

**TELEPHONE CONVERSATION BETWEEN WM. R. HUNT,
GRAHAM SCHORER AND SUE OWENS
ON 19/4/99 (wrh:mob)**

- O:serious about Mr. O'Sullivan?
- H: Yes.
- O: I was certainly going to look into him.
- H: Good.
- S: In actual fact, he was trying to do a deal with me when he was on a commission which he wasn't disclosing.
- O: Yes. I mean, what sort of a deal was he doing with you and what did he expect from you, and who was paying him?
- S: That's right. He denied all that. He avoided that. He kept saying (indistinct) were paying him plenty and he had a wonderful relationship with — he was satisfied with the financial arrangement he made with Garms, and he was doing it out of the generosity of his heart. And he said the same thing to Anthony Honner.
- O: Well, that's got to be a lot of crap. I mean why would he do that?
- S: To be quite honest, I believe he and Garms have got caught up with — what do you call it? — I believe they've been involved in fraud.
- O: Well, as I said to Neil, it's an intriguing situation because, if I look back at what Ann said to me, it appeared fairly legitimate to me that she was only getting what she said she was getting, and if I look at the genuineness of her behaviour, that certainly seems to be sort of leading in that direction. But the problem is that if you're right and you believe that there are only three parties to this original settlement, then somebody - - -
- S: Has got an awful lot of money.
- O: Somebody's got an awful lot of money, and it seems to me that it could well be Mr. O'Sullivan, and Ann might have been done in the eye by him as well.

- S: Definitely not. Now, look. O'Sullivan — this is where I twigged, it all made sense to me. Now, let's go another way. O'Sullivan identified the 10 mil.; okay?
- O: M'mm.
- S: He also identified the 15 for 5 and the 10 mil. for the three.
- O: Yes, but he identified the 15 mil. to your friend.
- S: Yes, okay. Hang on a minute. Now, we know that - - -
- O: Sorry, just clarify this for me, Graham. Who did he identify the 15 million to?
- S: Mr. Hunt.
- O: Mr. Hunt, yeah.
- S: Okay? Now, he identified 10 mil. to me, and I clarified that with Barry O'Sullivan in the presence of Mr. Hunt, okay? I'm just doing some figures now. There's 1.4 and 1.8; that makes 3.2; are you with me?
- O: Yeah.
- S: And, during the course of the conversation he had with Mr. Hunt, not in my presence, he said Garms' expenses were 4 mil. for legal (indistinct). So if you turn round and you put that together, that comes to 7.2; okay?
- O: Yeah.
- S: So what did she get? Did she only get her legal expenses?
- O: No. But they were never 4 million. That was crap.
- S: You know that; I know that; because I noticed was I caught — there's an old saying, if you tell fibs, you've got to have a good memory. And what I was doing, I was plying backwards and forwards between Ann, O'Sullivan, and then comparing notes with what he was saying to Anthony Honner, Mr. Hunt and myself; and that's when it all came unstuck.
- O: Graham, I had to say to Neil that it seemed to me that the most crucial

evidence with the discussions he'd had with Mr. Hunt and also the discussions he'd had with your friend in Telstra.

S: Yes.

O: And I said that you had always kept who that was totally confidential because of their - - -

S: Position.

O: Personal difficulties. But, if push came to shove, and you really had to, that you would advise them who that person was.

S: If push came to shove, I reckon that (indistinct), yeah.

O: Yeah, but the thing is that I said that, in terms of concern for that individual, it seemed to me that it's certainly going to be very interesting speaking to them, that's for sure.

S: It'll be completely denied.

O: It'll be completely denied?

S: By that other person. I would venture to say they'd have to deny it.

O: Pardon?

S: That other person would have to deny it.

O: Well, they would. But I was wondering if, do you think that in fact would be their position if they were put under the microscope?

S: Yep.

O: You do.

S: Yep.

O: And say they'd never said anything to you at all?

S: Yep. However, I've prepared for Mr. Hunt a whole lot of notes which I gave to Alan Smith, keeping him up to date because, at that stage, I thought he was going to be included, if you understand what I'm saying, and Alan Smith X left a copy with Neil Jepson yesterday.

O: What do those notes involve? The same thing you gave me?

S: Yeah.

O: Yeah, okay. The thing is that - - -

S: That was prepared before everything was pumped together.

O: So Neil's already got a pile of those notes that you gave me?

S: Yeah. He hasn't read them obviously.

O: Obviously he hasn't.

S: Alan gave you those notes, incidentally.

O: Yes, I've got them. No, you gave me the notes yesterday.

S: Yeah, but Alan was carrying them in my briefcase because he'd left his briefcase behind.

O: Oh, was he? Okay.

S: We decided to go in one briefcase.

O: I see. So would it be possible for whoever you have as a friend in Telstra, would they be prepared to do a memo without it being revealed who they were? See, the police said that if they could get some information from anybody, like Steve Black or anybody else, that they're very interested in protecting them, and they were most concerned to say, "Well, look, if we can get co-operation from this person that Graham knows, then we would certainly be interested in ensuring that they were protected as far as possible"; now, in what way, I'm not really quite sure. But the thing is, you see, heads are going to roll over this and, if I was somebody like Steve Black or other people, I'd be thinking about my position and trying to make sure that nothing came out adversely about me. So I'd be keeping documents and anything else I could get my hands on. This is why I was curious about Steve Black's position. I think, probably, from his point of view, it was probably too early in the piece.

- S: Can I just cover Steve Black? It's very important, Sue. Ann Garms has shown to us all, she's disclosed to the others, which I already knew, that she can be a predator. Now, I pointed out to her, and I kept her fully informed, including when I had a meeting with Steve Black in February '96 about 'Let's go quiet; let's get the election over; let's keep our heads down and he's going to settle with us all'. Now, I kept her and Alan, the major people that kept in contact, I kept everybody informed and, if other people wanted to know, well, I mean, I got sick of people not returning phone calls. I kept in touch with everybody that wanted to be fully informed.
- O: Yep.
- S: Now, firstly, she criticizes me for talking to Steve Black. But then I start providing her information which is very helpful to (indistinct). Now, as far as I'm concerned, what I picked up in the presence of Neil Jepson yesterday, is they're going to nail Black's hide to the wall.
- O: Yeah, but you see, there are ways out of that, and that's why I was concerned about - - -
- S: But they weren't prepared to even look at a way out because, when they went marching in and nailed Black the way that they did, that frightened the shit out of him. Now, here's the guy that was piecing everything together for me, saying "I wasn't happy with this, I wasn't happy with that". He was having major disputes. The real villain, the whole architect of this, is David Kraznastein(?).
- O: M'mm. But getting back to your friend, Graham, what I mentioned to Neil Jepson was that they were prepared to talk to Lindsay White and also Steve Black on the basis of a 'what-say' situation; in other words, if somebody said to them, 'Well, I could tell you this, this and this, but I'm not saying it's true. But if I was prepared to tell you this, this and this, would you be able to get

me indemnity'; see?

S: Yes.

O: And they were then going to go to the DPP, because that's where it comes from, and try and see if they could get some indemnity.

S: Good.

O: Okay? And what I'm saying is, if they're going to nail people during this process, it may be in your friend's interest to do a memo, without disclosing who he is, and then to say to the police, 'Now, these are the details' — you could actually keep the document — that 'These are the details', and you wouldn't perhaps even need to give the police the document, but 'These are the details. If they are prepared to be forthcoming in detail about this, are you prepared to grant them indemnity'? And the police may be able to go off to the DPP with that information and agree that whoever it is they'll give them indemnity.

S: Right.

O: And I think that, you know, if it was me in that organization, and they were starting to cause trouble, I think I'd be considering any way I could protect myself over on (indistinct).

S: Yep, yep.

O: So I don't know whether that's a possibility or not.

S: Okay.

O: See, I've got a lot of sympathy for somebody in that predicament.

S: Yep, so have I.

O: And I've said to the police that, as far as I'm concerned, you know, that sort of person's not responsible for this, and if they wanted to do something constructive, they should be helped in any way that's possible.

S: That's correct.

- O: I mean, there are individuals who have livelihoods to worry about and mortgages to pay, and they can't afford to be kicked out of their jobs, and who can't afford to be black-balled.
- S: That's right.
- O: And put in a position where they'll never get another job again. So that's the position. Is there any possibility that you can get some more information from them about Mr. O'Sullivan or Ann, or any of them, do you think? Do you think they'll be more forthcoming if you ask?
- S: No. But that doesn't mean I can't try another way.
- O: Well, why don't you try anyhow?
- S: I'm going to. How can I put it? I've made up my mind I was going to try anyway. I am concerned for Steve Black, because I think that, while he did a hell of a hatchet job on us, he's doing his job but, at the same time, when he thought it had crossed the line, that's when he started — what do you call it? — running interference on our behalf because he felt that the people within Telstra were doing the wrong thing by Telstra as well as us.
- O: Have you spoken to him recently?
- S: Briefly today, to say that I think we should sit down and have a talk, but I never discussed what I was going to talk about.
- O: No, well, what I was going to suggest to you was that you could put the same proposition to him, that if he's - - -
- S: The only thing I can do is check with Neil to see if he wants me to because I'm not going to make a proposition to anybody - - -
- O: No, no. The same sort of idea that he does a memo that, you know, unexecuted, and the contents of the memo are taken to the police, and it's said, well, what if this was to be said and the person concerned was prepared to say it provided they had an indemnity. See, the thing is, Graham, this is

going to be out of Neil's hands fairly soon and, of course, we don't know the nature of the other beasts that are going to be dealing with the job. But I would like to see the police assisted because it would make their job so much easier - - -

S: Yeah, probably.

O: And if somebody in that position was prepared to be forthcoming about it, I mean, I'd be happy to help them with it. I'd be happy to go to the police myself and say, "Well, this is what they've got to say. I don't even know who they are, but, you know, if they were prepared to say this, what are you prepared to do?", you know?

S: Yep.

O: But it's got to be something written or sort of communicated to somebody else and, if it's going to be anonymous, it could be something that's written and just passed on. But, anyhow, I'll leave that with you. It's just a thought. And the police think that that would be a really good idea.

S: All right. So how was Neil responding when you spoke to him today and brought him up to date with all the — pieced all the pieces together?

O: Well, he's a sort of a low-key sort of a guy, but I said to him, "Look, Neil, you know - - -, I was very troubled by this situation, and it was fascinating calling you, Graham, and Alan, because they've put some pieces together and, you know, it's very curious really, the whole situation is most intriguing and I just have a feeling that there's been some money passed around, and I don't quite know where it's come from, where it's actually ended up, but I think that's what's happened and that's why I came to see you because I was really concerned about some other issue or fraud in this situation." So he said to me that it really was most curious, Mr. O'Sullivan's position in all this.

S: Yes.

O: And, I mean, Neil sort of — you know, you don't get much more than that out of Neil. And he was taking notes when I was talking to him, and so I said, "Look, nobody wants to sound like a ratbag in this situation, and the thing about Graham and Alan is that they do want these issues addressed come what may, and when the story's uncovered there'll be far more you'll find out than anybody ever guessed about, and there may be some other action from then on, you know, that's possible by these people as well, and that's what I was trying to protect in terms of Ann's position. So I've spoken to Graham and Alan about it all, and they just sort of thought that it might be a good idea for me to touch base with you about it." But I didn't realize that Alan had given him a set of those papers.

I was actually going to do a note to him, and I mentioned to him about the tapes, and they're very curious about that. So I would like to have a listen to it as soon as possible. I can do it up at your office or something if - - -

S: All right.

O: Yeah, so I think they will take it further. I said to Neil did he think that there was anything that could be done about it fairly immediately because, you know, if we could do something immediately it might alter the position quite a bit, and he said he couldn't see at the moment anything that could be done about it straight away. But he was going to make sure that the next lot of people who take over were briefed about everything, and this was certainly going to be a note on the file, that they should keep their eye out for issues involving Mr. O'Sullivan.

S: Yes, yes. Of course, you know he's an ex-policeman?

O: Yes, I do know that. He mentioned that to me himself. I sort of always (indistinct) that he was a conniving bastard. I thought he was a typical cop, really. You know, it's not surprising. See, the thing about him is that I'm

wondering what sort of enquiry we could make about his financial position because - - -

S: He's very well off.

O: Pardon?

S: He's very well off.

O: Are you sure?

S: M'hmm. He's a very greedy man. He's done a lot and he's very close to retirement.

O: He's very close to retirement. But his financial position must have been quite (indistinct) when he was dealing with Alan.

S: No. Let me clarify what he was doing with Alan. At that stage, he was a free(?) man(?), and he took up an agency in Maroochydore and he had 50% of it along with Gary Allicot(?), and Maroochydore was running at a loss. And Barry seems to have acquired a lot of wealth since '94, a lot of wealth.

O: Yes, but Maroochydore was suffering a loss, so he needed the 40 grand from Alan, didn't he?

S: That's right.

O: Well, he was in financial difficulties.

S: That part of his business life. That part of his business life was.

O: The police seem to think that was most interesting. But I didn't realize it was only part of his business that was suffering that difficulty.

S: Yeah, it was only part, not all, because while he owned 50% of it, it was Gary Allicott that rang that show; he still operated out of Toowoomba. No, he's a very wealthy man these days, I understand. But he certainly doesn't do anything for nothing.

O: Graham, is there any way that anybody can make enquiries with the Endeavour Foundation? Do we know anybody who could do that?

- S: No, I don't. Of course, they're so politically entrenched up there. I think you'd have no chance doing anything, including with the Queensland police; you'd go nowhere. I think it's got to be done interstate. It's certainly Ann Garms and Barry O'Sullivan country up there.
- O: Yeah, it sure is.
- S: Of course, the other thing I found very interesting is — and it was great because, you know, I don't like speaking ill of other people, but when I see (indistinct) happen is when you stated that Garms was telling you not to handle it, to do anything with Alan — you know, a bit (bid?) over the loop, you know, he'd got plenty, his claim wasn't worth it — and, after all the things he's done for that woman; unbelievable. He didn't have a photocopying machine; he would drive 17 kilometres into town to photocopy documents she must have immediately, and drive back again to put in (indistinct) his fax.
- O: Yeah, look, he's a good bloke, Alan. He's a very smart guy, too. I mean he's extremely intelligent, and what he's talking about is not sort of pie in the sky stuff; he's very, very right about often what he says. I mean even the police, you know, his description of some of the test results with the — I've forgotten the name of the report now — it was very, very, very impressive (indistinct) because he's been able to work all that out. *
- S: Oh, yes. This is the obvious - - -
- O: And, as he said — I suppose I never gave it that degree of thought, but I said to Ann very early in the piece, "Look, something has to be done about Alan Smith" and, initially, there wasn't any great opposition to that, and I thought, somehow or another, he might be included in the process and that she'd be able to do that. But she either didn't want to or - - -
- S: It was an agreement between us both that he was going to be.

- O: Sorry, what did you say?
- S: It was an agreement between both of us he was going to be.
- O: At what point?
- S: When we (indistinct) which were turned down by the Minister's office on the basis it would impede the Telstra float, and only five names came down, because if you want to be factual about it, Garms should not have been on there.
- O: Well, I mean, yes. I'll tell you what, Graham, if (indistinct) Telstra's terrified about any old claimants hiding(?) out(?) (laughing).
- S: I know.
- O: I mean if the Dawsons found out what had happened and I suppose whoever else - - -
- S: Maybe they should.
- O: You know, all hell would break loose.
- S: That's right.
- O: Anyhow, I'd better go back to Mr. Hunt.
- S: Yeah. Now, listen. How are your relations going with Ross at the moment? Are you still - - -?
- O: I don't know. I actually dropped off a note to him after, you know, he was so appalling, and asked him, as soon as he got his money, if he could reimburse the moneys that (indistinct) that he borrowed off me, and I also asked him for some money on account because that's when we had the mediation. (Indistinct) file assessed, and I've done a hell of a lot of work since then, so I thought he could pay me that on account. And I haven't spoken to him, but I spoke to David, because I just did not want to get into another 'blue' with him. I'm not sure whether he's going to give me the sums that I asked for from him relating to payment on account of fees, but he's

certainly going to reimburse me the moneys I've lent him, which will help a lot. But I saw him, actually, on Sunday. I ran into he and David somewhere, and I was a bit of a distance from them, but I sort of, you know, waved my hand and said "Hi", and David said hello to me and, you know, Ross avoided me. He barely acknowledged me, and then they scurried out. So I don't know what my situation is with him. But I've been telephoned by this David Wells, who's apparently now doing something for Ann about Frank Costigan, and I haven't replied to his telephone calls, nor will I. I mean they can sort all that out themselves; there's not much I can do. You know?

S: Isn't it amazing how Ann gets people turned against you?

O: Yes. Look, Ross has been very difficult for some time, but I think that the reality was that even if Ann had gone (indistinct) he was still stuck with me, the likelihood is that I could've found out quite a lot, and the reality is that they were at risk then. So when Ross was, you know, blowing his stack off about me, well, of course, the idea of them both sort of getting advice elsewhere related(?) to the release suited Ann down to the ground, really.

S: Of course it did. It played into her hands. Played into her hands.

O: It did because, I mean, if she'd been 'ridgey didge', she would have said to Ross, "Look, you know, I've got to stick with (indistinct) sort all this out and we'll tidy it all up and everything will be okay".

S: Can I make a suggestion, Sue?

O: M'mm.

S: Why don't you talk to David and let David talk to Ross?

O: I have. I'm not communicating directly with him at all.

S: But have you had a chance since yesterday to talk to David?

O: No. Why should that concern — why is yesterday important?

S: Well, now that you've got all the information, you can talk to David, and

maybe it would be rather interesting to see what Ross's - - -

O: I don't think that it's David's (indistinct) to bring these issues up.

S: Okay.

O: But I think that something's going to emerge about this soon, Graham, and I was just worried — I spoke to Neil this morning because I was really concerned that, whilst all this was going on and whilst you were in the process of settling with them, that if the police could do anything to spring them and make any enquiries that might have some real meaning about it, that now was the time, and that's why I was saying to them, "Is there anything you can do about this now?", you know, because it's obviously affected negotiations quite a bit.

S: Substantially.

O: Substantially, and this guy has got a heap of money out of us. I'd like to know - - -

S: He blackmailed us all, and Boswell didn't know he was being used to apply(?) the blackmail.

O: Exactly. So, I might even alert Ron(?) Boswell(?) to this at some stage, but I'm going to lay low until I get my costs out of everybody; see what happens then. What's concerning me is that if the (indistinct) dropped a hundred thousand dollars because of this bullshit that he was spinning - - -

S: No, Ross too.

O: Yeah.

S: (Indistinct.)

O: Well, yes. But they also dropped another hundred thousand because he said he couldn't get more than the 10 million.

S: I know that.

O: So they locked(?) at least that amount out of us. They just did a hundred

grand like that, each of them, and it may be that they have some right of action against him. Anyhow, look, I mean, what can I say. I think I'll do a memo to Neil Jepson setting out my concerns about all of this so that it's on the record, and that if anything arises they can follow it up. And I don't know that there's much else we can do at the moment, except that when the police investigation starts up, well, you'll have plenty of opportunity to keep in touch with them and find out what's cooking.

S: Yeah, I will.

O: All right?

S: 'Bye for now.