

**IN-CONFIDENCE**

**Parliamentary Commission of Inquiry**  
G.P.O. Box 5218,  
Sydney, N.S.W. 2001.

**FILE No.**

C14

## ARCHIVAL ACTION

FORMER PAPERS

## LATER PAPERS

**TITLE**

## ALLEGATION No. 1.

## Related Papers

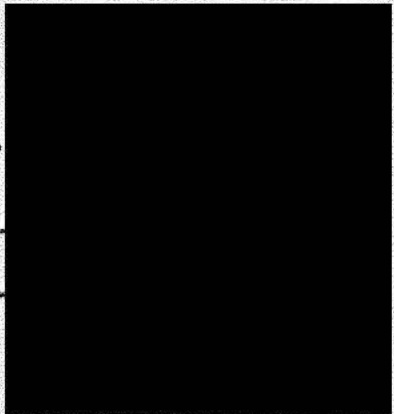
[illegible]

FILE NO

2/14



Don Thomas  
J. D. Davies -  
Tony Wadiche -  
Morgan Ryan -



*Documents returned to AFP 21/8/86*  
*arp*

documents received from Senior Constable S. Hill,  
CID, AFP, Canberra on 4 July 1986

- ✓a. 4 Manilla folders marked "Diary of Morgan Ryan" containing photocopy documents.
- ✓b. Photocopy NSW Police documents (Lowe/Shaw: attempt to influence Lewington).

Documents received from Detective Acting Sergeant B. Knibbs,  
NCIB, Canberra, on 22 July 1986

- c. Age Tape Enquiry:
  - ✓(i) Original Running Sheets
  - ✓(ii) Working File - Volume 1
- d. ✓Korean Immigration Enquiry:
  - (i) Volume 1
- e. Rodney Groux Enquiry:
  - ✓(i) Original Running Sheets
  - ✓(ii) Volume 1 - Original Statements
  - ✓(iii) Volume 2 - " "
  - ✓(iv) Volume 1 - Original Documents
  - ✓(v) Volume 2 - " "
  - ✓(vi) Volume 3 - " "
  - ✓(vii) Briefing Papers, Reports, Correspondence

Documents received from Superintendent F.C. Pimm, Commander  
Western Region, AFP. Perth on 24 July 1986

- ✓f. File marked "Moll Commodities Brief 1"
- ✓g. Lever Arch Folder marked "Moll Commodities Brief 2"
- ✓h. Situation Report by Det. Sen. Sgt. C. Netto (Quartermaine - Operation Edam)



- ✓i. Report of Independent Accountants Assisting Investigation (Operation Edam)
- ✓j. Braithwaite Report
- ✓k. Brief of Evidence - Moll: Conspiracy to Defraud
- ✓l. File marked "Marshall-Wilson" containing various loose documents.
- ✓m. File containing correspondence, reports relevant to Murphy J. enquiries/operation Edam.

Document received from Detective Chief Inspector A. Wells, Sydney.

- ✓n. Lever Arch Folder containing documents relevant to the Groux Enquiry.



2  
31/7 D Durack & M Weinberg  
discussions with C. Watersheet  
barrister re documents to be  
summarised. - see copy letter  
of Masselos with D Durack annotations  
- re further action on this letter  
stg due to uncertainty of proceedings  
D Durack rang S. Masselos -  
Masselos agreed that we not  
proceed to obtain any of docs  
referred to & agreed on 31/7  
until position became clearer  
- he will confirm this in  
writing.

- 11/8/86.

Thomas called at 9-30.  
He has a painful back  
problem and is unable to  
attend. Told him I would  
let him know if he would  
be required.

5/8/86



Thomas called in. Signed  
his statement. Advised him  
that he would be required (unless  
told otherwise) to give evidence  
on Tuesday 5/8.

1/8/86

MINUTE

TO: Mr Weinberg

c.c. Mr Phelan

Allegation No. 1

We discussed the letter of 29 July 1986 from Steve Masselos & Co, solicitors for Justice Murphy. The letter contains an extensive list of documents and persons said by the solicitors to be "required" in order to enable the Judge to meet Allegation No. 1. I understand you have a copy of the letter.

2. As discussed, I seek your advice on the extent to which the Commission is legally required to provide or arrange for the provision of the material requested and to summons the persons mentioned in the letter (I note some have been identified, others have not). As well, you might indicate the extent to which the Commission, though not legally bound to do so, nevertheless ought to provide documents or arrange attendance as a matter of usual practice.

3. Mr Phelan and officers allocated to him are available to assist.

J P Thomson  
Secretary

30 July 1986



STEVE MASSELOS & CO.

SOLICITORS

STEVE G. MASSELOS, LL.B.

FIRST FLOOR  
44 MARTIN PLACE  
SYDNEY, N.S.W. 2000

DX 305

TELEPHONE  
232 7366

July 29, 1986.

SGM/vc

BY HAND

OUR REF

YOUR REF

Secretary,  
Parliamentary Commission of Inquiry,  
8th Floor,  
ADC House,  
99 Elizabeth Street,  
SYDNEY.

RECEIVED 29 JUL 1986

Dear Sir,

RE: THE FIRST ALLEGATION:  
(HEADED ALLEGATION NO. 1)

In order to enable Mr Justice Murphy to meet this allegation, we set out hereunder the first list of documentary material and persons required:

1. DOCUMENTS TENDERED DURING THE SOCIAL SECURITY CONSPIRACY COMMITTEE PROCEEDINGS

EXHIBIT

DESCRIPTION

1.1. Thomas 4

Confidential minute from Thomas to OIC NSW District COMPOL dated August 10 1977.

1.2. Thomas 5

Note for file dated September 15 1977 recording a meeting between Thomas and officers of the Department of Social Security, the Department of Health and COMPOL.

1.3. Thomas 6

Note for file of Thomas dated August 24 1977 re conference with officers of the Department of the Attorney General, Department of Social Security, Deputy Crown Solicitor's Office and COMPOL and note of Detective Chief Inspector Hull of August 30 1977 concerning same.

*Raised at hearing 31/7/86*

*→ Mr Ross  
file*

- 1.4. Thomas 7  
Confidential minute from Thomas to OIC NSW District COMPOL dated November 3 1977.
- 1.5. Thomas 8  
Letter from A.L. Wunderlich, Solicitor, dated October 27 1977.
- 1.6. Thomas 9 and 10  
Informations of Thomas to obtain search warrants dated March 29 1978 or thereabouts.
- 1.7. Thomas 13  
Letter from COMPOL Acting Commissioner Harper to Secretary, Department of Social Security (reference JDD) dated September 15 1977.
- 1.8. Thomas 14  
Minute from COMPOL Commissioner Davis to OIC NSW District COMPOL dated November 15 1977.
- 1.9. Thomas 15  
Note from D. Corrigan First Assistant or Deputy Director General, Department of Social Security, to the Director General of the Department dated October 31 1977.
- 1.10. Thomas 16  
Notes of meeting with COMPOL signed by D. Corrigan, dated September 15 1977.
- 1.11. Thomas 17  
Note from D. Corrigan to Director General, Department of Social Security dated November 16 1977.
- 1.12. Thomas 18  
Note from P.J. Lanigan, Director General of Department of Social Security to FADG (First Assistant Director General) (Management) of the Department of Social Security (D. Corrigan) dated October 21 1977 in reply to the latter's note of October 20 1977.



1.13. Thomas/  
Yianoulakis 25

Document from Commissioner Jack Davis COMPOL to Senator Withers, Acting Minister for Administrative Services and containing Senator Withers' signed or initialled approval of the proposals therein.

1.14. Nakis 1

49 page Statement dated February 26 1979.

1.15. Nakis 2

Record of Interview dated September 22 1978.

1.16. Nakis 3

Record of Interview dated September 20 1978.

1.17. Nakis 4

Record of Interview dated April 2 1978.

2. DOCUMENTS ARISING OUT OF OR IN CONNECTION WITH THE COMMITTAL PROCEEDINGS

2.1. Note of FADG (Management) Department of Social Security to Director General of the Department dated October 20 1977 (See Thomas 18 above).

2.2. All documents in the files of:

- (i) Department of Social Security
- (ii) Department of the Attorney General
- (iii) Department of Health
- (iv) COMPOL (AFP)
- (v) Deputy Crown Solicitor's Office

relating to the matters referred to in exhibits Thomas 4 -18 inclusive.

- 2.3. Documents evidencing requests from the Crown or Crown Lawyers to Thomas and Thomas' receipt of and responses to same to make a written statement in relation to the Social Security Conspiracy matter and his relationship and discussions with Chris Nakis.
- 2.4. Statement made by Thomas during conference with Messrs. Rofe Q.C., Arden, T. Griffin and G. Smith on or about May 31 1978 including transcripts and tape recordings of conference.
- 2.5. Notes of conversations between Thomas and Mr G.E. Smith of the Deputy Crown Solicitor's office on or about September 22 1978 including any file notes, memoranda, advices or records.
- 2.6. Joint Advices of Messrs. Rofe Q.C., and Arden dated or received as follows:-
- |          |                  |
|----------|------------------|
| Part I   | January 23 1979  |
| Part II  | February 20 1979 |
| Part III | March 22 1979    |
| Part IV  | March 23 1979    |
| Part V   | April 4 1979     |
| Part VI  | April 12 1979.   |
- 2.7. Letter from Thomas to Commissioner of Commonwealth Police on or about March 1 1979.
- 2.8. Tape recordings, transcripts and notes of conference at Deputy Crown Solicitors Office attended by Thomas and Messrs McAuley, Smith, Davies, Rofe Q.C., and others on or about March 7 1979.
- 2.9. Notes of a telephone conversation between Thomas and Herman Woltring of the Deputy Crown Solicitor's office on November 2 1979.
- 2.10. Tape recordings, transcripts and notes of conference between Messrs. Rofe Q.C., Arden and Thomas on or about November 2 1979.



- 2.11. Tape recordings, transcripts and notes of conference in Rofe's Q.C. Chambers on or about November 6 1979.
- 2.12. Notes of telephone and other conversations between Mr Woltring and Mr Bellemore on or about November 9 1979.
- 2.13. Joint Advice of Marcus Einfeld Q.C. and Charles Waterstreet dated and/or received November 9 1979 plus Memorandum of Comment thereon by and Joint Advice of Messrs. Rofe Q.C. and Arden dated respectively November 12 and 16 1979.
- 2.14. Tape recordings, transcripts and notes of conference on November 16 1979 of Senator The Hon. Peter Durack, Attorney General of the Commonwealth, Mr Justice Neaves and officers of the Deputy Crown Solicitor's Office with the legal representatives and advisers of the Crown.
- 2.15. Notes of conversation between Messrs. Rofe Q.C., Arden, McAuley and Thomas on or about December 20 1979.
- 2.16. Letter from the Deputy Crown Solicitor, Sydney to the Crown Solicitor, dated January 11 1980.
- 2.17. Handwritten account supplied by Thomas at conference with Mr Rofe Q.C. and the Acting Deputy Crown Solicitor on or about January 20 1980 together with notes of that conference.
- 2.18. Notes of telephone conversations between Mr Wunderlich Solicitor and an officer of the Deputy Crown Solicitor's Office on or about January 22 1980 and thereafter.
- 2.19. Documents of negotiation between Chris Nakis or his representatives and the Crown Solicitor concerning the return of Nakis from Greece dated approximately January 23 1980 and thereafter.

- 2.20. All statements, records of interview, notes of conversations of and with Chris Nakis by Rofe Q.C., Mr Woltring and/or other Crown Lawyers after January 22 1980.
- 2.21. Tape recordings, transcripts and notes of conference between Nakis and Rofe Q.C., and others on or about February 22 1980.
- 2.22. Proof of evidence taken by Trevor Nyman, Solicitor from Nakis or or about March 11 1980.
- 2.23. Further proof of evidence taken by Mr Nyman from Nakis on or about March 17 1980.
- 2.24. Tape recordings, transcripts and notes of conference between Messrs. Rofe Q.C., Arden, Woltring and Nakis or or about April 11 1980.
- 2.25. Tape recordings, transcripts and notes of conference between Messrs. Rofe Q.C., Arden and Nakis on or about April 18 1980.
- 2.26. Application by Crown to the Supreme Court for a closed Petty Sesion Court to hear the evidence of Chris Nakis plus the affidavits, other documents file of the Deputy Crown Solicitor and Briefs to Senior and Junior counsel relating to the said application heard in the Supreme Court on or about May 1 1980.
- 2.27. Tape recordings, transcript and notes of conferences between Messrs. Rofe Q.C., Arden, Woltring and Nakis on or about May 30 1980.
- 2.28. Tape recordings, transcripts and notes of conference between Messrs. Rofe Q.C., Arden, Tabuteau, Woltring and Thomas on May 30 1980.
- 2.29. Letter from Deputy Crown Solicitor Sydney to Crown Solicitor concerning the said conference.

2.30. Joint Advice of Rofe Q.C. and Arden dated approximately June 17 1980.

2.31. Tape recordings, transcripts and notes of conferences on July 4 1980 involving all or at times some of the following persons:

Sir Maurice Byers Q.C.  
B.J. O'Donovan  
A.C. Menzies  
L.J. McAuley  
H. Woltring  
G.E. Smith

of the Deputy Crown Solicitor's office and

Messrs. Rofe Q.C. and  
Arden.

2.32. Tape recordings, transcripts and notes of and documents available at conference on July 15 1980 between Senator The Hon. Peter Durack, Attorney General of the Commonwealth and Messrs. O'Donovan, McAuley, Rofe Q.C., Arden, Woltring and Smith.

2.33. The Crown Solicitor's file and brief to senior and junior counsel for the conference with Mr T.E.F. Hughes Q.C. on or about July 18 1980 and the notes of the conference at which was present in addition to Mr Hughes, Messrs. O'Donovan, Woltring and Smith.

2.34. The Crown Solicitor's file and briefs to senior and junior counsel for the conference with Mr Hughes Q.C. on or about August 20 1980 and the notes of that conference.

2.35. Mr Hughes' Advice dated or received August 25 1980.

2.36. Memorandum from Mr Rofe Q.C. and Arden dated August 27 1980.

2.37. Tape recordings, transcripts and notes of conferences on September 11 (2 conferences) and September 18 1980 involving all or some of Messrs. Rofe Q.C., Arden and Woltring.

- 2.38. Tape recordings, transcripts and notes of conference on October 8 1980 between Messrs. Rofe Q.C., Arden and Woltring.
- 2.39. Tape recordings, transcripts and notes of conference on October 15 1980 between Messrs. Rofe Q.C., Shephard and Woltring.
- 2.40. Tape recordings, transcripts and notes of conference held on October 23 1980 in the Attorney General's suite in Parliament House, Canberra at which were present:

Senator The Hon. Peter Durack  
- Attorney General of the Commonwealth.

Mr Justice Neaves and

Messrs. C. Morrison,

A.R. Watson and Woltring.

- 2.41. First draft of announcement to be made in Court on October 30 1980 prepared by Mr Woltring and discussed with Mr Watson plus notes of the said discussion.
- 2.42. Tape recordings, transcripts and notes of conference held at the Wellington Hotel, Canberra on October 24 1980 between Mr Rofe Q.C. and Mr Woltring plus the terms of the settled announcement and notification of agreement by Mr Watson in respect of the announcement.
- 2.43. Tape recordings, transcripts and notes of conference between Messrs. Rofe Q.C., Arden, Woltring and Smith and Mr Justice Wood held on October 28 1980.
- 2.44. Notes of telephone or other conversations between Attorney General Durack and Mr Rofe Q.C. concerning decisions made in principle on October 23 1980 about the future of the conspiracy proceedings.



- 2.45. Tape recordings, transcripts and notes of conference on October 31 1980 between Acting First Assistant Crown Solicitor Watson and Messrs. Rofe Q.C., Arden, Woltring, Smith and Mr Justice Wood.
- 2.46. Notes of telephone conversations between Mr Brown S.M. and Mr Woltring on May 18 1982 and thereafter.
- 2.47. Tape recordings, transcripts and notes of conference between Messrs. Rofe Q.C., Inglis and Woltring with Mr Justice Wood and His Worship, Mr Williams, S.M.
- 2.48. Tape recordings, transcripts and notes of conference on May 23 1982 between Messrs. Rofe Q.C., Inglis and Woltring and Mr Justice Wood and His Worship, Mr Williams S.M.
- 2.49. Tape recording and transcript of a telephone conversation between Mr Rofe Q.C. and Thomas at about 5.15 p.m. on May 23 1982.
- 2.50. File notes and other documents evidencing the delivery by Mr Woltring on May 24 1982 of the transcript of the defence submissions in the Social Security Conspiracy Case to Thomas.
- 2.51. Documents evidencing decision and action to effect an urgent independent police enquiry into allegations against Thomas including the interviewing of police officers responsible for the security of or contact with Messrs. Nakis, Wunderlich, Thomas and Wunderlich's secretary.
- 2.52. Tape recordings, transcripts and notes of conference between Mr Woltring, Inspector Adams, Station Sergeant Kemp (AFP Brisbane) and Sergeants B.C. Lee and P. Baxter (AFP Sydney) and documents of appointment of the said officers by the Commissioner of the Australian Federal Police to conduct enquiries into Thomas.
- 2.53. All reports, statements, file notes, tape recordings, documents, films and other materials obtained and gleaned in the course of the said investigation.

2.54. Joint Advice of Messrs. Rofe Q.C., Inglis, Mr Justice Wood and His Worship, Mr Williams S.M. received at 8.30 p.m. on May 29 1982 and delivered to the Crown Solicitor on May 30 1982.

2.55. Notes of discussions on May 31 1982 on the substance and effect of the Joint Advice and the options arising therefrom involving all or some of the following persons:

Crown Solicitor O'Donovan  
Messrs. Boucher and Woltring  
Messrs. Rofe Q.C., and Inglis,  
Mr Justice Wood  
His Worship Mr Williams, S.M.

2.56. Tape recordings, transcripts and notes of conferences respectively held on June 2, 3 and 6 1982 involving all or some of the following:

Messrs. O'Donovan, Boucher and Woltring  
Messrs. Rofe Q.C. and Inglis  
Mr Justice Wood.

2.57. Joint Advice dated or received June 4 1982 from Messrs. Rofe Q.C. and Inglis, Mr Justice Wood and His Worship, Mr Williams S.M.

3. OTHER COMMITTAL PROCEEDING DOCUMENTS

3.1. Transcript of evidence and floppy disks thereof compatible with a WY50 computer.

3.2. Exhibits.

3.3. Documents marked for identification.

- 3.4. Documents produced on subpoena by the Department of Social Security.
- 3.5. Australian Federal Police files containing statements made by Thomas for his superiors and/or the Crown's legal representatives prior to or during and referable to the subject matter of the committal proceedings and reports made by Thomas to his superiors and Crown Law officers relating thereto.
- 3.6. Informations or other documentation sworn, affirmed or prepared by or under the instructions or with the knowledge or approval of Thomas before and to achieve the arrest of the persons charged with conspiracy in the said proceedings.

4. THE STEWART ROYAL COMMISSION

- 4.1. Transcript of evidence of Thomas.
- 4.2. Statements made or provided by Thomas.
- 4.3. Statements made or provided by others concerning Thomas, and concerning his contacts and relationship with Mr Justice Murphy and Morgan Ryan.

5. THE THOMAS ALLEGATIONS TO THE COMMISSION

- 5.1. Statement of Thomas.
- 5.2. Tape recordings, transcripts and notes of conferences with Thomas.

- 5.3. Tape recordings, transcripts and statements made by any person about allegations of Thomas and notes of conferences with said persons.
- 5.4. All duty diaries, notebooks, reports, memoranda, notes, correspondence etc., of Thomas or any senior or other officer of AFP concerning or arising out of the alleged conversation between Thomas and Mr Justice Murphy.
- 5.5. Any applications by Thomas to use tape recordings or other devices in recording conversations with Mr Justice Murphy, Morgan Ryan or other persons in 1979-80 and the tapes and transcripts of any such conversations.
- 5.6. The Commonwealth Police and Australian Federal Police guidelines or rules concerning -
  - (i) use of listening devices,
  - (ii) reporting of crime,
  - (iii) recording of conversations relating to investigations and to crime.
- 5.7. The personnel and personal file of Thomas during his period as a Member of the Australian Federal Police.
- 5.8. The personnel and personal file of Thomas during his period as a member of the N.S.W. Police.
- 5.9. Any application by Thomas to be admitted to the N.S.W. Bar.
- 5.10. File of the Director of Public Prosecutions concerning this allegation including briefs of senior and junior counsel prosecuting Mr Justice Murphy, notes of conferences with Thomas and counsel's advice in relation to the allegation.



6. OTHER DOCUMENTS

6.1. All files, documents, statements, reports, notes, recordings, transcripts, letters of the following:

- (i) The National Times newspaper
- (ii) The Age newspaper
- (iii) The Director of Public Prosecutions.

concerning the involvement and contact of Mr Justice Murphy with Thomas and Thomas' assertions in relation thereto.

6.2. Cabinet, minutes, files and all documents, reports, minutes involved in consideration by the Australian Government of the Social Security Conspiracy case for 1978-82.

7. THE SHIRLEY BRIFMAN ALLEGATION

The following documents of the N.S.W. police are required:

- 7.1. Record of interview with Shirley Brifman concluded between July 28 1971 and August 17 1971.
- 7.2. Any reports, documents, records and advices concerning Thomas arising out of the allegations by Brifman.
- 7.3. Any statements made by Thomas about Brifman's allegations.

8. PERSONS REQUIRED TO ATTEND THE INQUIRY

- (a) Officers or former officers of the Australian Federal Police (COMPOL)

L.S.J. Harper

J.D. Davis

J.M. Davies

B.E. Hull

J. Adams

A. Kemp

P. Baxter

B.C. Lee

- (b) Officers or former officers of the Department of Social Security

P.J. Lanigan

D. Corrigan

Mr Prouse

- (c) Officers or former officers of the Department of Health.  
TO BE ADVISED

- (d) Officers or former officers of the Deputy Crown Solicitor's office (Australian Government Solicitor/Director of Public Prosecutions).

B.J. O'Donovan

A.C. Menzies

T. Griffin

Mr Justice Neaves

G.E. Smith

D. Boucher

Ian Temby Q.C.

Herman Woltring.

- (e) Counsel for the Crown in the Social Security Conspiracy Case.

D. Rofe Q.C.

Mr Justice Wood

M.M. Shepherd

Timothy Murphy

M.J. Inglis

His Worship Mr Williams S.M.

Peter Arden

(f) Other persons involved

Sir Maurice Byers Q.C.

T.E.F. Hughes Q.C.

Chris Nakis

A.L. Wunderlich

Mr Wunderlich's secretary

Adrian Bellemore

(g) Unless Mr Thomas makes certain admissions we foreshadow that we may ask for summonses to be issued for the attendance of the following:

The Rt. Hon. Malcolm Fraser

Senators Durack, Withers,  
Dame Margaret Guilfoyle and Grimes

The Hon. Lionel Bowen MP

Would you kindly arrange for the appropriate summonses to issue for the production of these documents and the availability of these persons in time for the hearing dates on which this allegation is to proceed.

We are attempting to arrange for statements to be taken from some of the people named. When these statements are available we will supply them to you if appropriate.

Yours faithfully,  
STEVE MASSELOS & CO.,

Per:



Mr Morgan Ryan

Dear Mr Ryan,

Re: Parliamentary Commission of Inquiry

I refer to the summons which has been served on you pursuant to section 11(1) of the Parliamentary Commission of Inquiry Act and note that your attendance is required on 5 August 1986.

However, I would appreciate it if you would contact the Commission and advise a telephone number upon which you can readily be reached in order that a date other than the 5<sup>th</sup> August 1986, for your attendance, can be communicated to you.

Yours sincerely,

J F Thomson  
Secretary

25 July 1986

COMMONWEALTH OF AUSTRALIA

Parliamentary Commission of Inquiry Act 1986

SUMMONS TO APPEAR BEFORE THE COMMISSION

Mr Morgan Ryan

I, Sir George Hermann Lush, a member of the Parliamentary Commission of Inquiry appointed under the Parliamentary Commission of Inquiry Act 1986 hereby summon you, pursuant to sub-section 11(1) of that Act

- (a) to appear before the Commission at the hearing to be held in the Hearing Room, 8th Floor, 99 Elizabeth Street, Sydney, on Tuesday 5 August 1986 at 10.00 a.m. to give evidence in relation to the matters into which the Commission is inquiring; and
- (b) to attend from day to day unless excused or released from further attendance.

Dated 25 July 1986

.....  
Presiding Member

Mr Donald William Thomas  
Windeyer Chambers  
225 Macquarie Street  
SYDNEY NSW 2000

Dear Mr Thomas,

Re: Parliamentary Commission of Inquiry

I refer to the summons which has been served on you pursuant to section 11(1) of the Parliamentary Commission of Inquiry Act and note that your attendance is required on 30th July 1986.

However, I would appreciate it if you would contact the Commission and advise a telephone number upon which you can readily be reached in order that a date other than the 30th July 1986, for your attendance, can be communicated to you.

Yours sincerely,

F J Thomson  
Secretary

23 July 1986

COMMONWEALTH OF AUSTRALIA

Parliamentary Commission of Inquiry Act 1986

SUMMONS TO APPEAR BEFORE THE COMMISSION

Mr Donald William Thomas  
Windeyer Chambers  
225 Macquarie Street  
SYDNEY NSW 2000

I, Sir George Hermann Lush, a member of the Parliamentary Commission of Inquiry appointed under the Parliamentary Commission of Inquiry Act 1986 hereby summon you, pursuant to sub-section 11(1) of that Act

- (a) to appear before the Commission at the hearing to be held in the Hearing Room, 8th Floor, 99 Elizabeth Street, Sydney, on Wednesday 30 July 1986 at 10.00 am to give evidence in relation to the matters into which the Commission is inquiring; and
- (b) to attend from day to day unless excused or released from further attendance.

Dated 22 July 1986

Presiding Member

(G. H. LUSH)



Finally contacted Thomas. He  
to see me this evg (23/1) at  
6PM, 11th floor (my office).

22/1.

Phoned Tony Wadiche, DPP office Melbourne.  
(03 6054333). Discussed his file note of 31/7.

According to Wadiche, Thomas had prior to the meeting phoned Tony Griffin of DPP Sydney office complaining about 'not getting briefs'. Finally he rang the Director and asked to see him. At the meeting, Thomas expressed his concern that he may be on a 'black list' because of something which might have been found in the 'Age Types'. The conversation consisted mainly of Tamby talking about the 'Age Types' and attempting to allay Thomas' fears of a 'black list'. Tamby told Thomas that he was simply one bantam among many.

Virtually as a ~~footnote~~ 'footnote' Thomas then blurted out his story about the Korean lunch as an 'illustration of his integrity' (Wadiche's words).

It was clear to Wadiche that Thomas was touting.

22/7/86.

Meeting 31/7.

- Tenby, Don Thomas, Wadish

- 1/ D.T. worried that article 6.4.85 in J.M.H. suggested he involved in Age Tapes.

Background / History - late 78. Associate to 1.10.79.

may be lunch.

Thomas arranged Korean est. trip.

Also present Davies(?) M.H.

D.T. never met M.H. before

conversations about the time

2.10.79. 2.10.79. shopping proposed and M.H.

Also L.M. went interest in trip. Davies retired!!

- later M.H. asked to meet. D.T. said

by car D.T. knew of Davies' address

investig. stopped by Davies' house

Davies broke off at Davies' house. 2.10.

with Davies' car.

- 2/ Davies said not involved in J.M.H. article.

3/ No Black R/T.

Phoned Thomas' chambers. He is in Wollongong until Thursday on the de Paoli matter.

22/7/86

Enquiries of Wollongong Registry of Dist. Ct - Thomas has a room on extension 89 → ie (042) 298111 x 89.

22/7/86

MEMORANDUM

TO: A Phelan

FROM: D Durack

RE: THOMAS LUNCH

D Thomas has stated that the lunch he attended with the Judge was in the first instance arranged by the Judge's Associate (a female). I have made inquiries of the High Court through the Clerk of the Court, Mr Gordon Shannon, and have been advised that the Judge's Associates during 1979 and 1980 were:

(I) ELIZABETH JAMES (now a solicitor in Tasmania -  
home address -

and

(II) ANGELA BOWNE (Sydney barrister) - see Alan  
Robertson.

D Durack

18 July 1986



# Australian Federal Police

P.O. Box 401  
Canberra City  
A.C.T. 2601

Our ref: DF0002

Your ref:

Telephone  
(062) 49 7444

Mr A. Phelan,  
Parliamentary Committee of Inquiry,  
8th Floor,  
A.D.C. Building,  
99 Elizabeth Street,  
SYDNEY NSW 2000

Dear Mr Phelan,

JOHN DONNELLY DAVIES

The following information is provided in response to your request for termination details on the former Assistant Commissioner Davies:

Date commenced continuous sick leave:	22 October 1979
Instrument of Retirement signed:	29 September 1980
Last day of service:	9 October 1980

I trust this will be of assistance to you.

Yours sincerely,

(C.F. CAMPBELL-THOMSON)  
A/Assistant Commissioner  
PERSONNEL AND SERVICES

21 July 1986

Interviewed Davies 18/7/86.



ALLEGATION NO 1

*Amended  
allegation  
(see underlinings)*

Particulars of Allegation

The Honourable Lionel Keith Murphy, in or about the month of December 1979, at Sydney, and whilst a Justice of the High Court of Australia, engaged in a conversation with Donald William Thomas, then a Detective Chief Inspector of the Commonwealth Police in charge of the Criminal Investigation Branch for the New South Wales Region. The Judge spoke to Thomas regarding a social security conspiracy prosecution in the conduct of which Thomas had played a principal role. He extended an invitation to Thomas to meet Senator Donald Grimes, who in Parliament had strongly criticised the conduct of that case.

The Judge then spoke to Thomas about the impending formation of the Australian Federal Police. In the course of this conversation, the Judge said, "we need somebody inside to tell us what is going on", thereby conveying to Thomas that the Judge sought from him the provision of covert information relating to or acquired by the Australian Federal Police to unauthorised persons within the Australian Labor Party. The Judge said that in return for Thomas fulfilling the role which he had suggested, the Judge would arrange for Thomas to be

promoted to the rank of Assistant Commissioner in the Australian Federal Police. Thomas told the Judge that he would not be happy forming an affiliation with any political party. The Judge asked Thomas to think about the matter.

The said conversation occurred at a Korean restaurant during the course of a lunch attended also by Morgan Ryan and John Donnelly Davies, then the Assistant Commissioner, Crime, of the Commonwealth Police in Canberra. The Judge arranged for Thomas to attend the lunch for the purpose of holding the conversation set out above.

It will be contended that this conduct by the Judge amounted to misbehaviour within the meaning of Section 72 of the Constitution in the following respects -

a) attempting to bribe a Commonwealth officer;

further, or in the alternative

b) urging or encouraging a Commonwealth officer to publish or communicate to unauthorised persons official information which it would be his duty not to disclose;

further, or in the alternative

- c) for improper purposes, offering to intervene to secure  
for a Commonwealth officer an appointment to a higher  
rank.

As such it constituted conduct contrary to accepted standards  
of judicial behaviour.

Arranged to see Davies  
at 2/77 Cannon Res, Warrnambool,  
9 AM, Friday 18/7

16/7

ALLEGATION NO 1

Particulars of Allegation

Copy of allegation  
handed to solicitors/counsel  
for UAA 15/7/86.

The Honourable Lionel Keith Murphy, in or about the month of December 1979, at Sydney, and whilst a Justice of the High Court of Australia, engaged in a conversation with Donald William Thomas, then a Detective Chief Inspector of the Commonwealth Police in charge of the Criminal Investigation Branch for the New South Wales Region. The Judge spoke to Thomas regarding a social security conspiracy prosecution in the conduct of which Thomas had played a principal role. He extended an invitation to Thomas to meet Senator Donald Grimes, who in Parliament had strongly criticised the conduct of that case.

The Judge then spoke to Thomas about the impending formation of the Australian Federal Police. In the course of this conversation, the Judge said, "we need somebody inside to tell us what is going on", thereby conveying to Thomas that the Judge sought from him the provision of covert information relating to or acquired by the Australian Federal Police to unauthorised persons within the Australian Labor Party. The Judge said that in return for Thomas fulfilling the role which he had suggested, the Judge would arrange for Thomas to be

promoted to the rank of Assistant Commissioner in the Australian Federal Police. Thomas told the Judge that he would not be happy forming an affiliation with any political party. The Judge asked Thomas to think about the matter.

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further, or in the alternative

- c) offering for improper purposes to intervene to secure for a Commonwealth officer an appointment to a higher rank.

As such it constituted conduct contrary to accepted standards of judicial behaviour.



contacted Don Thomas [REDACTED]  
Briefly outlined the function  
of the Commission. Arranged  
that he would phone me  
upon his return from up-  
country, Tuesday (17/7/86)

11/7/86

Mr Andrew PHELAN

I have today received from Senior Constable S. HILL,  
Criminal Investigation Division, Australian Federal Police, an  
envelope addressed to me and marked from Detective Chief  
Superintendent Arthur BROWN.

Contained inside the envelope is:

- . Four (4) manila folders marked "Diary of Morgan Ryan" and  
containing photo-copied documents.
- . Envelope marked "NSW Police Low/Lewington" also containing  
photo-copied documents.

Signed:

Witness:

Date: 4 7/86.

Memo to: Mr.Charles  
Mr.Weinberg  
Mr.Robertson  
Mr.Durack  
Ms.Sharp  
Mr.Thomson

From: Mr.Phelan

BRIEF ANALYSIS OF CERTAIN DOCUMENTS RECEIVED FROM THE OFFICE OF  
DIRECTOR OF PUBLIC PROSECUTIONS ON 19 JUNE 1986

1. The documents received are briefly described in the receipt given by David Durack on 19 June 1986 (copy attached). The following is a more detailed description of certain of those documents together with a brief analysis of what they contain in terms of the allegations so far identified.

The Morosi break-in allegation

2. Relevant to this allegation are two manilla folders. The first is marked [REDACTED] and contains the following documents:-

- (a) A statement given by [REDACTED] on 4 April 1986.
- (b) A report to the Attorney-General from the then Assistant Commissioner (Crime) J.D. Davies dated 17 January 1975.
- (c) A supplementary modus operandi report from Detective Inspector Tolmie then of the Commonwealth Police.
- (d) A note to the Officer in Charge of the Commonwealth Police Force dated 30 January 1975 from an officer within the Office of the Deputy Crown Solicitor, Sydney.

- (e) A note dated 4 March 1975 from Sergeant Lamb to the Officer in Charge New South Wales District of the Commonwealth Police concerning an approach to him from Mr David Ditchburn.
- (f) A note dated 7 March 1975 from Detective Inspector Tolmie to the Officer in Charge New South Wales District, concerning certain enquiries of neighbours of the Morosi's.
- (g) A note dated 28 February 1975 to the Officer in Charge New South Wales District, from Constable First Class Jacobsen, concerning allegations re antecedents of Juni Morosi.
- (h) A statement by William Alexander Tolmie undated and unsigned concerning the arrest of Felton and Wigglesworth at the Morosi premises, and
- (i) A statement signed this time but undated by Sergeant Lamb in the same matter.

The second manilla folder is headed simply Felton/Wigglesworth and contains the following documents:-

- (a) A note of a interview by A.C. Wells, dated 22 April 1986 with Richard Wigglesworth.
- (b) A file note in relation to contact of Wigglesworth.
- (c) File note dated 13 April 1986 by A.C. Wells concerning the interview of Alan Felton.

3. The most interesting document is undoubtedly the statement by [REDACTED] He said that in the early 70's he was hired by Alan Felton to break in to a townhouse occupied by Juni Morosi at Gladesville. He described Felton as a member of a committee of persons including W.C. Wentworth and Ivor Greenwood, a group which he later described as being anxious to get information on Lionel Murphy. The purpose of the break-in was to obtain documents providing details of Lionel Murphy's activities overseas and his relationship and

business dealings with Juni Morosi. Such documents were supposed to be located in the garage in a room used as an office. On his instructions, an unnamed agent and a locksmith called Richard Wigglesworth broke into the property but came back empty-handed. He reported this to Alan Felton but he did not believe [REDACTED] and insisted that [REDACTED], Wigglesworth and he personally break back into the property. There was a period of approximately 2 weeks between the first attempt and the second break-in. During this period [REDACTED] had a conversation with Bill Waterhouse. During that conversation (which [REDACTED] recalls with some clarity), [REDACTED] disclosed the nature of his enterprise and the time and date upon which the second "raid" would take place.

4. [REDACTED] described the second break-in attempt as follows. He accompanied Alan Felton and Richard Wigglesworth to the property in Batemans Road, Gladesville. He parked his car away from the property and drove the remaining distance in a van with the other two people. When he got to the property he did not go in but remained in the van. Wigglesworth and Felton entered the property, Wigglesworth using a key he had made up from the previous break-in. The door was left open. They emerged after a few minutes and came towards the van. [REDACTED] got out to move a bicycle that was on the ground when suddenly a number of police and police cars came up Batemans Road. [REDACTED] started running and jumped over a few fences, got back into his car and apparently escaped.

5. [REDACTED] said he was furious and drove his car straight to Bill Waterhouse's office on the Pacific Highway at North Sydney. [REDACTED] had told Waterhouse that he had just come from Batemans Road and that there were police everywhere. He said, "What have you done, I think they have arrested my man Wigglesworth." Waterhouse laughed and said "I'm sorry [REDACTED] I'll look after it" and thereupon telephoned Morgan Ryan's office. [REDACTED] claims he knew he had telephoned Morgan Ryan's office

because he watched him dial the number - a number with which he was familiar because of prior dealings with Morgan Ryan. Waterhouse said to the person on the other end of the phone (he presumed it was Morgan Ryan) "The big fellow is upset, [REDACTED] here. His man's been arrested, I'll put him on". He then handed the phone to [REDACTED] [REDACTED] then spoke to a person whose voice he recognised as Ryan's and told him what had happened. Ryan laughed and the conversation continued in the following terms. Ryan said, "Don't worry, we'll have it fixed. My mate's here and I'll put him on". [REDACTED] said, "This fellow Wigglesworth is a good friend of mine and a good fellow. It's an embarrassment to me and I believe he's now been taken into custody." [REDACTED] then spoke to a person whose voice he recognised as Lionel Murphy's (he recognised Murphy's voice because he had heard him speak on a number of occasions). Murphy said, "Thanks very much [REDACTED]. I'm sorry about this but it will be attended to." [REDACTED] said, "You've put me into a lot of hot water here because you've made a mess of the thing and I don't think you've gained anything from it. I want it attended to otherwise I will go to Press. How did this come about.?" Murphy said, "Bill told me". [REDACTED] then handed the phone back to Waterhouse who said to the person on the other end of the phone ([REDACTED] assumed at that stage that it was still Lionel Murphy), "You'll definitely look after [REDACTED] man." Waterhouse then hung up the phone and said to [REDACTED], "I will ring Bob Askin." Waterhouse then telephoned another number and a conversation took place between Waterhouse and the person on the other end of the phone ([REDACTED] assumed it was Askin). Waterhouse hung up and said to [REDACTED], "He'll look after it. He'll contact Murray Farquhar."

6. [REDACTED] then left Waterhouse's office and went to Wynyard House in the city and spoke to Warwick Colbron of the firm Colbron Hutchinson and Dwyer, solicitors. (Note: Colbron is a player in the Central Railway development story) [REDACTED] wanted to speak to Colbron because he had been Morgan Ryan's

articled clerk and knew him well. [REDACTED] told Colbron what had happened and Colbron said. "It's just like Morgan." [REDACTED] said, "I hope they stand up. If they don't then I'll drop the bucket on the lot of them", and then left the office.

7. The next day [REDACTED] rang Morgan Ryan at his office and told him of his annoyance at what had occurred. [REDACTED] said, "Thank's for your assistance. I hope there won't be any repercussions to me as a result of this", and Ryan said, "There won't be. It's sweet."

8. I observe at this juncture that [REDACTED] recollection of events seems remarkably clear, notwithstanding that those events occurred more than 11 years prior to the date of his statement. Did he refresh his memory from some contemporary note? If not, he might well be asked how his recollection is so clear.

9. The Report dated 17 January 1975 from Davies to the Attorney-General purports to contain a detailed description of the action taken by Commonwealth Police following the receipt by Davies from Murphy of information relating to the proposed break-in at the Morosi residence. The most remarkable feature of the report is that it contains no reference whatsoever to the role of [REDACTED], and no reference to his being sighted at the scene of the crime. It is possible that Waterhouse did not tell Murphy about [REDACTED] or that if he did that Murphy did not pass on the names of the star players to Davies. However, I find it unusual that police who had presumably staked out the scene of the potential crime did not notice [REDACTED] rapid departure from the scene, or observe him at the time of his arrival at the townhouse in the van. The theory that [REDACTED] name has somehow been suppressed in official reports may be reinforced by the subsequent memoranda appearing in this file. It would appear that Ditchburn received information from neighbours that [REDACTED] was sighted at the scene of the crime



at about the time of the break-in. Police later confirmed this by speaking with the neighbours concerned. Yet it would appear police took no action to follow the matter up with [REDACTED].

10. The report to Murphy from Davies also contains the interesting observation: "The charges were signed by Sergeant Lamb, and as they were laid under State laws they would normally be presented to the court by New South Wales prosecutors. You might care to consider whether this course would be satisfactory in the present circumstances." What this last sentence means is anyone's guess. Other documents on the file reveal that Felton (the only one charged, as Wigglesworth was allowed to leave police custody shortly after his arrest following the intervention of Bruce Miles) was charged with offences under the New South Wales Crimes Act and the New South Wales Motor Traffic Act. Notwithstanding the fact that no Federal offence ever seems to have been contemplated in relation to the break-in, the prosecution of Felton was handled by the Commonwealth Deputy Crown Solicitor in Sydney, who briefed Mr Foord of counsel in the matter. According to the supplementary modus operandi report prepared by Detective Inspector Tolmie, the matter was heard before Mr Farquhar who after hearing the facts of the matter from Mr Foord found the charges proved but without proceeding to conviction bound Felton over in his own recognisance in the sum of two hundred dollars to be of good behaviour for two years.

11. Should the Commission decide to pursue this allegation, the question will need to be asked why the New South Wales Police were not informed of the break-in either prior to, or after, its occurrence. Why were the Commonwealth Police there at all? And why did the Commonwealth Crown Law authorities bring the prosecution? Why were inquiries not made of [REDACTED] by the Commonwealth Police? It may be useful to speak to Waterhouse, and Deputy Commissioner Farmer (as he now is) who was then the link between investigating police and Davies. Davies, Tolmie and Lamb should also be interviewed..

12. Turning now to the contents of the other manilla folder relevant to this allegation, of some interest is the note by A.C. Wells of his interview of Richard Wigglesworth. Wigglesworth apparently gave Wells his version of what happened at the break-in, which differs in some respects from the version offered by [REDACTED]. Importantly, Wigglesworth stated that he stayed in the van and not [REDACTED]; he alleges that [REDACTED] entered the premises with Felton. Wigglesworth was unable to say how Bruce Miles came to represent him at the police station on the night of the break-in. Of some further interest (I put it no stronger than that) is the fact that after the break-in Wigglesworth's premises were apparently raided by State police who had a warrant to search for materials suspected of having been used in letter bombs. Nothing was found and Wigglesworth was sure it was simply a put up job. Wigglesworth said that he shortly afterwards spoke to [REDACTED] about the matter and was told by the latter that he believed Morgan Ryan was the source of the information relating to the State Police search warrants and that it was an act of malice to get back at Wigglesworth for having the temerity to interfere with the Morosi/Cairns business.

13 The final document is the note of a conversation between A.C. Wells and Alan Felton. It would appear that this was a fairly brief conversation which occurred whilst Felton was being driven from the airport to Railway Square. Felton denied any knowledge of there being two raids as alleged by [REDACTED]. Of more interest is his version of what subsequently happened. He recounted how he was arrested and charged with break and enter. He first appeared before Mr Lewer S.M. who he felt was likely to send him to jail. He was represented by David Marks and later Reynolds, now on the Bench. He recollected that he appeared before Lewer a second time. However, on a third occasion by some arrangement, the mechanics of which he cannot recollect or may not even have known, the matter was finally

heard by Mr Farquhar S.M. and he received a bond. He claims he knows the name Morgan Ryan but not in connection with his case and does not know Bruce Miles. Mr Lewer may have an interesting story to tell.

#### The Sankey Prosecution Allegation

14. Inside a manilla folder marked 'Sankey' is a two page document described as "minutes of a meeting 3 March 1986" those present being listed as "B. Rowe, S. Rushton and D. Sankey." Minute describes two matters relevant to the Sankey prosecution, the approach to settle proceedings and secondly the disqualification of Mr Leo S.M. In relation to the former, Mr Sankey apparently told those at the meeting that just after the first appeal hearing, (that is 'June and October 1976'), Sankey received a telephone call from Mr Anderson at the Capri Restaurant at Rose Bay. Sankey was a part owner of the restaurant. Anderson informed Sankey that he had something to discuss and made an appointment. Apparently Sankey had known Anderson for quite some time, but had had very little contact with him recently. However, Anderson approached Sankey as an 'old mate'. At the meeting between Sankey and Anderson, Anderson said there had been a meeting at which the case had been discussed; Anderson apparently did not identify those present at the previous meeting but Sankey recollects that Morgan Ryan might have been mentioned. Anderson asked Sankey what he was after, that is what did he want and Sankey informed him that all he wanted was an admission of wrong doing but not necessarily an admission of guilt. Subsequently, Anderson telephoned on another two occasions and the same matter was discussed.(the contents of those discussions are not mentioned).

15. Shortly thereafter, person whom Sankey recognised as being Saffron telephoned and asked what it would take to settle the matter. Sankey repeated was that all he wanted was an admission of wrong doing. Saffron said that if that was all then there would be no problem. Sankey believed that the legal

representatives, particularly Rofe and Christie had subsequently got together and drafted heads of agreement based upon the terms of settlement discussed and mutual release for all parties. Sankey recalls that he and Saffron spoke about the matter on a couple of occasions (no details of these discussions provided either).

16. Sankey advised that the disqualification of Leo took him by surprise. He thought that Rofe had spoken to Farquhar in Farquhar's chambers and Farquhar said that he was very much in favour of Sankey's case. Sankey suggested that this was one reason why he did not want Farquhar sitting on the matter. Sankey mentioned other matters which apparently were not borne out upon inquiry.

17. Sankey's reported comments are very vague, but tantalising. His story so far tends to support the story that Anderson is alleged to be able to give. Clearly Sankey should be interviewed and his version of events explored in some detail.

#### Perjury Allegation

18. The DPP have provided a number of folders containing various pieces of information about the association between the Judge and Morgan Ryan. The file marked, 'Francisco' consists of a photocopy of a page of a transcript of the Tapes Commission where Mr Francisco made passing reference to having sighted Mr Justice Murphy in the presence of Ryan on one or two occasions. Another folder described as Bird/McMahon contains an unusual letter from one David Fletcher together with a quite bizarre treatise apparently written by one Anna McMahon (described by Mr Fletcher as the 'very beautiful and talented socialite'). I could not begin to summarise either of those documents. Another folder styled Minter contains a proforma questionnaire together with certain handwritten notes apparently

notes of interview between some unidentified investigator and a former assistant private secretary of Murphy's between the period 1972 and 1975. The information contained in it is very general and in my view quite useless. A further folder marked Halpin contains an article by David Halpin on 'Life with Lionel' in Matilda together with a five page unsigned statement. Whilst containing some very general observations about the frequency of visits by Morgan Ryan to the then Senator Murphy's Office during the period up to 1975 the statement is otherwise useless. The final folder contains a statement by Francis Leslie William Gannell who was on various occasions a bodyguard for the then Senator Lionel Murphy. The statement contains some general comments relating to the frequency of mail from Morgan Ryan and Brock to Senator Murphy and also provides interesting insight into the events leading to deportation of Sala (discussed later). A final file contains evidence of Ryan and the Judge given during the first trial.

#### The Story of Rodney Groux

19. The DPP material included a somewhat butchered photocopy signed statement by Rodney Gordon Groux. Most names in the statement have been whited out and replaced with some form of numbered code. The names can still be read however. Groux says that he was employed in about May 1985 by the Minister of Sport Recreation and Tourism for a period of 4 years. His duties as ministerial advisor were to include assisting and advising on various matters in relation to the Minister's Portfolio.

20. Groux says that whilst employed by Brown he met Lionel Keith Murphy at Woden Shopping Plaza outside premises known as 'Meat City'. Murphy asked him whether he would visit him at his house to discuss a document (unidentified in anyway) Groux said he prepared for Senator Bolkus. Groux says he obtained

personal approval from Brown to visit Murphy and accordingly on the next day (a Sunday) he attended Murphy's residence at Red Hill. Murphy asked whether he would be prepared to assist him by conducting enquiries on his behalf into the various people who had given evidence against him in criminal proceedings in New South Wales. Groux said that he would. Murphy then produced various material to him including a photocopy of diaries he said were those of Mr Clarence Brieese. Murphy said that he obtained the diaries via Mr Mick Young, that they were illegally obtained and that they should be carefully guarded. Murphy explained to him that he regarded the then current proceedings as a conspiracy against him and that the parties to that conspiracy were Mr Temby, Ian Callinan and the Liberal Party.

21. Groux says that Murphy and he, in the presence of Murphy's wife, proceeded to inspect the material produced and attempted to place it in chronological order. Murphy told Groux that he wanted the diaries analysed and investigated in certain areas (unspecified). He said he wanted Mr Brieese and others investigated. After several hours Groux told Murphy that he would arrange for his secretary, Pamela Whitty to collect the material next morning, photocopy it and return it to the Judge. He said he would later contact him to explain how he proposed to proceed with the investigation.

22. The material was apparently collected, copied and returned. Groux later rang Murphy and told him he proposed to dissect the diary and put it into computer programming for cross referencing purposes. According to Groux Murphy was ecstatic and from then rang him often. Groux said he proceeded to dissect the material and input it to the computer. During this time he reported to Brown and told him generally what was going on in relation to the Murphy matter.

23. Groux says that at some stage he travelled to Sydney and booked into Ollims Hotel in Macleay Street, Potts Point. He met with Mr Luchetti, another member of Mr Brown's staff, and delegated to him certain tasks, namely telephone checks and Social Security checks. Groux then travelled to Mr Brown's Electoral Office in Parramatta and was there contacted by Murphy who arranged for Groux to visit him later in the day. He also asked Groux to investigate an accusation supposedly made to Mr Wran that Briese had paid \$20,000 cash for a swimming pool to Mutual Pools. Murphy said that Wran was Acting Attorney-General and was in a position to help. Groux then made some inquiries in relation to the swimming pool matter and interviewed a few people and so on. In relation to the swimming pool matter he approached Mutual Pools in Sydney and confirmed that a pool had been installed by them but could find no evidence of payment of \$20,000 in cash.

24. Groux says that that evening he visited Murphy at his unit at Darling Point, arriving in a commonwealth car. Murphy and his daughter Laurel were present. Murphy and Groux had a discussion about what Groux had done and what Groux intended to do. Murphy was keen for Groux to contact the landscape gardener who had worked on Mr Briese's premises and had previously provided a Statutory Declaration (no description) which Murphy had earlier provided Groux. Groux reported that he had tried to do so but without success. Murphy said that Wran would be arriving shortly. He said that he would introduce Groux to Wran but so far as Groux was concerned there was no relationship between himself, that is Groux and Wran. He also said that when Wran arrived Groux and Murphy's daughter were to go out for a while. Wran arrived and was introduced to Groux. Wran said that if Groux wanted any help to tell Lionel what was required and he (that is Wran) would do his best. Murphy's daughter and Groux then left and later returned to the unit and had a meal with Murphy. Wran had left. Groux later ordered a Commonwealth car and returned to his hotel with Laurel Murphy(!).



25. The next day Groux continued his inquiries, and during the day contacted Murphy and said he was having difficulty because he was not familiar with Sydney. He said he needed a car and Murphy said that he would see what he could do for him. The next day a vehicle (Commonwealth?) was made available to Groux as were two (unidentified) adult males. They took him to various places around Sydney. Groux says that after a few days he decided to conduct enquiries on his own and dispensed with his helpers. He claims he located and interviewed Brieese's gardener and as a result of that interview he did not believe the material contained in the gardener's Statutory Declaration.

26. Groux says he returned to Murphy's premises and detailed what he had been doing (what?). Wran arrived and Groux told him what he had been doing. Wran expressed surprise that Mr Brieese had his direct telephone number. Both then urged Groux to continue his inquiries into Mutual Pools arrangements, Mr Brieese's share transaction (unspecified), Mr Brieese's reputation and Mr Brieese's relations with the media. Murphy urged Groux to pursue these areas as a matter of priority. Groux returned home to Canberra for the weekend and saw quite a bit of Murphy over that weekend generally discussing the investigation. Prior to returning to Canberra Groux said he spoke to Brown by telephone outlining what he had been doing for Murphy and stating that he was not quite happy with the situation. Brown told Groux that if only a small bit of his work could be of benefit to Murphy it would be worthwhile and Groux should continue.

27. Some time later Groux returned to Sydney and continued his inquiries. Groux contacted Murphy who was most insistent that Groux complete his inquiries and give him a result. Inquiries continued for a couple of weeks with constant reference back to Murphy. Groux said he kept Brown up to date

on the inquiries and also on the ministerial work he was doing. Groux said he also saw Wran during this period, the latter urging him to pursue certain (unspecified) select areas of investigations.

28. Groux says that during this period on one occasion Murphy asked him to attend the Banco Court in Sydney and tape record the proceedings of Murphy's case. Groux says he did this and handed the tape to Murphy on the way out of court.

29. Groux says that after court he had a conversation with Mr Luchetti. He told him that he would not pursue his inquiries further as he had decided that Murphy was guilty(!). He thereupon returned to Canberra.

30. On the following Monday Groux was dismissed by Brown ostensibly for failure to disclose his financial difficulties on appointment. Brown told him that Mr Hawke did not want any skeletons in his closet.

31. Groux says this statement had been prepared and taken in a hurry and without access to his records. He claimed that during the period he maintained a diary and recorded many of the events covered in his statement in it. He claimed to also have other records including a copy of Briese's diaries, portions of the Murphy transcript, portions of the Senate transcript and various receipts for car hire and other expenses incurred during this time. He said he was able to produce these on request.

32. Mr Groux should be interviewed and his records analysed in some detail. Certain parts of his story may be verified by Mr Luchetti and Ms Witty.

### The Sala Allegations

33. The DPP provided a number of folders of information relevant to this allegation. The file marked 'Sala Ramon' contains a useful chronology of the events leading to Mr Sala's departure. It would appear to have been taken from various Immigration, Attorney-General's and Police files. Extracts from those files appear in another folder marked 'Sala Analysis'. Included in that folder is the report dated 18 June 1974 from Inspector Dixon to the Commissioner of Commonwealth Police in relation to the matter. In that report Inspector Dixon outlined his suspicions. Possible Saffron/Ryan connection to the matter is outlined in paragraphs 11 and 12 in the report. Sala was accompanied into Australia by his girlfriend Michelle Senannes. During the period of Sala's incarceration Senannes stayed at Lodge 44. She was guarded throughout her stay in Sydney and was seen onto the plane by Mrs Ryan, wife of Morgan. Senannes was not permitted to speak to anybody.

34. Also provided was a copy of the Menzies Report which should be read in its entirety.

35. As previously mentioned there was a statement from a police officer named Gannell in which inter alia he outlined a conversation he had with the Attorney-General in relation to the Sala matter. He said he attended a meeting in the Members' Lounge in Senator Murphy's Parliament House office. Present were Senator Murphy, Assistant Commissioner Davies of the Commonwealth Police and Alan Carmody from Customs. Gannell cannot recall whether other people were present but he had some recollection that Clarrie Harders may have been present. The people mentioned came out of Senator Murphy's private office and sat around in the lounge area discussing the Sala matter. They appeared to be debating whether Sala ought to be deported or charged. During the course of the meeting Gannell was asked

for his view by Senator Murphy. Gannell said he was unaware of the matter and was then given a brief outline of the facts by Senator Murphy. Gannell's recollection is that Customs wanted Sala deported because of the cost of keeping him in jail. His recollection was that the Commonwealth Police wanted Sala detained in Australia because he was a suspected drug trafficker and the police had been unable to prove his correct identity because the passport on which he was travelling was false. He recalled that he thought that Carmody put forward additional reasons for having Sala deported but he could not recall them. Gannell had some recollection that the Attorney-General's Department had put forward the view that the charges were of a minor nature or that they could not be substantiated. He did not know whether that recollection was based on events at the meeting or otherwise. Gannell said that he told Murphy that he agreed with the Commonwealth Police view expressed by Davies that Sala should be kept in Australia. He recalled that the matter was resolved by Senator Murphy agreeing to give the Commonwealth Police a specified period, perhaps about a week to pursue their inquiries in relation to Sala's true identity and any evidence of him being involved in drug trafficking.

36. I must say that at this stage evidence of impropriety by the then Attorney-General in the Sala matter is somewhat lacking. At this stage, I consider its relevance to this enquiry to be questionable.

#### Property Transactions

37. The DPP have also provided some analysis of various property transactions by the Judge, Morgan Ryan and Bruce Miles. From an admittedly brief analysis of this information I can see nothing of significance for this Commission in the various transactions entered into by the Judge.

### The Don Thomas Allegation

38. The DPP have provided three manilla folders relevant to this allegation: files marked "Thomas File A" and "Thomas B" and files marked simply "Davies". Thomas File A concerns a statement by Thomas given on 24 March 1986, apparently for the purposes of the second Murphy trial. That statement does not deal with the conversation which Thomas has elsewhere alleged occurred at the Korean Restaurant in late 1979. Also in that file are various documents relevant to Thomas's actions in the Greek Conspiracy Case. These include the comments by Brown S.M. and later opinions and internal memoranda relevant to the subsequent decision by the Attorney-General not to prosecute Thomas for various matters which arose during the course of the Conspiracy Case. The file styled 'Thomas B' contains the additional evidence relevant to the luncheon at the Korean Restaurant in late 1979, including some "I said, he said" recounting of the conversations which allegedly took place at the lunch. This additional evidence is unsigned. Also in the file are notes of a conference between Thomas, the DPP and counsel wherein the Murphy/Ryan/Thomas/Davies lunch, later Ryan/Thomas lunch and various aspects of Thomas's involvement in the Greek Conspiracy matter were discussed. Finally, the file contains a transcript of the detailed examination of Thomas before the Stewart Tapes Commission. The final manilla folder, the one styled 'Davies', contains a seven page signed statement by John Donnelly Davies.

39. Thomas's evidence of the lunch with Davies, Murphy and Ryan is this. Sometime prior to October 1979 he received a telephone call from a woman who identified herself as the Associate to Murphy. Thomas had never met Murphy. The Associate told Thomas that Murphy would like to have lunch with him when he was next sitting in Sydney and said she would call again when a date could be arranged. About a month or so later Thomas received another call from the Associate who advised him

that the Judge would be sitting in Sydney the next week and asked if Thomas would be available and he said he would. Not long after, Thomas received a third call from the Associate in which the time, date and the Arirang House Restaurant, Potts Point were nominated.

40. On the day of the lunch Davies arrived at Thomas's office in Sydney and informed him that he would be attending the lunch too. Although it was not be unusual for Davies to visit Thomas he generally announced his intention beforehand but did not do so on this occasion. Thomas drove Davies to the Restaurant and Thomas was aware that Davies knew Murphy. When they entered the restaurant they met Murphy who was apparently alone. Murphy said to Thomas, "I hope you don't mind, I have a very old friend joining us. Time is short and I try to have lunch with him whenever I am in Sydney." Ryan then joined them and introduced him to Thomas (Thomas had not previously met Ryan).

41. General conversation then ensued for some time and then Murphy engaged Thomas in conversation while Ryan and Davies conversed together. Murphy told Thomas, "In 1974 to 75 when I was Attorney-General, I was going to form the Australian Police Force. You were earmarked at that time to be an Assistant Commissioner. It didn't go ahead because the Government lost the election". There was some further discussion and Murphy referred to the Greek Conspiracy Case and to criticism that had been made of Thomas in Parliament about it. He said, "The allegations of misconduct made by Senator Grimes are political. It is not a personal thing. There are a large number of Greek voters in the various Victorian electorates and the ALP is seeking their support. Would you like to meet Senator Grimes?. He is not a bad bloke. Then you will understand." Thomas replied, "No thanks". Murphy then said words to the effect "We'll soon be in power again. We need to know what is going on. We need somebody in the Australian

Federal Police. Somebody at the top. If you are willing to do that, we can arrange for you to be an Assistant Commissioner when it is formed. We have friends on both sides." Thomas said, "Look, I'm not a member of any political party. I really don't want to get involved in that way." Murphy said, "O.K. Well, don't make up your mind straight away, think about it." The conversation then turned to other matters. Ryan and Davies had been in conversation with each other while Murphy and Thomas had the above described conversation.

42. The conference notes go on to describe Thomas's explanation of his behaviour during the Greek Conspiracy prosecution. It is worth reading. Suffice to say at this stage that I find his explanation rather hard to believe.

43. Also on the file is a transcript of Thomas's examination before the Stewart Tapes Commission. In the first part of the transcript Thomas outlines the circumstances leading up to and including his luncheon with Morgan Ryan in early 1980. This is the conversation which he and Lamb taped. Thomas considered that the purpose of the meeting was to offer him a bribe in relation to doing something for Dr. Hameiri. Thomas says that that meeting was the first time that he had ever heard the name Dr. Hameiri. Thomas told the Commission that in relation to this episode he made no notes. He said he would have had a notebook but added that he would not normally carry a notebook as a Detective Chief Inspector. In any event he took no note of the conversation even though he considered that he had been offered a bribe in relation to a then current prosecution. Later Thomas was asked again, "But you took it as a bribe. Is that right?" and he said, "I certainly did." He was asked, "Well then, what action did you take?" To which he responded, "None at all." Thomas was asked "Why not". He answered, "Because Inspector Lamb was inquiring, as far as I knew, into organised crime which involved Morgan Ryan and it was then up to him. The whole object of taping the thing was because I did

not trust the man and because Lamb was involved in that area somewhere. His actual duties were not known to me but I'm certain he knew he was involved in that type of investigation, subject directly and working directly to the Commissioner." He was then asked, "In any event, nobody as far as we know took any action on it?" and he responded, "I do not know." Later he was asked whether he made a report to Inspector Lamb. He responded, "No, it would not be my prerogative to make a report to Lamb." He went on to say that Lamb was his junior at the time.

44. Thomas was then led through his evidence on the previous luncheon he had attended with the Judge, Morgan Ryan and Mr Davies. That evidence is broadly consistent with that given later to Mr. Callinan immediately prior to the second Murphy trial. It does however, contain some additional information. For what its worth, the Judge appears to have directed the seating arrangements at the table so that he himself sat next to Thomas while Davies and Ryan were situated at the far end of the table. In relation to Murphy's alleged statement that "we" needed somebody in the new AFP, Thomas assumed that the 'we' referred to the Labour Party, but he was "also a bit conscious of Morgan Ryan being there." Apparently at the meeting Davies and the Judge mentioned that they had been to school together and Thomas had some recollection of that school being Fort Street. Thomas was asked whether Justice Murphy explained how he or anyone else was going to organise Thomas's higher rank in the yet to be formed Australian Federal Police, bearing in mind that Labor was not in government at the time. Thomas said that that was not discussed in any detail at all. There was some conversation about where Labor and Liberal politicians are .opponents in the house but are friends, or can be friends outside (although that conversation may not necessarily have concerned the point of how the alleged promotion of Thomas was to be achieved).



45. Thomas goes on to say that after the meeting he was "inwardly angry" at the offer made by Murphy. He said he told Davies that he could "tell Justice Murphy that he was not interested and more or less the fact that I was disappointed in him." Thomas says that he certainly did not discuss the offer with any other person after the luncheon. He was asked, "From that day to this have you mentioned it to anyone else'," and he responded, "I mentioned it only the other week to Mr Ian Temby and that was because there was an article in the 'Sydney Morning Herald' attributed to the 'Age Tapes', and a report that an Inspector Moller had filed, which intimated that I had been up to something with Davies." He went on to say that that newspaper report was several months previously. However, he had only mentioned it to Mr Temby within the month. (It's not immediately clear to me why Thomas approached Temby when he did). Thomas admitted that he never came forward during the trial at any stage to offer this particular intelligence to anybody. He was asked, "Did it occur to you as an ex-police officer and now a practising barrister that it may have been important to mention it?" and he responded, "No, sir".

46. Davies' version of events is somewhat different. In his statement he said that he had always held Chief Inspector Don Thomas in high regard as an investigator and had felt sorrow at the way in which he was being treated by police dignitaries the time following his handling of the Greek Conspiracy matter. This left him wondering what place there was for Thomas within the police sphere as he was either at that stage a lawyer or about to become one. Davies' medical advisors had told him that he should be pensioned due to hypertension, so he knew he would be leaving the job in the near future. Accordingly, about the end of November 1979 he rang Lionel Murphy (person whom he first met in 1942 and whom he had met infrequently since then) and told him what had happened to him and related the circumstances surrounding Don Thomas. Davies told Murphy that whilst Thomas was not a friend of his, he did feel that he

was being badly treated and would have no future as a police officer despite his academic qualifications. He asked Lionel whether he would be prepared to have lunch with Thomas and him to discuss a possible future in the legal profession. Davies admits to being presumptuous because he had not even consulted with Thomas on this score at this stage. Davies said he did so immediately and Thomas offered no objection to the meeting.

47. About mid-December, Murphy's Associate rang Davies to say a luncheon had been arranged between Davies, Murphy and Thomas at the Korean Restaurant in Kings Cross. Davies said he then rang Thomas and arranged for him to pick him up at Town Hall station and take him to the luncheon. It would appear that Davies phoned Thomas on the morning of the luncheon.

48. Upon arrival, they were met by Murphy and Morgan Ryan. They had lunch. Lionel enquired about Thomas' background and legal achievements in the academic world and from Davies' recollection agreed that he would have a career available as a lawyer should he ultimately feel so disposed. Furthermore, Murphy expressed the opinion that with his qualifications Thomas would seem to have a good future within the Australian Federal Police. According to Davies, Ryan had little or no input into the conversation. Davies says he simply recalls that it was a pleasant luncheon - an informal discussion between Lionel Murphy and Don Thomas arranged at his request because of his apprehension that Thomas would be or had been badly done by by the imported United Kingdom heirarchy. Davies left with Thomas. Thomas drove Davies to the station. According to Davies he has not seen Thomas, Murphy or Ryan, nor has he spoken to them or communicated with them in any way whatsoever since that date.

49. Davies says that he has been asked if he was privy to all that was said at the luncheon. He says that whilst he was certainly present in a group of four people, he was not able to

say that he could give a complete account of what was said since the 'anniversary is in its seventh year'. He says that as he was sitting in a group of four people at the table, he feels he would have heard anything of major importance that was discussed. However, once again the 'restraints of memory apply'. Thomas says that he left Murphy and Ryan in front of the restaurant. On the way to dropping Davies off Thomas expressed concern that solicitor Morgan Ryan was present. Davies said, so did he.

50. Davies says that he was not aware that Morgan Ryan was to be present at the lunch. He admits to having met Ryan previously at Lionel Murphy's suggestion in order to further Davies' determined approach to the State Government to recover a sum of money he had previously paid to the New South Wales Police Superannuation Fund. If anyone should be interested in Davies' saga in recovering that amount they are welcome to read his statement.

51. I make the following observations on the material obtained from the Director of Public Prosecutions relevant to the Thomas allegations. If we assume that the conversation as alleged by Thomas took place, it is not immediately clear what the Judge was seeking to achieve. Was he seeking to have Thomas placed in a particular position within the AFP (in effect to replace Davies) as an informer for the ALP? Or was his approach in asking Davies to contact Senator Grimes - an attempt to bring undue influence on the prosecution of the then current Greek Conspiracy case? It is clear that the Judge made no mention at that mention of Dr. Hameiri at the lunch. Morgan Ryan's allegedly improper approach to Thomas (which was taped) appears to have been made on Dr Hameiri's behalf. It would seem then that the second luncheon is an entirely separate matter from the first (although passing reference was made there to the Greek Conspiracy Case).

52. The second thing that must be said is that Thomas's recollection of his lunch with the Judge is remarkably clear, notwithstanding the fact that several years appear to have elapsed between that event and his first disclosing it to any person in authority. Equally remarkable in my view is the fact that Thomas recorded the events of that meeting nowhere; nor did he bring it to the attention of anybody until a newspaper report seemed to indicate that he was in collusion in some unspecified way with Davies. Even then he delayed bringing it to the attention of Mr Temby. Equally, I find it remarkable that although a definite offer of a bribe appears to have been made at the second lunch, Thomas recorded that event ~~and~~ <sup>nowhere</sup> and indeed let the matter rest entirely. As a very senior officer within the Commonwealth Police, I find his behaviour unusual to say the least. When Thomas' inactivity in these matters is added to his actions in the Greek Conspiracy matter, it can readily be seen that when his allegations are put to the Commission he will be liable to quite vigorous challenge as to his credit.

53. Davies of course provides no support for Thomas. Davies says he suggested the lunch. He may well have, but I do not believe his stated reason for doing so. It defies credulity that he would have arranged a lunch with a member of the High Court (an allegedly casual acquaintance at that) to discuss a future for Thomas ('not a friend') in the legal profession - particularly as Thomas did not solicit Davies' help in the first place.

54. Nor do I think that the events at Thomas' later meeting with Ryan provide any support for his description of the earlier lunch. Contrary to the views expressed in the Callinan/Cowdrey advice, I consider that the tape of the later meeting has no probative value in relation to questions of the Judge's behaviour.

55. In the end, the strength of Thomas' allegation depends very much on how he 'brushes up' as a witness.

Association with Saffron

56. The DPP files contain very little information on this. There is a manilla folder entitled 'James West' which contains a one page unsigned statement by that gentleman. He said that between 1958 and 1978 he was a partner in a hotel in Western Australia with Abe Saffron. He said that about four or five times during that partnership he visited Saffron at his motel, Lodge 44 at Edgcliffe. On one of those visits during which he was accompanied by his wife (a visit which he dates very approximately "in the early 70's") he was sitting having a meal in the dining room on the first floor of Lodge 44 when about two or three tables away he recognised a person also having a meal as being Lionel Keith Murphy. He was alone. He did not speak to him and he could not recall mentioning to Saffron that he had seen him. As far as he was able to say Saffron did not mention to him that Lionel Murphy had stayed at his hotel.

57. I have not as yet seen the material on James McCartney Anderson.

A. Phelan  
24 June 1986

2691A



## National Crime Authority

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3 July 1986

The Secretary  
Parliamentary Commission of Inquiry  
8th Floor ADC House  
99 Elizabeth Street  
SYDNEY NSW 2000

Dear Sir,

I refer to the meeting of 17 June 1986 between Sir George Lush and Mr Justice Stewart, which was also attended by representatives of your Commission and the Authority, regarding information held by the Authority touching upon Mr Justice L.K. Murphy.

The following information is furnished pursuant to the notice dated 30 June 1986 issued under section 13(1)(a) of the Parliamentary Commission of Inquiry Act 1986 and the Commission's requests made pursuant to section 13(3).

1. Relationship between Murphy J. and A. Saffron

The only material on hand which was not supplied to the DPP, apart from that emanating from Mrs Opitz (see 2 and 4), is that contained in an interview by Authority investigators with James West, a former part-owner of the Raffles group. The relevant pages of the record of interview are enclosed as Attachment A. West lives at [REDACTED] in Western Australia.

2. Mrs Rosemary Opitz

Mrs Rosemary Opitz has told Authority investigators that she is prepared to talk to the Parliamentary Commission provided she is introduced to it by Authority Investigators Baker and Reid. She also requested that she not be interviewed at her home and that Baker and Reid be present at any interview. No undertakings as to those conditions were given to her. Opitz has told the investigators that she was introduced to Murphy J. at Saffron's premises at Lenthall Street, Kensington 10 or 12 years ago.

3. James McCartney Anderson

The Authority understands that you have made arrangements to interview this person in New Zealand.

4. Anna Paul

All that is presently known of Anna Paul is information provided by Opitz that Paul was a girlfriend of Murphy J "in the period between his first and second marriages". According to Opitz, Paul is now a resident of England but was recently and may still be in Australia. Again according to Opitz, Paul would be able to confirm the fact that Murphy dined on a number of occasions with Saffron. The Authority is not in a position to arrange an introduction to Paul. It is a matter that the Commission might take up directly with Opitz.

5. Steven Leslie Bazley

The Authority is not in a position to introduce the Commission to Bazley nor is it aware of any information from or relating to him which touches upon Murphy J.

6. 'Age Tape' Witnesses

Enclosed as Attachment B is a list of persons who were attached to the New South Wales Police Bureau of Crime Intelligence and Technical Survey Unit during the periods when Morgan Ryan's telephone conversations were subjected to illegal interception. Some of those persons gave evidence to the Royal Commission regarding conversations involving Murphy J and those are identified in the Attachment. Others who were not questioned regarding the matter may be able to give evidence of such conversations.

7. Specific allegations

Enclosed as Attachment C is a document referring to information obtained by the Authority from the Royal Commission which relates to the 7 items referred to in the schedule to the letter of 25 March 1986 from Mr Justice D.G. Stewart to Mr Justice L.K. Murphy.

Please contact me if you require any further assistance in relation to these matters.

Yours faithfully,

D.M. Lenihan  
Chief Executive Officer

-19-

- JW But er, I fell out with him because he wanted me to do a few bloody things for Abe, and I wouldn't do them, and I wouldn't be in them, no way.
- 197 IR Can you tell us what they were?
- JW No, I don't think I should really.
- 198 IR OK.
- JW No, it was to do with the police force, and I respect the police anyhow.
- 199 Mm. Is he still alive, this Bill Nielson?
- JW Yeah.
- 200 IR Still a policeman?
- JW No, he ... he was retired. He retired er ... Inspector CIB.
- 201 IR Mm. Do you know if Abe Saffron had a replacement in the Police Force for him?
- JW I don't know about that, I wouldn't, I would not be one little surprised about it.
- 202 IR No, but you don't know of it.
- JW No, I don't know if it Ian, no.
- 203 IR Sure, Probably none of us would be surprised, but if we don't know, we don't know.
- JW Yeah, that's true, quite true, yeah.
- 204 IR OK.
- JW Well, Murphy is a, you probably know, Murphy's Abe's man, that's for sure.
- 205 IR Which Murphy?
- JW The magistrate that's up now in all the bloody court
- 206 IR Oh, Lionel Murphy.
- JW Yeah, whatever his name is, I don't
- 207 IR Er, the Judge.
- JW Yeah, the Judge.
- 208 IR Yeah, right. How did that knowledge come to you?



JW I met him over there with Abe. I used to go ..... a year.  
Met quite a lot of people to

209 IR Was that Lodge 44?

JW Yeah, Lodge 44, that's, that's the headquarters.

210 IR Yeah. Did Abe ever talk of his association with Murphy?

JW Oh yes, that's for sure he did, yeah. I met quite a lot of  
the ..... chaps there that ..... from America to. No doubt  
he's involved ..... which, I don't think I've got to tell  
you know that anyhow don't you?

211 IR Oh, yes.

JW See what I mean Ian

212 IR Yes, we know it, for sure. Um, but we need, we need  
specifics.

JW Mm. Mm.

213 IR Can you tell us who those people from America were?

JW No, I couldn't tell you. I know they were top Mafia men,  
anyhow.

214 IR Do you know their names?

JW No, off hand I don't, no.

215 IR No, OK. Are you prepared to tell us of what Abe said of  
his relationship with Murphy?

JW Oh, not really, because er, I didn't know Murphy that well,  
I met him there with Abe, a few times, and um .... what  
they did between themselves, I think Abe pays him and  
that's it. You know he's involved in all the .....  
gambling around bloody Kings Cross don't you?

216 IR Mm. Did it concern you being in business with such a man?

JW Yes, it did concern me .... pretty bloody badly too to,  
well .... I rather respect my family but he didn't like it  
very much .... at all.

217 IR Did it ever annoy him that you were more straight than he  
might desire?

JW Yes, yes it did. Because I think he thought he could ....  
wanted to convert me.

218 IR Yes.

The following is a list of witnesses before the Royal Commission who were attached to the BCI and TSU during the periods that Ryan's telephone conversations were intercepted:

BCI

Anderson	Robert Charles
Aust	Bernard Frederick
Beaumont	Gary William
Brett	Mark Christopher
Cahill	John Edward
Calladine	Anthony Mervyn
Carrabs	Vincenzo Gino
Chambers	Warren Thomas
Champion	Alan Maurice
Choat	Jennifer Anne
Crawford	Ross Maxwell
Donaldson	Leonard Stuart
Dunn	Barry Wentworth
Durham	John Bruce Robert
Egge	Paul Leonard
Finch	Ian Charles
Foster	James Frederick
Francisco	John
Gilligan	Dennis Martin
Harvey	Rodney Graham
Jones	Albert John
Lauer	Anthony Raymond

McDonald	Kevin Edward
McDowell	Geoffrey Neil
McVicar	Brian Roy
Meadley	John Bradford
Morrison	Ross Page
Ogg	Michael Kevin
Owens	Geoffrey Richard
Palmer	John Ferdinand
Pryce	Bruce David
Rudd	Allan Leonard
Schuberg	Geoffrey Esmond
Shelley	Geoffrey
Shepherd	Robert Charles
Slade	George Walter
Sweeney	John Peter
Tharme	Michael
Treharne	Robert Ian
Vickers	Geoffrey William
Walter	Paul Thomas
Wares	Ian Neville
Whalan	Peter David
Wiggins	Ronald David
Williams	Terrence John
Withers	John Fenton
Wooden	James Edward

TSU

Brown



Huber

Johnson

Kilburn

Lewis

Lowe

McKinnon

Slucher

Smith

Stanton

Kevin Robert



Kerri Lynne

Richard Anthony

Roger

John Darcy

Paul Thomas

Warren James

Regby Francis

Grahame Phillip

Warren Sydney

Information available from the Royal Commission material supporting the seven items referred to in the Schedule to the letter of 25 March 1986 from Mr Justice D.G. Stewart to Mr Justice L.K. Murphy

Item 1, Robert Yuen: Casino

This matter is dealt with in detail in Volume Two of the Royal Commission Report at paragraphs 2.31 to 2.51. The references to the source material are in endnotes 40 to 60 on pages 88 to 89. Most of the material has been provided to the Parliamentary Commission. The balance of the material is available for inspection.

Item 2, Luna Park Lease

This matter arises from the supplementary statement and evidence of P.L. Egge which have been furnished to the Parliamentary Commission. Some background information was obtained by the Royal Commission. The facts appear to be as set out below.

On 27 May 1981 the New South Wales Government granted a lease of Luna Park for a term of 30 years to Harbourside Amusement Park Pty Ltd. Luna Park had been occupied for some years by Luna Park (NSW) Pty Ltd, initially pursuant to a lease and later on a tenancy from week to week, until 9 June 1979 when a fire occurred at Luna Park resulting in several deaths. There had been discussions between the Premier's Department and Luna Park (NSW) Pty Ltd concerning a new lease for the area, but no decision had been reached by the time of the fire. After the fire, tenders were invited for the future lease of the area. Originally the tenders closed on 23 November 1979 but on 17 January 1980 the NSW Government announced that all six tenders received had been unsatisfactory but that negotiations were continuing with the Grundy Organisation, which had come closest to meeting the Government's requirements. (TI/384)

On 12 March 1980 an advertisement appeared in newspapers calling for further tenders, the closing date for which was 17 June 1980. An interdepartmental committee was established to assess the tenders. The committee eventually

recommended that the tender, then in the name of Australasian Amusements Associates Pty Ltd, should be preferred. The Directors of Australasian Amusements Associates Pty Ltd included Sir Arthur George and Michael Edgley. The company experienced difficulty in obtaining registration under the name proposed and indicated that a new name would be chosen. In the meantime Australasian Amusements Associates Pty Ltd operated through a shelf company named Balopa Pty Ltd. The name of the company was subsequently changed to Harbourside Amusement Park Ltd which entered into the lease for the area. In 1981 the return of Particulars of Directors lodged at the Corporate Affairs Commission showed that on 7 October 1981 David Zalmon Baffsky a solicitor, was appointed as a director of the company. Baffsky is a member of the Sydney firm of solicitors, Simons and Baffsky, who regularly act for Saffron's companies. In 1982 the return of Particulars of Directors for the Company showed that Samuel King Cowper, a nephew of Saffron, had been appointed Secretary to the company. (TI/384)

There is no apparent reference to these matters in the documentary material, including available transcripts of tapes, or the tapes resulting from the interception of the telephone conversations of Ryan which were obtained by the Royal Commission. Sergeant P L Egge said that he recalled that Ryan had been involved in influencing the grant of the lease. In his supplementary statement Egge said: (Ss.342-343)

There is another matter which relates Saffron which I can't recall. I think this matter was also referred to on the transcripts that I do not precisely recall. After the fire at Luna Park a lease was to be granted the Reg Grundy Organisation. A draft lease was sent to the Grundy Organisation. Saffron then rang Ryan and said that he wanted the lease. Lionel Murphy was contacted by Ryan and requested to speak to Wran. So after this there was an announcement by the NSW Government that the lease was to be reviewed. The lease was then granted to a company which and a name like "Harbourside" of which Sir Arthur was the "front man". Based on the information which I gained from the transcript I believe that this was a Saffron owned or controlled company. Saffron's companies were incorporated by the same firm of solicitors. I cannot now remember a name of the firm. Some of these matters would not find there way onto the CIB dossier on Saffron as they were regarded as "too hot".

When giving evidence before the Commission, Egge said that the source of the information contained in his supplementary statement was the transcript of conversations intercepted on Ryan's telephone.

(E.854) He also said:

Well, in relation to it, Abe Saffron rang Morgan Ryan and said he would be interested in gaining the lease for Luna Park and Morgan Ryan said to Abe that it is going to the Reg Grundy organisation and Abe said, "Well, I want the lease". As the result of the conversation Morgan Ryan again got in contact with Mr Justice Lionel Murphy ... Mr Justice Lionel Murphy said, "leave it with me" and then after a short time Mr Justice Lionel Murphy rang back Morgan Ryan and said that he had spoken to Neville - only refer to as Neville - and said that he's going to try and make some arrangements for Abe to get the lease and either the next day or shortly therein after Mr Wran said that the Government is going to review the lease to Luna Park and a decision on the lease would be made by the Government within seven or fourteen days. I'm not sure of the period. (E.854-55)

When asked for the name of the solicitor to whom he was referring in his supplementary statement as regularly appearing for Saffron, Egge said that he could not remember clearly, but that the name Baffsky was familiar. Egge's allegation that Sir Arthur George was the 'front man' for a company in which Saffron had an interest was based, according to Egge, upon information contained in a BCI file that Sir Arthur George had been seen in Saffron's company and upon Egge's own research which he said he conducted into companies in which Saffron had a silent interest. In his original statement (S.538-545) Egge had explained that on his transfer to the BCI on 14 September 1979 he was utilised as a collator and analyst. Among the material available to him was a file of about 500 pages of transcript of intercepted telephone conversations involving Ryan, to which he frequently had reference as it 'formed the basis of Organised Crime in NSW'. It should be noted that although it may appear on a reading of Egge's evidence that he actually heard some telephone conversation as they occurred, this was not the case. (see E854)

The information provided by Egge emerged after the majority of material witnesses had given evidence and the Royal Commission did not recall those witnesses to establish whether they had any recollection of the conversations described by Egge. Two witnesses who followed Egge, however, said they recalled similar conversations.

Sergeant R I Treharne recalled similar but not identical conversations which he said he had listened to on tapes resulting from the interception of Ryan's telephone conversations. He had joined the BCI in January 1980 and had attended the offices of the TSU from time to time to transcribe tapes of conversations intercepted on Ryan's telephone service.

(S.428-9, Ss.251) When he gave evidence and was asked whether he remembered any such conversations as described by Egge, he said that he recalled that there was 'a fair amount of discussion as to gaining control of that lease'. He said that the discussion was between 'Saffron, Morgan Ryan and Jury - although I am unsure (of) Jury's participation'. (E.1011)

His comment on Eric Jury arose because he had referred to him earlier as being a party to suspicious conversations with Ryan. Treharne was unable to recall the conversations relating to Luna Park with any precision and said 'I know there were a number of conversations about it and Morgan Ryan felt that he could swing the lease'. He was unable to recall any other person with whom Ryan spoke by telephone concerning the Luna Park matter. (E.1012)

The other witness who said that he recalled the matter was former Sergeant M K Ogg who left the NSW Police to conduct his own business in 1982. Ogg had been a member of the BCI from February 1975 (Ss.319-324) and had typed transcripts of the intercepted telephone conversations of Ryan. Ogg said that he recalled conversations involving Ryan and the lease of Luna Park. He said he had either heard tapes or had read transcripts of the conversations. His recollection was that Ryan was trying to make representations to get the lease for a friend of his. He said that the friend's name was 'Colbron or something like that'. Although he was unable to be precise, he said that he had a 'feeling' that Ryan had made representations to Mr Justice Murphy. When asked for his recollection of any conversations, he said:

I cannot possibly actually recall the exact conversation on what he was going to do but I remember along those lines that were going to try and get the government to agree to this Company receiving the favour and getting the license for Luna Park.  
(E. 1208)



'Colbron' may have been a reference to a solicitor, Warwick Colbron, who practised as Warwick A J Colbron, Hutchinson and Co at Bilgola Plateau. (Warwick A J Colbron, Hutchinson and Co were involved in attempts to procure a contract for the redevelopment of the Central Railway site (see Item 3).) After the tenders for Luna Park were first called, the tender from the Grundy Organisation was given qualified approval and negotiations that followed were conducted in the main on behalf of the organisation by Colbron. Correspondence was received by the Minister for Public Works from him on 16 April 1980 confirming that the group would be retendering. He again wrote on behalf of the Grundy Organisation on 23 May 1980, but when the successful tender, which was then in the name of Australasian Amusements Associates Pty Ltd, of June 1980 was received by the Government, Colbron was shown on the development proposal documents as one of 'The Development Team'. (TI/384).

If the conversations occurred, it is probable they would have taken place in January, February, March or April of 1980, for which period the Ryan transcript material is obviously incomplete. The major part of the material available for that period is the summaries prepared by Sergeant B R McVicar. The summaries commence with a reference to conversation on 7 February 1980 and then appear to be continuous until 24 February 1980, whereupon there are no references to any conversations until 9 March 1980, from when they appear to be continuous to 10 May 1980. McVicar was not recalled to give evidence of his knowledge of any such telephone conversations. Former Sergeant J B Meadley, who spent considerable time while he was attached to the BCI involved in surveillance of Ryan and who had heard tapes of Ryan's telephone conversations at the TSU from time to time, had no recollection of hearing any references in the Ryan conversations to Luna Park. (E.1083)

Documents obtained by the Royal Commission from NSW Government Departments relating to the lease are available for inspection.

Item 3, Central Station

This allegation also arises from the supplementary statement and evidence of P.L. Egge, copies of which have been furnished to the Parliamentary Commission. The Royal Commission conducted some preliminary inquiries into the matter. The facts appear to be as outlined below.

In 1977 the Public Transport Commission of NSW invited proposals for the redevelopment and modernisation of Central Railway Station. The closing date for submission of proposals was 7 September 1977. On the following day the general manager of the Property Branch of the Commission, A T Clutton, submitted a report on the proposals for consideration by the Commission. He advised that the proposal submitted by Commuter Terminals Pty Ltd was the preferred of only two proposals which in any way approached the requirements of the Commission. On 12 September 1977 the Commission decided to deal exclusively with Commuter Terminals for a period of 12 months with a view to negotiating a firm lease, subject to satisfactory evidence being produced that funds were available for its proposal. (TI/0372)

On 25 October 1977, the Premier of NSW, the Hon. N.K. Wran, Q.C., M.P., wrote to the Minister for Transport, Mr Peter Cox, stating that he was in agreement with the desirability of proceeding with plans to modernise and redevelop Central Station. In the letter he suggested that any public announcement not refer to the identity of the potential developer. Mr Wran agreed also with the proposal by Mr Cox that the project be considered by a committee of officers representing the Public Transport Commission, the Ministry of Transport, the Premier's Department and the Treasury. He also said that he preferred to wait until the committee had the opportunity of making recommendations before negotiations with Commuter Terminals commenced. (TI/0372 Folio 7)

The interdepartmental committee had several meetings in 1978. On 18 August 1978 the Minister for Transport advised the Premier that the interdepartmental committee recommended that the Commission be authorised to pursue the matter further with Commuter Terminals to establish the full extent of the company's proposals. On 31 August 1978 the Premier agreed with this recommendation.

On 13 September 1978 Clutton wrote to Messrs Warwick A J Colbron, Hutchinson and Company, the solicitors who had submitted the proposal on behalf of Commuter Terminals Pty Ltd, advising that authority had been given to pursue the matter further with the company. Contact between Clutton and Colbron is recorded in the diaries of Clutton obtained by the Nugan Hand Royal Commission (#009547). In 1979 and 1980 discussion continued with Commuter Terminals Pty Ltd, but in the meantime the interdepartmental committee had resolved that the Public Transport Commission should undertake a modified program of refurbishment. On 18 September 1980 the State Rail Authority wrote to Messrs Warwick A J Colbron, Hutchinson and Co to inform them that it had been decided that the Authority itself would undertake a program of restoration at the station. In the end result, Commuter Terminals Pty Ltd received no contract for any part of the work eventually carried out. The proposal of Commuter Terminals Pty Ltd disclosed that it was merely a corporate vehicle to unify a group comprising John Andrews International Pty Ltd, A W Edwards Pty Ltd and Warwick A J Colbron, Hutchinson and Company. (TI/0372 Folio 52)

When giving evidence Egge told the Commission that he recalled this matter because it was discussed in the conversations contained in the transcripts of Ryan's intercepted telephone conversations. He said:

there was no announcement of anybody getting the contract but Abe rang up and said to Morgan Ryan that he would like the contract to remodel Central Railway Station. Apparently tenders were being called for the remodelling of Central Railways Station and Morgan Ryan got in contact with Mr Justice Lionel Murphy and arrangements were made for Abe Saffron to get the contract ... Morgan Ryan contacted - after receiving the phone call from Abe Saffron he contacted Mr Justice Lionel Murphy and Mr Murphy said "leave it to me" and I am not sure whether it was a short time or a week later or a day later or when that Mr Murphy rang back and said that the contract would go to Abe Saffron. (E.858)

Egge stated that he was confident that the particular incident could be corroborated by other police who had had access to the tapes or transcripts. A number of police witnesses who had been involved in the Ryan interception had already given evidence and they were not recalled in order to ascertain their particular knowledge of any such conversations. However, Sergeant R I Treharne, who gave evidence after Egge, said that he recalled similar conversations which he had heard at the time on tape recordings of Ryan's intercepted telephone conversations. Although Treharne had made no reference to the matter in his statements, when asked while giving evidence whether he remembered any conversation conducted on Ryan's telephone concerning a contract for the renovation of Central Railway Station, he said:

Similarly, there was a matter of discussion between some close associates of Ryan including Saffron and I believe there was an intention by Ryan to speak to somebody to persuade the Premier to assist in that regard, and I think it was a redevelopment of the Central railway site and they wanted to gain control of the leasing. (E.1012)

Treharne said that his recollection of the outcome of the conversations was that they were not successful, although he could not be sure of that. When asked whether he could recall any other subject being discussed on Ryan's telephone, which had not appeared in the material which had been shown to him, Treharne said:

Only my recollection of him talking in general terms to Mr Justice Murphy and either asking him to inquire through his contact with the Premier of a particular item, or that Morgan Ryan would bump into the Premier at the races and perhaps talk to him, but I have no recollection of what the actual matter was (E.1012)

In Volume TIC, the summaries prepared by Sergeant B R McVicar, at page 180 in an entry noted as being from a tape of 31 March 1980 the following appears:

Morgan rings Eric Jury ... Morgan will be seeing 'Nifty' in a week (Nev Wran) talk about Nifty having a son which they did not know about. Talk about the big Central Complex and a solicitor doing the submission, Solicitor's name is Colbron, Morgan will help to get it through for a fee. Talks about Sir Peter Able trying to get in on the act. Worth reading in full see page (1) tape 95. (T1C/180/42)

In an entry said to be from a tape of 3 April 1980 in the same material the subject seems to be mentioned again:

Lional Murphy rings Morgan. They talk about the new Central Railway Complex, Lional is very guarded with his talk and during the talk Commuter Terminal Pty Ltd is mentioned together with the word champagne. Worth reading in full (page 2) tape 98. (T1C/182/66)

An entry for 5 April 1980 records 'Eric Jory rings Morgan Ryan and they discuss in length the new Central Railway Complex. Also the company involved'. (T1C/183/50)

In the entries for the following two days, references are made to conversations between Ryan and Jury which may relate to the same subject. In an entry for 6 April 1980 the following appears:

Morgan rings Eric Jury. Discuss meeting between Morgan and Wran at the races and his warm reception. Further that Wran might see Morgan again at the races. Talk about some business deal that "Abe" will have to say in the background complain about Abe being a slow payer. They agree Wran is not a crook, not game, Wran worked out a deal with Murdock for his support. (TIC/183/73)

In an entry for 7 April 1980, the following appears:

In from Eric Jury to Morgan, race talk, Morgan met Wran at the races and he is now overseas. Eric wants Morgan to get onto Wran about the inquiries to which Morgan replied that everything was all right. (TIC/184/14)

Again in an entry for 8 April 1980 the matter could have been the subject of discussion between Ryan and Jury, in that the entry is in the following terms:

Into Morgan from Eric Jory, they talk about Morgan getting into Nifty Nev (Wran) about the contract. It's suggested that Nifty drop the matter if their mob does not get the contract. (TIC/185/12)

There do not appear to be any further references in the material to conversations concerning this matter.

It should be noted that the Royal Commission expressed reservations concerning the reliability of the McVicar summaries (Volume One paragraph 14.72; Volume Two paragraphs 2.60, 2.84, 2.105, 2.267) and the evidence of Egge (Volume Two paragraph 2.83). The Commission, in general, was not convinced that any of the transcript material in its possession was wholly accurate (see Volume One paragraphs 14.68-14.71).

Documents obtained by the Royal Commission from the State Rail Authority are available for inspection.

Item 4, Milton Morris

This matter is referred to in Volume Two of the Royal Commission Report at paragraphs 2.78 to 2.94. The source material is referred to in endnotes 89 to 108. Material which has not previously been provided to the Parliamentary Commission is available for inspection.

Item 5, Wadim Jegerow

This matter is referred to in Volume Two of the Royal Commission Report at paragraphs 2.72 to 2.77. The source material referred to in endnotes 81 to 88 has been furnished to the Parliamentary Commission.

Item 6, Lewington/Jones

This matter is referred to in Volume Two of the Royal Commission Report at paragraphs 2.296 to 2.303. The source material is referred to in endnotes 342 to 345. Material which has not been furnished to the Parliamentary Commission is available for inspection.

Item 7, D.W. Thomas

This matter arises from the statement and evidence of D.W. Thomas. It was not further investigated by the Royal Commission as it had little to do with the subject of the Royal Commission's inquiry and because of the considerations mentioned in the Commission's report at paragraph 2.43 of Volume Two. A copy of the statement and evidence of Thomas has been provided to the Parliamentary Commission.

Extract from Weinberg/Phelan Memorandum  
dated 3 July 1986 (full copy on File C51



## ALLEGATION NO. 1

### Statement of Offence

In or about December 1979, the Judge attempted to bribe a Commonwealth Officer contrary to the provisions of Section 73 sub-section (2) of the Crimes Act 1914.

### Particulars of Offence

In or about December 1979, Donald William Thomas, a Detective Chief Inspector of the then Commonwealth Police in charge of the Criminal Investigation Branch for the New South Wales region, attended a luncheon at the Arirang Restaurant in Kings Cross Sydney at the invitation of His Honour Mr Justice Murphy. Also present at that lunch were John Donnelly Davies, the Assistant Commissioner, Crime of the Commonwealth Police in Canberra, and Mr Morgan Ryan, Solicitor. During the course of the luncheon, the Judge spoke to Thomas regarding a Social Security conspiracy case in which he had been involved. Particulars of that conversation are set out in the attached statement of Thomas dated 3rd of December 1985. Further particulars of this conversation are set out in the confidential transcript of the Testimony given by Thomas before the Stewart Royal Commission on 3rd of December 1985 pages 3279 to 3296 inclusive copies of which are attached. There was also discussion between the Judge and Thomas about the possibility of Thomas fulfilling a particular role within the soon to be created Australian Federal Police. The Judge said to Thomas "We need somebody inside to tell us what is going on". He followed that with the suggestion that in return for fulfilling this role, the Judge would arrange for Thomas to be promoted to the rank of Assistant Commissioner. Details of that conversation are also set out in the statement and transcript referred to earlier.

Manner in which the case is put

Section 73 (3) provides: "In this Section; "bribe" includes the giving, conferring or procuring of any property or benefit of any kind in respect of any act done or to be done, or any forbearance observed or to be observed, or any favour or disfavour shown or to be shown in relation to a matter arising under a Law of Commonwealth or of a Territory or otherwise arising in relation to the affairs or business of the Commonwealth or of a Territory;

"Commonwealth Officer" includes a person who performs services for or on behalf of the Commonwealth, a Territory or Public Authority under the Commonwealth."

It is alleged that the Judge offered Thomas at least two benefits within the meaning of Section 73 sub-section 3:

- a. an invitation to meet his parliamentary critic in order to allay his concern about the constant attacks to which he was being subjected in relation to the Greek conspiracy; and
- b. the position of Assistant Commissioner in the soon to be formed Australian Federal Police. In return, it is suggested, the Judge made it clear to Thomas that he would be expected to keep the Judge's associates (presumably the Labor Party) informed of what was going on in the Australian Federal Police in a way which could not be done through proper avenues of communication.

Evidence to be obtained

The following witnesses will be called:

1. Thomas
2. Davies
3. Morgan Ryan

It will also be necessary to consider whether any evidence is to be led of the subsequent meeting between Thomas and Morgan Ryan in February 1980. If that evidence is thought relevant to the allegation against the Judge, a transcript of the tape recording between Ryan and Thomas should be supplied to the Judge. In addition, a statement should be obtained from Inspector Lamb. Any summons which is issued to these witnesses should include in its terms the requirement that they produce any diaries, notebooks, or memoranda which might contain matters relevant to these incidents. A separate summons should be directed to the Australian Federal Police in respect of any such documents which might have been handed to them by any of these police officers (in particular Davies) at the end of his period of office.

It appears that the Australian Federal Police are currently investigating the possibility of charging Morgan Ryan in relation to the events of February 1980. It would be desirable to obtain any file notes or other working documents which the Australian Federal Police have raised in relation to that investigation. A statement should also be obtained from His Honour's associate at the relevant time to see whether the account given by Thomas can be corroborated, at least as to the invitation. In addition one should examine the evidence given by Thomas during the course of the second Murphy trial, and the unsworn statement of His Honour dealing with that point. We should also put into this file the statement that has been

obtained by the DPP from Davies which seeks to explain the events from his point of view. Finally, it is understood that Morgan Ryan was questioned about the Thomas luncheon or luncheons before the NCA. The transcript of that evidence should be put into this file as well. It appears that the NCA have photocopies of certain diary entries in Morgan Ryan's diaries (which Ryan claims to have since lost). We must obtain the copies of those entries.

0003M

# DPP

**Sydney Office**

**Director of  
Public Prosecutions**

388 George Street  
Sydney NSW 2000  
GPO Box 4413  
Telephone 02 226 9666  
Facsimile 02 226 9684  
Telex 74531-DX 1398

20 June 1986

Your reference:

Our reference:  
SG85/1178

JD  
The Secretary  
Parliamentary Commission of Enquiry  
8th Floor  
ADC House  
99 Elizabeth Street  
SYDNEY NSW 2000

Attention: Mr David Durack

Dear Mr Durack

I refer to our meeting yesterday and subsequent telephone conversation and enclose a copy of the advice of Messrs Callinan QC and Cowdery dated 13 April 1986.

I also enclose a copy of the exhibits tendered by the Crown at the retrial before his Honour Mr Justice Hunt. I am in the process of identifying the exhibits at the trial and committal and should be able to forward these to you next week.

Yours faithfully

BRYAN ROWE  
Senior Assistant Director

Encls.

Mr Ross

→ CI please

391A

RE: LIONEL KEITH MURPHY

MORGAN JOHN RYAN

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Crimes Act 1914: Sections 86(1)(a) and 73(2)

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JOINT ADVICE

We have been asked to advise whether or not evidence exists of the commission by the abovenamed of an offence against sections 86(1)(a) and 73(2) of the Crimes Act 1914 or the commission of a substantive offence by either or both of them.

The question has arisen as a result of a conference held on 10 April 1986 with Donald William Thomas, a former officer of the Australian Federal Police and now a practising Barrister in Sydney, in relation to evidence to be given by Thomas in the forthcoming trial of Lionel Keith Murphy. This was the first time we had conferred with Thomas and we are instructed that it was the first time any officer of the Director of Public Prosecutions had the opportunity to discuss his evidence with him.

We would have liked to have been able to advise on 11 April 1986 but other commitments have delayed submission of this Advice until today.

The Evidence

Thomas is able to give evidence of two events which occurred late in 1979:

1. At that time Thomas was a Detective Chief Inspector in the Australian Federal Police in charge of the Criminal Investigation Branch for the N.S.W. Region. He was based in Sydney. His immediate superior was Assistant Commissioner John Donnelly Davies. He in turn was answerable to the Commissioner.

On a day prior to October, 1979 Thomas, in his office in Sydney, received a telephone call from a woman who identified herself as the Associate to Mr Justice Murphy. Thomas had never met Murphy. The Associate told Thomas that Murphy would like to have lunch with him when next he was sitting in Sydney and said she would call again when a date could be arranged.

About a month or so later Thomas received another call from the Associate who told him that the Judge would be sitting in Sydney the next week (or in the near future) and asked if Thomas would be available. He said he would.

Not long after, Thomas received a third call in which the time, date and place (being the Arrirang House Restaurant, Potts Point) were nominated.

On the day of the lunch Assistant Commissioner Davies came to Thomas' office and informed him that he would be attending the lunch too. (We interpolate that Davies had known Murphy for many years. Further, it was not uncommon for Davies to visit Thomas, but he usually announced his intention beforehand). Thomas drove Davies to the restaurant.

When they entered the restaurant they met Murphy, who was there alone. Murphy told Thomas:

"I hope you don't mind. I have a very old friend joining us. Time is short and I try to have lunch with him whenever I am in Sydney".

Ryan then joined them and Murphy introduced him to Thomas. (They had not previously met).

There was general conversation at the table for some time, then Murphy engaged Thomas in conversation while Ryan and Davies conversed together. Murphy told Thomas:

"In 1974-75 when I was Attorney-General I was going to form an Australian Police Force. You were ear-marked at that time to be an Assistant Commissioner. It didn't go ahead because the Government lost the election".

There was some further discussion and Murphy referred to the so-called Greek Conspiracy case (of which Thomas was in charge) and to criticism that had been made of Thomas in Parliament because of his involvement in it. Murphy said:

"The allegations of misconduct made by Senator Grimes are political. It is not a personal thing. There are a large number of Greek voters in the various Victorian electorates and the ALP is seeking their support. Would you like to meet Senator Grimes? He is not a bad bloke. Then you will understand".

Thomas replied:

"No thanks."

Murphy then said words to the effect:

"We'll soon be in power again. We need to know what is going on. We need somebody in the Australian Federal Police - somebody at the top. If you are willing to do that we can arrange for you to be an Assistant Commissioner when it is formed. We have friends on both sides."

Thomas said:

"Look, I'm not a member of any political party and I really don't want to get involved that way".

Murphy said:

"Okay. Well, don't make up your mind straight away. Think about it."

The conversation turned to other matters. Ryan and Davies had remained in conversation during the above exchanges.



2. About a month later Thomas was invited to lunch at the same restaurant by Ryan. It was the next contact Thomas had with him. Thomas wore a transmitting microphone device, the transmissions being recorded on tape nearby by two other Australian Federal Police officers. At the beginning of their conversation Ryan said:

"The good news first. That mate of mine that we had lunch with, gee, that's straight" [apparently a reference to something else] "nothing was said of course but he said to tell you that he's there if ever you wanted to know anything".

Thomas said:

"Oh yeah - what over? This Greek thing?"

Ryan said:

"Yeah."

Thomas said:

"Yeah, I think I'm coming out of that alright."

Ryan said:

"Well, that's what I would have said."

There was then further conversation about the Greek case and other matters were discussed during lunch which, we comment in passing, clearly amounted to an attempt by Ryan to bribe Thomas. (It perhaps should be noted that Ryan's firm was acting for a principal defendant in the Greek prosecution. Thomas was not aware of that).

The conversation on this occasion was recorded. This was done lawfully, one party to the conversation consenting to it. (The events occurred before the enactment of the Listening Devices Act, 1984). The tape (or a copy of it) exists, the voices can be identified and Thomas authenticates the conversation recorded on it. It is therefore admissible in evidence (subject to the relevance of its contents).

The Law

Section 86(1)(a) of the Crimes Act was, at the relevant time, in the following terms:

"A person who conspires with another person -  
(a) to commit an offence against a law of the Commonwealth ...  
shall be guilty of an indictable offence."

Section 73(2) provided:

"Any person who bribes or attempts to bribe any Commonwealth officer shall be guilty of an offence"

Section 73(3) was as follows:

"In this section:-

'Bribe' includes the giving, conferring or procuring of any property or benefit of any kind in respect of any act done or to be done, or any forbearance observed or to be observed, or any favour or disfavour shown or to be shown, in relation to a matter arising under a law of the Commonwealth or of a Territory or otherwise arising in relation to the affairs or business of the Commonwealth or of a Territory;

'Commonwealth Officer' includes a person who performs services for or on behalf of the Commonwealth, a Territory or a public authority under the Commonwealth."

The essence of the offence of conspiracy is an unlawful agreement. In the absence of direct evidence of agreement, the offence is customarily made out by proving acts done by the conspirators which are referable to and probative of an antecedent unlawful agreement.

Analysis of the Evidence:

At the first lunch it may be said that Murphy offered Thomas at least two benefits: first, an invitation to meet his parliamentary critic in order to allay his anguish about the constant attacks to which he was being subjected about the Greek matters; and secondly, the position of Assistant Commissioner in the soon-to-be-formed Australian Federal Police. In return, Murphy made it clear that Thomas would be expected to keep Murphy's associates (presumably the Labor Party) informed of what was going on in the Australian Federal Police in a way which could not be done through proper avenues of communication; and (perhaps) to act according to the wishes of those persons in carrying out his official functions.

This was done after an indication that Murphy had previously singled out Thomas for advantage but had been prevented by later events from awarding it.

Both benefits were rejected, but Thomas was told to think about it.

Ryan's initial conversation at the second lunch contains a reference to Murphy and to his conversation with Thomas (in which Ryan had not participated). He carries a message from Murphy that, in effect, the offers are still open. He recalls to Thomas' mind the offer made by Murphy. He indicates, when questioned, that he is aware that Murphy and Thomas discussed the "Greek thing."

Ryan could only have known of that conversation between Murphy and Thomas by:

1. discussing it with Murphy before it occurred;
2. discussing it with him after it occurred; or
3. overhearing it.

The first and second means would join Ryan in an agreement at the appropriate time with Murphy to offer to Thomas the benefit of talking to Senator-Grimes; the third may not, but it is inconsistent with Ryan's saying: "he said to tell you ..." and thereafter adopting the reference to the "Greek thing".

If the first proposition is valid, then there was an agreement before the offer was made at the first lunch. If the second is valid, then there was an agreement after the first but before the second lunch. In either event, if the agreement was unlawful, the evidence of Ryan's words would be admissible against both Ryan and Murphy.

Opinion:

Thomas' evidence of his conversation with Murphy is uncorroborated. His evidence of his conversation with Ryan is corroborated by the tape recording. That evidence (the tape) is practically irrefutable and would have a decisive effect on any tribunal in any proceedings in which it were led.

The elements of the substantive offence against Section 73(2) include:

1. the procuring;
2. of a benefit of any kind;
3. in respect of;
4. any favour to be shown;
5. in relation to a matter ... arising;
6. in relation to the affairs or business of the Commonwealth.

The unsuccessful offer of a relevant benefit would constitute an attempt to bribe.

An agreement to bribe in such a fashion would constitute a conspiracy to commit the offence.

In our view the evidence clearly establishes the commission of an offence by Murphy of attempting to bribe Thomas at the first lunch. Adopting the elements of the offence it may be said that Murphy offered to procure for Thomas a promotion in return for (at least) information (given as a favour) in relation to matters arising in relation to the affairs or business of the Australian Federal Police (which was to be a continuation of and successor in title to the Commonwealth Police Force of which Thomas was a member). No further exposition of this view is thought necessary.

In addition, in our view the evidence is well capable of supporting an inference that Murphy and Ryan agreed to offer to procure a benefit for Thomas. This view depends upon the inference being drawn from the initial conversation by Ryan (his adoption of Thomas' reference to the "Greek thing" in the context of his passing on the message from Murphy) that at the time of the second lunch Ryan knew what Murphy had discussed with Thomas at the first lunch (including the offer of promotion). We think this inference can be drawn from the terms of the conversation between Ryan and Thomas, Ryan's position as a friend of Murphy and his presence at the first lunch and with Murphy after Thomas had left.

Perhaps the words in Ryan's conversation: "nothing was said of course" are also capable of showing that Ryan was doing more on that occasion than innocently relaying a message from Murphy to Thomas.

For similar reasons it may be argued that there is evidence that Ryan also has committed an offence of attempting to bribe Thomas by adopting and pressing the earlier offer made by Murphy - regardless, of course, of the clear offence that Ryan then went on to commit on his own.

Other Considerations:

The time at which these matters have been raised for consideration is naturally of some concern. The re-trial of Murphy is due to commence on 14 April 1986.

In the ordinary course a charge should be laid immediately when proper evidence of an offence satisfying the appropriate tests comes to light (subject to special considerations which might also apply).

We consider that the Director of Public Prosecutions is presently in possession of all the material he needs in order to commence proceedings or recommend their institution. Little, if any, further investigation would be required before a hearing.

It often happens, as we understand it, that persons being dealt with for criminal offences are charged with additional matters. There does not appear to be a practice that one set of proceedings must be concluded before any further charge is laid. There does not seem to us to be any reason why Murphy and Ryan should be treated in any special way in this respect.

It would seem to us to be wrong to delay consideration of charging for these offences. However, in view of the prejudice which would undoubtedly flow to Murphy in his re-trial if he were to be charged now, it may be advisable to delay the laying of informations until after his trial. Regrettably, whatever the result of the trial, criticism will undoubtedly be made of that course but we see no reasonable and proper alternative. If the evidence had come to light earlier then different considerations would have applied.

We are of the view, however, that there is no sufficient reason why Murphy and Ryan should not be charged with conspiracy. It would remain open for a committing magistrate to consider any additional substantive offences.

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I.D.F. Callinan Q.C.

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N.R. Cowdery

13 April 1986



# ROYAL COMMISSION OF INQUIRY INTO ALLEGED TELEPHONE INTERCEPTIONS

Commissioner: THE HON MR JUSTICE D. G. STEWART  
Acting Secretary: K. E. RANSOM

G.P.O. Box 7060  
Sydney, N.S.W. 2001  
Australia.  
Telephone: (02) 265 7255

25 March 1986

PRIVATE AND CONFIDENTIAL

The Honourable Mr Justice L.K. Murphy,  
The High Court of Australia,  
PARKES ACT 2600.

Dear Judge,

As you would be aware, I have been commissioned by the Governments of the Commonwealth, New South Wales and Victoria to inquire into certain alleged unlawful telephone interceptions in New South Wales and, in particular, whether there exists information or material that discloses the commission or the possible commission of criminal offences.

Included in the material which has been produced to the Commission is a quantity of documents which purport to be transcript, summaries and other records of intercepted telephone conversations. There are also some tape recordings which purport to record telephone conversations. Among these are conversations which apparently were intercepted while passing over the telephone system to and from the telephone service situated at the home of Mr Morgan John Ryan.

The Commission has had produced to it a number of statements and records of interview and has heard a considerable amount of evidence in relation to these alleged conversations. Some of the conversations appear to be conversations between Ryan and yourself or conversations between Ryan and others in which reference is made to yourself. Witnesses before the Commission have stated that they have knowledge of other conversations between Ryan and yourself which are not recorded in the documents and tape recordings of conversations.

Where the Commission has received evidence of conversations which suggest possible criminal activity and where the matter is of significance the Commission has, subject to certain constraints, sought evidence from the persons who could be expected to have knowledge of these conversations or the matters referred to therein. It is to be expected that the Commission will be obliged to make some reference to such conversations in its report albeit in a confidential section thereof.

000010



The Commission would, in the ordinary course of events have sought to hear evidence from you in relation to some conversations purporting to be between Ryan and yourself and Ryan and others. However, as you are presently awaiting trial in the Supreme Court of New South Wales in a criminal matter and as that matter may raise questions of your association with Ryan the Commission has decided, having regard to section 6A(3) of the Royal Commissions Act 1902 and the decision of the High Court in Hammond v Commonwealth of Australia and Others (1982) 42ALR327, to invite you to make such response as you see fit in relation to the material set out in the schedule accompanying this letter.

It should be understood that as presently advised the Commission does not propose to invoke any of its powers in order to obtain from you a response. If you choose to respond you may do so by letter, written or verbal statement, sworn evidence or some other method elected by you. If a written document is furnished by you the Commission would wish to have some verification of the fact that the document is genuine. If you choose to give evidence that evidence would, consistently with the Commission's practice to date, be given in camera. You will be aware that there are certain protections afforded to witnesses under the legislation governing the conduct of this inquiry.

As indicated above the items in relation to which your comments are invited are set forth in the schedule attached to this letter. Each item does not necessarily involve an allegation of possible criminal activity by you. It should not be assumed that the material set out in the schedule is evidence which has been accepted by the Commission, nor should it be regarded as a verbatim account of the evidence of any particular witness or a verbatim extract from any document. Each item represents an attempt to set out the substance of the more important material which concerns you.

Item 7 does not arise from a telephone conversation but was the subject of direct evidence given by a witness who was called in respect to a related matter.

As the Commission is required to report to the commissioning Governments by 30 April 1986 I should be grateful if you would let me have a reply by 4 April 1986.

Yours sincerely,

Mr Justice Stewart

000009



Commission to the Hon. Mr Justice L K Murphy 25 March 1986

SCHEDULE

Item 1:

In April 1979 you had a telephone conversation with Ryan. In the conversation reference was made to Robert Yuen who was then living near your residence at Darling Point.

You said that Yuen had complained to you regarding an alleged casino that he, Yuen, had been conducting in Dixon Street, Sydney. The substance of the complaint was that Yuen had been paying money to Detective Chief Superintendent Patrick John Watson of the New South Wales Police but had been subject to police action in respect of the casino. During the course of the conversation you said: 'this is a disgraceful turnout ... who is this fellow called Watson ... I want to talk to you about this I've a good mind to speak to 'N' about it'.

Item 2:

Early in 1980 Abraham Gilbert Saffron in a telephone conversation told Ryan that he wished to obtain a lease of premises known as Luna Park. Ryan then telephoned you and you said in relation to the matter 'leave it with me'. A short time later you telephoned Ryan and said that you had spoken to 'Neville' and he is going to try to make some arrangements for Saffron to get the lease.

Item 3:

Early in 1980, in a telephone conversation Saffron told Ryan that he wanted the contract to remodel the Central Railway Station in Sydney for which tenders had been called. Ryan then rang you about the matter and you said 'leave it with me'. Sometime later you rang Ryan and told him that the contract would go to Saffron.

Item 4:

In the context of questions being raised by the New South Wales Parliamentary Opposition regarding the prosecution of persons named Roy Bowers Cessna and Timothy Lycett Milner and Ryan's participation in the matter, on 11 March 1980 in a telephone conversation Ryan told you that Milton Morris put John Mason into power and that Morris borrowed some money from Ryan. Ryan further said that Morris was repaying him in a way which was defrauding the Taxation Department. Ryan said that he would ring Morris and threaten to reveal this. In a telephone conversation you told Ryan that you had made arrangements for Ryan to meet Morris on the steps of Parliament House.

Item 5:

On 20 March 1979 in a telephone conversation Ryan requested you to ring Mr N K Wran the Premier of New South Wales for the purpose of securing the appointment of Wadim Jegerow to the position of Deputy Chairman of the Ethnic Affairs Commission and that you agreed to the request. On 31 March 1979 you telephoned Ryan and told him 'I talked to him and he is appointing that fellow to be Deputy Chairman ... Neville is ... appointing Jegerow ... He'll give it to him but I think your fellow might have been wanting to make it some long tenure or something, he said he wasn't doing that'.

Item 6:

Early in 1981 in a telephone conversation Ryan asked you if you had been able to find out whether Detective Sergeants D L Lewington and R A Jones of the Australian Federal Police were approachable. Lewington and Jones were then investigating an immigration conspiracy in which Ryan was alleged to be involved. You replied that you had made some inquiries and that the answer was definitely 'no', both officers were 'very straight'.

Item 7:

About the end of 1979 you invited Detective Chief Inspector D W Thomas of the Commonwealth Police to a luncheon at the Arirang House restaurant at Potts Point. In addition to yourself and Thomas, Assistant Commissioner J D Davies and Ryan were present. During that luncheon you said to Thomas that you and others needed someone in the new Australian Federal Police to be an informant. You said 'We need to know what is going on. We need somebody at the top'. In return for this you offered to have Thomas promoted to the rank of Assistant Commissioner in the Australian Federal Police the formation of which was then imminent.

That's fine