

Memorandum

To: Robert Redlich QC
CC: Jim Valos
From: Nicola Gobbo
Date: 28/03/02
Re: Tony Mokbel: Bail Application

At 6.35pm tonight I called De Santo in order to clarify matters discussed earlier today.

He was not reluctant to speak to me. I told him that I was calling because I understood that Jim had left a couple of messages on his phone to which he had not responded. I also told him that ideally we wanted Jim to speak to him with a view to calling Jim to give evidence of that conversation.

I think he indicated that he had a message from the Crown but he is unwell and has not returned any calls today. He is not in his office tomorrow; he has a doctor's appointment at 11am and a specialist's appointment [redacted]. He will come back to Court if he is asked to do so or ordered to by His Honour (got the impression that he would prefer the judge requesting his attendance). Tomorrow afternoon is a possibility for him but he is not available in the morning.

He stated later that if Bill Morgan -Payler called him then he would have to tell him that I had called. I told him that I had no difficulty with that.

I told him why we needed to speak to him and summarised a little of [redacted]'s evidence for him. He was very enthusiastic in telling me that [redacted] had had "the audacity to report him" to more senior police on the basis that De Santo was conducting an investigation into him. De Santo said that was partly why we saw him sitting in at McCulloch's Committal last week. [redacted] had also complained, requesting De Santo to expedite his investigation.

De Santo told me that I should get a copy of [redacted]'s evidence from the Committal in which he apparently told the Court that the evidence that he had given at an earlier bail application was wrong (about the drug quantity). [redacted] was cross-examined about the location of money during a search of the property (McCulloch's). The money was that which De Santo received a complaint about ie. the money that McCulloch claims was put there (by Rosenes).

De Santo stated that he (ESD) does not have a great relationship with the Drug Squad and that he is sick and tired of them putting things onto him. He said he has to be careful whenever he goes to a court to give evidence because it is misinterpreted and results in formal complaints being lodged (by non-ESD police).

March 28, 2002

He asked why you didn't ask him about Operation Sejar and his investigation into corruption in the Drug Squad. I told him that it was only because the Judge had limited us and it had been a struggle to actually convince His Honour to allow any evidence at all.

I asked him whether [PII] had been in regular weekly contact with him last year in relation to [PII] attitude to giving evidence/assisting the prosecution. He said that he had not had that contact.

De Santo went on to explain that prior to the [PII] arrests there was a meeting in a hotel room in Melbourne with Wayne Strawhorn, [PII], himself and [PII] (not sure who else was present). De Santo says he was trying to broker a deal regarding [PII] assisting [PII] but that Wayne had "carried on" and almost stormed out. Apparently Wayne and Steve Paton had promised [PII] [PII] for his assistance. It was not forthcoming and [PII] had complained about it as high as the Chief Commissioner's Office. [PII] would be VERY UNLIKELY to assist the Drug Squad after that time according to him; "it was the end of the story." He could get the exact date from his diary.

His understanding was that [PII] had left the Drug Squad not the other way around. Agreed around mid June. The Drug Squad abandoned him and would not give him/help him [PII]

Between the meeting and [PII] committal in early [PII] 2001, De Santo had tried to sort it out but went on to say that "after the way they (the Drug Squad) treated him at [PII]" and "they tried every trick" to make it as difficult as possible for him, there was no conceivable possibility at all that [PII] would help them (the Drug Squad). De Santo sorted out a deal with [PII] to assist him or "I negotiated for my position." (ie. with Rosenes' prosecution).

I told him [PII] had indicated that he still hopes [PII] will give evidence/make statements. De Santo said that was not going to happen.

De Santo indicated that the investigation into [PII] is not over, it hasn't concluded and he has not been cleared. He did not speak to [PII] and state that it had resolved (as [PII] suggested today.)

De Santo did not directly state that Wayne Strawhorn was being investigated, but clearly he is. As far as De Santo is concerned, Wayne only came forward with information about Rosenes because he wanted to try and protect his own position. De Santo did not disagree with my comment that Wayne had been running his own show, completely uncontrolled at the Drug Squad for years.

He enquired as to my possession/knowledge of the Rosenes brief. I told him that I had appeared for Schentzer at his Committal mention and had drafted a Form 8A as well.

He then said "well you've obviously figured out" that I got onto [PII] before Strawhorn called. De Santo said that Strawhorn controls every operation at the Drug Squad but never makes a statement or gives evidence/gets asked questions about them. De Santo said that Strawhorn told him that he had discovered the unauthorised chemical purchases at Sigma but the reality was that Sigma advised him (ESD).

March 28, 2002

Significantly, he said that after Rosenes and Paton's arrest, (July 29 and mid June) the Drug Squad did not want to do anything to help [REDACTED]. It was not in their interests because "they (Rosenes and Paton) had the capacity to blow the Drug Squad sky high.

De Santo told me that [REDACTED] and Strawhorn had been out to the prison to offer [REDACTED] bail if he [REDACTED]. I told him that my instructions are that they had paid Tony at least one visit [REDACTED] (I guess he wasn't an unacceptable risk then.) De Santo suggested putting that to [REDACTED] and calling for the [REDACTED] recording of any conversation. (I think putting it to [REDACTED] is one thing but God only knows what Tony said to them.)

He would be happy to talk to us about what he is interested in speaking to Tony about in the future. I told him that we did not have instructions to do so at present.

De Santo said that he would tell Morgan-Payler I had spoken to him if he received a call. I said that I couldn't imagine he would get a call from the Crown seeking for him to be recalled. I told him that Morgan-Payler had indicated that he may withdraw tomorrow due to a potential conflict.

He did not want to say much on this topic. However, he felt that the 2IC in the Rosenes/[REDACTED] transcript is Morgan-Payler and that what Rosenes is saying appears to be accurate in the conversation. De Santo won't be surprised if it gets adjourned tomorrow (on the basis that Morgan-Payler gave advice to the Drug Squad (I think) as to proceeding without [REDACTED]).

~~9/8~~

Response

Grant

Written submissions:

MPayler: bits of tape \$200K QC fees
3 x tapes

Ex Q, T, U

State Crown (i) v La wish

(ii) reverting course of i.