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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE PETER M. HALL QC  
CHIEF COMMISSIONER

PUBLIC HEARING

OPERATION PARAGON

Reference: Operation E18/0736

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON THURSDAY 20 MAY, 2021

AT 9.30AM

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

THE COMMISSIONER: Mr Downing.

MR DOWNING: Thank you, Commissioner. The next witness is Joseph Rahme and I understand he is here present in the Commission.

THE COMMISSIONER: Is Mr Rahme there? Thank you, Mr Rahme. Just come down, please. Thank you. Just take a seat there for a moment. Now, Mr English, you appear for Mr Rahme?

10 MR ENGLISH: Please the Commission. I do seek leave.

THE COMMISSIONER: Yes, I grant leave for you to appear on behalf of Mr Rahme.

MR ENGLISH: Thank you, Commissioner.

THE COMMISSIONER: Mr English, thank you.

20 MR ENGLISH: And I'm instructed by Ms McDougall. She is to my right, Commissioner, and Mr Rahme will take the section 38 direction, may it please.

THE COMMISSIONER: You have explained to him the provisions?

MR ENGLISH: I have.

THE COMMISSIONER: Thank you. Now, Mr Rahme, to give evidence you've got to take an oath or an affirmation.

30 MR RAHME: Oath.

THE COMMISSIONER: An oath. Would you mind standing with the Bible there, and I'll have my associate administer the oath.

THE COMMISSIONER: Just take a seat, Mr Rahme. Mr Rahme, I understand from Mr English, who is representing you, that the provisions of the Independent Commission Against Corruption Act concerning evidence and objections to evidence have been explained to you and I understand you wish to give evidence under objection. Is that the case?---Yes.

10 You have to answer, otherwise it's not recorded.---Yes, Commissioner.

Thank you. Mr Rahme, a declaration which treats your evidence as given under objection means that the evidence, of course, can't be used against you in future proceedings. There is an exception, that is if a witness commits an offence under the Independent Commission Against Corruption Act, one example is if a witness intentionally gives false evidence, that's called perjury, that's a criminal offence and the evidence can be used in the prosecution for an offence of that kind. Do you understand?---Yes, Commissioner.

20

Although I am going to make a declaration, as sought by you, you understand that it is your duty to give full and truthful answer to all questions?---Yes, Commissioner.

You understand?---Yes.

Thank you. Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by the witness, Mr Rahme, and any documents or things that are produced by him during the course of this public inquiry are to be regarded as having been given or produced on objection. Accordingly, there is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

30

**DIRECTION AS TO OBJECTIONS BY WITNESS: PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT ALL ANSWERS GIVEN BY THE WITNESS, MR RAHME, AND ANY DOCUMENTS OR THINGS THAT ARE PRODUCED BY HIM DURING THE COURSE OF THIS PUBLIC INQUIRY ARE TO BE REGARDED AS HAVING BEEN GIVEN OR PRODUCED ON OBJECTION. ACCORDINGLY, THERE IS NO NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING PRODUCED.**

40

THE COMMISSIONER: Thank you, Mr Downing.

MR DOWNING: Thank you, Commissioner. Mr Rahme, if you could state your full name, please.---Yeah, Joseph Rahme.

And your date of birth?---[REDACTED]/1977.

And is it correct that in terms of the trade that you obtained after school, you commenced as an electrician?---Yes.

10 And is it correct that you then, after working some years as an electrician, moved more into the areas of telecommunication?---Yes.

And have you worked in that field, that is telecommunication and data-type works since that time?---Yes.

Now, is it correct that for a period of time after you began work as an electrician, you worked for a company Visionstream?---Yes.

And what did Visionstream do?---Maintain the Telstra network.

20 So did it do contract works for Telstra?---Yes.

So that in effect when Telstra needed works done on its network, one of the companies it used was Visionstream?---Yes.

Now, in the course of that work with Visionstream, I take it you had cause to be at Telstra to do work for Telstra from time to time?---Yes.

30 And did you meet Crain Steyn as someone that worked at Telstra?---Not at that stage, no.

Not when you were working with Visionstream. All right. Did you, after working with Visionstream for a period of time, decide to go out on your own?---Correct.

And you set up a company, Lancomm?---May have been Vision Extreme to start off with.

Was there a business that you operated before Lancomm?---Correct.

40 And was there some issue with you using the name Vision Extreme that led to you ultimately changing?---It wasn't an issue, it wasn't an appropriate name I guess.

Ultimately though you set up Lancomm.---Yes.

And if we could go, please, to volume 13.1, page 1, some documents will come up on the screen in front of you. If at any time you need them enlarged or you need them left up for longer, please let us know.---Yeah.

Do you see this is a company search in respect of Lancomm?---Yes.

And it shows a date of registration of 28 May, 2001. Do you see that?  
---Yes.

Does that accord with your recollection as to when you set Lancomm up?  
---Yes.

10 So that you've been in operation now for just on 20 years.---Correct.

And you've at all times been the director and secretary of Lancomm?  
---Yes.

And it's correct also that you've owned the shares.---Yes.

Now, over the course of Lancomm's existence, what has it done?  
---Predominantly end to end works in the telecommunications - - -

20 THE COMMISSIONER: Sorry, can I just interrupt for a moment?---Sorry?

Mr Rahme, if you wouldn't mind, when you give evidence, try and direct it to the microphone.---Yes.

And keep your voice up so that everyone, even at the back of the hearing room, can hear you. Sometimes witnesses sit back and it doesn't pick it up properly. So if you just bear that in mind, would you, when you're answering questions.---Yes, Commissioner.

30 Thank you. Yes, would you put the question again, Mr Downing?

MR DOWNING: Sure. I asked you what Lancomm did and I think you started by saying, "Predominantly end to end telecommunication works."  
---Yes.

And can you explain what that is for people that don't work in the field?  
---Okay. It starts with the design of a project and we see the scope of works, we go out and scope the job and create a design that needs to be built, constructed, so we can do from design component to, to the full  
40 construction, end to end.

But are you talking about things like for instance electrical networks, communication networks?---Fibre networks, fibre networks.

Right. Thank you. So, sorry, is there anything else you wanted to say about what Lancomm does?---We're a specialist contractor, do end to end works in the telco industry.

And is part of what you do what's known as underboring?---That's one component, yes.

10 And can you explain again for people that don't work in the industry, what underboring is?---Underboring is when you have for example, a design may state you need to build new conduit from A to B, point A to point B, and we set up a machine called a directional drill that then tunnels underneath the earth and comes out of, say, from Point A and then pops out at Point B, without disturbing the pavement, for example if there may be tiles or concrete, footpaths and so forth, and roadways, we don't need to break out that, that pavement. You still, you can install that path without disturbing any footpaths or concrete.

So does it in effect create a channel that you can then put a pipe into without having to do an open cut into the land surface?---Correct.

All right. And has that been a substantial part of work that Lancomm's done over the years?---Correct.

20 Now, you've worked both in the sense of developing and finding business for Lancomm - - -?---Yes.

- - - but in a hands-on capacity as well.---Yes.

And is it correct that Lancomm has had employees?---Yes.

Do you sometimes use subcontractors, other times employ people?  
---Correct.

30 But thinking about perhaps the period of the last decade, what's the sort of numbers you've had in terms of employees?---It'd range anywhere between 10 to 20 employees.

Has that varied according to how busy the business is?---Yes.

All right. And is it the case that when it comes to the admin and paperwork side that your wife assists you?---Predominantly I do most of the admin too, but she does do some of the - - -

40 So you do a lot yourself.---Yes.

But she assists you from time to time.---Yes.

So when it comes to, for instance, preparing quotes or communicating quotes or invoices, I take it you would always be the source of information for that to occur?---Yes.

So that you would be the person that would work up a quote and work out the costings, et cetera.---Correct.

But when it comes to sending them out, sometimes your wife, after you'd given her directions as to what should be included in a quote, might send it out.---Yes.

And similarly with invoices.---Correct.

10 All right. And when it comes to the way in which you quote and price jobs, I take it you try and include the cost of all materials.---Yes.

All labour that will be involved.---Yes.

Any travel or accommodation that might be involved.---Yes.

And to include some form of margin in order to make the job worthwhile.---Correct.

20 And do you have a typical margin you try and work or achieve, subject obviously to negotiations with individual clients?---There is a sort of schedule of rates that we do use.

And what sort of - - -

THE COMMISSIONER: I'm sorry, you use what?---A schedule of rates. Rates. SORs, we call them, yeah.

30 MR DOWNING: Are you able to say whether there's either a percentage or a sort of figure that you try and achieve as profit, depending on the size of a job, or is it more difficult to specify than that?---Establish, every - correct, sometimes we may lose and sometimes, sometimes we, we win, so - - -

THE COMMISSIONER: Can't hear you, can't hear you.---There are set schedule of rates that we do use, and every job is treated on, on, on its own merits, depending on the location.

40 MR DOWNING: What's the source of the information in the schedule of rates, is that something you've come up with, or is it an industry document? ---It's, it's an industry type, market rate type of thing, which can be - - -

THE COMMISSIONER: And do you understand that those rates have built into them the profit margins that are regarded as acceptable?---Yes, Commissioner.

MR DOWNING: And can I just use one example to try and get a sense of what the margin might work out at - if you're looking at an underboring type job where the cost perhaps of all materials, labour was around the

\$20,000 mark, what would you estimate you would end up pricing to include a margin so that the final price to the client was X dollars?---I didn't quite understand that.

All right, just say all of the costs, so the materials, the labour, travel, accommodation, all of that for an underboring job comes to, say, \$20,000. If you then are to pricing that up for a client, are you able to say what you would end up coming up with as the total price after applying whatever rates were in the schedule of rates?---Every, every job's treated differently, but I  
10 mean, anywhere between 26 to \$30,000 for the - - -

So somewhere of a margin between perhaps 6,000 and 10,000, where the overall costs are about 20,000.---Correct.

All right. But is it the case that for each job you quote, you would pull out the schedule of rates and try and look at what's involved and come up with a price based on that?---As a base, yes.

Obviously subject to what might happen in the course of particular jobs,  
20 whether there's variations that are required, unexpected elements of the job.  
---Unforeseen, correct.

And is it the case that sometimes where underboring is being done, rocks are encountered and you actually need drilling?---Correct.

And is it the case that where that occurs, you don't do the drilling yourself, that is, Lancomm, that you would then need to subcontract that?---No, we also do the drilling ourselves.

30 Oh, you do?---Yes.

So Lancomm has the capacity to do drilling as well as underboring.  
---Correct. Well, drilling is underboring.

Sorry, so whether it's just underboring through soil or rock in either case, Lancomm can do it?---Correct.

Now, do you recall whether, going back some years, separate to Lancomm,  
40 you established another business?---Which business is that?

Do you remember a company Syndicate Network Services?---Yes.

And if we could please bring up volume 13.1, page 5. And bearing in mind that, according to the search I took you to, Lancomm was established in May 2001. You'll see that with Syndicate Network Services, the search shows it was established on 4 July, 2008, and deregistered on 30 October, 2019.---Yes.

And if we go over the page, you will see that, as far as who the director and secretary were during the period it was in existence, that that was Caterina Rahme. That's your wife?---Yes.

And you'll see the share structure at the bottom, it's got one share of a dollar, and if we go over the page, to page – sorry – to page 7 in the brief. I apologise if I said the wrong page number before. You'll see that your wife was the shareholder.---Yes.

10 Now, can you tell us, noting when Syndicate Network Services was set up, was that something that you had sought, that the company be created?  
---Yes.

And what was the purpose of setting up this company in 2008, having established Lancomm some seven years earlier?---I don't recall exactly the reason for the establishment of that company. It was obviously to do some works outside of Lancomm.

20 THE COMMISSIONER: Whose idea was it to set it up?---It would have been mine.

But do you now recall what the idea behind setting it up was, that you held?  
---I don't recall the idea of it but it was just to source works outside of the telco industry.

Sorry, what was the last bit?---It was just to source works outside of the telecommunications industry. There was no particular reason for it.

30 It wasn't set up on an accountant's advice or anything like that?---No. Not that I recall.

MR DOWNING: But is this the case? So Lancomm, by 2008, had not only been set up to do telecommunications/underboring work, but it was doing it by that time?---Yes.

So, by 2008 though, you'd obviously formed the view that you wanted a corporate entity to do something separate?---Yes.

40 But is it the case you can't recall now what it was?---I, I can't recall exactly what it was for but it may have been for a different client, for example, Visionstream or Service Stream originally.

Was Lancomm doing work for either Visionstream or Service Stream in 2008?---At some stage, yes.

Could it be that – I withdraw that. Did Syndicate Network Services ultimately conduct any business?---Maybe some traffic management.

Well, I wanted to ask you that. Was it, it's the – I withdraw that. When you do your telecommunications work or underboring work through Lancomm, there are times, aren't there, where that involves work either or under or adjacent to roads?---Yes.

And at times that means you need to traffic control in place?---Correct.

10 Thinking about it now, could it have been that you wanted to set up Syndicate Network Services so that it could perhaps undertake the traffic controls works?---Yes. Maybe.

Thinking about it, do you believe that might have been the reason?---As well as any other works that may become available, yes.

But are you speculating about that or is that your recollection as to why you wanted to set it up?---I'm assuming, this is, I can't recall that far back but - -

20 Because I take it you know from the companies you have established that there is a cost involved in registering a company, doing accounts each year, et cetera?---Yes.

So, presumably you wouldn't have set it up unless there was some purpose in having it in existence?---Okay.

Well, thinking about that, you've indicated that with Lancomm, Lancomm did end-to-end telecommunications work.---Yes.

30 And that included general underboring work but also drilling where it was required.---Correct.

I mean, Lancomm itself could have, couldn't it, if it wanted to, undertake traffic control works, had done it through Lancomm?---Correct.

Where Lancomm did works from 2001 to 2008 and there was traffic control involved, did that mean that you typically would have to then go and find a subcontractor that worked in that area, that is traffic control?---Yes.

40 So that in effect - - -?---And sometimes we also do it in-house at Lancomm.

So you did do it in-house at times?---At times.

So thinking about that then, if you had been doing it in-house - - -?---At times.

- - - can you think of why you would have wanted to set up a different corporate entity perhaps in relation to traffic control or - - -?---Well, some of the works from recollection, some of the traffic control works that we did

conduct in-house was not paid because there was no third-party invoice to justify it, so that may have been the reason why Syndicate was created.

So that in a sense, if you, just using a theoretical example, if you were doing work that involved working a road and there was traffic control involved, so Syndicate Network – sorry, I withdraw that, I’ll go back a step – Lancomm could issue a bill for the underboring or the telecommunications work?

---Yes.

10 And you could issue a separate bill through Syndicate Network Services that would cover the cost of whatever the traffic management was.---Correct.

And would the intention be then that Syndicate Network Services could perhaps then actually make a profit in respect of that work as well? Not that I’m suggesting anything wrong with it, but - - -?---No, there may have been previous invoices that were rejected because there wasn’t a third-party invoice, it was in-house, couldn’t get approved, so there was works completed by us that was not paid or approved and because it wasn’t a third-party invoice.

20

Is that your best recollection as to why you set up Syndicate Network Services?---From memory, yes, could have been why.

And do you recall jobs where in fact you had Lancomm doing the telecommunications or underboring works and Syndicate Network Services then billed itself for traffic control?---It billed Lancomm for the traffic control, yes.

30

So it did in fact do that.---Yes, on a couple of occasions.

And can you recall – I’ll come to the specific jobs that Lancomm did, but was that on RTA or RMS jobs or other jobs?---Other jobs.

So as best you can recall there was no Lancomm job that was ever done for the RTA or RMS where it in effect subcontracted traffic control to Syndicate Network Services?---Absolutely not.

40

So is it the case that you can only recall a couple of jobs where Syndicate Network Services was in fact utilised for the purpose of running the traffic control?---Yes.

So is your recollection that it didn’t actually conduct much business after being set up?---Not at all.

Well, if we go back to the search at page 5 of volume 13.1, it does indicate that it existed for about just over 11 years from its registration to deregistration. Can you recall why you kept it in existence for – well, let me

go back a step – even though your wife is the director and shareholder, it was ultimately you who was behind the company. Correct?---Yes.

Can you recall why it was that you kept it in existence for 11 years, if it was only doing a couple of jobs?---I don't understand why it was still open for that long because I recall asking the question, "Why is this still active when it's not getting, not being used?"

10 Asking the question of who?---To my wife, who can pass the information over to the accountant.

So you asked your wife in effect to then make that inquiry of your accountant?---Yes.

And do you recall getting an answer?---I don't recall, but it needed to be closed because it wasn't being used.

20 And can you recall at what point that you asked that, was it soon after the creation in 2008 or in recent years?---Be not long before 2020 when it was closed.

2019 I think.---Sorry, 2019.

30 October, 2019. Was there something that prompted you to make the inquiry about that company and whether it still existed?---I might have received an ASIC annual fee to pay to keep it registered I think and I might have said, "There's no need for this to be open."

30 THE COMMISSIONER: Have you used the same accounting firm over the years?---There's been two accounting firms that we've used.

I'm sorry?---There are two.

Two. What are they, what are the names of those firms?---Well, at this stage it was Marcos Accounting.

40 MR DOWNING: Sorry, when you say at this stage, what stage are you referring to?---Well, I mean from prior to three years ago it was Marcos Accounting.

THE COMMISSIONER: And since the last three years you've had a different firm?---Correct.

What's the name of that firm?---Oh, I don't know the name of the - - -

Sorry?---I know, I know the person - - -

Well, what's the name of the particular person?---Sheran Chalouhi.

Sharon?---Sheran Chalouhi.

MR DOWNING: You might need to spell the surname for us, if you know the spelling.---Chalouhi is C-h-a-l-l-o-u-h [sic].

And are you not able to recall the name of the accounting firm or business?  
---Right now I don't recall the name of it, but yeah.

10 All right, perhaps if you could, during a break today, see if you could find out, even by Google or an email search.---(not transcribable) email, for sure.

Now, could it, thinking back to what it was that - - -?---Oh, sorry, Omni.  
Omni. O-m-n-i.

Omni. Accountants?---Accountants.

And where are they located?---In Condell Park.

20 Thank you, Mr Rahme. Now, thinking about what it was that prompted you to make that enquiry about Syndicate Network Services, it wasn't – well, was it possibly learning about an investigation that this Commission was undertaking in relation to Mr Steyn?---Not at all.

All right. Now, if we move on from Syndicate Network Services, I want to come back to Lancomm and it ultimately doing RMS work. Now, I'm going to suggest to you that in terms of paid RMS work, that there is a record of RMS work being done by Lancomm between about late 2011 and early to mid-2019.---Mainly mid.

30 20 - - -?---'18.

2018.---Yes.

So you believe the work came to an end in 2018?---Yes.

Thinking back, and I accept that this is now a decade or so ago, but do you recall how it was that the first RMS work came about for Lancomm?---I don't recall exactly how, but it may have been via a phone call saying that  
40 some work, he may need Lancomm to quote, or may, may have been an email with some information on how, on, on, on the project to quote.

Now, I take it the 'he' you're referring to is Mr Steyn.---Yes.

So is this correct in terms of background, you knew him during your period of Lancomm doing some work for Telstra?---Yes.

And in that period, what was your understanding as to the role Mr Steyn had at Telstra?---Contract and, contract and compliance, apparently.

All right. And did you have some contact with him in respect of jobs that Lancomm was doing for Telstra?---Yes.

And thinking about that, how far back did that go? When do you recall first dealing with Mr Steyn at Telstra?---I don't recall the exact year, but it would have been a good year or so after we started with Telstra.

10

When is your best recollection as to when Lancomm first did work with Telstra?---2003, 2002.

So accepting that this is an estimate based on your recollection now, rather than a reference to records, you think it might have been a year or so after that when you first had contact with Mr Steyn?---Yes.

20

And what was the nature of the contact? Was he someone that you'd had to deal in respect of a job you were doing for Telstra?---Well, Lancomm was already with Telstra doing a, a couple of works, which was called survey and test. Craig wasn't part of that at, whatsoever at that stage. Somehow I found that he was, he'd put himself in a position where he was in control of that, that, of that work, work program.

So that you'd already been engaged to do work on that program.---Yes.

30

But then he seemed to have a position where he was in charge of it?---Well, I never knew of him at all, and then one day, well, one meeting he was, (not transcribable) he was in control and, and making the calls on what and how things were.

That is, the works that you'd been contracted to do?---Correct.

All right. So from that point where you meet him for the first time in respect of that job, were there then further jobs that Lancomm obtained from Telstra that he was involved in?---No, the, the work continued as it was.

The same work that you'd already been doing?---Volume of work, yes.

40

So did that project continue over a period of time?---Yes.

Some years?---Yes.

But Craig was then involved in making decisions in respect of it.---Correct.

THE COMMISSIONER: What was the name of that project?---Survey and test, or - - -

Survey and?---Survey and test, or test and inspect. There's two types of names they use.

MR DOWNING: I'm going to suggest to you that Mr Steyn remained at Telstra until the second half of 2008 or late 2008, and began work at what was then the RTA in about February or March 2009. Were you, was Lancomm continuing to do Telstra work through until the end of 2008?  
---We were there for, yeah, yeah, approximately 2008, yes.

10 Was Mr Steyn still someone that you were dealing with in respect of that program that you've described?---Oh, that program had already stopped.

Well, what's your best estimate as to when that came to an end?---2006 maybe, 2007.

And again, accepting that this is an estimate, but what's your estimate as to how long that program ran for from beginning to end?---Couple of years.

20 THE COMMISSIONER: Did you, over the two years you had that project, have a system whereby your company would render quotes and invoices to Telstra for the work?---There, there was already an established rate per project.

There was an established rate.---Prior to Craig introducing himself.

Prior to Craig Steyn?---Yes.

30 And after Craig Steyn came into the picture at Telstra, did things change?  
---over time, yes.

And over time gradually, wasn't it?---Yes.

What sort of change are you now referring to?---Oh, just the structure of how we were being paid per job.

The structure as to how you were being paid, or your company was being paid?---Yes. In, in regards to the rates and so forth.

40 And so was he, by your perception, instrumental in initiating this change over time?---I believe so.

And can you, just in summary, tell us what was the nature of the change that developed over time?---Well, we were paid a rate to complete a whole DA network, a block of streets of Telstra's network we would have to test and inspect. So we would be paid for the whole DA. Within that DA, you would have four/fix/six different ranges within the DA. We were being paid per DA at first, when we, when I first started with Telstra, and then he then changed that up to make it per range.

He changed it in what respect?---We would get paid per range, not or DA.

Per?---So we may have four or five different ranges in each DA.

When you say per range, that's the word you used?---Correct, per range.

10 What does the word "range" contemplate?---A Telstra pillar, for example, might have six different ranges. So you've got zero to 100, and you've got 101 to 200, 301 to 400.

Was it different classifications of work, was it?---No, no. It's - - -

Just explain to me how the range system worked so far as it affected you. ---It didn't really make too much of a difference from our end. We did ranges as well as within a DA. But it was just a pricing restructure.

20 It was a pricing structure of some kind, was it?---So instead of being paid per DA, we were getting paid per range.

I see. And did that have some financial repercussions so far as you were concerned, either for the better or for the worse?---It was much of a muchness from my end, similar.

MR DOWNING: So, Mr Steyn having brought about this change, was the term you were using, the way in which you were being paid before by Telstra, was it DA?---Per DA, yes.

30 Is that development application?---Distribution network, or access network.

So it stood for that?---Yeah.

And then range, as you've described it, then involved, is it a breakdown into smaller areas?---That's right. So one range might be for one street, another range might be for a different street within that DA.

40 So, over the period then, so you then start, that is Lancomm then becomes -- the system is that Lancomm then is remunerated on a per-range basis? ---Correct.

And you continue to work with Mr Steyn during that period then, I take it, through until 2008? I think you said that you were still doing some Telstra work?---Around about, yes.

So after this particular project came to an end, which I think you said as best you can recall was in about 2006?---2006. Halfway through 2006.

Did Lancomm obtain any further Telstra works?---Yes.

And what sort of works were they?---That was works as part of the Specialist Panel, it was, I think, 104.

But doing what?---This maintenance of the their whole network, which is what we specialised in. So, upgrading the pits, replacing damaged cables that were, customers had certain faults on.

10 So you would be brought in as a contractor to Telstra where there was some fault in their network to do some either maintenance or repair work. Is that fair?---Yeah, yeah, yes.

And was that work that Mr Steyn was involved in?---I don't believe so. Not too much anyway. He was, he was involved in it but he didn't have any say in what jobs we received, not that I know of anyway.

20 And how would you characterise your relationship with Mr Steyn in that period while you were doing work through Lancomm for Telstra, what was the nature of it?---It was friendly.

THE COMMISSIONER: Did you over time develop what might be regarded as a form of friendship with him?---A business friendship, yes.

Friendship in the sense that you were working with him compatibly on work tasks and also socially from time to time would meet with him?---Yes.

30 MR DOWNING: And at some point through that relationship do you recall that you and Mr Steyn looked at perhaps bidding for some contract work together?---Well, there may have been one instance, yes, outside of Telstra work altogether.

THE COMMISSIONER: Are we still talking about Telstra now or are we talking about something else, Mr Rahme?---No, something else altogether.

Sorry?---Something else.

Not Telstra?---No, not Telstra.

40 Is this, are we now moving into the RTA work or some other work?---There may have been one RFT that we put a submission for within the RTA but there was no, no knowledge that he was going to end up working for, for the RMS or any of that, but it was before that time.

MR DOWNING: Just so we're clear, I'm talking about the time when you're still at Telstra and you're working at that point through Lancomm. So you've got your own company as a contractor doing work for Telstra. ---Yeah.

But it's correct, isn't it, that you and Mr Steyn had moved beyond just in effect you being a client that was doing contract work for his employer, you'd had some discussions about perhaps doing something together?  
---Yes.

Now, if I could ask you, please, to have a look at volume 13.1, page 53. And you'll see there's a series of emails on the page, but I'm starting at the bottom of the page. 10 April, 2007, 9.42pm.---Yep.

10 And it's from you at Lancomm to, it seems that you've had Mr Steyn as a contract saved because it just shows up as Aleesha and Craig. I take it you had his email address?---Yes.

And there's a reference in the subject to RailCorp tender, importance, high, and you'll see you ask about whether Mr Steyn was still interested in submission of a tender said to be drawn 16 April, 2007.---Yes.

And you see on the 10<sup>th</sup>, so same evening, about just over an hour later, Mr Steyn asks about the details and says, "There's nothing in your email."  
20 ---Yes.

And then going up to the top of the page, you seem to send another email, I'm guessing you're attaching some form of detail, and then on the 10<sup>th</sup> at 11.19, Mr Steyn replies, "Okay. What do we need to do or what have you done thus far?"---Yes.

And then top of the page, next day, 11 April at 9.28, you indicate, well, you propose meeting that evening or tomorrow, and to jot down some comments so that you could have Cathy, I take it that's reference to your wife, type it  
30 all up.---Yes.

So do you recall now that by 2007 that you were, it would seem, familiar enough with Mr Steyn that you were proposing some quote that you might put in or tender for this particular RailCorp job?---Yes.

Now, can you think back as to who it was that initially raised the idea of you two doing something together, as opposed to you just doing Lancomm contract work for Telstra?---Oh, Craig would always raise the proposal of us doing things together outside of Lancomm and Telstra.  
40

But going back how far? I mean you say he always would, I'm asking you about this specific RailCorp tender.---I can't, I can't recall exactly when, but it would have been a couple of years within our business, once I met him.

That is when you were working for Lancomm and he was working for Telstra?---Correct.

So he suggested that you might, outside of that relationship, go into something together?---Correct.

And can you recall now, this is again dealing with RailCorp and a tender, but can you recall any other jobs that you pitched for or discussed pitching for?---Well, Lancomm subscribed to TenderLink which meant every day I'd receive emails with certain RFTs that were on offer from, from TenderLink and if anything caught my eye I might flick it over to him and say, "What do you think?"

10

Going back to the email, it seems that this particular tender, it's you who initiate the discussion on the 10<sup>th</sup>, but if we bring this email up again, please, you'll see that it starts, "Are you still interested?" Which tends to – sorry, it's on its way. It's not up on any of – I think we might have a technical difficulty, Commissioner, because unfortunately it's up on the large screen but not on any of our individual screens and I'm not sure if - - -

MALE SPEAKER: We've got it.

20 MR DOWNING: Those at the back have got it, unfortunately we don't.

THE COMMISSIONER: All right.

MR DOWNING: We might need to have - - -

THE COMMISSIONER: If necessary I'll adjourn so it can be straightened out.

30 MR DOWNING: Do you have it on your screen, Commissioner?

THE COMMISSIONER: Yes, I do. I have the correspondence - - -

MR DOWNING: Mr Rahme, do you?---Yes.

THE COMMISSIONER: - - - of 10 April, 2007. That's on my screen. It's on your screen?---Yeah.

Looks like you might be the only one.

40 MR DOWNING: It does look like we might need someone with some knowledge of telecommunications to have a look at this for us.---I can help you out if you want.

THE COMMISSIONER: I'll adjourn for a short time so it can be sorted out.

MR DOWNING: Thank you, Commissioner.

THE COMMISSIONER: I'll adjourn.

THE WITNESS: Need some help there?

MR DOWNING: We might start in-house and then we'll go from there.

**SHORT ADJOURNMENT**

**[10.23am]**

10

THE COMMISSIONER: Yes.

MR DOWNING: I hope our technical glitch has been fixed, Commissioner. So if we could please go back to volume 13.1, page 53. So you'll see, that email that you send at the bottom, it does start off, "Are you still interested in this tender?" So it does tend to suggest that there had been some discussion about it or perhaps email correspondence before. Do you see that?---Yes.

20

But even though it's you initiating the contact here, is your evidence that you recall that it was Craig who first raised the idea of doing something together?---I don't recall who first raised it but there was discussions between myself and - - -

You just need to come closer to the - - -?---There were discussions between myself and Craig, yes, but not too sure who initiated it.

You say that you, in effect, had a subscription to this TenderLink so that you would get notified of tenders coming up?---On a daily basis, yes.

30

And was that government tenders?---Yes.

From different agencies?---Oh, well, government, private.

So you would just get a notification of whatever tenders were coming up?---That's correct.

So, from time to time, where you would see those tenders, you would look through them, look at something - - -?---Just briefly, yes.

40

- - - identify whether it was something that you might be able to tender for?---Correct.

And then sometimes raise it with Craig?---Yes. Well, sometimes.

I take it there was some works that would come up through the tenders that would fall within the area of work that Lancomm did itself?---Yes.

And I take it on that area you didn't need to involve Craig?---No.

So what was it about Craig that led to you suggesting that a RailCorp tender might be something that you and he could do together?---I honestly don't recall the reason for that but I, I believe, I, I felt Craig had the, the skills required to assist in, in some tender submissions.

Well, what skills are you talking about? Written skills or - - -?---Written and just from a, a process sort of things, I guess.

10

And is that based on what he did through his work at Telstra?---Correct.

And your observations of that?---And his guidance.

Now, from time to time, separate to whatever tenders you might put in together, did he assist you with the preparation of paperwork on different jobs that you were quoting or tendering for through Lancomm?---In regards to quoting? From, are we talking about the Telstra days or - - -

20

So, during the Telstra days did he ever assist Lancomm with putting together the paperwork for a quote or a tender?---There may have been an occasion or two but not, not a regular thing, no.

And just so I'm clear, I'm not talking about him in effect assisting as a partner with a view to putting in a tender jointly, I'm talking about Lancomm preparing to submit a quote or a tender and you getting Mr Steyn to, in effect, assist with the paperwork to try and get it up to scratch?---Yes.

30

And did you pay him anything for that?---There would have been some payments made to him, yes.

But are you talking about large sums, small sums?---Small sums.

And, what, cash payments or - - -?---I believe so.

And what are you talking about, hundreds of dollars, thousands of dollars? ---Maybe a thousand.

40

And that was for his assistance in reviewing documents for the purposes of you, through Lancomm, submitting a quote or a tender?---On the odd occasion, yes.

But what I'm showing you with these emails, this was a different thing, this was you in effect proposing that you would go into some form of business together.---Correct.

Had you discussed how that might work, whether you would do it as partners or through setting up a company?---I don't recall exactly, but it

might have been along those lines. It wasn't going to be, he wasn't going to be part of Lancomm, that's for sure.

But do you recall whether there was any discussion about what form the business might take?---I don't recall exactly, but nothing ever come to fruition, so we, we didn't, never went, moved forward with, with the logistics of all that.

10 Well, when you say nothing came to fruition, do you mean you never submitted a tender or a quote?---No, we, we may have submitted a tender. But nothing was ever rewarded to us, awarded, awarded to - - -

So you never succeeded in obtaining a job.---That's right. Correct.

All right. Now, separate to this RailCorp one, which you'll see was something that you were looking at in April 2007, can I take you to another email, volume 13.1, page 55. And you'll see this is now June 2007.---Yep.

20 And starting at the bottom, it's you on 6 June, 2007 at 11.46pm, forwarding some details about a NSW Housing request for tender in respect of the supply and installation of non-smoking signs.---Yep.

And it seems that you're proposing that you might put in a tender together, and you say, "Nice and easy."---Yep. Well, there were, there were discussions between Craig and, Craig and I and he, he did suggest that something nice and easy he'd be interested in.

30 So are you saying that you used those words to in effect reflect what he'd suggested was the type of project he might want to do?---Correct.

All right. And you'll see he responds on the 7<sup>th</sup>, so the next day, "Nice," indicating he's very interested. And do you see then, same day but at 9.13, top of the page, you seem to be sending documents through, in respect of that NSW Housing request for tender?---Tender, yes.

Do you know if you submitted this tender?---I don't recall submitting anything for this tender.

40 Can you recall whether either this or the earlier RailCorp one were tenders that you and Mr Steyn actually submitted?---I don't recall submitting either of those two.

But you certainly had developed a relationship by 2007, to the point where you were looking at projects that you might go in together on.---Correct.

So you had in mind that there might be some form of business that you and he could actually conduct together.---Correct.

All right. Were you aware when he left Telstra and got a job at the RTA?  
---I, I wasn't too sure when he started, but – you say it was 2009, but – it was a few years there, there wasn't much contact between, communication between myself and Craig.

But you plainly have his email address.---Yes.

And you had his phone number as well, correct?---Yeah, yeah.

10 And it's correct, isn't it, that from time to time you've exchanged texts, correct?---Yes.

And also you've used WhatsApp to communicate at times.---What period are we talking?

Well, you tell me. First of all, I take it, texts have been around for a while.  
---Yep, yep.

20 You've been texting Mr Steyn backwards and forwards for some years, haven't you?---Yes.

Going back, really, to at least the early days of him working at the RTA and RMS.---Yes. Oh - - -

What about – sorry, please.---Was there anything – I think he was already there for a few years before we, I, I - - -

I'll come to specifics.---Yeah.

30 But I'm asking for your recollection.---From recollection, no.

Did you ever text him during the Telstra days?---Yes.

So you had his number.---Yes.

All right. What about WhatsApp? What's your best recollection as to when you started using that?---Oh, would have been after he's, 2013, something like that (not transcribable)

40 So after he was at the RMS?---Yep.

But do you recall learning from him at some point that he was planning to leave Telstra and about to go to the RTA?---I, I don't believe so. I mean, I've, apparently he hadn't, he was working elsewhere after Telstra, not at the RMS.

I'm suggesting to you he went from Telstra to the RMS, and he starts in about February to March 2009.---Okay, well, I recall him telling me that he was working at Spotlight for a year or so before he started with RMS.

Sorry, Spotlight?---Spotlight.

The haberdashery business?---No, it's like a building maintenance-type company.

10 So you recall him telling you that. But I take it though you have a recollection that at some point he lets you know, he contacts you and lets you know I'm now at the RTA or RMS.---Yes.

And do you recall discussing with him then whether there might be some work that might be appropriate for Lancomm to put in for?---At that stage, no.

20 No. All right. I'm going to show you some documents, but what's your recollection as to when you were first contacted by Mr Steyn with a view to perhaps putting in a quote or a tender for something at the RMS?---I believe there was a phone call from Craig saying he had some projects that he may need us to quote.

When is your recollection though in terms of years?---2011, maybe 2010, around then.

Can we go, please, to volume 13.1, page 56.---Yeah.

30 And you'll see this is an email headed Quote Work, from Mr Steyn, and it's to a number of people, but you see it's blind copied, so you wouldn't have been able to see others?---Yeah. But the others, I know of them too because in the, within the industry.

But do you recall this now, that on 19 October, 2009, Mr Steyn sent you an email attaching diagrams et cetera, but for works involving two sites, Meadow Flat and Raglan?---I do recall, yes.

40 And just looking at the other companies there, do you recognise those as competitor companies?---Correct.

So Service Stream, I think you ever made reference to them a bit earlier. ---Yeah.

Is that another company that does similar work to Lancomm?---Correct.

Downer Engineering?---Yes.

So it that part of the Downer Group?---Yeah.

So a large engineering concern.---Yeah.

But does it have a data or - - -?---Yeah, a communications division.

Division. All right. And then is it - - -?---Silcar Comms.

Silcar Comms. Do you know that company as well?---Yes.

10 And again does it do similar work?---Yes.

Do you recall whether Mr Steyn told you at the time about who else he was getting quotes from in respect of this job?---No.

But it's the case - - -?---But I - - -

I'm sorry?---I assumed it would have been those ones in the, but - - -

20 But you don't recall him informing you of who your competitors were?  
---No.

And do you recall submitting quotes for those jobs?---I recall submitting some quote for this, this work, yes.

Submitting them?---Yes.

But is your recollection you didn't actually get these jobs?---I didn't get them.

30 In fairness, if we could go, please, to page 57. You'll see an email from you on the 22<sup>nd</sup> submitting first of all in respect of Meadow Flat, and it looks like alternative quotes based on either rock or soil.---Yes.

And do you recall that you submitted quotes of that nature for Meadow Flat and for Raglan, but you didn't get either job?---Correct.

And thinking about what then occurred over the years after, it's the case, isn't it, that there were many occasions when Mr Steyn would ask you to quote for jobs?---I wouldn't say many occasions.

40

Well, ultimately Lancomm has done a number of jobs for the RMS. Correct?---Yes.

And thinking about how the process would work, typically you would be contacted by Mr Steyn with what's effectively a request for quote. ---Correct.

With some documents or specs showing you what was involved.---Yes.

And is the way it would work, you would then prepare and submit a quote?  
---Yes.

You'd learn if it had been accepted or not?---Yes.

You'd then be told a start date.---Yes.

You would then attend and do the work?---Yes.

10

You had an understanding, didn't you, that RMS would create what's known as a purchase order number?---Correct.

And that that would then be communicated to you.---Yes.

And once you had that purchase order number you would be a position to then submit an invoice with that number on it - - -?---Yes.

- - - once the work was complete?---Yes.

20

Or at times you might do an interim bill along the way before the work was complete?---I don't recall doing interim bills for RMS before, before - - -

Is your recollection that - - -?--- - - - before receiving a PO.

I'm not suggesting before a PO, but sometimes you might bill it in two parts, that is get the PO, you do a bill when the work was partway done and then another bill at the end, or is your recollection you always you always did one bill at the end?---One bill at the end.

30

Well, we'll come to specifics.---Yeah.

And you'd then be paid by the RMS via EFT.---Yes.

And do you remember if Mr Steyn ever told you that there were some requirements the RMS had in terms of the number of quotes he had to obtain, depending on the value of jobs?---I don't recall the number of quotes.

40

No?---I do recall he mentioned that our quotes need to be below 50,000.

Sorry, your quotes needed to be?---Yes.

Go back for me and try and put that in context. What was the nature of the discussion you had with Mr Steyn?---It was just a general discussion. It wasn't in regards to any particular job but, yeah.

He just told you he wanted - - -?---Well, not in, on that particular job but just in general that he, he needs – well anything above 50,000 needed to go out for tender or something, or so forth, something along those lines.

So you had a discussion with him not about a particular job but in terms of what he wanted you to do generally?---Yeah.

10 And your recollection is that he said he wanted you to keep your price under \$50,000?---In general, works under 50,000 can be issued without going to tender, that's what I understand.

Did he ever suggest to you that perhaps that might mean that where there was a bigger job, you should break it down into components that would all be less than \$50,000?---Don't believe so.

20 But he did ask you that you try and keep it below 50 because it would avoid going to tender or something of that nature?---I, I wasn't aware of anything that was structured in-house, within RMS and how that worked. So, he just called the shots in that sense.

And do you recall any discussion where he suggested, for instance, that for a contract value of between 50 and 250 he needed to get three quotes. Do you recall any discussion of that nature?---There may have been, yes. I'm not too sure but - - -

Does it sound familiar at all?---I didn't think 250, I think it was 150.

30 But whatever the financial figure was, you understood there was a level between which, depending on the value of the job, there was a need to get more than one quote?---Correct.

Three quotes?---(No Audible Reply)

And I take it that's, you believe, information you got from Mr Steyn?---Yes.

Now, when it came to particular jobs that Lancomm got, did it always perform those jobs in their entirety itself or did it sometimes subcontract parts out?---Bit of both.

40 And would that involve subcontracting drilling or the general underboring or both?---Bit of both.

And what would determine which job you ultimately subcontracted, or which job or parts of jobs you subcontracted out?---Just on the volumes of work that we had currently had elsewhere and our resources, if they were all tied up elsewhere, then we called upon contractors.

Would that also, to some degree, depend upon geographically where work was?---Sometimes, yes.

Now, in terms of the work that Lancomm did for the RMS, do you recall that there was a period of work from about 2011 to 2014 where Lancomm did a number of jobs?---Yes.

And then there was a break for some years until about 2018?---Yes.

10 And then some more work in 2018?---As part of a panel I believe, yes.

And I'll come to that, but you recall that there was a Maintenance Panel created in late 2017?---Yes.

And Lancomm was one of the companies that was put on that panel?---I believe, against my wishes.

20 Well, I'll come to the specifics. So, there's a period – breaking it down – from about 2011 to 2014, before there was any panel?---Yes.

And Lancomm does some jobs during that period?---Correct.

And typically they were jobs where you would be asked to quote by Mr Steyn, correct?---Yes.

And then subsequently there was the panel created in 2017?---Yes.

30 And then there was some further contract work that Lancomm did in 2018? ---Yes.

As one of the panel firms?---Correct.

And can I ask, through the work that you did with Mr Steyn, starting from 2011, in that period 2011 to 2014, did you also meet a Mr Dubois?---I never met Mr Dubois ever.

You've never met him?---I've heard of him, I know of him but I don't, never met him.

40 Did Craig tell you something about him?---Yes.

What did he tell you as to who Mr Dubois was and what he did?---He was a work colleague that had, that controlled a lot of the work from his end and he has his own crew of contractors apparently, along those lines. I can't remember exactly what was said but - - -

But first of all, did he indicate that he was someone that worked with the RMS in an area similar to Craig?---Yes.

And also was in charge of some works himself?---Yeah.

And you say he indicated that he had a crew of contractors he used himself?---Yes.

Did he say anything more about those contractors and the nature of the relationship that Mr Dubois had with the contractors?---He didn't, no he didn't elaborate on that. He referred to them as the Habibs.

10

Sorry, the?---The Habibs.

All right, so he tells you about Mr Dubois. Did he say anything about whether, separate to any work that you might be able to get for Lancomm through Mr Steyn, whether Mr Dubois might be able to provide some works in his areas of responsibility?---I don't recall that, no.

20

No. Do you recall actually doing jobs where Mr Dubois was the person who was on the paperwork the person responsible?---There might have been one or two jobs that he would ask me to consult with Alex over the, over the phone.

That is, Craig asked you to consult with Alex?---Yes.

But through the period that Lancomm was doing work, is your recollection that it was almost invariable Craig who was providing the work?---Yes.

30

All right. Now, I've asked you about the process of submitting quotes and then really the process from submitting a quote through to being paid at the end. I want you think about the quotes that you've submitted over the period for Mr Steyn. Can you recall him ever suggesting that in submitting quotes, you should change your price beyond the price that you had come up with yourself using the process you've described before of working out the costs and referring to the - I'm sorry, I've forgotten the name of the schedule that you - - ?---SORs.

40

Sorry. So can you recall him ever suggesting that in submitting quotes, you should change your price beyond the price you had yourself calculated? ---Most definitely.

And I've gone through that process with you of how you came up with your prices, but what's your recollection as to how it would be, where you were quoting for a particular job, that Craig would suggest to you that you should change your price? What would happen?---Well, we'd quote the work, like normal, advise him what our price would be, and he - - -

Do you mean verbally or submitting a written quote?---I could submit a written quote, but he always wanted to be all across our quotes prior to us

submitting anything to the RMS. That was one of his rules, that he, we need to, need to speak to him first before we submit our quote.

So before you ever put a written quote in - - -?---He, he needed to be notified of, of what our pricing was.

And how would you communicate with him?---Whether it was over the phone or via SMS or email (not transcribable)

- 10 So is that something that he asked of you early in the period of your works through Lancomm for the RMS?---Early, I, I don't think the very first job we did, but as the next jobs come, come along, then yes.

Just thinking of the periods of work, you've indicated that there was a period of work from about 2011 to 2014, then a break.---Yeah, yep.

Was it during that first period from 2011 to 2014 that he suggested that he wanted to be, I guess, involved before you submitted a quote?---Yes.

- 20 So what did he say to you as to what he wanted as regards to quotes?  
---Well, he'd provide me a scope of works, and we'd quote the work, and then he'd ask me to provide him with a price.

Is this something that happened with every job or some jobs?---Every job.

And how would you then communicate? So, for instance, where you were about to give him a price, would you sometimes do it verbally?---Yes.

- 30 And were there times when you would send him a written quote?---Yes.

Did he ever request that you use a particular email, whether it's his RMS email or a private email, for submitting those documents?---The, my initial quote?

Yes.---He'd ask for me to send it to his private email or, or speak to him verbally.

- 40 All right. And then thinking about when you would submit it, what would then happen – you've said there were most definitely cases where he told you to increase it. Tell me what would happen. You'd submit it, and then you would receive an email or a call or a text, what would happen?---Well, he'd respond to my initial quote amount - - -

THE COMMISSIONER: Sorry, I can't hear you.---Craig would respond to my initial quote, and ask to change the amount to a different amount that suited him.

MR DOWNING: When you say change it, would it sometimes decrease, would it increase?---Would never decrease. Oh, when I did quote the work, a lot of the times he would negotiate with myself to lower my cost price, my price, Lancomm's price, then up it.

And did he ever explain to you how it was he came up with the figure that he then suggested you quote at?---Never. I don't know, don't know how he come up with those figures.

10 Did he explain to you what the purpose of having the job quoted at the changed price was?---Yes.

Well, what did he say to you about that?---That was his portion.

THE COMMISSIONER: I'm sorry, I missed that.---That was his portion. As in Craig's portion.

MR DOWNING: All right, so having had that discussion with him, did you then follow that process each time there was a quote submitted?---Yes.  
20

And what's your recollection as to whether it was on every job or some jobs that he then increased your price from what you had come up as the Lancomm price?---Between the years of 2011 and '14 there may have been one or two that he hadn't asked me to change our price.

One or two where he hadn't?---Hadn't.

But the others he did?---Yes.

30 And then moving to 2018?---All of them.

So you say that when he asked you to do that, he described it as his portion or his cut, something, words to that effect?---Yes.

Did he say something to you as to what would then happen with his portion or his cut, what were you to do with it?---Pay it to him via cash.

And - - -?---Or - - -

40 Sorry, go on.---Or pay for items if there was something he needed.

And again, was this the discussion during, that was held, this up-front discussion about the process in the 2011 to 2014 period?---Early on in the piece, yes.

And is that what then happened as jobs were done and you were paid for those jobs in 2011 to 2014?---Yes.

And then in 2018.---Yes.

Can you recall whether he ever asked you to bill for a job where there was no work done at all?---Yes, there was one.

Well, I'll come to the specifics later, but you can recall there was one he asked you to do that. So what I want to do is go through with you the various Lancomm bills or quotes and invoices et cetera that are available from the RMS and see if you can identify me whether you believe that this  
10 represents a job where the price paid was the genuine Lancomm price or a price that had been inflated in a way you described, or whether it was a job where there was no work at all. So bearing in mind those options, can I take you through the various records there are of works. And if we start, please, at volume 13.1, page 73. And it may be that you can recall some of the locations and some of the works, but see if you can assist me as we go. So  
20 13.1, page 73. You'll see the bottom of the page there's an email, 11 October, 2011, from Mr Dubois, with some drawings et cetera for a Picton Road West point-to-point site. And do you see at the top of the page on 13 October, 2011, you're submitting a quote for underbore works at that location?---Yes.

And if we go to the next page, please, you'll see the quote is \$5,400, ex-GST.---Yes.

And then if we go ahead, please, to page 86, you'll see an email from you to Mr Dubois on 22 November, 2011, apologising and attaching the invoice for the Picton Road point-to-point job.---Yes.

And if we go, please, to page 88, you'll see the invoice is for the sum that  
30 was quoted, 5,400 plus GST.---Yes.

Do you recall that job?---Yes.

And as best you can recall, was that one where the price paid was your genuine price or an inflated price or one where there was no work done at all?---That was Lancomm's genuine price.

Right. So there was no cut to Mr – sorry, I withdraw that – to Mr Steyn?  
40 ---Correct.

You would have seen that this communication actually came from Mr Dubois when it came to seeking the quote.---Yes.

But do you recall that there was a discussion with Mr Steyn to the effect that this was ultimately his job?---I'm unsure about that.

Just thinking about Mr Dubois, is your evidence that at no point did you ever have any request from him for any money or benefits?---Not at all.

And did you ever pay any money or benefits to him?---No.

Well, if we could move, please, to the next job, and that's at volume 13.1, page 91. And you'll see that this is you submitting a quote on 21 June, 2012, for a point-to-point job at Mount Ousley and Bulli.---Yep.

10 And if we go to the next page, please, you will see, page 92, the quote. It's for Mount Ousley and Bulli and you'll see – I'll let you read the description there, but it seems to involve installing comms and electrical conduits at that location.---Yes.

And the price of that is 19,500.---Yes.

And if go then, please, to page 99. You will see on 12 October, 2012, you submit the invoice to Mr Steyn.---Yep.

20 And if we go ahead, please, to page 101. You will see that the price billed was 19,500 plus a variation of 2,500, so all up 24,200 inclusive of GST. ---Yes.

And looking at that, do you believe that that falls into the category of the price being a genuine price or one that was inflated as per Mr Steyn's request or one where there was no work done at all?---I believe that's, that was a genuine price.

THE COMMISSIONER: Sorry, I couldn't hear that.---That was a genuine price.

30 Thank you.

MR DOWNING: If we could then, please, go to volume 13.1, page 114. Do you see that this is now 21 November, 2012, you're submitting a quote to Mr Steyn and it's work again at the point-to-point site at Bulli Pass, Mount Ousley.---Yeah.

40 But if we go ahead, please, to the next page, to page 115, you will see this involves different works to the last job. This one involves installation of P100 pipe from the point-to-point structure to a variable message sign in rock.---Yes.

As you'll see that the price is now \$49,500 plus GST.---Yes.

And if we go ahead, please, to page 131, you'll see on 5 February, 2013, you're submitting invoice 8819 for the works completed at Mount Ousley. ---Yep.

And if you go ahead, please, to page 133, you'll see that's the invoice in respect of that job and it's the price that was quoted, 49,500 plus GST, so 54,450 inclusive of GST.---Yep.

And looking at that job, do you believe that that's one that represents the bill being the genuine Lancomm price or one that was being inflated for Mr Steyn or one where there was no work done at all?---It was inflated for Mr Steyn.

- 10 Just pausing and thinking about that job. Do you recall that this was one that involved some drilling? That is that you had some drilling done as part of this?---Yes.

And do you recall that Spot On Drilling was the company that you used for the drilling?---Correct.

Now, Spot On Drilling is a company in which you have an interest, correct?---Yes.

- 20 Can you tell us what the nature of Spot On Drilling's business is and what your role in it is?---Well, Spot On Drilling was originally created as a directional drilling company. So - - -

Sorry, as a?---Directional drilling, so underboring company. So, we invested in some machinery.

So who is "we"?---As in the partners, as in the Wehbes, Manoel Wehbe and - - -

- 30 So if you would please identify - - -?---So Manoel Wehbe, Romeo Wehbe and myself.

Manoel and Romeo Wehbe and yourself?---Yep, yes.

Were partners in Spot On Drilling?---Correct.

And was it set up to do the type of drilling work that might be involved from time to time where rock was encountered for the purposes of underbore work?---Not only rock but, yeah.

- 40 And in this instance, Lancomm used Spot On Drilling, did it, to do part of this work at Mount Ousley, Bulli Pass?---Yes.

Are you able to recall what component of the price represented the drilling work?---Oh, as in the amount?

If you could, yes. And if you can't tell us - - -?---I'm not a hundred per cent sure. Approximately the \$20,000 mark.

THE COMMISSIONER: How much?---Approximately 20,000, maybe.

Sorry?---20,000 approximately. However, there was other works involved, other than drilling on that project, which was completed by the Lancomm staff.

MR DOWNING: If we could go, please, to volume 13.1, page 127, and you'll see this is search on Spot On Drilling.---Yep.

10

At one point, the registered office was your home address, correct?---Yep.

Which is listed there as the previous registered office and principal place of business. And if we could go to the next page, please, you'll see the director and secretary is Manoel Wehbe.---Yep.

W-e-h-b-e. And if you go over the page, the same person owns the shares. ---Okay.

20

But is your evidence that, notwithstanding how the company was structured, it was effectively a partnership between you, Manoel, and Romeo Wehbe? ---I was under the impression that I was part shareholder. But obviously not.

Well, on paper. But in terms of the way the company ran, was it the case that where income was earned it was split between the three of you?---I believe so.

30

Who actually ran the finances of the business?---Miss, Mrs Kylie Wehbe, Romeo's wife.

All right. If we go back, please, to page 133, which is your tax invoice for this particular job, so 31 January, 2013, 49,500. You've indicated this is one that you believe was inflated. Are you able to give us a figure, either a precise figure or an estimate, as to what Mr Steyn's margin on this job was?---I believe he covered us to do some underboring work at his house.

40

That is that you had done some work at his house.---We installed some pipe in the front of his house and the back of his house, via the directional drill, and that was to, and the, whatever difference that he inflated our original quote was to cover that works.

Do you know how much that was? What would have been the cost of the work that you did to his house?---Approximately 10,000, ending up costing us, costing Lancomm close to 20.

THE COMMISSIONER: Sorry, did you say the estimated cost would have been 10 or 20?---10, 10 to 15,000 approximately. It ended up costing us about 20,000-odd in damages.

How much was embedded in the invoice, do you know?---Approximately 15 to 20,000.

10 MR DOWNING: And is that based on you speaking to Mr Steyn at the time and saying, “Well, look, the work we’re doing at your house is going to cost this much, that’s what needs to be covered”?---Along those lines, yes.

And do you recall him saying that he, with this job, that you should – well, I’ll withdraw that – that you should increase the invoice in order to reflect the element for that?---Correct.

20 All right. If we could move then, please, to page 139. Now, this is a job where’s there’s been no quote located, but do you see it’s an invoice dated 22 November, 2013 for a type 2 pole installation at the Mount Ousley point-to-point site?---Yes.

And a sum of \$5,000 plus GST.---Yep.

And sorry, I should have gone back, at page 138 you’ll see that on 28 November, 2013, your wife submits that invoice to Mr Steyn.---Yes.

Now, looking at that, do you believe that’s one where the price reflected in the invoice was the genuine Lancomm price or an inflated one from Mr Steyn or one where the - -?---Inflated, inflated by Mr Steyn.

30 Do you know, again, by reference to this job – I take it you remember doing a number of different jobs at Mount Ousley at the point-to-point site.---Yep. I - - -

This one involves a pole installation.---Correct.

40 Do you know now either a precise figure or can you estimate what element of that \$5,000 bill was inflated by Mr Steyn?---Well, Lancomm’s original genuine price was about \$3,000. And then he suggested, or he mentioned that he had pricing for \$1,000 from others, and that two would go to him and two would go to me.

Would he on jobs sometimes suggest that with the margin, that it would not all go to him, that some would go to you?---Sometimes, yes.

So that in effect when you got paid, there would be an element of his increase that you would get to keep, but there would be an element that would - -?---Would stay in Lancomm, yes.

But at element that would either be paid to him in some form?---Yes.

That is either perhaps a cash payment?---Yes.

Or through in effect offsetting the cost of work that had been done, so you'd keep it but you were incurring costs for work.---Correct.

10 If we could then go, please, to page 161 of volume 13.1. Sorry, if we could go back, please, to page 160. I apologise. So you'll see this is a quote for work at Parkes.---Yeah.

And if we go over the page, please, 161, you'll see the quote is for – I'll let you read the detail of it, but it's for work at Condobolin Road, Parkes.---Yes.

And at an estimated cost of \$48,900.---Yeah.

20 And if we could please go to page – sorry – bear in mind that the date of the submission of that quote was 19 April, 2013. I can go back to the email if you want. But if we could go then, please, to page 164, you'll see that on the same day, but this is a submission to Mr Dubois but copied to Mr Steyn, you are submitting a revised price.---Yes.

And you indicate in the email that you're able to reduce the pricing by about \$3,000.---Correct.

And also indicate that there is no need for traffic control.---Yep.

30 And if we could go ahead then, please, to page 166. You'll see that the price has now dropped to 45,900 from the 48,900 it had previously been.---Yeah.

Now, just pausing there, can you recall what it was that led to you reducing your Lancomm price?---Well, our original price was at 48-odd-thousand and apparently it didn't meet their budget requirements and we needed to reduce our pricing.

40 But do you recall whether it was Mr Steyn that called you about that or Mr Dubois that communicated with you?---I only communicated mostly with Craig, but in that case it would have been Craig asking me to reduce it.

If we could then go ahead, please, to page 188, same volume, and you'll see on 21 May, 2013, you send through to Mr Dubois but copied to Mr Steyn, invoice 8832, and you'll see it refers to Parkes.---Yep.

And if we go to the next page, please, 189, you'll see that the invoice that you submit on 21 May is for the 45,900 that was the price in the revised quote.---Yep.

Now, looking at that, do you believe that this was a job where the price that was billed was the genuine Lancomm price, an inflated price for Mr Steyn or one where there was no work done at all?---That was the genuine price.

So there was no cut for Mr Steyn on this?---No. Not that I recall.

10 If we could then move to another job, and if we could go now, please, to volume 13.2, page 9. And you'll see from the heading this involves underbore works at various point-to-point sites.---Yep.

And you'll see from the bottom of the page that Mr Steyn on 25 October, 2013, provided documents in order for quotes to be provided in respect of point-to-point sites at Ballina, Tyndale and Bective Tamworth.---Yes.

Do you recall this job?---Yes.

20 And then if we go, please, to page – at the top of page 9 you'll see that on 5 November, 2013, you submit a quote at that point just in respect of Ballina. ---Yep.

At a price of 35,000 plus GST.---Yep.

But noting that it excludes any rock that's encountered, and traffic control. ---Correct.

30 Now, if we could then go, please, to page 17, same volume. Do you see on 20 November, 2013, your wife sends an email to Mr – I'm sorry. It's an email from the accounts section to Mr Steyn with the invoice – no, I'll withdraw that. Your wife has sent an email which appears Mr Steyn has then on-sent, but with the invoice for the Ballina point-to-point works. ---Yes.

Now, if we go ahead, please, to page 19, you'll see that the invoice was for the \$35,000 plus GST?---Yes.

40 Just pausing there. Looking at that job, do you believe that that was one that reflected Lancomm's genuine price, an inflated price to reflect a margin for Mr Steyn or one where no work was done at all?---It was an inflated price for Mr Steyn.

And what can you tell us in terms of either a precise figure or an estimate as to what the margin if it had being built in was?---I don't recall exactly. It would have been an inflated margin of approximately 15,000, approximately.

And are you able to arrive at that because you know roughly what was involved with the work and what your Lancomm costs would have been?  
---Just based on the scope of works, yes.

THE COMMISSIONER: So, the 15,000, did that go, in effect, to him, Mr Steyn?---Yes, Commissioner.

10 MR DOWNING: Can we then go, please, to the same volume at page 29? And bearing in mind that you were asked to quote for the works at not just Ballina but also for Tyndale and Bective, Tamworth?---Yep.

And you'll see on 3 December, 2013, you provide prices with these emails for both Tyndal and Bective, Tamworth?---Yep.

And in each instance it's \$20,000 but with the same exclusions in respect of rock and traffic control?---Yes.

20 And if we could go then, please, to page 35 first. Do you see on 16 December, 2013, an invoice is submitted in respect of Tamworth?---Yep.

And if you go to the next page, you'll see it's the \$20,000 plus GST that had been quoted.---Yep.

And dealing with that job, this time the Tyndale point-to-point job, what's your understanding? Was this one where it was a genuine Lancomm price, one that was inflated for Mr Steyn or one where no work was done at all?  
---Inflated for Mr Steyn.

30 And can you provide either a precise figure or an estimate as to what the margin was?---An estimate would be approximately 5,000.

And again, is that based on what you know as to the scope of works and what your costs would have been for that?---Correct.

Can we then go, please, to page 45. And you'll see, this is now – no, I withdraw that. If we could go back to page 44. I apologise. You'll see on 16 December, 2013, the invoice in respect of Tamworth is submitted.---Yep.

40 And if we go to the next page you'll see it again is \$20,000 plus GST, consistent with the invoice that had been submitted for Tyndale.---Yep.

And looking at this, do you believe that this was the genuine Lancomm price, an inflated price with a margin for Mr Steyn or a job no work at all?  
---Inflated price.

And what's your evidence as to either the precise figure or an estimate as to what the margin was?---Again, approximately \$5,000.

Commissioner, I note that we started at 9.30. Is that a convenient time or should we continue until 11.30?

THE COMMISSIONER: No, that's exactly when I had anticipated we take the break. So we will take the morning tea break and we will reconvene in about 15 minutes.

MR DOWNING: Thank you, Commissioner.

10

**SHORT ADJOURNMENT**

**[11.15am]**

THE COMMISSIONER: Yes, Mr Downing.

MR DOWNING: Thank you, Commissioner. Mr Rahme, I just want to resume going through the different Lancomm works and getting you to identify the way in which you believe, whether individual contracts involved either genuine price, inflated price, or no work. The next one, if we could go, please, to volume 13.2, page 46. And you'll see here you set out – and this is an email to Andy Wang but copied to Mr Steyn – quotes for road crossing underbores at four locations around Katoomba, so Riverlet Hill point-to-point, Hartley point-to-point, Little Hartley point-to-point and Mount Victoria point-to-point.---Yes.

20

Remember this job?---Yes.

And you'll see that you've set out your prices there for each of those jobs. ---Yeah.

30

And I'm going to suggest that the quote all-up is 66,000 plus GST when you add up the different elements of it.---Yes, but that was only for a portion of the works.

Sorry?---That wasn't complete.

I know, I'll come to the balance, but the part that this relates to is the actual road crossing underbores. Correct?---I believe so, yes.

40

And there was other work that was involved in this job.---Correct.

And if we could go then, please, to page 49. So bear in mind that's an email 11 June, 2013 to Andy Wang and Craig Steyn.---Yeah.

If we could go to page 49, you'll see that on the same day you also provide quotes for works excluding underbores, so I take it the work not covered by your original quotes.---Correct.

And you indicate that it's as per the drawings supplied by Craig yesterday.  
---Yeah.

So I take it, it was Craig that contacted you about this job in and around Katoomba.---Yes.

And did he ask you to send it to Andy Wang as the person that was involved in the job as well?---Correct.

- 10 If we could go then, please, to page 52. So do you see that the price that you've quoted for the non-underbore works at Riverlet Hill was 24,700 plus GST?---Yeah.

And then if we could go, please, to page 53. So for the Hartley point-to-point site the price for the same work, 39,900 plus GST?---Yep.

Then if we could go, please, to page 54, the price for Little Hartley point-to-point was 37,800 exclusive of GST.---Yeah.

- 20 And then if we go, please, to Mount Victoria, which is on page 55, the price is 40,100 plus GST.---Yeah.

So I'm going to suggest to you that when you add up the prices for those four sites for the non-underbore works, the total is \$141,600, I think. Better check the maths, or I'll ask Mr Ishak if he could for me. In any event, they are the four quotes for the non-underbore works.---Yes.

Now, if we could go, please, to page 58 – I think it may be 141,160, but I'll have that confirmed (not transcribable). I'm sorry, 142,500.

- 30 I might just make sure that's right, but in any event, you've seen the figures for the individual elements of the non-underbore work.---Yes.

If we could go, please, to page 58, do you see that on 16 June, that you provide a revised pricing for the different sites?---(No Audible Reply)

So you see the email from you to Andy Wang on 16 June at 4.11, so close to the top of the page, you provide revised pricing in respect of each of those sites.---Yes.

- 40 And in this email, is it the case that you're dealing with both the underbore work and the non-underbore work, because for each location you've set out the two prices?---Correct.

I'm going to suggest that the total when you add up the revised prices across all of the different elements of the work was \$141,150. So that involves underbore work and whatever else was involved in the project.---Correct.

If we could go then, please, to page 67, and you'll see this is a 11 July, 2014 email from your wife to the accounts section at the RMS attaching invoices for the four jobs, the four locations.---Yep.

And if we could then go, please, to page 68, you'll see that the price was \$158,700, plus GST, so 174,570.---Yes.

And you refer there to two approved variations, 1 and 2.---Yeah.

10 Do you recall that there were variations that occurred as part of that job?  
---Correct.

All right, now pausing with that job and the different parts that made it up, so four locations and two types of work at each, looking at the overall price, do you believe that was one that reflected the genuine Lancomm price and the inflated one with an element from Mr Steyn, or one where there was no work done at all?---Well, initially our genuine price was even higher than that to begin with.

20 Sorry, it was - - -?---Our original quote was higher than that amount to begin with.

So how did it come down?---Craig, by negotiating.

But did he specify a figure in this one where he increased it for the cut for him?---Yes.

So in effect he drove you down, but then increased it to reflect a cut for him.  
---Correct.

30 And do you recall either specifically or roughly what the cut or margin was for Mr Steyn on this job?---Approximately \$16,000.

THE COMMISSIONER: Sorry, how much?---16,000.

MR DOWNING: And do you know how you arrived at that figure? Was that by reference to the scope of works or by recollection?---If you went, if you went to the previous email when I, the quote, quote I sent to Andy.

40 So if we go back to page 49, the revised quote. I'm sorry, 49 is the wrong page. Sorry, page 58, I apologise. Is that the page you're referring to?  
---Yes. That's the one, yeah. So, you have one, two, three, four, five, six, seven, eight different components, pricing components. That was \$2,000 for each one. So that amounts to 16,000.

Is your recollection that he, in effect, said that there should be a \$2,000 cut for him or each component?---Should be but it was \$2,000 for him.

THE COMMISSIONER: That's an 8,000 reduction on your quoted price, is it? Is that how it worked out?---Out price was, our, our revised pricing was at, at \$158,000 or whatever it was. But based on my pricing, he indicated that \$2,000 was to be his.

2,000 reduced on each of the four, is that what you're saying?---Ah hmm.

Or 2,000 for the lot, or - - -?---2,000 per site.

10 Per site, yes.

MR DOWNING: But Commissioner, I think you and the witness might be at cross purposes.

THE COMMISSIONER: Yes, I may well be.

MR DOWNING: I don't think Mr Rahme – I can ask him further questions. I don't think he's suggesting that that was the reduction, I think he's suggesting that was the margin but I'll ask further questions.

20

THE COMMISSIONER: Oh, was he? Okay. Oh, I see.

MR DOWNING: Go through the process for me, please - - -

THE COMMISSIONER: Well, there's only four projects though, isn't there?---Four projects. There two sites, two components per project.

2,000, that gives you 8,000. But you're saying it was inflated by 16,000?  
---Yes. So see how each, each site has two components? You've got,  
30 there's like, two pricing components for each site. So each one was \$2,000.

Is that with underbore and without?---Correct.

I see.

MR DOWNING: So, in effect, is this the case, that your original price, you believe, was about what ultimately was billed but - - -?---No, even higher than that.

40 It was higher?---Yep.

He negotiated you down?---Yes.

And is that after submitting your original invoice or after calling him to tell him what it was going – sorry, not your original invoice, your original quote.---It might have been. I'm not sure how that was related to him but it might have been via an email or over the phone, but yes.

But then he ultimately negotiates you down?---Yes.

And then says that, for each of the eight elements, there should be a \$2,000 margin for him?---Correct.

THE COMMISSIONER: When you say he negotiated down, was that hard negotiation or did you just throw the towel in straight away, or what?---In the sense of, if we weren't able to meet those requirements then the work would go elsewhere.

10

So, you sort of copped it sweet, did you, if I use the expression, he asked for a \$2,000 reduction on each component, did you just shrug your shoulders and say, "Okay"?---He didn't ask me for a \$2,000 reduction.

Pardon?---He didn't ask me for a \$2,000 reduction.

He didn't? He just made the reduction?---Correct.

20 I see. Thank you. So when you said you were involved in negotiations, what's that a reference to?---Because our original quote was more than – whether it was budgets, I'm not sure what the reason, reason being, but he asked for our pricing to be reduced because it was more than what was allowed for. Or that others had, were able to do it for cheaper.

At the end of the day, did you have any view that he had negotiated you down but then he, then it's inflated for his benefit? Did that sit comfortably with you at the time or not?---That never sits comfortably with me, Commissioner.

30 Hmm?---That never sits comfortably with me.

When you say it never sat comfortably with you, can you just elaborate? What are you there referring to?---As in the inflation amount for Mr Steyn.

Inflated amounts?---Yes.

In terms not just of these four projects but generally you say?---Yes.

40 And you knew at the time of these inflated quotes that he was a manager in RMS? Is that right, you understood he was - - -?---I wasn't across that, of the scope of his position but I knew he was in some position where he could allocate work.

That was his position but?---I wasn't too sure about his position but I did understand that he was in a position where he had authorisation of allocating work.

I see. But nonetheless he was allocating the work, is that right?---Yes.

And when you say you were uncomfortable about meeting his requests to inflate the invoices, are you meaning to indicate that although he was a government official he was seeking to benefit himself in effect at the cost of the agency he worked for?---Yes, Commissioner.

And did you ever argue the point with him or not, that is argue the point over whether the invoices should be inflated?---No, Commissioner, I left that up to him.

10

And why did you leave it up to him rather than protest?---Because he was the one that would make the call in regards to whether we get the work or not. Ultimately we just wanted the work and keep our staff busy and working, irrespective of what, whether he inflated it or not, so if he hadn't inflated it we still would have done the work.

I see. You appreciated throughout when he was inflating these invoices that what he was doing was quite improper?---Most definitely.

20

MR DOWNING: Thank you, Commissioner. Just a couple of matters just arising from the evidence you've just given in the Commissioner's questions, just so I'm clear. I understood you said that you, whilst you didn't know the specifics of his position, that you understood he was in a position at the RMS where he was responsible for the allocation of work. ---To a certain extent.

30

And you've also made reference in answer questions from the Commissioner about why it was you acceded to his requests that amounts be allocated, or, sorry, that invoices be inflated in effect and quotes be inflated, and you made reference to I guess – I withdraw that. You made reference to a concern about the flow of work. Was that something Mr Steyn ever raised in discussions with you, whether directly or indirectly, or was that something that you were concerned about in your own mind?---Definitely.

40

No, which though? Did he ever raise it explicitly with you, did he ever say something about the fact that there are others out there that could do this work?---There was times where we missed out on jobs that we quoted due to others, him giving the work to others or myself not meeting his requirements.

You've described on this job and others occasions where he did in effect negotiate you down before then increasing the price to reflect his invoice. ---Yes.

But did he ever in the course of any discussions with you where he was negotiating you down say anything about the fact that if you're not happy with the price there are others that can do it?---Yes.

Thank you. Now, if we could go to the next – I withdraw that. That seems to have been the last job that you did in that period from 2011 to 2014.

---Yes.

Do you recall any discussions with Mr Steyn at or around the time of this work about whether he was happy or unhappy or whether there was any reason why further work wasn't being directed the way of Lancomm?

---No, not really. We were quite busy with other clients and never got a call or anything off him to say can you please quote this job, so - - -

10

So separate to RMS I take it you had a number of other clients that you were doing work for?---Correct.

Now, I'll come to the Maintenance Panel later, but you've confirmed I think already that in 2017 there was a process where ultimately Lancomm gets on the Maintenance Panel for the heavy vehicle section that Mr Steyn worked in.---Yes.

20

But then in 2018, if we could just go to the jobs then, I'm going to take you through the jobs that there are RMS records for, and I want you again if you can to identify those where the price paid was the genuine Lancomm price, those that were inflated with a margin for Mr Steyn, and those where there was no work at all. If we could go, please, to volume 13.3, page 107. And do you see this was Mr – on 1 February, 2018, Mr Dubois sends you an email at 3.27, copied to Mr Steyn, but asking for a quote in respect of some works at a Safe-T-Cam site at Tweed Heads.---Yeah.

30

And do you see at the top of the page, 20 February, 2018, you submit a quote?---Yes.

And you note that there's a scheduled start date of 12 March, 2018.---Yes.

If we go to the next page, please, the quote itself, you'll see the quote you'd submitted for that Tweed job was \$44,900, plus GST, so \$49,390 inclusive. ---Yes.

And if we go ahead, please, to page 122, you'll see an email sent by your wife on 26 April with a Tweed Heads invoice.---Yep.

40

And if we go to the next page, page 123, you'll see the price is as quoted, \$49,390.---Yes.

And looking at that, are you able to assist us as to whether this was the genuine Lancomm price, whether it was an inflated one, or whether this was a job with no work at all?---Inflated.

All right. And what's your best estimate or be specific if you can as to what was the margin that was built in for Mr Steyn on this job?---I can't recall the exact amount, but it would have been approximately 15,000.

All right. If we could go then, please, to page 130 of the same volume, and you'll see on 19 March, 2018, you submit a quote for work at a Safe-T-Cam enforcement site in Jerilderie.---Yes, yes.

10 If we go over the page, please, you'll see the quote is \$40,000 plus GST. Do you see that?---Yes.

And if we go ahead, please, to page 136, you see an email from your wife to Mr Dubois and Mr Steyn – sorry, it appears it's been sent probably originally to Mr Dubois or Mr Steyn, but in any event it's an invoice sent for this job, the Jerilderie Safe-T-Cam site.---Yep.

If you go to the next page, 23 May, 2018, bill for \$40,000 plus GST.---Yes.

20 Looking at that, is this a job that was billed at the genuine Lancomm price, at an inflated price with a margin for Mr Steyn, or one where there was no work at all?---An inflated price.

And are you able to either be specific or provide an estimate as to what the margin was?---Again, I'm only – can't be 100 per cent accurate, but approximately five to 10,000.

30 All right. Could we then please go to page 139 of volume 13.3, you'll see 19 March, 2018, you're quoting this time for a Narrandera Safe-T-Cam enforcement site.---Yep.

It's to Mr Dubois, but copied to Mr Steyn.---Yes.

And if we go to the next page, please, you'll see that it's a \$40,000 estimate, so again \$40,000 plus GST, consistent with the quote that you'd provided for the Jerilderie Safe-T-Cam site.---Correct.

And if we go ahead, please, to page 145, you'll see your wife submits the invoice on 23 May, 2018.---Yes.

40 And if we go to page 146, the invoice itself is the \$40,000 plus GST price that had been quoted.---Yep.

And are you able to assist us as to whether this was genuine price, inflated price with a margin for Mr Steyn, or a job with no work at all?---Inflated.

And can you tell us either specifically or an estimate as to what the margin was?---Approximately 10,000.

THE COMMISSIONER: Sorry, how much?---10,000.

Is that an estimate or is it - - -?---That's an estimate, Commissioner.

MR DOWNING: Can we then go, please, to page 150, and you'll see that on 19 March, 2018 you submit a quote for some relocation of assets from Northmead to Colebee?---Yes.

10 And if we go over the page, please, to page 151, you'll see the quote is \$45,000 plus GST.---Yes.

And there's a description there of the work. Just pausing there, this job seems a little unusual in that it's not the type of work that Lancomm had been doing before.---Correct.

And if we go ahead, please - - -?---However, we did conduct those works.

20 You did. And what did the works involve?---There's a yard at Northmead that needed cleaning up and repairs of some temporary fencing and then there were some structures that needed to be mobilised to another site at Colebee, which we then used a subcontractor to do, to do those works who was referred to us by Craig.

Do you remember who that was?---Transcrane, or something along those lines.

30 But did he suggest a subcontractor that could actually do it?---To, to relocate the ah, he gave me a contact to relocate the assets from Northmead to Colebee, however the other works Lancomm did in-house with our own staff.

And if we go, please, to page 157, you'll see that on 30 April your wife submits the invoice for this particular relocation job.---Yep.

And the next page, the price that was claimed in the invoice was the \$45,000 plus GST that had been quoted.---Correct.

40 And just looking at that, so you say that some of that was subcontracted to someone that Craig had identified.---Yes.

Did Craig tell you a price that that person should pay or was that left to you? ---That was left to the contractor to advise me of that.

Looking at what was billed in this, does this represent a job where Lancomm, or sorry, the price paid is a genuine Lancomm price, was it an inflated price with a margin or Craig or was it - - -?---Inflated.

And what can you tell us as to either the specific level to which it was inflated or an estimate?---Approximately \$20,000.

And is that based on a recollection of talking to Craig about this one or based on the description?---Based on this description and my memory in regards to the cost.

As to what it actually genuinely cost Lancomm through its own works and through the subcontractor?---Correct.

10

THE COMMISSIONER: The description of works in the invoice in that part are extremely vague, just cleaning up work and perhaps we could go back to it.---I believe there are some photos there to show the works that were completed.

157 I think, is isn't it?---And there was a site visit with Mr Steyn.

Sorry?---There was a site visit at that location with Mr Steyn who indicated what works were required.

20

All right. We won't worry about it.

MR DOWNING: But your estimate is about a \$20,000 margin on this one. ---Approximately 20 to 25,000.

If we could then move ahead, please, to same volume, 13.3, page 160. And do you see that this is a quote for RMS works March to June 2018, dated 24 May, 2018?---Yes.

30 And you'll see it seems – is this an employee, is it Danny, is it Jelman?  
---Yes.

Or is it Jelwan or - - ?---Jelwan.

So someone that works for Lancomm?---Yeah.

And we see from the email it refers to a quote for works in the period March to June, 2018.---Yes.

40 But the actual date is 24 May, 2018.---Okay.

So it's unusual, isn't it, that you're providing a quote, which normally is a description of works yet to be done, for a period that has already partly elapsed?---Definitely.

If we go to the next page, please. The quote here was \$42,000 with a lump sum, but there's a breakdown of five elements of the job.---Yes.

So \$42,000 plus GST all-up.---Yes.

And if we go to page 164, please, you'll see an email from your wife on 14 June, submitting the invoice.---Yep.

And if we go ahead, please, to page 166, it was billed at 42,000 plus GST as quoted?---Correct.

Was this the job where there was no work done at all?---Yes, it was.

10

And can you describe for us how this came to be? What was the process where it came to Craig speaking to you about the job, the quote being submitted and then ultimately it being billed and paid?---Oh, I met with Craig once at the, the Northmead RMS site, yard, and he asked, well he mentioned that his father-in-law was going through some hardship financially of some sort.

20

THE COMMISSIONER: Sorry, I couldn't hear that. He asked about his father-in-law?---He mentioned that his father-in-law was going through some kind of financial issues or hardship of some sort and he needed me to invoice approximately \$42,000 to be given all to him.

So this one was to benefit a third party, as it were, his father-in-law?  
---Correct. So I was told. I'm not sure exactly but that's what I was told.

So you were told by?---By Craig.

And this was in a discussion at where?---At the Northmead RMS yard.

30

Northmead RMS yard?---Northmead/Westmead, yes.

And so this one, based on your evidence, was just straight-out fraud, is that right?---Well, I have no recollection of any works taking place at these locations by Lancomm staff.

Anyway, \$42,000 is just a fiction, there was no work done?---I believe so, Commissioner.

40

Did you challenge him on this one, given that it in fact it didn't relate to any work and it's a reasonably large amount? Do you recall whether you were hesitant about going in on this?---Most definitely I was hesitant but - - -

Well then, did you say anything to him?---I don't recall what words I did say but I believe I did agree to it though.

And why did you agree to this one?---Because he, because Craig requested this.

Because?---Because Craig requested it.

Have you ever spoken to anyone about this particular invoice that he was asking for \$42,000 for his father-in-law?---Anyone, I don't recall. As in at the time or since?

Yes, at the time or after, soon after, did you speak to someone to say, "Well, I've been put in a very difficult position," and tell them what happened?---I may have spoken to my wife about this.

10

And do you believe you did tell your wife?---Yes.

So what was the discussion there?---That is that Craig's actually asking for an invoice to be submitted for no works and it didn't sit well with myself, or her, which is the main reason why the relationship, the relationship ended from then on.

Sorry, you say this was a major reason why the relationship ended?  
---Correct.

20

Can you just elaborate on that, explain what you mean?---it wasn't aligned with business, where my business was, was heading towards.

I'm sorry, I'm having trouble - - -?---It wasn't aligned with where my business was, was, where Lancomm was heading towards. We weren't going to be involved in all these shenanigans that were going on.

When did the relationship end. This invoice was the - - -?---In June 2018 sometime.

30

I see. So within about a month after the - - -?---Within a few weeks I believe, yes.

Within a few weeks anyway of the invoice that's on the screen, dated 13 June, 2018, number 9481. Is that right?---Correct.

And did you initiate the end of the relationship or termination of the relationship, or how did it come about?---There were some disagreements through some messages and I was - - -

40

I see. We'll come to this, will we? Yes. All right. Thank you.

MR DOWNING: Thank you, Commissioner. Just going back to what you told us about this, so you had a discussion with Mr Steyn and you recall it being at the Northmead yard. And you say he says to you something to the effect that his father-in-law has some financial need, and he needs you to bill at a particular, about \$42,000, which is all going to go to him.---Correct.

Did you know who his father-in-law was?---Never met him, at that time.

Have you met him since?---Maybe one time.

And where did you meet him?---It was at his house. I went to his house once, in a 10, over a 10-year period, once his house was completed, completely - - -

And what was that for?---Probably to give him some cash.

10

Do you believe that was after this occasion where he told you that he needed the money for his father-in-law?---No, probably just before, might have been before.

All right. So at that point you had met his father-in-law, when he tells you that he needs some cash for his father-in-law?---I can't be 100 per cent sure whether it was before or after, but - - -

20

THE COMMISSIONER: Where did you meet his father-in-law?---At Craig's house, at [REDACTED].

MR DOWNING: Do you recall the name of his father-in-law?---Only through the invoicing. But I didn't know it.

Presumably you were introduced to him. Even if you're not good with names, you must have been told who he was when you met him.---Yeah, I don't recall what his name was, but yeah, I'm assuming it's Peter Manuel.

30

All right, so you've seen invoices at a later time.---Yes.

I'll come to the specifics of payments to Mr Steyn later, but do you say that you believe that there was an occasion where you actually went to his house and gave him cash?---Most probably, yes.

Are you reconstructing or do you actually remember it?---Oh, look, I, I don't -- no, no, I don't recall whether it was at his house or it was somewhere else (not transcribable) and I thought, and then he was at -- I, I hadn't been to his house for so many years, and he'd rebuilt his home. And, well, out of respect.

40

THE COMMISSIONER: Sorry, where did you meet his father-in-law?---At his house.

At his home.---Yes.

And why were you at his home on that occasion?---I guess just to go see how his house looked like completed, because I hadn't seen it since his old house was there.

And you may have already told us something about this, but did you do work on his house?---During the construction of his house, zero input.

Nothing?---But prior to the construction, it was that one part from the front to the back.

All right, thank you.

10 MR DOWNING: Can you ever recall anyone else being present when you gave cash to Mr Steyn, or was it always just the two of you?---It was just the two of us.

Now, going again back to the discussion with Mr Steyn leading to this invoice being submitted for the \$42,000, so he says that his father-in-law has some financial difficulty, he wants you to bill him \$42,000, and that would all be paid to him.---Correct.

20 Did he identify at that point how the money would be paid back to him?  
---Not, no, I don't think we did. He just, he just cared about receiving the money. How it came to him was really up to me.

I'll come to the documents later, but do you recall then getting an invoice for a Peter Manuel Services Pty Ltd?---Yes, I do.

For \$42,000 plus GST.---Correct.

30 All right. And at the time you rendered this bill, that is, the \$42,000 bill, Mr Manuel had never done anything for you?---Never.

If we can go to the bill itself at page 166 of volume 13.3, so it shows a breakdown of the work, and if we go back to the quote at page 161, you'll see that it reflects the items, that is, the various items that make up the quote that you submitted.---Yes.

Who came up with the narrative of the items that would be used to populate the quote in the bill?---Craig.

40 Was that something he in effect told you to do verbally, or did you send him a document for him to complete?---I can't be sure about whether I sent him, or a, a blank document that he populated, or whether he sent me a Word document with, with the items to include.

From time to time, did you send him Word documents in the form of either quotes or invoices?---No.

So, would you typically send your quotes or invoices as PDFs?---Most of the time, yes.

But, as best you can recall, how did this quote end up with the description of each of the items? Was it - - -?---I would have received an email from Craig with those items included. So then I just copied and pasted.

THE COMMISSIONER: To the best of your knowledge, is that what happened?---Sorry?

10 To the best of your knowledge, is that what happened, that he sent you an email setting out the job descriptions?---Most definitely because I, I'm not too sure what some of these things are, so I couldn't have worded that.

MR DOWNING: And as best you can recall, was that something that was via communication with Mr Steyn's private email?---One of his emails, yes.

Now, I want to take you to the next job - - -

20 THE COMMISSIONER: Sorry, just before you leave this one. There's no job-reference number on this quotation, but I presume there was a job-reference number given to the project, which is probably on the invoice, is it?---I don't think so. I think it was just a number of various projects he's, he's, he's chosen there.

MR DOWNING: Commissioner, the invoice is at page 166, if that's convenient, we can go back to it.

THE COMMISSIONER: Okay.

30 MR DOWNING: And you'll see there is a purchase-order number at the bottom.

THE COMMISSIONER: Is there?

MR DOWNING: There is. Bottom left.

THE COMMISSIONER: Yes, I see.

MR DOWNING: Oh, and at the top as well.

40 THE COMMISSIONER: Thank you.

MR DOWNING: Do you recall that you did some more project for Mr Steyn after this one?---That was not the case.

No?---No.

All right. Can we go - - -?---May have invoiced after this one but the works was done prior.

All right. In that regard, can we go then, please, to page 168? And you will see, on 22 May, you send an email to Mr Dubois, copied to Danny Jelwan at Lancomm, in respect of some underbore works at Daroobalgie.---Yeah.

I still have trouble with it, Daroobalgie.---Daroobalgie. Okay, so am I.

10 In any event, if you go ahead, please, to page 170. Do you recognise that as the, it's the 22 May, 2018, quote for some underbore works at that heavy vehicle inspection site.---Yes.

So you'll see it's \$72,000 plus GST?---Yep.

And then if could go, please, to page 171. Do you see there that you submit a revised quote to Mr Dubois on 23 May?---Yes.

And if we go to the next page, you'll see the same location but the quote now has gone from 72,000 plus GST to \$65,000 plus GST?---Correct.

20 Just pausing there, do you recall what the process was that led to a reduction in your quote on this job?---It would have been just a phone call from Craig asking us to reduce it because it was too expensive.

And then if we could go, please, to page 243, same volume. And do you see on 15 June, 2018, your wife sends the invoice for that particular job?---Yes, yes.

30 And if we go to page 244, you will see that it's a 15 June, 2018, invoice in the sum of the revised quote figure of \$65,000 plus GST.---Yes.

And are you able to say with this job whether that was one where the price charged was the genuine Lancomm price, an inflated one with a margin for Craig or one where there was no work at all?---Well, it wasn't inflated, it was actually reduced, this one.

Well, we know there was a reduction but - - -?---But, but there was a portion for Craig.

40 So, was this a case where he came back to you after your genuine quote and, in effect, negotiated you down?---Yes.

But then having got you down said, "And an include an amount for me"? ---Correct.

Can you tell us either the specific figure or an estimate as to what the margin for Craig was on this job?---Approximately five to 8,000 on this one.

Now, that is, in terms of the jobs that you did in 2018 I take it, the totality of them. That's all of the ones that I've taken you though.---Correct.

And do you say that after the experience you had with the, I'll describe it as the fictitious invoice, that you were not keen to do further work?

---Absolutely.

10 I want to take you back though to the Tweed job. You remember I took you to that, the Tweed quote in February '18? Just to go through some of the specific communications to understand how that price ultimately was arrived at.

THE COMMISSIONER: Is that 107 or – the quote is 49,390?

MR DOWNING: The quote is at page 107, you're correct, Commissioner. It's 49,390, inclusive of GST, or 44,900. And just dealing with that job for a moment, your evidence as I recall it was that you thought the margin on that for Craig might have been about \$15,000.---Approximately.

20 All right. Can we go, please, to volume 13.3, page 5. And what I'm taking you to is an extract from a phone of text exchanges between you and Craig. And you recall you used, you've confirmed already you texted him from time to time.---Yeah.

Do you see on that page, I want to take you to message number 4, and you'll see it's to you and it's, I'm going to suggest, from Craig. Do you see on 1 February, 2018, Craig messages you and says, "In the morning we're looking at boring Tweed Heads, second, third week in March?"---Yeah.

30 And on the same day, 1 February, you confirm, "Okay."---Yeah.

And then same day, 1 February, 2018, at 3.14, Craig says to you, "You need to get the ball rolling, mate."---Yes.

Can you recall what your understanding was of what he was asking you to do through that text?---In regards to start scheduling staff and whatever else, materials and so forth.

40 That is on the assumption that you're going to be doing the job.---We were doing the job.

Well, I'm going to suggest to you that this is before you had even received a request for quote, but do you say that you knew that from the point of Craig's first message or on the basis of some discussion?---No, I mean it was up to me whether I did it in-house or used a subcontractor.

But what I'm suggesting is, this is before you'd even submitted a quote - - - ?---Yes.

- - - and been told by the RMS, yes, your quote's been accepted.---Oh, okay.

So this is a text on 1 February, 2018 where Craig says, "In the morning we're looking at boring Tweed Heads, second, third week in March."

---Yep.

10 I'll take you to the request for quote, but I'm suggesting that this is a communication you got from Craig via text before there had been any official RMS communication even asking you to quote.---Okay.

But did you understand by "Get the ball rolling" that he wanted you to be taking steps to actually organise the staff and equipment et cetera so that you could do the work?---Yes.

With a view to doing it in the second or third week of March in Tweed Heads.---Correct.

20 On that same day, 1 February, you confirm in the next message, number 7, "Will do." Do you see that?---Yes.

And then in message 8 at 3.14pm on 1 February, you'll see that Mr Steyn to you indicates, "Alex will email plan across in next 10 minutes."---Okay.

If we could go then, please, same volume but to page 107. Bearing in mind that that was a text at 3.14pm, you'll see that the email you got was indeed from Alex and was at 3.27. So a bit more than ten minutes but not by much, with the materials asking that you quote on Tweed Heads.---Yeah.

30 And you'll see at the top that ultimately the date that you submitted the quote was 20 February.---Okay.

Now, going to the bottom again you'll see that in the email from Mr Dubois he asks for, on 1 February, that you provide an estimated quote by Monday, 5 Jan. Given that it was already 1 February, do you recall whether you understood that to be a mistake in reference to January, it should have been February, that is you had four days according to him to put the quote in? ---I don't recall.

40 All right. If we could go, please, back to volume 13.3, page 5, do you see message number 10, the last one on the page, on 2 February, so the day after you get the request for quote, you get a message from Craig asking what happened.---I think that's because I, I hadn't sent over any quote yet.

Do you recall him chasing you, in effect, to get your quote in for this? ---Many a times.

All right. Let me take you over the page, please, to page 6, and have a look at message number 11. You'll see on the same day, 2 February, 2018, you actually respond to him by text and apologise, "Officially back at work on Monday, even staff return on Monday."---Yep.

And then if you look ahead to message number 13, you'll see Mr Steyn indicates in the text to you on 2 February, he needs you to finalise the quote on Monday so he can raise the first PO.---Okay.

- 10 Did you understand from that that he was keen for you to get your quote in so that he could get the purchase order approved and you could get going with the job?---Correct.

Can we go then, if you look at the same page, but message number 16, do you see then on the 6<sup>th</sup>, which was the date it would seem that the – which was when or after the date, I'm sorry, when the job was supposed to start, you get a text from Craig asking "What's happening?"---Okay.

- 20 And you respond on the same day at 3.09, "Waiting for quote to arrive, then we meet."---Yep.

Now, do you recall that this was a job that was up at Tweed Heads where, rather than using your own staff, that you were subcontracting the underbore works?---On this particular job, yes. However, we did have full-time staff there too, though.

Right, but the actual performance of the underbore was done by a subcontractor, wasn't it?---Correct.

- 30 So that you had a staff member who went up to in effect supervise, but the underbore - - -?---But he was also, he was also hands-on.

Was he?---Yes.

Do you remember who that was?---Yeah, Dean. Dean Wright. Dean - - -

Dean Jelwan, who - - -?---No.

Oh, sorry.---Dean Wright.

40

Okay. Sorry, it was Danny Jelwan, wasn't it?---That's, yes.

Different person.---Yeah.

But you didn't go up and work on this job, correct?---Me personally, no.

So if you then look at, sorry, back at message number 17, what you're indicating in that message on 6 February, weren't you, was that you were

waiting for the subcontractor to get you the price so that you could give the price to Mr Steyn?---Yes.

And if we could move then to message number 20, same page, do you see 7 February, you send a message indicating that you'd spoken to the driller and you'd be receiving the quote "tomorrow night."---Yep.

So that is a reference to 8 February.---Okay.

10 Can you remember who the driller was that you had engaged to do the work on this one?---Yeah, Andrew from R&A Drilling.

R&A Drilling. Okay, thank you. Now, look at message 21. Do you see on the following day, 8 February, you send another message to Mr Steyn indicating that you'd see him tomorrow in the morning but you still had no quote, and, "He's not answering, I'll get a hold of him in the morning, and at least work off a verbal at this stage." See that?---Yes.

20 That was a reference to the person from the subcontractor R&A Drilling, I take it?---Yes. I may have requested a couple of quotes.

Well, in that regard, noting again that that was on 8 February, and you were indicating that you would at least on the next day, the 9<sup>th</sup>, get a verbal, can I ask that you go then, please, to volume 13.3, page 58, and I'm now going to take you to a WhatsApp exchange between you and Mr Steyn. And pausing there, it's the case, isn't it, that as at 20 February, 2018, you and Mr Steyn were using WhatsApp?---Yes.

30 And if you see on that page, 9 February, 2018 at 10.54, do you see that you send an image, a JPEG image, to Mr Steyn?---Yes.

And if I could ask you to go ahead, please, to page 74,

I'm going to suggest that was a screenshot you sent to Mr Steyn via WhatsApp of an email from Jennifer Rearden, who worked at Lancomm. Now, first of all, is that correct that Jennifer Rearden worked at Lancomm? ---She still does.

40 And do you recall that she had sought a quote from Australian Civil Underbore for the purpose of this Tweed job and that the price that she'd got back was \$18,000 plus whatever was required for rock variations? ---Which, what, what you find is, a lot of companies that quote these type of works, they quote for bare minimum and there's always a variation item. So there's, they'd end, they'd end up putting in for a variation. So yeah.

But do you recall that you sent this onto Mr Steyn to that he would know at least one the companies you had got to quote for the subcontract job were proposing to charge?---Correct.

And if we go back, please, to page 58. Do you see 9 February, 2018, so the minute after you sent the image, you send another message saying, "I think they are bloody expensive"?---Okay.

And do you recall that at the time thinking that their price was a bit on the high side?---That was only for the underbore, there was other works involved too.

10 So it wasn't covering everything that needed to be done?---No.

Now, do you see, next message down, same day, two minutes later, you get a response from Mr Steyn, "Submit quote for 45K this morning, please. That covers the small civil trenching as well. Try for a little better deal so JC has more profit."---Okay.

20 Now, first of all, did you understand that he, having received your image of what the estimate was from one of the contractors, that is the message that you had sent through earlier, that he was telling you that you should submit a quote for \$45,000 on this job?---Correct. But not only based on that quote that we received, because I might have had a discussion with him saying that there were other components that needed to be done there as well.

And indeed in the message he does say, doesn't he, "That covers the small civil trenching as well"?---Well, the \$45,000 does, yes.

Because the quote that you had sent through - - -?---Was just for the underbore.

30 Didn't include a component for that?---Correct. And the supply of the materials.

Now, he also says, "Try for a little better deal so JC has more profit." Do you see that?---That's just another way of him trying to reduce our price.

40 Well, pausing there, did you understand that what he was asking you to do was to try and see if you could go back to the subcontractor, who you had said looked a little bit – well, sorry, looked bloody expensive, and see if you could get a better deal overall to do the whole scope of works for a better price?---Most definitely.

And the reference to, "So JC has more profit." I'm going to come to J&C Maintenance later, but did you understand that in effect what he was asking for was to try and reduce the subcontract cost down so that ultimately there is more money left over after meeting the subcontractors costs that could be paid into - - -?---J&C.

- - - J&C and then is that for him or for you and him?---Initially it was for me and him.

Well, we'll come to J&C Maintenance later. Now, I've already taken you to the quote that you did submit in this case, which was for \$44,900. I can take you back if you like. So page - - -?---No, that's okay, no.

It's the case, isn't it, though that you, whilst there was a \$100 difference, you followed his direction as to what the overall price should be?---Yes.

10

And do you recall that you'd made an attempt to do what he asked you to do, that is to try and talk to whatever subcontractors were quoting for this job up at Tweed, to see if you could get a better overall price?---I don't recall whether I did or not. I may have.

Your evidence earlier was you believed it was RA Drilling that did the job?---I think they did the work there, yes.

20

And do you recall – I'll come to that. But if we could go, please, to volume 13.3, page 62. This is a further part of the WhatsApp exchange. And bearing in mind that your quote was submitted on 20 February. This is now a bit later, but can I ask you look at the message, 1 March, 2018, at 17.49? ---Yep.

Do you see, you send a message to Mr Steyn saying, "Got a resource booked in for Tweed Heads to start 12 March, 2018. His price is 16,500, includes all trenching, boring plus install of pits. The only additional expense is that Lancomm will be supplying him with the pits."---Okay

30

So pausing there, does it appear that you were successful in trying to get a better price?---I guess so.

And you're indicating this, weren't you, that the subbie that you've now found is covering not just the boring, but also the trenching, that is the separate civil trenching works, and installation of pits, but that one thing that needed to be added was the actual cost of buying the pits that Lancomm was to bear.---Ah hmm. Yes.

40

And then do you see on the same day, Mr Steyn, a minute later, asks you to lock him in and he asks you whether they've been down to assess the job? --- (No Audible Reply)

Do you see that message?---Yeah.

And you confirm, "Drive by." I take it that was a reference to the subcontractor having at least done a drive by of the site in order to provide the price?---Okay.

And then do you see 17.51 on 1 March, you say, “The other guy wanted 18K which didn’t include the trenching and install of pits, saving of min 3K.”---Yes.

So were you in effect there trying to confirm to Mr Steyn that you’d done what he’d asked you to, which was to try and find a better price from a subcontractor to include everything.---Correct.

10 And the reference to the 18K I take it was the reference to the Australian Civil Underbore price that was referenced in that email from Jennifer Rearden?---Yes.

Now, as far as the pits were concerned, can I take you, please, to volume 13.3, page – or sorry, if we stay on page 62, go back to where we were, do you see 5 March, 2018 at 16.19, you send another JPEG image.---Yeah.

20 And if we go, please, to page 78, do you recognise that as the actual purchase order from Lancomm for the pits that were purchased, and you’ll see there’s a description there of type 66 Polycrete pits, but this being the pits that were required for this job a Tweed Heads.---Yes.

And you see it confirms there the order is for RMS Tweed Heads.---Correct.

So the additional cost beyond the subcontractors’ cost was 3,396.25.  
---Plus the time for Dean to be onsite and mobilisation and - - -

Plus the cost of your employee to go up and supervise and you say perform some of the works.---For a couple of nights, yes.

30 Sorry, for a couple of?---A couple of nights.

Okay. Now, do you recall that the job was then done on 12 March, 2018, as had been planned?---I don’t recall exact times and dates. I’ll take your word for it.

Do you recall with this – sorry, I spoke over the top of you.  
---I’ll take your word for it.

40 Do you recall that after the job had been done that there was some concern raised by Mr Steyn about some item going missing from the site?---Yes.

And some suggestion that perhaps the person from the subcontractor had taken something?---Apparently so.

If we could go, please, to page 63, so same volume, 13.3. And do you see 14 March, 2018, 11.59, Craig asks the business details for the driller?  
---Yeah.

And he confirms he wants address, and then you send a JPEG image on 14 March at 1.12.---Okay.

And if we could go, please, to page 82, do you recall sending the image, that is a screenshot of the actual quote you received from RA Drilling?---Yeah.

Now, this shows that the overall price inclusive of GST was 23,380.---Ah  
hmm.

10 Which was a bit more than you had indicated back on 1 March, was the price that you'd been able to obtain, 16,500, with the only additional item being the cost of the pits. Can you recall whether this was the actual price that was charged or whether you were able to negotiate a better price with Ra Drilling.---I don't recall exactly but it would be close to that mark, yes.

Close to the mark of, the figure in this quote?---Yes, in that, in that quote, close to it.

20 In any event, having seen that figure now, and noting that ultimately what was billed was the 44,900, which was very close to the figure that Mr Steyn had suggested that you bill at - - -?---So the 21 plus the three and a half, it was, it was approximately say (not transcribable) and for Dean maybe another four or five, so 30, so it's pretty much on the mark of what I said, about 15,000.

About \$15,000.---Approximately.

And again – I know you've just done some rough maths in your head.  
---Yeah, yep.

30 Can you, for the purposes of the transcript, explain to us the way in which you came up with that calculation? So take us through the elements of it.  
---Okay, so, so 20, 21,255, sorry, 23,380 plus the 3,000-odd, three and a half thousand for the materials.

So you're allowing, first of all, RA Drilling's quoted price?---Yes.

40 Then the amount for the pits that Lancomm had to source?---For, for the materials, yes.

Then - - -?---Some time for Dean, including accommodation.

To spend two nights up at Tweed Heads?---Yeah. Probably another four to five thousand for his time.

So that the difference - - -?---And (not transcribable) and vehicles and fuel and everything else that goes with that (not transcribable)

But ultimately - - -?---So, I've got to approximately 20, 30,000.

All right. So that you believe, consistent with what you said earlier, that the margin was about \$15,000 on this.---Approximately.

All right. Now, do you recall that Mr Steyn ever asked you to submit quotes for jobs where he indicated to you that he wasn't genuinely interested in you getting the job, but he needed quotes from you for a particular purpose?---I recall, yeah, one time, yes.

10

And do you recall the nature of the job that he asked you to quote for?  
---Yeah, it wasn't a – in regards to a job that we had no involvement in.

All right. Can we go, please, to volume 13.3, page 245. Now, do you recognise that, starting at the bottom of the page, on 18 May, 2017, Mr Steyn sends you a scope of proposed works, and this is at Lancomm, and what he's after is a quote for the design, manufacture, and galvanising of antenna brackets to suit new antennas at various average-speed camera sites across the state.---Okay.

20

Now, do you recall receiving this?---Yes.

And pausing and just looking at the date, this is May 2017, which is after the works you'd done 2011 to 2014.---Yep.

But I'm going to suggest before you submit a tender for Lancomm to be on the Maintenance Panel.---Correct.

30

Can you recall whether you got some contact from Mr Steyn at or around this time?---Yeah, definitely.

Were you in contact with him from time to time?---Rarely, maybe once a year.

And what was the nature of the contact you would have with him then?  
---"How's everything going?" Oh, I'd get a lot of pressure from my end to source work, and I'd just go through my phone from client to client and ask them for work to keep the boys working if we were low on work. So a phone call could have been made to Craig, could have been. I'm not saying that was the case in this situation, but - - -

40

But perhaps you might have made a call, just saying, "Is there anything that Lancomm might be able to do?"---Able to assist with some, yeah, could have been.

But looking at this job, first of all, looking at the request for quote, it involved the design, manufacture, and galvanising of antenna brackets.  
---Okay.

That wasn't something that - - -?---We do.

- - - Lancomm was in any position to do, was it?---Not at all.

Do you recall Craig calling you and saying something about the fact that he was going to send you this request for quote, and don't worry – or, well, sorry, for antenna brackets, did he say something about the nature of what he wanted you to quote for?---I recall Craig ringing and asking me, he needs  
10 a quote or two, and he'll provide me with the description to include and the amounts to include for this one.

So a description and amounts?---Yes.

Did he indicate anything to you as to whether this was a job you might genuinely get, or - - -?---Mmm, he, yeah, that's, oh, he would have stated that, possibly.

Do you recall or are you - - -?---Oh, he may not have. I'm not, I can't be  
20 100 sure, sorry.

Put it this way. You'll see at the top of the page on 19 May, the day after you get Mr Steyn's email, you do submit a quote.---Okay.

I take it that when you submitted the quote, and I'll take you to the next page in a moment, but you understood that if you got this job you were in no position to do the work?---Yes, it was, yeah.

So do you think as best you can recall now you had any discussion with  
30 Mr Steyn about whether this was something that you might actually get or whether this was something that he wanted for other purposes?---Looking at the description, I don't think there was any chance of us getting that work.

If you could go to the next page, please, to page 246. Do you recognise that this is the quote submitted?---Yes.

So it's consistent with the request. It's for the design, manufacture and galvanising of antenna brackets at multiple sites.---Yeah.

40 And your price is \$110,330 plus GST.---Okay.

Looking at that, do you believe that that is, first of all the description, is that something that came from you or from Craig?---From Craig.

And the price?---From Craig.

Are you able to assist us as to how you got that information, whether it was him completing the quote that you sent as a blank document or him just

telling you over the phone or communication via email?---It would have been either via email or over the phone, one of those three.

All right.---But the details, that was definitely something sent to me via email.

Now, do you recall that you actually completed a quote for the same job but in a different capacity, that is for this particular job of designing, manufacturing and galvanising antenna brackets?---Yeah.

10

Do you recall that or not?---I may have.

Can we go, please, to page 249 and do you see this is a text exchange this time from you to Mr Steyn 19 May, 2017. So the same date as the date upon which you sent the Lancomm quote.---Yep.

Do you see there's a JPEG image that's attached?---Yep.

20 If we go, please, to page 250. Do you see that that's a quote for the same job, that is designing, manufacturing and galvanising antenna brackets but this time in the sum of 112,500 plus GST?---Yep.

And this time it's in the name of Syndicate Network Services.---Okay.

Do you recall preparing that?---Yes.

And again, looking at the detail of it, as far as the content and the description is that something that came from Mr Steyn?---Yes.

30 And the price that was quoted did that price come from Mr Steyn?---Yes.

Do you recall how it was that you came to submit something from Syndicate Network Services?---These are both at Craig's request. He would have asked if, if I could submit a couple of quotes. If you have any other companies or know of anyone else that could help. I did have another company I could send a quote for, with but it doesn't, a company I don't use.

40 THE COMMISSIONER: Well, how did it come about that you were using Syndicate Network Services - - -?---For a quote.

- - - for the purposes of this quote?---I mean - - -

How did it come about?---Through a phone call with Craig.

Pardon?---Through a phone call with Craig requesting if I could supply him with a couple of quotes.

Yes, but why did you use – what were the circumstances in which you came to use - - -?---Why I used Syndicate is just it was - - -

This company Sydney Network Services.---It was the, it was the only, it was the only, only other company I had control over.

Why did you bother putting forward this quote when you could and did quote for the same job, the same amount in the name of Lancomm?  
---Because Craig asked me to.

10

But did he know that you owned this company or did you tell him at the time that look, I do have another company?---Yeah, I might have, might have mentioned that, yes.

Well, he wouldn't have known unless you told him, would he?---Yeah, but he didn't know whether it was coming from Syndicate or – I hadn't planned the conversation with Craig. I didn't say I've got Syndicate, a quote coming from Syndicate. I just said that I might, I have another company I'm just going to quote with.

20

We're dealing with unusual circumstances here, aren't we? We've got two quotes, same price, same project, but - - -

MR DOWNING: Commissioner, it's a different price.

THE COMMISSIONER: Different, is it?

MR DOWNING: The price is different.

30 THE COMMISSIONER: I see. I didn't pick up. It's slightly different, isn't it?---Ah hmm.

Different by about \$2,000. Allowing for the fact that there's a variation in the price, 121,363 was the quote from Lancomm, and the quote here, as you'll see on the screen, is 123,750.---Yep.

I'm just trying to get you to succinctly state the circumstances that explain why you raised these two quotes in the two companies' names. Can you just summarise for me how that came about and why that came about?

40

---Due to Craig's request, I mean, I'm assuming the work was going elsewhere. This is not something that we do. So he needed a second and third quote so he can get another quote over the line.

I see. This is to help him have a basis for being able to say - - -?---He's received three quotes.

- - - had the project quoted by different companies.---Correct.

Which, of course, was – in this case it would be false, wouldn't it, a false quoting exercise.---Correct.

Yes. So you believe that those are the circumstances in which you came to raise this quote in the name of Sydney Wide Network?---Syndicate Network Services.

That explains it, does it?---100 per cent.

10 MR DOWNING: Thank you, Commissioner. Now, I asked you some questions earlier and you've made reference in some of your answers to a Maintenance Panel that was set up in the heavy vehicle section of the RMS in 2017.---Yes.

I want you to think back. Accepting that that occurred in the second half of 2017, and I'll take you to documents in a moment, do you recall Craig, from time to time over your working relationship, referring to the fact that he was trying to organise for some panel of contractors to be set up?---Yeah, he mentioned that a lot of times.

20

And can you tell us, as best you can recall, how far back do you believe he first mentioned it to you?---I don't recall exactly how far back, but it would have been early on in the piece with RMS.

And what did he say to you about that topic, that is the possibly of there being some panel of contractors being set up?---Just there may be a panel established. We can help you get on it and it will open doors for other areas within RMS to do work for.

30 And is that something you can recall him saying on more than one occasion?---Yes.

And from what he said to you, what did you draw in terms of what he was trying to communicate? You've told us the words you believe he said. ---Yep.

What did you think he was trying to get across to you?---Just something that he's dangling in my face kind of thing, just to accept whatever the current situation was or whatever request he was making at the time.

40

Can I take you, please, to volume 13.7, page 66.

THE COMMISSIONER: You said 13.7, did you?

MR DOWNING: 13.7, page 66.

THE COMMISSIONER: Thank you.

MR DOWNING: And this again is, it's an extract of texts exchanged between you and Mr Steyn. And this is now going back some years, I acknowledge, to 2012, but can you please read to yourself the message which is number 31, which you'll see is 20 June, 2012, at 10.21am. And you'll see it's from Craig to you.---Yep. Okay.

You'll see that there is a reference there to him in the process of setting up some panel contracts.---Yep.

10 And reading that, did you understand that, in effect, what he's trying to do is suggest to you that he's making efforts to make this happen and to get you on it.---Yes.

So that, in some way you would be indebted to Mr Steyn for the work that might then flow from Lancomm being on the panel?---Correct.

20 Can I ask you then to go, please, same volume, but to page 126. And this is now part of an email exchange. I want you to look at the message – you'll see, if we start at 244, you'll see it's from craigsteyn@[REDACTED] and it's to you, joerahme@[REDACTED]?---Yep.

And you'll see, this is an exchange on 17 February, 2013, looking at messages 244 and 245.---Yep.

Can you just read those to yourself for a moment, please, and tell me when you've completed doing that?---Yes.

30 Looking at that, there seems to be some dispute about Spot On Drilling that you're referring to. Do you recall, and looking at the time frame, this is 2013, was that a dispute that related to work that had been done at Mr Steyn's house?---Correct.

I'll go back to an earlier message in a moment, but looking at message 245, which you send on 17 February, 2013, at 12.43pm. You make reference there to – well you say, "Stop dangling that BS, Craig. Panel had been mentioned by you for years now." Is that the case that your recollection is that as at 2013 Mr Steyn had been mentioning the idea of this panel being set up and Lancomm being on it for some time?---Yes.

40 You indicated there that you're not interested from a business perspective. ---Yes.

What did you mean by that?---I knew what Craig was about in regards to wanting things for himself. It's not where I want to head with my business.

But it is the case, isn't it, though, panel or no panel, even though you had that view at 2013, you continued doing work with him and paying what you knew were kickbacks to him for some years?---At his request, yes.

Can we go back, please, to page 125. And I want you to look at message 242. And you'll see that that's a message from – sorry, it's an email from Mr Steyn to you on 17 February, 2013. So same day as those I've just – the messages, sorry, the emails I've just taken you to.---Yep.

But read that one to yourself, please. So message number 242.---Yes.

10 Was that, as you understood it, a reference to Mr Steyn having some unhappiness with the work that you'd done at his house?---There was some damage caused by the works Spot On did at his house.

So Spot On being the company that you and the Wehbes controlled.---Yes.

Was it that company that actually put in the - - -?---Pipe.

Pipe.---Yes.

20 And it caused some damage.---Yes.

And is that what you were referring to earlier, where you said that it ended up costing you quite a bit more because of damage?---Correct.

But do you see, in the course of that email, Mr Steyn indicates that he's out of pocket near \$10,000 in respect of his home.---No, that would be, that would be me.

I'm sorry. Is that from you to him?---Yes. I think so.

30 I think you're right, I'm sorry. The first name, if you look at the columns, the first name is who it's from and the second is who it's to. So it's from you to Mr Steyn. All right. So you're referring to being out of pocket because of, what, the cost of dealing with the damage that arose from that work?---Yep.

Can I ask, where you refer there to revising your invoice to the original amount of \$30,000, was that a reference to an invoice for a particular RMS job?---Yes.

40 Do you know what job it was?---One of those earlier Mount Ousley projects. Mount Ousley or Bulli, one of those.

And was that a reference to you in effect trying to pick up the cost that you were having to bear in respect of the work on his house through that job? ---Yes.

THE COMMISSIONER: Well, I see the time.

THE WITNESS: Because he already had reduced my quote to begin with.  
My pricing was around 30K to begin with.

THE COMMISSIONER: Is that a convenient time?

MR DOWNING: Thank you, Commissioner.

THE COMMISSIONER: All right, we'll take the luncheon adjournment  
and resume at 2 o'clock.

10

**LUNCHEON ADJOURNMENT**

**[1.00pm]**