

PARAGONPUB00315
13/05/2021

PARAGON
pp 00315-00357

PUBLIC
HEARING

COPYRIGHT

INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE PETER M. HALL QC
CHIEF COMMISSIONER

PUBLIC HEARING

OPERATION PARAGON

Reference: Operation E18/0736

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON THURSDAY 13 MAY, 2021

AT 2.00PM

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

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

THE COMMISSIONER: Yes, Mr - - -

MR DOWNING: Thank you, Commissioner. Mr Steyn, before lunch I was taking you through the spreadsheet that you've identified and, according to the documents, was sent to you by Ms Alexander on 18 December, 2018.
---Yes, Counsel.

10

And you've explained by reference to the headings of the columns what different parts meant.---Yes, Counsel.

And I want to make sure I understand this correctly, but you've indicated I understand that with Ki-Ty Investments, first of all that's a term that you came up with?---Yes, Counsel.

And it was a term you used in a way to euphemistically describe your cut on the various jobs that AA Steel was doing.---Yes, Counsel.

20

So that where we see a reference to Ki-Ty Investments in the spreadsheet and a sum of money, that represents your cut from whatever that particular contact was.---Yes, Counsel.

I want you now to have a look, please, at an exchange of SMSs. Now, first of all you certainly had Sandy Alexander's phone number and you sometimes exchanged texts.---Yes, Counsel.

30

And indeed you used WhatsApp from time to time, didn't you, with different people?---Yes, Counsel.

Did you sometimes use that with Sandy?---Yes, Counsel.

And other as well?---Yes, Counsel.

And did you include friends amongst the people you used WhatsApp with?
---(No audible reply)

40

Did you sometimes use it with people that you had a work relationship with?---Yes, Counsel.

I want you first of all to go if we could, please, to volume 11.4, page 206. And we can have it enlarged, but you'll see that these are various SMS's and you'll see that a number of them on this page, and I'm going to take you to some particularly, indicate from Sandy Alexander or to Sandy Alexander.
---Yes, Counsel.

And I want you to assume this is material that's been extracted from your phone, and just in that regard, if we could go back, please, to page 203. You'll see it's an extraction report indicating, if you go to the bottom of the page, it was from a Samsung Galaxy Note9.---Yes, Counsel.

And I'm going to suggest to you that that was your current handset as at the time that the search warrant was executed in June 2019. Do you recall that or you're not certain?---No, I think that was just laying on a desk.

10 So it may have been an older one.---It was one I was proposing to use but it was laying on the desk.

But you had used that handset though, hadn't you?---Not really.

At some point.---Not really, because it, I hadn't transferred from the old phone.

Well, I'm going to show you some texts and you can tell me if you agree or disagree that these were texts between you and Sandy. But can we go,
20 please, back to page 206, and do you see for example number 2 on that list? So it's showing 2 and there's a number there, but we won't read the number out, to Sandy Alexander?---Yes, Counsel.

And it's showing that it's sent on 10 May, 2018 at 7.18. And you'll see, if you read the message, if you just read that to yourself, please, and tell me when you've done that, so the text under "Message."---Yes, Counsel.

Looking at that it's clear, isn't it, that first of all, that that's a text from you to Sandy?---Yes, Counsel.

30 Because it's setting out a purchase order number, that's what that message starts with?---Yes.

And then gives some directions as to purchase orders and costs for different types of work.---Yes, Counsel.

And you did from time to time correspond with Sandy about that because you knew she was the person preparing quotes and invoices et cetera.---Yes, Counsel.

40 Do you see item number 3, which is, I'm going to suggest to you, again on 10 May but a text from Sandy to you, and do you see the message is, "K. I'm emailing my current, I'm emailing you my current figures."---Yes, Counsel.

Now, looking at that, do you believe that is a reference to her emailing the spreadsheet figures that would show, for instance, the amount that you'd entered for the work that had been done by AA Steel and the Ki-Ty

component, as well as her annotations showing things that had been paid.---I can't confidently say that.

In any event, if you go down to item number 4, do you see this appears to be from you to Sandy on 10 May, 7.51, "Okay. You should have two other POs, one for 123,000 and one for \$150,000"?---Yes, Counsel.

10 And that indicates, doesn't it, that you were suggesting to Sandy that at that time she, on behalf of AA Steel, should have received two particular purchase orders, one for an amount of 123,000 and one for 150?---Yes, Counsel.

And typically where a contract had been awarded to AA Steel, it would be to Sandy that the email correspondence attaching the purchase order would go?---Yes, Counsel.

So, what you were suggesting here was that at that time, 10 May, that she should have had two purchase orders, one for 123,000 and one for 150? ---Yes, Counsel.

20

And typically did you refer to things ex GST?---I think so.

Now, you see in the next message, number 5, again I'm going to suggest to you this was sent from you to Sandy and this is now at 7.53, so two minutes later. And if you could just read that to yourself, please.---Yes, Counsel.

So, you're referring to the text you just sent, aren't you, in terms of a reference to the purchase orders?---I would say so.

30 And you're saying the 123,000 is for AA Steel and the 150,000 is for Ki-Ty Investment account?---Could be. Reading the text, yes.

That's what it says?---Yes.

And you've indicated to me in your answers, both today and yesterday, that the label Ki-Ty is what you attached to, not the overall cost of jobs, but to the component of that cost that was your cut?---Yes, Counsel.

40 If we then go to the next message, number 6, you will see same day now at 8 o'clock, and again it's from you to Sandy. What you say there is, "Purchase order 4200046657 is for 123,000 and purchase order 4200044505 is for 150,000. If you send blank invoice for purchase order 4200046657 to Creative Service email, I will populate the invoice with pics tomorrow so you can submit for payment. Then when we get back next week," sorry, "next weekend, I can complete the invoice for the other PO, 4200044505 for submission".---Correct, Counsel.

So, breaking that down, you're giving her some instructions there, aren't you, about what she is to submit when it comes to invoices.---Yes.

And you're directing her that a particular purchase order will apply to a particular invoice?---Yes.

And dealing with the two, the first one, the 123,000, you've indicated in a message before that that is for AA Steel?---Yes.

10 So presumably that one represents a genuine cost to reflect work and a price that was genuinely submitted by AA Steel?---May very well.

And with that one you're indicating that you wanted her to send you a blank invoice to your home email, that is of Creative Services?---Yes.

And that you would populate it with pics?---Yes.

20 So, I take if first of all, you're asking her to send to the Creative Services emails because you didn't want it to be sent from your work email?---Well - -

Sorry, you didn't want to receive it to your work email, because you're asking her to send a blank invoice?---Yes.

And you then populate it, so you make up the detail for that invoice?---The evidence of the work that was carried out.

With the idea that she would then submit it?---Yes.

30 And then with the other one, you indicate, "When we get back next week, you can complete the invoice for the other job for submission." And that's the one that has, just using the last four digits, 4505?---Yes.

Looking at the way you've categorised the \$150,000 job, that's one that you've described as for Ki-Ty Investments?---Yes.

40 So it looks like, doesn't it, that what you're suggesting is that you would complete the invoice to try and provide some description for a job, so that ultimately it would be money that is going to be payable to you.---Yes.

All right. Now bear those dates in mind, so these are various messages that you're exchanging with Sandy on 10 May, 2018. First of all, and try and also bear in mind, please, the sums, so that one of the jobs or one of the purchase orders you've referred to as being for 123,000 and one for 150. If we could go, please, to volume 10, sorry, 11.4, page 292. And starting at the email lower on the page, it seems that someone within RMS – or at that point it looks like Transport for NSW – is emailing you with contract and purchase order numbers.---Yes.

And that they created as per a request you've put in for that job.---Yes.

And you will see, if you go further up the page, that what you then do is send off to, it's addressed to Mr Alexander, with the second purchase order for the works to be completed in May.---Yes.

10 If we go, please, to the next page – oh, I'm sorry, it's blank. Sorry, to 294. And if we could just spin that around to landscape, please. Do you see that that is a purchase order ending with the numbers 6-6-5-7?---Yes.

So that corresponds with what you were referring to in the texts that I've taken you to.---Mmm, yes.

And you'll see it's the same sum, \$123,000.---Yes.

Plus GST, so ultimately 135,300.---Yes.

20 And looking at the description, and you'll see there's a breakdown of line items, are you familiar with what that job involved?---Yes.

So was that some maintenance work in respect of the average-speed camera that was being done around New South Wales?---Yes.

And if we could then go, please, to page 296. And do you recognise there that being the tax invoice from AA Steel for exactly that job.---Yes.

30 And again, it describes some maintenance works being done at places like Forbes, Tomingley, Gilgandra, et cetera.---Yes.

And do you recall AA Steel being engaged to do that work?---Yes.

So, looking at the description there, it wasn't really steel fabrication work, was it?---No.

Was this line-markings and maintenance works?---Yes.

40 And indeed, if you go to the next page, you'll see some photographs of what seem to be line-markings at different locations.---Yes.

And to the next page again, you'll see that there are various photographs that have been put in. And is it the case that you populated that invoice with the photographs, as you indicated in your text?---Yes. Yes.

Now, just looking at that, thinking about that work that was done by AA Steel for that particular job, did they subcontract someone else for the performance of the line-marking?---No.

They performed it themselves.---Correct.

So consistent with what you've said in your 10 May, 2010, sorry, 10 May, 2018 text, is it the case that as far as you know that this was a genuine invoice for genuine work?---Yes.

And did you attend to see the work being done?---Yes.

10 So you were present when Ashley Alexander was onsite?---His resources.

Was it not him personally?---No.

But staff that he employed?---Correct.

All right. And if we could then go, please, to page 250. And do you see on this page there's an email starting at the bottom of the page from someone within Transport NSW to you notifying a purchase order creation?---Yes.

20 And you'll see that it indicates that the supplier is AA Steel.---Yes.

And the purchase order number is, well it ends with 4-5-0-5.---Yes.

And I take it that you recognise that as being the other purchase order number that you were referring to in your 10 May, 2018 text.---Yes.

So you'd indicated in your exchange of texts with Sandy that day that you believed that she would have two other purchase orders one of which was for \$150,000.---Yes.

30 And indeed this confirms, doesn't it, that that purchase order had been created by March 2018?---Yes.

And if you go to the top of the page what you do is you send on to Ashley Alexander but you knew that typically it was Sandy who would be receiving emails I take it.---Yes.

You send on to her the details with that purchase order number for them.---Yes.

40 Now, if we go, please, to the next page, to page 251. You'll see that that is actually the purchase order.---Yes.

And looking at the work you'll see that it's broken down into two components so line items 10 and 20. The first line item 10 has a value of \$84,000 and the second 66.---Yes.

So that the total is 150 plus GST. And the first item is described as "SPD and RPM annual maint mid far north coast".---Yes.

Mid to far north coast Pacific Highway. Now, do you know what those abbreviations refer to?---Shortest practical distance, raised pavement markers.

Sorry, shortest practical distance and?---Raised pavement markers.

Annual maintenance so it's doing some maintenance on markers, is it?
---Yes.

10

And that's for mid to far north coast on the Pacific Highway.---Correct.

And then looking at the second item 20, so I take it it's the same thing, doing maintenance of those particular markers but this time in the north-west of New South Wales and Hunter Valley.---Yes.

And if you go, please, to page 252. This is the invoice you'll see from AA Steel dated 26 May, 2018.---Yes.

20 For 150,000 plus GST. Do you recognise that?---Yes.

And it shows the purchase order number 4-5-0-5.---Yes.

And looking then at the description that's something that you drafted, isn't it?---Yes.

And it's the case, isn't it, that this is the invoice that according to your text on 10 May was entirely for Ki-Ty Investments?---Yes.

30 Is it the case that in fact what's described there, that is doing this maintenance on these markings, wasn't work that required doing at all?
---No, it did.

Well, why then did you in your correspondence with the Alexanders or Sandy indicate that the 150 was for Ki-Ty Investments?---The work was done.

Well, you've agreed with me previously, accepting you say the work was done.---Yes.

40

Let me pause there. Do you say that you were present when the work was done?---Yes, I was.

In terms of maintaining the markers, does that mean going to the roads and checking that they're up to scratch?---You would have to pull the old ones off and replace them with new ones.

But you've agreed with me previously that where you made reference or used the term "Ki-Ty Investments" that reflected your cut of work.---Yes.

You've indicated in your texts here with Sandy on 10 May that the 150 that seems to correspond with this job was for Ki-Ty Investments.---Yes.

So that whether the work was done or not, you were expecting that the entire amount would be credited to you for then you to have money set off against that that were paid to you in your favour.---Yes, Counsel.

10

Do you have any idea what the genuine cost for this job was, that is what the genuine quoted price if there ever was one?---No.

Do you recall a discussion with Ashley or Sandy about them perhaps putting in for this job?---Might, I would have had discussions with Ashley.

It's the case, isn't it, that whatever the genuine cost of doing the work was, this involved a massive mark-up to reflect your margin.---Yes.

20

And indeed what you were effectively requiring the Alexanders to do was to pay the entirety of what they received on this, or I shouldn't say pay, credit it back to you so that you could then have money set off against that - - -? ---Yes.

- - - to reflect things that you asked them to pay for or moneys that you asked them to give to you.---Yes.

Were there - - -?---Can we just – I never asked them to give me money.

30

Well, do you - - -?---Pay for items, I agree.

Pay for items.---Yes.

You say that they were the ones that, you say that Sandy came to you offering cash.---Correct.

But you never asked her for cash.---That's correct.

40

When it came though to the money that she transferred to your mother-in-law, you requested that, didn't you?---That, yes.

So you maintain that at no time you ever asked for cash.---Correct.

Could you be wrong about that?---No. Correct.

You're certain?---Yes.

Were there any other instances that you can recall where you asked AA Steel for the entire price of a job to be credited to you through Ki-Ty Investments?---Not that I recall, Counsel.

Based on your experience in relation to – no, I withdraw that. I want to ask you about a different subject matter now, and that involves your dealings with Mr Rahme and Lancomm. Now, I’ve asked you some questions about your dealings with Mr Rahme already and you’ve indicated that at various times he proposed that you go into business together.---Yes.

10

And that was doing some type of what was it, maintenance-type work?
---Yes, we were looking at doing some type of maintenance.

And did you say it was vegetation clearing or something of that nature?
---No, it was various. There was one he looked at, possible (not transcribable) putting signs up for councils, like no-parking signs or no-standing signs for councils.

20

Now, just dealing with Mr Rahme for the moment, did you ever ask him to prepare what I’m going to describe as a dummy quote?---(No Audible Reply)

And if you don’t know what I mean by that term, please tell me.---No, I understand what you mean. I believe I said to him, “I need to get some quotes,” at one stage and he said he can organise it.

You needed to get?---Some quotes, and he said he can organise.

30

And just so that we’re clear, by dummy quote I mean that you had an obligation to get three quotes for jobs between 50 and \$250,000.---Yes, Counsel.

And at times you needed – well, I withdraw that. There were jobs that AA Steel – I’m sorry, I’ll withdraw that. There were jobs that Lancomm did where they fell within that range.---Yes, Counsel.

And as a result it was necessary not just to get their quote, but other quotes?---Yes, Counsel.

40

And do you recall occasions where you asked Mr Rahme to assist you in that process by in effect providing a dummy quote?---I asked him for quotes. He said he can organise all the quotes.

So you asked him and he then attended to it.---Yes.

Can I take you in that regard, please, to volume 13.3, page 245. And do you recognise on that page, starting at the lower part, on 18 May, 2017, you sent to Mr Rahme at Lancomm a scope of proposed works?---Yes.

And you'll see from the text of it that what it involved was site inspections for the design, manufacture, and galvanising of antenna brackets to suit the new antennas to be installed onsite for the average-speed camera program across New South Wales.---Yes.

Just pausing there, that wasn't the sort of work that Lancomm actually did, wasn't it?---His father did some steelworks.

10 Sorry, Mr Rahme's father?---Yes, he did some minor steelworks.

But dealing with Lancomm itself, it was a company that I thought your evidence was typically did underbore works.---He did underbore works, but he had access to alternate services.

So had you had Lancomm in the past perform steel fabrication type works?
---Nah, this is not major steel, this is simple, a square plate with (not transcribable) on top.

20 Prior to this request for quote, had you ever had Lancomm perform either galvanising works or steel fabrication works?---No, Counsel. Galvanising's done by a specialist.

So what was the purpose of even asking Lancomm to provide a quote in respect of this particular job?---To get prices.

Get prices for what purpose?---For the fabrication and galvanising of some brackets made.

30 And do you recall that you got a price from Lancomm on this?---May have.

If we go, please, to the top of the page, you'll see that the following day, 19 May, 2017, you receive from Mr Rahme an email attaching a quote.---Okay.

You see that?---Is it under - - -

At the top of the page. You'll see at the top of the page the email.---Oh, oh, yes, Counsel, sorry.

40 Sorry if I wasn't clear.---My, my apology. Yes, Counsel.

And if we go then, please, to the next page, you'll see there is a quote that's dated 17 May, 2017, which strangely enough is the day before the date of your email to Mr Rahme requesting a quote.---Ah hmm.

But what's described in there is the work that you were seeking a quote for.
---Yes, Counsel.

That is, the design, manufacture, and galvanising of antenna brackets at multiple locations.---Yes, Counsel.

And ultimately, the price was \$110,330 plus GST.---Yes, Counsel.

Now, do you recall that you may have spoken to Mr Rahme before you sent him this request for a quote to let him know that you needed a figure for this and that you were going to ask him to provide a quote?---Yes. I, I, I don't recall it, but I probably would have.

10

You would have let him know it was coming, wouldn't you?--- Correct.

Because it was an unusual request for Mr Rahme to receive.---Yes.

And do you recall that with respect to this job, you might have asked him – I withdraw that. Do you recall asking him to actually provide a second quote for this job?---No, I don't recall it.

20

Again, you're aware that – well, I withdraw that. Can we go, please, to page 249, and you'll see this is an extracted message from Mr Rahme, and you'll see that there's an attachment described as IMG6583.---Yes.

And if we go to the next page, please, do you see that what it is, is a quote for the same job, but this time from a company known as Syndicate Network Services?---Yes.

And at a higher price, whereas the Lancomm price was 110,330 plus GST, this time the quote is 112,500 plus GST.---Yes.

30

And it's the case, isn't it, that you asked him here to give you a couple of quotes.---He said he can organise a couple of quotes.

Well, you asked him and he agreed. Correct?---I said I need a couple of quotes, he said he can organise that.

He sent this one through to you, I'm suggesting, as an attachment to a text. ---May have.

40

And again, what you were trying to do through this was to satisfy your obligation to come up with three quotes.---Yes.

It's the case, isn't it, that you weren't intending to award the contract to either of Lancomm or Syndicate Network Services, what you were trying to achieve here was simply to get the numbers?---Yes.

Because you knew that first of all, Lancomm didn't even do this type of work, as best you knew.---He had access to people who can do it.

Had be done this type of work for you before though?---I never asked him before that.

You weren't seeking a quote from him with the genuine intent that Lancomm was going to do the work though, were you?---No.

Sorry?---No.

10 And did you even know what Syndicate Network Services was?---No.

Had Mr Rahme ever spoken to you about that being a company that had been set up?---No.

So you're not familiar with the name?---No. Mr Rahme said he, he had other companies. I didn't know whether that was associates or sub companies.

20 So until you received this quote from Syndicate Network Services, had you heard the name before?---I can't say but I may have, I may not. Yeah, he has discussed many other companies.

But you can't recall that one way or another now, is that the case?---No, no.

Now, you gave some evidence earlier about Mr Rahme proposing that you two do some form of business together.---Yes.

And you've indicated it was maintenance-type work?---Yes, Counsel.

30 And can you recall, by year, when it was that he first proposed that to you?
---Oh, he's proposed it over several years.

Going back how far do you believe – I withdraw. How far back do you believe it was when the first proposal came from Mr Rahme about that?---I think it would have been before I started at RTA.

So back in the Telstra days?---I think after Telstra he talked about opening a traffic control company.

40 Did you ever get to the – sorry. Traffic control as in, what, doing traffic control for some sort of works?---Yes.

What sort of works?---Any works. Whether it's building sites, on the road.

And did that discussion go anywhere?---No. I did, I did the courses but it never went anywhere.

So you undertook courses in respect of traffic control?---Yes.

Do you know whether Mr Rahme ever did conduct a traffic control business himself?---No, I don't.

So, there was discussion about going into some form of traffic control work. You also say there was discussion about some sort of maintenance work?

---That's correct.

And when do you believe that discussion occurred?---I think that was while I was working at RMS.

10

And again, as best you can recall, try and think about the time period. When do you believe that discussion occurred, acknowledging that your time at RMS spans quite a number of years?---I'm guessing maybe 2016, guessing.

And then did you discuss it at later dates after then?---Yes, he did.

Because I think your evidence is that you talked about it and then he would raise it with you again but nothing came of it?---Yes. We would have discussions.

20

Do you recall at some point, Mr Rahme mentioning that he had set up a company known as J&C Maintenance?---Yes. I, I remember that.

Or more fully, J&C Maintenance Services?---Yes, I remember that, J&C Maintenance.

And can you recall what he said about that company?---That he had set up a company.

30

Well, what did he say to you about it?---That we could start looking at maintenance works.

Well, was that a company that he suggested that he had set up in his own or was it something he was asking you to be involved in?---He was asking me to be involved in.

And, what, that he was going to go out and try and put in quotes or tenders for maintenance work?---Yes.

40

And did it in fact do any of that?---I don't think so.

Well, so, as best you can recall, he mentions the name and says, "I've set up this company," or that, "I'm going to set up this company"?---I believe he was going to, and I think he did.

But when he first raised it with you, was it at that stage a company that, as you understood from him, existed or that he was going to set up?---He was going to set up.

And you understood that that was something he was going to set up in his own right to try and do maintenance work.---Yes.

And that's it as far as you knew?---Yes.

10 Could it be that in fact that company was set up after discussions between you and Mr Rahme for the purposes of funnelling money from Lancomm so that it could then be returned to you?---No.

No?---No. I believe it was set up to do works. It never went anywhere.

Now, I'm going to ask you now first of all to have a look, just so that you're familiar with dates, if we could have a look, please, at the search for the company. So volume 13.1, page 9. And do you see this is an ASIC search for J&C Maintenance Services?---Yes.

20

And you'll note there's a date of it being set up of 21 February, 2018? ---Yes.

And it shows it's deregistered 2 June, 2019.---Yes.

And if we go over the page, please, you'll see that it shows that the director at all relevant times was Mr Rahme.---Yes.

You'll see from 21 February, 2018 to 2 June, 2019.---Yes.

30

He was also the secretary.---Yes.

And over, sorry at the bottom of the page you'll see there's \$100 worth of shares and over the page, the shareholding was Mr Rahme's.---Yes.

And is this the name that you recall him raising as the company that he was proposing to set up to do some maintenance work?---Yes.

40

But as far as you knew from what he told you, it went nowhere.---Yes.

I want now for you to have a look at an exchange of some WhatsApp messages.---Yes.

First of all, you know that you and Mr Rahme from time to time communicated via WhatsApp, don't you?---Yes.

And you used your phone in order to do that?---Yes.

And I'm going to suggest to you that there was a series of WhatsApp chats between you and Mr Rahme that were extracted from your Galaxy Note8 phone.---Yes.

And that was a phone you'd used for some time.---Yes.

10 Can I first of all take you to volume 13.3, page 91. You'll see that's a screenshot of what seems to be Mr Rahme's phone, or the app opened by Mr Rahme, but you're familiar with that format, aren't you, of chat on WhatsApp?---Yes.

Just so that it's more convenient in order to follow the thread, I'm actually going to take you back now, please, to volume, same volume but to page 58. And again I want you to bear in mind that the date for setting up J&C Maintenance was 21 February, 2018. I took you to the search and showed that it was set up then. You'll see if we start towards the bottom of this page, do you see the first message on that day, 8/2/18, 8.18am?---(No Audible Reply)

20 Do you see that message?---Yes.

And do you see it's Mr Rahme to you, "Give me a name to register."---Yes.

And you respond, don't you, "What you suggest?"---Yes.

And Mr Rahme responds, "JC Services or whatever you come up with."---Yes.

30 And you indicate, "JC is good."---Yes.

Now, do you recall what JC stood for?---Could have been Joe and Craig or could have been Joe/Cathy.

Do you recall a discussion with Mr Rahme about it being Joe and Craig?---It was suggestions he might have made.

40 Mr Steyn, I'm going to ask you again. Do you acknowledge that this company was set up so that Lancomm could then have another company with a bank account that Lancomm's funds could be paid to and then on-paid to you? Is that the case or not?---No, that's not the case.

Now, do you recall why then, given that – I withdraw that. Your evidence is that Mr Rahme told you that he was going to start up this company, JC Services.---(No audible reply).

Can you think why he was corresponding with you on 8 February about names and asking you to suggest a name to register?---Because I believe he wanted to use the company.

But I'm suggesting to you that he was coming to you for your input because it was you who had suggested setting up this company, which would then be used as a vehicle to receive moneys from Lancomm and then to pay them on to you. Do you agree or disagree?---No, I disagree with that.

Do you see on the same day at 10.57 you say, "Submit a quote for \$45,000 this morning please. That covers the small civil trenching as well. Try for a little better deal so JC has more profit."---Yes.

10

Now, what did you mean by that?---Don't recall.

Well, first of all your version of events is that JC Maintenance was a company that Mr Rahme was setting up completely independent of you. ---Yes, that's why my name wasn't associated.

And you say that, according to what he told you, he was setting up so that in his own account he could do some maintenance work.---That I could help him.

20

Can you think in this WhatsApp message on 9 February first of all – I withdraw that. The first part of what you say in that message at 10.57 is you want him to "submit a quote for \$45,000 that morning please".---Yes.

Now, that's a reference to him submitting a quote on behalf of Lancomm to do work for RMS, isn't it?---Yes.

Now, just pausing there. Why do you think you were asking him to submit a quote at all via WhatsApp?---We might have discussed some works that needed to be done.

30

I mean, wouldn't the normal thing to do, if it was arm's length work, would be to simply send him a request for quote asking him to the work? ---Sometimes, yes.

Can you think of why though you were communicating via WhatsApp to request that he put in a quote?---We regularly discuss over WhatsApp works.

40

Well, you then go on after saying "Submit the quote for \$45,000" you say "That covers the small civil trenching as well." Just pausing there. Can you recall what job you were referring to that involved small civil trenching? ---I'd be guessing, Counsel.

The last part of the message is "Try for a little better deal so JC has more profit."---Ah hmm.

Now, first of all, is what you were suggesting there that for a particular job that you're asking Lancomm to put in for, you wanted him to negotiate with a subcontractor that might be doing small civil trenching work to bring that price down and to increase the margin that Lancomm might have?---Might very well be.

Well, what was the reason for referring to "JC having more profit" then? What did the job that you were suggesting that the quote be submitted from Lancomm have to do with JC and JC's profit?---I might have said
10 Mr Rahme was going to put funds into JC to get it off the ground.

Sorry?---Mr Rahme was going to put funds into JC to get it off the ground, cover the costs of setting it up.

So what you were generously suggesting that by him trying to negotiate his subcontractor down he might be able to have a bit more money to help set up his new company?---Yes, which I was going to help him with.

Mr Steyn, I want to remind you of the obligation you have to tell the truth in
20 the evidence you're giving and I want you to think carefully about what you say about this. I'm suggesting to you that what you were doing here was referring to a company J&C Maintenance that you had already discussed setting up with Mr Rahme.---Yes.

And what you were proposing was that he put in an invoice on behalf of Lancomm, try his best to keep the subcontract costs down so that Lancomm would have more profits and there would be more money that could then be paid into J&C so that it could be then distributed to you.---Okay.

30 Do you agree or disagree?---I would agree.

It's the case, isn't it, that J&C had money paid into it and then you know, from your communications with Mr Rahme, money was then withdrawn from that account and some of it was given to you? You know that. ---I don't know where he withdrew the money from, I can't comment on that. I, I agree Mr Rahme did give me some money, but where it came from particularly I don't know, because I don't have access to that.

You also know, don't you, that it was in the period after this exchange in
40 February 2018 that you would meet from time to time with Mr Rahme and he would give you cash?---Yes, I agree to it.

So I'm suggesting to you that this arrangement – that is, using J&C in order for money to be transferred out of Lancomm to J&C and then money withdrawn – was something that you had explicitly discussed with Mr Rahme.---No.

And that I'm suggesting that the reason you asked him to do it – that is, to establish that company, set up a bank account so that moneys could go into it – was to try and provide something to provide some cover to avoid it being detected that this was ultimately money for you.---I disagree.

You disagree. Weren't you trying, through this use of J&C, to make money not traceable back to you?---No.

10 You disagree. All right. Can we continue on then through the messages that day – I withdraw that. You'll see that there's then no communications until 26 February?---(No Audible Reply)

So still on page 58, showing the WhatsApp chat. Do you see that?---Yes.

Can you read that exchange on the 26th to the bottom of the page, please, and tell me when you've done that?---Yes.

20 What did you mean in your communications there with Mr Rahme where you say, "Oh, and if this business is self-sufficient, what will Joe bring to the company?"---If the business is self-sufficient, if it manages to run, if it picks up work, and gets off the ground, if it picks up work, gets off the ground, what will Joe bring?

Well, what did you mean by that, though?---If it secures work, regular work, and gets off the ground, what is Joe going to bring to it? This – sorry?

I'm suggesting to you, Mr Steyn, that in fact you well knew that J&C wasn't being set up to do any work at all.---That was the intention.

30 So do you maintain that according to what Mr Rahme told you, it was being set up with him on his account to do work?---Yes, I was going to help.

You were going to help what?---Yes, secure work.

What sort of work?---Whatever maintenance works we could pick up.

Through the RMS?---Not necessarily through the RMS, anywhere.

40 Well, what other works could you secure for him?---Well, if you go to Hipages, you can log, register with Hipages and pick up work there.

If we could go over the page, please. So you'll see – perhaps just before we do, go back to the last message, so at 8.51, sorry, 18.51, you say, "Oh, and if this business is self-sufficient, what will Joe bring to the company?"---Yes.

You posed that question. And then three minutes later, you say, "Because I'm bringing possible 40K on the first job with no need for Lancomm involvement, possible another 45K where I don't need Lancomm and can

manage to bring company onsite, then another possible 90K before soft. So that's 175K before end of financial year, and Joe brought," question mark. "And I don't need Lancomm. I can use boring company to do what I need. Don't get offended. I'm just asking some questions for better understanding."---Correct.

Is what you were trying to communicate through that message that you're the person that's bringing work to Lancomm so that Lancomm can then pay money into J&C?---Yes.

10

So in effect, you're putting him in his place and saying, "I'm the one who's bringing all the work in via the RMS here."---So, sorry, Counsel?

Are you through this message in effect saying to him – or I'll withdraw that. You're putting him in his place and saying, "With this company J&C that's being set up, I'm the one that's ultimately providing the work to Lancomm so that it has money."---Yes.

And you were querying what he was really bringing to the table.---Yes.

20

Wasn't your purpose in communicating that to him to make sure that he was assisting you in the money being funnelled through J&C in a way that it wasn't traceable to you?---Can be viewed that way.

Right. Well, what other way would you suggest we view it?---Well, the, the original was to subcontract the work off other companies that had secured the work.

30 But it didn't do that at all, did it, J&C?---No, because they weren't happy with the work that Mr Lancomm provided.

Sorry, Mr Rahme? - - -?---Mr Rahme provided.

Sorry, who wasn't happy with his work?---Alex wasn't happy with the work that Mr Rahme provided. So, he stopped.

Well, indeed, you gave some evidence before, and this was yesterday, that there had been a time when you were doing works on your house where he had put in a couple of, was it - - -?---Underbore pipe.

40

Underbore pipe. And you said he didn't do a very good job?---No.

There were problems with it?---Yes.

That certainly didn't stop you though continuing to use him over the years through to 2019 for the RMS?---The, the damaged caused was unforeseen. It couldn't be, it couldn't be mitigated before.

In any event – you’ve given an account of what you understand that the company had been set up to do originally, based on what Mr Rahme had told you, but certainly by the time of these exchanges, you had a very different understanding about what the company was being used for, didn’t you?---Yes. He had a separate company that did boring work, not Lancomm.

Sorry, a separate company to?---To Lancomm that did boring works.

10 Sorry, Lancomm did boring work?---A separate company he had.

But J&C didn’t do any boring work, did it?---No.

Didn’t do any work?---Not at the, not yet.

At any point it didn’t do any work, did it?---No, no. It was - - -

20 In fact all it every did was open a bank account through which money was then paid from Lancomm into J&C Maintenance.---I didn’t have access to the bank, so I wasn’t sure.

You know from your discussions with Mr Rahme that that’s why it was set up, don’t you?---He might have mentioned it but I didn’t have access to view all that.

But you’re aware, aren’t you, that based on your discussions with Mr Rahme that Lancomm did nothing – I withdraw that. J&C did not conduct any business activity?---Well, he didn’t want Lancomm associated with any works.

30

Isn’t it the case that you didn’t want Lancomm associated with payments being directed back to you? Isn’t that why you asked for J&C to be set up? ---No.

Can I ask that you read down through that page, and you’ll see that there’s quite a series of messages. I’m sorry, it’s going to take you some minutes to read it, but if you could read right down to the bottom of the page and tell me when you’ve done that?---Yes. Had a look.

40 And just dealing with the exchange on that day, first of all if we could go, please, to the message at 19.00 hours. Do you see that?---Yes.

You indicate there that, you say, “I told you my goal was to build JC for both of us.”---Yes.

And so you’d had some discussion with Mr Rahme previously presumably about building it for both of you.---Yes.

And what did you mean by building it for both of you?---Building a company.

But building a company to do what?---Maintenance works.

You maintain that it was to do maintenance works.---Yes.

10 Do you see then, please, at 19.02 Mr Rahme – I’ll read it to you. “Also most importantly since all the risk will be with JC, so all the risk with JC will be on me as director, all transactions have to be bulletproof. Gift cards, Bunning cards et cetera will be fine in moderation but anything with your name or address on it is a no-no. Basically at the end of the month whatever C takes out of JC, then J will do also.” See that?---Yes.

Just pausing there. Now, I take it you understood C is a reference to you and J is a reference to him?---Yes.

20 And do you recall, thinking on reading this, about what he meant by “The risk with JC?”---Maybe because it was registered to him.

But what was the risk? I mean at least on one version of your evidence you’re suggesting that this was simply to be a legitimate business to do maintenance work.---That’s how it started, yes.

But it didn’t – well, that’s your version. I’m suggesting that’s not truthful, but you maintain that that’s what it started out as.---Yes.

30 By the time of these exchanges there was no proposal at all it would do maintenance work, was there?---No, there was no general proposal, it was if something’s available we’ll do it.

I’m suggesting to you that by the time of these exchanges in February the sole purpose of this company being set up was for the purpose of it receiving the money from Lancomm and then paying them on so that they ultimately came to you. Do you agree or disagree?---From my point of view I would disagree but I cannot argue because it may have been how Mr Rahme wanted it set up.

40 Well, do you remember having discussions with him about the moneys that would be paid into J&C Maintenance and then how they might be extracted out of that company?---Having discussions, I don’t, I don’t remember having discussions.

Well, just - - -?---I think - - -

Sorry, I cut you off, I apologise.---I think Mr Rahme mentioned a few way that he could get money out of the company.

Well, do you remember having discussion with him, separate to this exchange of WhatsApp messages, about perhaps the company then buying gift cards, Bunning cards et cetera, that could then be provided to you and perhaps to him?---Yes, he did mention that.

And you discussed that with him, didn't you?---Yes. He, he, he raised that with me.

10 And you proposed, didn't you, that what you wanted was money, means of taking the money out so that it was not traceable to you.---According to the script, yes.

Well, you read it and make it sound like it's something you're seeing for the first time. You know you had these communications with Mr Rahme, don't you?---I've had – sorry, Counsel. I've had many discussions with Mr Rahme.

20 You'll see that in that in that 19.02 message, what Mr Rahme seems to be proposing is that there might be different ways that you could use things like gift cards or Bunnings cards et cetera in moderation to get money out. ---Yes.

But what he wanted was that at the end of each month, whatever you took out, he would take out in equal measure.---Yes.

And do you remember having some bickering with him, if I can use that term, about how much you would get out and how much he might be entitled to get out?---Might have.

30 Do you recall him suggesting that because he was the one that was in effect putting his neck out by being the director and setting up the bank accounts, that he wanted an equal share, even if it wasn't him that was ultimately bringing the RMS work in?---Yes.

And that's part of that exchange here, isn't it, referring to him suggesting that even though you'd raised earlier that you were the one bringing the work in, he was the one taking on the risk.---Yes.

40 And do you see in the message at 19.05, what Mr Rahme says is, "The other major concern I have was the risk for Lancomm. If business relationship with RMS goes sour," I take it you read that as sour, "Then that could also have a negative impact on current clients if we get exposed."---Yes.

And what did you think he was referring to when he used the term "if we get exposed"?---I think he was trying to shield Lancomm from any involvement.

THE COMMISSIONER: Involvement in what?---Involvement - - -

Exposure in what?---Exposure in works.

Pardon?---Exposure in works that JC did.

And what was his concern?---So if the work was, if there was any public liability or damage to - - -

10 Sorry, I'm having trouble hearing.---Sorry, Commissioner. If there was any public liability damage caused by JC in the works conducted would expose his business.

MR DOWNING: Do you think that he may have been referring, and I accept that this is his words not yours, but do you think he might have been referring to being exposed in the sense of you asking him to assist in in effect laundering funds that were being paid to Lancomm and then being returned to you in the form of kickbacks?---I can't answer for him but may have.

20 Because that's what you're actually asking him to do through J&C Maintenance, wasn't it?---Yes.

Sorry?---Yes.

Now, at 19.09 you – well, first of all Mr Rahme makes the comment about cleaners for your home and did you understand he was referring there to perhaps being able to use funds in J&C Maintenance to cover the cost of cleaners?---I wouldn't be able to answer confidently.

30 In any event, you respond the same minute, "That is correct. That is what we agreed. Not traceable cards or transactions to me. Coles or Woolworths cards have trace. I can only take out what you and the accountant agree is safe to take out. Your relationship will sour if you let it. Mate, this is not my objective so now after this I too am having doubts and considering maybe we leave this. I don't want you to risk your livelihood." Do you see that?---Yes.

40 Now, just pausing with that message. It refers to having agreed something with Mr Rahme, doesn't it?---Yes.

And you'd agree, hadn't you, in earlier discussions that the money would be used into – or paid by Lancomm into J&C and that moneys might be taken out in various ways, but the rule for it being taken out was that there were to be no traceable cards and no transactions to him at all?---To him, yes.

Well, no, that's – sorry, when you say to him, do you mean transactions to him?---So I'm re-entering your words.

Isn't it the case that prior to you sending this message you had a discussion with him where you made it plain to him that the moneys that were being paid by Lancomm into J&C would have to come out in ways that didn't involve traceable cards and no transactions to you, that is to you, Craig Steyn?---Yes.

10 You wanted to come up with a way of creating steps in the chain of the money being drawn out of Lancomm so that it would not be traceable back to you.---Mr Rahme was able to take money out of Lancomm without a company.

That may be so but that's not an answer to my question.---Oh, sorry.

Hadn't you discussed that with Mr Rahme before?---We've had many discussions. That probably was one of them, most likely.

20 But you made it very plain to him, didn't you, in the course of your discussions that with the money that was going to be paid by Lancomm to J&C it could not come back in any way that was traceable to you or - - -?
---Yes.

- - - directly to you?---Yes.

Because you wanted to cover your tracks.---Okay. Yes.

30 Now, can I take you for a moment out of the WhatsApp messages. Also on 26 February, 2018 you had exchanged some texts with Mr Rahme and I want to go, please, if we could in the same volume 13.3 to page 30. And I want you to read, please, the SMS which is number 158, which is 26 February, 2018 at – it looks like 5.35, and I just need to check whether that is A.M. or – oh, it's P.M. You'll see it's 5.35pm. Can you read that to yourself, please? It starts with, "Joe, it's a freakin' company first, not a bank." If you read that to yourself.---Yes.

So consistent with what it recorded in that, you have had quite a bit of discussion with Mr Rahme previously about the setting up of this company and its bank account, correct?---Yes.

40 So for instance, you'd indicated to him that when the company was set up, it needed to have a float of \$20,000, in presumably its bank account.---Yes.

And the money that was going to come into that was money that Lancomm had received from the RMS, and the RMS, sorry, Lancomm would then pay into J&C.---To keep afloat.

And you say in the course of that message, "I said from the start and said all I want to do is make my life a little easier with simple day-to-day expenses,

and if there is a chance to attain a little something whenever possible, that's great."---Yes.

So thinking back now to your early discussions with Mr Rahme about J&C, was it correct to say that the early discussions were along the lines of him saying he wanted to set up a company to do maintenance works?---I believe so.

10 Could it have been that the early discussions were that you said, "I want you to set this company up so that the money can be paid in there and I can use," or, "You can then use the funds from Lancomm into J&C so that I can pay for little day-to-day expenses."---I believe we had discussions around that.

And it's certainly the case, isn't it, that over the years of your work with the RMS, you liked having contractors pay little day-to-day expenses for you?
---(No Audible Reply)

That's the case, isn't it?---Yes. I'm trying to think.

20 You certainly did it frequently with the Alexanders and AA Steel.---Yes.

And what you were proposing here was using J&C Maintenance for a similar purpose, that is, that the moneys could be taken out in a way that wasn't traceable to you from Lancomm and then on-paid to you, or for your benefit.---(not transcribable) Yes, for my benefit.

Perhaps also on that same page, if we could, if you could have a look at the message number 154, so at 5.22pm, just some minutes before the message I just took you to.---Yes.

30 Now, looking at that, again you're communicating with Mr Rahme, aren't you, about the proposal that you'd already discussed with him about J&C?
---Yes.

And what were you intending to convey through what you were saying in that text?---I believe it was to build a company, not just (not transcribable) the company. It was to build something.

40 But build something that never at any stage did any work of any sort.
---Well, the idea was to build something that would do.

Well, why did it not ultimately do any work? This is February 2018.
---Because - - -

You continued doing your work at the RMS through until June 2019 when the search warrant was executed, correct?---Yes.

And Lancomm continued getting work from you, correct? Or at least in 2018.---Possibly.

At no time did J&C do anything other than just receive money from Lancomm. So can you tell me what happened to the plans of J&C actually doing some work?---I'm, didn't go anywhere.

Did you speak further to Mr Rahme about that?---We had some discussions and disagreements and it didn't go anywhere.

10

Well, just on that front of having some discussions and disagreements, it's the case, isn't it, that not long after – well, indeed, in the course of your discussions on 26 February, 2018, some disagreements surfaced?---May have.

20

Well, if we could go back, please, to the transcript of WhatsApp messages on same volume, page 59. And if you go towards the bottom of the page, you will see that in the course of your exchange, in the last three messages with Mr Rahme, you reiterate again that, "I was the one that told you nothing must be traceable to me."---Yes.

You had made that very clear to him in the course of your discussions with Mr Rahme about J&C, hadn't you?---Yes.

30

And if we could go over the page, please. Do you see there are some messages there, starting at 19.16, and I'll read it out. This is you to Mr Rahme, "You're a freaking dill, honestly. I've never tried to fuck you over and all unsaid is you work it out with the accountant and I will continue to bring the work in." And what you were referring there was the fact that you would make sure that there was ongoing flow of RMS work to Lancomm, and then Lancomm could put the money into J&C?---And continue the flow of work to Lancomm, yes.

But with a view to then putting money into J&C Maintenance?---That was up to Mr Rahme if we wanted to put it, well - - -

40

Well, wasn't that what you were ultimately discussing in this exchange, the money that would be paid into J&C and then how it might be taken out and distributed between you and Mr Rahme?---That's right.

And read on through, if you could, the exchange down to the bottom of that page, please, and tell me when you've done that.---Yes, Counsel.

Now, what you're doing in the exchange through the balance of the page is entering into a bit of dialogue with Mr Rahme about the way in which the money in J&C might be used, correct?---I believe so.

With the intention that what you wanted to do was find ways that could spend it on items like, whether it was desktop or laptop computers or mobile phones, or perhaps using it for different cards, whether Coles or Woolworths gift cards, but always in a way that there was nothing traceable to you?---Yes.

And you also, in the course of the discussion, engaged with Mr Rahme about wanting to try and take out as much money as you could to minimise any tax the company might have to pay, correct?---Yes, yes.

10

And it's the case, isn't it, that you did go backwards and forwards a bit about how much each of you would ultimately receive from the company, correct?---Yes.

And can you recall what position you ultimately got to as far as what would happen to the money that came out of J&C, whether it would go to you or whether it would go to Mr Rahme or whether there would be some split of it?---The money went into, any money earned by that company, Mr Rahme would sort out and split it.

20

But it was, according – I withdraw that. Do you say he would split it at his discretion?---Whatever he says, whatever he, whatever costs he incurred, he will take that off.

Sorry, costs that J&C Maintenance incurred?---Might have incurred, he would take that off whatever was left.

But, Mr Steyn, you know, don't you, that J&C didn't incur any costs because it did nothing other than ultimately operate a bank account.

30

---As I said, if there was accountant costs or any obligation tax costs, that will be taken.

So that there might need to be at least some accounting expenses.---Correct.

But in reality, how was the money divided up in the period 2018 once J&C Maintenance was set up?---I don't know.

You don't recall?---No, Mr Rahme would manage all that. I had no involvement in the books or access to view.

40

Did you have any discussions with him as to what the mechanics would be of any cash that might be provided to you?---Mechanics?

Yes.---Sorry, can you please clarify?

Well, when cash – you've indicated that at times Mr Rahme gave you cash. ---Correct.

What I want to know is whether you had any discussions with him about how it was that money might be obtained, that is whether it be withdrawn from the J&C Maintenance account, would it be taken out perhaps in the form of a credit card and then a cash withdraw money from it, did you discuss with him the fine detail of how the money might ultimately be taken out and then given to you?---I believe we had some discussion that he had somebody that could assist him.

10 Someone that could assist him?---Yes.

And was that someone a person you can recall the name of?---No.

Do you recall perhaps discussing with Mr Rahme that he had a particular person he knew, a Mr Johnnie Kafrouni, an electrician, and that money might be paid from J&C to Mr Kafrouni's business, JK Flash, and then money could be withdrawn by Mr Kafrouni and ultimately given back to Mr Rahme and given to you?---Quite possibly. It sounds familiar.

20 Now, you remember discussing that, don't you?---It sounds familiar.

And that was a proposal – I withdraw that. Do you say that you proposed that or that Mr Rahme did?---I believe it was Mr Rahme because I didn't know the electrician person.

It's the case though, isn't it, that when – you say Mr Rahme proposed that and it was something that you agreed to.---I didn't object to it.

30 So that to your understanding, what was going to happen, going through step by step, was that RMS would pay Lancomm. First step. Correct?
---Yes.

Lancomm would then pay money from its account into J&C Maintenance.
---I think Mr Rahme withdrew that.

Well, that's what Mr Rahme told you was going to happen. Correct?---I think so.

40 J&C Maintenance would then transfer money from its account into an account maintained by Mr Kafrouni at JK Flash.---Don't know the company, don't know those details. He just said he had a friend.

But did he tell you that friend would ultimately have money transferred to him and it could then be withdrawn by that friend and returned by Mr Rahme to you?---He just mentioned he had an electrician friend that would help him.

But help him in what way?---Would help him get the money. He didn't tell me who, he just said he had an electrician friend.

Didn't he provide you the name of that friend?---I don't recall.

Can we go back, please, to the text messages at page, same volume, 13.3, page 35. Do you see message number 247? And that's, I'm going to suggest, from Mr Rahme to you. You'll see it's 2 May, 2018. "Also, John the electrician came out of his way to attend site today from Sydney, and you showed him no respect. I'm not one of your shitkickers, mate. The sooner you know that, the better."---Yes, I - - -

10

Do you recall getting that from Mr Rahme?---Yes.

And it's the case, isn't it, that by this time – well, I withdraw that. Were you aware by this time that Mr Kafrouni was not just some electrician who was attending site, but he was someone who, to your knowledge, was being used by Mr Rahme for the money to be, in effect, funnelled to and then returned to you?---No.

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

20

So what did you think Mr Rahme was meaning by suggesting that you needed to show some respect to Johnnie?---They turned up on the site without any safety gear and expected to converse in a conversation while we were busy. I said, "I don't have time to talk."

Can I ask that you then go ahead, please, to page 36, message number 254. And you'll see that that's a message from you to Mr Rahme. If you could just read that to yourself. Tell me when you've finished reading that.---Yes.

30

Now, again, there's a reference to Johnnie in what I accept is a longish message.---Yes.

But I'm suggesting to you that, by now – that is, by May 2018 – you're aware that Mr Rahme was using Mr Kafrouni for moneys to be taken out of J&C Maintenance and then returned to you. You agree or - - -?---No, that's, no, that, from that message, it was the first time I had met this Johnnie. As I said, in the message it says they turn up without any PPE, so - - -

40

But wasn't it the case that Mr Rahme had spoken to you about how he was going to get the money out and told you that what he was going to do was use Mr Kafrouni and payments into his company?---No, he mentioned he had a friend.

But did he mention to you that that's the person, Mr Johnnie, that was going to receive the money?---Can't say he mentioned specifically that person, he just - - -

Can you recall whether Mr Rahme mentioned to you that, in return for this person receiving moneys from J&C Maintenance, he would need to receive a cut of his own?---I think he did mention something along those lines.

And did he - - -?---But didn't specifically say this, that isn't why (not transcribable) met that person, you say this is the person.

10 Did you not have a discussion with him, though, where he, in effect, sought your okay to this person keeping 10 per cent of the money before it was returned to you?---No, I said to him, "You do whatever you have to do."

You say it was up to him?---Yes.

Despite the fact that you were the one bringing in all the money to Lancomm and then to J&C?---It was, "Do whatever you have to do."

20 Now, if we could go back, please, to the transcript of the WhatsApp messages and if we could go, please, to page 66. Do you see on that page, now on 25 May, 2018, at 16.32, Mr Rahme indicates to you, "4,700 today in cash."---Yes.

And did you understand that to be that he had that money for you and that he was going to meet you and give it to you?---Yes.

THE COMMISSIONER: What was he giving it to you for?---Sorry?

What was that for, 4,700?---It was money to be paid to me for works.

30 For what work?---Works that he had done.

What?---Works that he had done, Commissioner.

Work that he had done?---Yes.

But this is a message from him saying, "\$4,700 today in cash." You say that was a demand by him or that he was giving me cash?---No, he was giving, giving me cash, Commissioner.

40 He was giving you cash?---Yes, Commissioner.

What's he giving you cash for, what for?---Well, he said it was my share.

Hmm?---My share.

Sorry?---My share.

Your share?---Yes.

Your share of what?---What works Lancomm did.

Pardon?---What, what works Lancomm did?

Your work what?---What, what work Lancomm did.

What work was that, what project was it?---Underboring.

Pardon?---Underboring.

10

Whereabouts?---Oh, I don't know. Might have been Jerilderie or Narrandera.

Mr Steyn, there's a long and a short way of dealing with this area that we're now exploring, and some witnesses are evasive and some cooperate with this Commission.---Yes.

20

I want you to give me an explanation, your understanding of how this arrangement worked between RMS, Lancomm, J&C Maintenance, Mr Rahme. I want you to give an explanation now as to how you understand it worked and what your involvement in it was?---Yes, Commissioner.

Now, would you do that for me?---Yes, Commissioner.

Proceed and do it.---The work for the underbore work was issued to Lancomm, Mr Rahme would carry out the works. How it got folded from there I wasn't privy to, but Mr Rahme would ring me and say he's got X amount of dollars.

30

And where does J&C Maintenance come into this?---Mr Rahme had set up that company to - - -

And he told you why?---To, to do works in the future but it never went anywhere.

It seems it did not do any work.---Correct.

40

What was its function, so far as you understood?---Originally it was to do some work, but it turned out that, from what I understand, this is, he put the money through there to this Johnnie person, who would return the money to him.

Did you have an arrangement with Mr Rahme whereby kickbacks would be paid to him or to some other entity?---Kickbacks would be paid to him or me?

To you.---To me, yes, yes,

And what was that arrangement?---He would, whatever he would take as profit, he would split that, taking aside the, the cost and his mark-up.

And would he pay money directly to you or did it go via a corporate route?
---No, Mr Rahme would give me - - -

Direct?---Yes, Commissioner.

10 And how did he pay?---He would just give me cash.

Cash?---Yes.

And, what, you'd meet him somewhere?---He, yes, he would ring me to meet him, but - - -

Where would you normally meeting with him to accept cash?---In Parramatta.

20 In Parramatta?---Yes, Commissioner.

Whereabouts in Parramatta?---Outside the building.

Pardon?---He would pull up outside the office building, he would pull up.

And what would he have the money in?---Just in an elastic band.

In a?---Elastic band.

30 What sort of a bag?---Elastic band.

Elastic band?---Yes.

So if he was delivering \$4,700 to you in cash, you mean to say he would meet you in Parramatta?---Yes, Commissioner.

At an office building?---Outside. As I said, outside he'd pull up.

Outside an office building?---Yes.

40 With \$4,700 wrapped in rubber bands, is that - - -?---Yes.

Not in a bag?---No.

Not in a box?---No.

Just they would have this pile of cash - - -?---It was just a small - - -

\$4,700.---Yes, Commissioner.

And handed over to you.---Yes.

What, in the street?---In the vehicle.

In the vehicle.---Yes, Commissioner.

And with what regularity did this occur? Was it every week, every day?
---No, no.

10

How often, usually?---I would say, to be honest, Commissioner, often as work was completed.

After - - -?---A job was completed. Then.

These were all RMS jobs?---Correct, Commissioner.

And I take it that you played your role in the quotes?---Yes.

20

Which included an allowance for moneys that would, in due course, be paid to you.---Yes.

A similar arrangement that you had operated with AA Steel.---This was more, less for me.

Less?---Yes, Commissioner.

30

What, less frequently or - - -?---Less frequently and the value was less because, as I said, Mr Rahme would take out his actual cost mark-ups and everything, and whatever was left, he would split it fifty-fifty. So if I can give an example, Commissioner, if his cost was, let's say \$12,000 for the job and you put a job for \$20,000, he would take his \$12,000, which included his mark-up, and then he would go fifty-fifty on the balance.

You no doubt kept a running account or spreadsheet.---Not really.

Pardon?---Not really, Commissioner.

40

Well, you wouldn't know where you were up to if you didn't keep a record, would you?---No, Mr Rahme would just say, "This is where it is."

But you must have kept a record.---I don't recall keeping a record with Mr Rahme.

Are you saying now on your oath, or on your affirmation I should say, you did not keep any records in relation to the moneys that you received or were due to receive from Mr Rahme?---I don't believe I kept one.

How did you get - - -?---I think I, I think I did ask him for one, to see what was available, and I don't believe he ever sent one.

Well, how did you keep track of the finances, then?---I didn't.

You just didn't, didn't bother?---No.

Didn't worry you?---No. (not transcribable) I trusted Mr Rahme.

10 Yes, Mr Downing.

MR DOWNING: You've just indicated, in answer to questions from the Commissioner, that you didn't keep any record of it.---I don't recall keeping any record. I - - -

All right. Can we go back, please, to the exchange of WhatsApp messages on page 66, please. And I took you to the message that Mr Rahme sent at 1632, where he indicated 4,700 today in cash.---Yes.

20 And you've confirmed, in answer to me and to the Commissioner, that what then followed was a meeting with him where he gave you the cash.---Yes.

And then do you see some 11 minutes after Mr Rahme sent that message, what you say is, "Okay, mate, do you want to knock up a spreadsheet with what we've got coming in and what we cashed out so we're good with how we manage the business?" See that?---Yes, Counsel.

And a minute later you say, "I will focus on bringing it in."---Yes, Counsel.

30 So first of all, you're actually trying to make the record keeping for your little arrangement with Mr Rahme his responsibility, weren't you?---Yes, because he knew exactly what was the margin.

Well, wasn't it also because, as you said in your last message, you're the rainmaker for your business. That is, you're the one bringing the money in. He can tend to the books.---Yes. Yes.

40 And if we go over the page, please. Same day, 25 May, this time at 1651. Mr Rahme indicates he'd put something together and send to you.---Yes.

Now, did he in fact do that?---I don't believe we actually received one. I can't remember receiving one.

But do you see that six days later, on the same page, 31 May, 2018, Mr Rahme messaged you and says there's another 9,000 in cash that day? See that?---Yes.

So this time it's a bit more money, \$9,000 as opposed to 4,700.---Yes.

And I take it consistent with what you've described to the Commissioner, you met with him somewhere in Parramatta and he gave you \$9,000 in notes.---Yes.

And you also shoot back two minutes later, "I'll do a spreadsheet tonight, mate. Thanks." See that?---Yes.

10 You've always liked a spreadsheet in terms of keeping track of your arrangements, haven't you?---Yes.

And same day at 6.55pm, you send a message saying, "Sent a sheet for your review. See what you think." And Mr Rahme two minutes later indicates, "Okay. Will check it out later and let you know."---Yes.

See that?---Yes.

20 If we could go, please, to volume 13.5, page 303. And you'll see first of all this is the same day, 31 May. Can we perhaps make it a bit bigger, if only for my benefit? 31 May, 2018, 6.55pm.---Yes.

So you'll see, consistent with what you've indicated in your WhatsApp message, that you did a spreadsheet that night.---Yes.

And you've sent it from your personal address, Creative Service, to Mr Rahme.---Yes.

And you'll see it's the J&C balance sheet xlxs, sorry, xlsx.---Yes.

30 So it's an Excel spreadsheet.---Correct.

Now, the language below, I'll just read it to you. "Dear sir. Please find attached a spreadsheet which you may find useful for purpose. Please amend or populate as you see necessary and you can tick that with your shareholders to identify its suitability? Should you need assistance please feel to call on our assistance at your convenience? Thanks, regards, Creative Service Management."---Yes.

40 What was the purpose of including that language in your email?---It was being sarcastic.

Thank you. All right. Can we then go to the next page, please, page 304, which is the attached Excel spreadsheet, and we might need to reduce it down. So looking at that, this is the spreadsheet you set up.---That was as far as it got Counsel.

But this is your work?---Yeah, that was as far as it got. As I said, it was from what, as per the messages, what he'd been paid and that was as far as it ever got. It never got anything.

But what it reflects first of all is, it reflects the two payments that you had received in cash from Mr Rahme on 25 May, the 4,700, and on 31 May, the 9,000.---Correct, Counsel.

10 Presumably it had been set up with a view to the future distributions, I'll describe them that way, could be recorded.---Yes, Counsel.

And you've indicated that there was a split it would seem between shareholders J&C, being I take it Mr Rahme and you?---Yeah.

You knew that you'd taken 4,700 and 9,000 in the sense that Mr Rahme had brought the cash.---Yes.

20 But you didn't actually know whether he'd received that much, did you?---I believe so.

Now, do you say he told you that?---Yes.

Well, nowhere in the WhatsApp messages does Mr Rahme indicate that he has also taken that sum for himself, so do you say it was, what, through phone calls or - - -?---No, Mr Rahme said he would first (not transcribable) whatever the – after taking his costs and profit out for Lancomm, he would split whatever's left fifty-fifty.

30 Well, hang on, any profit Lancomm would make on the money would be accounted for through Lancomm's invoice and the payment it received, wouldn't it?---Sorry, Counsel?

Lancomm is putting in quotes for work with the RMS.---Yes, yes.

40 And you would expect that in the ordinary course, putting aside your margin that goes on top of invoices from different contractors, putting that aside for one moment, that as with any contractor, there would be a cost in the Lancomm bills to reflect maintenance – I withdraw that – materials and labour et cetera, but also, perhaps a modest margin but a profit margin?
---Yes.

So that that margin is already accounted for in the money that is received by Lancomm in respect of its invoice.---Yes.

When it comes to any costs that J&C Maintenance might have, you wouldn't expect that there's any further costs to Lancomm that it needs to account for because they've already been accounted for by Lancomm.
----As an example I gave, and then if we use that first payment figure there's

a figure, a figure that was Lancomm had earned, he would take that out with its costs, profits, whatever, and an example, if a job was 20,000 and it cost \$12,000 including Lancomm's profits and that, he would take the 12,000 and whatever was left would be fifty-fifty.

So that there would be costs presumably principally related to accountants, I take it, for J&C?---I don't even (not transcribable) J&C, Counsellor, that's what I'm saying, I had no privy of that.

10 Well, let's look at the spreadsheet. You've set up the columns in the spreadsheet table, correct?---Yes.

So first of all, we've got a spot for purchase order number.---Yes.

So what you're intending by that is that for each of the various items, a purchase order could be recorded there so that both you and Mr Rahme could track what Lancomm job for the RMS this matter related to.
---Correct.

20 Then there's a dollar figure. Do you know what that dollar sign was supposed to denote?---I think his price tendered.

And then there's columns for Lancomm Cost and J&C Maintenance.
---Yes.

So was that set up so that out of the overall price that was quoted and ultimately presumably paid, quoted by Lancomm and paid to Lancomm, there would be then a figure that could be included to reflect its actual cost?
---No, I think that, I think it was the PO, to dollar, the dollar was the quoted,
30 what Lancomm cost was, and then whatever I think was - - -

What's the difference between the dollars quoted – you say the dollar sign is what they quoted?---Yes. Like, as for example, if the dollar sign was \$20,000, then Lancomm the cost might have been, as example, \$12,000, to them. So that would leave \$8,000.

What about J&C Maintenance?---Whether it went in there or didn't go in there, I wasn't sure.

40 And what about "Exchange Cost Johnnie"?---I don't know what that is.

THE COMMISSIONER: Johnnie's the electrician, isn't he?---That's right, Commissioner, but I don't know what the fee was going to Johnnie.

Well, you put it in this document. You wrote, "Exchange Cost Johnnie."
What does "Exchange Cost" mean, and what did you mean by that?
---Whatever Johnnie charged for it.

Whatever he charged?---Yeah, I don't know what he charged, Commissioner.

But you knew he was going to do various things for which he would charge.---Well, that's where he said that Johnnie will help (not transcribable)

Not just help, but he'd get paid. Well, you're putting the - - -?---There was discussion, discussion (not transcribable)

10

You put him in the spreadsheet because there's going to be a cost associated with Johnnie, correct?---Earlier discussions with Mr Rahme that night.

Is that correct?---Yes, Commissioner.

What was Johnnie to do?---I don't know, Mr Rahme would organise with Johnnie.

20

What was his role?---To assist Mr Rahme.

When you put him in a special column, what did you have in mind that he would be doing, and what he would be charging?---I don't know what he would be charging. From what I understand from Mr Rahme is that Mr Johnnie would assist him.

Assist him do what?---With the money.

With the money?---Yes.

30

Assist him with money in what way?---I don't know what way, he didn't explain to me in detail what way.

When you say assist him with money, do you mean assist in routing the money via Johnnie?---May have been. He just said he had a friend.

Can you think of any other reason why he would have been involved?---No. No, oh, as, I wasn't a personal friend of Johnnie's, or - - -

40

When you wrote his name in a special column here, what was his function to be? I think you've accepted in principle he was involved in some way to help funnel the money? Is that right?---Yes, Commissioner. Yes.

And you discussed that with Mr Rahme, Johnnie's role in funnelling the money.---Mmm, I don't believe I had a detailed discussion with Mr Rahme, Commissioner.

You may not have had a detailed discussion, but you had enough of a discussion to know that you have to create a special column for Johnnie.
---Yes.

And Johnnie's role was going to be in relation to, as you've I think agreed, to fund them the money which would have come from RMS. Is that right?
---I think Mr Rahme said that, yes.

10 Well, then you've, in drafting up this spreadsheet, there are lots of columns there with J&C, we can see, not without any details. So what you envisaged was that Mr Rahme, yourself, and Johnnie would, over time, be working together under this arrangement. Is that right?---I, Mr Rahme and I, yes.

And that work was RMS work.---Yes.

MR DOWNING: Just so we understand, while you only completed the actual payments for the two entries that are there, 25 May, and 31 May, your intent was, wasn't it, that this would ultimately function in a similar way to the spreadsheet that you had created for the Alexanders?---Yes.
20

So that you could track purchase orders, you could track – sorry, you need to verbally respond, you nodded that time.---Sorry, yes.

That's all right, it's easy to do.---Yes, yes, Counsel.

So that you could track purchased orders first of all, you could track next the actual price that was paid by the RMS, in this instance, to Lancomm?---Yes, Counsel.

30 And then from within that price, you could break it down so that you could work out what Lancomm's genuine figure was, correct?---Yes, Counsel.

And then on top of whatever the genuine figure was, amounts that would go to J&C Maintenance and a component that would remain with Johnnie for his role?---I would say so, Counsel.

And out of the J&C Maintenance component of each purchase order that related to a job, was the intent that that money would be entirely yours or that it would reflect a split between you and Mr Rahme?---As per the sheet,
40 a split.

THE COMMISSIONER: Sorry, in represented what?---As per the sheet, Commissioner, a split.

A shared?---The sheet.

MR DOWNING: The sheet. I think he means the spreadsheet, Commissioner.---The spreadsheet, yeah.

So that if you had completed this more fully, where it came to J&C Maintenance on that first line for the transaction of 4,700, the J&C Maintenance Column would have had a total of 9,400 to reflect money that was going to and money that was going to Mr Rahme, as you understood?
---May very well.

And then an amount to reflect the cost, what's described as an exchange cost for Johnnie?---Whatever Mr Rahme had agreed to with him.

10

You evidence up until seeing this has always been that you had some understanding with Mr Rahme that he had some friend, you may or may not have known the name, who was going to assist in some way?---Yes.

That's not quite correct, is it?---Counsel, I didn't meet this guy to discuss anything about this. As I said, they turned up on a site one day and I said to him, "You can't be here because you don't have PPE." That was the first time and the last time I saw that gentleman.

20

But you created this document with a view to reflect the fact that someone you knew to be Johnnie was going to be getting a cut on the moneys that were going to from the RMS to Lancomm and then to J&C Maintenance?
---Correct, on advice from Mr Rahme.

And if we go back perhaps just a moment to the email, the page before, I acknowledge you said that you were being sarcastic but when you were to tictacking with the shareholders, were you perhaps suggesting that Mr Rahme might speak to Johnnie and confirm precisely what his cut was going to be?---No, not at all.

30

Did Mr Rahme at some point tell you that Johnnie's cut was going to be about 10 per cent for each time he had money coming into his account and then withdrew the money?---To be honest, I, I vaguely remember something but don't quote me on it.

THE COMMISSIONER: You mean you vaguely recall something like that?---Something like that. He had a friend, but this friend was shutting down his business or something.

40

MR DOWNING: Could it be that he indicated that Mr – well, I'll describe him as Johnnie – might have been in a tight spot financially and would be someone that might be amenable to, in effect, just providing a bank account that moneys could be put in and taken out of?---No.

You don't recall that?---No.

Now, the Commissioner asked you, not many minutes before I took you to this spreadsheet, whether you'd kept any record, and your answer was you didn't believe you had.---No.

Had you forgotten that or were you trying to mislead the Commission?|
---No, hand on this Bible, I had forgotten that. And, as I said, it was, just that what you see there, I never populated or maintained anything.

But you created it?---Yes.

10

And just on that, it now – I take it you agree that in the course of your dealings with Mr – well, first of all, the Alexanders, you created a spreadsheet to log your arrangement with them?---Yes, Counsel.

And also, in the course of your dealings now with Mr Rahme, you've created a spreadsheet to log that.---Yes.

20

I want you to think back to your time at Telstra. Did you ever create a spreadsheet during your time at Telstra that you sent to Mr Rahme?---I think I did.

And what was that spreadsheet to reflect?---I think works he was doing.

Well, presumably Telstra would have records of the works he was doing. Did it reflect something else?---I believe it was works that he was doing, conducting.

Nothing more?---Why, is there something particular?

30

Well, for instance, during the time at Telstra, did you have some practice of Mr Rahme giving you things or giving you money?---Yes.

So the evidence you gave earlier, that is yesterday, that there hadn't been any prior use of a spreadsheet, wasn't correct, was it?---Now that you've raised it, no. Because, as I said, it's a long time ago.

40

And you've also given evidence that, as far as your conduct is concerned, that you believe that through Mr Dubois you were, in effect, drawn into a web of corrupt conduct.---Yes, at RMS, yes.

It's the case, isn't it, that you were well familiar with corrupt conduct from the moment you started at the RMS.---Yes.

You'd engaged in it, indeed, before you started at the RMS. Not to that organisation, but you'd acted in a similar way.---Yes.

Commissioner, is that a convenient time?

THE COMMISSIONER: Yes, very well. We'll adjourn and resume tomorrow.

MR DOWNING: Commissioner, can I just ask, I understand that you do have to finish early because of a commitment that you have.

THE COMMISSIONER: Yes.

10 MR DOWNING: If it's convenient, I'd be happy to start at 9.30, with a view to then trying to finish Mr Steyn's evidence, and I'd be confident we would tomorrow. Because am I correct that is it 12.00 or 12.30 is the latest time that we can sit?

THE COMMISSIONER: I have to leave here at about midday to go elsewhere. So I'm happy to start at 9.30.

MR DOWNING: If we could, if that's convenient. Thank you.

20 THE COMMISSIONER: Yes, very well. Adjourn till 9.30. If you could be here at 9.30 tomorrow, please.---Yes, Commissioner.

MR DOWNING: Thank you, Commissioner.

THE WITNESS STOOD DOWN [3.57pm]

AT 3.57PM THE MATTER WAS ADJOURNED ACCORDINGLY [3.57pm]

30