

ILLAWARRA MERCURY

SINCE 1855

Tuesday, March 4, 2008

\$1 (incl GST)

I.C.A.C

I have heard and listened in detail to the conduct of four of these councillors and I've come to the conclusion that their conduct makes it clear that systemic corruption exists presently in the council...

Black Tuesday

The darkest day in Wollongong's civic history as Premier Morris Iemma moves to sack corruption-plagued council

SPECIAL EDITION

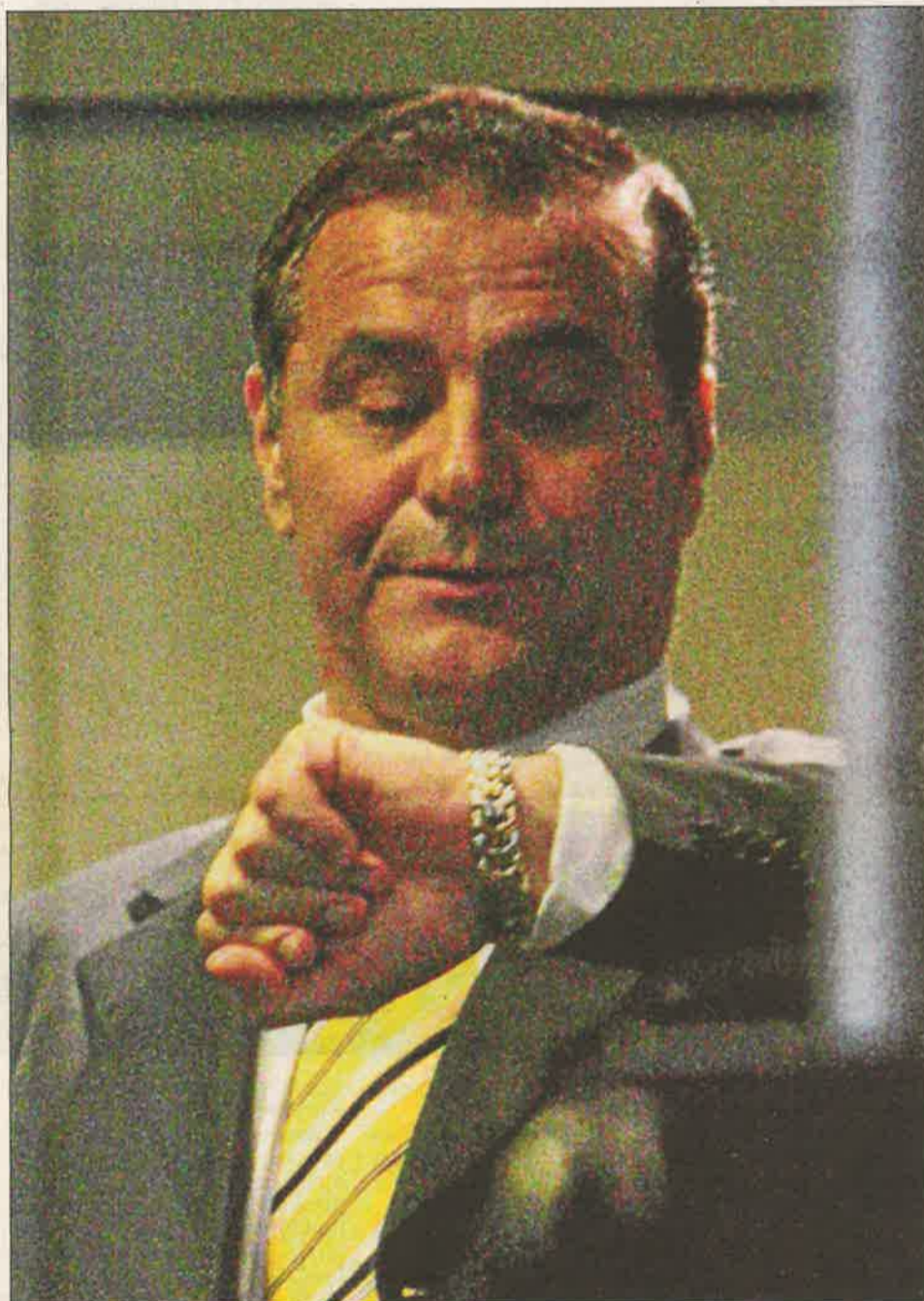
The conduct of four Wollongong councillors pointed to the existence of systemic corruption within the council, ICAC commissioner Jerrold Cripps, QC, found yesterday. Page 4

Wollongong City Council has written to former general manager Rod Oxley advising him it will not be paying his legal fees for the ICAC hearing. Page 6



Wollongong MP Noreen Hay was reinstated as NSW Parliamentary Secretary for Health after Commissioner Jerrold Cripps QC said the MP was not a person of interest at the inquiry. Page 9

\$30,000 to conmen



Question time: Joe Scimone in Sydney yesterday, admitted paying a \$30,000 bribe to have his ICAC file cleaned up. Picture: ANDY ZAKELI

Scimone paid to have his ICAC file cleaned up

By COURTNEY TRENWITH

FORMER Wollongong council officer Joe Scimone paid a \$30,000 bribe to have a file on him "cleaned up", he admitted yesterday.

Mr Scimone also planned to pay a further \$10,000 to conmen Ray Younan and Gerry Carroll, who posed as corrupt Independent Commission Against Corruption officers, an inquiry heard.

Mr Scimone said the men also promised to keep information about him out of the media, a proposal he could not resist after months of negative publicity surrounding a sexual harassment claim against him.

However, Mr Scimone said he was frightened and suspicious of the men and kept "copious notes" about telephone conversations and meetings with them, which he gave ICAC in September last year.

Mr Scimone has been stood down from his \$200,000-a-year position with NSW Maritime pending the outcome of the inquiry into Wollongong City Council.

Mr Scimone resigned from the council in February last year and is one of 14 people named by the commission as people whose conduct warrants scrutiny.

He told the inquiry yesterday he was introduced to Younan and Carroll by Councillor Frank Gigliotti

in the Panorama House car park at Bulli Tops in September 2006.

Cr Gigliotti stood down from the council after admitting he gave the conmen a \$500 bottle of whisky.

Mr Scimone said Younan told him he could "clean up" his ICAC file for \$40,000. He believed the men were ICAC officers because they produced emails that appeared to have been created by Commissioner Jerrold Cripps QC and knew about several private matters.

Mr Scimone gave him a \$20,000 cheque and \$10,000 in cash.

But when asked by counsel assisting the commission Noel Hemmings QC what was in the file he wanted to get rid of, Mr Scimone said he didn't think there was "anything wrong in the file".

Mr Scimone said looking back he had been naive but instead of agreeing that the money was a bribe, he preferred to describe it as "stupidity".

He confided about the deal with friends, developers Glen Tabak and Michael Kollaras, who encouraged him to tell the ICAC, which he did.

Mr Scimone said he had paid the money out of fear of the media, who he claimed treated him unfairly following a sexual harassment allegation by former staffer Vicki Curran, in relation to an incident after a staff Christmas party in

2005. Council settled out of court with Ms Curran in February last year.

Mr Scimone resigned from council a week later but denied his resignation was related to the allegation.

However, he told the inquiry he had been so stressed and depressed by the allegation Mr Tabak had bought him a gift - a watch worth between \$5000 and \$8000.

He received the present in May 2006, when one of his responsibilities included assessing developments and Mr Tabak had lodged with council a development application in relation to a car park he planned to build in Bank St, Wollongong.

But Mr Scimone insisted the watch was just a gift between friends.

"It was at a time when I was going through stress and anxiety and depression and I was going overseas and it was a gift I saw between friends," he said. "There had been a sexual harassment claim against me."

Mr Scimone said he forgot to disclose the gift to council because he was "under extensive stress" and went overseas a few weeks later.

The inquiry heard Mr Scimone bought a unit in Mr Tabak's Waves development off plans in April 2003, but he denied receiving a special price or free extras.

Two councillors recall coffee with Vellar

By PAUL McINERNEY

AFTER a weekend break, two Wollongong City Councillors yesterday changed their evidence about a meeting with developer Frank Vellar where it is alleged they tried to solicit a \$20,000 political donation from him.

On Friday, councillors Kiril Jonovski and Zeke Esen emphatically told the Independent Commission Against Corruption public inquiry they had not met Mr Vellar in the Flame Tree Cafe on October 18, 2006.

A third councillor, Frank Gigliotti, is also alleged by

Mr Vellar to have sought the political donation at the same meeting.

Yesterday, Cr Gigliotti stood by his testimony given on Friday, claiming he was not present at the meeting.

Cr Esen acknowledged two meetings with Mr Vellar, including the one at the centre of Mr Vellar's allegations.

When Commissioner Jerrold Cripps asked Cr Esen why he was changing his evidence, he replied: "I was confused, Mr Commissioner."

Cr Esen said he now knew from the telephone intercept of October 18, 2006,

played to the ICAC on Friday where Mr Vellar invites him for coffee that he had indeed attended.

Cr Jonovski said he would also like to amend his statement to the commission after listening to the same tape, declaring he too had met with Mr Vellar twice.

The reason he had originally denied meeting Mr Vellar on that day was because he believed it may have been February the following year.

"Mr Commissioner, I would like to make a correction for the record about the meetings and I acknowledge I met Mr Vellar on two

occasions," Cr Jonovski said. Cr Jonovski said he recalled Cr Esen at the meeting, but not Cr Gigliotti.

All three councillors were also questioned about holding directorships of a company called Quattro Employment, which they had failed to disclose to council.

Cr Gigliotti told the commission they had sought advice from council staff member Barry Cook about declaring their roles in the company but had been told by Mr Cook they did not need to do so until the following year.

Cr Jonovski said he didn't bother to see Mr Cook be-

cause he expected it would have been the same advice as given to councillors Esen and Gigliotti.

However, at the start of his submissions on behalf of Wollongong City Council, Ian Neil, SC, said he had spoken to Mr Cook about the matter and his evidence would be if he had been approached by Cr Gigliotti or Cr Esen he would have referred them to Peter Webber, the council officer responsible for matters of that kind. "He said if he had been pressed for an option he would have advised the councillors to disclose their interest," Mr Neil said.



Meeting: Cr Jonovski and Cr Esen yesterday.

quote

It was at a time when I was going through stress and anxiety and depression and I was going overseas and it was a gift I saw between friends.

- JOE SCIMONE