

Criminal claims he

By COURTNEY TREMWITH

GERALD Carroll was supposed to receive hundreds of thousands of dollars for his role in a scam that promised to destroy evidence against six witnesses involved in the Wollongong City Council corruption inquiry, it was alleged yesterday.

But Carroll claimed he too had been conned, by none other than his accomplice Ray Younan.

The pair, who met in jail in 1999, allegedly posed as corrupt Independent Commission Against Corruption officers and received more than \$320,000 in bribes in return for promising to "clean up" the files of developer Frank Vellar, councillors Frank Gigliotti and Val Zanotto, former town planner Beth Morgan, former council officer Joe Scimone and businessman Lou Tasich.

All of the witnesses have admitted paying between \$20,000 and \$120,000 each in the belief evidence against them would be destroyed.

They claim they were intimidated and threatened, some with death.

Younan did not give evidence during the inquiry.

He is believed to have fled to Lebanon; a warrant for his arrest was issued last week.

In the witness box yesterday, Carroll told the inquiry he had only been involved to act as a "confidence boost" for Younan when he dealt with the witnesses and to assist the Lebanese immigrant with writing.

He believed they were simply offering the witnesses advice on how to contact a Sydney lawyer who could help solve their "problems" and he expected to receive payment each time the referral was successful, he told the inquiry.

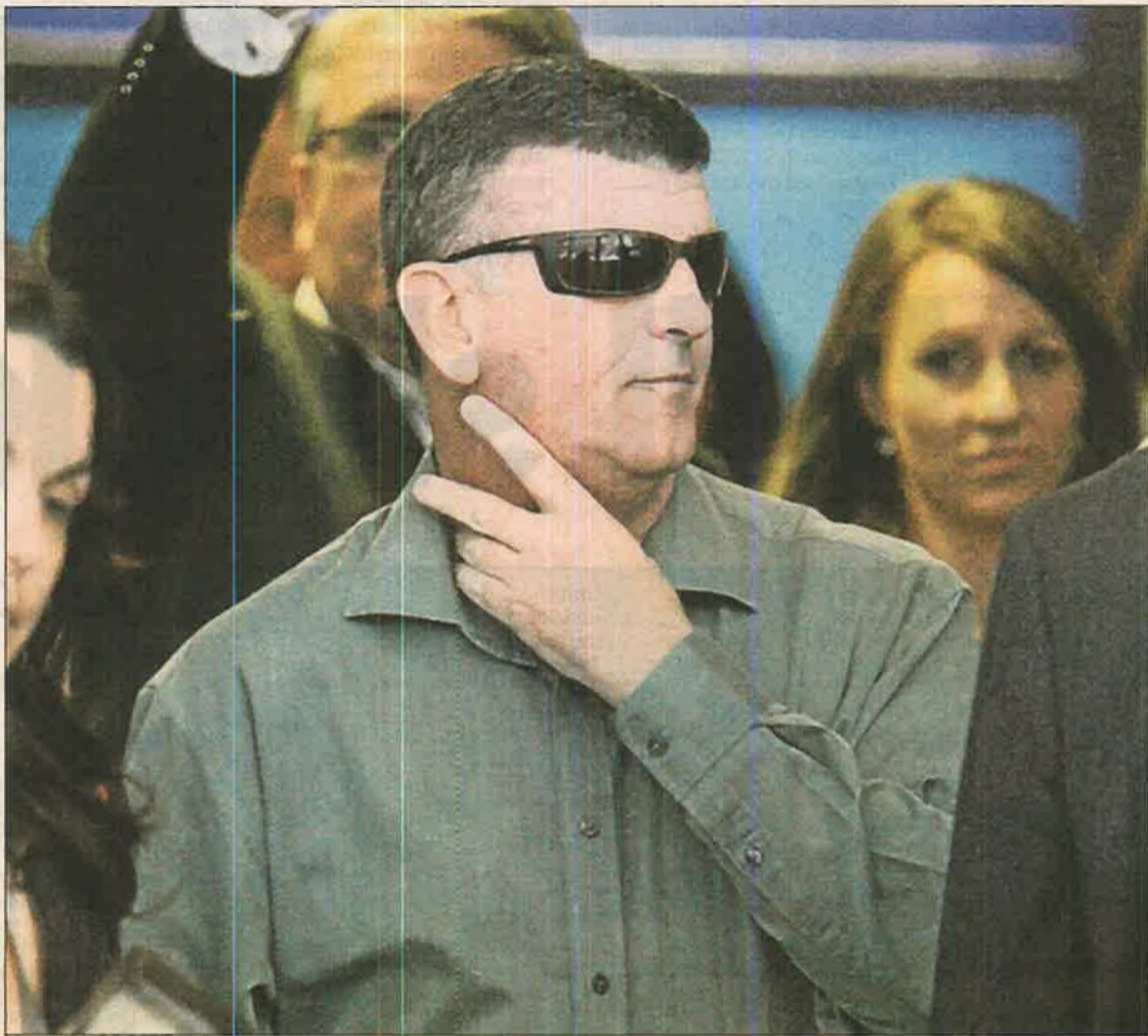
But he claimed Younan, who collected each of the bribes, had given him just \$1000.

Carroll said he did not know that the witnesses thought he was a corrupt ICAC officer and that he had never claimed to be one.

However, the inquiry heard he wrote a false statement for Cr Gigliotti, who was to be questioned by the ICAC.

Video surveillance showed Carroll, Younan and Cr Gigliotti apparently discussing the answers at an Appin cafe on October 17, last year.

In another tape, Cr Gigliotti is seen giving Younan a \$500 case of whisky in return for the favour.



I was conned: Gerald Carroll leaves the ICAC hearing in Sydney yesterday after giving evidence on the final day.

Picture: ANDY ZAKELI

Carroll said he helped Cr Gigliotti write some answers because he didn't think he could afford a lawyer but claimed he did not know the questions were in relation to an ICAC inquiry.

He denied posing as an ICAC officer, despite uncharacteristically wearing a tie during the cafe meeting.

Carroll also met Cr Zanotto and Mr Vellar at the cafe on separate occasions.

He denied threatening either of the men in order to extort money from them.

Cr Zanotto's lawyer Peter Stanton told the inquiry Carroll and Younan had "frightened the hell out of" his client.

He said Cr Zanotto's son had been hit by a sling shot on January 17 - the day Cr Zanotto attended his compulsory ICAC interview.

Carroll denied telling Cr Zanotto if he did not pay, there "would be a fatality".

"If I said that he should have gone to the police," Carroll said.

In tapped phone conversations from October last year, played to the inquiry, Carroll and Younan are heard discussing how to get money from Mr Vellar and "Mr V", who Carroll confirmed was a reference to Val Zanotto.

On October 22, Carroll tells Younan he has sent a text message to Mr Vellar. The last line says, "Me and three other girls will see your wife at home or school Wednesday morning".

Carroll denied the message was a threat for Mr Vellar to pay up or his wife would find out about his secret affairs.

He claimed Younan asked him to send the message because his

poor English meant he could not write it himself.

Carroll is also heard in the tape asking Younan if he can get "10 or 20 today".

Counsel assisting the inquiry, Noel Hemmings QC, suggested that was evidence Carroll "was more than just support" for Younan's scam.

Mr Hemmings: "Did you receive 10 or 20 out of that?"

Carroll: "I wish I had but I didn't."

Mr Hemmings: "So you did all of this out of friendship?"

Carroll: "I thought I'd get money from each referral."

A few minutes later Mr Hemmings put to Carroll: "What you're telling us is a pack of lies isn't it?"

Carroll: "I'm telling you the absolute truth."

Carroll, who was warned by



On the run: Conman Ray Younan.

Commissioner Jerrold Cripps QC that he risked being charged with lying under oath if he did not properly answer the questions put to him, failed to remember details of many of his dealings with the witnesses.

During cross-examination, Carroll denied attempting to pervert the ICAC inquiry.

Mr Vellar's lawyer, Peter Bodor: "You entered a scheme with Mr Younan to hold yourself off as a ICAC (officer) in your dealings with Mrs Vellar, Ms Morgan, Mr Scimone, Mr Vellar, Mr Gigliotti and Mr Tasich."

Carroll: "No sir, that's not correct."

Mr Bodor: "And I suggest to you that you entered into the arrangement knowing that they were persons under investigation by ICAC."

Carroll: "No sir, that's not correct."

Mr Bodor: "And I put it to you that the arrangement that you did do with Mr Younan was to solicit bribes from those persons under investigation so as to pervert the inquiry by ICAC."

Carroll: "No sir."

Businessman Lou Tasich was the last witness called. He told the commission he paid \$20,000 to Carroll and Younan, who he believed were ICAC officers who had access to an alleged file on him.

Mr Tasich said the men did not say they would destroy incriminating information, but instead threatened to "make things worse" if he did not pay.

"They basically came across as extortionists threatening to make the situation worse if I didn't pay them," he said.

He paid the money in cash on the same day it was requested.

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was victim of 'con'

REPORT BY COMMISSIONER JERROLD CRIPPS

This is the first part of a two-part report by the Independent Commission Against Corruption (the commission) in relation to its investigation of allegations that persons may have engaged in corrupt conduct in connection with: the assessment by Beth Morgan, a former Wollongong City Council official, and other current or former council staff and councillors of development applications submitted by Frank Vellar, Glen Tabak and Michael Kollaras; the provision by Ms Morgan to Mr Vellar of information from the council which should not have been given; other dealings between Mr Vellar and current or former council staff and councillors; the activities of Ray Younan, Gerald Carroll and persons dealing with them involving the impersonation of commission officers, fraud, solicitation and payment of corrupt inducements and the provision of false or misleading information to the commission; and other associated matters.

As part of this investigation the commission conducted a public inquiry. During the course of that public inquiry evidence was given by a number of former and current Wollongong City Council officers, developers and others. These included councillors Val Zanotto, Frank Gigliotti, Zeki Esen and Kiril Jonovski.

Section 74(3) of the Independent Commission Against Corruption Act 1988 (the ICAC Act) provides that the commission shall prepare a report in relation to a matter as to which the commission has conducted a public inquiry. The exception to this requirement is not relevant in the present circumstances.

Division 1 of part 8 of the ICAC Act sets out what may and what must be included in any report made under section 74 of the ICAC Act. These matters will, with one exception, be dealt with in the second part of the report which will be made later in the year.

The exception relates to section 74C(1) of the ICAC Act which provides: The commission is authorised to include in a report under section 74 a recommendation that consideration be given to the making of a proclamation under the Local Government Act 1993 that all civic offices in relation to a local government authority be declared vacant if the commission is of the opinion that systemic corruption exists within the local government authority.

Section 74C(4) of the ICAC Act provides that a recommendation is not to be made unless the commission is of the opinion that prompt action is required in the public interest.

Section 255(2) of the Local Government Act 1993 provides that the governor may, by proclamation, declare all civic offices in relation to a council to be vacant if the commission, in a report referred to in section 74C of the ICAC Act, recommends that consideration be given to the making of such a declaration because of systemic corruption within the council.

The Local Government Act 1993 defines civic office as the office of councillor or mayor or, in the case of a county council, the office of chairperson or member.

Section 74C(1) statement

The public inquiry commenced on Monday February 18, 2008. Since the commencement of the public inquiry, evidence has been taken from a number of people and much documentary evidence has been tendered.

Prior to the commencement of the public inquiry councillors Gigliotti, Esen and Jonovski took leave of absence from Wollongong City Council. Councillor Zanotto took leave of absence on Friday February 29, 2008. This means that these four councillors have ceased to participate in any council business although they continue to be entitled to all the rights and privileges of their office.

That includes the right to receive their emoluments of office and to make use of Wollongong City Council facilities. Their decision to take leave of absence was voluntary and it is open to them to return to their duties as councillors.

In determining whether to make a recommendation under section 74C(1) of the ICAC Act, the commission must be of the opinion that:

- systemic corruption exists within the relevant council; and
- prompt action is required in the public interest.

In deciding whether or not to make a recommendation it is not necessary that the commission consider the conduct of all those holding civic office. In the present public inquiry it is the conduct of councillors Zanotto, Gigliotti, Esen and Jonovski that gives rise to any consideration of a recommendation under section 74C(1) of the ICAC Act.

Having considered the evidence of councillors Zanotto, Gigliotti, Esen and Jonovski, and the other evidence available to the commission concerning their conduct, the commission is of the opinion that their conduct makes it clear

that systemic corruption exists within Wollongong City Council.

Although all four councillors have taken leave of absence they would be able to return to their duties as councillors at any time. Given this fact and the evidence before the commission, the commission considers that prompt action is required in the public interest.

In these circumstances the commission recommends that consideration be given to the making of a proclamation under

the Local Government Act 1993 that all civic offices in relation to Wollongong City Council be declared vacant.

Recommendation that this report be made public

Pursuant to section 78(2) of the ICAC Act, the commission recommends that this report be made public immediately. This recommendation allows either presiding officer of the Houses of Parliament to make the report public, whether or not Parliament is in session.



Prompt action: Independent Commission Against Corruption Commissioner Jerrold Cripps, QC, found that systemic corruption exists within Wollongong City Council. Picture: PETER RAE, Fairfax

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