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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 2.00PM

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

THE COMMISSIONER: Yes.

MR DOWNING: Commissioner, just before Ms Spruce resumes, can I just apologise? I think in the course of the morning I have mispronounced Mr Steyn's name consistently as "stine". It should be "stain" and I apologise for that.

THE COMMISSIONER: "Stain" is the correct pronunciation?

10 MR DOWNING: Yes, thank you, Commissioner.

THE COMMISSIONER: Thank you. Yes, Ms Spruce.

MS SPRUCE: Commissioner, before the break I was dealing with moneys paid into the MWK account for the benefit of Mr Dubois. I will now give just a couple of examples of how Mr Dubois accessed money that had been paid from various contractors, including TTS into the joint MWK Developments account. I am going to have displayed on screen bank statements for the MWK Developments ANZ joint account for March to
20 April 2012.

This statement demonstrates that during a period, when Mr Dubois is known to have travelled to the Middle East, according to his DFAT records, he made purchases including one on 17 April, 2012, for \$9,127.47 at Rolex Watches, Jeddah. I will now have shown on screen a bank statement for MWK Developments ANZ joint account for September to October 2012. These records also demonstrate that on 4 October, 2012, Mr Dubois used his EFTPOS card to make payments of just over \$15,000 to Porsche Centre Parramatta, no doubt for work or parts on one of his Porsche cars.
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Those banking records demonstrate that Visa debit purchase card number 8024 was held by and used by Mr Dubois at the relevant time. It seems that there was another debit card on the account, card 9013, which the evidence suggests was held by Mr Taha. It was used to make far more modest purchases and withdrawals.

Not only was MWK used to launder funds, it also became an RMS contractor in its own right. In September 2012, MWK was registered as a vendor in the RTA database. Dubois awarded three contracts to MWK,
40 which then provided three invoices to RMS for payment. RMS transferred \$224,400 to MWK's account between October and November 2012.

Once MWK was established as an RMS vendor, there was at least one occasion on which Towfik Taha submitted quotes to the RMS for the same job from both MWK and TTS, notwithstanding that he was the sole office holder of both companies.

Mr Taha stopped doing work for the RMS in mid-2013. I anticipate the evidence will suggest that Mr Dubois and Mr Taha had a falling out at this time. The nature of this falling out is a matter that will be explored in the evidence but I expect it will relate to the payment of alleged kickbacks. I expect Mr Dubois will say that there was competition between Mr Alameddine and Mr Taha to obtain work from Mr Dubois and that Mr Taha's work was of a poor standard. I expect Mr Dubois will say that once Mr Alameddine offered to match Mr Taha in paying a kickback of 50 per cent of profits, Mr Taha was pushed out in favour of Mr Alameddine. I expect the evidence will indicate that as a result of this dispute, Mr Dubois gave Mr Taha the white Porsche 996 GT2 that had been registered in his name, but used by Mr Dubois, on the understanding that Mr Taha would no longer be receiving any further work from the RMS but that Mr Taha would not report Mr Dubois' wrongful conduct.

I will now turn to MJ Wilsons Projects Pty Limited, a company associated with Mark Abraham and John Goldberg.

John Goldberg is Towfik Taha's younger brother. He was born Hussein Taha but in 2007, he changed his name to Adam Malas and then in 2008, changed his name again to John Goldberg. He is known by his friends, including Mr Dubois, as Humphrey.

Mr Goldberg is presently incarcerated. He was convicted of firearms related offences on 9 March 2015 and is currently serving a sentence of 8 years and 6 months, expiring on 4 May, 2024. His non-parole period expires on 4 March 2022.

Mr Goldberg went to the Malek Fahd Islamic School, the same school that his brother Towfik and Hassan Alameddine attended, although Goldberg is younger and was in a different year. Mr Goldberg met Mr Dubois through his brother, Taha.

Prior to being awarded RTA contracts, Mr Goldberg had his finger in a lot of pies. He variously did some panel beating and spray painting work, bought and sold cars, imported sex toys, ran cafes and manufactured cleaning products. He had set up numerous different companies for the purposes of these enterprises. Relevantly, he had no experience in performing asphaltting or roadwork. The evidence is expected to indicate that, after being introduced by Mr Taha, Mr Dubois and Mr Goldberg became friends and close business associates from around 2012.

The evidence will demonstrate that in around 2012, Mr Goldberg and Mr Dubois went into business together, owning and operating cafes and a bakery. They purchased and/or set up Humphrey's Bakery in Bankstown, Coffee Boss, next door in Bankstown and My Caffeine Romance in Kirrawee. Mr Dubois was a silent partner and contributed financially to the ventures while Mr Goldberg ran the cafes and bakery. The café partnership

continued for about a year. I expect there will be evidence to suggest that at some point during this period Mr Goldberg told Mr Dubois that he would like to start doing work for the RMS.

10 On 10 January, 2013, Mr Goldberg set up a company called MJ Wilsons Pty Ltd. The evidence will indicate that this company was set up for the purpose of obtaining work from the RMS. That company was registered in the name of Mark Abraham, an old school friend of Mr Goldberg's, though then known as Mazen Ibrahim. However, the evidence will demonstrate that Mr Abraham was merely a straw director and had nothing to do with the actual running of the company on a day-to-day basis.

On 13 January, 2013, three days before the commencement of MJ Wilsons' first contract with RMS, Goldberg opened a Commonwealth Bank Account in the name of MJ Wilsons, with Abraham and Goldberg both listed as signatories to the account. Whether Mr Abraham received a financial reward for allowing his name to be used on ASIC documents and for the MJ Wilson bank account is an issue that will be explored in the evidence.

20 Between January 2013 and May 2013, Areva drew a series of cheques totalling \$370,525 in favour of Ibrahim Transport Pty Ltd, which were deposited into a CBA bank account operated by Mr Mark Abraham.

I anticipate Mr Abrahams' evidence will be that he had set up Ibrahim Transport so that he could do contract work for Coca Cola Amatil, delivering their soft drinks. While that would explain money being paid by Coca Cola Amatil to Ibrahim Transport, it provides no explanation as to why Areva would have been making large payments into Ibrahim Transport in 2013. I again note that at the time, Mr Alameddine was the sole office
30 holder of Areva Corp. Interestingly, however, Mr Goldberg replaced Mr Alameddine as the sole office holder of Areva Corp in June 2013.

Between January 2013 and April 2014, MJ Wilsons was awarded six contracts by the RMS for asphaltting work and was paid a total of \$1,089,935 by RMS. The very first quote submitted from MJ Wilsons was for the amount of \$198,000, and was dated 9 January, 2013, which was the day before M J Wilsons was registered with ASIC and four days before the MJ Wilsons Bank account was set up. That job was awarded to MJ Wilsons. The evidence will suggest that no other contractor submitted a quote for that
40 job.

The evidence will demonstrate that all of the asphaltting work required under the contract was subcontracted out and neither Mr Goldberg or Mr Abraham did any asphaltting or roadworks themselves. I anticipate the evidence will also suggest that MJ Wilsons invoiced the RMS for an inflated amount, and that these inflated amounts, were charged for the financial benefit of Mr Goldberg and Mr Dubois.

I anticipate that the evidence will demonstrate that Mr Goldberg did not even prepare the quotes or invoices that were submitted to the RMS in the name of MJ Wilsons. It is anticipated that the evidence will demonstrate that those were prepared by Mr Dubois.

10 The evidence will demonstrate that, in relation to at least some of the RMS contracts awarded to MJ Wilsons, it was not even Mr Goldberg or Mr Abraham who coordinated the subcontracted works – rather, it was on some occasions CBF Projects, one of the Chahine/Hadid companies referred to already, that coordinated the subcontracted works, through a company called Country Pavement Contracting Pty Ltd, trading as Country Pavement Services or CPS. I anticipate the evidence will show that on other occasions, Mr Goldberg was put in touch with appropriate subcontractors by Mr Dubois.

20 I anticipate the evidence will indicate that Mr Goldberg paid significant alleged kickbacks to Mr Dubois of up to 50 per cent of the profits made by him in return for contracts being awarded to MJ Wilsons. Further, I expect the evidence will suggest that Mr Goldberg paid Mr Dubois alleged kickbacks in cash.

It is impossible to know how much cash Mr Goldberg paid to Mr Dubois. However, the evidence will demonstrate that each time a deposit was made into the MJ Wilsons CBA account by the RMS, large cash withdrawals were made within a relatively short period of time. Between 22 February and 29 July, 2013, 20 cash withdrawals amounting to \$941,700 were made from the MJ Wilsons CBA account, and you will see that demonstrated in the graphic.

30 The evidence will indicate that not only did Mr Goldberg collude with Mr Dubois to obtain contracts through the RMS, he also played a critical role in laundering funds for Mr Dubois. I anticipate the evidence will suggest that from the outset of his involvement with the RMS, Mr Goldberg was heavily involved in assisting Mr Dubois to launder funds and funnel proceeds of the scheme to Mr Dubois in a manner designed to avoid detection.

At around the same time that Goldberg set up MJ Wilsons Pty Ltd, he also replaced Mr Dubois as the director of a company called the Australian Technology Group Pty Ltd.

40 The evidence will demonstrate that the Australian Technology Group was a corporate vehicle through which Mr Dubois provided his services to the RTA in the period 2010 to 2012. Mr Dubois was the director of Australian Technology Group from 2010 until January 2013. However, in January 2013, the directorship of Australian Technology Group was transferred from Dubois to Mr Goldberg. The reason for this is an issue that will be explored in the evidence. I anticipate there be evidence to suggest that Mr Goldberg advised Mr Dubois that he should cease his involvement in the Australian

Technology Group because payments in the nature of bribes and kickbacks had been paid to Mr Dubois by TTS and others into the Australian Technology Group bank account. Mr Dubois subsequently began providing his services to the RMS through a clean company called Davencorp Pty Ltd of which he was the sole director. I anticipate there will be evidence to suggest that this was done on Mr Goldberg's advice.

10 On 17 December 2012, Mr Goldberg established a company called Wilkins Corp, with Mariam Abdelkarim, Mr Goldberg's then wife, as its director. But for a brief period, between 14 June 2013 and 4 July 2013, when Goldberg replaced Abdelkarim as director, Abdelkarim was the director of the company at all times until it was deregistered on 16 March 2018. The evidence will demonstrate that Abdelkarim had no day-to-day control over the company and that to the extent she acted on behalf of the company by signing ASIC and bank documents, she was acting on the instructions of Mr Goldberg at all times.

20 Wilkins Corp was not an RMS contractor. However, the evidence will suggest that it was created to launder proceeds obtained from RMS work so as to pay a financial benefit to Dubois and others who were part of the wrongful scheme.

30 On 14 January, 2013, Goldberg opened a Suncorp bank account in the name of Wilkins Corp, with himself and Abdelkarim as signatories, and that's illustrated on the graphic presently on screen. On the day the account was opened, a cheque from CBF projects for \$59,000 was deposited into the account. The following day, \$45,000 was transferred into the account from a bank account held by CBF Projects, so the balance was \$104,500. Between 22 January and 18 March, 2013, the entire \$104,500 that had been deposited into the account by CBF Projects was withdrawn in a number of large cash withdrawals made from different branches. The account was closed shortly thereafter in April. Whether some or all of this money was paid in cash to Mr Dubois is an issue that will be explored in the evidence.

40 On 20 May 2013, Goldberg, acting through Abdelkarim, opened a new Suncorp Bank account in the name of Wilkins Corp, with Abdelkarim as the sole signatory. It was subsequently closed on 30 May, 2014. The bank records of that account demonstrate that between May 2013 and March 2014 a total of \$493,510 was deposited into the account.

Of the \$493,510, \$424,353 was transferred into the account from an ANZ account held by CBF and the remaining \$56,061 was from cash deposits. Between May 2013 and July 2013, six payments amounting to \$271,150 were transferred from that account to an account held by Goldberg, of which he was the sole signatory.

In July 2013, two payments amounting to \$8000 were made from the Wilkins Corp account into an account in the name of Minea Cuisine Pty Ltd, of which Dubois was the sole signatory.

In addition, between March 2013 and August 2013, Goldberg made seven payments amounting to \$49,094 from his account into the Minea bank account.

10 On 5 July, 2013, Mr Goldberg, acting through Ms Abdelkarim, opened a Commonwealth Bank account in the name of Wilkins Corp. That day, a cheque for \$49,350 from CBF was deposited into that account. Five days later, a bank cheque for that amount was drawn against the Wilkins Corp account in favour of John Goldberg.

20 On 11 July, 2013, a further cheque for \$49,350 from CBF was deposited into the Wilkins Corp Commonwealth account. On 17 and 18 July, Ms Abdelkarim made two withdrawals totalling \$49,000 in cash from the Wilkins Corp Commonwealth account. The evidence will demonstrate that Ms Abdelkarim was acting on the instructions of Mr Goldberg and immediately handed the cash over to Mr Goldberg. I expect the evidence to indicate that these funds were used to pay alleged kickbacks to Mr Dubois.

In April 2014, MJ Wilsons Projects provided new bank account details to the RMS. The bank account was said to be an account in the name of “MJ Wilsons” but in fact the account details provided were for the Wilkins Corp Commonwealth Bank account. That resulted in \$102,300 being redirected to the Wilkins Corp CBA account from the RMS, as demonstrated in the graphic on screen.

30 I anticipate the evidence will suggest that Dubois received payments, alleged to have been bribes from Goldberg, in excess of \$200,000, and that on more than one occasion Goldberg delivered significant amounts of cash to Dubois’ house in a shoebox. In addition to cash payments, I expect the evidence will suggest that on one occasion, Mr Goldberg accompanied Mr Dubois to an auction and bought jewellery said to be valued at \$20,000, some of which he gave to Mr Dubois.

I will now move to a company called BMN Electrical Services Pty Ltd, associated with Bilal Najjarin.

40 I expect the evidence to indicate that in early 2010, Dubois ran into a man named Bilal Najjarin at a gym in Bankstown. Mr Dubois and Mr Najjarin recognised each other as members of the Lebanese community. Mr Najjarin is in fact a distant cousin of Mr Dubois’ by marriage. They struck up a conversation and Mr Najjarin mentioned that he was an electrician. Mr Dubois told Mr Najjarin he was a project manager at the RTA and asked Mr Najjarin if he would like some work, to which Mr Najjarin enthusiastically agreed.

Mr Dubois subsequently brought some paperwork to the gym for Mr Najjarin to fill out in order to obtain work from the RTA.

Najjarin had been working as an electrician since around April 2004, but up until March 2010, Mr Najjarin operated as a sole trader under the business name BMN Electrical Services.

10 On 9 March 2010, Mr Najjarin registered a company called BMN Electrical Services Pty Ltd with himself as the sole director and secretary. I anticipate the evidence will suggest that this was done at around the same time that he ran into Mr Dubois at the gym. The registered office for BMN was unit 1, 58 Restwell St, Bankstown, New South Wales. This address is significant because it was also the registered office address for GEC Consulting Pty Ltd, a company registered with ASIC in December 2009 and another RMS contractor. And subsequently, from November 2011 until September 2017, it became the registered address for Sydney Metro Building Services, yet another RMS contractor, of which Mr Dubois' cousin, Nabil Habbouche, was the director. This is the same cousin through whom Mr Dubois' family is linked to Mr Najjarin's family by marriage.

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The following month, on 8 April, 2010, Mr Najjarin opened a CBA account in the name of BMN Electrical Services Pty Ltd, and shortly thereafter, on 25 May, 2010, BMN was awarded its first contract by the RTA.

An issue that will be explored in the evidence is whether Mr Najjarin incorporated BMN on Mr Dubois' advice for the express purpose of obtaining work from the RTA.

30 BMN performed work for the RTA between May 2010 and June 2011 and received five payments from the RTA over that period, totalling \$219,000.

The evidence is expected to show that Mr Dubois favoured Mr Najjarin for work, including for jobs that he was not qualified to perform. For example, the evidence demonstrates that in January 2011, Mr Dubois was advised that a streetlight at Twelve Mile Creek near Newcastle needed repairs and was given photos of the job by someone within the RMS. The nature of those repairs required an electrician with a Level 2 certification. Mr Najjarin has at all material times held a Level 1 certification.

40 The evidence demonstrates that Mr Dubois emailed those photos to Mr Najjarin. Subsequently, on 15 February, 2011, Mr Najjarin emailed Mr Dubois a quote for the repairs from a company called Highco Electrics Pty Ltd for the amount of \$12,980. The evidence will suggest that Highco Electrics is a Level 2-certified electrical company that Mr Najjarin found on Google.

The evidence will demonstrate that on 21 February, five days after Mr Najjarin had sent Mr Dubois the Highco quote, Mr Dubois sent Mr Najjarin a formal request for quote related to the removal and installation of new light poles at Twelve Mile Creek. The tender close date was 21 February, 2011. There's no record of this being emailed to anyone else. On 23 February, 2011, Dubois emailed BMN various documents, including a letter of acceptance and a contract in relation to the Twelve Mile Creek job.

10 At 11:52pm on the same day, four hours after he had received the letter of acceptance and contract, BMN emailed Dubois a quote for the "Removal of light pole, installation of new light pole and testing of existing pole." The text of the quote was in almost identical terms to the Highco quote that BMN had received on 14 February, 2011, with one notable exception. Whereas the Highco quote was for \$12,980, BMN's quote was for \$33,440, including GST.

20 The evidence will demonstrate that the works were performed by Highco and that BMN's only role, to the extent there was one at all, was to supervise the works being performed. This was an extraordinary situation given that Mr Najjarin was supervising works he was not himself qualified to carry out.

The evidence will demonstrate that BMN was subsequently paid \$33,440 in relation to this job, equating to a profit of around \$20,460 to Mr Najjarin.

30 I anticipate there will be evidence to suggest that from the outset, Mr Dubois told Mr Najjarin that he expected to be paid a commission and that the amount of his commission should be added to Mr Najjarin's price, so that the formal quote submitted by BMN included Mr Dubois' cut. I also anticipate there will be evidence to suggest that Mr Dubois colluded with Mr Najjarin in the preparation of quotes on behalf of BMN and told Mr Najjarin how much he should charge for each job. I anticipate the evidence will suggest that Mr Najjarin usually allowed a 30 per cent profit margin for himself, and that part of this was paid as a commission to Mr Dubois.

I anticipate there will be evidence to suggest that after Mr Najjarin had received payment from the RMS in relation to each job, he would write a cheque to Mr Dubois for the amount of the so-called commission.

40 The evidence will demonstrate that on 23 June, 2011, three cheques from BMN for \$34,100, \$14,980, and \$1,100, totalling \$50,180, were deposited into MWK's joint ANZ bank account.

I expect there will be evidence to suggest that Mr Najjarin found that the work was not highly profitable due the size of Mr Dubois' commissions. I anticipate that there will be evidence to suggest that at some point, Mr Najjarin adverted to this in conversation with Mr Dubois, and that after that he did not receive any more work from the RMS.

I will now move to A&A Structural Solutions Pty Ltd and Senai Steel Pty Ltd, companies associated with Abdula Nachabe and Gamele Nachabe.

10 Abdula and Gamele Nachabe are brothers. Gamele is the older of the two brothers and after completing his high schooling, he obtained an apprenticeship as a boilermaker. He worked as a boilermaker for a number of companies before striking out on his own and running his steel fabrication business. After a bankruptcy in about 2007, Gamele Nachabe formed a company, Senai Steel Pty Ltd, on 7 April, 2011, through which he then conducted his steel fabrication business. For a period between April 2011 and May 2015, Abdula Nachabe was also a director.

20 Abdula Nachabe completed his high schooling and then undertook a Bachelor of Civil Engineering through Sydney University. After working for a period as a structural engineer at Kellogg, Brown & Root, Abdula Nachabe and a colleague from Kellogg, Brown & Root, Ahmad Al Banna, set up their own business, A&A Structural Solutions Pty Ltd, in March 2011. However, Mr Al Banna was only involved for a period of months in 2011 before leaving the business. Thereafter, it was run by Abdula Nachabe. There's no evidence that Mr Al Banna was involved in any wrongdoing.

30 I expect the evidence will indicate that in mid-2011, A&A Structural performed contract work for the RTA through Mr Dubois, which involved A&A Structural conducting inspections and writing condition reports on steel gantry structures located at 19 sites across New South Wales. The gantry structures had Safe-T-Cam cameras mounted on them. More particularly, the locations were Albury, Balranald, Bargo, Bendemeer, Boggabilla, Branxton, Broken Hill, Casino, Clothiers, Coonabarabran, Dundee, Gundagai, Harwood, Jerilderie, Marsden, Narrandera, Nyngan, Tomingley, and Tweed Heads.

By way of background, Mr Dubois knew Abdula Nachabe because they both attended the same gym in Bankstown. They thus knew each other before Mr Dubois commenced at the RTA. Separate to Abdula Nachabe's association with Mr Dubois, he also knew Barrak Hadid, as Mr Hadid is related to Mr Nachabe's sister-in-law.

40 When Abdula Nachabe was working at Kellogg, Brown & Root, he contacted Mr Dubois to see if Mr Dubois might have some work that Kellogg, Brown & Root could do, and that resulted in Kellogg, Brown & Root undertaking a number of weighbridge inspections.

Turning back to A&A Structural, the evidence will indicate that in mid-February 2011, Mr Dubois sent to Abdula Nachabe at A&A Structural a request for a quote and supporting documents in respect of the inspections the RTA required of the 19 gantry structures. At the same time, Mr Dubois

sent the request for a quote and supporting documents to other engineering companies, being GHD Pty Ltd, Sinclair Knight Merz Pty Ltd, and Parsons Brinckerhoff Australia Pty Ltd.

10 Ultimately, each of those companies submitted quotes. However, before A&A Structural submitted its quote, Mr Dubois forwarded the Parsons Brinckerhoff quote to Abdula Nachabe's private email. The following day, Abdula Nachabe submitted a fee proposal on behalf of A&A Structural which, unsurprisingly, came in at \$89,650, roughly \$15,000 less than the Parsons Brinckerhoff quote.

Ultimately, Mr Dubois prepared a tender assessment report on 16 March, 2011, under which he recommended that A&A Structural be awarded the contract. There's no evidence to indicate that Mr Dubois disclosed his friendship with Abdula Nachabe.

20 Commencing in April 2011, Abdula Nachabe and also Mr Al Banna began conducting the gantry inspections at the 19 locations, and one by one, they submitted reports. Ultimately, the RTA paid A&A Structural \$98,631.49 between June and July 2011 for that work.

30 I expect there will be evidence that after A&A Structural had the contract awarded to it to do the gantry inspections and reports, Mr Dubois spoke to Abdula Nachabe and raised for the first time that in return for A&A Structural getting the work, he expected what he described as a consultancy fee. While it is the case that Mr Dubois was working on a contract basis with the RTA at the time rather than as an employee, it is nonetheless suggested that it was highly unusual for him to be charging consultancy fees from contractors doing RTA work. They were, in reality, a secret commission.

Whatever Abdula Nachabe's misgivings, he ultimately agreed to pay it, and the evidence will demonstrate that at Mr Dubois' behest, A&A Structural paid \$9,665 to the MWK ANZ joint bank account controlled by Mr Dubois and Towfik Taha on 18 July, 2011. Banking records confirm that the payment was made via cheque.

40 After completing the gantry inspection and report writing work for Mr Dubois, A&A Structural did no further RTA or RMS work. Abdula Nachabe likewise paid no further consultancy fees to Mr Dubois or MWK.

After A&A Structural prepared the reports in respect of the various gantry structures and identified work that needed doing, Mr Dubois then invited Gamele Nachabe to quote to carry out the necessary rectification works. Indeed, the first request for a quote was sent by Mr Dubois on 5 April, 2011, after Abdula Nachabe had identified urgent work required at the Gundagai and Bargo gantry structures the day before.

What then followed was the creation of Senai Steel as an RTA vendor on 4 May, 2011, the provision of quotes by Senai Steel for each of the gantry structures, the acceptance of those quotes by Mr Dubois and the performance of the work by Senai Steel. Ultimately, over the period May 2011 to October 2012, Senai Steel was paid \$726,472.55 for work done at the various gantry locations.

10 There's good evidence that, as with the other contractors, Mr Dubois rigged the quoting system in order to ensure the outcome he wanted. To illustrate that, I use the Tomingley gantry works as an example.

On 1 June, 2011, Gamele Nachabe sent an email to Mr Dubois enclosing a quote for the Tomingley works in the sum of \$112,400 plus GST, as shown on the screen.

20 The RTA records also include a 1 June, 2011 quote for the Tomingley works from A&A Structural in the sum of \$137,500 plus GST, which is purportedly signed by Abdula Nachabe, and a 1 June, 2011 quote for the same work from Peregrine Corp in the sum of \$152,000 plus GST, which is said to be from Shane Chahine.

I pause to note that A&A Structural was not a company that did steel fabrication work. Abdula Nachabe was an engineer, who had done the reports identifying the need for the works. He was not equipped to perform the works himself.

30 In respect of Peregrine Corp, that was a company created by Chahid Chahine's brother, Chahine Chahine, and that company had never done any RMS work.

There is a strong hint on the documents that the alternative quotes for the Tomingley job from A&A Structural Solutions and Peregrine Corp may have been creations of Mr Dubois, in order to meet his obligation to provide three quotes.

40 There were similar discrepancies with the quotes obtained by Mr Dubois in respect of other rectification works on the gantry structures. Surprisingly, and disappointingly, no one within the RTA seems to have twigged that the quoting system was being rorted and that indeed, the very same company which had prepared the reports identifying the need for the gantry rectification works was quoting to undertake them.

Ultimately, after being paid just over \$725,000 in 2011 – 2012, Senai Steel also paid kickbacks to Mr Dubois through making payments into the MWK ANZ joint bank account. The total amount paid into the MWK Developments account was \$144,442.90. That sum was made up by four payments, each paid via cheque between 25 July, 2011 and 12 October, 2012.

In terms of how the kickbacks Senai Steel made to Mr Dubois via MWK came about, I expect there will be evidence from Gamele Nachabe to the effect that Mr Dubois raised his requirement that he be paid a kickback at the point A&A Structural Solutions submitted its invoices, so that in effect, the invoices would be inflated to include an extra component, beyond genuine costs and a profit margin, to reflect Mr Dubois' entitlement.

10 I also expect Gamele Nachabe to indicate that when Mr Dubois raised his payment, he described it as a management fee for his project management of the job. Again, putting aside the concerning nature of that arrangement, Gamele and his brother Abdula Nachabe ultimately drew four cheques in favour of MWK Developments to pay Mr Dubois his management fees.

MR DOWNING: Commissioner, I'll now move to the final three contractor companies doing work for Mr Dubois and then onto Mr Steyn after that.

THE COMMISSIONER: Yes, very well.

20 MR DOWNING: The next company is Sydney Metro Building Services Pty Ltd.

Nabil Habbouche is Alexandre Dubois' cousin, on his father's side. Unfortunately, Nabil Habbouche has been absent from Australia since 15 April, 2017, and it won't be possible to call him during the inquiry. Consequently, this inquiry will need to rely on oral evidence from Mr Dubois and documentary evidence in respect of Nabil Habbouche, and his company, Sydney Metro Building Services.

30 Nabil Habbouche did his schooling at Bankstown Senior College and then completed a Bachelor of Building and Construction Management at UTS, finishing in 2000. He then worked in various contract management type roles in Sydney between January 2000 and February 2007. It appears that he then moved to Dubai, where he performed quantity surveyor type roles through to August 2011. He then returned to Sydney in August 2011 and registered Sydney Metro on 17 November, 2011.

40 I expect Mr Dubois' evidence will be that soon after Nabil Habbouche returned from Dubai in 2011, he approached Mr Dubois seeking work. The evidence will demonstrate that Mr Dubois was then able to secure such contract work for Sydney Metro from mid-2012 to mid-2013, with a total amount paid by the RMS of \$752,430.03.

In summary, Mr Dubois assisted Sydney Metro to secure RMS work, including the performance of rectification works at the Boggabilla HVCS, the installation of TIRTLS or The Infra-Red Traffic Loggers at point-to-point sites at Bulli and Picton Road, and rectification works at the Condobolin HVCS.

As with other matters, there are some fairly significant discrepancies in the paperwork the RMS received in respect of these jobs. Some of the competing quotes for particular jobs appear to be fabrications, either created by Mr Dubois himself or others amongst his group of favoured contractors, in order to assist him in meeting his three-quote requirements, and to assist him in ultimately ensuring the job went to his chosen contractor – in this instance, Sydney Metro. I also note that a number of draft quotes and invoices were found on computers and storage devices located at Mr
10 Dubois' home when the search warrant was executed on him on 18 June, 2019. Again, that tends to suggest he was heavily involved in putting together quotes as part of his practice of obtaining dummy quotes in rigging the quoting system.

I also note in respect of each of the RMS jobs Sydney Metro did, asphaltting work was a fairly significant part, and there are a number of documents which suggest that Nabil Habbouche may have been subcontracting out large parts of the work and in effect charging to do not much more than
20 project manage the contract.

In terms of kickbacks Mr Dubois received from his cousin Nabil Habbouche, there are no available records to suggest payments being made into an MWK Developments account or contributions by Sydney Metro to the purchase of cars. I expect the evidence from Mr Dubois will be to the effect that across the various contracts Sydney Metro carried out for the RMS, Nabil Habbouche paid cash alleged to have been bribes totalling about \$90,000.

I next move to GEC Consulting Services.
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GEC Consulting is a civil engineering company. It was registered on 18 December, 2009 with Ghazi Sangari as the sole officeholder. Mr Sangari holds a degree in civil engineering. Although Mr Sangari is the only registered officeholder, the evidence will suggest that in fact, from about 2009 until 2016 when Mr Sangari left the business, he operated it with a partner, Mr Ahmad Wehbe, and the profits of the business were shared equally between them. Mr Wehbe's role in the business was building design.

40 I anticipate the evidence will indicate that Mr Dubois and Mr Sangari had no pre-existing relationship, but that Mr Dubois and Mr Wehbe were known to each other through the Lebanese community.

I anticipate the evidence will also demonstrate that the registered address of GEC Consulting was the same registered address used by at least two other companies that were RMS contractors used by Mr Dubois, being BMN Electrical and Sydney Metro, and in the case of BMN Electrical, it was

already doing contract work for the RTA at the time that Mr Sangari first came into contact with Mr Dubois.

I anticipate the evidence will indicate that two of Mr Dubois' brothers, Fadi and Wassim Habbouche, were employed by GEC at various times, although this occurred after GEC had commenced doing contract work for the RTA.

10 I expect the evidence will indicate that Mr Sangari first had contact with Mr Dubois in January 2011 when Mr Dubois contacted GEC Consulting and asked them to submit a quote in relation to design works required by the RTA. The evidence will demonstrate that GEC Consulting submitted a quote, which was accepted, and GEC Consulting was registered as a vendor with the RTA on 2 February, 2011.

The evidence will demonstrate that between February 2011 and December 2014, GEC Consulting was awarded 11 RMS contracts to the value of \$472,582, inclusive of GST.

20 I anticipate the evidence will indicate that Mr Dubois, Mr Steyn, and Mr Sangari colluded in the awarding of these contracts to GEC Consulting in circumstances where GEC Consulting made a significant profit out of RMS work and both Mr Dubois and Mr Steyn received alleged kickbacks from GEC Consulting. The evidence will suggest that many of the invoices submitted by GEC Consulting to the RMS were significantly inflated.

30 I anticipate the evidence will suggest that, although in some instances GEC Consulting was submitting quotes to the RMS in relation to civil engineering and design work, in other instances it was submitting quotes in relation to undertaking actual physical asphaltting and roadworks which it had no capacity to carry out. I anticipate the evidence will demonstrate that in relation to at least four of the contracts GEC Consulting performed for the RMS, a significant portion, if not all, of the work was subcontracted out and that GEC Consulting charged the RMS significantly more than the cost of the subcontracted works. I anticipate the evidence will indicate that GEC Consulting made a significant profit out of these subcontracted contracts.

40 To give an example, in October, 2011, Mr Dubois purported to invite Peregrine, TTS, and GEC Consulting to tender for works required at the Mount White Northbound HVCS. The primary objective of the project was to widen the entry lane from the heavy vehicle checking station to the freeway to permit long, heavy vehicles with trailers to exit the station safely, as well as widening the U-turn bay to allow such vehicles to safely exit the parking area. Although the scope of work included to provide the construction design plan as per the template provided by the ITS Projects Section, RTA, most of the works described in the tender involved actual asphaltting and roadworks.

On 10 November, 2011, GEC Consulting provided a quote for the entirety of the Mount White job for \$144,000 plus GST.

GEC Consulting was awarded the contract on 17 November, 2011 – sorry, was awarded the contract, and on 17 November, 2011, a purchase order for 144,000 plus GST was raised in favour of GEC Consulting.

The evidence will demonstrate that Mr Sangari appointed Mr Nabil Habbouche, Mr Dubois' cousin, as the project manager for the job.

10

On 22 November, 2011, GEC Consulting received a quote from Ozpave for asphalt works at Mount White, in the sum of \$50,600 ex. GST. There is a significant degree of overlap between the works specified by Ozpave in the quote submitted to GEC Consulting and the works specified by GEC Consulting in the quote submitted to the RMS. I anticipate the evidence will indicate that the Mount White contract was performed either wholly or to a significant extent by Ozpave.

On 29 November, 2011, GEC consulting issued an invoice to the RMS for \$158,400 in relation to the Mount White job.

20

On 6 December, 2011, GEC Consulting received an invoice from Ozpave for \$51,441.

I anticipate the evidence will indicate that GEC Consulting performed very little if any work in relation to this contract and made a significant profit of up to \$92,559 ex. GST on the contract.

Shortly thereafter, on 12 December, 2011, GEC Consulting provided a quote to the RMS for "Mount White North Bound HVCS – Contraflow Lane" for \$43,420. The contract was awarded to GEC Consulting. The scope of works described in the purchase order was "excavation works to correct levels, prepare subgrade, subbase, and finish layers to match existing line markings, and removal of existing."

30

On 15 December, 2011, GEC Consulting received a quote from Ozpave in relation to the same works for \$18,525.

GEC Consulting invoiced RMS for \$43,420 in respect of this contract. I anticipate the evidence will indicate that the Mount White contract was performed either wholly or to a significant extent by Ozpave.

40

The evidence will demonstrate that immediately after the Mount White jobs, Mr Sangari paid Mr Dubois \$5,000 in cash, which he delivered to Mr Dubois' home. I anticipate there will be evidence to suggest that Mr Dubois suggested to Mr Sangari that as the Mount White job was a bigger job, Mr Dubois should be looked after.

The evidence will demonstrate that Mr Sangari paid Mr Dubois a further cash payment of \$5,000 on at least one other occasion. I anticipate the evidence will demonstrate that these cash payments were in the nature of kickbacks in return for GEC Consulting receiving work from the RMS through Mr Dubois.

In addition to providing alleged kickbacks to Mr Dubois, I anticipate the evidence will indicate that GEC Consulting also provided alleged kickbacks to Mr Steyn.

10

All of the work that GEC received from the RMS originated through Mr Dubois. However, in the course of doing that work, Mr Sangari also came into contact with Mr Steyn, who often attended design meetings onsite.

I anticipate the evidence will indicate that in around 2012, Mr Steyn came to see Mr Sangari in his offices, and showed Mr Sangari some rough drawings of a knockdown and rebuild he wanted to do of his private residence in Castle Hill and asked GEC to do the necessary design work. I anticipate there will be evidence to suggest that Mr Steyn hinted that this work should be performed free of charge as a favour. He certainly offered no payment at the time.

20

The evidence will demonstrate that GEC subsequently assisted Mr Steyn with plans, certification, council advice, and development application work. I anticipate the evidence will demonstrate that this work was performed free of charge as a favour in return for GEC Consulting receiving ongoing work from the RMS.

30

At the same time, an employee of GEC, Ahmed Elech, under the company RGM Property Surveys, also did plans for Dubois' private residence in Yagoona. I anticipate the evidence will suggest that this was a further favour provided to Mr Dubois.

Commissioner, I next move to UDE Group Pty Ltd, a company associated with Talal Rifai.

Tala Rifai completed his high schooling at Bass Hill High School and then obtained a TAFE qualification in demolition supervision.

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Mr Rifai then went out on his own doing demolition and excavation work, trading under the name Ultimate Demolition and Excavation. In March 2011, Mr Rifai incorporated UDE Group Pty Ltd as the sole director and shareholder. He then began conducting his demolition and excavation business through that company.

I expect the evidence will be that prior to doing any work for the RTA, Mr Rifai knew Chahid Chahine and Barrak Hadid because of a family connection. Specifically, Mr Rifai's sister was married to Chahine, Chahid

Chahine's brother. Through that family connection, Mr Rifai knew Chahid Chahine and Barrak Hadid and ultimately came to be doing some demolition subcontract work for them through one of their companies, likely Complete Building Fit Out, at a HVCS site located at Mount White, north of Sydney. I anticipate the evidence will be that Mr Dubois met Mr Rifai through that subcontract work and ultimately invited Mr Rifai to quote for his own direct RTA work.

10 Ultimately, Mr Dubois sent Mr Rifai at UDE an email on 21 March, 2011, requesting that he quote for pavement works as part of the Galston Gorge project. Specifically, the proposed work involved expanding the roadway in order to create large vehicle length measurement bays at each end of Galston Road. Mr Dubois later sent out a revised request for a quote on 4 March, 2011.

Mr Rifai, through UDE, actually submitted a quote dated 31 March, 2011, with his stated price being \$194,000 plus GST, or \$213,400 inclusive of GST.

20 UDE's quote was ultimately accepted, with Mr Dubois sending Mr Rifai a letter of acceptance on 13 April, 2011, confirming the lump sum price of \$194,000.

UDE performed the work in Galston Gorge, and on 13 June 2011, submitted a tax invoice in the sum of 213,400 inclusive of GST. In fact, Mr Rifai resubmitted the invoice on 16 June, 2011, because the original invoice didn't show the ABN for UDE Group.

30 Mr Dubois created a tender evaluation report in respect of the Galston Gorge vehicle length inspection bays work, identifying the three tendering parties as UDE, ADN Pty Ltd, and BFW Group Pty Ltd. According to that report, UDE's tender was the lowest at 194,000 plus GST and was recommended for acceptance. In fact, UDE had submitted a quote rather than a tender.

40 I expect the evidence will raise real issues as to whether any genuine consideration of completing quotes occurred, as suggested by the tender evaluation report and indeed whether the other two quotes were genuine. Again, I anticipate the evidence will suggest that the quoting process was rigged by Mr Dubois to ensure the outcome he wanted, which in this instance was that UDE would obtain the contract.

The evidence will demonstrate that the UDE invoice in the sum of \$213,400 was paid by the RTA on 7 July, 2011. Then four days later, UDE drew a cheque in the sum of \$63,800 and it was deposited into the MWK ANZ joint account controlled by Mr Dubois and Towfik Taha the following day.

While I anticipate Mr Rifai will deny ever being asked to pay a kickback to or on behalf of Mr Dubois and to in fact ever paying such a kickback, I expect the evidence will point to a fairly compelling conclusion that that is precisely what occurred through the 11 July, 2011 cheque he drew. I expect Mr Rifai may claim that he made that payment to MWK in respect of subcontract work it did. In that regard, while a tax invoice directed to Ultimate Demolition from MWK Pty Ltd – not MWK Developments Pty Ltd – dated 1 May, 2011 in the sum of \$58,000 ex. GST or \$63,800 inclusive of GST has been located, and it's being displayed now. There are
10 a number of reasons why it's difficult to accept that this actually reflects an invoice for genuine work MWK did for UDE Group. Putting aside the discrepancies in each party's names, the invoice refers to "Blue Mountains civil works" and makes no reference at all to any works in Galston Gorge.

As with a number of other contractors, there were discrepancies in the contracts documentation in respect of the UDE Galston Gorge work that may have alerted someone scrutinising the documents to potential problems in the way the contract was being allocated and managed. Again, whatever systems were in place at the RTA, no-one twigged to any potential issues, so
20 Mr Dubois was able to continue his course of conduct.

Commissioner, I'll now move to Mr Steyn and his conduct.

THE COMMISSIONER: It seems that Galston Gorge just kept on giving.

MR DOWNING: It seemed to, Commissioner.

THE COMMISSIONER: Yes, all right.

30 MR DOWNING: Commissioner, it's appropriate to acknowledge at the outset that on the available evidence, Mr Steyn's corrupt conduct was less substantial than that of Mr Dubois. That doesn't detract from the fact that in both cases the conduct was plainly wrong and unethical. As will be suggested later in the opening, there's ample evidence to demonstrate that in both cases, an issue will ultimately arise as to whether the conduct comes within the statutory definition of corrupt conduct under the ICAC Act 1988 and could constitute one or more criminal offences. It's simply to note that Mr Steyn's conduct was on a smaller scale and involved him enriching
40 himself to a lesser degree.

By contrast to Mr Dubois, who seems to have had a penchant for cash and luxury cars, Mr Steyn seems to have been keen on others paying for goods and services for him or indeed performing services for him.

In that regard, the evidence will demonstrate that, with more than one contractor, Mr Steyn would request that they procure Apple devices for him, or more correctly, for him and other family members. That seems to have been a pattern over a number of years.

Likewise, when it came to a major knock down and rebuild of Mr Steyn's family home in Castle Hill, I expect the evidence to demonstrate that he sought that multiple contractors either perform work for him for nothing or pay for others to do work or purchase furniture and fittings.

10 To provide some further detail regarding the house, the evidence indicates that Mr Steyn and his wife Aleesha bought a property in Castle Hill in 2008. It would seem that by 2013, Mr and Mrs Steyn had decided on demolishing the existing one-level house, putting in an in-ground pool and pool house and then building a new, two-storey house. They submitted DAs in 2013 and 2015 to permit the demolition and construction to occur.

I expect the evidence to indicate that, while Mr and Mrs Steyn paid for some of the associated costs themselves, in many instances they turned to RMS contractors that Mr Steyn and indeed Mr Dubois dealt with, so that they could pay for the services or goods or provide services gratis.

20 Further, the evidence will demonstrate that with at least one contractor, Lancomm Pty Ltd, Mr Steyn proposed a scheme not dissimilar to that carried out by Mr Dubois and Mr Taha through MWK, whereby the contractor would set up a separate company into which kickbacks could be funnelled. That is, Mr Steyn persuaded Mr Rahme, the principal of Lancomm, to set up a separate company and transfer funds received by Lancomm from the RMS into it, so that ultimately money could be withdrawn and provided back to Mr Steyn as a kickback. I'll say a little more about the specifics of that method of receiving kickbacks at a later point.

30 Another theme in Mr Steyn's conduct is that he was a fan of a spreadsheet. I expect the evidence called before this inquiry will demonstrate that with different contractors, he either created spreadsheets or sought that the contractors create spreadsheets, with a view to keeping a record of not only the kickbacks that were being paid, but in a couple of important instances, the moneys that were being received by the contractor from the RMS. I expect that the spreadsheets will provide powerful evidence of there being a clear connection between the allocation of RMS work on the one hand and the receipt of the kickbacks on the other.

40 I expect that Mr Steyn may well deny that he ever acted inappropriately, other than perhaps through the allocation of contract work to contractors with which he had a friendship or family relationship. That is, I expect he will deny ever receiving any form of kickback. Ultimately, a substantial body of documents will be put before the Commission to suggest that the only credible explanation for what Mr Steyn was doing was indeed receiving kickbacks in return for allocating contract work.

I now turn to say something briefly as to how Mr Steyn sought alleged kickbacks.

As to how Mr Steyn actually went about extracting kickbacks, it might be suggested that there was a degree of subtlety in his conduct, at least in some instances. That is, I expect the evidence to indicate that he would ask for things without explicitly stating that he wouldn't be paying for them. However, the irresistible inference that it will ultimately be suggested should be drawn is that Mr Steyn was communicating to the contractors that the price of obtaining RMS business was looking after him, through the provision of goods and services and through paying for goods and services.

I expect the evidence will demonstrate that Mr Steyn was already extracting alleged kickbacks from – I withdraw that. I expect the evidence will demonstrate that Mr Steyn was already extracting alleged kickbacks from contractors he was awarding contracts to before he met Mr Dubois. I also anticipate that the evidence will suggest that Mr Steyn recognised Mr Dubois as a fellow traveller and someone who was perhaps conducting a larger and more sophisticated scheme. The evidence will suggest that Mr Steyn in effect felt out Mr Dubois in relation to his relationship with certain contractors who Mr Steyn identified as also being of Lebanese origin. I expect the evidence will demonstrate that Mr Steyn then asked Mr Dubois for those contractors to either do work on his house or to pay for work on his house, with Mr Steyn asking Mr Dubois to ensure that they continued to receive a steady flow of work.

I now say something briefly as to how Mr Steyn typically received alleged bribes and kickbacks.

I've already indicated that Mr Steyn received alleged bribes and kickbacks through the provision of goods and services, through contractors paying for goods and services for Mr Steyn, and with certain contractors, through them paying, providing him with cash payments.

To provide some substance to what I've already said about the work done at Mr Steyn's family home in Castle Hill, it's helpful to descend to at least some level of detail.

The evidence will demonstrate that from the very beginning of even drawing up of plans for the demolition and rebuild, Mr Steyn leant on contractors to assist, either directly or through Mr Dubois.

As already noted, the job of drawing up plans and dealing with Council was undertaken by GEC Consulting. I expect the evidence will indicate that it was through Mr Steyn approaching Mr Dubois and seeking someone who could help with the plans that Mr Dubois suggested Mr Sangari.

With the demolition of the existing house at Castle Hill, the evidence will demonstrate that Advanced Excavation and Demolition Pty Ltd did the work, but that work was paid for by Ashley Alexander and AA Steel Piping, a steel fabrication company run by Mr Alexander.

Ashley Alexander is married to Sandy Alexander, nee Steyn, who is Craig Steyn's first cousin.

10 Beyond the demolition costs, the evidence will indicate that Mr Alexander and AA Steel Piping paid for many other costs related to the rebuild. They included things such as plumbing costs, pool installation costs, roofing costs, costs of tiles, and the cost of windows and doors. I anticipate Mr Steyn and Mr Alexander may suggest that the contributions Mr Alexander and AA Steel Piping made to the works at the Steyn's family house were entirely unrelated to the RMS work that AA Steel Piping was receiving, and didn't represent any form of kickback. I anticipate they may both suggest that in effect Mr Alexander was making a form of loan to Mr Steyn to assist with the demolition and rebuilding of a house.

20 Ultimately, the Commission will need to consider how credible that explanation for the payments is, particularly in light of the contents of certain spreadsheets which it will be suggested were created by Mr Steyn and then sent to Mr Alexander via his wife Sandy for their consideration and updating.

Commissioner, I'll now have brought up on the screen an email dated 18 December, 2018, and an attached spreadsheet which I should note has been extracted from one of Craig Steyn's old telephone handsets, which was seized during the execution of a search warrant on him on 18 June, 2019.

30 The covering email – if we could go back to that for a moment, please – indicates that it was sent on 18 December, 2018 from the AA Steel Piping email address to Craig Steyn, using a Creative Service personal email address, and it attached an Excel spreadsheet entitled CraigAug2015.xls. When one goes to the spreadsheet itself, it shows a RMS purchase order number, a description of a scope of works for work AA Steel Piping did, an AA Steel quote price and then figures to reflect an amount awarded to the job and an amount awarded to Ki-Ty Investments. It will be suggested that the Ki-Ty Investments component reflected the cut Mr Steyn was to receive
40 from each job.

The connection to the RMS work on the spreadsheet is obvious. What's perhaps less obvious, but will be the subject of oral evidence, is that columns 3 to 5 in the spreadsheet suggest that AA Steel arrived at a genuine price for each RMS job and then increased that price in a number of instances, with the difference reflecting an amount due to be paid to or on behalf of Mr Steyn. It is a credit to Mr Steyn's record-keeping and attention to detail that the spreadsheet effectively shows – if we could now move to

the next page, please – a running tally with the red figure representing what Mr Steyn believed he was owed from RMS work awarded to AA Steel Piping and black figures representing payments AA Steel Piping or the Alexanders made to or on behalf of Mr Steyn. So, the running tally was reduced for each item paid for by AA Steel Piping or the Alexanders. I also note that Ki-Ty Investments seems to be a notional entity which is made up by the first letters of Craig and Aleesha Steyn’s children’s names.

10 The evidence to be called in the inquiry will also demonstrate that Mr Steyn came up with a number of other mechanisms through which he could receive kickbacks. With Mr Joseph Rahme, the principal of Lancomm Pty Ltd, Mr Steyn persuaded him to set up a separate company, J&C Maintenance Services Pty Ltd. The evidence will demonstrate that when RMS payments were made to Lancomm, it then paid funds into a J&C Maintenance Services bank account, from which the funds were then on-paid to a bank account operated by an electrical contractor, JK Flash Electrical Services (Australia) Pty Ltd. JK Flash is run by Mr Johnnie Kafrouni, an associate of Joseph Rahme and an electrical contractor. although not for the RMS.

20

I anticipate the evidence will indicate that Mr Kafrouni then withdrew cash, after it had been transferred across from J&C Maintenance and gave it back to Mr Rahme, after keeping a cut of about 10 per cent himself. The evidence will demonstrate, I anticipate, that Mr Kafrouni then paid the cash to – I withdraw that. Mr Rahme then paid the cash Mr Steyn as a form of kickback in return for Lancomm receiving RMS work. I expect the evidence to indicate that the entire scheme of funnelling payments through Lancomm, J&C Maintenance and JK Flash was sought by Mr Steyn and then put in place by Mr Steyn and Mr Rahme.

30

Finally, I expect the evidence to demonstrate that Mr Steyn sought kickbacks from certain contractors through a company, Peter Manuel Services Pty Ltd, which had been, at least on its face, set up for Mr Steyn’s father-in-law, Peter Manuel, an elderly South African boilermaker, to do some contract work in Australia. Peter Manuel Services issued invoices to two RMS contractors, Lancomm and SA Masters Electrical Services and was paid just over \$70,000 by them in June 2018. Notwithstanding that I expect Craig Steyn and Aleesha Steyn to claim that those payments reflected genuine work done by Mr Manuel. I anticipate other evidence will suggest that in fact no such work was done and that the Peter Manuel Services invoices were sent out and paid so that Lancomm and SA Master could provide kickbacks to Mr Steyn.

40

I now move to the small number of contractor companies who provided alleged bribes and kickbacks to Mr Steyn.

I've already made mention of AA Steel Piping Pty Limited, Commissioner, a company under the control of Ashley Alexander and the evidence will indicate also assisted in that regard by his wife, Sandy Alexander.

AA Steel Piping is a steel fabrication business started by Ashley Alexander in February 2014. Mr Alexander is the sole director and shareholder. However, I expect the evidence to indicate that while he was the face of the company, sought and obtained work and either performed steel fabrication work himself or supervised employees doing it, his wife Sandy Alexander
10 ran the books for the company.

Ashley and Sandy Alexander were both born in South Africa and married there. They immigrated to Australia in 1989. As previously noted, Sandy Alexander is a first cousin of Craig Steyn. The evidence will demonstrate that the Alexander family and the Steyn families are very close.

By contrast to many of the contractor companies run by friends, associates and family members of Mr Dubois, AA Steel Piping was in business and performing steel fabrication works for many years prior to Mr Steyn,
20 beginning at the RMS in early 2009. Nonetheless, I expect the evidence to indicate that between July 2009 and March 2019, AA Steel Piping did contract work for the RTA and RMS to a total value of \$1,747,555.35. Most of that work was through Mr Steyn, though I expect the evidence to also indicate that at times, particular contracts that were awarded to AA Steel Piping that came under Mr Dubois' area of responsibility.

RTA and RMS records indicate that while AA Steel Piping first did contract work in May 2009, it was actually not created as a vendor on the RMS
30 CM21 system until June 2012. The evidence also indicates that the initial contracts AA Steel Piping performed were for relatively small amounts of money, typically less than \$10,000. Over time, the contracts became bigger, so that their values were in the tens of thousands of dollars and occasionally, more than \$100,000.

I expect the evidence to indicate that after Mr Steyn began working at the RTA, Mr Alexander asked him if he was able to obtain some work for AA Steel Piping. Further, I expect the evidence to be that not long afterwards, Mr Alexander was contacted by someone else within the RTA, seeking that
40 he put together a design for the steel structure required on a speed camera stand. That seems to be the initial job that AA Steel Piping did in mid-2009.

Over time, AA Steel Piping did jobs at multiple RMS sites, including supplying, fabricating and installing galvanised hand rails for three camera stations, fabricating steel piping for antennae used in the Galston Gorge project, fabricating steel plates for a point-to-point camera site in Gundagai and fabricating and installing hand rails at four sites between Mt Victoria and Lithgow.

In the later years of AA Steel Piping's work for the RMS, it appears that their work was less specific to steel fabrication and installation and more general in nature. As noted earlier, the contracts also became bigger. That work included things like repairs to RMS buildings, performing painting, performing vegetation clearing and performing annual site maintenance at various P2P locations.

10 I expect issues will arise as to the suitability of AA Steel as a contractor to perform certain of those contracts, given that it was, in essence, a company that performed steel fabrication work. I also expect that the evidence will suggest that Mr Steyn actively assisted AA Steel Piping to obtain work, sought that Mr Dubois use AA Steel Piping for his jobs and also, have Mr Dubois complete many of the forms required, such as purchase orders, where AA Steel Piping was doing a job for Mr Steyn. The documents certainly have a flavour of Mr Steyn seeking not to be too involved in contracts that were being awarded to AA Steel Piping.

20 I expect Mr Steyn will acknowledge that he failed to disclose his family connection with AA Steel Piping, but little else. I expect he will deny that he obtained any benefits in connection with securing work for AA Steel Piping.

30 I have already mentioned that an important piece of evidence on whether there was a relevant connection between AA Steel Piping securing RTA and RMS work and payments the Alexanders and AA Steel Piping made to or on behalf of Craig Steyn and his family is a series of spreadsheets Mr Steyn seemingly created. Through those spreadsheets and other financial records, I expect it will be established that AA Steel Piping and the Alexanders paid for an extraordinary range of what might be described as living and lifestyle expenses for the Steyns. That extended to meeting aspects of the cost of demolishing and rebuilding their house in Castle Hill, which I have already mentioned, but also paying for things such as school fees for Craig and Aleesha Steyn's children, air fares, hotel expenses and the cost of various restaurants for birthday and other family celebrations.

40 I expect the evidence of Craig Steyn and Ashley Alexander to be to the effect that all of the moneys AA Steel Piping and the Alexanders personally paid to or on behalf of the Steyns were either in the form of a loan or simply helping out family, with no connection to the RMS work. However, there is documentary evidence in the form of the spreadsheets which suggests otherwise.

Finally in relation to the Alexanders, evidence will be put before the Commission to suggest that they may have assisted other contractors in procuring a Mercedes Benz car for Craig or Aleesha Steyn in late 2018. In December 2018, a Mercedes Benz C63 sedan was purchased in the name of Sandy Alexander. Notwithstanding what the relevant paperwork suggests, I expect there will be evidence that Mr Steyn had indicated that he wanted to

obtain such a car for his wife and enlisted the assistance of Mr Dubois to procure it. Notwithstanding it being bought in the name of Sandy Alexander, I expect there will be evidence to show that it was actually paid for by Built Engineering, one of the companies controlled by Barrak Hadid and Chahid Chahine, though not a RMS contractor. There is evidence to indicate that in December 2018 and the very early months of 2019, the Steyns had possession of the car. There is certainly evidence to suggest that this was another part of Mr Steyn seeking kickbacks, though I hasten to add that the evidence does not in this instance suggest that either the Alexanders or AA Steel Piping paid the kickback.

Commissioner, I will now hand over to Ms Spruce to deliver the last part of the opening.

MS SPRUCE: Commissioner, I will now deal with the remaining three contractors associated with Mr Steyn, the first of which is SA Masters, trading as Masters Electrical Services.

Steven Masters is a qualified electrician who has worked as a sole trader since 2000 and since 2008 has operated his business through the company SA Masters Electrical Services. Mr Masters is a long time contractor with the RTA. He first began doing contract work at the RTA in 2004, before either Mr Dubois or Mr Steyn were employed there. At that time, the RTA had a dedicated branch of in-house electricians called the Electrical Projects Group from whom Mr Masters received work. As a result of the work he did for the Electrical Projects Group, Mr Masters acquired a form of specialist knowledge in relation to the installation and maintenance of generator containers providing temporary power supply to various RTA sites.

The Electrical Projects Group began to be wound down in 2014 and was completely shut down in 2015. From that point on, all electrical works required by the RMS were contracted out and each division within the RMS was responsible for engaging electrical contractors directly. In around 2014, Mr Masters was contacted by either Mr Dubois or Mr Steyn and asked to continue doing work of the kind he had previously been doing for the Electrical Projects Group.

Unlike many of the other RMS contractors about whom mention has already been made, Mr Masters is not a member of either the Lebanese or South African communities and had no pre-existing relationship of any kind with Mr Dubois or Mr Steyn.

Almost all of the work performed by Mr Masters for Mr Dubois and Mr Steyn had a value of under \$50,000. This meant that there was no need for Mr Dubois or Mr Steyn to obtain three quotes before awarding a contract for the work to be done. They could just ask Mr Masters for a quote and, provided the amount of the quote was under \$50,000, award the contract to

Mr Masters, although, there will be evidence to suggest that Mr Masters was sometimes told to break up jobs over multiple invoices so that the amount of any one invoice did not exceed \$50,000.

The evidence will demonstrate that while Mr Masters received work from both Mr Dubois and Mr Steyn, he mostly dealt with Mr Steyn, and over time, Mr Masters and Mr Steyn developed a friendly working relationship.

10 In the period 2014 to 2019, the volume and value of the work Mr Masters was receiving from Mr Dubois and Mr Steyn, increased significantly.

In 2014, he received around \$15,000 in payments from the RMS. In 2015 he received \$89,512.50 in payments from the RMS. In 2016 he received \$192,629.25 in payments from the RMS. In 2017 he received around \$92,000, and then in 2018, following the creation of the Maintenance Panel, about which I will say more shortly, and to which SA Masters Electrical Services was appointed, he received \$408,384 from the RMS.

20 Whether Mr Masters ever inflated his invoices or charged for work he did not perform is an issue that will be explored in the evidence. The evidence will demonstrate that from December 2016 on, Mr Masters began to perform favours for and provide alleged kickbacks to Mr Steyn.

30 The evidence will demonstrate that in December 2016, Mr Steyn asked Mr Masters to carry out electrical works on his home as part of his renovation. Mr Steyn indicated that he wanted to do the wiring himself to keep costs down. Mr Masters provided Mr Steyn with advice about how to do the wiring himself, and visited the house on around five occasions to check Mr Steyn's work. When the electrical works were finished, Mr Masters certified the electrical works and certified that the smoke detectors had been properly installed. Mr Masters also provided bits and pieces of electrical equipment like gaffer tape, wiring and downlights without charge for Mr Steyn's personal use.

The evidence will suggest that Mr Masters either did not charge at all or significantly undercharged Mr Steyn for these goods and services as a favour in return for the significant amount of work he was receiving from the RMS. From July 2017, Mr Steyn's requests for favours from Mr Masters began to escalate.

40 On 7 July 2017, Mr Masters bought Mr Steyn an iPad, an iPad keyboard and an apple pencil at a cost of \$3,507.95. I anticipate the evidence will demonstrate that Mr Steyn asked Masters to purchase these items for him and Mr Masters did so because he wanted to remain in favour with Mr Steyn and to continue receiving work form the RMS. Mr Masters subsequently bought apple products for Mr Steyn, always at Mr Steyn's specific request, on four further occasions.

In total, between July 2017 and November 2018, Mr Masters bought Mr Steyn the following apple products at a total cost of \$15,197.70: an iPad, an iPad keyboard, an apple pencil, two iPhone 7s, an iPhone X and case, an iPhone 8 and case, Powerbeats headphones, a charging mat, two HomePods, two sets of AirPods, a drone, a gimbal, a further iPad and a further set of AirPods.

10 These purchases all followed a similar pattern. Mr Steyn would tell Mr Masters that he wanted particular Apple products and send Mr Masters the detail of those particular products. Mr Masters would pay for the products, usually online, and they would be either delivered to Mr Steyn's home or collected by Mr Steyn from the Apple Store in Castle Hill, close to where Mr Steyn lived. Where the items required registration with Apple, the items were all registered either in Mr Steyn's name or in the name of one of Steyn's family members or close associates. The evidence will suggest that Mr Masters was too scared to say no to these requests because he didn't want to get Mr Steyn offside in case he lost RMS work.

20 Mr Masters also made two payments to Mr Steyn of \$13,200 each, through Peter Manuel Services, about which I've already made mention. I will briefly outline how Mr Masters came to receive the invoices.

30 Peter Manuel, as you've heard, is Mr Steyn's father in law. Mr Steyn registered the company Peter Manuel Services Pty Ltd on 9 May, 2018. The evidence will demonstrate that although Peter Manuel is listed as the sole director, secretary and shareholder of the company, in fact the company was controlled and operated by Steyn. It will be suggested that the company was set up by Steyn with a view to receiving kickbacks. The principal place of business is Mr Steyn's home address in Castle Hill. I anticipate Mr Steyn may claim that the company was set up for him to conduct outside work, that is outside of his RMS employment.

The evidence will demonstrate that Mr Masters received two invoices from Mr Steyn in the name of Peter Manuel Services, dated 25 May, 2018, and 4 June, 2018, both for \$13,200.

40 The first invoice stated that it was for, "Services rendered for the consultation of business development". The second invoice states that it was for, "Continuation of support for business development, support for delivery of works to various customers, assistance with paperwork for quotations and surveillance works carried out on behalf of SA Masters Electrical." The evidence will demonstrate that these invoices were a nonsense – no services had ever been provided by Peter Manuel Services Pty Ltd to Mr Masters.

Notwithstanding this, the evidence demonstrates that on 19 and 21 June 2018, Mr Masters paid a total \$26,400 – the total amount for which he had been invoiced – into a CBA bank account in the name of Peter Manuel Services. An issue that will be explored in the inquiry is why Mr Masters

paid this money to Peter Manuel Service Pty Ltd, for services he had not received, and whether it was in fact to disguise a kickback being paid to Mr Steyn.

The evidence will also demonstrate that at around the same time, Mr Masters submitted two invoices to Mr Steyn, both dated 31 May 2018, which added up to \$26,680. An issue to be explored in the evidence is whether those invoices were false invoices to cover Mr Master's costs in paying \$26,400 to Peter Manuel Services Pty Ltd at around the same time.

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In total, the evidence will suggest that Mr Steyn received alleged kickbacks from Mr Masters to the value of at least \$40,473.87, being the combined value of apple products purchased for Mr Steyn and money transferred to Peter Manuel Services Pty Ltd. There is no evidence of Mr Dubois receiving any kickbacks or favours from Mr Masters.

I now turn to Lancomm Pty Ltd, a company associated with Joseph Rahme.

20 Joseph Rahme is the principal of Lancomm Pty Ltd, a telecommunications contractor. Mr Rahme got into that field after doing an electrical apprenticeship and initially working as an employee for Vision Stream, which was a contractor to Telstra. Craig Steyn worked at Telstra between 1998 and 2008, and it was during that period of employment that he first came into contact with Mr Rahme.

30 The evidence will indicate that over the period from late 2011 through to June 2018, Lancomm did RMS contract work to a total value of \$702,240. The evidence will further indicate that the work was done in fits and starts, with a period of work between November 2011 and mid-2014, and then a break, before further work in 2018.

The work was mostly what is described as underbore work, which involved using a piece of machinery with a compressor and mouse to create an underground channel without having to make an open cut. That channel can then be used for data cabling.

40 Lancomm did that type of work at a number of RMS P2P camera locations, such as at Picton Road and Mount Ousley. Underbore works were also done at Tweed Heads, Jerilderie, Narrandera, and Daroobalgie. Lancomm also did more general electrical installation type works at a number of RMS locations.

I expect evidence will suggest that Mr Steyn sought that Lancomm quotes be inflated, with a view to Mr Steyn then receiving kickbacks from Lancomm. There is also evidence which tends to suggest that Mr Steyn sought that Mr Rahme assist him in submitting dummy quotes for particular jobs. In that regard, on 19 May, 2017, Mr Rahme submitted a quote on behalf of Lancomm in the sum of \$110,330 plus GST for the design,

manufacture, and galvanising of antenna brackets to be installed at 100 different average speed camera locations across the state. And that quote is now being displayed on the screen.

10 However, on the same day, and only 17 minutes later, Mr Rahme messaged Mr Steyn with an alternative quote in the sum of \$112,500 plus GST for the same project on behalf of Syndicate Network Services Pty Ltd. Syndicate Network Services was another company that Mr Rahme had established though his wife, Caterina, who was the sole officeholder. It did not do electrical work. The obvious inference is that Mr Steyn was seeking dummy quotes to satisfy his obligation to obtain three quotes for jobs worth between 50,000 and \$250,000.

Turning now to the form of kickbacks paid by Lancomm, I expect the evidence will indicate that Mr Steyn sought that Mr Rahme provide him with some Apple iPhones, which Mr Rahme did. I also expect there to be evidence of Mr Rahme, through Lancomm, doing certain works as part of the rebuilding of the Steyn family home in Castle Hill.

20 Finally, financial records demonstrate that in 2018, Lancomm paid \$72,008.62 to a separate company, J&C Maintenance Services Pty Ltd, which Mr Rahme had registered in February 2018. As I have already indicated, I expect there will be evidence to the effect that that company was set up at the behest of Mr Steyn, with a view to it helping to disguise the payment of kickbacks from Lancomm to Mr Steyn.

30 Separate to the payments Lancomm made to J&C Maintenance Services, it also paid cheques to Mr Steyn in the sum of \$14,500, and paid \$46,228 to Peter Manuel Services Pty Ltd. I expect the evidence to indicate that while invoices were created in the name of Peter Manuel Services to try and reflect work Mr Manuel had done for Lancomm, in reality they were created with a view to trying to legitimise what were kickbacks to Mr Steyn.

I now move to M&M Inspections Pty Ltd, which is the final contractor in respect of Mr Steyn, a company that was established by Eric Martin Duchesne. Between March 2015 and March 2019, M&M Inspections was paid \$228,736.61 by the RMS.

40 Mr Duchesne was born in South Africa and is a family friend of the Steyns. Mr Duchesne is 73 years of age and it appears that he came into contact with Mr Steyn through his daughter, Leanne. Separate to that, when Mr Steyn was working at Boulderstone Hornibrook in the early 1990s, he came into contact with Mr Duchesne, who was doing inspection work for his then employer, Babcock.

Mr Duchesne's background was in boiler making, but over the years, he moved into the area of quality assurance and quality certification, particularly in respect of steel structures.

It was work of that type that M&M Inspections performed for the RMS between 2015 and 2019.

The evidence will indicate that Mr Duchesne put forward to Mr Steyn a number of proposals for revising quality procedures and reviewing welding and other steel works for the RMS. He was engaged to do that work and it meant attending both workshops for steel fabricators who were doing work for the RMS, and carrying out inspections on site.

10

I expect the evidence will suggest that M&M Inspections' documentation, including quotes and invoices, were of a fairly poor standard, with Mr Steyn frequently having to suggest edits and revisions. A number of his documents, including reports, seem to have been created using pro forma documents for other clients that M&M Inspections did work for, including Intertek. Further, there were frequent errors in the contract numbers and purchase order numbers recorded in the M&M Inspections paperwork. None of these matters seem to have created any concern within the RMS, other than that certain invoices were not paid when submitted and had to be resubmitted.

20

I expect there will be evidence that Mr Duchesne, through M&M Inspections, also paid kickbacks to Mr Steyn. Principally, that seems to have been through the payment of \$39,935.50 to PMD Consulting Services Pty Ltd in late 2018. The evidence around PMD Consulting Services is, to put it neutrally, mysterious.

30

On 21 March, 2018, PMD Consulting Services Australia Pty Ltd was registered. Peter Manuel, Craig Steyn's father-in-law, was the sole director, though the shareholder was Mr Duchesne's granddaughter, Courtney. Quite why that was so is difficult to understand, though it seems to have been at the behest of Mr Steyn.

There is evidence to indicate that not long after PMD was established, Mr Steyn created invoice templates for it. In an email he sent to Mr Manuel and Aleesha Steyn on 23 May, 2018, and which is now being shown on the screen, he asked them to review the templates so that "we can initiate invoicing to start cash flow into PMD."

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While I anticipate Mr Steyn's evidence will be that this was so that Mr Manuel could carry out some work on his own behalf in Australia, which Mr Steyn had tried to assist him to obtain, there is an inference available that it was again an attempt by Mr Steyn to set up a separate company into which kickbacks could be paid.

Turning to Mr Duchesne, the evidence will indicate that in March or April 2018, just before he was due to travel to South Africa, Mr Steyn informed him that Mr Manuel would conduct quality inspections in his absence, so

that M&M Inspections should bill the RMS for that work and should pay Mr Manuel through PMD Consulting Services for it.

By reference to later bills submitted by PMD, it is evident that well beyond the period of Mr Duchesne's absence in South Africa, they included components to reflect services provided by Mr Manuel. I expect there will be a very real issue as to whether in fact Mr Manuel provided any relevant inspection services and accordingly, whether what Mr Duchesne was being instructed to do by Mr Steyn in fact reflected a means of Mr Steyn seeking kickbacks through payments into PMD Consulting Services' account. I must acknowledge that Mr Steyn was not authorised to operate the PMD Consulting Services bank account, but Aleesha Steyn, Mr Manuel's daughter, was.

Evidence will be called to indicate that in October 2018, Mr Duchesne sent a draft M&M Inspections bill to Mr Steyn, and then, at Mr Steyn's behest, increased it from \$17,600 to \$36,300. Mr Steyn in a 4 October, 2018 email sent from his private address, and which is now being displayed on the screen, suggested that Mr Duchesne resubmit the invoice and that it include \$18,000 and for M&M Inspections as well as \$15,000 for PMS, with an indication that Mr Steyn would arrange the invoice as soon as Mr Duchesne indicated that the funds were cleared.

Putting aside the apparent confusion between PMD and Peter Manuel Services Pty Ltd, there is a real issue as to whether Mr Steyn was directing Mr Duchesne to bill for legitimate expenses in respect of RMS work. While I expect Mr Steyn will say that he and Mr Duchesne – I withdraw that. While I expect Mr Steyn will say he and Mr Duchesne did not knowingly charge for work which was not done, it will be suggested that as Mr Steyn had done on other occasions, he was trying to organise a kickback in a way that would not make it obvious. In fairness to Mr Duchesne, I expect he will say that when he ultimately increased his M&M Inspections bill as suggested by Mr Steyn, he did so to cover the cost of an earlier bill that had been rejected. There is however no reference to that being the basis for the change in the total of the bill in any of the email correspondence or in the bill itself.

I will now turn to what I will describe as cross-pollination between Mr Dubois and Mr Steyn's various contractors.

In the course of the opening, reference has already been made to evidence that will be called to demonstrate that the contractors who were originally in Mr Dubois' orbit and Mr Steyn's orbit ultimately crossed over and did RMS work for both men. That was particularly so in respect of Mr Steyn's favoured contractors, Mr Hadid and Mr Chahine, through their various companies. I expect the evidence to indicate that Mr Steyn sought to give work to the three companies controlled by Mr Hadid and Mr Chahine, and urged Mr Dubois to continue providing them with a good flow of work.

The evidence will indicate that the Chahine and Hadid companies not only contributed to the cost of the works at the Steyn's Castle Hill house, but also paid for the Mercedes-Benz car that was bought in the name of Sandy Alexander in December 2018 but provided to the Steyns.

10 The evidence will demonstrate that when Mr Steyn and Mr Dubois began working in the same position and in the same section of the RMS in March 2014, they became friends and assisted each other in the wrongful awarding of RMS contracts with a view to obtaining kickbacks in return. I don't expect there to be any real issue that Mr Steyn and Mr Dubois have become friends with a number of Mr Dubois' favoured contractors over that period. Lest there be any issue, I note that Mr Dubois celebrated his birthday at The Meat & Wine Company in Parramatta on 21 July, 2018. Present at the birthday dinner that night were Mr Dubois, Mr Steyn, Mr Hadid, and Mr Chahine, and their respective wives and partners. It is unclear who footed the bill.

20 In late October 2017, the RMS created a panel of contractors for the maintenance of heavy vehicle enforcement programs, known as the Maintenance Panel. The Maintenance Panel was created after RMS went to tender via an e-Tendering system on 25 September, 2017.

30 Under the Maintenance Panel, two categories of contractors were to be created. Category A involved contractors doing specific maintenance activities and works on heavy vehicle branch assets, including heavy vehicle safety stations and on-road heavy vehicle enforcement sites, such as Safe-T-Cam sites, average speed camera sites, and over-height detection sites. Category B contractors were to do work on specific mechanical aids utilised as part of enforcement and compliance systems for heavy vehicles. The aids included weigh-in-motion systems, portable weighing scales, weighbridges, and brake testing equipment. While I note that Category B contractors are not the subject of consideration in this inquiry, they and Mr Soliman's role in promoting the use of certain contractors were the subject of a separate ICAC investigation and public inquiry.

40 Relevantly, after the RMS went to tender and received tenders, it notified the following companies that they had been successful and had been appointed to the Maintenance Panel: CPF Projects, Seina, Ozcorp Civil, EPMD, Euro Civil, AA Steel Piping, SA Masters, and Lancomm.

Thus, all eight of the successful tenderers under Category A were companies controlled by friends and associates of Mr Dubois and Mr Steyn. Further, each and every one of those companies was controlled by someone who in the past had paid one form or another of kickback to Mr Dubois and/or Mr Steyn.

I expect the evidence will demonstrate that Mr Steyn was the driving force behind creating the Maintenance Panel, proposing it to Samer Soliman and

then supporting the creation of the Maintenance Panel at a series of meetings with those within the RMS hierarchy. While the ostensible purpose of creating the Maintenance Panel was to create efficiencies in carrying out contract work on heavy vehicle enforcement programs assets, I expect the evidence to also suggest that Mr Steyn and Mr Dubois were motivated by making it easier for them to award contract work to companies controlled by their friends and associates, who were paying kickbacks to them.

- 10 The way the Maintenance Panel was intended to work in practice was that there would be one contract that the RMS had with each contractor on the panel, so that where work was required, it could be awarded to the Category A and Category B contractors without the need to go to market at all. It is self-evident that such a system would have assisted Mr Steyn and Mr Dubois in directing work to those they favoured.

- I also expect there will be some evidence to suggest that the idea of creating such a Maintenance Panel had occurred to Mr Steyn some years before 2017. Again, it will be necessary to explore with him to what extent he was
20 motivated by personal gain and to what extent he was motivated by creating efficiencies for the RMS through the creation of the Maintenance Panel.

I also expect there to be evidence that Mr Steyn and Mr Dubois encouraged their preferred contractors, and indeed assisted them in some respects, in preparing and submitting their tenders.

- I will now turn to the final aspect of this investigation, which concerns corruption prevention. The functions of the Commission are not confined to corruption detection. As required by subsection 13(2) of the ICAC Act, part
30 of the Commission's function is to conduct investigations with corruption prevention in mind. The Commission is to conduct its investigation with a view to determining, first, whether any laws governing any public authority or public official need to be changed for the purpose of reducing the likelihood of the occurrence of corrupt conduct, and secondly, whether any methods of work, practices, or procedures of any public authority or public official did or could allow, encourage, or cause the occurrence of corrupt conduct. Under section 13(3), it is a principal function of the Commission to formulate recommendations for the taking of action that the Commission considers should be taken in relation to the results of its investigations.

- 40 Given the evidence of procurement systems at the RMS failing to detect or prevent the systemic conduct of Mr Dubois and Mr Steyn for such a significant period, it may well be necessary at the conclusion of this inquiry to make submissions as to possible recommendations for changes to Transport for NSW systems and procedures so as to minimise corruption opportunities in the contract procurement processes applicable to the Heavy Vehicles Programs, or perhaps more broadly.

It appears that the RMS had insufficient systems in place to adequately oversee and monitor procurement functions. The apparent lack of managerial oversight of Mr Dubois and Mr Steyn is concerning. The evidence suggests that Mr Dubois and Mr Steyn had a very large discretion in the selection of vendors and the authorisation of work and payment. Also concerning is the ease with which various contractors were created and maintained as RMS suppliers with, it appears, no proper due diligence checks. Whatever RMS systems were in place, they were inadequate to detect a decade-long period of conduct in relation to the awarding of contracts involving a significant amount of public money.

The details of any recommendations that the Commission is considering making in that regard will be dealt with in written submissions, which will be made available after the conclusion of the public inquiry.

Commissioner, that concludes the opening.

THE COMMISSIONER: Thank you.

20 MR DOWNING: Commissioner, other than just three corrections I should make – first of all, when I indicated that AA Steel was started in February 2014, that was an error. The date should have been February 2004. Secondly, Ms Spruce in the opening made reference to the amount billed by S A Masters in 2015. The figure she said I was believe was \$82,512.50. It should in fact have been \$89,512.50. And finally, in respect of the value of the Apple products that Mr Masters provided to Mr Steyn, the figure that was stated I believe was \$15,179.70. The correct figure should in fact be \$13,868.87. So they're the three areas of correction, Commissioner.

30 That completes the opening. I should say that as far as what will happen tomorrow is concerned, my expectation is that the first witness we will call in the morning, and I understand we may not have a 10 o'clock start, is - - -

THE COMMISSIONER: The Commission won't be able to start before 11.00am tomorrow.

MR DOWNING: 11 o'clock. Thank you, Commissioner. Well, the first witness that I will be calling is Sandy Alexander, and I anticipate she will take the day, Commissioner.

40 THE COMMISSIONER: Yes. Thank you for that. Just before we adjourn, I'll just refer to a couple of matters. Whether or not the Commission will make any findings of corrupt conduct will of course depend upon the evidence and a full and detailed examination of the evidence. But there are, as just has been mentioned by Counsel Assisting, issues that arise under section 13.2 of the Act, that will fall within the scope of purpose of this public inquiry, and that is the practices and procedures of government authorities. The community is entitled to expect that a significant

government department or agency is properly and consistently competently managed and public moneys are secured and that they are properly expended.

10 In relation to those issues, a number of points obviously, as indicated by the opening of Counsel Assisting, will fall for consideration, including under the heading of due diligence, what, if any procedures there were by way of integrity checks on the subcontractors and the principles, interiority issues concerning the history of corporate entities, whether there is any reviewing and auditing of pricing of contractors and subcontractors, whether there is any protocols for responding to red flags and the like. These are all matter that fall under the subheading of corruption prevention. They are of great significance.

20 The other matter which is to be noted, and there will be some evidence about this, as Counsel Assisting had indicated, the evidence will indicate that many millions of dollars were paid in respect of what have been referred to as alleged kickbacks or alleged bribes. However, the Commission, in addition to its initiation of this investigation, and in particular the issue of search warrants in June 2019, also engage with the NSW Crime Commission to make application to the Supreme Court for seizure of freezing of assets. It is sufficient to say at this stage that a total amount of assets in relation to matters such as cash deposits, real estate, motor vehicles and the like, of such assets were seized and they have an estimates value of \$3.94 million. There will be, as I have indicated, evidence in relation to that matter. Mr Downing, anything further?

30 MR DOWNING: Only that, whether it's convenient now or do to do it in the morning, there are, from the investigation which has occurred to date, there are a number of volumes of material that are ready to be tendered, Commissioner. Of it's convenient, I can read them onto the record now or if you would prefer we can do that in the morning.

THE COMMISSIONER: Yes, very well. Let me just see. Yes, you proceed, Mr Downing.

40 MR DOWNING: Thank you. Commissioner, volume 1.1, material in respect of Mr Dubois. And I understood from what you indicated this morning, Commissioner, that we're up to, I think, Exhibit number 66.

THE COMMISSIONER: 66, that will become. Yes, that's right. That's volume 1.1, Dubois.

MR DOWNING: Yes, Commissioner.

THE COMMISSIONER: The exhibit will become Exhibit 66.

MR DOWNING: Thank you.

#EXH-066 – PUBLIC INQUIRY BRIEF (VOLUME 1.1 DUBOIS)

THE COMMISSIONER: Mr Downing, we will be sent later, I take it, a table which sets out the details concerning each of these exhibit volumes, is that right?

10 MR DOWNING: There will, Commissioner.

THE COMMISSIONER: There's no need therefore then to, I think, set out all the particulars now. It's sufficient if I just identify the exhibits by description and the particular details found in the schedule which will be supplied?

MR DOWNING: Perhaps it will be more convenient then if we circulate schedule and then deal with that in the morning, Commissioner, just so that, rather than having to read it onto the record.

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THE COMMISSIONER: All right then. We'll deal with that in the morning.

MR DOWNING: To save time. Thank you.

THE COMMISSIONER: I also foreshadow that on Friday there will be a need to adjourn earlier than normal, and I think that will, subject to confirmation, be at midday on Friday. There will not be any afternoon session. Thank you. I'll adjourn.

30

MR DOWNING: Thank you, Commissioner.

**AT 3.55PM THE MATTER WAS ADJOURNED ACCORDINGLY
[3.55pm]**