

**IN-CONFIDENCE**

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

**FILE No.**

C 36 /

## ARCHIVAL ACTION

FORMER PAPERS

## LATER PAPERS

**TITLE**

## ALLEGATION No. 23

## Related Papers

[illegible]

FILE NO.

309

## ALLEGATION NO 23

### Particulars of Allegation

The Honourable Lionel Keith Murphy, in or about March 1980, did agree to assist Morgan Ryan by arranging a meeting between Ryan and Milton Morris, a Member of the New South Wales Parliament, believing that the purpose of the meeting was to enable Ryan to threaten Morris with exposure of his alleged involvement in a tax evasion scheme in order to induce Morris to persuade the then Leader of the Opposition in the State of New South Wales, the Honourable John Mason, to desist from making speeches in Parliament attacking Ryan for his role in relation to summary proceedings in which Roy Cessna and Timothy Milner were the defendants. Further, the Judge did assist Ryan by taking steps to arrange such a meeting.

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) agreement to assist another in making an unwarranted demand with menaces, and without reasonable cause;
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further, or in the alternative

- b) committing a breach of parliamentary privilege by agreeing to assist another in making an unwarranted demand with menaces upon a Member of Parliament acting in his parliamentary capacity.

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



MEETING WITH SUPERINTENDENT FEN DREW, CHIEF OF STAFF  
TO THE NEW SOUTH WALES POLICE COMMISSIONER

At 2.30 on 16th of July, 1986 I met with Superintendent Drew at the 20th Floor of the Police Headquarters Building in College Street, Sydney. Also present were Patricia Sharp, Sergeant R Clarke of the Licensing Squad and Detective Sergeant R Lynch of the Breaking Squad.

I briefly outlined our function and said that we were seeking the co-operation of the NSW Police in relation to a number of allegations that had been made in relation to His Honour Mr Justice Murphy. We discussed briefly various provisions of our act.

As an opening gambit I suggest that the NSW Police Force must have collected a considerable body of intelligence on Abraham Saffron over the years. I asked whether any link between Saffron and His Honour had been uncovered at any time by the NSW Police. Superintendent Drew said that apart from what James McCartney Anderson had told Sergeant Warren Molloy (as to which see later) no link between Saffron and His Honour had come to light. That was confirmed by Detective Sergeant Clarke who from the early 1980's has been the Officer in Charge of the general licensing in the Kings Cross region; and by Detective Sergeant Lynch, who has been responsible for investigating the activities of Todor ('the Torch') Maximovich over the last few years. Sergeant Clarke said that Warren Molloy had a far more detailed knowledge of Saffron's operations because of his position as Special Licensing Sergeant in the Kings Cross region up until the time of the Bill Allen affair. Both Clarke and Molloy had at various times closed down The Venus Room, and Molloy is alleged to have a very detailed knowledge of the ins and outs so to speak of that establishment. Moreover, Molloy has been entertaining James McCartney Anderson in recent times. Apparently Anderson thinks that Molloy is a "good bloke" and is supposed to be singing like a canary to him. Molloy is overseas



until the 29th of July. Superintendent Drew is to arrange for us to meet Molloy as soon as possible after his return. He is also to arrange for us to see the people in charge of the Vice and Drug Squads in the late 70's early 80's. We were told that the Former Head of the Vice Squad, Ernie ('the good') Shepherd, may be able to tell us something about suggestions that Saffron procured females for His Honour. We were also told that the Vice Squad has been conducting a rather lengthy investigation into allegations that Phillipino girls were imported under some racket involving Morgan Ryan to work as prostitutes in The Venus Room. Details of that investigation are to be made available to us.

I then thought I would stir up the waters a bit by asking whether it had ever been explained of why when the NSW Police were busily tapping a fairly large number of known or suspected criminals in Sydney noone bothered to tape Abe Saffron's phone. There was an outbreak of mumbling by the police in the room at that juncture and I get the distinct impression that something very suspicious occurred at senior levels within the NSW Police Force to prevent such a tap being placed on Saffron's phone.

I then mentioned the statements by Egge to the Stewart Commission in relation to Luna Park and Central Railway, and the fact that very few of the other police examined by Stewart had been asked about those allegations. I gave him the attachment from the recent Stewart letter which listed all of the NSW Police Officers who'd worked for the BCI/TSU and asked Superintendent Drew to obtain for me the present location of each person listed therein. Superintendent Drew said he would do this (he complained of the logistics involved). He mentioned that the Police Commissioner had instructed police generally not to give evidence to other agencies without first being cleared by him. Superintendent Drew is to arrange clearance by the Police Commissioner. In any case, until that clearance is forthcoming, Superintendent Drew felt that none of the police would speak to us given that that instruction that is about not

speaking to outsiders had been drummed into them. I also asked Superintendent Drew to obtain, or at least locate, all of the diaries and notebooks of all of the people mentioned in that list for the relevant periods. He felt that those diaries may be with the National Crime Authority, but undertook to make enquiries. I specifically asked for the present location of [REDACTED] and Drew mentioned that he understood that [REDACTED] boat has recently been destroyed in a mysterious fire and he was not sure where he was presently hanging out.

I then said that with all of the information that was being gathered by the TSU/BCI there must have been some form of intelligence record created for each piece of information thus received. That is I felt it was an available inference that files would of been created within the BCI on His Honour if His Honour had been mentioned in any information gathered by the BCI/TSU. I asked Superintendent Drew to make inquiries to ascertain whether any such records exist and if so to obtain same. He felt that if any records had existed that they would have been destroyed. However he undertook to make the inquiries.

I then mentioned the evidence of Egge before the Stewart Commission concerning the Milton Morris allegation. In particular I mentioned Egge's statement that following the interception of a telephone conversation between His Honour and Morgan Ryan, wherein it was suggested that His Honour had set up a meeting between Morgan Ryan and Milton Morris on the steps of Parliament House, the BCI/TSU had staked out the steps to observe said meeting. I asked for all of the records of the BCI/TSU relevant to any such inquiry. I asked whether any stakeout might have been done by the Observation Squad, the BCI itself, or some other organisation and asked that all relevant records be checked. Superintendent Drew undertook to make those inquiries.

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I also asked for all of the running sheets of the BCI/TSU for the period 1978 to 82 at least. Superintendent Drew believed

that these had been destroyed by Mr Blisset in the early 1980's following the disclosure about the existence of The Age tapes. However he undertook to make inquiries to see whether any of the running sheets still existed. I then turned to the matters disclosed in the second chapter of the second volume of the Stewart Commission Report. I asked whether any investigation had been carried out into any of the allegations raised by Stewart. Superintendent Drew told me that a Task Force had been established to thoroughly investigate all of the allegations. That Task Force is headed by Detective Superintendent Stephenson. Its establishment was delayed by Justice Stewart in handing over the relevant information, but now appears to be in full swing. All of the Stewart information is being fed into computer and I understand that police have begun their inquiries. Highest priority is the Cessna Milner Matter. Also high on the list is the alleged involvement of His Honour, Ryan, Saffron, the Yuens, and police in the Dixon Street Casinos matter. It will also appear that some further investigation has been conducted into the Lowe and Shaw attempt to influence Lewington. Superintendent Drew indicated that nothing had come of this investigation. Superintendent Drew then introduced me to Detective Superintendent Stephenson and told Superintendent Stephenson that he was to co-operate fully with our inquiry. I understand from what Superintendent Drew told me that this Commission will have full access to the ongoing investigations by the NSW Police into the various allegations raised by Justice Stewart. I intend meeting with Superintendent Stephenson at some date in the not too distant future, when the NSW Police inquiries have achieved some headway.

Finally, I mentioned the Morosi break-in in February 1975. After briefly outlining the charges brought (namely larceny and illegal use of motor vehicle) Superintendent Drew expressed his disbelief that such charges would have been laid in those circumstances - invariably, no matter what the amount involved, charges of break enter with intent are brought; moreover the charge under the Motor Traffic Act is "part of ancient



"history". I asked Superintendent Drew to make inquiries to find out whether the break-in was ever reported to the NSW Police and if so, I asked him to obtain any of the files and papers that may still exist within the Police Archives relevant to that matter.

Superintendent Drew is to get back to me in the next couple of weeks in relation to all of these matters and in particular, to set up the meeting with Molloy and the other people previously mentioned.

Signed: 

Andrew Phelan

16.7.86

RECEIVED - 4 JUL 1986



## 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 [REDACTED] 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

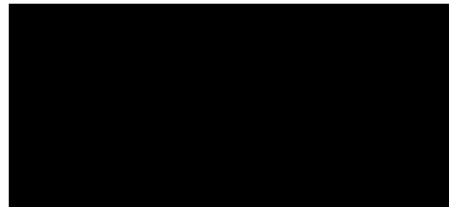
Enclosed as Attachment B is a list of persons who were attached to the New South Wales Police Bureau of Crime Intelligence and Technical Survey Unit during the periods when Morgan Ryan's telephone conversations were subjected to illegal interception. Some of those persons gave evidence to the Royal Commission 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

Kevin Robert



Huber

Kerri Lynne

Johnson

Richard Anthony

Kilburn

Roger

Lewis

John Darcy

Lowe

Paul Thomas

McKinnon

Warren James

Slucher

Regby Francis

Smith

Grahame Phillip

Stanton

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 had 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 their 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:

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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. (T1C/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. (T1C/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. (T1C/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. 23 - THE MILTON MORRIS BLACKMAIL MATTER

We have considered this matter, and we take the view that even if the conversation set out in the transcript accurately records what the Judge says, his conduct cannot amount to any criminal offence. It is plain that the Judge has not aided and abetted counselled or procured the commission of the offence of blackmail. Nor has he entered into any conspiracy with Morgan Ryan in relation to it.

The question then arises whether the Judge's conduct in (apparently) taking no action once he has been informed by Morgan Ryan of his intent to blackmail Milton Morris is capable of amounting to "misbehaviour".

It appears however that Mr. Egge has been given an account of matters pertaining to Milton Morris and Morgan Ryan which, if accepted, would implicate the Judge in some form of conspiracy to commit blackmail, or at the least put him in the position of being an aider and abetter. See the transcript of the Stewart Royal Commission at page 850. It should be borne in mind that Commissioner Stewart determined that there was nothing whatever to blackmail Milton Morris about. It appears that he also drew an adverse inference against the veracity of Egge in regard to this matter.

### Matters to be investigated

We should speak to the following witnesses:

1. Egge
  2. [REDACTED]
  3. Lamb
-



4. Milton Morris
5. Morgan Ryan
6. John Mason

We should also examine carefully the running sheets prepared by the Federal Police. Note: It seems to us that unless Egge can give evidence to substantiate his allegations of what he overheard on the tapes, the particular form in which this matter appears in the summaries does not reveal any misbehaviour on the part of the Judge capable of sustaining his removal. Once again, however, it would at the very least constitute a basis for cross-examination. Note: We should also speak to Bruce Miles regarding this matter. We should speak to "Reg" the Jeweller (whoever he might be). See the summary - 11 March 1980. We must also speak to McVicar who prepared the summary.



# 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.

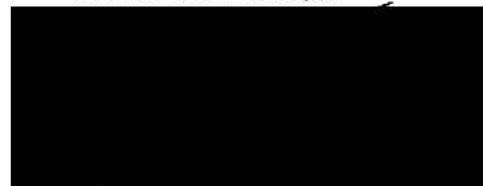
It should be understood that as presently advised the Commission does not propose to invoke any of its powers in order to obtain from you a response. If you choose to respond you may do so by letter, written or verbal statement, sworn evidence or some other method elected by you. If a written document 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

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.

000008

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'.

000007

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*

*well*  
CONFIDENTIAL

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# Royal Commission of Inquiry into Alleged Telephone Interceptions

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FINAL REPORT

Volume 2

Commissioner: The Hon. Mr Justice D. G. Stewart

Photocopy prepared in the  
Department of the Prime Minister  
and Cabinet on 27 May 1986.

April 1986

CONFIDENTIAL



... and he is appointing that  
fellow to be the Deputy Chairman ... Neville is ... appointing  
Jaggereau'.<sup>86</sup>

2.75 When Ryan appeared before the Commission on 19 December 1985 he said that he knew a Bill Jegerow who held a position such as Deputy Chairman of the Ethnic Affairs Commission of New South Wales. He said he had been introduced to him by his partner, Bruce Miles, who had asked Ryan to 'put in a word' for Jegerow to assist him in securing this position.<sup>87</sup> Ryan said he had some recollection that he may have mentioned it to Mr Justice Murphy and that he may have asked Mr Justice Murphy to do something for Jegerow. He had no further recollection of the matter and could not recall whether he had asked Mr Justice Murphy to speak to the Premier of New South Wales. He said he had no recollection of the abovementioned telephone conversations and had no recollection of Mr Justice Murphy advising him that the Premier was appointing Jegerow to the position.<sup>88</sup>

2.76 For the reasons set out in paragraph 2.43 above Mr Justice Murphy was not called to give evidence to the Commission. This was one of the matters raised with Mr Justice Murphy in the Commission's letter of 25 March 1986, upon which Mr Justice Murphy declined to comment. It was not considered necessary to call Mr Wran.

2.77 While the Commission does not accept that Ryan was a witness of truth and finds his lack of precise recollection of his involvement in Jegerow's appointment unacceptable, it is of the view that there is no evidence of any criminal offence having been committed with respect to Jegerow's appointment as Deputy Chairman of the Ethnic Affairs Commission and no further action is recommended.

#### Possible Blackmail of Mr Milton Morris

2.78 In February and March 1980 there was a number of questions asked by Opposition members in the New South Wales Parliament relating to the

prosecution proceedings against Cessna and Milner [see Volume Two paragraphs 2.213-2.251]. In particular, the then Leader of the Opposition, Mr John Mason, MP, attempted to have the New South Wales Government institute an inquiry into the matter and also called upon the Premier to terminate Mr Murray Farquhar's appointment as Chairman of the Drug and Alcohol Authority.<sup>89</sup>

2.79 Newspaper publicity concerning Mr Mason's attack was intense. Articles in the Australian and the Sydney Morning Herald on 5 March 1980 referred to Mr Mason's comments about Ryan's participation in the matter. In addition, the Sydney Morning Herald contained an article titled 'Koreans Allege \$3.5M Racket' which referred to allegations that prominent members of Sydney's Korean community had complained of an immigration racket involving a Sydney solicitor.

2.80 On 9 March 1980 the Daily Telegraph contained an article by Mr Kevin Perkins which quoted vehement denials by Ryan of the allegations relating to Cessna/Milner and the immigration matters. The article quoted Ryan as inviting Mr Mason to repeat his statements outside Parliament so that they could be put to the test.<sup>90</sup>

2.81 In the Ryan summaries prepared by Sergeant B R McVicar several entries appear dated 9, 11, 12 and 19 March 1980 which refer to conversations recording Ryan discussing the newspaper article and a certain 'Milton Morris'.<sup>91</sup> Mr Milton Morris at that time was a senior member of the Opposition in the New South Wales Parliament and had been a Minister for a number of years when the Opposition was in government.<sup>92</sup>

2.82 According to the summaries, Ryan stated that Morris had borrowed money from him to set up a dairy.<sup>93</sup> He further said that because of the way Morris was repaying the loan, Morris was defrauding the Taxation Office.<sup>94</sup> According to the summary of a conversation on 11 March 1980 Ryan told a person identified in the summary material as Mr Justice Murphy that he was 'going to ring Morris and pull him into gear and tell him that he will reveal all if Morris does not pull Mason into gear'.<sup>95</sup> Two entries later a summary records a conversation said to be between

Ryan and Morris in which Ryan arranged to meet Morris on the steps of Parliament House on 19 March 1980.<sup>96</sup>

2.83 In addition to the entries contained in the summary material, the Commission heard evidence from Sergeant P L Egge, who had been attached to the BCI between 14 September 1980 and 31 January 1982, of similar telephone conversations involving Ryan. The Commission found the evidence of Egge confused and vague. He said that the source of his information was transcripts of telephone conversations involving Ryan<sup>97</sup> but he could not recall the background to the conversations nor the sequence of events. The Commission does not propose to detail the evidence of Egge as the Commission finds it unreliable.

2.84 The Commission has already stressed the caution needed when referring to the summary material prepared by McVicar. There is no doubt that when compiling the summary material, McVicar was at pains to extract all possible references to illegal activities, particularly involving prominent or notorious personalities. He was inclined to draw adverse inferences where perhaps other inferences were available. As stated elsewhere, the Commission does not accept this material as accurate [see Volume One paragraphs 14.72].

2.85 The Commission obtained a statement and heard evidence from Mr Milton Arthur Morris. Morris said in his statement that prior to his retirement on 31 August 1980 he had been the Member for Maitland in the New South Wales Legislative Assembly for over twenty four years and had served in the Liberal/Country Party Government as a Minister from 1965 until 1976.<sup>98</sup>

2.86 Morris said that he had retained Ryan as a solicitor in or about 1955 in connection with an application by himself and eleven other Newcastle dairymen for a licence from the Milk Board. The application was successful. He said that this was the only matter about which he ever consulted Ryan or his firm of solicitors. He said he had never borrowed money from Ryan, his firm, or from any persons who were, to his knowledge, clients of Ryan or the firm.<sup>99</sup>

2.87 Morris said that his family company, which is the owner of his principal dairy interest in the Maitland area, was involved in a joint venture to subdivide and develop some of its land for which funds were being borrowed. Records of the Land Titles Office were examined by the Commission with respect to the titles of the various properties apparently utilised by Mr Morris in his dairy businesses. No indication was found of any funds borrowed from Ryan, or of any loans apparently handled by Ryan or his firm, and no evidence could be found of arrangements for the acquisition of property or the conduct of businesses which lent themselves to the evasion of tax. Morris denied that he had participated in any taxation schemes designed to defraud the Australian Taxation Office and in fact disapproved of such schemes.<sup>100</sup>

2.88 Morris said that in all the twenty eight years since Ryan had first acted for him, he probably only saw him on an average of once a year. He said approximately five years prior to his giving evidence to the Commission he met Ryan's partner, Mr Bruce Miles, who had asked him to give a character reference for Ryan in relation to Ryan's prosecution in connection with immigration offences. He said he had told Miles that he doubted that his evidence would be of any assistance because of his limited contacts with Ryan, but he would give a reference if required, although ultimately he had been unavailable at the time when the case was heard.<sup>101</sup>

2.89 Morris said that after the conversation with Miles, Ryan telephoned more frequently in connection with the provision of a reference. In the course of one such conversation Ryan made mention of the fact that Mason had been raising Ryan's name in Parliament and had asked if Morris would speak to Mason about it. Morris said he did not think that he spoke to Mason as he did not have much influence upon him. He said that on one occasion Ryan had telephoned him at Parliament House to suggest a meeting for coffee. They met at the Wentworth Hotel where Ryan spoke about the character reference, the allegations being raised by Mason in Parliament and other matters.<sup>102</sup>

2.90 In his statement Morris said that prior to March 1984 he had been informed that a publication named 'The Sydney Squealer', a copy of

which had been retained by him,<sup>103</sup> had referred to the subject matter of the entries from the summary material outlined above [paragraphs 2.81-2.82] and to Ryan's possible blackmail of Morris. Morris stated that on 2 March 1984 he received a telephone call from Ryan, the details of which he recorded shortly thereafter in a note.<sup>104</sup> During that conversation Ryan referred to the publication of the matters in 'The Sydney Squealer' and said:

I appeal to your Christian charity to forgive me for the great wrong I have done you. I do not know what possessed me. I was a broken man when I spoke to His Honour and said that you had been in a tax avoidance swindle and unless you helped me I would tell all. Will you give me your forgiveness? You have never done me harm.<sup>105</sup>

2.91 The note made by Morris, a copy of which he produced to the Commission, recorded that they had then discussed Ryan's having acted for Morris in relation to the licence application and that he had told Ryan that he bore him no grudge, for which Ryan apparently thanked him 'from the bottom of (his) heart'.<sup>106</sup>

2.92 Ryan was questioned about the entries in the McVicar summary relating to Morris when called before the Commission. Ryan confirmed that he had acted for Morris in relation to the dairy business, but he said he had no recollection of any conversations of the type referred to in the entries of the summary material which have been set out earlier. Ryan said he had no recollection of ever having met Morris at the Wentworth Hotel although he had gone to Parliament House on one occasion to see him.<sup>107</sup> He said he had no recollection of the conversation of 2 March 1984 of which Morris had given evidence.<sup>108</sup>

2.93 The Commission found Morris to be a truthful witness and accepts his evidence. There was no evidence before the Commission that Morris had in fact defrauded the Commissioner of Taxation. The Commission finds that, even if Ryan did propose to blackmail Morris over alleged taxation malpractices, no such threat was ever made.

2.94 For the reasons set out in paragraph 2.43 above Mr Justice Murphy was not called to give evidence to the Commission. This was one

of the matters raised with Mr Justice Murphy in the Commission's letter of 25 March 1986, upon which Mr Justice Murphy declined to comment.

#### Anglers Club Fire

2.95 As outlined previously in Volume One of this report [paragraph 13.6], one of the areas nominated by the Under Secretary of Justice in April 1984 for investigation by the Special Task Force headed by Chief Superintendent J M Pry was the fire at the Anglers Club, 43 Falcon Street, Crows Nest, on 2 August 1979, the subsequent conduct of Morgan John Ryan, Abraham Gilbert Saffron, Eric Jury and others in relation to that fire, and the conduct of the Coronial Inquiry concerning that fire. Certain areas were suggested for investigation by the Special Task Force. These inquiries were made by Sergeant A G Ward who prepared a report which was adopted by Pry and became Annexure 45 to his report of 28 June 1984.<sup>109</sup>

2.96 The investigation into the fire at the Anglers Club was originally conducted by Sergeant H J Lowe who prepared a report dated 22 October 1979.<sup>110</sup> In his report, Lowe concluded that the fire had been deliberately lit and recorded that the Club had recently renewed and increased its insurance. Although Lowe did not nominate a definite suspect for the arson, it appeared to him that the only persons who stood to gain from the fire were 'persons connected with the Club', who included three directors, Steven Romano, Terence John Williams and Peter Dunkerley. Lowe interviewed the Club's eight directors and recorded various links between five of them and Jury.<sup>111</sup> Williams told Lowe that he believed that Jury was a member of the Club while Romano stated that he did not know Jury. Dunkerley was apparently not questioned by Lowe as to his knowledge of Jury.<sup>112</sup> However, Lowe did not record any connection between the directors and Ryan.

2.97 On 6 March 1981, Mr Walsh SM, who had conducted the Coronial Inquiry into the fire, found that the premises were destroyed by the deliberate act of some person or persons unknown.<sup>113</sup>



AUSTRALIAN FEDERAL POLICE  
 EASTERN DIVISION  
 INVESTIGATION RUNNING SHEET

1023

SUBJECT:..... TARGET "ZULU".....

| DATE            | INFORMATION OBTAINED-ACTION TAKEN   | POLICE CONCERNED  |
|-----------------|---|---|
| <p>10/170/6</p> | <p>At 11.35 am this date I met with informant [REDACTED] who supplied the following information:-</p> <ol style="list-style-type: none"> <li>1. Morgan RYAN was recently contacted by Joe MORRIS, reporter for the Australian who stated that he was in receipt of information that he, Morgan was under investigation as regards the facilitation of illegal immigrants in obtaining permanent residence status in Australia. MORRIS discussed with Morgan the recent events surrounding the arrests of numerous Chinese and he also stated that very little action will be taken until the officers returned from Perth.</li> <li>2. Lionel MURPHY rang Morgan RYAN and told him that he was doing things on his behalf and that he was pleased to see that Morgan RYAN had <u>retaliated in the press</u>. However they would have to watch themselves and be very mindful of his 'phones. MURPHY also told him that Milton MORRIS had put MASON into power and that MORRIS had owed money to Morgan RYAN and Lionel MURPHY and by virtue of the method of repayment of these loans, it was obvious that MORRIS had been defrauding the Taxation Department and this may be a way of getting at MORRIS. RYAN proposed to see MORRIS and apply pressure to him in an attempt to pull MASON off.</li> <li>3. By virtue of the activities of FEDPOL and the allegations of the NSW parliament, Morgan RYAN had telephoned Father KIM, a prominent minister of religion in the Korean community and caused Kim to make a statement in his church to the effect that if any Korean citizen was approached by a Federal police officer he was to immediately decline to answer questions and contact MORGAN RYAN (their solicitor) immediately.</li> </ol> <p>A large number of individuals in the Korean community were also given letters that they were to produce if questioned by police.</p> | <p>Det Insp LAMB</p> <p>293</p> <p>293</p> <p>293</p> <p>TI-0212</p> <p>12</p> <p>293</p> |



MILTON MORRIS

March, 1980 - Morgan rings Murray Farquhar at his home. Further discuss the newspaper article and also mentions that the tax men have hit Don Scott. Morgan tells Farquhar that he has lent Scott \$38,000 and they wanted to know where he got the money from. Talk about Morgan Ryan representing Milton Morris.

- 11 March, 1980 - Morgan receives an incoming call from Reg. They talk about a man named Norman Skolnik, who lives in Israel and travels the world. Skolnik is a great friend of Ronnie Goss together with Milton Morris and Mason, the Leader of the Opposition. All go to Bondi each morning. Some talk about Milton Morris liking the girls. Reg then agrees to ring back.

- Reg rings Morgan again (Reg is a jeweller). Morgan is very happy that Reg is a friend of Milton Morris and John Mason. Morgan protests his innocence to Reg and then tells him that he acted for Morris at one time and that he has something on him and that he lent Morris money for the diary and helped with the dairy licence etc.

- Morgan to Lionel Murphy. Talk about the article in the newspaper. Murphy says that it is good and shows that he is fighting back. Morgan tells Lionel that Milton Morris put Mason into power and that Morris borrowed some money from him (Morgan) to set up the dairy and that the way he is paying the money back he is defrauding the Taxation Department. Morgan is going to ring Morris and pull him into gear and tell him that he will reveal all if Morris does not pull Mason into gear. Murphy warns Morgan about the phone and using it.

- Incoming call from Bruce Miles to Morgan. Talk about the article in the newspaper and they both agree that Morgan should ring Milton Morris and attack him. Bruce asks Morgan will he be anywhere near the 'red' phone and the answer is yes. Bruce will ring him there or see him there.

- Morgan rings Milton Morris and complains [about] what is going on. Morris says that he was not consulted about the matter and is being kept in the dark. Morris will meet Morgan on the front steps of Parliament House at 3pm Tuesday afternoon.

- 12 March, 1980 - Incoming call from Murray Farquhar. Morgan tells Murray F that he has spoken to Milton Morris and that he plans to see him at Parliament House. Murray F suggests that he is prepared to go and see Abbott and answer the allegations that have been in the paper.

- 19 March, 1980 - Morgan rings Parliament House and speaks to Milton Morris and tells him that he will not be there to see him until 4pm.

- Morgan rings Mark Murray... Morgan mentions to Mark that he is going to see a former Minister later today at Parliament House...

~~- Morgan rings Parliament House but no one answers.~~

- Morgan rings his office and speaks to Kevin... Ryan also mentions to Kevin that he has an appointment with Milton Morris.

27 March, 1980 - Murray Farquhar rings Morgan Ryan. They discuss Parliament being a mad house. Murray informs Morgan that ? has something on the leader. Morgan doubts this and says that he is a 'Bible-bashing, psalm-singing drongo'. From the conversation the leader they're talking about is Mason, the Leader of the Opposition. Murray speaks about getting his act together to attack...

Should be a take on them the same as poker machines.  
Murphy: Yep, okay, terrific, righto...

Ryan to/Murphy.

Murphy: Hello.

Ryan: Can you speak for a second?

Murphy: Yeah.

Ryan: Did you see this filthy Rofe is now on the Woollahra Council?

Murphy: He's been there for some time. You've done nothing about him.

Ryan: Oh, we'll go for that. We will go to that, um, we will certainly go to that luncheon. We're going to do something now. This'll be a beauty coming home from the functions there.

Murphy: Yep....

- 8 February, 1980 - Ryan and male probably associated with the Federal Police. In the discussion, Ryan speaks of a talk he has had with Don Thomas. He speaks of Marney (s.l.) who was 'in charge of ASIO. And he was a mate of that other mate of mine up there (Murphy).' Also:

Ryan: Lionel and I had lunch with Murray and he had lunch with Brieese. I only spoke to them and left. And Lionel said, 'Tell that mate of yours that Don introduced us to that he's got friends in the right places if necessary.'

Male: Yeah, up in the magistracy.

Ryan: Yeah. And you know, he was helped to get there, the fellow in the number one job...

- 22 February, 1980 - Lionel Murphy contacts Ryan. They discuss Bob Ellicott some malicious prosecution..

- 10 March, 1980 - Morgan rings Lionel Murphy on [REDACTED] but there is no answer.

- 11 March, 1980 - Morgan to Lionel Murphy. Talk about the article in the newspaper. Murphy says that it is good and shows that he is fighting back. Morgan tells Lionel that Milton Morris put Mason into power and that Morris borrowed some money from him (Morgan) to set up the dairy and that the way he is paying the money back he is defrauding the taxation department. Morgan is going to ring Morris and pull him into gear and tell him that he will reveal all if Morris does not pull Mason into gear. Murphy warns Morgan about the phone and using it.

- 12 March, 1980 - Incoming call from Lionel Murphy. See page 1 of tape 78.

- 13 March, 1980 - Incoming call to Morgan from Lionel Murphy. See page 1 of tape 80.

- 14 March, 1980 - Incoming call from Lionel Murphy for Morgan. Morgan is not at home.

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Incoming call from Lionel Murphy to Morgan Ryan. See page 1 tape 81.

Ryan: Definitely alright. Well, you do that. I'll get to your place somehow. Do you think...I'll talk to the others.

Yuen: Okay, I'll wait for your call.

Ryan: I'll talk to the others because I've also got another plan in view at which we might we might be able to at least bottle this fellow up. Okay.

Later - Ryan to Brian Boyd: To save time, I was present at a very important situation this morning and my understanding was, this seems to me why I repeat things, I said when we sat here the other night, Try and put this off. And he said, Well I don't think I can do that. But then he said, I thought, I understood that I thought he said he would give me until the 10th or the 12th. And I said, Alright, now I've got until the 10th or the 12th to come up with the answer. And I said, Surely you can hold off until then. However, he's paid the 50 and he's done it cold.

Boyd: Done it cold!

Ryan: That's right. Now, what I know only 7 other people know. I can assure you of that. I said I'm not going to discuss it over the phone. But I want to meet you and look you straight in the face.

Boyd: I'll just get this door. I'll be right back.

Ryan: I'm going to try and see him tonight at the restaurant. And he said that you can come along. But I won't have any time to spare there.

Boyd: I don't know. I don't particularly don't want to see him. You just go on from there. I think the way we left him on that day was quite clear in my mind. What he wanted to do with the 50 was up to him. You said don't, but he said, Oh yeah, but I feel like doing it.

Ryan: Yeah, well, I knew he was in the squeeze box.

Boyd: And you said, If you can delay him. He said, Look, I'll take the punt on the 50 now, he said. He's taken a punt on it. Now, if he's done it, he's done it, right? That's the short, and we carry no involvement with that at all.

Ryan: Oh, I know that. But we carry an involvement in one way. But I mean I just said to him why I want to talk to him face to face, is he's got to face the reality of facing his directors, because you can't keep feeding them all this bullshit. They'll wake up in the finish and he will lose them. I'm going to lay the strategic plan to keep the other fellow now in the squeeze box. If he's got the 50 and thinks he's got it, well, he'll have to fuckin' work for it in the finish in some shape or form.

Boyd: You reckon he's done it cold.

Ryan: He's done it cold.

Boyd: You couldn't believe it, could you?

Ryan: He's done it cold because it's just not on.

Boyd: That's not happening?

Ryan: No, it's not happening. But I was blandly told as a matter of fact, I've told him it's virtually, well it has cost me 5 G, and I told him I'd look into his eyes and tell him why it did and how it did and how I got involved and how I had to go into it. It's, you know, I've become a bit involved in the bastard of a bloody by-election, you see. I said I'd do something there.

Boyd: Make sure that came in the front. Well, you're going to see him tonight.


Ryan: Well, the thing was, I couldn't say anything about this matter. I spoke of my nominees and what I wanted to do and everything else...and it took some really setting up. And I was



Another example of the connections and influence of Ryan was that he provided a loan to Milton Morris, M.P. which enabled the latter to purchase a farm at Dungog. It appeared from the transcripts that these funds were provided by Saffron in consideration for Morris ceasing to criticise something in Parliament. I do not recall what it was. Sometime in 1980 Ryan was to meet Morris on the steps of Parliament. Morris did not attend. I do not recall any more of this but I do know that Morris did buy the farm and currently lives there as I know people who live in the same area.

Another matter which was discussed between Ryan and Saffron was the fires which had occurred in 1980 in Saffron's 'Gay' Bars and the pending coronial inquiry. The fires were investigated by Detective Sergeant Gary Lowe. Although I cannot remember the detail it appeared from the transcript that the investigation of these was not conducted in a satisfactory manner. I also recall that Lowe was suggested as one of the 'lock-up' police to join the BCI (that is, police to carry out arrests and attend court). He was mentioned more than once by Inspector Morrison. Finally his name appeared on a list of persons to join the BCI and I spoke to Superintendent Palmer and referred him to the relevant transcript. As a result Lowe did not join the BCI. My conversation with Palmer occurred while Morrison was on leave. After this my relationship with Morrison deteriorated and eventually I was transferred back to uniform at Merrylands which was my last preference on the list that was made available to me.

There is another matter which relates to Saffron which I can recall. I think this matter was also referred to on the transcripts though I do not precisely recall. After the fire at Luna Park a lease was to be granted to 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. Soon after this



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and the second one being Rabid. I think we have problems here.

STINGS: Yes, they are an exhibit, your Honour.

COMMISSIONER: I just want to have a look at these specific lines. Yes, will you go ahead, then?

STINGS: On the top of page 6 of your supplementary statement you refer to a matter as an example of Mr Ryan's connections and influence involving Milton Morris MP?---Yes.

here set out the substance of the matters which you recall. Could you be more precise about what it was that you actually heard on the tapes which related to that matter?---Again, generalising, it was Mr Morris was making - - -

u tell me who were the participants to that conversation or conversations?---Yes. It would have been Abe Saffron, Morgan Ryan and Mr Lionel Murphy.

u do your best to refer to particular conversations?---Yes. The conversation was about Mr Morris, was - - -

7, who were the participants in this conversation?---It was definitely Morgan Ryan. I cannot think who the other party was, but subsequently to that conversation with that other party a telephone call was made by Morgan Ryan to Mr Justice Murphy as a result of that, but what the - - -

s the first conversation?---If I can make a generalisation leading up to that conversation, I would like to.

ht?---Milton Morris was making a lot of allegations or complaints in parliament about some event or somebody and it affected this person whose name I cannot remember now who rang Morgan Ryan and complained about it. Morgan Ryan said, "Well, I will get it stopped".

emer or the type of person? Was he a business man or a racing identity or a professional man?---I believe he was a criminal, and then he in turn spoke to Lionel Murphy.

MISSIONER: Who did?---Morgan Ryan.

yan then spoke to Mr Justice Murphy, did he?---Yes, about the allegation, and Mr Justice Murphy said to leave it with him, that he would make some sort of arrangement. Whatever the arrangement was, I am not aware of. Anyhow, Abe Saffron contacted Morgan Ryan about the same complaint.

Did you hear this on the phone?---Yes, and Morgan Ryan said that something was being done about it, and then Mr Justice Murphy rang back Morgan Ryan, and Morgan Ryan - Mr Justice Murphy had made arrangements - - -

I am sorry, Mr Justice Murphy rang Morgan Ryan?---Yes.

What was that conversation?---Mr Justice Murphy had made arrangements for Morgan Ryan to meet Milton Morris on the steps of Parliament House.

That is what Mr Justice Murphy said to Morgan Ryan on the telephone?---Yes.

"I have made arrangements for you to meet Milton Morris"?  
---On the steps of Parliament House.

Did he say which Parliament House?---Sydney at that stage.

Did he say for what purpose?---No, I cannot remember what the purpose was but I do know that our surveillance squad fellows took up positions in Macquarie Street to photograph the event, and Milton Morris did not turn up.

Just pausing there, can you tell us approximately what time these conversations took place?---Again, sir, I do not know what time. It would have been during the daylight hours, of course.

But what year, even?---It would have been - if I could be just informed of the dates, of the three different dates?

MR HASTINGS: Mad Dog - although I do not think you are familiar with the operation names - the first operation was in 1979?---Yes.

The second was the first half of 1980?---Yes.

The third, 1981?---Yes, it would have been towards the middle of the year 1980.

THE COMMISSIONER: About the middle of 1980?---Yes.

How do you know that the surveillance team went to Macquarie Street to try to take some photos?---Because when they left the office they said that they were going up to Macquarie Street to take some photographs. Then when they came back they said Milton Morris did not turn up.

Do you know who the surveillance people were on that occasion?  
---No, sir. It would have been any - it was about - at least three or four of them.

But you do not remember them?---I do know who were in our surveillance team but I do not know which ones of our surveillance team went up.

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RYAN

did  
Morgan  
Ryan?

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who were in the surveillance team?---Jack Meadley or John Meadley, Alan Rudd, Bob Anderson - I have got a document in my wallet. It is just telephone numbers, sir, of these police, and if I could refer to that I would be able to tell you.

Yes?---Sergeant Ogg, Treharne, Champion, Owens, Fransisco, Sweeney, Williams, Aust. That is them, sir.

Do you say there were, you think, three or four of them?---Yes.

Went on this occasion?---Yes.

You cannot remember any one of them?---Who done that particular

Who did that particular job; is that correct?---Yes.

But you can remember one or more of them saying that Milton Morris did not turn up?---Yes.

Did one or more of them say whether Ryan turned up?---No, they did not say that.

They did not say one way or the other?---No. All they said was that Milton Morris did not turn up.

Yes, Mr Hastings?

MR HASTINGS: Did something happen after that?---I do know after that that the allegations stopped in parliament and that the reason why they approached Mr Morris to stop making the allegations was that Milton Morris had obtained a loan for an amount I do not know to purchase a farm at Dungog.

THE COMMISSIONER: What is the source of that information, Mr Egge?---That was contained on the transcript and that was mentioned by Morgan Ryan. I can distinctly remember that.

Mentioned by Morgan Ryan to whom?---To Abe Saffron.

What did he say?---He said we had lent him the money to buy his farm at Dungog. Apparently it was tax free.

You say apparently it was tax free. Why do you say that?  
---Because that was mentioned in the tapes too.

In the tapes or the transcripts?---The transcripts.

You did not actually hear this yourself?---I read it.

You read it on transcript?---Yes.

So you assume that somebody else heard it and typed it into the transcripts?---Yes.



buy the farm" or whatever it was - the property?  
---Yes, that is right, and apparently the money was  
supplied to Milton Morris at a very low rate, etcetera,  
and I think that Morgan Ryan said, "We will get him  
to stop this, otherwise we will disclose this loan".

You think that. Can you recall?---I do not think it; it was  
said.

What you are saying is, you read this on the transcripts?---Yes.

Are you able to say who had typed the transcripts?---No, sir.

Or who had actually heard the conversation on the telephone?

---No, sir, I cannot do that.

MR HASTINGS: Did you read any transcripts relating to that  
conversation in the material shown to you more  
recently by the commission?---Yes, I believe there  
was some of that conversation as indicated there.

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P.L. EGGE

Transcript-in-Confidence