40 million were allocated to preferred contractors by Mr Dubois and Mr Steyn, and in return, they received kickbacks in the form of either money or goods and services to a combined value of at least \$6.89 million. It's not possible to put a more precise figure on it given that the evidence will indicate that cash payments were made to both Mr Dubois and Mr Steyn, and unsurprisingly, there are no hard records of such cash payments.

Given the scale of the conduct and the period over which it continued, issues will arise as to how it went undetected. I expect the evidence will demonstrate that whatever systems existed within the RMS with respect to

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contract creation and management, or more broadly, procurement, they failed in this instance. Additionally, I expect the evidence to demonstrate that there was no particular sophistication in the conduct of Mr Dubois and Mr Steyn, even though they were seeking to cover their tracks. However, the performance of even cursory due diligence in respect of the contracts they were responsible for and the contractors they were using would have demonstrated that the contractors were patently not at arm's length. I expect the evidence to demonstrate that certainly in the later years of Mr Dubois and Mr Steyn's reign, their immediate superior, Mr Samer Soliman, was at best, ill-equipped to deal with their conduct, or at worst, wilfully uninterested in looking into it.

I now move on to say something about the RTA and RMS.

As I indicated earlier in the opening, both Mr Dubois and Mr Steyn worked for the RMS, a NSW statutory authority which was established on 1 November, 2011 under the Transport Legislation Amendment Act 2011. Essentially, the RMS was created in order to bring together the former RTA and NSW Maritime Authority. As the name suggests, and ignoring for present purposes the maritime side of its responsibilities, the RMS is the statutory authority responsible for building and maintaining road infrastructure in New South Wales, managing day to day road safety and compliance, and also running driver licencing and vehicle registration for New South Wales.

In December 2019, the RMS was absorbed into Transport for NSW. The RTA and then later the RMS were divided up into a number of related sections. Relevantly, there were directorates, and within those directorates, branches, which reflected different areas of RTA and RMS responsibility. The RTA and later RMS were responsible for a number of different programs in relation to matters such as road safety and road use.

Relevantly, in 2009, the RTA structure included what was known as the Compliance and Enforcement Branch, which was responsible for services and projects related to compliance with and enforcement of road rules and regulations. At a later time, once the RTA had become the RMS, the branch became known as the Compliance Operations Branch.

Also as at 2009, the RTA included a Camera Enforcement Branch as part of the Licensing, Registration and Freight directorate. As the name suggests, the Camera Enforcement Branch was responsible for camera programs across the State, such as the Safe-T-Cam program and point-to-point program.

Relevantly, after the RTA became the RMS in 2011, one of the responsibilities of the Compliance Operations Branch, which was part of the Safety and Compliance Division, was heavy vehicle programs. One of the positions that existed within the Compliance Operations Branch was that of

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Heavy Vehicle Maintenance and Program Officer. The RMS had various programs in relation to ensuring the safe use of roads by heavy vehicles. That included an established network of heavy vehicle safety stations or HVSS, which were spread across the state, at which heavy vehicles were required to present for inspection in respect of safety and roadworthiness standards. The HVSS were also described at times as heavy vehicle checking stations or HVCS.

10 In late March 2014, in a period of less than a week, both Mr Dubois and Mr Steyn were offered positions as full-time heavy vehicle maintenance and program officers within the Compliance Operations Branch of the Safety and Compliance Division. They both accepted those positions and worked under the direct supervision of Mr Samer Soliman, who was Manager, Heavy Vehicle Programs. I'll say more about Mr Soliman shortly.

In terms of the organisational structure, the Manager, Heavy Vehicle Programs reported to the Principal Manager, Compliance Systems, who in turn reported to the General Manager, Compliance Operations.

20 Mr Dubois and Mr Steyn remained in essentially that role through to mid-2019, though it seems that as the result of organisational restructures their titles may have changed. It was during this period that it will be suggested they engaged in the most serious and sustained course of conduct.

I've already briefly mentioned the parts of the RTA and RMS that Mr Dubois and Mr Steyn worked in. Mr Dubois first commenced work with the RTA in August 2009, though initially his services were provided through a division of Julia Ross, Ross Information Technology, so that Mr Dubois was engaged as a contractor. Initially, he worked as a project
30 engineer or a project manager in the Intelligent Transport Systems Projects or ITSP Unit, which was apparently part of the Engineering Technology Branch. According to Mr Dubois, his direct manager was Stuart Pringle, though he worked closely with Mr Kim Finch, who for many years had looked after the heavy vehicle programs, including the HVSS.

Mr Dubois continued to work on a contract basis, though through various contractor entities, through to March 2014. In that time, he held different positions, but the evidence indicates that from essentially the beginning of his work with the RTA, project management and contract allocation was
40 part of his role.

The records in respect of Mr Dubois' employment or engagement with the RTA and RMS indicate that by December 2010, he was engaged as a technical project manager within the Project Delivery and Installation Division of the Compliance and Enforcement Branch. According to Mr Dubois, his direct report at that time was Mr Tam McCaffery.

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The evidence indicates that Mr Dubois continued working in a project manager capacity within the Compliance and Enforcement Branch through to March 2014. At that time, as noted earlier, he was appointed as a heavy vehicle maintenance and program officer with the Compliance Operations Branch, Safety and Compliance Division.

10 On 31 March 2016, as the result of what seems to have been a restructure, Mr Dubois changed to being a full-time heavy vehicle project and support officer, again within the Compliance Operations Branch, Safety and Compliance Division. He continued working in that capacity through to 18 June, 2019, when he was suspended pending the ICAC's investigation into his conduct. Ultimately, his employment was terminated by the RMS on 17 October, 2019.

20 In the case of Mr Steyn, he began work with the RTA as a technical project manager, Camera Enforcement Branch, Licensing, Registration and Freight Directorate in March 2009. He was employed on a full-time basis. By 2011, Mr Steyn had become a technical project manager in the Compliance and Enforcement Branch, though that may reflect an organisational restructure rather than a substantive change of position.

Mr Steyn has indicated that after returning from holidays in 2011, he discovered that Mr Dubois, who had previously worked in a different building in Parramatta, was now seated next to him. It was at this point that Mr Steyn and Mr Dubois met and began to have some professional dealings, though it would seem limited to begin with.

30 As I've already indicated, Mr Steyn was appointed as a heavy vehicle maintenance and program officer in the Compliance Operations Branch, Safety and Compliance Division in late March 2014, precisely the same time Mr Dubois was appointed to the same position. Mr Steyn has indicated that this was the result of a restructure of the RMS.

40 Mr Steyn seems to have remained in essentially that position, subject to a change of title, through to 19 June, 2019, when he was suspended from duty with pay as the result of the ICAC's investigation into his conduct. Mr Steyn's employment was ultimately terminated on 6 December, 2019 after the RMS conducted a disciplinary investigation into allegations of misconduct against him.

I'd now like to move to the role that Mr Dubois and Mr Steyn played in respect of contract allocation, Commissioner.

As I've already alluded to, the RTA and later RMS regularly allocated contract work related to the programs it ran and in respect of the road infrastructure it was responsible for. Contract work was quite varied, involving things as disparate as asphaltting-type work at various HVSS sites, conducting maintenance checks and then maintenance works on steel gantry

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structures which housed camera systems at various locations around the state, maintaining and upgrading the various camera systems, installing road signage, and constructing and renovating buildings located at various RMS facilities around the state.

Consistently during the period during which Mr Dubois and Mr Steyn worked for the RTA and RMS, contract work was allocated on either a quoting system or tender system. I expect the evidence to demonstrate that for smaller jobs, where the contract value was less than \$50,000, the
10 contract would be allocated on the basis of obtaining one quote. For larger jobs, valued at between \$50,000 and \$250,000, the requirement was that three competing quotes be obtained, with Mr Dubois and Mr Steyn – where they were the person responsible for the particular contract – then making a recommendation as to which quote should be accepted.

For bigger jobs again, valued at more than \$250,000, the requirement within the RMS was that the job would be put out to open tender.

The evidence will demonstrate that tenders were very rarely used. In part,
20 that reflects the fact that the majority of the work for which Mr Dubois and Mr Steyn were responsible was sufficiently small that the value was less than \$250,000. I do however anticipate that there may be some evidence to suggest that at least from March 2014 onwards, when Mr Dubois and Mr Steyn were working under Mr Soliman, they were encouraged to keep specific contract values at less than \$250,000, so that they would not go to tender.

I expect that there will be a factual issue as to whether there was ever
30 explicit or implicit encouragement of that nature from Mr Soliman. Depending on the evidence that the Commission ultimately hears on this issue, there may be a secondary issue as to why Mr Dubois and Mr Steyn were encouraged to keep their contracts at a value of less than \$250,000.

THE COMMISSIONER: Mr Downing, just on that point, is this a matter in which contract or order splitting is suggested? Was that a mechanism for keeping it under a ceiling of 250,000?

MR DOWNING: It's a matter that may be suggested by the evidence that I
40 anticipate will be called, Commissioner.

THE COMMISSIONER: Yes, thank you.

MR DOWNING: I also anticipate an issue will arise as to whether Mr Dubois and Mr Steyn may have in effect used each other on particular contracts when it came to gathering and submitting the relevant paperwork, with a view to obscuring their links to the subject contractors.

In other words, the evidence may suggest that, to use one example, Mr Steyn submitted relevant paperwork in respect of a contract to Mr Soliman in order to seek the payment of a contractor's invoice, when in fact the contract was the responsibility of Mr Dubois, and vice versa.

It's important to say something about the practicalities of the system in place at the RTA and then RMS as to how contracts were awarded and how the contractors then submitted invoices and were paid.

- 10 While the contract management system evolved over time, so that it was known as the CM21 system for most of the relevant period, from the early days of the work Mr Dubois and Mr Steyn did for the RTA and then the RMS, there was a fairly standard procedure. First, where there was a need for particular work that fell under the responsibility of the particular staff member, such as Mr Dubois or Mr Steyn, he would send out a request for quote or RFQ. Consistent with what I've said above as to the requirements depending on the value of the job, if the expectation was that the contract value would be less than \$50,000, then the request for quote would go to only one contractor. Where the expectation was that the job would be
20 valued at between \$50,000 and \$250,000, a request for quote would be sent to three contractors.

The quote or quotes would then be obtained and the relevant RMS staff member would make a recommendation to his superior as to which quote should be accepted. Almost without exception, the recommendation was that the cheapest quote be accepted. A contract would be created and a contract number created.

- 30 I should add that, except in unusual circumstances, contractors needed to be established as "vendors" on the RMS system before they would be permitted to quote for work. However, there seems to have been no particular vetting or due diligence process done as part of the establishment of a company as a new vendor. Essentially, the company needed to do no more than complete a form providing its details, including address, phone number, email address, and contact person, and provide bank account details. Either Mr Dubois or Mr Steyn would then submit the form, sometimes with a bank statement or record of company registration.

- 40 Once a quote had been accepted, the relevant contractor would be informed and the work would be scheduled. Internally, the RTA or RMS would raise what is known as a purchase order, with a specific purchase order number.

Once the purchase order was raised, it would be communicated within the RTA or RMS to the relevant staff member, who would in turn forward it to the contractor doing the work. That would then enable the contractor to submit an invoice, typically at the completion of the work, or at times, partway through the work. The invoice would then be submitted and paid electronically by the RTA or RMS.

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There was no substantial change to that process when the RTA became the RMS in 2011, or indeed, at any time after Mr Dubois and Mr Steyn began working as heavy vehicle maintenance and program officers in March 2014 under Mr Soliman. The RMS had introduced the CM21 contract management system well before March 2014, and while that seems to have had consequences in terms of how quotes and other underlying paperwork was saved and how visible it was, it did not change the essential process.

- 10 It follows from what I have stated that throughout their period of working for the RTA and RMS, Mr Dubois and Mr Steyn played a significant, influential role when it came to who particular contracts in their area were allocated to. I expect the evidence to demonstrate that their managers relied upon them to a very significant degree in obtaining quotes from suitably qualified and experienced contractors and recommending which contractor should receive a particular job.

- 20 In relation to Mr Soliman, I expect the evidence to indicate that while he was the direct manager of Mr Dubois and Mr Steyn as the Manager, Heavy Vehicle Programs, he came from an IT background and had no relevant experience in relation to the operation of the heavy vehicle programs that fell within his area of responsibility or indeed, in relation to the maintenance of road infrastructure. Accordingly, when a particular quote came before him, providing a description of the elements of the work required for a particular job, he was in no position to know what was being – I withdraw that. He was in no position to know whether what was being quoted represented proper value. In essence, he was unfamiliar with the type of civil works that were typically involved as part of the heavy vehicle programs and simply relied upon Mr Dubois and Mr Steyn to get the
30 necessary quotes and recommend that one be accepted – the cheapest one.

I anticipate an issue will arise as to whether Mr Soliman had any actual knowledge of the nature of the conduct Mr Dubois and Mr Steyn were engaging in. As just noted, he was not well equipped by his prior experience to detect the way they were in effect orchestrating the contract allocation system and in turn receiving alleged kickbacks. That said, I expect there will be some evidence to suggest that Mr Soliman consciously turned a blind eye to what was occurring.

- 40 I also note that Mr Soliman himself is the subject of a current ICAC investigation into an allegation that between July 2015 and February 2019, he, along with another RMS employee, partially and dishonestly exercised his official functions in relation to the awarding of contracts to two companies, Novation Engineering Pty Ltd and AZH Consulting Pty Ltd. It's alleged that Mr Soliman received a financial benefit for his role in helping to secure the contracts for those companies.

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Commissioner, I now wish to turn to a more specific examination of Mr Dubois' conduct.

The evidence will demonstrate that over the years of his work at the RTA and RMS, Mr Dubois developed and refined a system of sorts when it came to directing work to his favoured contractors, seeking kickbacks from contractors, and ultimately receiving them. However, to understand his modus operandi, it's first necessary to say something about his background and early life.

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Mr Dubois was born Hassan Habbouche in El-Mina, Lebanon in July 1981. Mr Dubois completed his primary and secondary schooling in Lebanon and then did one year of university in that country, before moving to Sydney in what seems to have been about the year 2000. He then commenced a year of a bachelor's degree in electrical engineering at the University of Western Sydney, before moving to the University of NSW, where he completed a Bachelor of Computer Engineering between 2001 and 2005.

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Relevantly, after arriving in Sydney, Mr Dubois socialised with members of the local Lebanese community, a number of whom would later become contractors at the RTA and RMS.

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While Mr Dubois was studying at the University of Western Sydney, he first met and befriended Hassan Alameddine, who later became a substantial contractor to the RTA and RMS through various companies, about which I will say more later. Through the local Lebanese community, Mr Dubois met a number of other men whose companies ultimately became RTA and RMS contractors. Of particular note, he met Chahid Chahine, Barrak Hadid, Towfik Taha, also known as Zac Malas, and Hussein Taha, also known as Adam Malas and now John Goldberg.

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Hassan Alameddine was in the same year at Malek Fahd Islamic School, Greenacre as Towfik Taha. Towfik's younger brother Hussein attended the same school. Barak Hadid seems to have been introduced to Mr Dubois through his cousin, Maher Chamsine, who was studying with Mr Dubois at the UNSW. In turn, Mr Hadid introduced Mr Dubois to his friend Chahid Chahine.

There were other men who I have not yet mentioned, but I will come to them later in the opening in the course of describing the dealings Mr Dubois had with certain contractors.

The evidence will indicate that not long after Mr Dubois started work at the RTA, his friends and friends of friends in the Lebanese community began approaching him with requests that he organise RTA work for them. Mr Dubois did as he was asked. I expect that he will say that he was also told that if he organised the work, he would be taken care of.

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An issue will arise as to whether it was in fact Mr Dubois who initiated talk of kickbacks with the various contractors or whether they first broached the subject with him. Whichever be the case, the evidence will demonstrate that within a year or so of Mr Dubois starting at the RTA, he was receiving kickbacks in return for arranging for his favoured contractors to obtain work. I'll say more shortly about how he typically went about seeking alleged bribes and kickbacks and receiving them.

10 It's pertinent to say something at this juncture as to what level of consciousness Mr Dubois had as to his conduct. I expect he will say that through learning on the job when he started at the RTA, he observed that many other longstanding RTA employees regularly sourced work from companies that had been doing such work for a long period and with which the RTA staff were well familiar. That much is unsurprising. Given the particular programs that the RTA ran and the infrastructure it owned, one would expect that where contractors had done work for them over the years, they would have developed some familiarity with and experience in that particular area of work, so they would be well placed to do more of the same in the future.

20 I expect Mr Dubois will say that notwithstanding him having received codes of conduct and ethics from the RTA and RMS, and having confirmed in writing his agreement to comply with them, at least from April 2014 he saw no particular problem in allocating work to companies controlled by persons with whom he was personally friendly. I expect he will say that what mattered was getting the work done to a high standard and for value.

30 As to Mr Dubois' receipt of kickbacks in all their forms, I expect that he will concede that he understood that it amounted to wrongdoing. That is, I don't expect him to quibble with the proposition that as a public official, it was wholly inappropriate for him to receive payments or payments in kind from contractors who he was allocating contracts to.

40 I do expect Mr Dubois will suggest that notwithstanding him holding such a view, he nonetheless believed that the contracts he ensured would be awarded to companies controlled by his friends, associates, and relatives nonetheless resulted in the RMS getting value for money. I expect he will say that their prices were as good or better than the prices that would have been charged by larger contractor companies who might otherwise have competed for the work. In other words, I expect Mr Dubois to try and justify his conduct in seeking and receiving kickbacks on the basis that while he received a financial gain, the state of New South Wales was no worse off.

I expect the evidence to demonstrate that over time, Mr Dubois developed and refined a system of receiving kickbacks. While there was some variation from contract to contract, what Mr Dubois typically did was use

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his experience to roughly estimate what a particular contract which was due to be allocated might cost and then suggest to the quoting contractor or contractors the price at which they should quote, depending on whether one or more quotes was required.

10 In the case of smaller contracts worth less than \$50,000, that would mean requesting the preferred contractor to quote at a specific price that Mr Dubois roughly calculated so as to include enough of a profit margin for an amount to be left over after the contractor covered its costs and a modest profit margin. That leftover component would then be sought in the form of a kickback to Mr Dubois.

In the case of contracts valued at between \$50,000 and \$250,000, the process was a bit more complicated. What Mr Dubois would typically do was rig the quoting system by inviting preferred contractors to quote. In some instances, all three invited quoters were companies controlled by the same person or persons, so that they were in effect pretending to bid against themselves.

20 In other instances, Mr Dubois would pit his friends, associates, and relatives against each other, but predetermine the outcome by telling each contractor what price to quote at, with the company who quoted at the lowest price being the successful contractor. Again, Mr Dubois would ensure that the price of the successful quoter was high enough to include a component which could then be paid back to him in the form of a kickback.

30 The evidence will demonstrate that there was a degree of competition between Mr Dubois' contractors at various times, and that they offered him a larger margin for his kickbacks. That resulted in certain contractors obtaining a very substantial volume of work. I refer in particular to CBF Projects Pty Ltd, previously known as Complete Building Fitout Pty Ltd, which did RTA and RMS work for a total value of \$13.34 million between May 2010 and May 2019.

40 CBF Projects and before it Complete Building Fit Out were controlled by Chahid Chahine and Barrak Hadid. When one also includes the other companies which they effectively controlled, Euro Civil and Maintenance Pty Ltd and Ozcorp Civil Pty Ltd, Mr Chahine and Mr Hadid ultimately secured contract work from the RTA and RMS to a value of approximately \$21 million between May 2010 and May 2019.

And, Commissioner, at the moment there's a visual on the screen indicating the amounts that the documents will demonstrate were paid from the RTA and RMS to each of those companies.

Next in the pecking order were companies controlled by Hassan Alameddine, Areva Corp Pty Ltd, Seina Group Pty Ltd, and Efficient Project Management and Deliveries Pty Ltd, which I'll refer to as EPMD

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from hereon in. Between October 2011 and May 2019, those companies did contract work for the RTA and RMS to a value of approximately \$11 million. And again, I'll have a graphic put up to demonstrate the breakdown between the different companies, Commissioner.

10 I should note that there were other contractor companies that did contract work through Mr Dubois for a much shorter period and to a much smaller value. That seems to have been for a variety of reasons, including the poor standard of some contractors' work, their unhappiness about the size of the kickbacks Mr Dubois was seeking, to the point that the work was not economically viable for them, and at least in some instances, contractors not being prepared to engage in paying kickbacks at all.

20 The evidence will indicate that Mr Dubois received a significant number of kickbacks in the form of cash payments. However, I expect the evidence will indicate that over time, certain of the contractors paying the kickbacks expressed concern about continuing to pay cash because of the obligations of banks to report cash withdrawals of more than \$10,000 to AUSTRAC under the Financial Transactions Reports Act 1988.

30 In part, that concern on the part of the contractors may reflect an understandable general concern about not wanting the illicit payments to be picked up. It may also reflect that the payments were becoming quite substantial over time, so that for particular contracts that had been awarded to the contractors, the kickback was well into the tens of thousands of dollars. That would have created a dilemma for the contractors, in that to pay cash, they would have had to make a number of withdrawals, each below \$10,000, which ran the risk of creating some suspicion within the bank.

40 I expect the evidence to suggest that ultimately, and with some contractors still preferring cash, Mr Dubois and his principal contractors settled on arrangements whereby kickbacks would be paid in different forms.

With Barrak Hadid and Chahid Chahine, through their companies CBF Projects, Euro Civil, and Ozcorp Civil, once each of those companies were paid for particular contracts by the RMS, they transferred sums to associated companies, Euro Projects Pty Ltd and Built Engineering Pty Ltd. Euro Projects had been set up by Mr Chahine and Built Engineering had been set up by Mr Hadid, but in effect the two men controlled both companies, and they were used as vehicles with which to facilitate the payment of kickbacks to or for Mr Dubois.

And Commissioner, I'll now have a couple of slides or graphics shown that will demonstrate the amounts that went from, first of all, CBF Projects to Euro Projects, and then secondly, amounts that went from CBF Projects, Ozcorp Civil, and Euro Civil into Built Engineering. I'll return later to

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where the moneys paid into those two associated companies ultimately ended up.

Those kickbacks took a number of different forms. Euro Projects and Built Engineering withdrew cash from their bank accounts and provided cash payments to Mr Dubois. Euro Projects also provided Mr Dubois with an EFTPOS card, which he used to withdraw cash and make purchases. Finally, the companies made payments to various car dealers and private car owners in order to pay for various of the luxury cars I referred to earlier in the opening. While the cars were for Mr Dubois, none of the paperwork for them listed him as the owner for obvious reasons.

With other contractors, Mr Dubois entered into a slightly different scheme. One of the contractor companies that did contract work for the RTA and RMS early during Mr Dubois' time at the organisation was TTS Group Investments Pty Ltd, which was controlled by Towfik Taha. In May 2011, Mr Taha also established a different company, MWK Developments Pty Ltd. While MWK was awarded three contracts by the RMS, that doesn't seem to have been the rationale for setting it up.

Towfik Taha was the sole director and shareholder, but MWK set up a bank account for which both Mr Taha and Mr Dubois were signatories. I expect the evidence to demonstrate that MWK was principally set up as a vehicle into which to receive illicit payments, though not just from Mr Taha's company TTS, but from a number of other contractors. Specifically, financial records will show that payments into MWK were received from a number of companies including first, CBF Projects; second, TTS; third, Areva Corp; fourth, Senai Steel Pty Ltd, which was a company controlled by Gamele Nachabe and Abdula Nachabe; fifth, A&A Structural Solutions Pty Ltd, a company controlled by Abdula Nachabe; sixth, UDE Group Pty Ltd, a company controlled by Talal Rifai; and finally, BMN Electrical Services Pty Ltd, a company controlled by Bilal Najjarin.

And the amounts paid into the MWK Developments accounts are demonstrated in the graphic, Commissioner. Once MWK received the payments into the account jointly controlled by Mr Dubois and Mr Taha, the funds were then disbursed in a number of ways.

THE COMMISSIONER: Perhaps we could have that slide back on, the last one.

MR DOWNING: Some of the funds went into MWK Developments' accounts controlled solely by Mr Dubois, and some of the funds were used by Mr Dubois through an EFTPOS card he held on the joint account, which he used to make cash withdrawals and purchases. There was a degree of movement between the various MWK accounts.

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Once the funds were received into Mr Dubois' own MWK accounts, he withdrew some in cash and he used some to pay for a luxury car purchase.

I expect the evidence to indicate that Mr Dubois entered into a fairly similar scheme with Towfik Taha's brother, Hussein Taha, as I've also indicated known as John Goldberg. That is, Mr Goldberg and an associate, Mark Abraham, set up a company, MJ Wilsons Projects Pty Ltd, which was awarded RMS contracts during 2013 – 2014. When the RMS paid MJ Wilsons Projects under those contracts, the RMS made electronic transfers into its bank account and almost all of the funds were withdrawn in cash. I expect the evidence to indicate that some of that cash was then used to pay kickbacks to Mr Dubois.

I also pause to note that for the final RMS contract that MJ Wilsons was awarded, it provided alternate bank account details to the RMS so that funds were actually paid for a period into a bank account for a different company, Wilkins Corp Pty Ltd, which was controlled by John Goldberg and his then wife, Ms Abdelkarim. Further, I note that CBF Projects was paid a total of \$627,550 – sorry, CBF Projects paid a total of \$627,550 to three different Wilkins Corp accounts, one of which was a joint account of Mr Goldberg and Ms Abdelkarim and two of which were controlled solely by Ms Abdelkarim.

Again, significant cash withdrawals were made from Wilkins Corp's various bank accounts, and I expect the evidence to indicate that part of the funds were used to pay kickbacks to Mr Dubois.

What I've said as to the means by which Mr Dubois typically received what the evidence may establish to have constituted bribes and kickbacks does not cover all of the detail, and I will say more when I come to the specifics in relation to each contractor.

THE COMMISSIONER: Mr Downing, I see the time. There's a very substantial amount of information to take on board. We might take a morning tea adjournment.

MR DOWNING: Thank you, Commissioner.

THE COMMISSIONER: Just one matter, and you may come to this later, you've referred to the code of conduct. An agency such as the one we're discussing in this matter, the RMS, one would think would have sophisticated and elaborate procurement procedures with inbuilt safeguards to ensure that public moneys were being properly expended, I understand that the agency in this case did in fact have procurement procedures and safeguards in place, but by some means or other, they were either not enforced or were navigated by others who stood to gain, honouring them in their breach, rather than taking any, having any regard to them.

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MR DOWNING: The evidence will certainly suggest, Commissioner, that while there were some provisions and safeguards in place, that they weren't successful in preventing Mr Dubois and Mr Steyn in engaging the conduct that I've already referred to in the opening.

THE COMMISSIONER: We'll be looking at the procurement issues at a later stage, at some stage.

MR DOWNING: Yes, Commissioner.

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THE COMMISSIONER: All right. Thank you. I'll take an adjournment of 15 minutes or so.

SHORT ADJOURNMENT

[11.34am]

THE COMMISSIONER: Yes, Mr Downing.

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MR DOWNING: Thank you, Commissioner. In the course of the opening thus far, I've made reference to the various companies that did contract work for the RMS under Mr Dubois, and which the evidence will indicate paid kickbacks. I've also briefly mentioned the people who controlled those companies, all of whom were friends, associates or family members of Mr Dubois. In order to provide an overview of who the major contractors were in terms of the period during which they did work and the value of the RTA and RMS work they did, I propose to list them from largest to smallest. First, CBF Projects, which was controlled by Chahid Chahine and Barrak Hadid, did work to a value of \$13.341 million between May 2010 and May 30 2019. Secondly, Euro Civil, also controlled by Mr Chahid Chahine and Barrak Hadid, did work to a total value of \$4.745 million over the period July 2015 to June 2019. Thirdly, Ozcorp Civil, also controlled by Mr Chahine and Mr Hadid, did work to a total value of \$3.067 million over the period November 2015 to December 2018. As noted earlier, those companies controlled by Mr Chahine and Mr Hadid ultimately did more than \$21 million worth of work over a period of roughly nine years.

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Fourthly, Seina Group, controlled by Hassan Alameddine, did work to a total value of \$6.818 million over the period September 2013 to May 2019. 40 Fifthly, Areva Corp, also controlled by Hassan Alameddine, did work to a total value of \$2.131 million over the period September 2013 to May 2019. Fifthly, Areva Corp, also controlled by Hassan Alameddine did work to a total value of \$2.131 million over the period October 2011 to May 2013. Sixthly, EPMD, which the evidence will indicate was also controlled by Hassan Alameddine, did work to a value of \$2.068 million over the period May 2016 to April 2019. Seventhly, TTS, the company controlled by Towfik Taha, did work to a total value of \$1.468 million over the period April 2011 to July 2013. Eighthly, MJ Wilsons, a company effectively

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controlled by John Goldberg but fronted by Mark Abraham, did work to a total value of \$1.09 million over the period February 2013 to April 2014. Ninthly, Sydney Metro Building Services, a company controlled by Mr Dubois's cousin, Nabil Habbouche, did work to a total value of \$752,000 over the period July 2012 to July 2013.

Tenthly, Senai Steel, the company controlled by Gamele and Abdula Nachabe, did work to a total value of \$726,000 over the period July 2011 to October 2012. Eleventhly, A&A Structural, a company controlled by
10 Abdula Nachabe, did work to a total value of \$98,000 over the period April 2010 to April 2011. Sorry, to July 2011. Sorry, it should be April 2011 to July 2011, I do apologise, Commissioner. Twelfthly, GEC Consulting Pty Ltd, a company controlled by Ghazi Sangari, did work to a total value of \$472,000 over the period May 2011 to December 2014. Thirteenthly, MWK, a company controlled by Towfik Taha, did work to a total value of \$224,000 over the period October to November 2012. Fourteenthly, BMN Electrical, a company controlled by Bilal Najjarin, did work to a total value of \$219,000 over the period June 2010 to June 2011. And finally, UDE
20 Group, a company controlled by Tilal Rifai, did work to a total value of \$213,000 over the period April to July 2011.

I should point out that a number of the contractors I have just listed also did work on contracts that Mr Steyn was responsible for. I will deal with these separately, but the evidence will indicate that a number of them also paid kickbacks to Mr Steyn or for his benefit. I also emphasise at this point that I have not listed certain of the contracting companies who did work solely for Mr Steyn. I will come to them later in the opening.

I now move to say something about CBF Projects. The evidence before this
30 inquiry will demonstrate that after Mr Dubois started work with the RTA in August 2009, he was already awarding work to CBF Projects – and I'm using that term to encompass both Complete Building Fit out and CBF Projects – by the first half of 2010. I note that the first relevant RMS payment was made to CBF Projects on 31 May, 2010.

Barrak Hadid and Chahid Chahine first met while they were doing plastering apprenticeships in Sydney in their late teenage years. They soon struck up a friendship and decided to go into business together, doing
40 general building-type work. That work was ultimately done through a number of company vehicles.

The first company in time set up was Complete Building Fitouts, which was registered on 19 May, 2008. While Mr Chahine was the sole director and shareholder for the company, the evidence will demonstrate that it in effect ran as a partnership between Mr Chahine and Mr Hadid, with them sharing the work and any income earned through the company.

Complete Building Fitouts was deregistered on 6 October, 2013. Before that, on 13 July, 2012, Mr Chahine set up CBF Projects, again with him as the sole director and shareholder. As with Complete Building Fitouts, the evidence will demonstrate that it was in effect being run by Mr Chahine and Mr Hadid.

10 It seems that the change from Complete Building Fitouts to CBF Projects was made because of a desire on the part of Mr Chahine and Mr Hadid to branch out into work beyond smaller scale building fit out and to do larger building projects. I also expect the evidence to demonstrate that while the companies initially sought and did work for a variety of clients, with work being obtained through word of mouth, the RTA and then RMS quickly became an important and sizeable client and ultimately, essentially the only client that the companies did work for.

20 The evidence will demonstrate that separate to Complete Building Fitouts and CBF Projects, Mr Hadid was busy setting up separate companies for the purposes of doing RMS work. On 24 March 2015, Mr Hadid registered Euro Civil and Maintenance Pty Limited, with him being the sole director and shareholder. However, as with Mr Chahine's companies, Euro Civil and Maintenance was in effect a partnership between Mr Hadid and Mr Chahine.

30 On 8 September 2015, another company which ultimately did RMS work was set up, being Ozcorp Civil Pty Limited. That company was actually registered in the name of Kristin Tui, Mr Hadid's partner. However, the evidence will demonstrate that Ms Tui had nothing to do with the actual running of the company on a day-to-day basis and simply agreed to have her name used on ASIC documents and for bank accounts, at the request of Mr Hadid. Ms Tui was a stay at home mum with no experience at all in business.

40 The evidence will demonstrate that as with the other companies, Ozcorp Civil was jointly controlled by Mr Chahine and Mr Hadid. I expect the evidence to indicate that Mr Chahine and Mr Hadid agreed to set up Euro Civil and Ozcorp Civil so they would in effect have more hats in the ring when it came to quoting for RMS work. In other words, they knew that for jobs valued at between \$50,000 and \$250,000, Mr Dubois, and indeed, Mr Steyn, required three quotes and by seemingly having three separate companies, they could put in more than one quote for particular jobs.

The evidence will demonstrate that on occasions, the companies controlled by Mr Chahine and Mr Hadid put in two of the three quotes for a particular job. Indeed, on some occasions, their companies put in all three quotes. What was occurring, at Mr Dubois' instigation, was that the quoting system was being rigged. As noted earlier, he would determine which companies to invite to quote, which of those companies would obtain the job and at what

price and he would then extract a form of kickback from the successful company.

To provide one concrete example of how the arrangement worked, in mid-2017, Mr Dubois needed some building and maintenance work done at a HVCS located at Daroobalgie, which is a dot on the map located on the Newell Highway between Forbes and Parkes in country NSW.

10 On 4 May, 2017, Mr Dubois sent emails to Euro Civil, CBF Projects and Ozcorp Civil, enclosing relevant maps, drawings and photos and requesting a quote. The job seems to have been delayed, so that on 15 December 2017, Mr Dubois sent a further email requesting quotes. This time the email was sent to Euro Civil, CBF Projects, Ozcorp Civil, EPMD and Seina. He sought quotes by the close of business on 21 December 2017.

20 Ultimately, Mr Dubois received three quotes. The first, was a quote from Euro Civil dated 19 December 2017 in the amount of \$218,750 plus GST. Second, was a quote from CBF Projects, dated 20 December 2017 in the sum of \$229,500 plus GST. Finally, was a quote from Ozcorp Civil in the sum of \$227,550 plus GST. As one would expect, the contract was awarded to Euro Civil, with Mr Dubois signing a contract creation and variation form and Mr Soliman approving it on 21 December 2017. In due course, Euro Civil did the work, a purchase order was raised, an invoice was submitted and Euro Civil and Maintenance was paid \$240,625 inclusive of GST as per its quote. This example provides an almost textbook example of a rigged quoting process. The situation was farcical, with all three quoting parties being controlled by the same two men. The evidence will demonstrate that there was nothing competitive about the process at all. Mr Dubois determined who would win the job and at what price with the understanding
30 that he would receive something in return.

I point out at this juncture that Mr Dubois didn't just tell the contractors what price to quote at. He would often assist with the creation of the detail in particular quotes, either advising on or drafting the wording contained in the line item breakdowns of the work to be done. In many instances, Word version drafts of quotes which were ultimately received by the RMS were found on computers and other storage devices located at Mr Dubois' home when ICAC officers executed a search warrant on 18 June 2019.

40 I now turn to say something briefly as to how Mr Chahine and Mr Hadid went about paying kickbacks to Mr Dubois or on his behalf. I mentioned earlier that Mr Chahine and Mr Hadid had set up other companies, which didn't actually do any work for the RTA or RMS, but which were used to funnel money out of the contractor companies and ultimately, to Mr Dubois or for his benefit. Relevantly, on 23 December, 2012, Mr Chahine registered Euro Projects. He was the sole director of the company from November 2012 to December 2014, at which time Mr Hadid became the director. On 9 December 2015, Mr Hadid registered Built Engineering,

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with Mr Hadid as the sole director. The evidence will indicate that, as with the other companies Mr Chahine and Mr Hadid were associated with, they effectively ran both of them.

Over time, CBF Projects paid more than \$1.45 million into a bank for Euro Projects. While Mr Chahine was the signatory on the account, the evidence indicates that he provided Mr Dubois with an EFTPOS card, which accounting analysis suggests Mr Dubois used to withdraw \$177,042 in cash and to make \$28,261.43 worth of purchases. Euro Projects also paid just
10 over \$353,000 in order to purchase a Porsche 997 GT2RS. I also note that separate to the monies channelled through Euro Projects, CBF Projects paid \$76,360 directly to a Melbourne luxury car dealership, Dutton Garage, in order to contribute towards the purchase of a Porsche 993 RS for Mr Dubois.

I expect the evidence to demonstrate that from the money CBF Projects channelled into Euro Projects, Mr Chahine withdrew cash and paid at least some of it to Mr Dubois. I don't suggest that all of the money paid into Euro Projects was used for the purposes of paying kickbacks. I expect the
20 evidence will demonstrate that Mr Chahine and Mr Hadid used some of those monies themselves. Precisely how much cash was actually paid to Mr Dubois is not easy to say because of the fact that banking records demonstrate withdrawals were made, but not what then happened to the money.

In respect of Built Engineering, Euro Civil paid \$1,616,460 into Built Engineering's bank account, Ozcorp Civil paid \$161,462, and CBF Projects paid \$1,139,936.25. Built Engineering then used those funds to pay
30 extensive kick-backs to and on behalf of Mr Dubois. Significant cash withdrawals, totalling over \$182,000 were made from the Built Engineering account, and as with Euro Projects, it is not easy to say how much of that money was ultimately paid to Mr Dubois in the form of kickbacks.

Built Engineering then made a number of very substantial payments to car dealers in order to facilitate the purchase of luxury vehicles for Mr Dubois and in one case, it will be suggested, Craig Steyn's wife, Aleesha. Specifically, Built Engineering either bought or contributed to the purchase of classic cars as follows: first, \$90,000 towards the \$130,000 purchase price of a BMW M3 for Mr Dubois; secondly, \$1,209,500 towards the
40 \$1,586,500 purchase price of a Ferrari F40 for Mr Dubois; thirdly, \$300,000 towards the purchase of a Porsche 997 GT2 RS for Mr Dubois; fourthly, \$298,000 towards the \$350,000 purchase of a Porsche 997 GT2 for Mr Dubois; fifth, \$250,000 towards the \$697,500 purchase price of a Ferrari 599 GTB for Mr Dubois; sixthly, \$32,000 towards the \$500,000 purchase of a Ferrari 360 for Mr Dubois; and finally, the \$124,000 purchase price of a Mercedes Benz C63, which it will be suggested was for the benefit of Craig Steyn's wife, Aleesha.

Just returning to the white Porsche 997 GT2RS. This seems to have been a particular favourite of Mr Dubois' and it was twice purchased for him, once for \$353,028 and once for \$735,000. That is, through Euro Projects, Built Engineering and Euro Civil, it was bought, sold and then bought again for Mr Dubois' benefit.

I also note that Euro Civil actually either bought or contributed to the cost of a number of other cars directly. That is, not through Built Engineering. Specifically, it paid the following: \$22,000 towards the purchase of the
10 \$350,000 Porsche 997 GT2 for Mr Dubois, with Built Engineering also paying \$298,000; \$255,500 towards the purchase of the Porsche 993 RS for Mr Dubois, with CBF Projects also paying \$76,360; \$107,347 towards the purchase of the Ferrari 599 GTB for Mr Dubois, with Built Engineering also paying \$250,000 and EPMD also paying \$213,000; and \$115,000 towards the purchase of the Porsche 997 GT2 RS for Mr Dubois, with Built engineering paying \$300,000 and Euro Projects paying \$353,056.

Most of those cars, but not all of them, were purchased through Dutton
20 Garage in Melbourne. From what I have said, it is plain that there was a longstanding and mutually beneficial relationship between Mr Dubois on the one hand and Mr Chahine and Mr Hadid on the other.

Mr Chahine and Mr Hadid, who were otherwise doing fairly small-scale building and fitout-type work, secured a very regular stream of RTA and RMS work over 9 years or so. I expect Mr Chahine and Mr Hadid will say that they did not make a large profit on any of the jobs they did. Likewise, I expect that Mr Dubois will say that he was conscious of how much the work would cost if it was done by a larger contractor and that he always ensured that where work was done by Mr Chahine and Mr Hadid through one of
30 their companies, it was done to a good standard and at a price which was at or below market.

However, the inescapable fact is that the work was being done on the basis that the prices charged through the companies Mr Chahine and Mr Hadid ran included a margin to reflect the kickbacks they would ultimately pay to or on behalf of Mr Dubois. On any view, if those kickbacks were removed from the equation, the work would have been done and delivered to the RTA and RMS at a lower cost.

40 Commissioner, I will now turn over to Ms Spruce to deliver the next part of the opening.

MS SPRUCE: Commissioner, I now move to Areva Corp Pty Ltd, a company associated with Hassan Alameddine. Hassan Alameddine is a member of the Lebanese community in Sydney and an old friend of Mr Dubois from University of Sydney, where they both studied. He is also an old school friend of Towfik Taha, with whom he attended the Malek Fahd Islamic School in Greenacre. Alameddine is known by a number of aliases

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including Harry Alam, Harry Alameddine, Hass Alameddine and Hassan Alameddine.

As I've already mentioned, Alameddine is connected to three RMS contracting companies: Areva, Seina and EPMD. Combined, these companies have received approximately \$11 million in RMS contracts and associated payments between 2011 and 2019.

10 A fourth company operated by Mr Alameddine is Acate Pty Ltd. This company is in the name of his younger brother, Ahmed Alameddine, however the evidence is expected to demonstrate that it was under the day-to-day control of Hassan Alameddine. Although Acate never became an RMS contractor, the evidence is expected to indicate that it was used to submit dummy quotes to the RMS as part of a rigged quoting process set up by Mr Dubois whereby contracts would be allocated to one of the other companies controlled by Mr Alameddine.

20 I note that the evidence that will be called during this inquiry in respect of Hassan Alameddine and Simon Raha, a close friend and business associate of Mr Alameddine's and their companies will be largely documentary. That is because after search warrants were executed on Hassan Alameddine and Simon Raha, amongst others, on 18 June 2019, they departed Australia and have not returned. In Mr Alameddine's case, he departed on 2 September 2019 and in Mr Raha's case, he departed on 22 July 2019. Based on enquiries the ICAC has made, Hassan Alameddine is believed to be in Lebanon at the present time and Mr Raha is believed to be in prison in Lebanon at the present time.

30 As I have stated, Mr Alameddine and Mr Dubois met at university. I expect the evidence will indicate that during the time they spent together at the University of Western Sydney, they had a somewhat unusual friendship. Mr Dubois will say that he had a paid scholarship to the University of Western Sydney and was a good student. He will say that Mr Alameddine asked Mr Dubois to tutor him, which he did. Despite Mr Alameddine suggesting he would pay Mr Dubois for the tutoring, he never paid him anything. Instead, Mr Dubois will say that Mr Alameddine would do favours for him, including picking him up and driving him around. I also expect Mr Dubois to say that Mr Alameddine and his friends approached him at University with what Mr Alameddine described as a stolen exam paper and asked Mr
40 Dubois to help him prepare the answers for it. Mr Dubois will say that ultimately he left the University of Western Sydney and moved to the University of New South Wales to escape the pressure he was under from Mr Alameddine and certain of his friends.

Notwithstanding that Mr Alameddine had shown himself to be less than honest and prepared to use his relationship with Mr Dubois for his own benefit, the two kept up some form of friendship over subsequent years. I expect the evidence to indicate that Mr Dubois had some contact with Mr

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Alameddine in the period between meeting at the University of Western Sydney and Mr Dubois starting work at the RTA.

Mr Alameddine had obtained a security licence and appears to have assisted Mr Dubois in obtaining his own security licence, with the two men then doing at least some security work together around the early 2000s. I expect the evidence to indicate that not long after Mr Dubois started at the RTA, probably in the second half of 2010 or the first half of 2011, Mr Alameddine approached him and began asking Mr Dubois to provide him with contract work through the RTA. By that time, Mr Alameddine already had a company, Areva, of which he was the sole office holder. He had also, apparently, tried his hand at a number of different businesses, including running a security company and buying and selling goods, including boats and safes. Those businesses do not seem to have been successful.

I expect Mr Dubois' evidence to be that for a period of perhaps months, he resisted Mr Alameddine's overtures. That may have been partly due to a concern about Mr Alameddine not being qualified or experienced in the sort of work the RTA needed and partly related to some reservations about Mr Alameddine's prior conduct. Whatever be the case, Mr Dubois ultimately relented. By 2011, Mr Alameddine secured, initially through Areva, what turned out to be a fairly lengthy and lucrative stream of RTA and RMS work, that continued right through until the ICAC began its investigation into Mr Dubois' conduct and search warrants were executed on him and various contractors, including Mr Alameddine.

I now wish to say something about the work that each of the companies controlled by Hassan Alameddine did for the RTA and later the RMS. As I have mentioned, Mr Alameddine initially did work for the RTA through Areva. The available documents indicate that Areva was created as a vendor for the RMS work in September 2011. Almost immediately afterwards, Areva obtained contract work on an RMS project being carried out in the Galston Gorge in north-west Sydney, which involved performing works on Galston Road in order to install warning signs about overlength trucks using it, a camera system to detect overlength trucks using it, and building vehicle inspection bays so that overlength trucks could be stopped and safely inspected. The initial work that Areva performed on the Galston Gorge project was, it seems, according to documents, fabrication, galvanising and installation of what are known as variable message signs, or VMSes, at the western and eastern ends of Galston Gorge. While the available documents are scant, the first relevant purchase order in respect of that VMS work is dated 15 September, 2011 and the first payment of \$82,280 was made by the RMS to Areva on 10 October, 2011.

Areva then did work on multiple RMS jobs and sites, including civil works related to the infrared traffic logger, or TIRTL, camera system at P2P, or point-to-point, sites in Picton Road, Picton, Bredbo, Inverell, Gunnedah, Cooma and Glen Innes. Areva did similar works at other sites across the

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State, including Peak Hill, Eumungerie, Gilgandra, Raglan, Meadow Flats, Collector, Port Macquarie, Kew, Molong, Urunga, Woodburn, Boggabilla and Condobolin. Ultimately, over the period 10 October, 2011 to 23 May, 2013, Areva was awarded 18 contracts by the RTA and RMS and was paid a total of \$2,131,372.10. I expect the evidence will indicate that Mr Dubois assisted Mr Alameddine with the preparation of quotes and invoices. Indeed, Mr Dubois seems to have been heavily involved in preparing quotes, to the point where many draft quotes were found on computers and hard drives at his home when ICAC officers executed a search warrant on 18 June 2019. I expect the evidence will also indicate that Mr Dubois helped Mr Alameddine to source appropriate subcontractors and equipment at the best price to maximise the profit to Mr Alameddine and, in turn, the kickbacks available to Mr Dubois. I also expect the evidence to indicate that Mr Alameddine's invoices were heavily inflated.

Contract documents in respect of particular jobs suggest that Mr Alameddine, through Areva, and later through the other companies under his control, participated along with Mr Chahine and Mr Hadid in the rigged quoting process that Mr Dubois seems to have instituted. The evidence certainly suggests that Mr Alameddine was prepared to provide quotes for jobs in circumstances where Mr Dubois had in effect predetermined the outcome and told each contractor what to quote.

In mid-2013, Mr Alameddine engaged in a flurry of activity which appears to have been designed to further facilitate the rigged quoting process. On 20 June, 2013, John Goldberg replaced Alameddine as the sole officer holder of Areva. On 1 July, 2013, Simon Raha replaced Alameddine as the sole office holder of EPMD. On 1 July, 2013, Mr Alameddine's brother Ahmed replaced him as the sole office holder of a company called Gold Service Wholesalers, which eight days later changed its name to Acate. And on 22 July, 2013, Alameddine became the sole office holder of a company called HAM, which one week later changed its name to the Seina Group Pty Ltd. As a result of that flurry of activity, Alameddine was, by the end of July 2013, in a position where he had the effective control of four different companies, only one of which was registered in his name.

Although Acate Pty Ltd did not actually obtain or perform any contract work from the RMS, it did submit quotations for work. I anticipate the evidence will demonstrate that Alameddine used all of the companies under his control to submit dummy quotes to RMS to meet the RMS requirement that three quotes be obtained before awarding a contract over \$50,000. The evidence will indicate that Alameddine was paying alleged kickbacks to Dubois during this period in return for Dubois awarding contracts to Areva. I expect the evidence will indicate that when Mr Alameddine first started doing contract work for the RTA, he would pay Mr Dubois a kickback reflecting roughly 10 per cent of the profit that he made on a job. I expect the evidence will indicate that the amount of the alleged kickbacks

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subsequently increased to 50 per cent of Mr Alameddine's profit, as Mr Alameddine sought to increase his share of the available work.

I will say something briefly about the circumstances in which this increase occurred. You will hear shortly about another RMS contractor, Towfik Taha. As already noted, Taha and Alameddine are old friends. Mr Alameddine introduced Mr Taha to Mr Dubois. The evidence will suggest that at some point after Towfik Taha commenced doing contract work for the RMS, which was in early 2011, he offered to go into a "partnership" with Mr Dubois, by which Mr Taha meant that he would give Mr Dubois 50 per cent of his profits by way of a kickback. When Mr Alameddine heard this, he agreed to match it, so that he did not lose work to Mr Taha. Consequently, the evidence will suggest that from this point on Mr Alameddine gave Mr Dubois roughly 50 per cent of his profits by way of an alleged kickback. It seems that Mr Dubois had difficulty with the quality of the work being done by Mr Taha. The evidence will suggest that, ultimately, in around 2013, Mr Alameddine squeezed out Mr Taha altogether, and from that point on Mr Taha did not receive any further RMS work. I expect Mr Dubois will indicate that he did not find Mr Alameddine's quality of work to be particularly good either, and at times suggested to Mr Alameddine that he couldn't give him any more work. However, he never cut off the flow of work. As I have stated, it was only the commencement of the investigation by this Commission that brought Mr Alameddine's lucrative relationship with the RMS to an end.

I expect the evidence to indicate that Mr Alameddine preferred to pay Mr Dubois kickbacks in the form of cash payments, so that there would not be any record of the payments made. It is impossible to know how much Mr Alameddine paid Mr Dubois by way of cash payments during the period that Areva was receiving work from the RTA and RMS. However, we do know that during this period Mr Alameddine withdrew \$790,813 in cash from the Areva bank account into which the RMS payments were made. Separate to the cash payments, the evidence will establish that during the period of Areva's RMS work, Mr Alameddine made cheque or EFT payments to two bank accounts held by MWK, one of which had Mr Dubois as a sole signatory and one of which had Mr Dubois and Towfik Taha as co-signatories. In total, \$192,870 was paid to the account, which Mr Dubois was the sole signatory on, and \$110,000 was paid to the account that Mr Dubois and Towfik Taha were co-signatories on.

Thus, all up, Areva paid \$302,870 to MWK's accounts and I expect the evidence to demonstrate that such payments were kickbacks to Mr Dubois in return for him securing work for Mr Alameddine. Even putting aside whatever cash payments were made, the total of the cheque or EFT payments was more than \$300,000 over a period of roughly 18 months.

The largest single cheque Areva drew was \$110,000 and it was written on 12 October, 2012, and deposited into the MWK ANZ account at the

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Revesby branch on 15 October, 2012. That cheque is being shown on the screen now. I expect the evidence to demonstrate that Mr Dubois received the cheque from Alameddine and then it took it into the branch to deposit. It.

While Mr Alameddine initially did his contract work for Mr Dubois via Areva, by mid-2013, he began seeking and obtaining RTA contract work via Seina, in respect of which he'd just become sole director. On 9 September 2013, Seina was registered as an RMS vendor.

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Seina then did a high volume of RMS work for Mr Dubois, and also, Mr Steyn, between September 2013 and May 2019. The total value of that contract work was \$6,817,798.90. The amount of work Seina did, and indeed, the dollar value of that work, increased markedly from about mid-2016 through to mid-2019.

20

RMS documents indicate that the early works Seina did in September 2013 involved general site rectification works at Safe-T-Cam sites in Balranald and Narrandera, in country NSW. Mr Alameddine ultimately forwarded invoices to Mr Dubois via email on 20 September 2013. Interestingly, Seina also quoted for and obtained work in respect of the Galston Gorge project, which I referred to earlier in the opening, and which Areva did work on.

30

It appears that there are some fairly significant discrepancies with the Seina paperwork in respect of the Galston Gorge job. The RMS received a document from Seina described as a tax invoice, but also headed Structures and Sign Installation Galston Gorge Rectification Quotation, dated 1 September 2013, and now being shown on screen. That is, the document described itself as both a tax invoice and a quote and it was dated prior to Seina even being created as a vendor on the RMS system.

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None of those discrepancies seem to have rung any alarm bells for the RMS. A purchase order was created on 11 September, 2013 and ultimately, the RMS made a payment of \$99,594 on 26 September, 2013. If someone had given any attention to the discrepancies and perhaps did some due diligence on Seina they would have ascertained that Hassan Alameddine had been sole director of Areva Corp from September 2007 through to June 2013 and became the sole director of Seina Group in July 2013. It would have been ascertained that both companies were quoting for and receiving work on the Galston Gorge project.

Available records also suggest that, as with other contractors, Mr Dubois was involved in either drafting quotes and tax invoices for Seina or settling their contents. Indeed, the 1 September, 2013, combination quote and tax invoice for the Galston Gorge job, which I have referred to earlier, was located as a word document on a USB drive seized from Mr Dubois' home when a search warrants was executed on 18 June, 2019. The metadata for

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the document shows that it was created on 2 September, 2013, last saved on 10 September, 2013, and that Mr Dubois was the last author.

As I noted earlier Seina secured a very substantial flow of RMS work from 2013 through to mid-2019, when ICAC investigated Mr Dubois' conduct and he was suspended from duties. By way of a brief summary, Seina obtained work installing signage at multiple sites across the State, including multiple heavy HVCS site locations at places such as Denham, Singleton, Waterfall, Yass, Alford's Point and Picton Road. In a number of instances,
10 no competitor quotes have been identified. I refer, for example, to a quote dated 26 May, 2014, from Seina for sign-related work at multiple sites, mainly on country highway locations.

For that particular quote, the RMS ultimately created a purchase order on 11 August, 2014, and Seina's tax invoice number 00099, dated 8 September, 2014, in the sum of \$159,720, as quoted, was paid, along with two other invoices, on 9 October, 2014.

While the tax invoice was paid, investigations have not uncovered any
20 evidence of the invoice actually being sent by Seina Group to the RMS. However, a word version of the tax invoice was located on a USB device and a laptop computer seized during the execution of the search warrant on Mr Dubois on 18 June, 2019.

I expect the evidence to demonstrate that while the contract work Seina did for the RMS was almost always kept under \$250,000 in value, so that an open tender was not required, there were still sufficient discrepancies in the paperwork submitted by it that some concerns should have been raised. That they were not, is concerning in terms of the procurement systems the
30 RMS had in place.

I now briefly turn to the method by which Seina Group paid kickbacks to Mr Dubois.

Having earlier mentioned that I expect Mr Dubois' evidence to be that at some point Hassan Alameddine expressed a concern to him about paying by cheque or EFT and a preference for cash payments, the Seina banking records reveal significant sums of cash withdrawals, but no trail of cheque or EFT payments to either Mr Dubois directly or to companies with which
40 he was associated. Over the period of Seina's work for the RMS, cash totalling \$1,976,439.27 was withdrawn from its CBA account. I expect the evidence to indicate that substantial sums of cash were paid by Mr Alameddine to Mr Dubois in return for Seina securing its flow of work.

I now move to the third of Mr Alameddine's companies, EPMD. EPMD was registered by Alameddine on 7 January, 2013. Alameddine was the sole office holder until 1 July 2013. On that date, Simon Raha replaced

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Alameddine as the sole office holder. The evidence will demonstrate that Simon Raha is a close friend and business associate of Alameddine's.

The Commission will hear evidence to suggest that Raha was merely a straw director and that Alameddine had full control over EPMD. There are a number of individual pieces of evidence, which when seen together, point strongly to the conclusion that Alameddine was controlling EPMD when it was doing RMS work. First, a number of word versions of EPMD quotes and invoices were found on computer equipment seized at Hassan Alameddine's home in Auburn when a search warrant was executed on 18 June 2019.

Secondly, handwritten documents were also seized when the search warrant was executed on Hassan Alameddine's address and they contain references to RMS jobs, to both Seina and EPMD and indeed EPMD quotes.

Thirdly, and perhaps most significantly, evidence will be called to demonstrate that in late February to early March 2018, when Hassan Alameddine was overseas, his brother Ahmed Alameddine was in regular contact with him. A series of WhatsApp calls and messages indicate Ahmed was receiving instructions from Hassan while Hassan was in Lebanon in relation to the preparation of and submission of an EPMD quote in respect of the installation of signage at multiple HVIS sites. Indeed, the exchange of WhatsApp messages indicate that on the morning of 1 March 2018, Mr Dubois was on his way over to the Alameddine household and Ahmed was frantically seeking to have the EPMD quote ready for him.

Hassan Alameddine was in transit between Lebanon and Abu Dhabi but ultimately he sent as a screen shot a draft EPMD quote for the HVIS signage work. The relevant WhatsApp message, attaching the EPMD quotes is now being shown. Ultimately, that EPMD quote was submitted to Mr Dubois by email at 1449 hours on 1 March, 2018, with the total slightly revised.

While I expect the evidence, including from Ahmed Alameddine, will suggest Simon Raha had nothing to do with the running of EPMD, I note that there is evidence that in return for Mr Raha permitting Mr Alameddine to in effect borrow Mr Raha's name for the purposes of EPMD, Mr Raha received a financial benefit. EPMD had Commonwealth Bank accounts set up by Mr Raha and into which the RMS payments were made. WhatsApp audio recordings show Mr Raha pleading with Mr Alameddine for funds in mid-October 2018 in order to meet his mortgage and other living expenses.

AUDIO RECORDING PLAYED

[12.41pm]

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MS SPRUCE: On 21 October, 2018, Mr Alameddine sent Mr Raha the following voice message.

AUDIO RECORDING PLAYED

[12.42pm]

MS SPRUCE: Banking records demonstrate that the same day, \$6,800 was transferred from EPMD's CBA bank account into Mr Raha's personal bank account. In terms of the work EPMD ultimately performed for the RMS, it was similar in nature to that done by Seina and, before it, Areva. Typically, but not exclusively, it involved the fabrication and installation of signage. EPMD was registered as a vendor with the RMS on 4 May, 2016. RMS records indicate that between April 2016 and December 2018, 14 contracts were awarded to EPMD, resulting in it being paid \$2,067,945.00. Of the funds paid to EPMD's CBA bank account, of which Mr Alameddine and Mr Raha were co-signatories, \$277,300 was withdrawn in cash. I expect the evidence to demonstrate that as with the other companies controlled by Mr Alameddine, he paid cash kickbacks to Mr Dubois from those funds. As already noted, EPMD contributed \$213,000 towards the purchase of a Ferrari 599 GTB for Mr Dubois, with the total purchase price being \$697,500. The cost of that car was made up by Euro Civil, Built Engineering and EPMD.

Mr Alameddine kept a green notebook, which was seized from his house by Commission officers. Not every page in the notebook is dated, but the earliest date recorded in the notebook is 3 July 2018. On an entry in the notebook that appears to bear the date 20 December 2018, and which is now being shown onscreen, Mr Alameddine lists eight RMS contracts by location and then records the cost of each job, the amount invoiced and the profit. It shows how inflated the invoices were and the scale of profit Mr Alameddine was making on RMS jobs.

In respect of a job at Port Macquarie, which was a freeway install, and another job at Port Macquarie which was a Telegraph Road install, they had a combined cost of \$40,000, but were invoiced at \$53,520 in respect of the freeway install, and \$62,500 in respect of the Telegraph Road install, and therefore returned a profit of \$76,020.

In respect of an Albury fabrication job, which had a cost of \$82,000, it was invoiced at \$247,000, and therefore returned a profit of \$165,000. In respect of an Albury install, which had a cost of \$39,000, it was invoiced at \$118,000 and therefore returned a profit of \$79,000. In respect of an Albury underbore, which had a cost of \$31,000, it was invoiced at \$76,000 and therefore returned a profit of \$45,000.

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In respect of a Nyngan wire rope, which had a cost of \$60,000, it was invoiced at \$139,000 and therefore returned a profit of \$79,000. In respect of a Nyngan underbore and trench, which had a cost of \$27,000, it was invoiced at \$64,000, and therefore returned a profit of \$37,000. And finally, in respect of a Nyngan install, which had a cost of \$25,700, it was invoiced at \$75,700 and therefore returned a profit of \$50,000.

Commissioner, I will now move to TTS Group Investments Pty Limited, which is a company associated with Towfik Taha. As I've already noted, in
10 April 2011 Mr Dubois started allocating work to a TTS, a company run by his friend Towfik Taha. TTS Group Investments Pty Limited was registered on 2 July, 2009 and deregistered on 27 November, 2016. At all times Zac Malas was the nominated director and secretary. Taha changed his name to Zac Malas in 2007. However, he has used Towfik Taha since then, as well as Terry Taha, Towfik Malas and Toufik Taha. The evidence is expected to show that prior to securing contract work from the RTA through his company TTS, Taha was working as a small-scale tree lopper and landscaper. He had no formal training and had not completed any
20 apprenticeship in relation to any building or trade. He no licence to do any type of building, construction or demolition work and had limited experience. To give some idea of the modest nature of Mr Taha's landscaping and tree-logging business, in the month immediately before he started doing work for the RTA, TTS bank statements show that Mr Taha earned \$50 for a gardening job and \$300 for a tree maintenance job, giving TTS Investments a total income of \$350 that month.

The evidence is expected to show that Mr Taha approached Mr Dubois in around 2010 and asked him to give him work through the RTA. The first
30 contract that TTS was awarded by the RTA was in relation to landscaping works at Galston Gorge. There were a large number of discrepancies with the paperwork relating to this contract. On 23 February 2011, Mr Dubois emailed Mr Taha a request for quote for landscaping works required at Galston Gorge. The email was addressed to Toufik at info@ttsgroup.com.au. On 25 February, 2011, Mr Taha emailed Mr Dubois a quote for \$37,000, excluding GST, on TTS Group letterhead, bearing the email address info@ttsgroup.com.au. The next day, Mr Taha received an email from Mr Dubois awarding him the contract. That email was sent to toff_959@██████████. On 28 February, 2011, Mr Taha sent Mr Dubois a
40 revised quote for the works at Galston Gorge for \$46,000. The email was sent from toff_959@██████████ and signed Tof Taha.

The evidence suggests that neither of the quotes referred to above were ever provided by Mr Dubois to the Finance Department. Rather, the quote that Mr Dubois provided to the Finance Department was on TTS letterhead for an amount of \$47,000. This quote is identical to the revised quote that TTS emailed to Dubois, except that someone has added on an extra \$1,000 and also included the words "Attention: Mr Alex Dubois Date 24/02/2011". The evidence tends to suggest that this quote was created by Mr Dubois himself.

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There is no evidence to indicate that this quote was ever emailed to Mr Dubois. It was found on Mr Dubois' hard drive and USB.

On 3 March, 2011, Mr Dubois received an email from Simon Brodie, the Acting Manager of Business Development, noting that he had been asked to approve the TTS Group as a vendor on IMS for the purpose of landscaping at Galston Gorge and noting the quote was for \$47,000 and asking whether Mr Dubois had obtained more than one quote. Mr Dubois responded the same day that whilst there was no requirement to obtain more than one quote for works under \$50,000, he had nonetheless obtained a second quote, which was for \$56,000. The second quote is on letterhead described as Complete Landscaping Solutions and signed by "Barak Hadid, Director". Interestingly, the letterhead is identical to the letterhead used by Rad 1 Civil Pty Ltd, another company that corresponded with Mr Dubois. The evidence indicates that this was a dummy quote created by Mr Dubois. Again, there is no evidence of Dubois emailing a request for quote to Complete Landscaping Solutions, nor receiving a quote from them. This quote was found on three devices, hard drives and USBs, owned by Mr Dubois.

On 6 March, 2011, Taha sent Mr Dubois an invoice dated 2 February 2011 for \$17,000 as a progress payment for works at Galston Gorge. It was sent from toff_959@[REDACTED]. This invoice was dated 2 February, notwithstanding that Mr Taha did even not receive a request to quote for the Galston Gorge job until 23 February, 2011, let alone a contract. Nobody in the RTA appears to have picked up this discrepancy. On 9 March, 2011, TTS Group was created as an RTA vendor. The email address was recorded as toff_959@[REDACTED]. It was accompanied by an EFT authorisation form, which was signed by Zac Malas as Director of the TTS Group, and a certificate of registration of company document, which was for TTS Group Investments Pty Ltd with an ACN 138 056 130. It appears that someone within the Finance section of the RTA did a search on the ACN and found it was attached to Mr Toufik Taha, as a sole trader, not registered for GST and trading as Pro Tech Tree Services, not to TTS Group Investments. On Sunday 13 March 2011, Mr Dubois emailed Mr Taha the contract documents for Galston Gorge to info@ttsgroup.com.au. His email was addressed to "Terry". On 14 March, 2011, Mr Dubois was forwarded an email from the Finance section of the RTA stating, in relation to Mr Taha's invoice for a progress payment, stating, "The invoice doesn't look okay to process for payment. Vendor not registered for GST and claiming. ABN is different on the ABN website. Please check and advise Alex and vendor." The same day Mr Dubois forwarded this email to toff_959@[REDACTED].

On 15 March, 2011, Mr Taha emailed Mr Dubois a revised invoice for the Galston Gorge progress payment on letterhead described as ProTech Tree Service. It was otherwise identical to the previous invoice from the TTS Group, and still included a claim for GST. On 24th March 2011, Mr Taha received an email directly from Theresa Jabson, senior contracts and finance officer at the RTA stating, "We have received your invoice 001. The link in

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the ABN website shows that you cannot claim GST. Please amend your invoice. Once we receive your amendment the invoice will be processed accordingly.” This email was sent to the info@TTSgroup.com.au and was copied to Mr Dubois. There is no evidence of Mr Taha ever emailing a revised invoice to remedy this problem. However, on 24 March, 2011, a new IMS vendor details form was created for TTS Group Investments linked to the correct ABN, 93 138 056 130. Attached to the vendor form is an invoice from the TTS Group dated 11 February, 2011 for \$17,000 and bearing the correct ABN. The evidence will suggest that this invoice was
10 created by Mr Dubois.

On 3 June, 2011, Mr Dubois received an email from an RTA employee, Ms Tara Kennedy, attaching photos of asphalt and mulch dumped in the national park next to Galston Gorge. Mr Dubois assured Ms Kennedy that the dumped asphalt had not been left by any RTA contractor, but he also forwarded the photos of the dumped asphalt to Mr Taha.

TTS was ultimately paid \$51,700 for works at Galston Gorge. Despite, this
20 less than auspicious beginning, over the period from April 2011 to July 2013, TTS was awarded fourteen contracts by the RMS and received payments from the RMS to a value of \$1.468 million. I anticipate that the evidence will demonstrate that Mr Dubois rigged the quoting process so as to ensure that Mr Taha was awarded work for the RMS. I anticipate the evidence will suggest that Mr Dubois told Mr Taha what amount he should charge for particular jobs and disclosed to Mr Taha quotes received from other companies prior to Taha submitting quotes for the work. I also anticipate the evidence will demonstrate that Mr Dubois assisted Mr Taha with the preparation of quotes and invoices and on some occasions prepared these documents for him. I anticipate the evidence will also indicate that
30 although some of the work awarded to TTS was landscaping work, TTS was also awarded contracts by the RMS involving major roadworks, which Mr Taha had no ability to perform and that these jobs were subcontracted out by Mr Taha to subcontractors suggested to him by Mr Dubois, with a significant profit margin being made by Mr Taha.

I anticipate the evidence will demonstrate that in exchange for awarding contracts to Mr Taha, Dubois received significant financial rewards from Mr Taha. I expect the evidence will indicate that these alleged kickbacks were
40 paid in the form of cash, cheques and electronic transfers and varied from between 30 to 50 per cent of the total profit made by Mr Taha on any given job. I have referred to this previously in the opening, but MWK Developments received into one particular ANZ bank account, which Mr Dubois and Mr Taha were both signatories on, substantial payments from TTS, Areva, CBF Projects, and also Senai Steel, A&A Structural, UDE and BMN. In addition to that, TTS and other contractors, made direct payments to a separate MWK Developments account operated by Mr Dubois. The total payments made by the various contractors to MWK Developments’ various bank accounts was \$1,300,586.20. Mr Dubois then accessed those

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funds in a variety of ways, including through cash withdrawals, transfers from joint MWK Developments accounts to MWK Developments' accounts that Mr Dubois operated himself, cash withdrawals and purchases on an EFTPOS card that Mr Dubois held on a joint MWK ANZ account, and through card purchases that were facilitated via MWK Developments' accounts that Mr Dubois operated alone.

10 In addition to colluding with Mr Dubois in relation to the awarding of RMS contracts to TTS, I expect the evidence will show that Towfik Taha was also heavily involved in assisting Mr Dubois to launder funds emanating from not only TTS but a number of other RMS contractors. On 30 May, 2011, Taha registered MWK Pty Ltd. It was deregistered on 20 October, 2013. Taha was the sole office holder during that period. The following day, Taha opened two separate ANZ bank accounts in the name of MWK Pty Ltd and included Dubois as an authorised signatory under the name "Hassan Habbouche" to each account.

20 The evidence will demonstrate that Mr Dubois and Mr Taha each had debit cards attached to the two MKW ANZ accounts that allowed them to withdraw money from those accounts. I anticipate the evidence will suggest that this bank account was set up as a slush fund, into which a number of RMS contractors could transfer money, for the purpose of laundering the proceeds of the scheme and providing a financial benefit to Dubois and, to an extent, Taha. I have already listed the contractors who made such transfers.

30 Between 21 June 2011 and 10 October 2012, Mr Taha made four payments from a TTS bank account into one of the MWK ANZ bank accounts, amounting to \$183,700, and there's a graphic showing that payment onscreen. Between 27 June 2011 and 5 December 2012, cash withdrawals and debit card transactions amounting to \$942,365 were made from the accounts. I anticipate the evidence will indicate that, of this amount, Dubois received \$807,650.91 and Taha received \$91,000.

THE COMMISSIONER: Ms Spruce, I wonder if that might be a convenient time.

MS SPRUCE: Yes, Commissioner.

40 THE COMMISSIONER: Very well. We'll adjourn and resume at 2 o'clock.

LUNCHEON ADJOURNMENT

[1.00pm]

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